Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	HUPSTEEL LIMITED
Securities	HUPSTEEL LTD - SG1CD8000008 - BMH
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	29-Aug-2016 17:10:08
Status	New
Announcement Sub Title	Full Yearly Results
Announcement Reference	SG160829OTHRI8ZN
Submitted By (Co./ Ind. Name)	Tan Ching Chek
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to the attachment.

Additional Details

For Financial Period Ended	30/06/2016
Attachments	ResultsQ4FY16.pdf Total size =121K

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HUPSteel Limited
4QFY16 & FULL YEAR FINANCIAL STATEMENTS (UNAUDITED)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

1(a) Group statement of comprehensive income and comparative statement for the corresponding period of the immediately preceding financial year

The following figures have not been audited.

	GROUP (S$'000)					
	3 months ended 30.6.16	3 months ended 30.6.15	% +/(-)	12 months ended 30.6.16	12 months ended 30.6.15	% +/(-)
Revenue and rental income	12,444	17,452	-29%	56,370	84,386	-33%
Changes in inventories*	(2,267)	(1,655)	37%	(15,398)	(9,241)	67%
Purchases of inventories	(11,477)	(15,774)	-27%	(38,215)	(63,214)	-40%
Gross profit	(1,300)	23	NM	2,757	11,931	-77%
Other losses	(203)	(4,635)	-96%	(1,264)	(4,559)	-72%
Other operating income	327	345	-5%	1,408	1,418	-1%
Staff cost	(2,185)	(1,848)	18%	(7,809)	(7,519)	4%
Depreciation	(515)	(413)	25%	(1,979)	(1,665)	19%
Other operating expenses	(7,607)	(3,499)	117%	(11,406)	(7,981)	43%
Finance cost - net	7	(51)	NM	(4)	(81)	-95%
Loss before tax	(11,476)	(10,078)	14%	(18,297)	(8,456)	116%
Income tax (expense)/credit	(776)	781	NM	(797)	505	NM
Total loss	(12,252)	(9,297)	32%	(19,094)	(7,951)	140%
Other comprehensive loss:						
Currency translation differences arising from consolidation	72	(112)	NM	(276)	(311)	-11%
Available-for-sale financial assets						
- Fair value gains/(losses)	803	(630)	NM	(33)	31	NM
- Reclassification	(109)	(50)	118%	(80)	(502)	-84%
Total comprehensive loss	(11,486)	(10,089)	14%	(19,483)	(8,733)	123%
Loss attributable to Equity holders of the Company	(12,252)	(9,297)	32%	(19,094)	(7,951)	140%
Total comprehensive loss attributable to Equity holders of the Company	(11,486)	(10,089)	14%	(19,483)	(8,733)	123%
Losses per share based on profit attributable to equity shareholders:						
- Basic (cent)	(9.93)	(7.54)		(15.48)	(6.45)	
- Diluted (cent)	(9.93)	(7.54)		(15.48)	(6.45)	

*Note - *: Included provision for inventory write-down of $10.6M (FY15: $3.3M)*
NM : not meaningful

Loss attributable to shareholders is arrived at after crediting/(charging) the following:

	GROUP (S$'000)			
	3 months ended 30.6.16	3 months ended 30.6.15	12 months ended 30.6.16	12 months ended 30.6.15
Dividend income	108	84	210	138
Interest income	278	274	1,060	1,142
Reclassification from other comprehensive income on disposal of available-for-sale financial assets	13	50	80	502
Impairment of available-for-sale financial assets	(372)	-	(468)	-
Goodwill impairment	-	(4,630)	-	(4,630)
Gain on sale of property, plant and equipment - net	1	-	1	2
Foreign exchange gain/(loss)	56	(55)	(976)	(433)
Finance cost-net is made up of :				
Interest expense	#	#	#	(3)
Foreign exchange gain/(loss) arising from borrowings - trust receipts	7	(51)	(4)	(78)
Fair value gain on derivative financial instruments not qualifying as hedges	99	-	99	-
Allowance for trade receivables	(5,107)	(1,911)	(5,050)	(1,921)
Bad debts recovered	17	1	17	1
Provision for stock obsolescence and write-down	(5,090)	(3,250)	(10,565)	(3,250)

Amount is less than S$1,000.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP		COMPANY	
	30.06.2016 $'000	30.06.2015 $'000	30.06.2016 $'000	30.06.2015 $'000
Current Assets				
Cash and cash equivalents	53,614	44,279	15,821	8,467
Trade and other receivables	13,936	25,314	4,659	7,309
Inventories	29,628	45,026	14,559	22,286
Other current assets	404	188	202	90
Tax recoverable	52	33	-	30
Derivative financial instruments	99	-	99	-
Due from subsidiaries	-	-	5,683	8,988
	97,733	114,840	41,023	47,170
Non-Current Assets				
Available-for-sale financial assets	20,312	20,677	20,312	20,677
Investment in club membership	36	43	-	-
Investment in subsidiaries	-	-	9,457	9,457
Loan to a subsidiary	-	-	29,041	28,829
Property, plant and equipment	21,529	23,031	140	170
Investment properties	34,887	34,130	27,975	27,127
Deferred income tax assets	15	649	-	356
Other receivables	-	32	-	32
	76,779	78,562	86,925	86,648
Total Assets	**174,512**	**193,402**	**127,948**	**133,818**
Current Liabilities				
Trade and other payables	7,183	6,479	3,711	2,748
Current income tax liabilities	-	5	-	-
Due to a subsidiary	-	-	1,154	1,439
Provision for directors' retirement gratuity	50	-	50	-
Borrowings	584	408	584	408
	7,817	6,892	5,499	4,595
Non-Current Liabilities				
Deferred income tax liabilities	197	-	-	-
Provision for directors' retirement gratuity	573	485	573	485
	770	485	573	485
Total Liabilities	**8,587**	**7,377**	**6,072**	**5,080**
Net Assets	**165,925**	**186,025**	**121,876**	**128,738**
Share capital and reserves				
Share capital	107,485	107,485	107,485	107,485
Treasury shares	(2,498)	(2,498)	(2,498)	(2,498)
Capital reserves	(477)	(477)	1,430	1,430
Currency translation reserves	(1,577)	(1,301)	-	-
Fair value reserves	19	132	19	132
Retained profits	62,973	82,684	15,440	22,189
	165,925	**186,025**	**121,876**	**128,738**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.6.2016 ('000)		As at 30.6.2015 ($'000)	
Secured	Unsecured	Secured	Unsecured
-	584	-	408

Amount repayable after one year

As at 30.6.2016 ('000)		As at 30.6.2015 ('000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The unsecured group borrowings consist of trust receipts of the Group arising from the ordinary course of business. Certain Group borrowings are covered by corporate guarantee from the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group (S$'000)			
	4Q FY16	4Q FY15	1.7.15 - 30.6.16	1.7.14 - 30.6.15
Cash flow from operating activities				
Total loss	(12,252)	(9,297)	(19,094)	(7,951)
Adjustments for:				
- Income tax expense	776	(781)	797	(505)
- Impairment of goodwill	-	4,630	-	4,630
- Property, plant and equipment and investment properties				
- Depreciation	515	413	1,979	1,665
- Net gain on disposal	(1)	-	(1)	(2)
- Available-for-sale financial assets				
- Reclassification from other comprehensive income on disposal	(13)	(50)	(80)	(502)
- Impairment	372	-	468	-
- Interest income	(278)	(274)	(1,060)	(1,142)
- Interest expense	#	#	#	3
- Translation losses/(gains)	191	(445)	191	(445)
- Dividend income	(108)	(84)	(210)	(138)
	(10,798)	(5,888)	(17,010)	(4,387)
Change in working capital				
- Inventories	2,267	1,655	15,398	9,241
-Trade and other receivables	4,097	5,249	11,410	12,661
-Derivative financial instruments	(99)	-	(99)	-
-Other current assets	(132)	87	(216)	(43)
-Trade and other payables	3,307	2,313	704	(6,722)
-Provision for directors' retirement gratuity	13	11	138	(477)
Cash (used in)/generated from operations	(1,345)	3,427	10,325	10,273
Income taxes (paid)/refunded	(8)	(92)	10	(911)
Interest received	278	326	1,060	1,194
Net cash (used in)/generated from operating activities	(1,075)	3,661	11,395	10,556
Cash flows from investing activities				
Property, plant and equipment and investment properties				
- Purchases	(72)	(1,507)	(1,332)	(8,237)
- Proceeds from disposal	8	-	8	2
Financial assets, available-for-sale				
- Purchases	(713)	(2,697)	(1,839)	(5,204)
- Proceeds from disposal	272	367	1,512	3,807
Dividends received	108	84	210	138
Net cash used in investing activities	(397)	(3,753)	(1,441)	(9,494)
Cash flows from financing activities				
Proceeds from trust receipts	1,286	2,668	5,260	11,372
Repayment of trust receipts	(832)	(2,710)	(5,084)	(11,812)
Dividend paid to shareholders	-	-	(617)	(6,167)
Interest paid	#	#	#	(3)
Net cash generated from/(used in) financing activities	454	(42)	(441)	(6,610)
Net (decrease)/increase in cash and cash equivalents	(1,018)	(134)	9,513	(5,548)
Cash and cash equivalents at beginning of the financial period	54,463	44,416	44,279	50,029
Effects of currency translation on cash and cash equivalents	169	(3)	(178)	(202)
Cash and cash equivalents at end of the financial period	53,614	44,279	53,614	44,279

Amount is less than S$1,000.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Treasury shares	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Earnings	Total Equity
Group	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2015	107,485	(2,498)	(477)	(1,301)	132	82.684	186,025
Dividend paid	-	-	-	-	-	(617)	(617)
Total comprehensive (loss)/income	-	-	-	(276)	(113)	(19,094)	(19,483)
At 30 June 2016	**107,485**	**(2,498)**	**(477)**	**(1,577)**	**19**	**62,973**	**165,925**
Group							
At 1 July 2014	107,485	(2,498)	(477)	(990)	603	96.802	200,925
Dividend paid	-	-	-	-	-	(6,167)	(6,167)
Total comprehensive loss	-	-	-	(311)	(471)	(7,951)	(8,733)
At 30 June 2015	**107,485**	**(2,498)**	**(477)**	**(1,301)**	**132**	**82,684**	**186,025**

	Share Capital	Treasury shares	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Earnings	Total Equity
Company	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2015	107,485	(2,498)	1,430	-	132	22,189	128,738
Dividend paid	-	-	-	-	-	(617)	(617)
Total comprehensive income/(loss)	-	-	-	-	(113)	(6,132)	(6,245)
At 30 June 2016	**107,485**	**(2,498)**	**1,430**	**-**	**19**	**15,440**	**121,876**
Company							
At 1 July 2014	107,485	(2,498)	1,430	-	603	27,449	134,469
Dividend paid	-	-	-	-	-	(6,167)	(6,167)
Total comprehensive (loss)/income	-	-	-	-	(471)	907	436
At 30 June 2015	**107,485**	**(2,498)**	**1,430**	**-**	**132**	**22,189**	**128,738**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Treasury Shares	No. of shares	$'000
Balance as at 30 Jun 2015	10,593,000	2,498
Shares consolidation (5 to 1)	(8,474,400)	-
Balance as at 30 Jun 2016	2,118,600	2,498

(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.06.16	30.06.15
Number of shares in issue excluding treasury shares	123,355,514*	616,777,610

*Note * :Reduction due to share consolidation of 5 shares to 1 share completed on 8th January 2016.*

(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the end of the current financial period reported on.

Not applicable. None of the above occurred since the end of the previous period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation as in the most recently audited financial statements have been applied.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	GROUP			
	3 months ended 30.06.16 (note 1)	3 months ended 30.06.15	12 months ended 30.06.16 (note 1)	12 months ended 30.06.15
Losses per share based on profit attributable to equity shareholders:				
(a) Basic (cent)	(9.93)	(7.54)	(15.48)	(6.45)
(b) Diluted (cent)	(9.93)	(7.54)	(15.48)	(6.45)

Note 1 : The basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares of 123,355,514 (30.06.15: 123,355,514) in issue during the period. The weighted average number of ordinary shares was arrived at after share consolidation of 5 shares to 1 share completed on 8th January 2016.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	GROUP		COMPANY	
	30.06.16	30.06.15	30.06.16	30.06.15
Net Asset Value per ordinary share (cents)	134.51	150.80	98.80	104.36

The net asset value per ordinary share is calculated based on the number of ordinary shares in issue of 123,355,514 at the end of the period (30.06.15: 123,355,514). The number of ordinary shares was arrived at after share consolidation of 5 shares to 1 share completed on 8th January 2016.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

REVIEW OF OPERATING PERFORMANCE

Revenue & Gross profit

			$'000		
	4QFY16	*3QFY16*	*4QFY15*	*12MFY16*	*12MFY15*
Revenue	12,444	12,003	17,452	56,370	84,386
Gross (Loss)/Profit	(1,300)	2,912	23	2,757	11,931
GP %	*-10.4%*	*24.3%*	*0.1%*	*4.9%*	*14.1%*

The Group posted a slightly better revenue for the 4th quarter ended 30 June 2016 ('4QFY16') of $12.4M from $12.0M recorded for the preceding quarter of 3QFY16. However, revenue remained low due to poor market demand for steel products. Customers from the shipbuilding and oil & gas sectors were among those who had significantly reduced their requirements over the last few quarters.

As demand for steel products continued to weaken throughout FY16, resulting in price competition among suppliers, this had caused year-on-year revenue for 4QFY16 to decline by 28.7% to $12.4M from $17.5M reported for the 4th quarter ended 30 June 2015 ('4QFY15'). The successive quarters of weak sales had resulted in turnover of FY16 dropping to $56.4M from $84.4M reported for FY15.

The fierce competition and weak market demand led the Group to take steps to further write down affected stock items to net realisable value and increased provisions for slow moving items, amounting to $10.6M for FY16 (FY15: $3.3M). This provision has turned our gross profit into a gross loss situation for 4QFY16. 4QFY16 ended up with a gross loss of $1.3M (4QFY15: $23K gross profit) while we still had a gross profit of $2.8M for 12MFY16 (12MFY15: $11.9M gross profit).

Other losses

Other losses of $0.2M posted in 4QFY16 was mainly attributable to the impairment losses on available-for-sale financial assets whereas other losses of $4.6M for the corresponding quarter was due to goodwill written off. The current year's other losses of $1.3M (FY15: $4.6M) was largely due to unrealised foreign exchange translation loss amounting to $1.0M (FY15: $0.4M) arising from the translation of foreign currency denominated debt, available-for-sale financial assets and foreign currency denominated payables.

Other operating income

Other operating income for 4QFY16 of $327K (4QFY15:$345K) and FY16 of $1.4M (FY15:$1.4M) comprising mainly of dividend income had remained stable.

Expenses

Staff cost, Depreciation, Other operating expenses & Finance cost

Staff cost in 4QFY16 and FY16 increased to $2.2M and $7.8M from $1.8M and $7.5M in 4QFY15 and FY15 respectively due to lower provision for incentives last year.

Depreciation charge for FY16 of $2.0M was higher than that of FY15 of $1.7M as construction at 6 Kim Chuan Drive were completed and the property was subjected to depreciation since August 2015.

The Group had made allowance for doubtful debts of $5.1M (FY15: $1.9M) against local & overseas customers mainly involved in activities relating to the marine and oil & gas sectors. This provision for doubtful debts contributed significantly to the increase in other operating expenses for 4QFY16 and FY16 to $$7.6M (4QFY15: $3.5M) and $11.4M (FY15: $8.0M) respectively.

Finance cost – net for 4QFY16 was due to an exchange gain of $7K (4QFY15: $51K exchange gain). For the year, the Group incurred a net expense of $4K (FY15: $81K) in finance cost – net comprising an exchange loss of $4K (FY15: $78K exchange loss) and nil interest expense (FY15: $3K).

Loss attributable to equity holders of the Company

As a result of the provision for inventory write down and allowance for doubtful debts, the Group suffered a net loss. Despite the Group suffering a net loss before tax for FY16, there was a tax expense of $797K. This arose from the reversal of provision for deferred tax assets on unutilised losses recognised in the prior year. After adjusting for changes to the deferred income tax assets, net loss for 4QFY16 stood at $12.3M (4QFY15: $9.3M) while the net loss for FY16 was $19.1M compared with $8.0M for FY15.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2016

Current assets and current liabilities

Trade and other receivables dropped to $14.0M from $25.3M (4QFY15) in tandem with the lower sales recorded for the year.

The Group's current year inventory balance after the provision for inventory write-down stood at $29.6M compared with $45.0M in 4QFY15. The reduction in inventory holding was in alignment with the prevailing market conditions and a cautious replenishment programme adopted by the Group.

Trade and other payables was maintained at $7.2M (4QFY15: $6.5M) as the Group utilised its cash holdings to pay down its liabilities.

There were no current income tax liabilities (FY15: $5K) because no tax liabilities were expected to arise after considering transfer of tax losses within the Group under the Group relief scheme.

The Group continued to maintain a healthy current ratio of 12.5 times (FY15: 16.7 times).

Non current assets

Available-for-sale financial assets decreased in value to $20.3M (FY15: $20.7M) due to disposal of marketable bonds and equities and fluctuation in market value of the securities.

Investment properties increased to $34.9M (FY15: $34.1M) with the completion of the construction of the industrial building located at 6 Kim Chuan Drive in August 2015.

Share capital and reserves

The Group completed its share consolidation of 5 shares to 1 share on 8th January 2016. As a result, the issued share capital now comprises 125,474,114 shares (including 2,118,000 consolidated treasury shares).

During the year, the Group disposed some of the available-for-sale financial assets to recognise the gain in value while newly acquired available-for-sale assets were affected by the weakening market thereby causing Fair Value Reserve balance to stand at only $19K (FY15: $132K).

Cash flow

For FY16, net cash generated from operating activities was $11.4M (FY15: $10.6M) while cash used in investing and financing activities were $1.4M (FY15: $9.5M) and $0.4M (FY15: $6.6M) respectively. These had resulted in a increase of $9.5M in cash & cash equivalents (FY15: $5.5M decrease). As at 30 June 2016, the Group's cash holding was $53.6M compared to $44.3M as at 30 June 2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or a prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Demand for steel products is expected to remain soft in the next few quarters. With marine and oil & gas sectors continuing to report weak activity level and coupled with stiff competition among suppliers of steel products, revenue and margins are likely to face further downward pressure.

Although oil prices may have improved slightly and becoming more stable recently, it is not expected to spur oil exploration activities just yet. Effect of low oil prices may continue to linger on for a while more.

Lower growth forecast of the local & Eurozone economies following the aftermath of the Brexit decision together with talk of another US rate hike later in the year are causing trading conditions to remain challenging and tough for the year ahead.

The Group has a strong cash balance which will allow it to weather the current and brewing turbulent market conditions. It is actively seeking ways to augment the existing revenue streams in response to the changing macro-economic environment.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? Yes

Name of Dividend Tax exempt (one-tier)	Final
Dividend Type	Cash
Dividend Amount per share	1.0 cent

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend Tax exempt (one-tier)	Final (Paid on 19/11/15)
Dividend Type	Cash
Dividend Amount per share	0.1 cent*

*Before adjustment for effects of share consolidation of 5 shares to 1 share completed on 8th January 2016

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Interested Person Transactions

There was no IPT transaction for the quarter and the Group does not have any general mandate from shareholders pursuant to Rule 920.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Segment Information

	Singapore			Malaysia	
	Steel product Trading	**General Hardware**	**Property Investment**	**Steel product Trading**	**Total**
	$'000	$'000	$'000	$'000	$'000
Financial year ended 30 June 2016					
Total revenue and rental income	45,544	7,275	3,436	4,735	60,990
Inter-segment sales	(1,803)	(1)	(2,816)	-	(4,620)
External sales and rental income	43,741	7,274	620	4,735	56,370
Segment results	(18,260)	932	(835)	(1,194)	(19,357)
Interest income					1,060
Income tax expense					(797)
Loss after tax					(19,094)
Segment results include the following items:					
Provision for inventory write-down	(10,453)	(62)	-	(50)	(10,565)
Allowance for trade receivables	(4,454)	-	-	(596)	(5,050)
Segment assets	121,243	8,226	36,758	8,218	174,445
Tax assets					67
Total assets					174,512
Segment liabilities	6,029	887	568	322	7,806
Borrowings					584
Tax liabilities					197
Total liabilities					8,587
Other segment items					
Capital expenditure	27	69	1,233	3	1,332
Depreciation of investment properties and property, plant and equipment	1,392	74	475	38	1,979

	Singapore			Malaysia	
	Steel product Trading	**General Hardware**	**Property Investment**	**Steel product Trading**	**Total**
	$'000	$'000	$'000	$'000	$'000
Financial year ended 30 June 2015					
Total revenue and rental income	74,005	7,441	3,525	4,465	89,436
Inter-segment sales	(2,255)	(1)	(2,794)	-	(5,050)
External sales and rental income	71,750	7,440	731	4,465	84,386
Segment results	(5,146)	931	139	(889)	(4,965)
Goodwill impairment					(4,630)
Interest income					1,142
Interest expense					(3)
Income tax credit					505
Loss after tax					(7,951)
Segment results include the following items:					
Provision for inventory write-down	(3,115)	-	-	(135)	(3,250)
Allowance for trade receivables	(1,686)	-	(6)	(229)	(1,921)
Segment assets	136,854	7,056	35,841	12,969	192,720
Tax assets					682
Total assets					193,402
Segment liabilities	5,777	695	75	417	6,964
Borrowings					408
Tax liabilities					5
Total liabilities					7,377
Other segment items					
Capital expenditure	105	93	8,691	1	8,890
Depreciation of investment properties and property, plant and equipment	1,448	69	103	45	1,665

Segment revenue from external customers based on location of customers for each customer-based geographical information is as follows:

	2016	**2015**
	$'000	$'000
Singapore	40,140	58,624
Malaysia	8,725	11,384
Other South East Asia countries	4,159	9,954
Other countries	3,346	4,424
	56,370	84,386

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

16. A breakdown of sales

	Current financial year Group $'000	Previous financial year Group $'000	% increase/ (decrease) Group
Revenue and rental income reported in first half year	31,923	45,950	(31%)
Total (loss)/profit	(6,470)	1,218	NM
Revenue and rental income reported in second half year	24,447	38,436	(36%)
Total loss	(12,879)	(9,169)	(41%)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year ($'000)	Previous Full Year ($'000)
Ordinary	617	6,167
Total:	617	6,167

18. Aggregate value of interested person transactions entered into by the Company and/or its subsidaries during the year.

There were no interested person transactions during the year under review.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there is no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any director, chief executive officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Mr Lim Kim San, Joe	57	Brother of: Mr Lim Kim Thor (Chief Executive Officer and Substantial Shareholder) Mr Lim Eng Chong (Director and Substantial Shareholder) Dr Lim Kim Hock (Substantial Shareholder) Cousin of: Mr Lim Yee Kim (Substantial Shareholder) Mdm Pey Choi (wife of Mr Lim Yee Kim. Mdm Pey Choi is also a Substantial Shareholder) Uncle of: Mr Lim Boh Chuan (Deputy Managing Director and Substantial Shareholder) Dr Lim Puay Koon (Director and Substantial Shareholder) Mr Lim Beo Peng (Director) Ms Lim Lay Tin Mr Lim Han Leong, Joseph	Executive Director of Thong Seng Metal Pte Ltd since 1993. He is responsible for overall operation of Thong Seng Metal Pte Ltd. Director of Hoe Seng Huat Pte Ltd since 2003.	NA
Mr Teo Boon Dat	57	Cousin of: Dr Lim Kim Hock Mr Lim Kim Thor Mr Lim Eng Chong Mr. Lim Kim San	Sales Manager of the Hupsteel LImited since December 2001. He is responsible for sales in local markets.	NA

Ms Lim Lay Tin	54	Sister of: Mr Lim Beo Peng Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon Niece of: Mr Lim Yee Kim Dr Lim Kim Hock Mr Lim Kim Thor Mr Lim Eng Chong Mr Lim Kim San	Deputy Sales Manager of Hupsteel Limited from March 2005. She is responsible for sales in local market.	NA
Mr Lim Han Leong, Joseph	52	Brother of: Mr Lim Beo Peng Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon Nephew of: Dr Lim Kim Hock Mr Lim Yee Kim Mr Lim Kim Thor Mr Lim Eng Chong Mr Lim Kim San	Sales Manager of Hoe Seng Huat Pte Ltd from July 2010. He is responsible for sales in local markets.	NA
Mr Lim Boh Wee	28	Son of: Mr Lim Kim Thor Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon Mr Lim Beo Peng Nephew of: Dr Lim Kim Hock Mr Lim Yee Kim Mr Lim Eng Chong Mr Lim Kim San	Assistant Sales Manager of Hupsteel Limited from September 2014. He is responsible for sales in local market.	NA

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20. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

BY ORDER OF THE BOARD
Tan Ching Chek
Company Secretary
29 August 2016