SAPPHIRE CORPORATION LIMITED
REGISTRATION NUMBER: 198502465W
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

PART 1
Information required for announcements of quarterly (Q1, Q2, Q3), Half Year and Full Year Announcements

1(a)(i) An income statement and statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	2013 $'000	**2012 $'000**	**Change %**
Revenue	6	29,429	(100.0)
Cost of sales	(5)	(30,189)	(100.0)
Gross profit	**1**	**(760)**	**NM**
Other income	1,845	290	NM
Distribution costs	–	(79)	(100.0)
Administrative expenses	(6,104)	(6,108)	(0.1)
Other expenses	(490)	(7,149)	(93.1)
Loss from operations	**(4,748)**	**(13,806)**	**(65.6)**
Finance costs	–	(2)	(100.0)
Share of results of associates	44	(173)	NM
Loss before income tax	**(4,704)**	**(13,981)**	**(66.4)**
Income tax expense	–	–	–
Loss from continuing operations	**(4,704)**	**(13,981)**	**(66.4)**
Discontinued operations			
Loss from discontinued operations (net of tax)	(152,472)	(15,434)	NM
Loss for the year	**(157,176)**	**(29,415)**	**434.3**

Note:

NM – Not Meaningful.

The Group's steel-making operations consist of investments (i) in its 100%-owned subsidiaries, namely Sapphire Mineral Resources (HK) Limited ("SMRHK") and Lucky Art Holdings Limited ("Lucky Art"); and (ii) (ii) in its available-for-sale financial assets in 16% of Prime Empire Limited ("Prime Empire") and 16% of Precise Skill Limited ("Precise Skill") (collectively the "Steel Business"). The financial statements of the Steel Business are presented here as Assets Held-For-Sale given the management intention and commitment to sell the Steel Business over the next 12 months.

Accordingly, the financials for the Steel Business have been re-presented, on the face of Profit and Loss Account, as discontinued operations and the comparatives of which have also been re-presented as part of the discontinued operations.

	Group		
Results of discontinued operations	**2013 $'000**	**2012 $'000**	**Change %**
Revenue	174,483	107,770	61.9
Cost of sales	(172,237)	(88,145)	95.4
Gross profit	**2,246**	**19,625**	**(88.6)**
Other income	3,782	9,621	(60.7)
Distribution costs	(963)	(856)	12.5
Administrative expenses	(5,931)	(4,742)	25.1
Other expenses			
- Other operating expenses	(3,199)	(10,339)	(69.1)
- Assets impairment	(87,349)	(9,641)	NM
- Loss on re-measurement of Assets Held-For-Sale (see below Notes)	(58,001)	–	NM
(Loss)/profit from operations	**(149,415)**	**3,668**	**NM**
Finance costs	(3,812)	(6,713)	(43.2)
Share of results of associates	–	(6,368)	(100.0)
Loss before income tax	**(153,227)**	**(9,413)**	**NM**
Income tax expense	755	(6,021)	NM
Loss from discontinued operations	**(152,472)**	**(15,434)**	**NM**
Net operating loss after tax	(7,122)	(5,793)	22.9
Assets impairment and loss on re-measurement of Assets Held-For-Sale	(145,350)	(9,641)	NM
Loss from discontinued operations	**(152,472)**	**(15,434)**	**NM**

Cumulative income or expense recognised in other comprehensive income

There is a cumulative translation gain of $1,230,000 recognised in other comprehensive income relating to the Assets Held-For-Sale.

Loss on re-measurement of Assets Held-For-Sale

Given the Group's intention and commitment to sell the Steel Business, the financials for the Steel Business have since been re-classified as Assets Held-For-Sale and are now being re-measured at the lower of its carrying amount and the estimated fair value less cost to sell. In consultation with an independent professional firm (which we have engaged), the indicative market value for the Assets Held-For-Sale were computed based on the market value approach ("Indicative Fair Value"), which suggests that the Fair Value for Assets Held-For-Sale is in the range of:

(i) the lowest of $66 million,
(ii) the mid-range of $80 million and
(iii) the highest of $93 million.

Whilst the Group is negotiating and will continue to negotiate with potential buyers for the Assets Held-For-Sale, the Group recorded the Indicative Fair Value for Assets Held-For-Sale at the suggested S$66 million thereby recognising a loss of $58.0 million on re-measurement of Assets Held-For-Sale, on grounds of prudence.

The independent professional firm is in the midst of finalising its assessment of the fair value of the Assets Held-For-Sale and the Group will further update shareholders, if there are any significant changes compared to the above suggested range of Indicative Fair Value.

Consolidated Statement of Comprehensive Income

	Group		
	2013 $'000	**2012 $'000**	**Change %**
Loss for the year	(157,176)	(29,415)	434.3
Other comprehensive income			
Translation differences relating to financial statements of foreign subsidiaries	6,531	(4,957)	NM
Share of associates' translation reserves	–	(2,309)	(100.0)
Movement of available-for-sale financial assets reserve	(1,324)	(7,870)	(83.2)
Reclassification to profit or loss from equity on disposal of available-for-sale financial assets	705	–	NM
Reversal of fair value reserves of available-for-sale financial assets used for repayment of loan	–	959	(100.0)
Realisation of reserves upon loss of significant influence in an associate	–	111	(100.0)
Other comprehensive income for the year, net of tax	5,912	(14,066)	NM
Total comprehensive income for the year	(151,264)	(43,481)	247.9

Note:

NM – Not Meaningful.

Notes to other comprehensive income:

1. Translation differences relating to accounting translation of RMB-denominated financial statements of our foreign subsidiaries to S$ term and share of associates' translation reserves. Translation gain was the result of stronger RMB against the S$.

2. Movements of available-for-sale financial assets reserve relating to fall in fair value of our investment in quoted shares of China Vanadium Titano-Magnetite Mining Company Limited ("China VTM"), which is listed on the Hong Kong Stock Exchange.

1(a)(ii) Items, which if significant must be included in the income statement.

Notes to Income Statement

	Group Discontinued operations			Group Continuing operations		
	2013 $'000	**2012 $'000**	**Change %**	**2013 $'000**	**2012 $'000**	**Change %**
Revenue includes the following:						
Sale of manufactured vanadium products	63,201	54,244	16.5	–	–	–
Processing fees from rebars and hot rolled coil	30,346	43,132	(29.6)	–	–	–
Sale of manufactured steel products	79,322	8,828	NM	–	–	–
Commission from trading of steel products	1,191	1,421	(16.2)	–	–	–
Trading of minerals	–	–	–	–	29,374	(100.0)
Others	423	145	191.7	6	55	(89.1)
Other income includes the following:						
Dividend income from available-for-sale financial assets	–	2,311	(100.0)	–	–	–
Exchange gain / (loss), net	950	676	40.5	1,763	(96)	NM
Interest income – former associate/affiliated party (Note 1)	–	2,095	(100.0)	–	–	–
Interest income – banks (Note 1)	422	369	14.4	12	27	(55.6)
Interest income – third party	–	–	–	20	–	NM
Interest income – affiliated parties (Note 1)	–	–	–	–	174	(100.0)
Net result from fair value hedge	–	3,646	(100.0)	–	–	–
Rental income	3,065	–	NM	–	–	–
Other expenses include the following:						
Reversal/(allowance) for impairment losses on doubtful receivables	–	–	–	(116)	(5,214)	(97.8)
Amortisation of intangible assets and prepaid leases	(2,030)	(1,858)	9.3	–	–	–
Goodwill written off	–	(6,963)	(100.0)	–	–	–
Loss on disposal of available-for-sale financial assets	(670)	–	NM	–	–	–
Impairment loss on available-for-sale financial assets (Note 3)	(26,400)	(9,641)	173.8	–	–	–
Impairment loss on intangibles (Note 4)	(1,105)	–	NM	–	–	–
Impairment loss on property, plant and equipment (Note 4)	(59,844)	–	NM	–	–	–
Loss on re-measurement of Assets Held-For-Sale (Note 5)	(58,001)	–	NM	–	–	–
Loss on disposal of property, plant and equipment	–	–	–	–	(82)	(100.0)
Loss from realization of reserves upon loss of significant influence in associates	–	(111)	(100.0)	–	–	–
Loss on inventory	–	–	–	–	(760)	(100.0)
Net realisable value adjustment on development properties	–	–	–	–	(595)	(100.0)
Reversal of fair value reserves of available-for-sale financial assets used for repayment of loan	–	(959)	(100.0)	–	–	–

Finance costs include the following:

Amortisation of fees in relation to bank loans (Note 2)	(166)	(3,220)	(94.8)	–	–	–
Interest expense in relation to bank loans (Note 2)	(268)	(3,393)	(92.1)	–	–	–
Interest expense in relation to long term payable to affiliated party	(3,378)	–	NM	–	–	–
Interest expense in relation to finance Lease	–	–	–	–	2	(100.0)

Income tax expense is arrived after:

Current year income tax expense	(583)	(7,070)	(91.8)	–	–	–
Deferred tax movement	1,338	1,339	(0.1)	–	–	–
Under provision of tax in respect of prior year	–	(290)	(100.0)	–	–	–

Profit before income tax is arrived after deducting:

Depreciation of property, plant and equipment	(17,754)	(9,898)	79.4	(68)	(99)	(31.3)
Provision for allowance of inventories	(4,802)	–	NM	–	–	–

Note 1: Interest Income

Loans to our former associate, Prime Empire Limited ("PEL") were interest-bearing and had been repaid in full during FY2012. As such, there was no interest income for 2013.

Note 2: Amortisation of fees and interest expense

Fees and interest expense in relation to our term loans, revolving credit and bridging loans ("Citic Loan 1") were amortised over the period of the loans. (See Note A on page 10 and 11 for details).

Note 3: Impairment loss on available-for-sale financial assets

This impairment loss arose primarily from fair value assessment of our 16% investment in PEL and PSL. PEL and PSL are investment holding companies and holds 50.17% of Chengyu and 59.18% of Xinyu, respectively. Chengyu is principally engaged in manufacture of steel products and Xinyu is principally engaged in manufacture of coke coal and electricity.

Note 4: Impairment loss on property, plant and equipment ("PPE") and intangibles

We record an impairment loss when there is an indication that the estimated market value or "value-in-use" of our assets falls below their carrying value. "Value-in-use" here means the present value of the future cash flows expected to be derived from our assets or cash-generating units ("CGUs"). During the year, we had cautioned our shareholders on weak financial performance as a result of the steelmaking overcapacity, falling steel prices and weak market demand.

Impairment for PPE and intangible of Neijiang Chuanwei Special Steel Co., Ltd ("Special Steel")'s CGUs, as reflected in our 2Q and 3Q results, related to business segments of Hot Roll Coil and Rebar and Vanadium Pentoxide ("V2o5"). Impairment was initially made based on management's assessment and estimates. We had subsequently engaged an independent professional firm to conduct an independent assessment of asset impairment for the above CGUs.

The assessment of asset impairment has recently been completed by an independent professional firm, which suggested that the impairment loss on Intangibles and Property, Plant & Equipment ("PPE") for 2013 would be $1.1 million and $57.4 million respectively. The independent assessment has also concluded that there is no impairment loss for PPE of Sichuan Longwei Metal Co., Ltd ("Longwei"), our CGU for Cold Roll Coil.

Note 5: Loss on re-measurement of Assets Held-For-Sale

Given the Group's intention and commitment to sell the Steel Business, the financials for the Steel Business have since been re-classified as Assets Held-For-Sale and are now being re-measured at the lower of its carrying amount and estimated fair value (based on market value approach). More specifically, the management is considering and evaluating various possible disposal plans to either (i) sell the under-utilized assets on a piecemeal basis, or (ii) to sell separate CGUs individually, or (iii) to consider an offer for the entire Assets Held-For-Sale. Please also refer to Page 2 for details of the Indicative Fair Value.

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

	Group		Company	
	31.12.2013 $'000	**31.12.2012 $'000**	**31.12.2013 $'000**	**31.12.2012 $'000**
Assets				
Property, plant and equipment	144	179,447	144	18
Intangible assets	–	1,860	–	–
Prepaid leases	–	45,278	–	–
Interests in subsidiaries	–	–	–	76,061
Interests in associates	883	913	637	637
Other investments	1	40,846	1	40,846
Total non-current assets	1,028	268,344	782	117,562
Inventories	–	23,722	–	–
Development properties	–	5,555	–	–
Short term loans receivables	2,255	933	–	933
Trade and other receivables	300	87,012	17,865	52,063
Deposit with an affiliated party	–	60,654	–	–
Current tax asset	–	217	–	–
Cash at bank and in hand	6,719	36,514	6,303	2,734
Assets classified as held for sale	295,630	–	50,687	–
Total current assets	304,904	214,607	74,855	55,730
Total assets	305,932	482,951	75,637	173,292
Equity				
Share capital	260,489	260,489	260,489	260,489
Reserves	(187,004)	(35,740)	(187,289)	(89,734)
Total equity	73,485	224,749	73,200	170,755
Liabilities				
Long term payable to an affiliated party	–	103,986	–	–
Deferred tax liabilities	–	12,176	–	–
Total non-current liabilities	–	116,162	–	–
Trade and other payables	2,616	114,335	2,248	2,239
Financial liabilities	–	26,653	–	5
Provisions	201	305	189	293
Current tax liabilities	–	747	–	–
Liabilities classified as held for sale	229,630	–	–	–
Total current liabilities	232,447	142,040	2,437	2,537
Total liabilities	232,447	258,202	2,437	2,537
Total equity and liabilities	305,932	482,951	75,637	173,292

As at 31 December 2013, the disposal group comprised the following assets and liabilities:

	Group 2013 $'000
Assets of a disposal group classified as held for sale	
Property, plant and equipment	54,596
Prepaid leases	47,387
Other investments	9,600
Inventories	25,969
Trade and other receivables	70,850
Deposit with an affiliated party	63,184
Current tax asset	1,252
Cash at bank and in hand	22,792
	295,630
Liabilities of a disposal group classified as held for sale	
Trade and other payables	109,879
Long term payable to an affiliated party	110,708
Deferred tax liabilities	9,043
	229,630

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

	31.12.2013		31.12.2012	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	160,255	–	77,052	–
Amount repayable after one year	–	–	103,986	–

The Group's borrowings as at 31 December 2013 related to notes payable (for trade bills) of $49.5 million and long term payable to an affiliated party of $110.7 million, which arose from the acquisition of Longwei in December 2012.

Details of any collateral as at 31 December 2013

(i) The notes payables are secured with cash deposit of approximately $15.5 million.

Sichuan Longwei Metel Products Co., Ltd ("Longwei") has provided corporate guarantees and has granted mortgages over its land, buildings, equipment and facilities with net book value totaling $115.4 million (RMB547.3 million) to secure loans of a total $101.4 million (RMB481.0 million) borrowed by affiliated parties.

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

	Group	
	2013 $'000	2012 $'000
Operating activities		
Loss before income tax	(4,704)	(13,981)
Adjustments for:		
Depreciation of property, plant and equipment	68	99
Interest expense	1	2
Interest income	(32)	(200)
Loss on disposal of property, plant and equipment	–	82
Provision made for rectification costs	–	80
Share of results of associates	(44)	173
Operating loss before working capital changes	(4,711)	(13,745)
Changes in working capital:		
Development properties	–	595
Inventories	–	3,577
Trade and other payables	(7,841)	486
Trade and other receivables	7,544	5,570
Cash flows used in operations	(5,008)	(3,517)
Payment of rectification costs	(103)	(113)
Cash flows used in operating activities	(5,111)	(3,630)
Net cash from operating activities for discontinued operations	26,535	(9,141)
	21,424	(12,771)
Investing activities		
Dividend income received from an associate	–	37
Interest received	32	200
Payment for purchase of property, plant and equipment	(175)	(1)
Proceed from disposal of property development	5,061	–
Proceed from disposal of property, plant and equipment	1	9
Repayment of loan from an affiliated party	933	4,322
Loan to a third party	(2,255)	–
Cash flows generated from investing activities	3,597	4,567
Cash flows generated from investing activities for discontinued operations	8,334	21,341
	11,931	25,908
Financing activities		
Payment of finance lease liabilities	(5)	(16)
Release of fixed deposit pledged to bank	611	–
Cash flows from/(used in) financing activities	606	(16)
Cash flows used in financing activities for discontinued operations	(27,581)	(34,246)
	(26,975)	(34,262)

	Group	
	2013 $'000	2012 $'000
Net increase/(decrease) in cash and cash equivalents	6,380	(21,125)
Cash and cash equivalents at beginning of the year	2,923	3,563
Effect of exchange rate changes on the balances held in foreign currencies	877	15,588
Cash and cash equivalents classified as held for sales	(3,461)	4,897
Cash and cash equivalents at end of the year	6,719	2,923
Cash and cash equivalents consist of the following:		
Fixed deposits classified as held for sale	19,331	29,301
Cash and bank balances classified as held for sale	3,461	4,897
Cash and bank balances	6,719	2,316
Cash at bank and in hand	29,511	36,514
Less: fixed deposits pledged	(19,331)	(28,694)
Less: Cash and bank balances classified as held for sale	(3,461)	(4,897)
	6,719	2,923

Note A

1. During 3Q2010, Sapphire Mineral Resources (HK) Ltd ("SMRHK"), our wholly-owned subsidiary, entered into 2 loan agreements with CITIC Bank International Limited ("CITIC Bank"). The details of which areas follows:

   a. a term loan in three (3) tranches totaling US$60.0 million with different maturity dates over a period up to 31 March 2013 and a revolving facility of up to US$5.0 million available up to 31 March 2012, for a total of US$65.0 million ("Citic Loan 1"); and

   b. a bridging loan facility amount of US$40.0 million ("Citic Loan 2").

2. During 2011, SMRHK repaid US$20.1 million of the US$60.0 million term loan and repaid the bridging loan of US$40.0 million in full.

3. During 2012, SMRHK drew down US$4.8 million of the revolving facility and repaid US$27.8 million of the loan. As at 31 December 2012, the total outstanding Citic Loan 1 amounted to US$17.0 million (equivalent to S$20.7 million).

4. During 1Q2013, SMRHK repaid the CITIC loan of US$17.0 million in full.

The details and purposes of these Citic Loans are as follows:

i. SMRHK granted a US$40 million convertible loan to Prime Empire Limited ("PEL") to fund capital expenditure of Chengyu Vanadium Titanium Technology Company Limited ("Chengyu") for the expansion of its factory capacity for production of the vanadium-strengthened steel. PEL owns an integrated steelmaking business. The convertible loan agreement dated 31 March 2011, with its supplemental agreements dated 28 September 2011 and 16 December 2011 allowed SMRHK to convert such debts into equity of PEL, charged PEL an interest of 6.1% per annum, secured its debts over 21% of the equity stake in PEL. On 28 April 2012, the Group received full repayment of this convertible loan of S$40 million and the agreements had since been terminated; and

ii. SMRHK granted US$36.6 million loans to Champ Lane Limited ("CLL") and Festive Chief Limited ("FCL"), via an exchangeable loan agreement ("Exchangeable Loans"), to settle the total outstanding loans owing by Trisonic International Limited ("Trisonic") to CITIC Bank. These loans allowed SMRHK to exchange into ordinary shares of PEL.

In 2Q2011, SMRHK entered into a Deed of Novation and Payment with Lucky Art, FCL and CLL whereby SMRHK transfered all its rights and obligations under the Exchangeable Loans to Lucky Art. At the same time, Lucky Art entered into an equity transfer agreement with Sichuan Chuanwei Group., Ltd ("Chuanwei Group) and Chengyu for the acquisition of the remaining 30% equity interest in Special Steel for a purchase consideration of US$38.75 million.

Under the Deed of Agreement, CLL and FCL agreed to assume the obligations of Lucky Art to pay the consideration for acquiring the Remaining Special Steel Interest and the consideration was to be taken as full repayment of the Exchangeable Loans. The acquisition of the remaining 30% equity interest in Special Steel and the Deed of Novation and Payment have been approved by the shareholders of the Company at an extraordinary general meeting on 3 October 2011 and the acquisition had been completed in 2011.

iii. Acquisition of the remaining 27.15% equity interests in Lucky Art for a purchase consideration of US$23.405 million, which was completed in 2010; and

iv. US$5.0 million as working capital for SMRHK.

The term loan of a newly acquired subsidiary in December 2012 of RMB 30 million was fully repaid in 2Q2013.

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

(Bi) Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Merger reserve	Other reserves	Statutory reserve	Currency translation reserve	Fair value reserve	Accumulated profit/ (losses)	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2012									
Group									
At 1 January 2012	260,489	1,235	418	3,323	3,698	957	7,530	(9,420)	268,230
Loss for the year	–	–	–	–	–	–	–	(29,415)	(29,415)
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	–	–	(4,957)	–	–	(4,957)
Share of associates' translation Reserves	–	–	–	–	–	(2,309)	–	–	(2,309)
Realisation of reserves upon loss of significant influence in an associates	–	–	–	–	–	111	–	–	111
Reversal of fair value reserves of available-for-sale financial assets used for repayment of loan	–	–	–	–	–	–	959	–	959
Movement of available-for-sale financial assets reserves	–	–	–	–	–	–	(7,870)	–	(7,870)
Total other comprehensive income	–	–	–	–	–	(7,155)	(6,911)	–	(14,066)
Total comprehensive income	–	–	–	–	–	(7,155)	(6,911)	(29,415)	(43,481)

(Bi) Consolidated Statement of Changes in Equity

	Share Capital $'000	Capital reserve $'000	Merger reserve $'000	Other reserves $'000	Statutory reserve $'000	Currency translation reserve $'000	Fair value reserve $'000	Accumulated profit/ (losses) $'000	Total equity $'000
2012									
Group									
Transactions with the owners of the Company, recorded directly in equity									
Distributions to owners of the Company									
Transfer to statutory reserves	–	–	–	–	1,105	–	–	(1,105)	–
Total transactions with owners of the Company	–	–	–	–	1,105	–	–	(1,105)	–
Transfer of pre-acquisition reserves upon loss of significant influence in an associates	–	–	–	(4,676)	–	–	–	4,676	–
At 31 December 2012	260,489	1,235	418	(1,353)	4,803	(6,198)	619	(35,264)	224,749

(Bi) **Consolidated Statement of Changes in Equity**

	Share capital $'000	Capital reserve $'000	Merger reserve $'000	Other reserves $'000	Statutory reserve $'000	Currency translation reserve $'000	Fair value reserve $'000	Accumulated profit/ (losses) $'000	Total equity $'000
2013									
Group									
At 1 January 2013	260,489	1,235	418	(1,353)	4,803	(6,198)	619	(35,264)	224,749
Loss for the year	–	–	–	–	–	–	–	(157,176)	(157,176)
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries	–	–	–	–	–	6,531	–	–	6,531
Movement of available-for-sale financial assets reserves	–	–	–	–	–	–	(1,324)	–	(1,324)
Reclassification to profit or loss from equity on disposal of available-for-sale financial asset	–	–	–	–	–	–	705	–	705
Total other comprehensive income	–	–	–	–	–	6,531	(619)	–	5,912
Total comprehensive income	–	–	–	–	–	6,531	(619)	(157,176)	(151,264)
At 31 December 2013	260,489	1,235	418	(1,353)	4,803	333	–	(192,440)	73,485

(Bii) Statement of Changes in Equity

	Share capital $'000	Capital reserve $'000	Other reserves $'000	Fair value reserve $'000	Accumulated losses $'000	Total equity $'000
2012						
Company						
At 1 January 2012	260,489	1,084	(1,353)	10,991	(102,438)	168,773
Profit for the year	–	–	–	–	2,599	2,599
Other comprehensive Income						
Movement of available-for-sale financial assets reserves	–	–	–	11,708	–	11,708
Reversal of fair value reserves of available-for-sale financial assets transferred to subsidiary for repayment of loan	–	–	–	(12,325)	–	(12,325)
Total other comprehensive income	–	–	–	(617)	–	(617)
Total comprehensive Income	–	–	–	(617)	2,599	1,982
At 31 December 2012	260,489	1,084	(1,353)	10,374	(99,839)	170,755

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(Bii) Statement of Changes in Equity

	Share capital $'000	Capital reserve $'000	Other reserves $'000	Fair value reserve $'000	Accumulated losses $'000	Total equity $'000
2013						
Company						
At 1 January 2013	260,489	1,084	(1,353)	10,374	(99,839)	170,755
Loss for the year	–	–	–	–	(88,678)	(88,678)
Other comprehensive income						
Movement of available-for-sale financial assets reserves	–	–	–	(8,547)	–	(8,547)
Reclassification to profit or loss from equity on disposal of available-for-sale financial asset	–	–	–	(330)	–	(330)
Total other comprehensive income	–	–	–	(8,877)	–	(8,877)
Total comprehensive income	–	–	–	(8,877)	(88,678)	(97,555)
At 31 December 2013	260,489	1,084	(1,353)	1,497	(188,517)	73,200

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, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Capital
There was no change in the Company's issued capital since the previous period reported on.

Convertible Securities
The Company has no outstanding convertible securities as at end of the current financial year and as at the immediately preceding financial year.
.

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

	31.12.2013	**31.12.2012**
Total number of issued shares excluding treasury shares	810,949,328	810,949,328

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

There were no treasury shares as at end of the current financial year.

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

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualification or emphasis of a 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

Except as disclosed in paragraph 5 on page 17, the Group has applied the same accounting policies and methods of computation in the financial statements for current reporting year compared with the audited financial statements for the year ended 31 December 2012.

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 reasons for, and the effect of, the change

The Group adopted the new/revised FRS and INT FRS applicable for the financial period beginning 1 January 2013. Changes to the Group's accounting policies have been made as required.

The following are the new or amended FRS which are relevant to the Group:

- Amendments to FRS 1 Amendments relating to presentation of items of other comprehensive income
- FRS 19 Employee Benefits (revised 2011)
- Amendments to FRS 107 Offsetting Financial Assets and Financial Liabilities
- FRS 113 Fair Value Measurement

The adoption of the revised FRSs did not result in any substantial change to the Group accounting policies or has any significant impact on the interim financial statements.

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

	12 months					
	Continuing operations		Discontinued operations		Total	
	2013	2012	2013	2012	2013	2012
Basic earnings per share (cents)	(0.58)	(1.72)	(18.80)	(1.90)	(19.38)	(3.62)
Diluted earnings per share (cents)	(0.58)	(1.72)	(18.80)	(1.90)	(19.38)	(3.62)

The calculation of the above basic earnings per share and diluted earnings per share was based on weighted average number of shares outstanding of 810,949,328 (2012: 810,949,328). There is no adjustment for any effects of dilutive potential shares.

7 Net asset value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year

	Group		Company	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Net asset value per ordinary share (cents)	9.06	27.71	9.03	21.06
Number of shares in issue	810,949,328	810,949,328	810,949,328	810,949,328

8 A review of the performance of the Group to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cashflow, working capital, assets or liabilities of the Group during the current financial period reported on.

Overview

In our previous letter to shareholders and 3Q2013 results announcement, we highlighted to our shareholders that the steelmaking industry in China remained weak. We further cautioned that the Group would report a full year loss for FY2013.

Since then, we have not seen any obvious improvement. The overcapacity in the industry remains, the pace of destocking continues, steel prices have been falling, costs are increasing and margins have fallen. The industry is highly competitive. We have thus initiated plans to dispose our Steel Business meaning that the financial performance for Steel Business is now presented as part of the discontinued operations while the financial position for which is now classified as Assets Held-For-Sale. The financials of the continuing operations for 2013 reflected primarily the corporate operations of the Group, which we had recently streamlined.

As a result, the financial performance for our continuing operations improved while our discontinued operations suffered from lower gross margin, higher operating expenses and higher impairment losses.

We had on 7 January 2014, announced completion of the acquisition of Mancala Holdings Pty Ltd ("Mancala"), a specialist mining service company.

Review of Financial Performance (FY2013 vs FY2012)

Continuing Operations

Revenue for 2013 fell by $29.3 million from $29.4 million in 2012 to just $6,000 in the absence of revenues from trading of minerals. As part of our recent strategic decision, we have ceased the operations of this loss-making trading segment entirely.

Other income increased by $1.6 million to $1.8 million due mainly to exchange gain arising from a stronger RMB against the S$.

Administrative expenses remained relatively unchanged at $6.1 million. Whilst there were cost-cutting measures, we paid one-off compensation on redundancy following the recent Group's rationalization exercise; and meanwhile we incurred higher legal fees and professional fees for due diligence exercise in relation to acquisition of Mancala.

Other expenses fell by $6.7 million to $0.5 million due to lower provision for doubtful debts of $5.1 million and in the absence of loss on inventory of $0.8 million and net realizable value adjustment on development properties of $0.6 million.

Given the above, the financial performance for Continuing Operations improved. Net Loss for Continuing Operation in 2013 narrowed to $4.7 million compared to $14.0 million in 2012.

Discontinued operations

Revenues for discontinued operations (Steel Business) increased by 61.9% from $107.8 million to $174.5 million.

Revenue for 2013 increased by $66.7 million from $107.8 million in 2012 to $174.5 million due mainly to additional revenues stream from the sale of cold roll coil produced by Longwei and higher sales volume for vanadium products. Despite higher revenues, gross profit fell sharply from $19.6 million to $2.2 million due mainly to lower average unit selling price, higher unit production cost and provision for obsolete stocks for HRC. Given that and on the back of lower gross profit, gross profit margin also fell sharply by 16.9 percentage points from 18.2% to 1.3%. During the year under review, unit selling prices for CRC, V2O5 and Rebar fell while the related raw materials cost and production overheads increased significantly.

Other income fell by $5.8 million to $3.8 million in the absence of dividend income from available-for-sale financial assets of $2.3 million, interest income from former associate/affiliated party of $2.1 million and a gain from fair value gain hedge of $3.6 million, partially offset by additional rental income of $3.1 million from the lease of Longwei's industrial land, building and equipment.

Distribution costs increased by $0.1 million to $1 million on the back of higher revenues.

Administrative expenses increased by $1.2 million to $5.9 million due mainly to higher staff cost, utilities and land tax in relation to Longwei's CRC operation.

Other expenses comprised (i) other operating expenses, (ii) asset impairment losses and (iii) loss on re-measurement of Assets Held-For-Sale. Other expenses increased significantly by $128.5 million from $20 million to $148.5 million due mainly to:

- loss on disposal of available-for-sale financial assets of $0.7 million;
- a total impairment loss on property, plant and equipment and intangible of $60.9 million for various CGUs or business segments of Special Steel. Special Steel operates the business segments of HRC, Rebar and Vanadium Pentoxide ("V2o5"); and
- loss of $58.0 million arising from re-measurement of Assets Held-For-Sale at the lower of its carrying value and its estimated fair value (as determined by using market value approach).
- impairment loss on available-for-sale financial assets of $26.4 million, primarily for our investment in PEL and PSL. PEL is a loss-making business unit, which had since ceased to become our associate on cessation of our significant influence over the operational decisions of PEL.

The independent professional assessment of the asset impairment on discontinued operations has recently been completed and the report suggests the asset impairment of $33.2 million for the HRC and rebar CGU and $27.7 million for the V2O5 CGU.

Finance costs fell by $2.9 million to $3.8 million due mainly to lower interest expense on the back of lower bank borrowings. The Management had held back the expansion plans for CRC and capped borrowings for capital expenditure.

Given the above, Net Loss for discontinued operations in 2013 (including loss on asset impairment of $87.3 million and loss on re-measurement of Assets Held-For-Sale of $58.0 million), increased to $152.5 million as compared to $15.4 million in 2012. Excluding such losses on impairment and re-measurement, we recorded net operating losses after tax of $7.1 million (see Table on Page 2).

Review of Financial Position

Intangible assets

Intangible assets comprise customer relationships and trademarks for the steel business, which had since been fully impaired.

Prepaid leases

Prepaid leases decreased by $45.3 million to Nil due mainly to reclassification to Assets Held-For-Sale.

Other investments

Other Investments decreased by $40.8 million to just $1,000 following the disposal of our CVT shares, asset impairment on investment in PEL and PSL and reclassification of investment in PEL and PSL to Assets Held-For-Sale.

Inventories

Inventories comprise mainly raw materials, work-in-progress and finished goods of steel and vanadium products of Special Steel and Longwei. Inventories had since been reclassified to Assets Held-For-Sale.

Development properties

As announced on 24 April 2013, the Group completed the sale of 3 plots of vacant land in Malacca. There was no impact on the Profit and Loss Account as the said land had been written down to net realizable value as at 31 December 2012 prior to completion. The proceeds have since been received in full.

Short term loan receivables

Short-term loan receivables increased by $1.3 million to $2.3 million due mainly to $2.3 million secured loan to Mancala Holdings Pty Ltd prior to completion of the acquisition, offset by full repayment of loans by Trisonic in 1Q2013.

Trade and other receivables

Trade and other receivables fell by $86.7 million to $0.3 million on reclassification to Assets Held-For-Sale. The remaining balance of $0.3 million comprises mainly of deposits paid.

Deposit with an affiliated party

This deposit allowed us to 'lock in' purchase price with our suppliers for supply of vanadium slag and steel billets at a favorable trade discount (Note: For 2013, we received a total cost savings of $7.7 million from this favorable pricing, representing a return of about 13%). This deposit had since been reclassified to assets held for sale.

Cash at bank

Cash at bank fell by $29.8 million to $6.7 million as at 31 December 2013 due mainly to repayment of bank loans from part of our cash, secured loan advanced to Mancala Holdings Pty Ltd and a reclassification of $22.8 million to Assets Held-For-Sale.

Trade and other payables

Trade and other payables fell by $111.7 million to $2.6 million as at 31 December 2013 due mainly to a reclassification of $109.9 million to Assets Held-For-Sale.

Financial liabilities

There were no financial liabilities as at 31 December 2013 following the full repayments of bank loans of $26.7 million during 2013.

Long term payable to an affiliated party

This liability arose from the acquisition of Longwei in December 2012. Pursuant to the Equity Transfer Agreement, Longwei shall have the sole discretion on the timing and quantum of the repayment and this amount is not expected to be repaid within the next 12 months and this amount had since been reclassified to Liabilities Held-For-Sale.

Longwei has however provided corporate guarantee and has granted mortgages over its land, buildings, equipment and facilities as security for a loan of up to $101.4 million (RMB481.0 million) borrowed by the affiliated party and its affiliates, which are to be included as Liabilities Held-For-Sale if any of this amount is materialized.

Deferred tax liabilities

Deferred tax liabilities fell by $12.2 million to nil as at 31 December 2013 due mainly to reversal of deferred tax on $1.4 million and reclassification of $9.0 million to Liabilities Held-For-Sale.

Share capital and reserves

There has been no change in the Company's issued share capital since the previous financial year ended 31 December 2012.

Reserves include translation reserve, merger reserve, capital reserve, statutory reserve, other reserves, fair value reserve and accumulated profit/losses of the Group. Reserves are represented by net deficit reserves, which increased by $151.3 million from $35.7 million to $187.0 million due mainly to current period operating losses, assets impairment loss and loss on re-measurement of Assets Held-For-Sale.

As a result of the above, total equity fell by $151.3 million to $73.5 million as at 31 December 2013.

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

In our 3Q2013 results announcement, we cautioned that the steel business of the Group will report a loss for the full year ending 31 December 2013.

In 2013, the Group reported the following losses

- Net Loss on Continuing Operations narrowed from $14.0 million to $4.7 million; and
- Net Loss on Discontinued Operations increased from $15.4 million to $152.5 million, including asset impairment of $87.3 million and loss on re-measurement of Assets Held-For-Sale of $58.0 million.

10 A commentary at the date of the announcement of the significant trends and 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

The steelmaking industry remains very weak. Despite strenuous efforts to rationalize assets, streamline operations and reallocate resources, the Steel Business continued to make losses and there has not been any obvious sign of recovery. As part of our strategic review, we have also consulted with and engaged independent steel industry experts (the UK-based Roger Emmott Associates and the PRC-based China Metallurgical Industry Planning and Research Institute). Both industry experts hold the views that the industry is and has been operating in a challenging environment, which have thus led the Board to note and believe that:

- demand for steel products continue to lag far behind supply;
- the steel industry is now in a significant period of destocking, which have caused prices to fall;
- steel prices have fallen while costs are increasing, resulting in depleting margins;
- environmental and such regulatory compliance for the steel industry have since become increasingly stringent and hence, investment in emission control and cost of compliance are expected to be high;
- many smaller scale steelmakers are still struggling to improve factory utilization for economies of scale and they have less pricing power compared to the larger ones out there;
- recent trends in certain key financial indicators such as profitability and indebtedness appear to raise serious concerns over capability of smaller scale steelmakers to borrow, to upgrade and to expand;
- while excess capacity remains a significant issue in the China steel industry, the country continues to urbanise which need more steel, but this will be in different proportions, forms and specifications. To a larger extent, steel industry is expected to move up the value chain and upgrade capacity to keep pace with it, albeit at a slower, but possibly a stable pace;
- capacity upgrade and expansion plans during this industry rebalancing period however mean heavier capital expenditure at higher cost of funds with longer investment recovery period – hopefully, in meeting the long-term demand growth and
- to more effectively establish an integrated supply chain, improve economies of scale and strengthen the value proposition of business, steelmakers need to consolidate, upgrade, expand and / or possibly merge with others for stronger position to leverage.

Given the above, we have since shut down HRC; scaled down rebar and V2O5; and held back expansion plans for CRC and Silicon Steel segments. While consolidating our resources, we have also capped borrowings, delayed capex investments and cut expense budgets to preserve our cash position. Whilst we have streamlined our operations, the Board has committed to divest the steel business and is now actively looking for buyers so that we could either (i) sell the under-utilised plant and equipment on a piecemeal basis (ii) sell each CGU separately or (iii) sell the entire steel business as a whole.

Apart from our decision to divest the steel business, we have ceased the operations of the loss-making minerals trading, as part of our strategic plans to improve financial performance. We have also streamlined our Group's operations and consolidated our internal resources.

On 7 January 2014, we announced that we have completed the acquisition of the entire equity stake of Mancala Holdings Pty Ltd ("Mancala"), a specialist mining services company based in Australia. Mancala has significant experience and strong operational track record, having completed many projects in Australia, Botswana, New Zealand, PNG, Fiji and more recently, in Vietnam. Mancala has a healthy orders book of approximately A$75 million which is to be delivered and performed over the next 2 to 3 years. Mancala is currently operating the largest nickel mine in Son La Province, Vietnam. While securing jobs in Vietnam and Australia, Mancala is in the midst of quoting for a gold mine concession in Indonesia.

We had previously announced a few appointments of new Board members. The new Board members are backed by strong corporate finance background and proven restructuring track record with strong commercial experience in evaluating, negotiating and executing corporate investment, acquisition and divestment plans. While the acquisition of Mancala means we will continue to focus our investments in the resource sector, we are and have also been exploring other investment opportunities which include expanding our mining services operations, diversifying our investment base and embarking on a more active M&A spree as and when such opportunities arise. In doing so, we want to assure our shareholders that our strategic decisions are intended to unlock and enhance shareholder value.

We will continue to update shareholders in due course for our corporate development plans.

11 Dividend

(a) Current Financial Period Reported on – any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year – any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended in the current period reported on.

13 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

(a) By business segment: FY2013

	Discontinued operations			Continuing operations			
	Integrated steel-making operations*						
	Manufacturing	Investments	Others^	Trading of minerals	Development properties	Others^	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue and expenses							
2013							
Total revenue from external customer	174,060	–	423	–	–	6	174,489
Interest income	421	–	1	–	–	–	422
Interest expense	(112)	(155)	–	–	–	–	(267)
Depreciation and amortization	(19,784)	–	–	(20)	–	–	(19,804)
Share of results of Associates	–	–	–	–	–	44	44
Reportable segment profit/(loss) before income tax	(126,175)	(26,687)	(365)	(822)	(85)	(58)	(154,192)
Other material non-cash items:							
- Allowance for impairment loss on doubtful receivables, trade and others, net	–	–	–	(39)	–	(77)	(116)
- Impairment loss of available-for-sale financial assets	–	(26,400)	–	–	–	–	(26,400)
- Impairment loss of property, plant and equipment	(59,844)	–	–	–	–	–	(59,844)
- Impairment loss of re-measurement of disposal group	(58,001)	–	–	–	–	–	(58,001)
- Impairment loss on intangible	(1,105)	–	–	–	–	–	(1,105)
- Provision for allowance of inventories	(4,802)	–	–	–	–	–	(4,802)
Investment in associates	–	–	–	–	–	883	883
Reportable segment assets	285,057	9,601	972	284	47	2,455	298,416
Capital expenditure	2,020	–	3	–	–	–	2,023
Reportable segment liabilities	229,153	24	453	339	4	581	230,554

*Integrated steel-making operations include manufacture of steel and vanadium products and processing fee and Group's shares of results from associates which engage in activities similar to the segment. Transactions relating to available-for-sale financial assets are also included in this segment.

^Others include building maintenance & architectural finishing products and sales of wines.

(b) By business segment: FY 2012

	Discontinued operations			Continuing operations			
	Integrated steel-making operations*						
	Manufacturing	Investments	Others^	Trading of minerals	Development properties	Others^	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue and expenses							
2012							
Total revenue from external customer	107,557	–	213	29,374	–	55	137,199
Interest income	367	2,095	2	–	–	174	2,638
Interest expense	(149)	(3,343)	–	–	–	–	(3,492)
Depreciation and amortization	(11,756)	–	–	(46)	–	–	(11,802)
Share of results of associates	–	(6,368)	–	–	–	(173)	(6,541)
Reportable segment profit/(loss) before income tax	13,540	(22,553)	(399)	(8,371)	(686)	101	(18,368)
Other material non-cash items:							
- Allowance for impairment loss on doubtful receivables, trade and others, net	–	–	–	(5,086)	–	(128)	(5,214)
- Impairment loss of available-for-sale financial assets	–	(9,641)	–	–	–	–	(9,641)
- Goodwill written off	–	(6,963)	–	–	–	–	(6,963)
- Loss on inventory	–	–	–	(760)	–	–	(760)
- Net realisable value adjustment on development property	–	–	–	–	(595)	–	(595)
- Net realisable value on inventories	–	–	–	(63)	–	–	(63)
- Net result from fair value hedge	–	3,646	–	–	–	–	3,646
- Realisation of fair value reserve upon utilisation of available-for-sale financial assets for repayment of loan	–	(959)	–	–	–	–	(959)
Investment in associates	–	–	–	–	–	913	913
Reportable segment assets	429,362	40,846	1,101	442	6,024	1,092	478,867
Capital expenditure	31,823	–	3	–	–	–	31,826
Reportable segment liabilities	222,065	20,740	602	517	571	578	245,073

*Integrated steel-making operations include manufacture of steel and vanadium products and processing fee and Group's shares of results from associates which engage in activities similar to the segment. Transactions relating to available-for-sale financial assets are also included in this segment.

^ Others include building maintenance & architectural finishing products.

Reconciliations of reportable segment revenues, profit and loss, assets and liabilities and other material items

	2013 $'000	2012 $'000
Revenues		
Total revenue for reportable segment	174,489	137,199
Elimination of inter-segment	–	–
Total revenue	174,489	137,199
Less: Total revenue for discontinued segment	(174,483)	(107,770)
Consolidated revenue	6	29,429
Profit or loss		
Total loss for reportable segment	(154,192)	(18,368)
Elimination of inter-segment profit	–	–
Unallocated amounts:		
- Other income	1,945	24
- Other expenses	(5,684)	(5,050)
- Tax expenses	755	(6,021)
Consolidated loss for the year	(157,176)	(29,415)
Assets		
Total assets for reportable segments	298,416	478,867
Elimination of inter-segment assets	–	–
Investments in associates	883	913
Other unallocated amounts	6,633	3,171
Consolidated total assets	305,932	482,951
Liabilities		
Total liabilities for reportable segments	230,554	245,073
Elimination of inter-segment liabilities	–	–
Other unallocated amounts	1,893	13,129
Consolidated total liabilities	232,447	258,202

	Reportable segment total	Unallocated amounts	Consolidated total
	$'000	**$'000**	**$'000**
FY2013			
Other material items			
Interest income	422	32	454
Interest expense	(267)	(1)	(268)
Capital expenditure	2,023	175	2,198
Depreciation and amortization	(19,804)	(48)	(19,852)

	Reportable segment total	Unallocated amounts	Consolidated total
	$'000	**$'000**	**$'000**
FY2012			
Other material items			
Interest income	2,638	27	2,665
Interest expense	(3,492)	(1)	(3,493)
Capital expenditure	31,826	1	31,827
Depreciation and amortization	(11,802)	(53)	(11,855)

(c) By geographical segment

FY2013	Revenue $'000	Non-current assets $'000
Singapore	6	1,027
People's Republic of China	174,483	111,583*
	174,489	112,610

FY2012	Revenue $'000	Non-current assets $'000
Singapore	56	951
People's Republic of China	137,143	267,393
	137,199	268,344

* The Non-current assets disclosed above has been reclassified to Assets Held-For-Sale and included as current assets on the balance sheet

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

Please refer to paragraph 8.

15 A breakdown of sales as follows:-

		FY2013 $'000	**FY2012 $'000**	**Increase/ (Decrease) %**
a)	Sales reported for the first half	36,045	68,203	(47.2)
b)	Operating loss after tax before deducting minority interests reported for first half year	(34,882)	(3,533)	NM
c)	Sales reported for the second half	138,444	68,996	100.7
d)	Operating loss after tax before deducting minority interests reported for second half year	(122,294)	(25,882)	372.5

Note: The above disclosure includes both continuing and discontinued operations.

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

Not applicable.

17 Disclosure of Interested Person Transaction Conducted under a Shareholder Mandate for the period ended 30 September 2013

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Purchase of Steel billets and Vanadium slags by Special Steel from Chengyu	-	-	17,798	32,602
Processing of rebar by Special Steel for Chengyu	-	-	26,008	32,075
Reimbursement of costs for provision of gases from Special Steel to Chengyu and Bowei	-	-	9,583	16,146
Processing of hot rolled coil by Special Steel for Chengyu	4,635	2,181	-	-
Advance to Longwei by Special Steel	-	658	-	-
Sales of steel cutting head and scrap steel from Special Steel to Chengyu	-	248	-	-
Short term loan to Trisonic International Limited by Sapphire Corporation Limited	-	3,852[#]	-	-
Sales of iron ores by Sapphire Mineral Resources Pte Ltd to HSC Resources Ltd	-	-	-	26,221
Sales of hot rolled coil by Special Steel to Longwei	-	-	-	484
Service rendered by Trisonic to SMRHK	-	400	-	-

[#] The loan was extended and repaid in 2Q2012.

Note: With the change of shareholdings on 29 August 2013, Mr. Wang Jin no longer holds directly or indirectly 15% or more of the total number of issue shares in the Company and is now not a controlling shareholder. Accordingly, the transactions are not considered as interested person transaction and not reflected as such from 29 August 2013.

18 Report of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Company wishes to inform that none of the persons occupying a managerial position in the Company or any of its principal subsidiaries is related to a Director or Chief Executive Officer of Substantial Shareholder of the Company as at 31 December 2013.

BY ORDER OF THE BOARD

Teh Wing Kwan
CEO

28 February 2014