

INVESTORS UPDATE

1HY2020

11 May 2020

A title graphic consisting of a solid purple rectangular background on the left side, with the words "OPERATIONS" and "REVIEW" stacked vertically in a bold, white, sans-serif font to its right.

BUSINESS OVERVIEW

ONE-STOP INVENTORY SPECIALIST

- Over 25,000 line items
- Pipes, fittings, flanges and structural
- 411,000 sq ft (site area) storage capacity



- International network
- Customisation services
- Project management services
- In-house quality assurance
- Non-destructive testing services

SERVING MULTI-INDUSTRIES



FY2019 revenue: \$91.6m

Energy: 79%

Trading: 15%

Marine: 5%

Others: 1%



SAFETY & QUALITY FOCUSED

Certifications

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

ISO 22301:2012

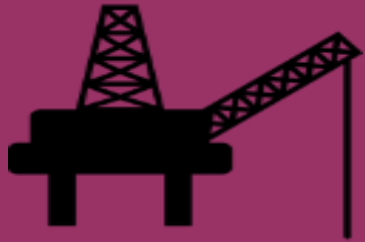
BizSAFE STAR

OUR MARKETS



OUR BUSINESS SEGMENTS

Energy



- Offshore rig fabrication such as jack-ups and semi-subs
- FPSO/FSO new builds and conversion
- Onshore energy facilities fabrication

Marine



- Shipbuilding
- Ship repairs

Traders



- Sell products to traders who on-sell them to other customers

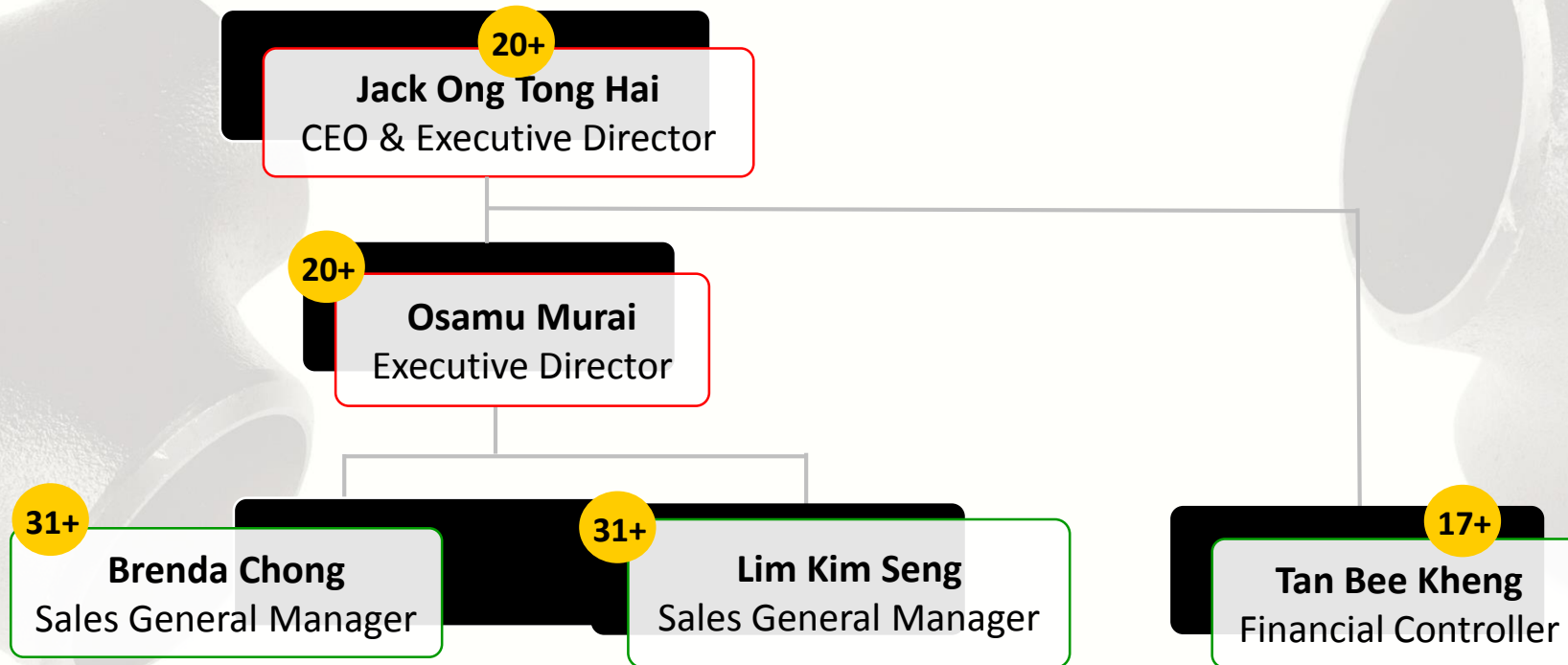
Others




- Supply to other industries such as manufacturing

Broad customer base that uses our products as components mainly to construct piping systems for the conduit of liquids and gases in the production processes of the Energy, Marine and Other industries

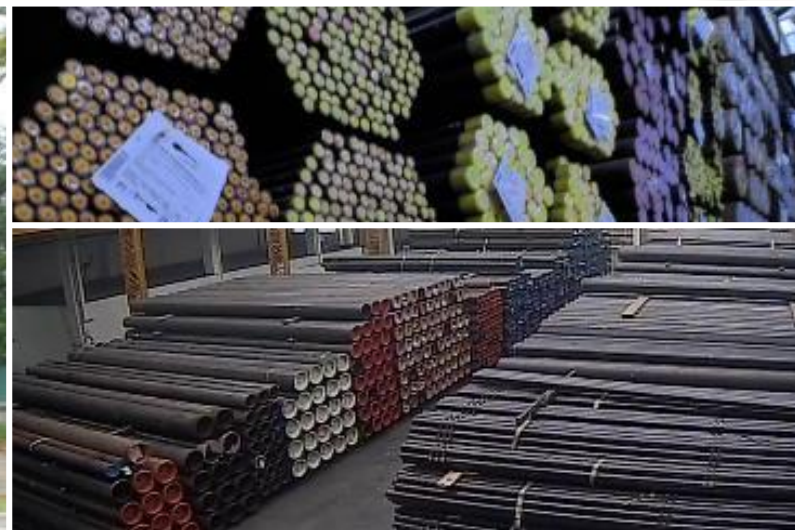
EXPERIENCED MANAGEMENT



Highly experienced executive and senior management team with **extensive and relevant industry experience**;
Strong sales and marketing team with **established contacts and in-depth industry knowledge**

 Number of years of relevant industry experience

OUR WAREHOUSES



Location	Site area (sq ft)	Use	Tenure
• 14 Lok Yang Way	111,363	Office & Warehouse*	60 years lease wef 16 June 1972
• 90 Second Lok Yang Road	69,998	Dormitory & Warehouse*	30 + 10 + 13.25 years lease wef 16 March 1979
• 21A Neythal Road	111,747	Covered Warehouse*	1 year wef 16 August 2019 with a further 1 year renewal option
• 36 Tuas Crescent	118,067	Covered Warehouse*	23 years lease wef 1 May 1997

Solidifying operational security with extensive warehousing totalling 411,000 sq ft (site area) and inventory management process supported by an integrated computerised ERP system

*With machineries to provide value-added services to customise products to customers' specific requirements.

CORPORATE GOVERNANCE

Well-organised and transparent committee structure to uphold the best practices in Corporate Governance

Board of Directors

Chairman and Independent Director
Low Beng Tin

Executive Directors
Jack Ong Tong Hai (CEO), Osamu Murai

Non-Executive Director
Hiromasa Yamamoto

Independent Directors
Tan Siok Chin, Hor Siew Fu

Audit Committee

Remuneration Committee

Nomination Committee

- Ranked 79th out of 578 companies on the SGTI in 2019 (SGTI 2018: Ranked 141st out of 589 companies)
- Runner-up for Most Transparent Company, Energy Category at the SIAS 20th Investors' Choice Awards
- Experienced independent directors with varied experience in legal and accounting professions
- Board composition: 6 member board; 3 are independent

FINANCIAL HIGHLIGHTS

1HY2020

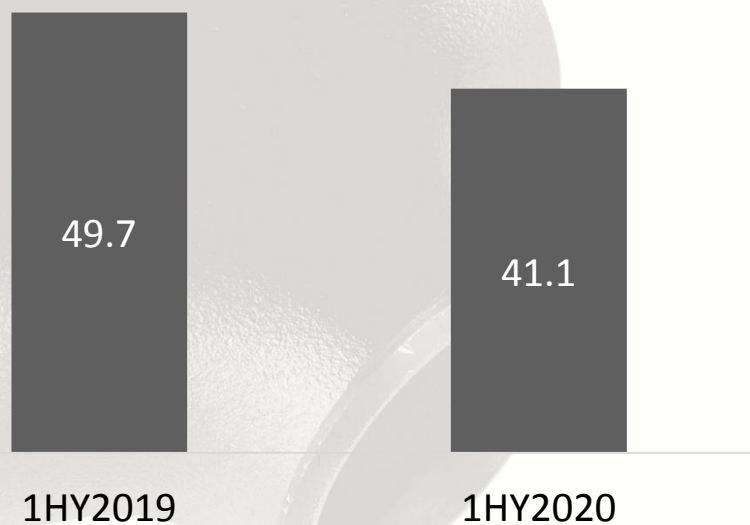
FINANCIAL SNAPSHOT

S\$' Million	FY2018	FY2019	1HY2019	1HY2020
Revenue	82.2	91.6	49.7	41.1
Gross profit	13.7	18.7	9.2	9.3
Net (loss)/profit after tax	(32.3)*	2.8	1.3	4.1
(Loss)/earnings per share (cents)	(11.13)	0.97	0.44	1.40
Net asset value per share (cents)	25.30	26.26	25.75	27.45

* Includes inventories value written down that amounted to \$30.8 million in FY2018

REVENUE

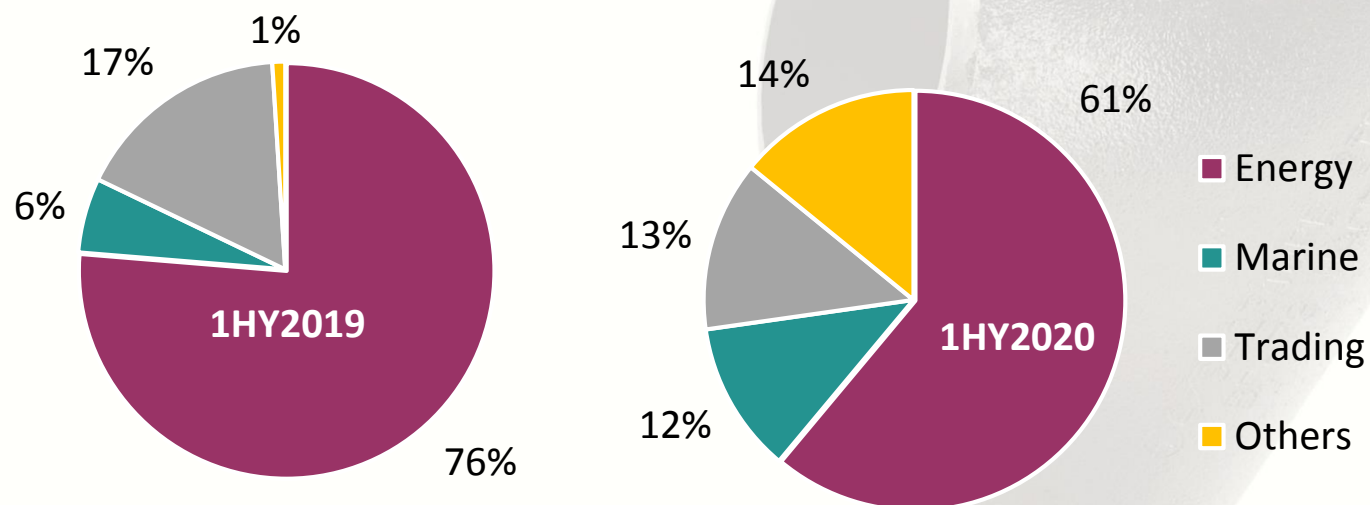
Total Revenue (S\$m)



Total revenue

- ↓ 17.2% to S\$41.1m
- Revenue from Singapore ↑ 21.0% to S\$19.9m; accounted for 48.4% of total revenue

Revenue by Customer Type (S\$m)

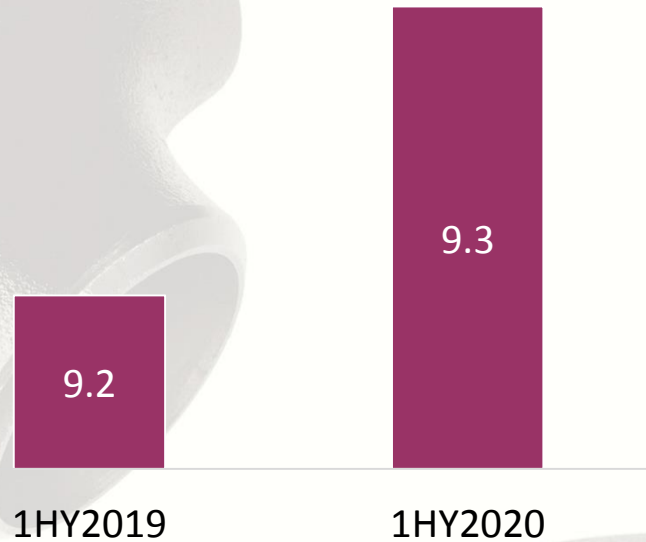


Revenue by customer type: 1HY2020

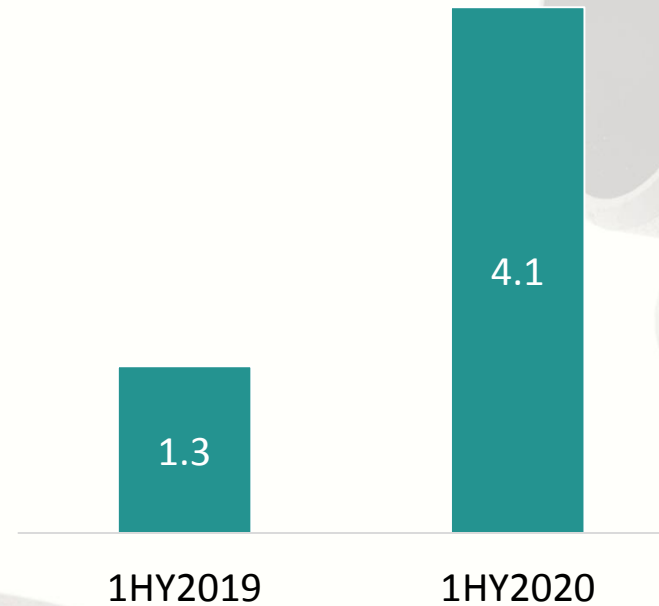
- Energy Sector: ↓ 34.0% to S\$25.1m (1HY2019: S\$38.0m)
- Marine Sector: ↑ 65.9% to S\$4.8m (1HY2019: S\$2.9m)
- Trading Sector: ↓ 35.6% to S\$5.4m (1HY2019: S\$8.4m)
- Others Sector: Substantially increased to S\$5.8m (1HY2019: S\$0.4m)

PROFIT & LOSS

Gross Profit (S\$m)



Profit After Tax (S\$m)



Gross profit: 1HFY2020

- ↑1.0% to S\$9.3m
- GP margin ↑ 4.1 percentage points to 22.6%

Net profit after tax: 1HY2020

- ↑ 215.3%

KEY FINANCIAL INDICATORS

Profitability Ratios (%)	1HY2019	1HY2020
Return on Total Assets	3.1	8.2
Return on Equity	3.5	10.4
Efficiency Ratios (Days)	1HY2019	1HY2020
Trade Receivables Turnover	95	124
Trade Payables Turnover	31	42
Inventory Turnover	200	209
Liquidity Ratios (Times)	1HY2019	1HY2020
Current Ratio	2.64	4.33
Debt-to-Equity Ratio	0.52	0.35

An aerial view of a steel fabrication shop. Two workers in blue protective suits and helmets are welding large steel beams. Bright orange sparks are flying from the welding points. The floor is dark and industrial, with various cables and equipment visible.

OUTLOOK & STRATEGY

BUSINESS OUTLOOK & STRATEGY



FY2020 Outlook

- Delays in performance/fulfilment of our order book due to supply chain disruptions resulting from COVID-19
- Knock-on impact on our Energy customers and our business if low oil prices persist
 - FY20 revenue generation expected to be challenging

STRATEGY FOCUS

1. Revenue generation

- Expand product offering
- Increase marketing efforts
- Strengthen ties with existing and new customers
- Scout for new potential markets

2. Improve market competitiveness

- Cautious inventory management with sales of existing inventories
- Manage operating costs
- Improve productivity and efficiency

THANK YOU

For more information, please contact:

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