



INVESTORS UPDATE
1QFY2019

February 2019

A title graphic consisting of a solid purple rectangular block on the left side, followed by the words "OPERATIONS" and "REVIEW" stacked vertically in a bold, white, sans-serif font.

BUSINESS OVERVIEW

ONE-STOP INVENTORY SPECIALIST

- Over 25,000 line items
- Pipes, fittings, flanges, structural and cables
- 411,000 sq ft storage capacity



SERVING MULTI-INDUSTRIES



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

FY18 revenue: \$82.2m

Energy: 80.8%

Trading: 9.8%

Marine: 7.0%

Others: 2.4%

SAFETY & QUALITY FOCUSED

Certifications

ISO 9001:2015

ISO 22301:2012

ISO 14001:2015

BizSAFE STAR

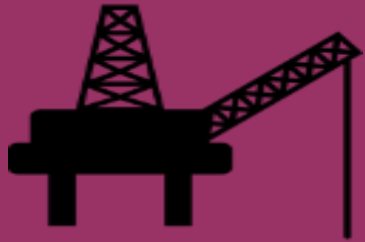
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OUR MARKETS



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

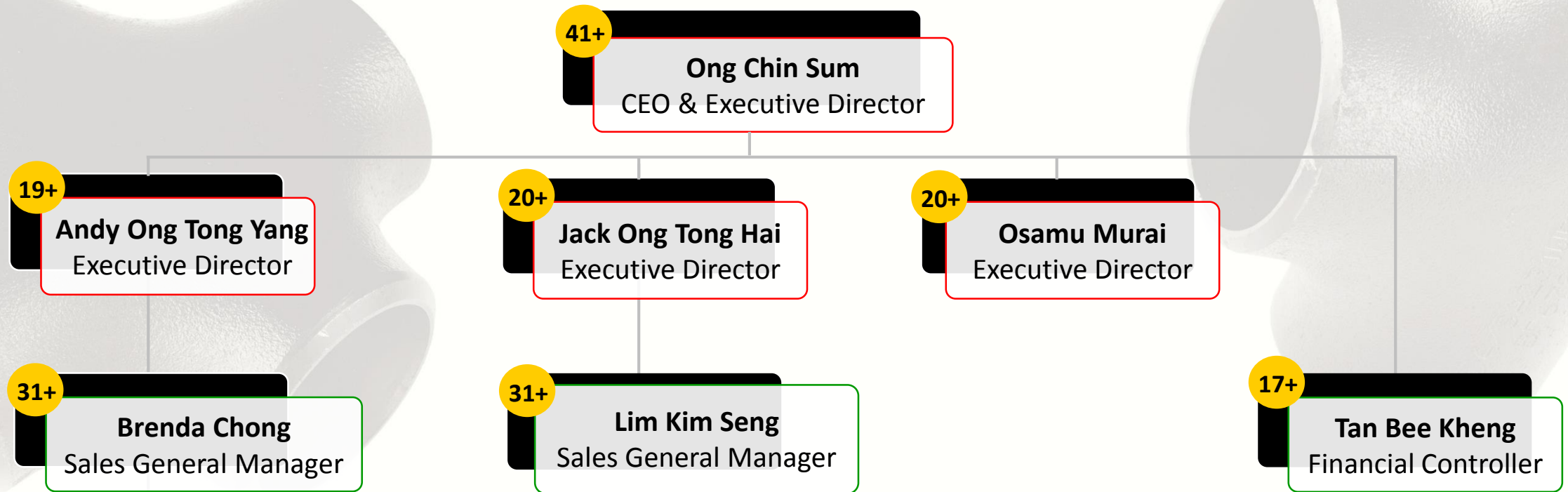
Others




- 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



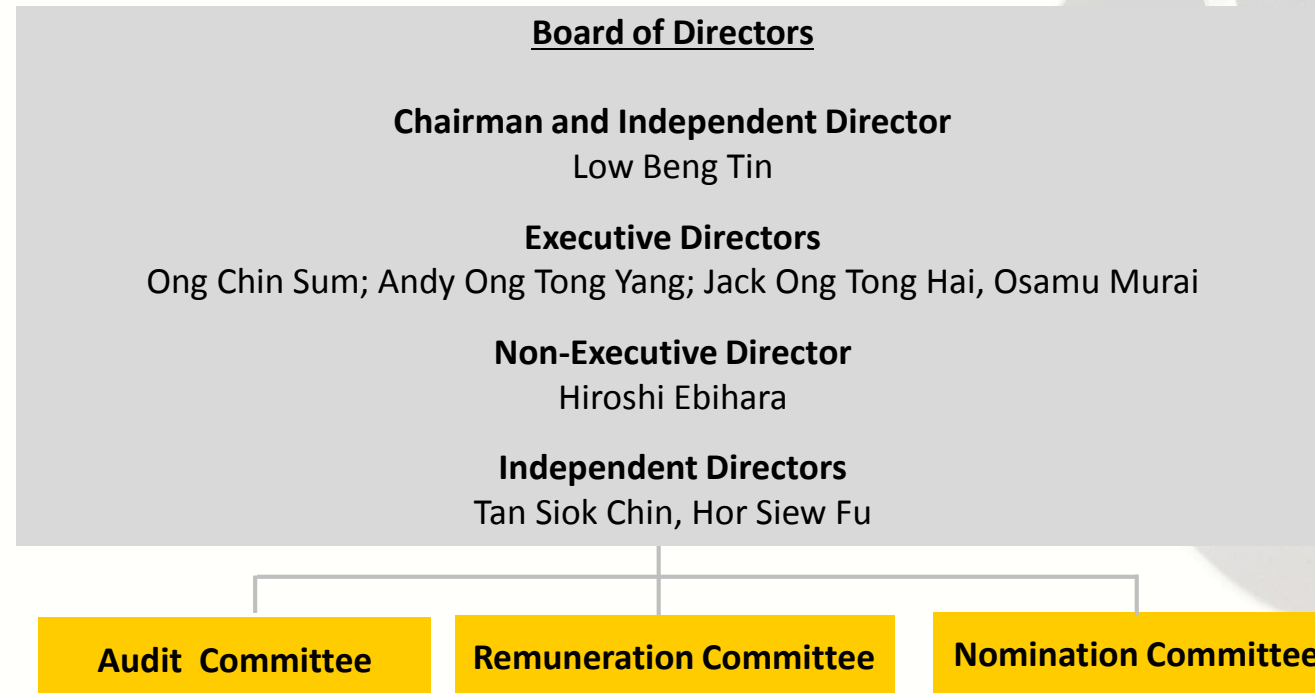
Location	Site area (sq ft)	Use	Tenure
• 14 Lok Yang Way	111,363	Office & Warehouse*	60 years lease wef 16 June 1972
• 90 Second Lok Yang Road	69,998	Office & Warehouse*	30 + 10 + 13.25 years lease wef 16 March 1979
• 21A Neythal Road	111,751	Covered Warehouse*	30 years lease wef 16 August 1989
• 36 Tuas Crescent	118,274	Covered Warehouse*	23 years lease wef 1 May 1997

Solidifying operational security with extensive warehousing totalling 411,000 sq ft 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



- Ranked 141st out of 589 companies on the SGTI in 2018 (SGTI 2017: Ranked 67th out of 606 companies)
- Experienced independent directors with varied experience in legal and accounting professions
- Board composition: 8 member board; 3 are independent

FINANCIAL HIGHLIGHTS

1QFY2019

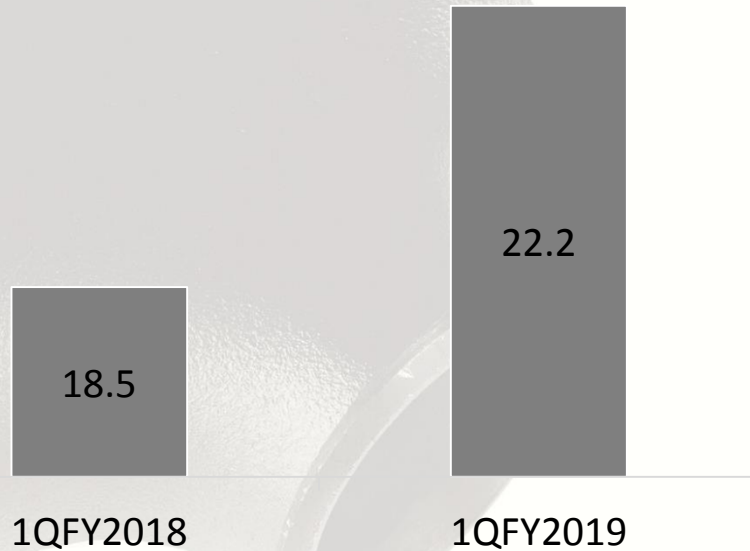
FINANCIAL SNAPSHOT

S\$' Million	FY2017	FY2018	1QFY2018	1QFY2019
Revenue	76.9	82.2	18.5	22.2
Gross profit	10.9	13.7	2.6	3.6
Net loss after tax	(9.4)	*(32.3)	(2.7)	(0.1)
(Loss)/Earnings before interest, tax, depreciation and inventory allowance	(1.7)	2.6	(0.1)	0.9
Loss per share (cents)	(3.23)	(11.13)	(0.92)	(0.05)
Net asset value per share (cents)	35.69	25.30	34.78	25.25

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

REVENUE

Total Revenue (S\$m)



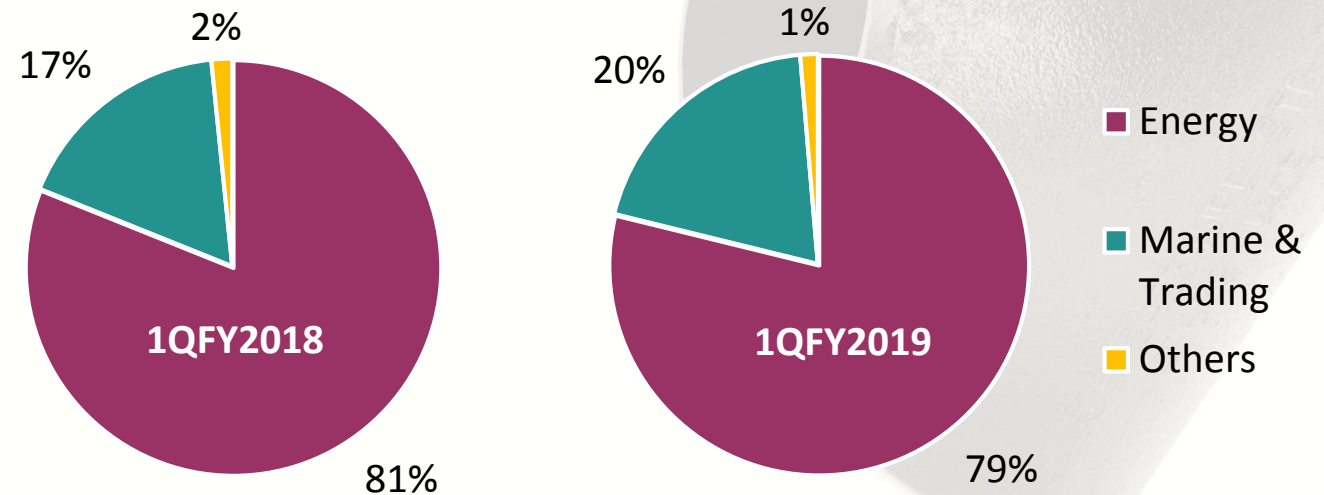
Total revenue

- 1QFY2019: ↑ 20.3% to S\$22.2m

Revenue by markets

- Japan's contribution largest at 33.9%; contribution ↑ 52.4% to S\$7.5m (1QFY2018 S\$4.9m)
- Revenue increased across all markets except Malaysia, Thailand, Brunei and Middle East

Revenue by Customer Type (S\$m)

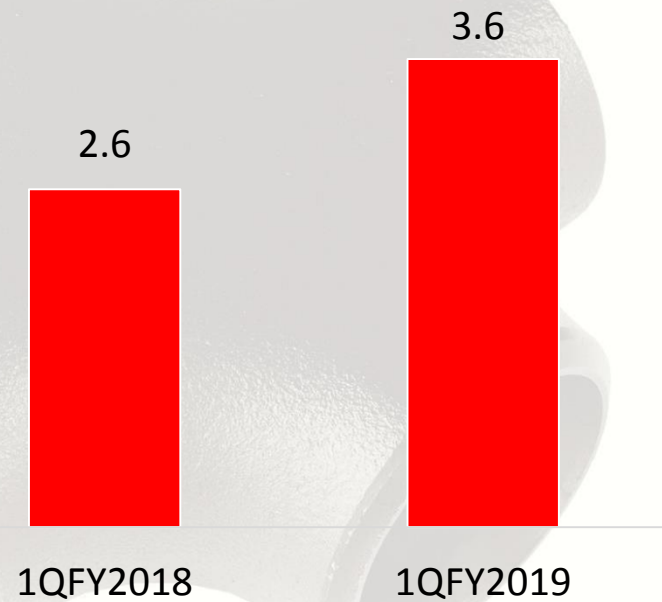


Revenue by customer type in 1QFY2019

- Energy Sector: ↑ 16.8% to \$17.5m (1QFY2018: \$15.0m)
- Marine and Trading Sectors: ↑ 37.5% to \$4.4m (1QFY2018: \$3.2m)
- Others Sector: \$0.3m (1QFY2018: \$0.3m)

PROFIT & LOSS

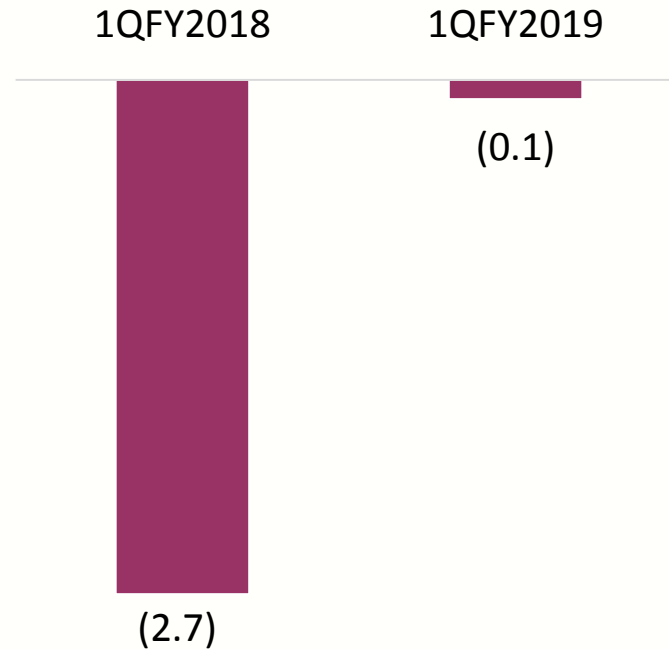
Gross Profit (S\$m)



Gross profit margin

- Gross profit \uparrow 37.8% from \$2.6m in 1QFY2018 to \$3.6m in 1QFY2019
- Gross profit margin \uparrow 2.1 percentage points from 14.2% in 1QFY2018 to 16.3% in 1QFY2019

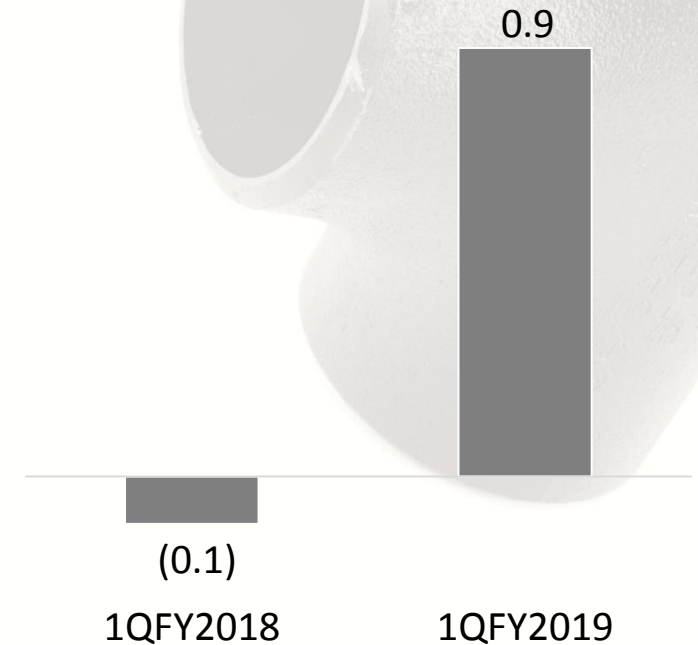
Loss After Tax (S\$m)



Net loss after tax

- Net loss \downarrow 94.7% to \$0.1m in 1QFY2019 mainly due to higher revenue, lower depreciation expense as well as absence of other losses as compared to a year ago
- Other losses of \$1.1m in 1QFY2018 reversed into a gain of \$0.1m mainly from write back of inventories value

(Loss)/Earnings before interest, tax, depreciation and inventory allowance (S\$m)



KEY FINANCIAL INDICATORS

Efficiency Ratios (Days)	1QFY2018	1QFY2019
Trade Receivables Turnover	109	90
Trade Payables Turnover	46	42
Inventory Turnover	436	231
Liquidity Ratios (Times)	1QFY2018	1QFY2019
Current Ratio	3.09	2.47
Debt-to-Equity Ratio	0.39	0.56

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



FY2019 Outlook

- Expect revenue generation and margin to be challenged by:
 - Global uncertainties
 - Volatility in oil market
 - Industry competition

STRATEGY

1. **To manage costs prudently**
 - Manage operating costs
 - Improve productivity and efficiency
2. **To identify new potential markets / suitable opportunities for growth**
 - Intensify marketing efforts in the Asia Pacific region
 - Strengthen ties with existing and new customers
 - Active scouting for new potential markets

THANK YOU

For more information, please contact:

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