



INVESTORS UPDATE
4QFY2019 & FY2019

14 November 2019

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%

Marine: 5%

Trading: 15%

Others: 1%



SAFETY & QUALITY FOCUSED

Certifications

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

ISO 22301:2012

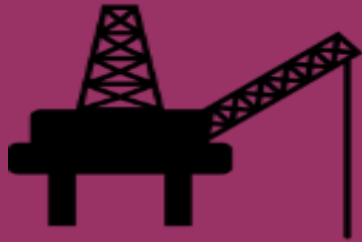
BizSAFE STAR

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

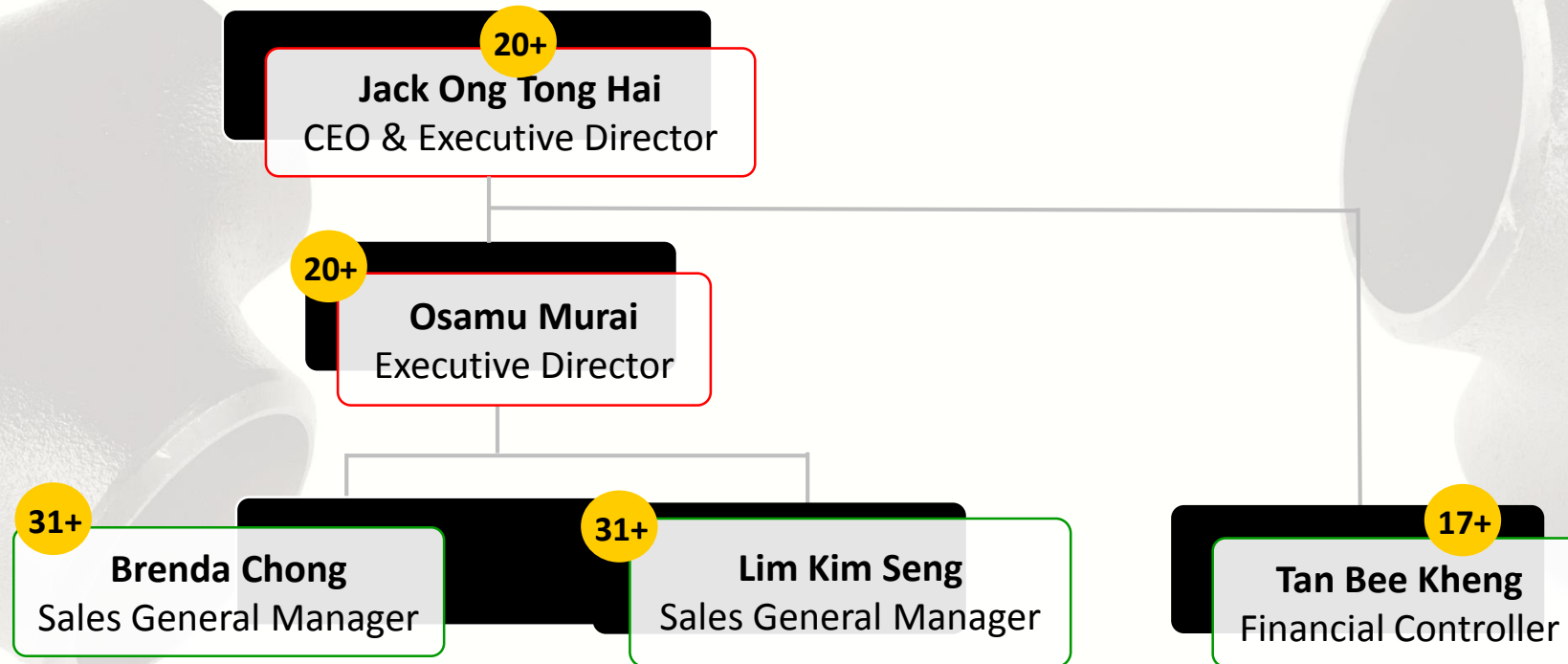
Others




- 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 (appointed wef 5 July 2019)

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

Note:

- Mr Ong Chin Sum retired as Executive Director and CEO wef 12 July 2019
- Mr Ong Tong Yang ceased to be Executive Director wef 31 March 2019
- Mr Hiroshi Ebihara ceased to be Non-Executive Director wef 5 July 2019

FINANCIAL HIGHLIGHTS

4QFY2019 & FY2019

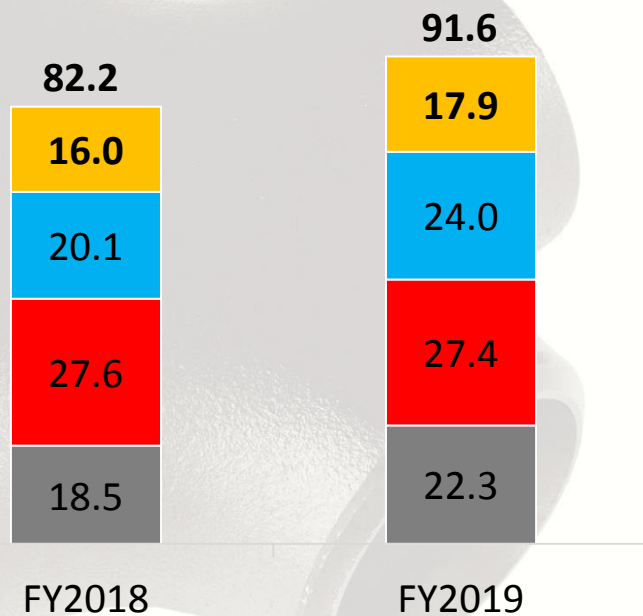
FINANCIAL SNAPSHOT

S\$' Million	FY2017	FY2018	FY2019
Revenue	76.9	82.2	91.6
Gross profit	10.9	13.7	18.7
Net (loss)/profit after tax	(9.4)	(32.3)*	2.8
(Loss)/earnings before interest, tax, depreciation and inventory allowance	(1.7)	2.6	7.4
(Loss)/earnings per share (cents)	(3.23)	(11.13)	0.97
Net asset value per share (cents)	35.69	25.30	26.26

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

REVENUE

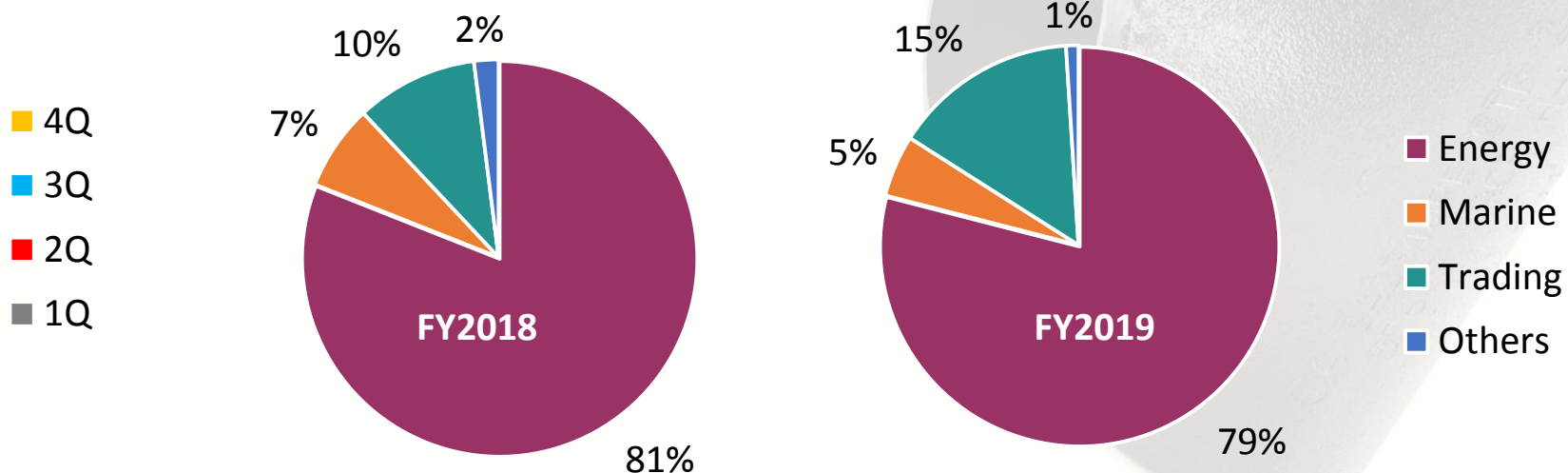
Total Revenue (S\$m)



Total revenue

- 4QFY2019: ↑ 11.5% to S\$17.9m
- FY2019: ↑ 11.3% to S\$91.6m

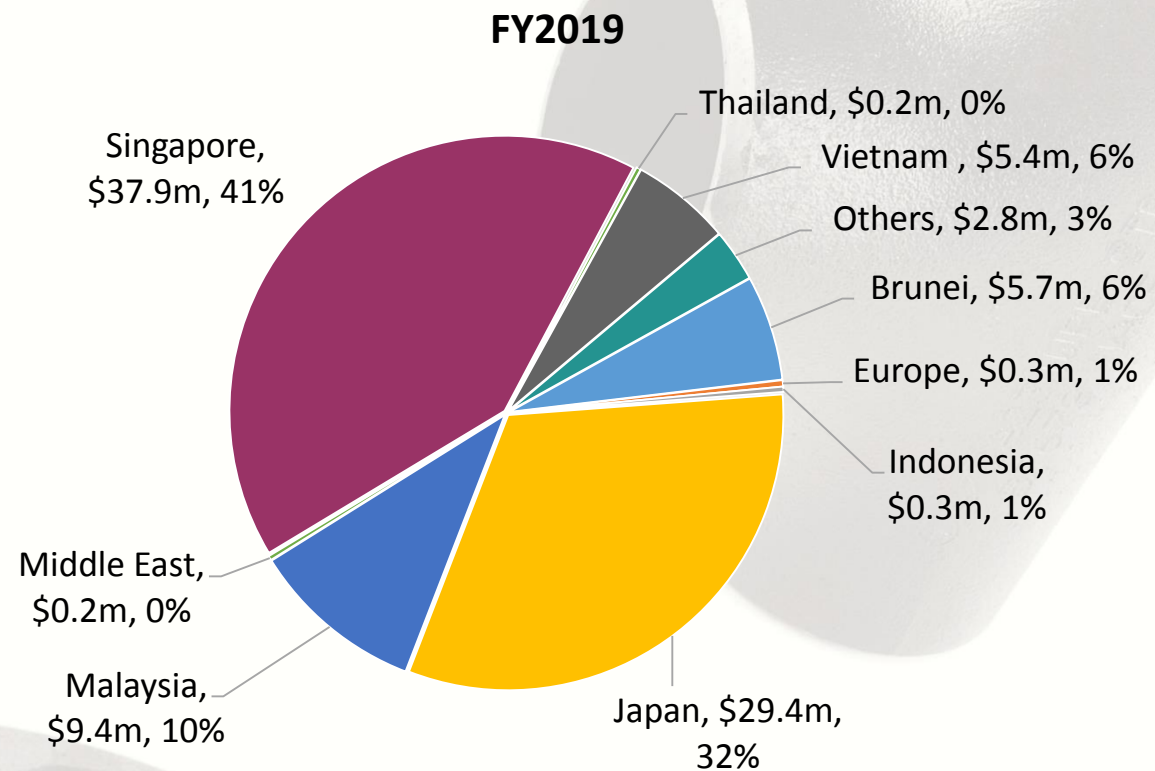
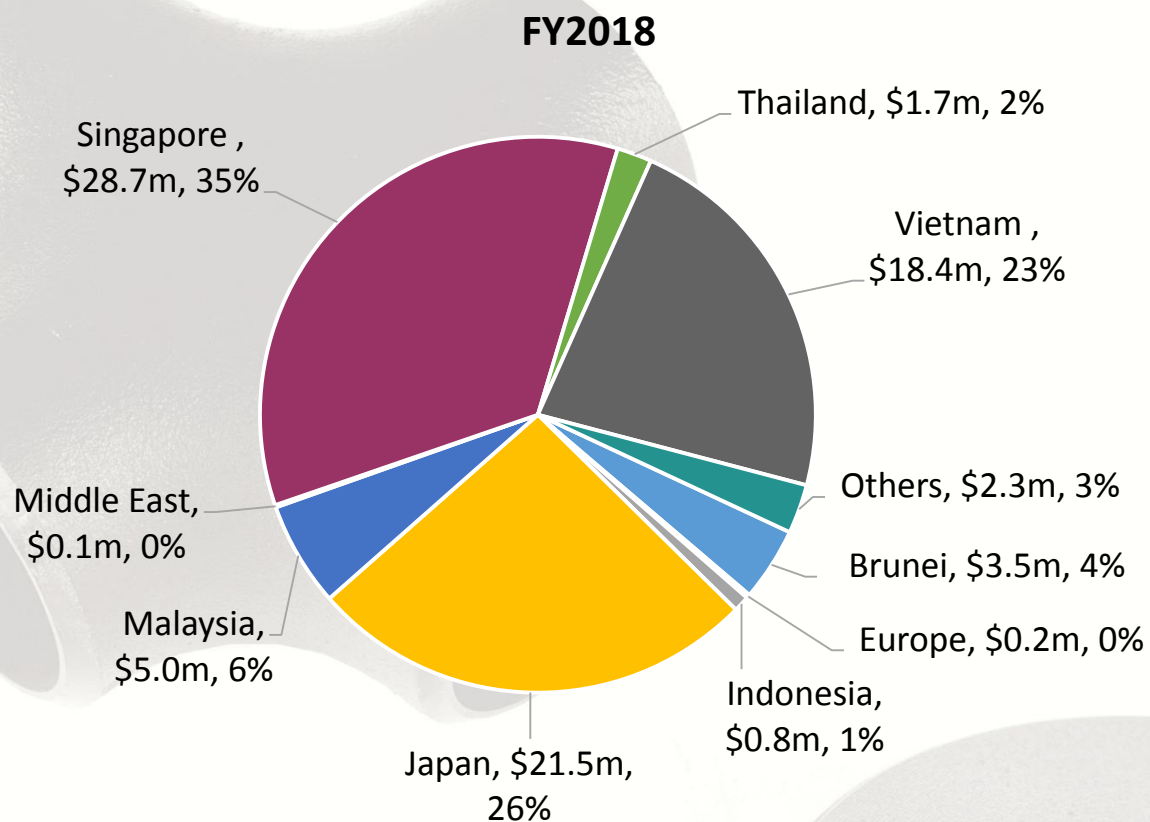
Revenue by Customer Type (S\$m)



Revenue by customer type: FY2019

- Energy Sector: ↑ 9.0% to S\$72.4m (FY2018: S\$66.5m)
- Marine Sector: ↓ 18.4% to S\$4.7m (FY2018: S\$5.7m)
- Trading Sector: ↑ 70.3% to S\$13.7m (FY2018: S\$8.1m)

REVENUE BY GEOGRAPHICAL MARKET



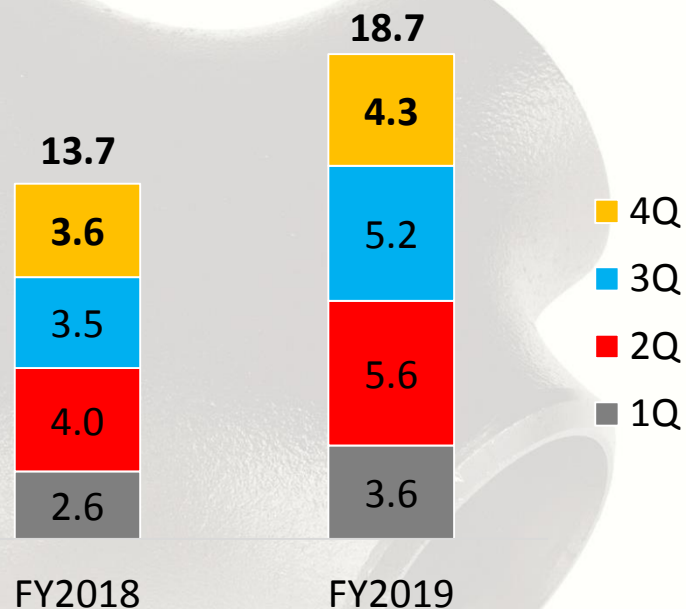
Revenue by markets: FY2019

- Singapore's contribution largest at 41%
- Revenue increased across all markets except Indonesia, Vietnam and Thailand

*Note: Others refer to customers in Australia, China and the Philippines
Any discrepancies in figures/percentages are due to rounding*

PROFIT & LOSS

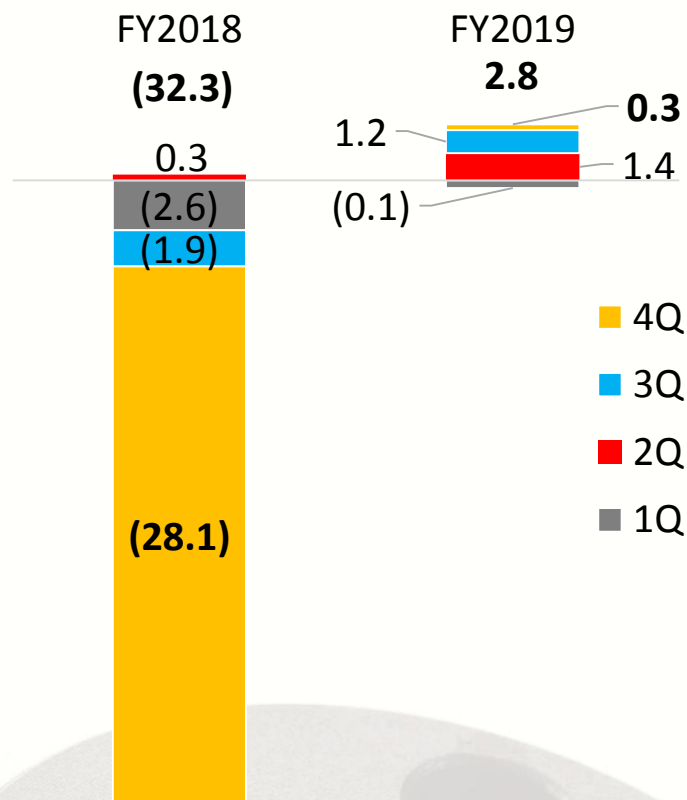
Gross Profit (S\$'m)



Gross profit margin

- 4QFY2019: Gross profit ↑20.0% to S\$4.3m; GP margin ↑ 1.7 percentage points to 23.9%
- FY2019: Gross profit ↑36.8% to S\$18.7m; GP margin ↑3.8 percentage points to 20.4%

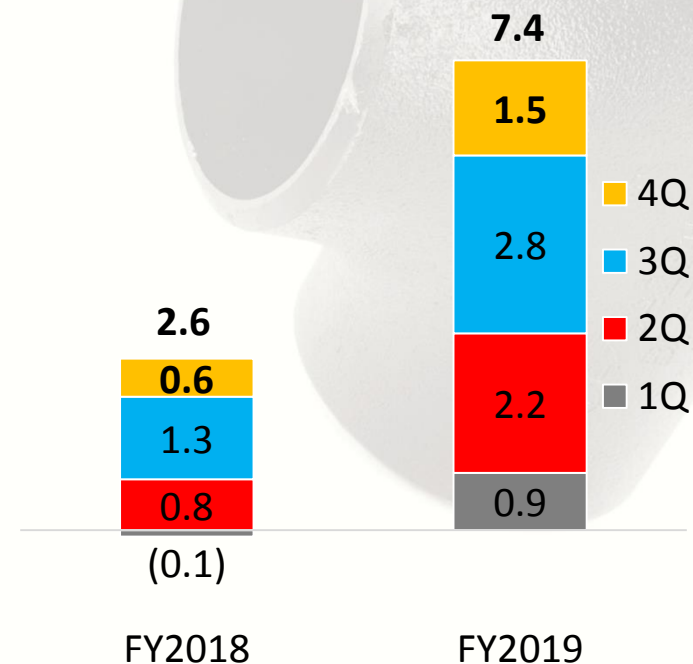
(Loss)/Profit After Tax (S\$'m)



Net profit after tax: FY2019

- Turned profitable due to improvement in revenue generation, better gross margins and reversal of other losses to gains
- Other losses of S\$31.0m in FY2018 reversed into a gain of S\$0.4m in FY2019 mainly due to provision for slow moving inventories in 4QFY2018

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



KEY FINANCIAL INDICATORS

Efficiency Ratios (Days)	FY2018	FY2019
Trade Receivables Turnover	98	98
Trade Payables Turnover	29	34
Inventory Turnover	315	205
Liquidity Ratios (Times)	FY2018	FY2019
Current Ratio	2.61	3.67
Debt-to-Equity Ratio	0.52	0.38

FY2019 DIVIDEND

Final Dividend

- Per share: 0.25 cents
- Payout: 25.8%
- In cash

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

- Cautious optimism on maintaining momentum of financial performance

STRATEGY

1. Revenue generation

- Increase marketing efforts

2. Prudent Management

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

3. Suitable opportunities for growth

- Intensify marketing efforts in the Asia Pacific region
- Strengthen ties with existing and new customers
- Scout for new potential markets

THANK YOU

For more information, please contact:

August Consulting

Silvia Heng | silviaheng@august.com.sg

Tel: 6733 8873 | Fax: 6733 9913