



INVESTORS UPDATE
3Q2019

August 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, structural and cables
- 411,000 sq ft storage capacity



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

SERVING MULTI-INDUSTRIES



FY18 revenue: \$82.2m

Energy: 80.8%

Marine: 7.0%

Trading: 9.8%

Others: 2.4%

SAFETY & QUALITY FOCUSED

Certifications

ISO 9001:2015

ISO 14001:2015

OHSAS 18001:2007

ISO 22301:2012

BizSAFE STAR

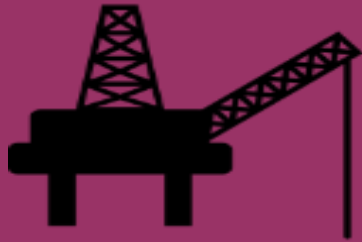


OUR MARKETS



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

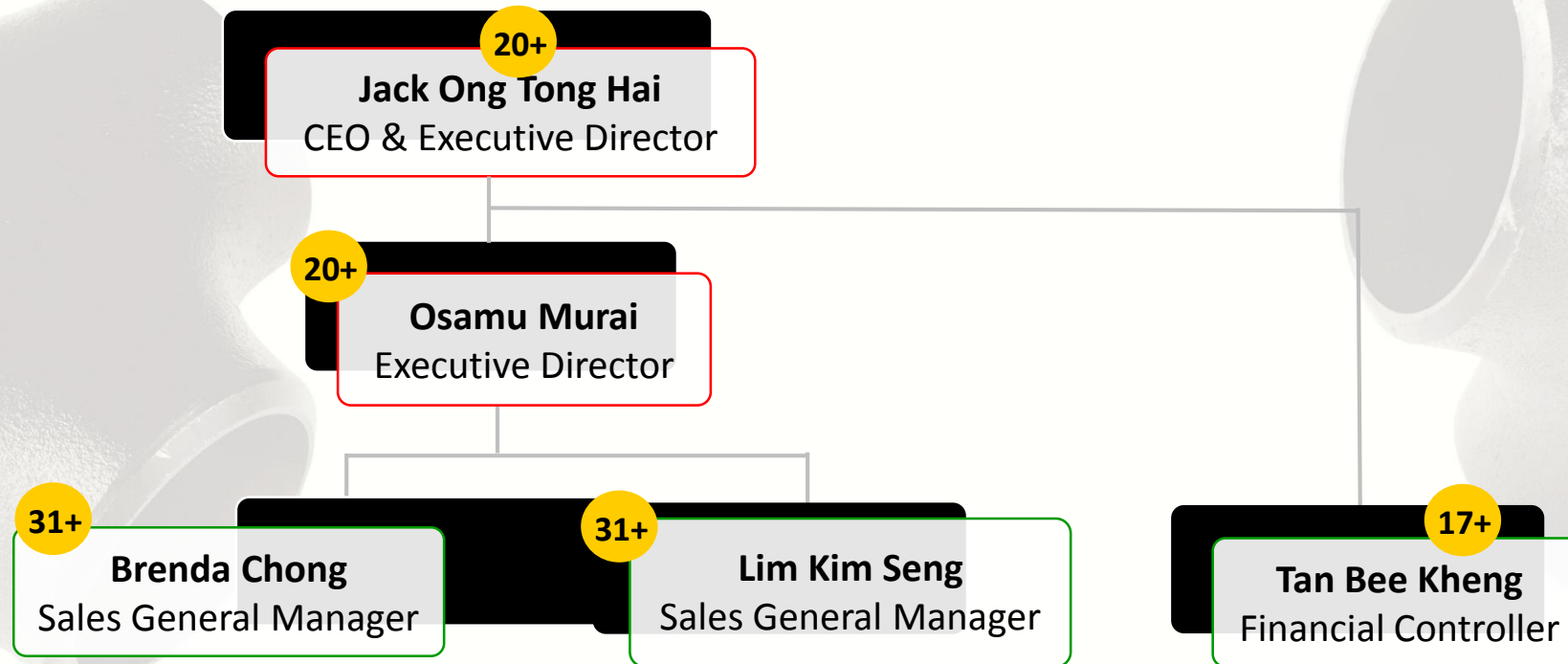
Others




- 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*	30 years lease wef 16 August 1989
• 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** 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, 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 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: 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

9MFY2019

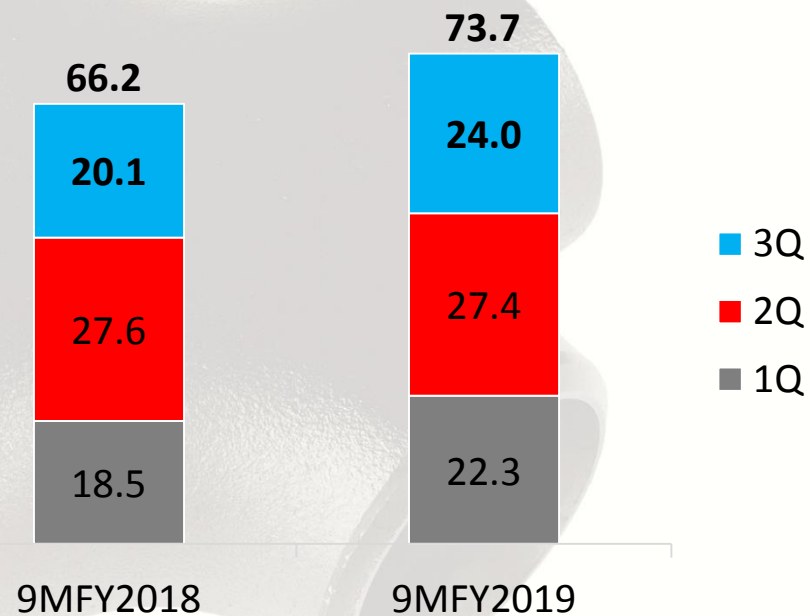
FINANCIAL SNAPSHOT

S\$' Million	FY2017	FY2018	9MFY2018	9MFY2019
Revenue	76.9	82.2	66.2	73.7
Gross profit	10.9	13.7	10.1	14.4
Net (loss)/profit after tax	(9.4)	(32.3)*	(4.2)	2.5
(Loss)/earnings before interest, tax, depreciation and inventory allowance	(1.7)	2.6	2.0	5.9
(Loss)/earnings per share (cents)	(3.23)	(11.13)	(1.46)	0.87
Net asset value per share (cents)	35.69	25.30	34.25	26.18

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

REVENUE

Total Revenue (S\$m)



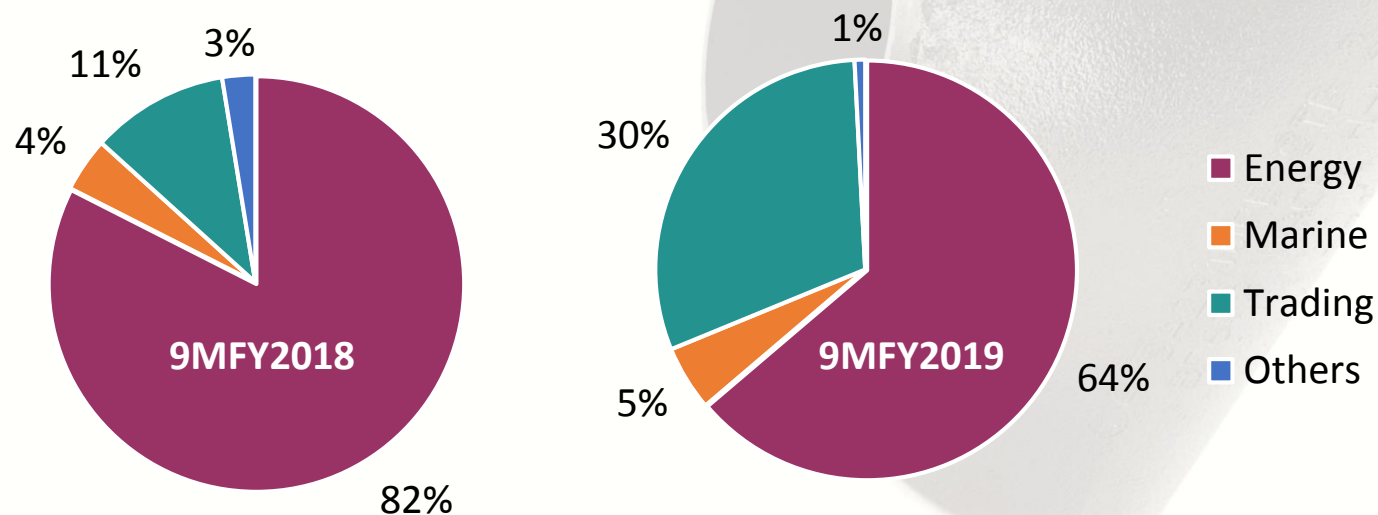
Total revenue

- 3QFY2019: ↑ 19.3% to S\$24.1m
- 9MFY2019: ↑ 11.3% to S\$73.7m

Revenue by markets: 9MFY2019

- Singapore's contribution largest at 37.8%
- Revenue increased across all markets except Indonesia, Vietnam, Thailand and Middle East

Revenue by Customer Type (S\$m)

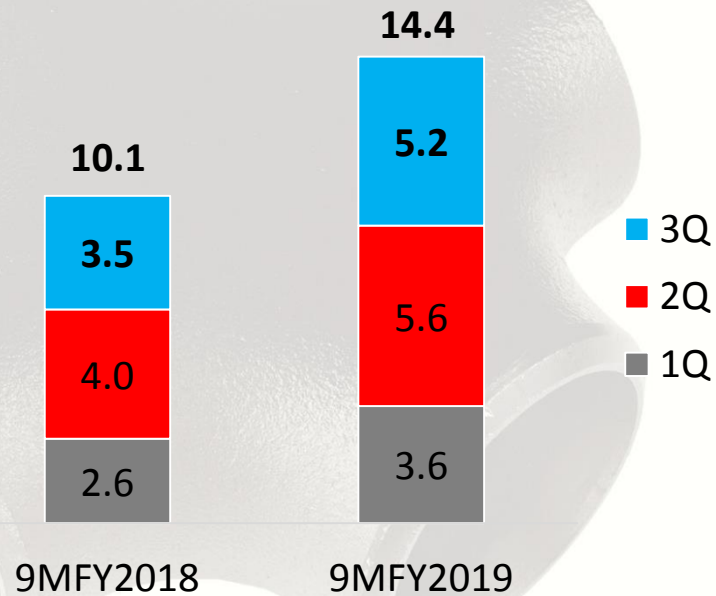


Revenue by customer type: 9MFY2019

- Energy Sector: ↓ 13.9% to S\$47.0m (9MFY2018: S\$54.6m)
- Marine Sector: ↑ 32.4% to S\$3.7m (9MFY2018: S\$2.8m)
- Trading Sector: ↑ 217.7% to S\$22.4m (9MFY2018: S\$7.1m)

PROFIT & LOSS

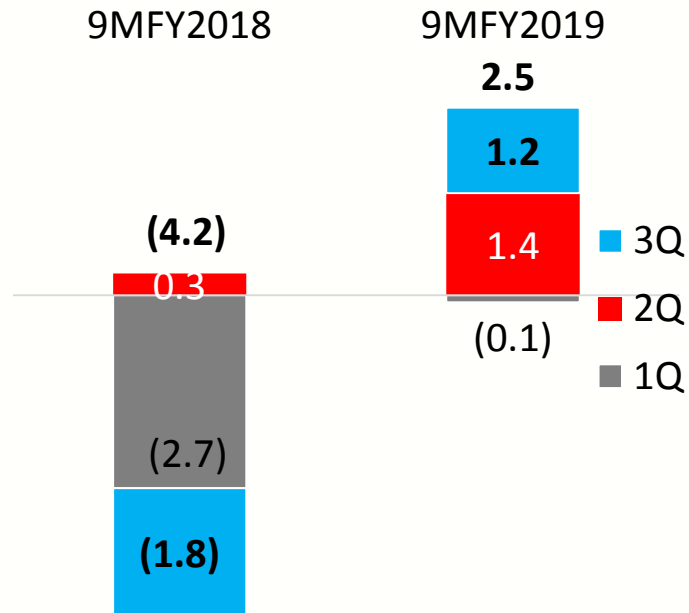
Gross Profit (S\$'m)



Gross profit margin

- 3QFY2019: Gross profit ↑49.6% to S\$5.2m; GP margin ↑ 4.4 percentage points to 21.8%
- 9MFY2019: Gross profit ↑42.7% to S\$14.4m; GP margin ↑4.3 percentage points to 19.6%

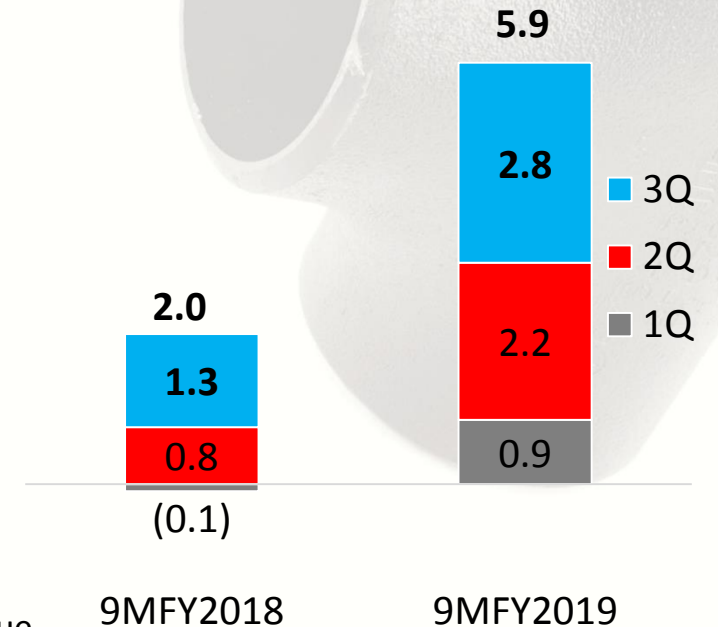
Profit/(Loss) After Tax (S\$'m)



Net profit after tax: 9MFY2019

- Turned profitable due to improvement in revenue generation, better gross margins and reversal of other losses to gains
- Other losses of S\$2.0m in 9MFY2018 reversed into a gain of S\$0.2m in 9MFY2019 mainly due to reversal on provision for slow moving inventories

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



KEY FINANCIAL INDICATORS

Efficiency Ratios (Days)

	9MFY2018	9MFY2019
Trade Receivables Turnover	106	100
Trade Payables Turnover	36	35
Inventory Turnover	369	196

Liquidity Ratios (Times)

	9MFY2018	9MFY2019
Current Ratio	2.81	3.04
Debt-to-Equity Ratio	0.43	0.44

An aerial view of a steel fabrication shop. Two workers in blue protective suits and helmets are welding large steel beams. Bright 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

- Improvement in revenue generation optimistic
- Margin pressures as market condition remains challenging

STRATEGY

1. Revenue generation

- New marketing strategies

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:

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