

A photograph of a large-scale construction project at night. The foreground is dominated by a complex, multi-level scaffolding structure made of silver-colored metal pipes. In the background, the illuminated dome of a large, classical-style building is visible against the dark sky. A few construction workers can be seen on the scaffolding.

FY2014 Results: Media & Analyst Briefing

September 2014

One of the largest **structural steel fabricators** with a reputation as a **leading structural steel specialist**

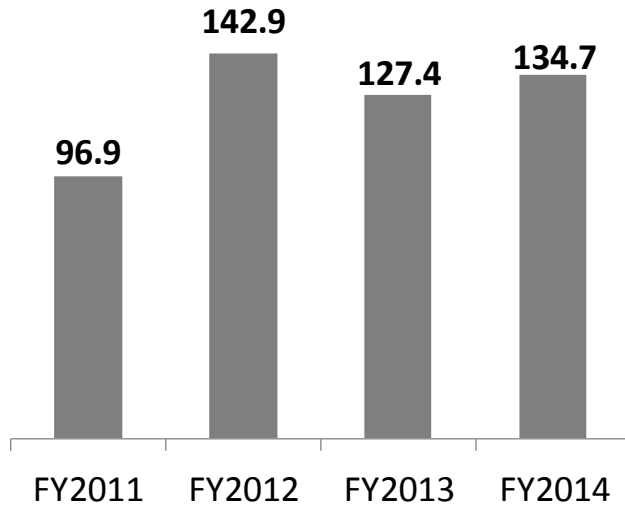


- **S1-accredited company with operations in Singapore and Malaysia**
- **Provides structural steel for diverse industries including many iconic projects in Singapore**
- **2 production facilities - Maximum annual capacity of 42,000 tonnes of normal structural steel:**
 - Singapore: 20,000 tonnes
 - Johor, Malaysia: 22,000 tonnes
- **Operates a dormitory at Jalan Papan**
 - capacity 5,300 persons





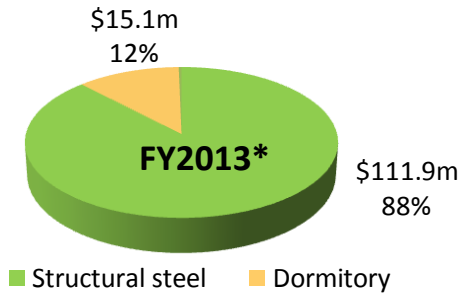
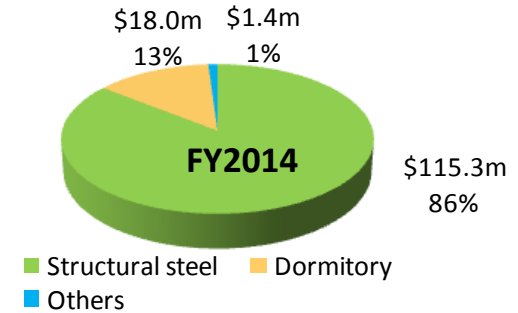
Financial performance for FY2014 (FYE 31 July)



FY2014 vs FY2013: Revenue increased by 6% to S\$134.7 million

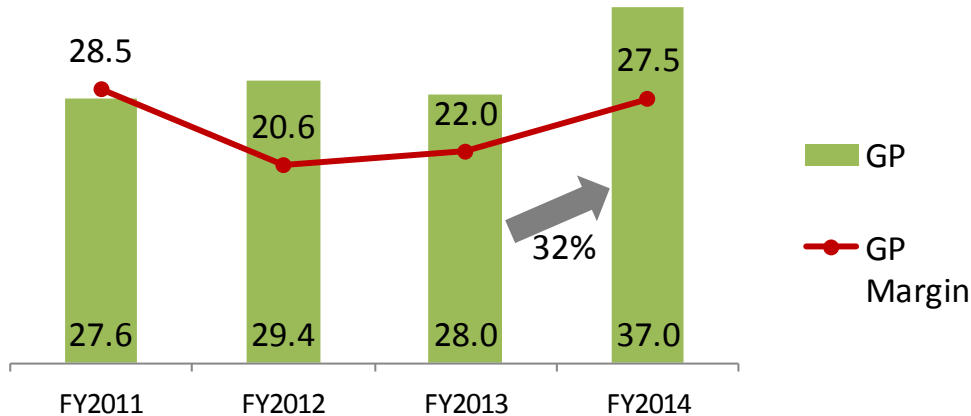
- Structural steel: +3% to \$115.3m
 - Contributions from completed and on-going projects
- Dormitory: +19.5% to \$18m
 - Increase in rental rates

Revenue by business segments



**FY2013 revenue breakdown includes a contribution of S\$0.4 million from Others*

Gross Profit (\$\$'m) and GP Margin (%)



GROSS PROFIT

FY2014 vs FY2013: GP +32% to \$37.0m; GPM improved to 27.5% from 22.0%

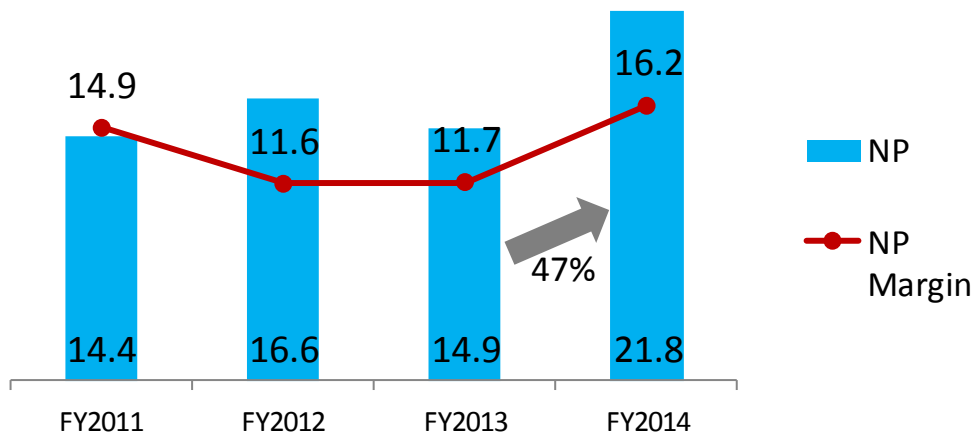
- Rental revisions in dormitory business
- Marginal improvement in structural steel projects

NET PROFIT ATTRIBUTABLE TO OWNERS (NET PROFIT)

FY2014 vs FY2013: NP +47% to \$21.8m; NPM improved to 16.2% from 11.7%

- Finance cost down 50%
- Administrative costs increased by 4%
- Other credits increased by 8%

Net Profit (\$\$'m) and NP Margin (%)



Key financial indicators



| Profitability Ratios | FY2011 | FY2012 | FY2013 | FY2014 |
|-----------------------|--------|--------|--------|-------------|
| EPS (cents) | 4.12 | 4.75 | 4.25 | 6.23 |
| Return On Assets* (%) | 12.0 | 12.6 | 10.7 | 14.7 |
| Return On Equity*(%) | 19.8 | 19.0 | 14.9 | 18.4 |

| Financial Position (S\$m) | As at 31 Jul 2013 | As at 31 Jul 2014 |
|---------------------------|-------------------|-------------------|
| Total assets | 138.9 | 148.0 |
| Total liabilities | 39.1 | 29.2 |
| Shareholders' equity | 99.8 | 118.7 |

| Gearing | As at 31 Jul 2013 | As at 31 Jul 2014 |
|---------------------------|-------------------|-------------------|
| Net gearing ratio (times) | n.m. [^] | n.m. [^] |

| NAV | As at 31 Jul 2013 | As at 31 Jul 2014 |
|-----------------------|-------------------|-------------------|
| NAV per share (cents) | 28.52 | 33.94 |

Note:

* Based on profit net of tax

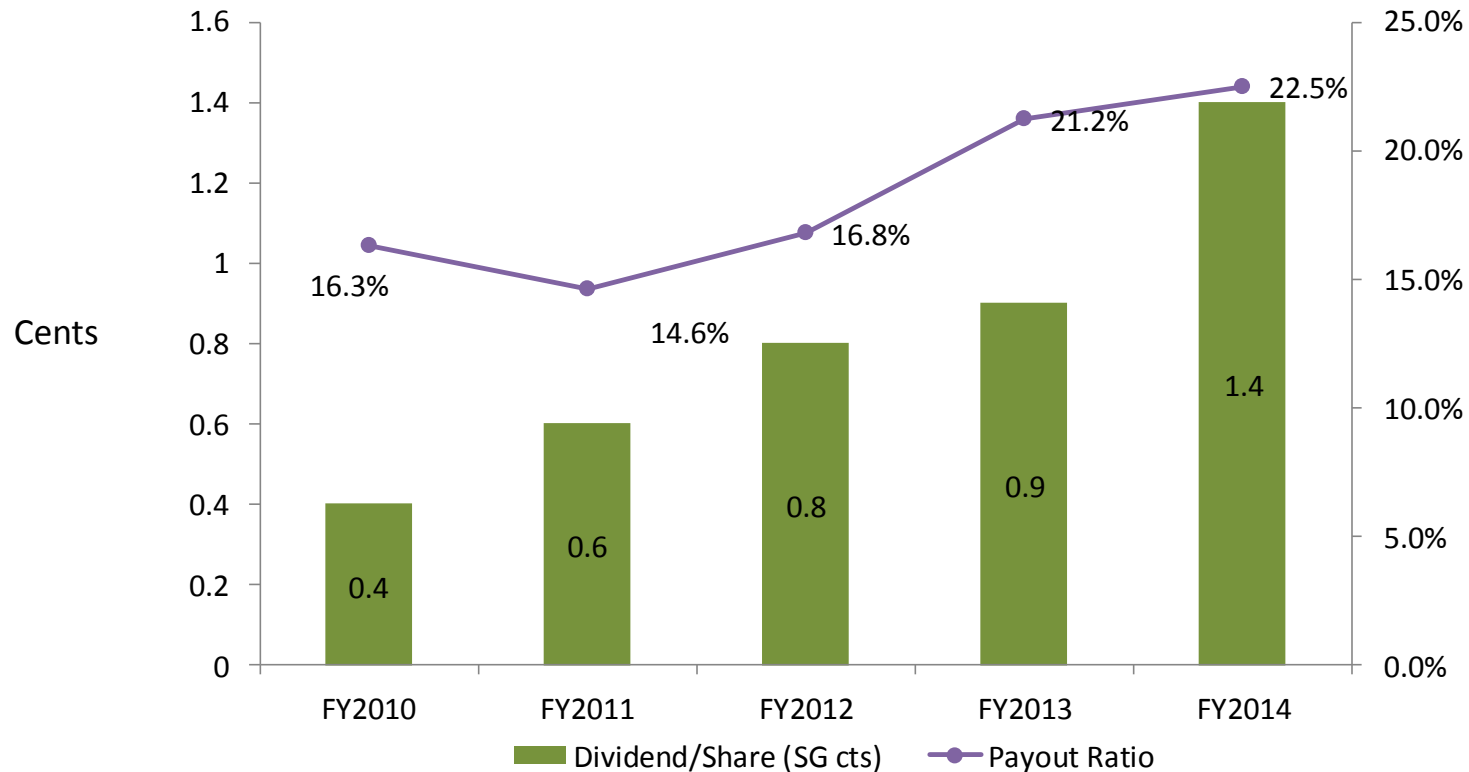
[^] Not meaningful as the Group experienced negative gearing as at 31 July 2013 and 31 Jul 2014

Cash flow



| S\$'m | FY2013 | FY2014 |
|--|--------|---------------|
| Net cash from operating activities | 17.6 | 29.5 |
| Net cash (used in) / from investing activities | (0.6) | (2.8) |
| Net cash (used in) financing activities | (6.4) | (10.4) |
| Cash and cash equivalents | 41.6 | 57.8 |

Dividend Per Share



FY2014 Dividend

- Dividend payout date: 19 December 2014 (subject to approval at AGM)
- Book closure date: 4 December 2014

Payout ratio is calculated based on the following weighted average number of shares for the following financial years:
 FY2010: 276.8 million shares; FY2011, FY2012, FY2013 and FY2014: 350 million shares



Business updates

Projects updates



Completed / substantially completed in FY2014

- Methionine Plant
- Lanxess Compass Project
- Nalco Eastern Hemisphere Core Plant
- LNG Train 9 project (Petronas)
- Singapore LNG Terminal
- Stamford American International School



Methionine Plant



Singapore LNG Terminal



Stamford American International School



Lanxess Compass Project



LNG Train 9 Project for Petronas



Nalco Eastern Hemisphere Core Plant

New contracts secured in FY2014



| Date Announced | Project description / site | Value (\$M) | Main Contractor/End customer |
|--------------------|---|-------------|---|
| 12 Jun 2014 | <ul style="list-style-type: none"> Yishun Community Hospital State Courts complex at Havelock Square | 11 | Kimly-Shimizu JV CS Bored Pile System Pte Ltd |
| 13 Feb 2014 | <ul style="list-style-type: none"> DUO at Rochor Road/Beach Road/Ophir Road Defence-related projects in the public sector | 40 | Obayashi Corporation Pte Ltd Public sector |
| 21 Oct 2013 | <ul style="list-style-type: none"> Sixth Avenue & King Albert Park stations (C917A) Tan Kah Kee station (C918A) Tanjong Pagar Centre Mediapolis @ one-north | 41 | McConnell Dowell (SEA) Pte Ltd SK Engineering and Construction (Singapore Branch) Samsung C & T Corporation Kajima Overseas Asia Pte Ltd |
| Total value | | 92 | |

Order books: As at 25 September 2014



S\$97 million to be substantially fulfilled between FY2015 and FY2016



State Courts complex at Havelock Square | Yishun Community Hospital | Civil defence shelter doors



National Art Gallery



Tuas West MRT Extension Depot



DUO



Mediapolis @ one-north



Tanjong Pagar Centre



Outlook

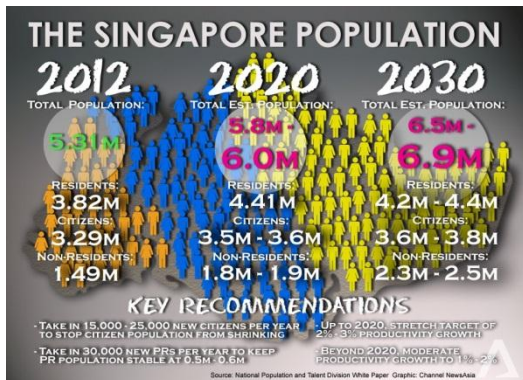
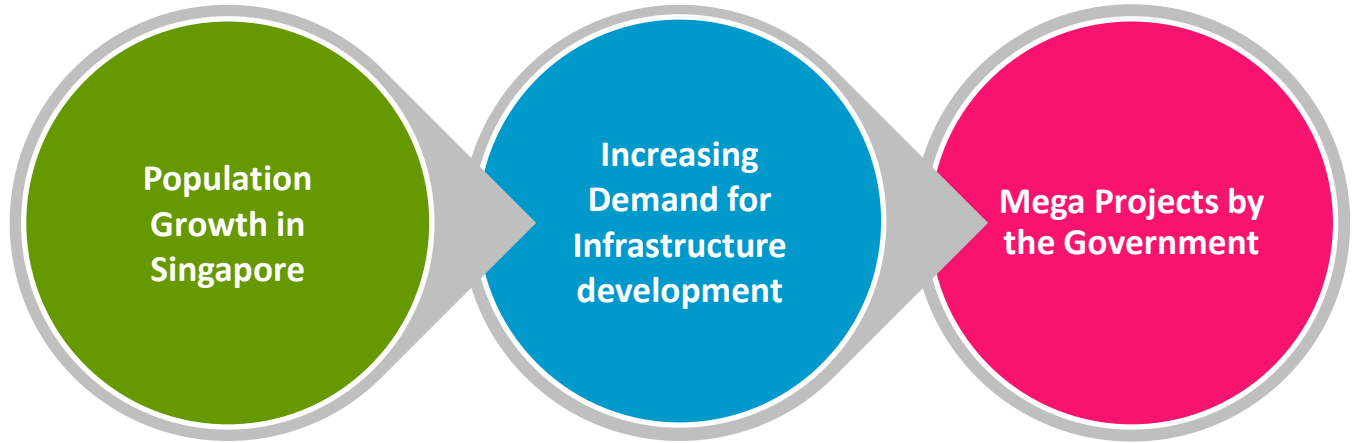
Challenges and opportunities in Singapore



The demand from the construction sector is likely to remain healthy with Singapore's population growth and the infrastructure development to support the growth

Key Challenges

- Keener competition
- Rising costs
- Foreign worker supply



Some potential projects in Singapore



Potential Projects

- Phase 3 Expansion OF Singapore LNG / Forth LNG Storage Tank
- Second LNG Terminal in Singapore
- Safety & Risk Management Centre at Jurong Island
- Aurora EOS for Exxonmobil Chemical Asia Pacific at Jurong Island
- MOGAS Cogen Project at Jurong Island
- West Jurong Island 400kV Substation
- S-SBR Plant for Zeon Corporation at Jurong Island
- Petronas' Refinery and Petrochemical Integrated Development (**RAPID**) in Pengerang, Malaysia
- National Centre for Infectious Diseases (NCID) at Tan Tock Seng Hospital
- Sengkang General and Community Hospitals
- Various Institute of Higher Learning's campus expansions
- Project Jewel @ Changi Airport T1
- Changi Airport Terminal 5
- Expansion of KPE/TPE Interchange

- MRT Thomson Line
- MRT Thomson-East Coast Line and Changi Depot
- MRT Cross Island Line
- MRT Jurong Region Line
- MRT Eastern Region Line
- Singapore-KL High Speed Rail
- Singapore Power Transmission Cable Tunnel Project
- Port/Berth Facilities
- Utilities Projects
- Recreational facilities development

Projects in the Pipeline

- New Incineration Plant
- Phase 3 Expansion of Jurong Water Reclamation Plant



Commercial

Infrastructure

Industrial

Growth strategy & future plans



- ▶ **Leverage domestic growth opportunities**
- ▶ **Capture potential overseas markets such as Malaysia**
- ▶ **Continue to drive up productivity**



Thank You Q&As