

A welder in a dark, protective suit and helmet is working inside a large, circular tunnel. The welder is positioned on the right side of the frame, facing left, and is using a welding torch to work on a large, curved metal surface. Bright sparks and a glowing arc of light emanate from the welding point, illuminating the surrounding area. The tunnel walls are dark and show signs of wear and previous welding work. The overall atmosphere is industrial and focused.

INVESTORS UPDATE

FY2017

November 2017

The title 'OPERATIONS REVIEW' is displayed in a large, bold, sans-serif font. 'OPERATIONS' is in red, and 'REVIEW' is in white. A solid red vertical bar is positioned to the left of the text. A thin red horizontal line is located below the word 'REVIEW'.

OPERATIONS REVIEW

BUSINESS OVERVIEW

**One-stop
Inventory
Specialist**



- Over 25,000 line items
- Pipes, fittings and flanges
- Structural steel, electrical products and cables
- 411,000 sq ft storage capacity



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

**Serving
Growing
Industries**



FY17 revenue: \$76.9

Energy: 74.8% **Trading: 16.6%**

Marine: 7.3% **Others: 1.3%**

**Strong
Customer
Base**

Longstanding relationships with blue-chip customers:

Keppel Over 20 years

Chevron Over 15 years

SembCorp Over 20 years

Shell Over 5 years

Alstom Over 10 years

Certifications

ISO 9002:1994 (2000)

OHSAS 18001:2007 (2009)

ISO 9001:2000 (2003)

BizSAFE STAR (2012)

ISO 9001:2008 (2009)

ISO 22301:2012 (2015)

ISO 14001:2004 (2009)

**Safety &
Quality
Focused**



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

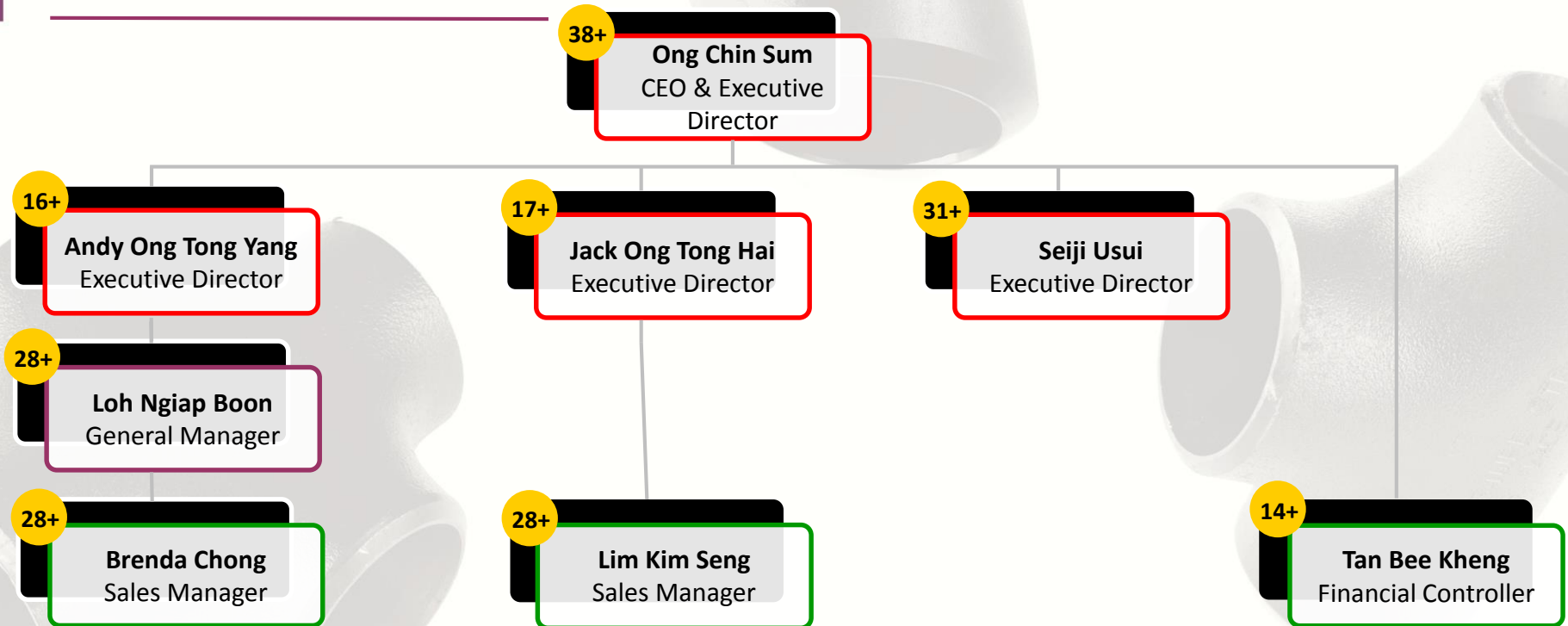


Others

- 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.

^ Warehouse was demolished in May 2017 for the construction and development of a newer warehouse.

CORPORATE GOVERNANCE

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

Board of Directors

Chairman and Independent Non-Executive Director

Low Beng Tin

Executive Directors

Ong Chin Sum; Andy Ong Tong Yang; Jack Ong Tong Hai; Seiji Usui

Non-Executive Director

Hiroshi Ebihara

Independent Directors (IDs)

Jovenal R. Santiago; Tan Siok Chin

Audit Committee

Remuneration Committee

Nomination Committee

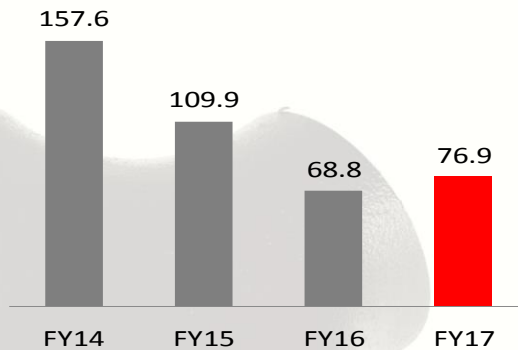
- Ranked 67th out of 606 companies on the SGTI in 2017 (SGTI 2016: Ranked 45th out of 631 companies)
- Experienced independent directors with varied experience in legal and accounting professions
- Board composition: 8 member board; 3 are independent

The text "FINANCIAL HIGHLIGHTS" is displayed in a large, bold, sans-serif font. "FINANCIAL" is in red, and "HIGHLIGHTS" is in white. A solid red vertical bar is positioned to the left of the text.

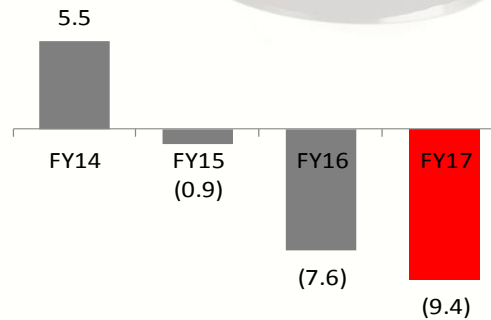
4QFY2017 and FY2017

FINANCIAL SNAPSHOT

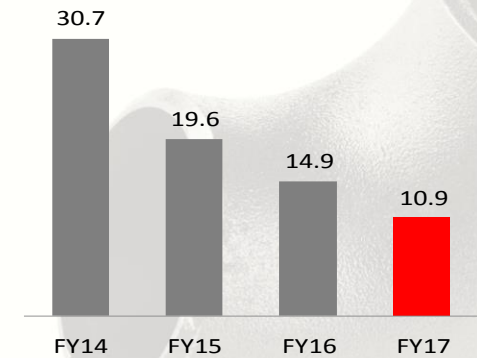
Revenue (\$'m)



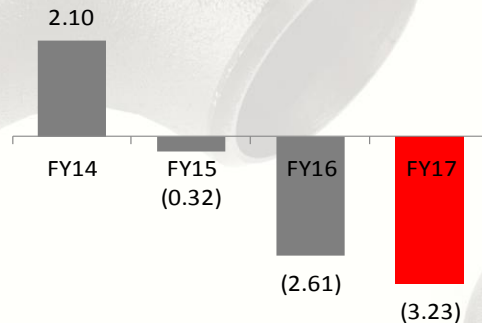
Net Profit / (Loss) (\$'m)



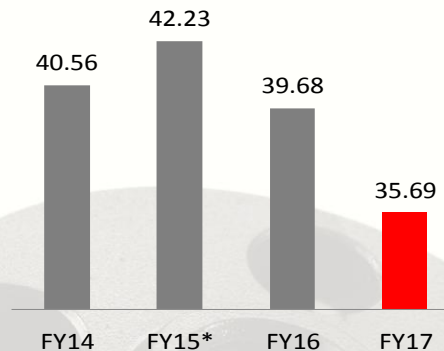
Gross Profit (\$'m)



Earnings / (Loss) Per Share (cents)



NAV Per Share (cents)



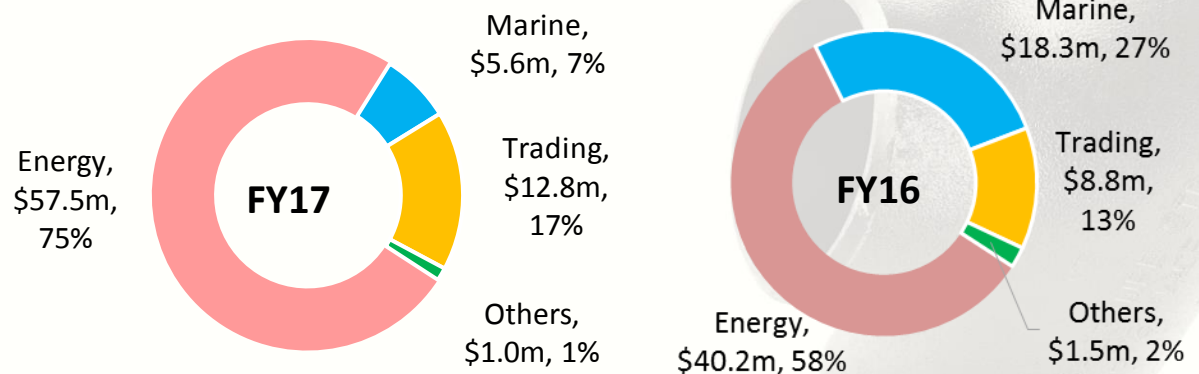
* The increase in NAV was due to 26.4 mil shares that were issued on 6 Mar 2015 following a private share placement exercise with Hanwa Co., Ltd., raising the total number of issued shares to 290,399,997 shares as at 30 September 2015

REVENUE

Total Revenue (\$m)



Revenue by Customer Type



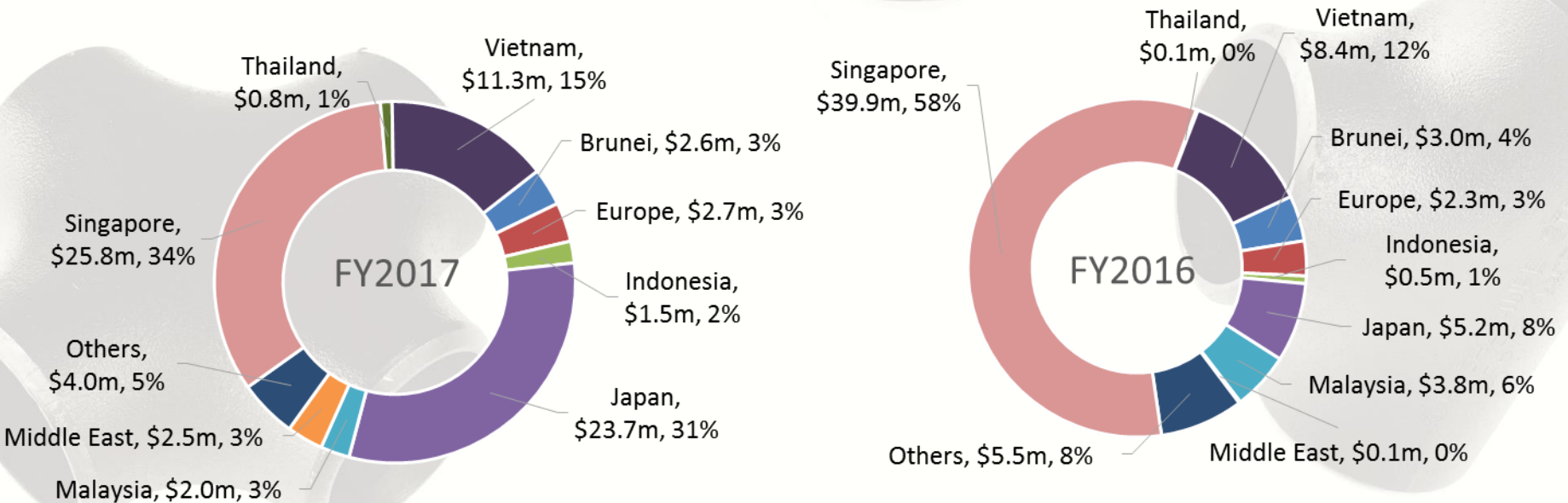
Total revenue

- 4QFY17: **↑**71.2% to \$23.1m
- FY17: **↑**11.9% to \$76.9m

Segmental revenue: FY17

- Energy Sector: **↑** 43.2% from \$40.2m to \$57.5m
- Marine Sector: **↓** 69.2% from \$18.3m to \$5.6m
- Trading Sector: **↑** 44.4% from \$8.8m to \$12.8m
- Others Sector: **↓** 30.6% from \$1.5m to \$1.0m

Revenue by Geographical Market



- Improved revenue from all markets except for Singapore, Malaysia and Brunei
- Singapore: Contributed 33.6% of FY17 revenue but declined by 35.3% from \$39.9m to \$25.8m

Note: Any discrepancies in figures/percentages are due to rounding

PROFIT & LOSS

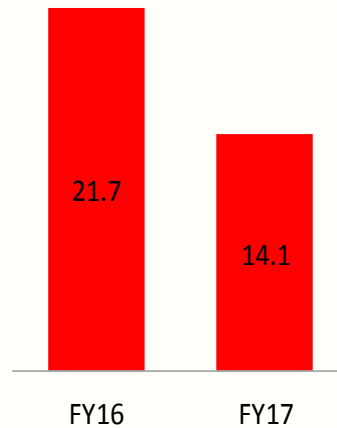
Gross Profit (S\$'m)

↓27.2%



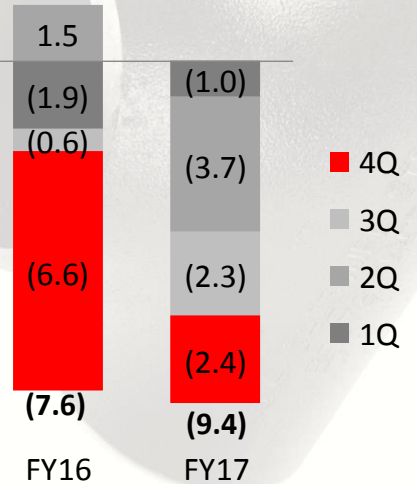
Gross Profit Margin (%)

↓7.6% points



Net Profit/ (Loss) (S\$'m)

↑23.8%



Salient factors

- GPM has decreased due to margin pressure from the market
- Net loss resulted mainly from lower GPM, provision for slow moving inventories and depreciation expenses

KEY FINANCIAL INDICATORS

Efficiency Ratios (Days)

Trade Receivables Turnover

100

123

Trade Payables Turnover

32

57

Inventory Turnover

426

625

Liquidity Ratios (Times)

Current Ratio

3.22

4.71

Debt-to-Equity Ratio

0.39

0.26

An aerial view of two welders in a dark industrial setting. They are wearing blue protective suits and helmets, working on large steel beams. Bright sparks are flying from their welding points. The floor is dark and industrial, with various cables and equipment visible.

OUTLOOK +
STRATEGY

BUSINESS OUTLOOK

Outlook for FY18

- Expect revenue and margin generation to be affected by:
 - Continued weak demand from unfavourable market conditions
 - Intense industry competition locally and globally

BUSINESS STRATEGY

Caution + Prudence



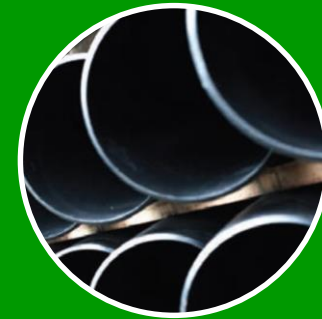
INVENTORY SPECIALIST

- Maintain extensive and ready stock at optimal levels for quick turnaround
- Leverage on extended product range to cross-sell different products to same core set of customers



MARKET SUSTENANCE

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



PRUDENT FINANCIAL MANAGEMENT

- Stay vigilant
- Manage operating costs
- Improve productivity and efficiency



THANK YOU

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