

Results Presentation For Analyst Briefing First Half Year ended 30 June 2015



Performance Review

+3.5% Sales

+4.3% Quantity of chemicals sold

+19.3% EBITDA

+30.7% Net profit after tax

+31.6% Earnings per share

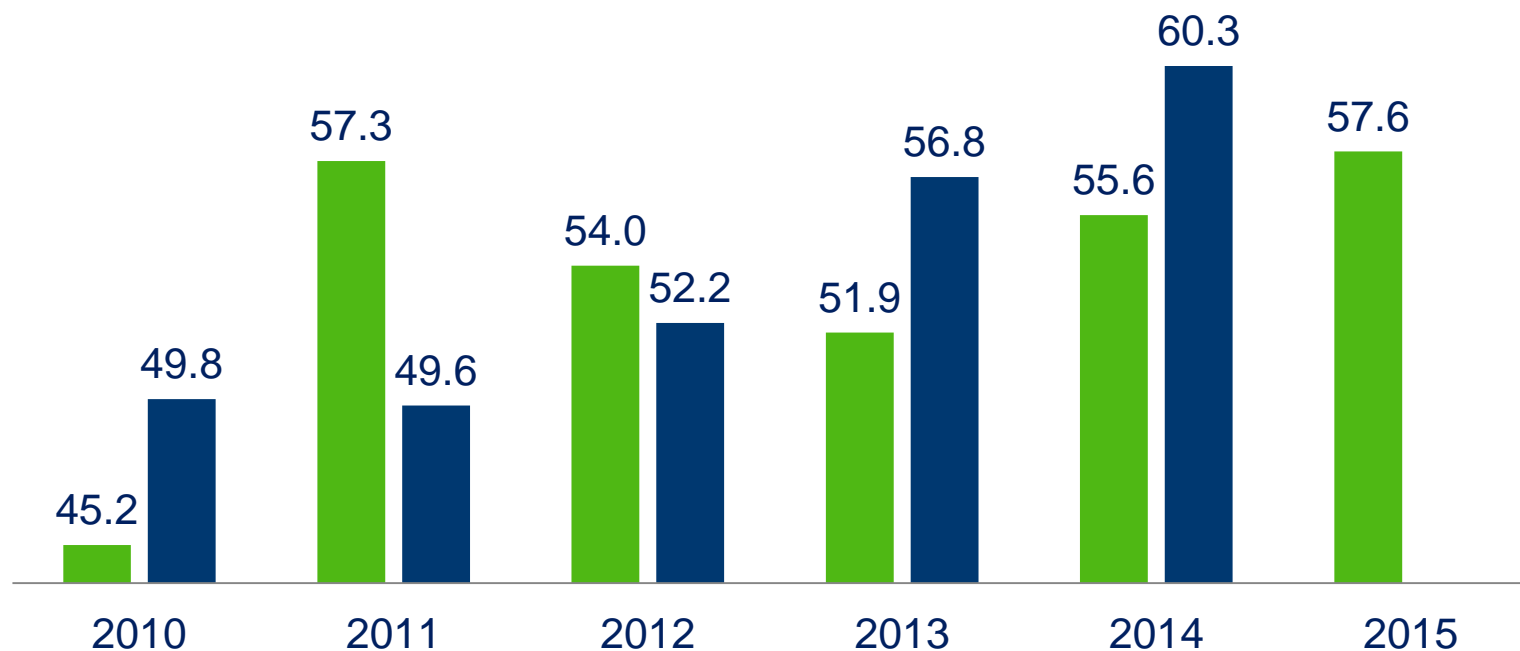
Results exceeded expectation

Profit & Loss Statement

S\$'mil	1H 14	2H 14	1H 15	1H15 vs 1H14	Var %	1H15 vs 2H14	Var %
Sales	55.6	60.3	57.6	1.9	3.5%	(2.7)	(4.5%)
Gross Profit	11.0	12.5	12.8	1.8	16.6%	0.3	2.5%
Gross Profit Margin	19.7%	20.7%	22.2%	2.5% pts		1.5% pts	
Expenses	10.0	10.7	11.3	1.3	13.1%	0.6	5.6%
Expenses/Sales %	17.9%	17.7%	19.6%	1.7% pts		1.9% pts	
Other Income	0.13	0.34	0.20	0.07	49.1%	(0.14)	(41.3%)
Share of Assoc Profit	0.47	0.55	0.31	(0.15)	(32.9%)	(0.23)	(42.6%)
NPBT	1.6	2.7	2.0	0.4	27.0%	(0.7)	(24.4%)
NPAT	1.1	2.1	1.5	0.4	30.7%	(0.6)	(27.2%)
NPAT margin %	2.1%	3.4%	2.6%	0.5% pts		(0.8% pts)	
EBITDA	2.5	3.7	3.0	0.5	19.3%	(0.7)	(17.7%)
EBITDA Margin %	4.6%	6.1%	5.3%	0.7% pt		(0.8% pt)	
ROE(annualized)	5.0%	8.4%	6.4%	1.4% pts		(2.0% pts)	
EPS	0.76	1.32	1.00	0.24	31.6%	(0.32)	(24.2%)

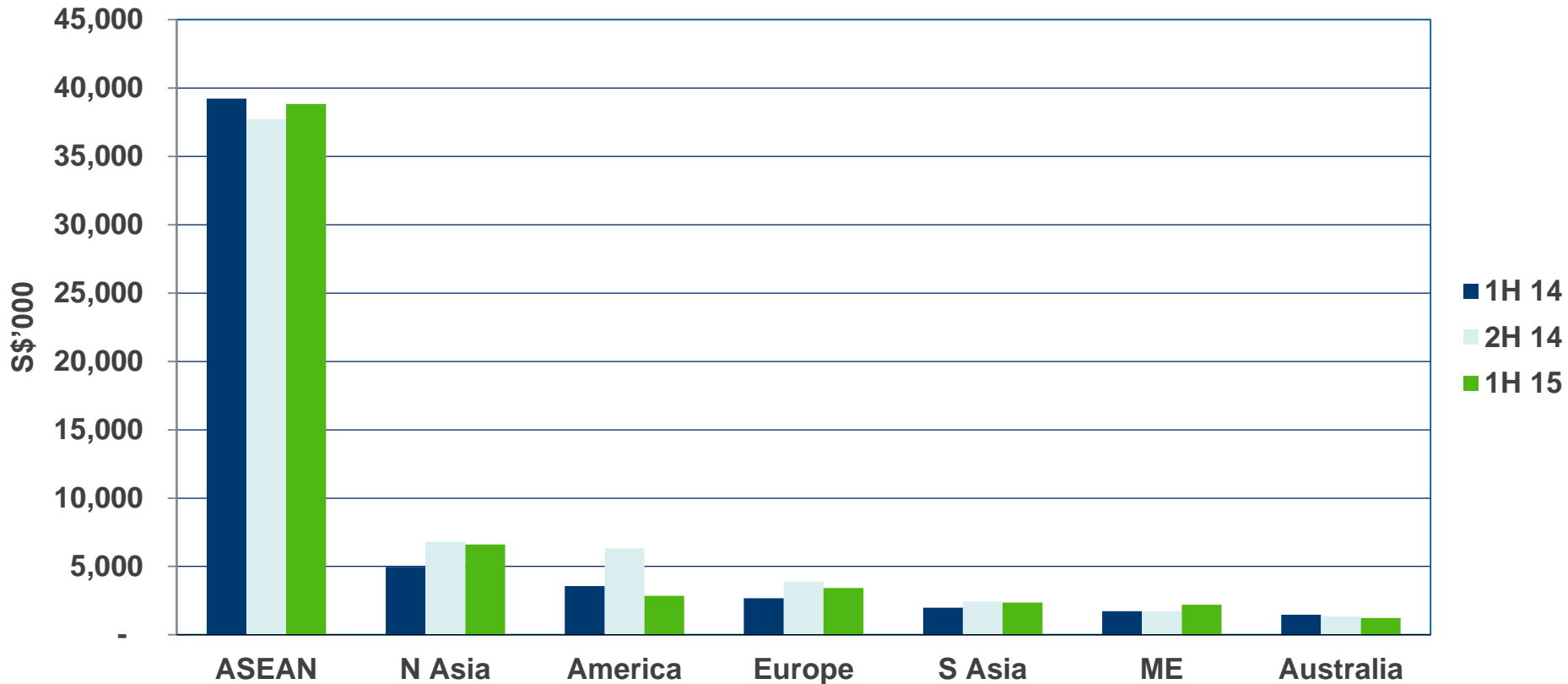
Half-year Sales(S\$'mil)

■ 1H ■ 2H



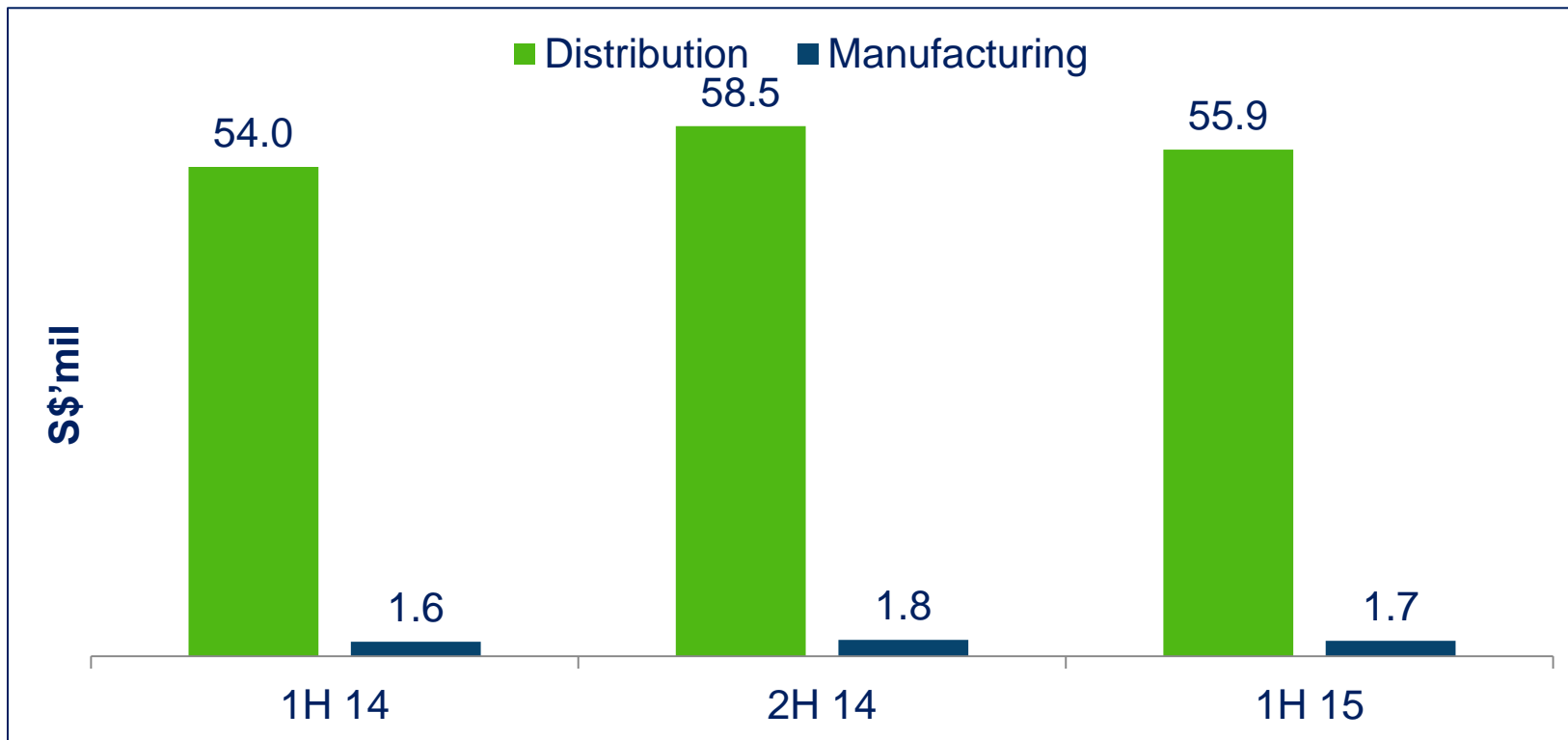
- 1H 15 higher than 1H 14 but fell from record sales in 2H 14.

Sales by Geographic Markets



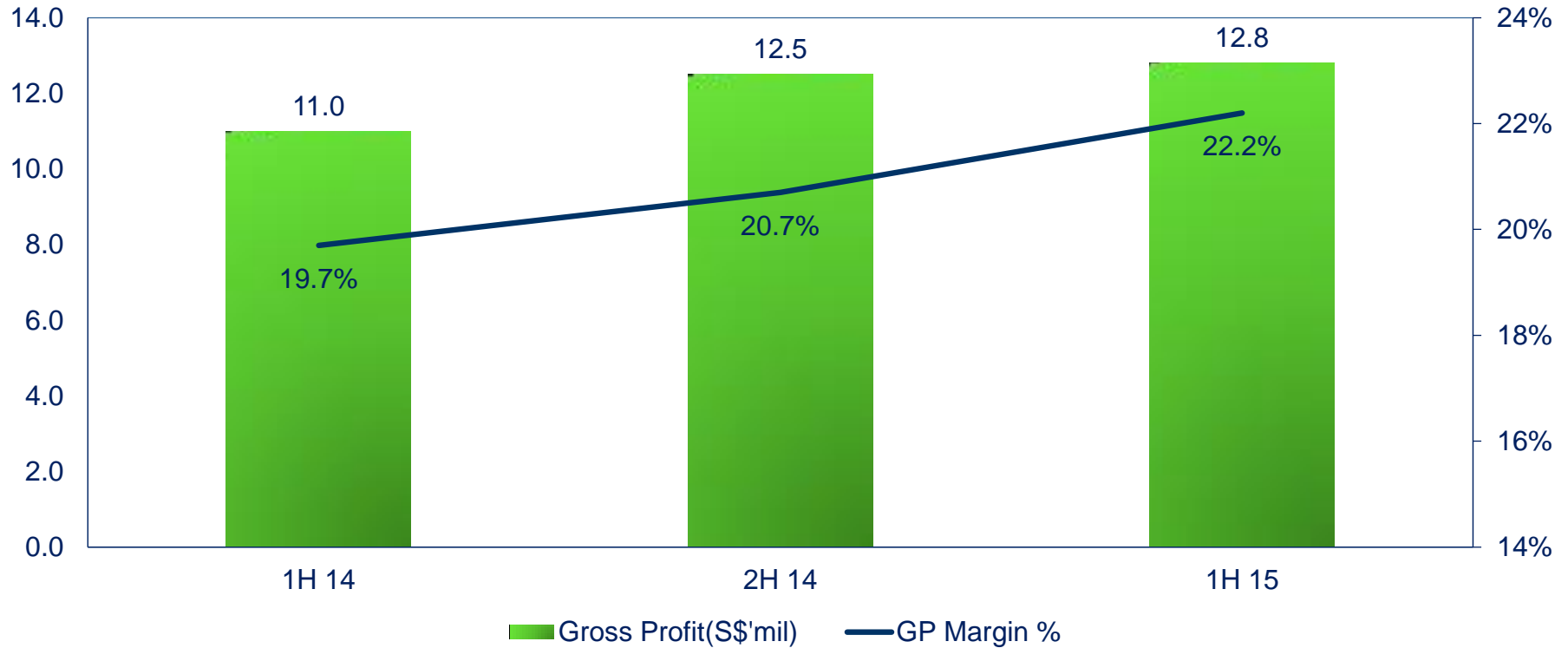
- 1H 15 vs 1H 14: Most markets were higher except ASEAN, America and Australia.
- 1H 15 vs 2H 14: Lower sales in Europe and America more than offset higher sales in ASEAN, ME.

Sales breakdown by Business Activity



Growth in year-on-year sales came mainly from Distribution activity while sales from Manufacturing activities were relatively flat.

Gross Profit



- Higher GP margins in 1H 15 due to better margins from ASEAN region.

Expenses

- Total expenses increased by S\$1.3 mil or 13.1% to S\$11.3 mil.

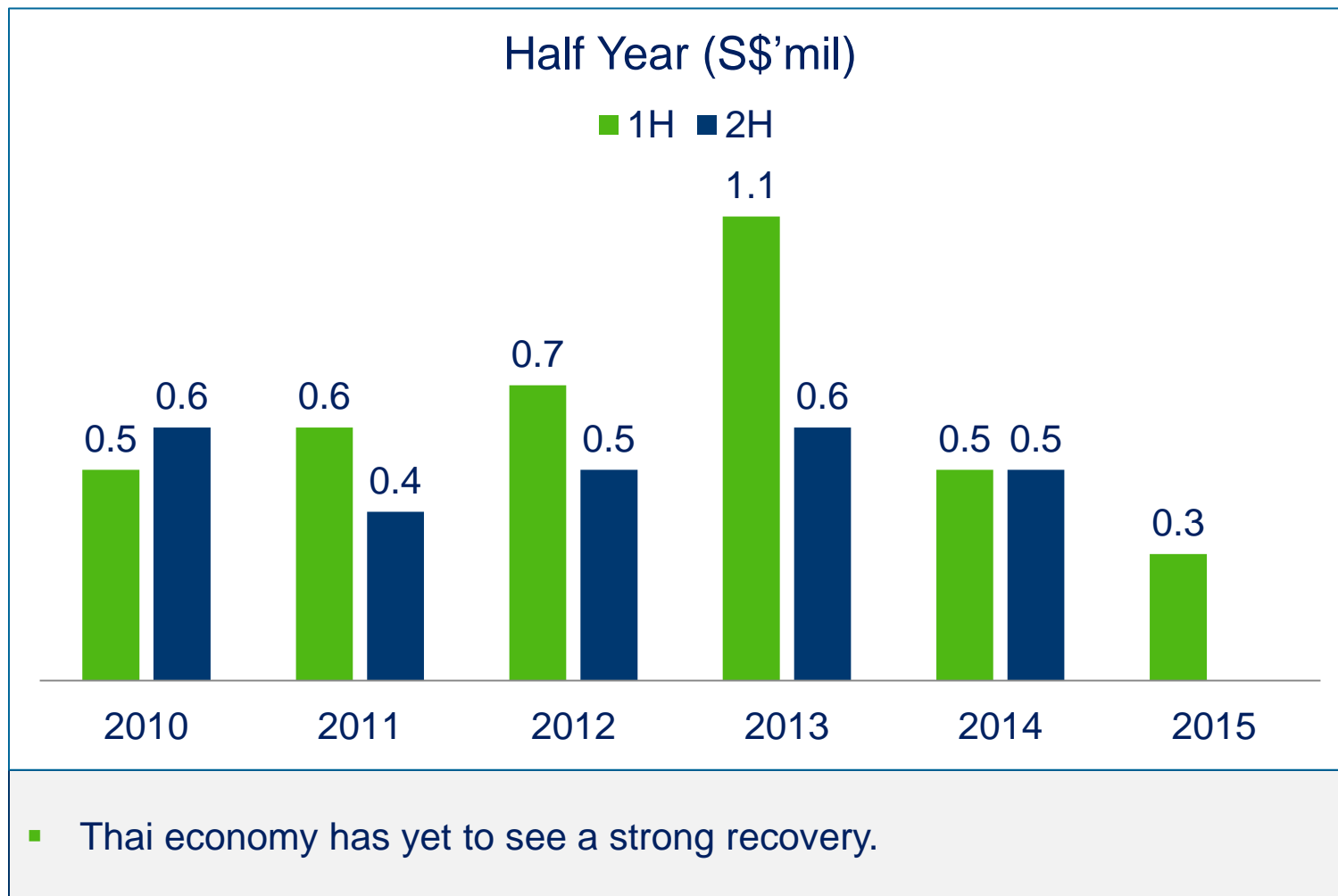
S\$'000	1H 14	1H 15	Var inc/(dec)	Var %	
Staff Cost	5,617	6,277	660	11.7%	Increase in salary
FX losses	73	389	316	434.3%	Currency volatility
Professional Fees	326	270	(56)	(17.2%)	Non-recurring services fees in 1H 14
Rental	944	1,305	361	38.1%	Increase in warehousing rates and inventory level
Impairment of trade receivables	120	68	(52)	(43.4%)	Minimal amount in Indonesia
Finance cost	220	283	63	28.4%	Higher average borrowings

Other Income

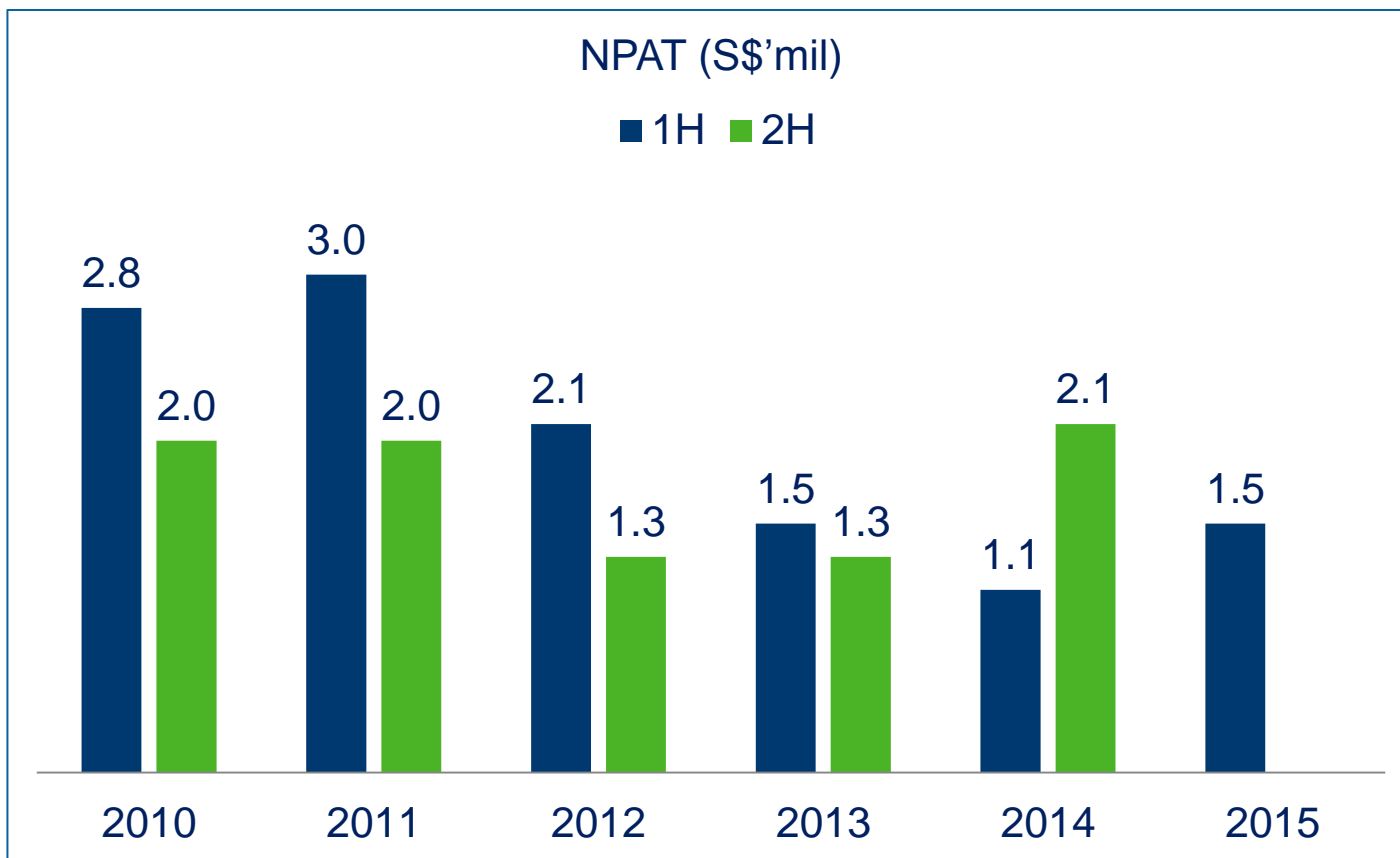
- Total other income increased S\$65,000 to S\$198,000.

S\$'000	1H 14	1H 15	Var inc/(dec)	Var %
Bad Debt recovered	51	51	-	-
Change in fair value of financial asset-FX contracts	-	76	76	100.0%
Change in fair value of financial assets-equity	5	-	(5)	(100.0%)
Grant Income	41	33	(7)	(17.7%)

Share of Associate's Profit

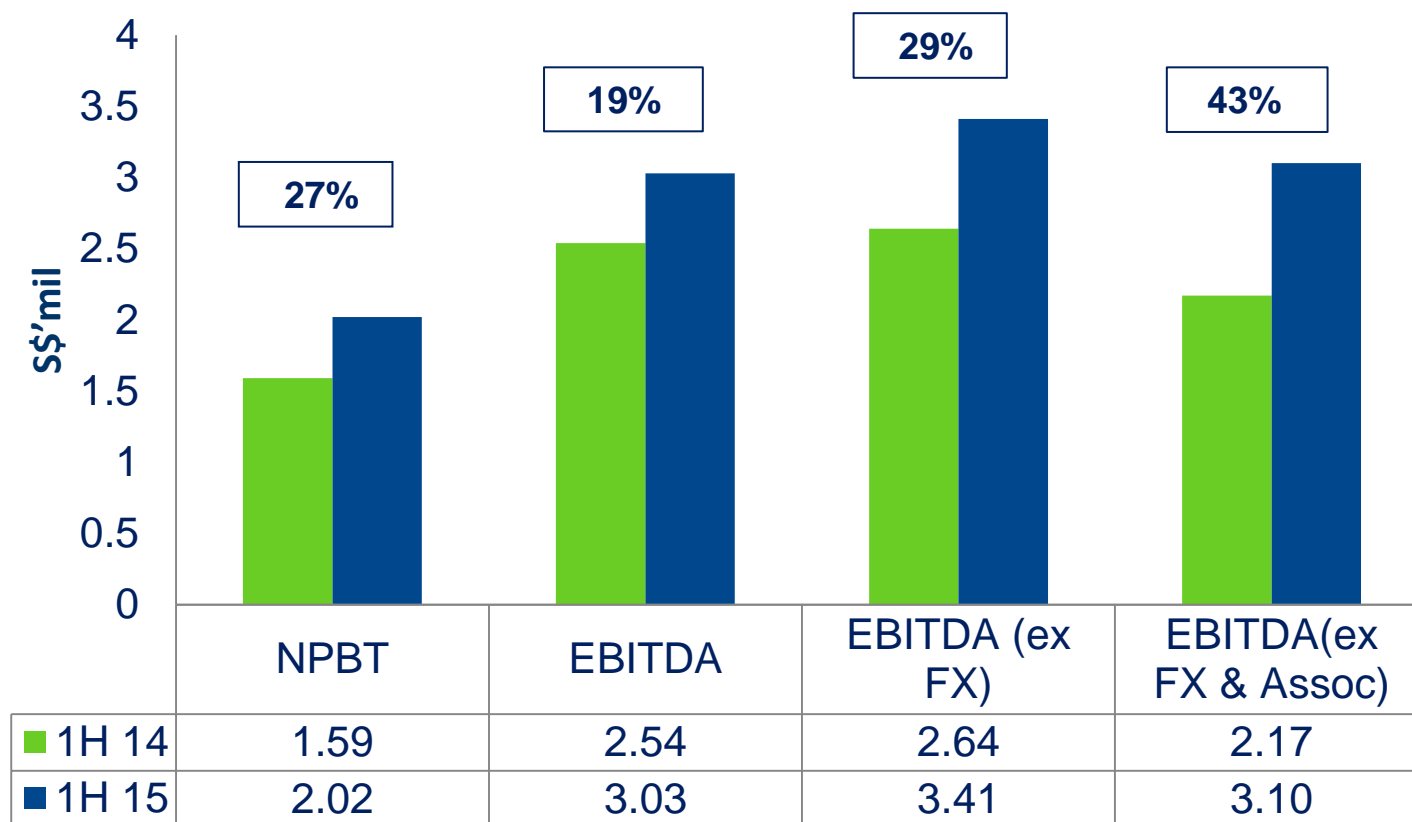


Net Profit After Tax



- 1H 15 vs 1H 14: Higher sales and GP led to higher NPAT.
- 1H 15 vs 2H 14: Fall in NPAT mainly due to lower contribution from associate and FX losses.

NPBT/EBITDA



- Stripping off depreciation, FX and associate's profit, 1H 15 performance would have been even better.



Balance Sheet

S\$'mil	FY2014	1H 15	Var	
Cash	9.0	9.1	0.1	Positive operating cashflow offset by payments for land and dividend
Borrowings	21.9	21.8	(0.1)	Drawdown of LTL for land coupled with reduction in STL
Shareholders Equity	41.9	41.8	(0.1)	Increase in retained earnings offset by dividend payment and translation losses
Gearing (times)	0.52	0.52	-	Gearing stable
Current ratio (times)	1.74	1.90	0.16	Sound liquidity
Inventory(net)	21.5	21.0	(0.5)	In line with lower sales compared to 2H 14
Inventory T/O (days)	90	97	7	
Trade Debtors(net)	29.4	28.0	(1.4)	In line with lower sales compared to 2H 14
Receivables T/O (days)	89	93	4	
Property, Plant & Equipment	14.0	13.1	(0.9)	
NTA/share (cents)	31.45	31.37	(0.08)	



Cashflow

\$'000	FY2014	1H 15	
Cash from Operating activities	83	2,191	Positive cashflow from profitable operations
Cash used in Investing activities	(2,075)	(569)	Progressive payments for land in Malaysia net of dividends from associate
Cash provided by Financing Activities	2,538	(1,457)	Dividend payment and reduction of short term loan
Net change in Cash	546	166	
Beginning Cash	8,439	8,999	
Ending Cash	8,999	9,107	

P&L Summary

- Higher sales and gross profit margin

partially offset by

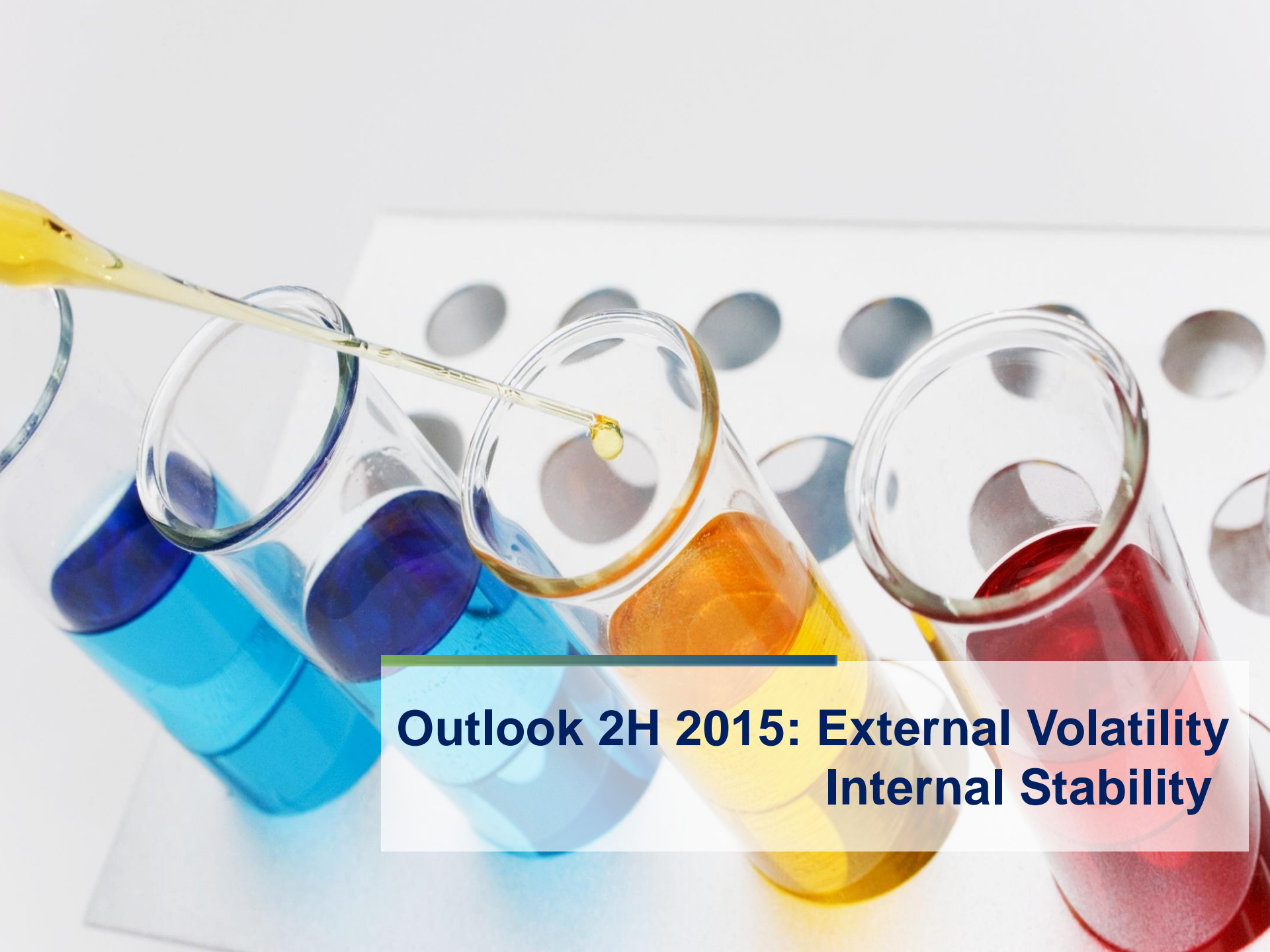
- Higher operating expenses
- Lower contribution from associate

=> Higher Profit

Balance Sheet Summary

- Gearing stable
- Sound liquidity
- Cashflow positive

=> Financial position remains stable



**Outlook 2H 2015: External Volatility
Internal Stability**

- IMF, in its July economic update, predicted global growth at 3.3% for 2015 marginally lower than the 3.4% in 2014.
- According to IMF, the underlying drivers for a gradual acceleration in economic activity in advanced economies—easy financial conditions, more neutral fiscal policy in the euro area, lower fuel prices, and improving confidence and labour market conditions—remain intact.
- The distribution of risks to global economic activity is still tilted to the downside.

- WASHINGTON (June 28, 2015) – The Chemical Activity Barometer (CAB), a leading economic indicator created by the American Chemistry Council (ACC), increased by 0.1 percent in July. This follows consecutive monthly gains during the second quarter.

Against the backdrop of muted economic outlook and challenging business landscape, the Group will remain focused on strengthening its business fundamentals whilst actively managing any downside risks.



**Share Performance:
Enhancing Shareholders'
Long Term Value**

Stock	Chg.	1 Day	1 Year
145	1.64	1.28	1.28
140	1.98	1.28	1.28
123.74			

Share Information (as at 6 Aug 2015)

Listing Date	17-Oct-2003
IPO Price	28 cents
Historical High	68 cents
Historical Low	13 cents
52 weeks High	42.0 cents
52 weeks Low	28.0 cents
Price (as at 6 Aug 2015)	36.5 cents
No of Shares	133,300,000
Earnings per share 1H 15	1.00 cents
Historical P/E	15.7 x
Market Capitalisation	\$48.7 mil
NTA/share	31.37 cents
Price/Book Ratio	1.16 x

Share Price Performance



Share Price Performance vs ST All Shares



Share Price Performance vs Catalyst



Dividend Record

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	1H 15
Average price for the year(cts)	31.5	28.75	21	16	18.75	22.5	21.5	19.75	19.9	22.9	28.0	33.0	35.5
Dividend / share (cents) - net	0.56	0.864	0.576	0.81	0.595	0.40	1.00	1.20	1.30	1.30	1.00	1.00	0.3
Dividend payout (%) - net	23.1%	31.9%	30.2%	62.2%	35.1%	24.1%	50.6%	34.6%	35.7%	54.7%	53.3%	48.0%	30%
Dividend Yield (%) - Annualised	1.8%	3.3%	3.6%	4.9%	2.8%	2.0%	5.1%	6.0%	6.6%	5.0%	3.3%	3.0%	1.7%

* Average price is calculated using the beginning and ending price of the period.

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