



CORPORATE FINANCIAL YEAR 2013
NOVEMBER 2013
PRESENTATION



OPERATIONAL

For Singapore & Australia

OVERVIEW



ABOUT US

A leading supplier and distributor of piping system components to the Energy and Marine industries in Southeast Asia and other regions with an established track record of over 30 years

Equity Data (As at 21 Nov 2013)

Listed on SGX-ST Mainboard	2007
Current share price (S\$)	0.305
Market capitalisation (S\$m)	80.5
Issued & Paid-up Shares (m)	264

BUSINESS OVERVIEW

**One-stop
Inventory
Specialist**



- Extensive product range
- Pipes, fittings and flanges
- Over 20,000 line items
- Customisation services

**Serving
Growing
Industries**



FY13 revenue: \$155.7m

Energy: 81.2%	Trading: 3.7%
Marine: 13.7%	Others: 1.4%



**Strong
Customer
Base**

Longstanding relationships with blue-chip customers:

Keppel	Over 20 years	Exxon Mobil	Over 10 years
SembCorp	Over 20 years	Chevron	Over 15 years
Alstom	Over 10 years	Shell	Over 5 years

**Safety &
Quality
Focused**

Certification

ISO 9002:1994 (2000)	ISO 14001:2004 (2009)
ISO 9001:2000 (2003)	OHSAS 18001:2007 (2009)
ISO 9001:2008 (2009)	BizSAFE STAR (2012)

CUSTOMER TYPES

Energy industry



Our products are used for offshore rig fabrication (including jack-up and semi- submersible rigs), FPSO/FSO vessel conversion and building and onshore energy facilities fabrication

Marine industry



Our products are used for shipbuilding and repairs

Water industry



We supply spiral welded pipes widely used in water treatment plants and other related infrastructure projects in Singapore and the region

Traders

We sell our products to traders who on-sell them to other customers

Others



Our customers in other industries such as manufacturing and pharmaceutical sectors

WAREHOUSING FACILITIES

Totaling over 378,000 sq ft

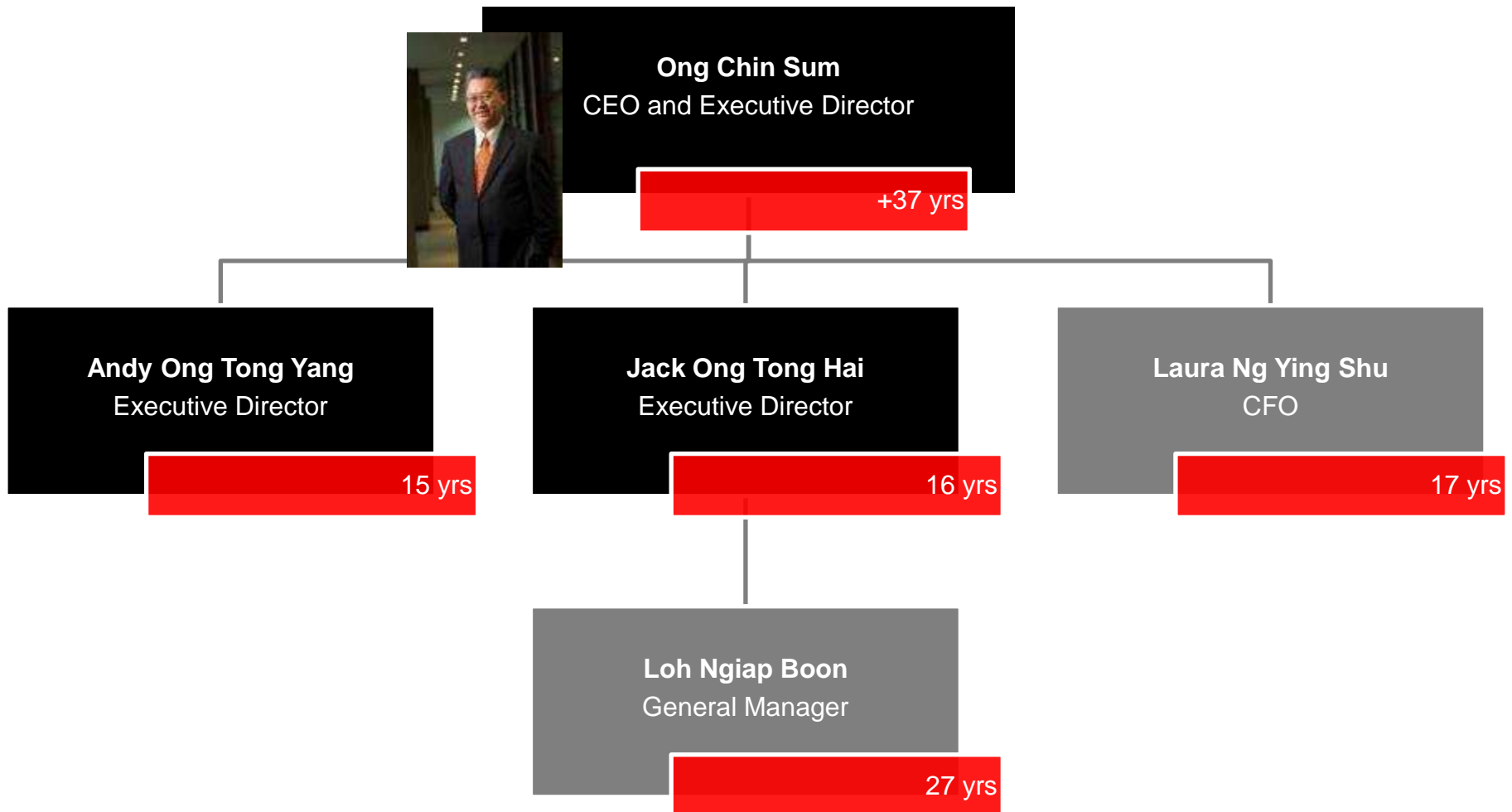


Location	Approximate site area (sq ft)	Tenure
• 14 Lok Yang Way	111,363	60 year lease wef 16 June 1972
• 21A Neythal Road	111,751	30 year lease wef 16 August 1989
• 90 Second Lok Yang Road	69,998	30 + 10 year lease wef 16 March 1979
• 28 Tuas Avenue 13	85,000	Rented
Total	378,112	

Inventory management process supported by integrated computerised ERP system

EXPERIENCED MANAGEMENT TEAM

Executive and senior management team with collectively over 110 years of relevant experience



 Years of relevant industry experience

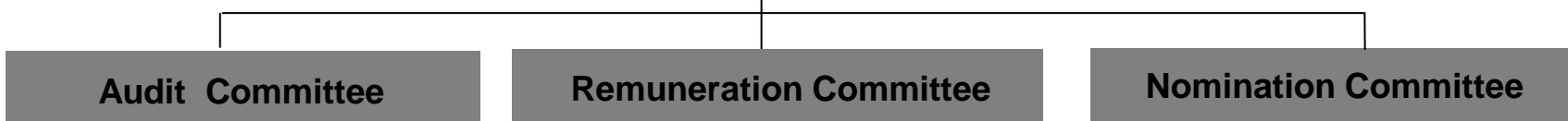
**Mr Tatsuro Mori resigned as an Executive Director and Mr Hor Siew Fu retired as CFO both with effect from 30 September 2013.*

FOCUS ON CORPORATE GOVERNANCE (CG)

Well-organized and transparent committee structure to uphold the best practices in CG



Substantial Shareholders (As at 30 Sep 2013)	
Ong Chin Sum	21.29%
Jack Ong Tong Hai	6.31%
Andy Ong Tong Yang	6.27%



- Board is majority independent
- Experienced independent directors with varied experience in legal and accounting professions
- The Group was ranked 71st out of 663 companies on the GTI in 2013

* Source: Governance and Transparency Index (GTI), which is jointly launched by The Business Times (BT) and the Centre for Governance, Institutions and Organisations (formerly CGFRC). CosmoSteel was ranked No. 71 out of 663 companies included in the ranking.

CUSTOMERS



CUSTOMER RECOGNITION





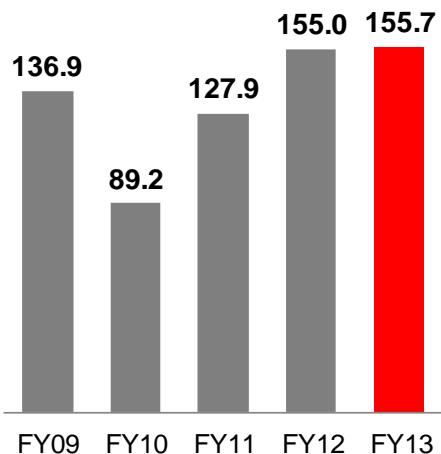
FINANCIAL

Financial Year Ended 30 September 2013

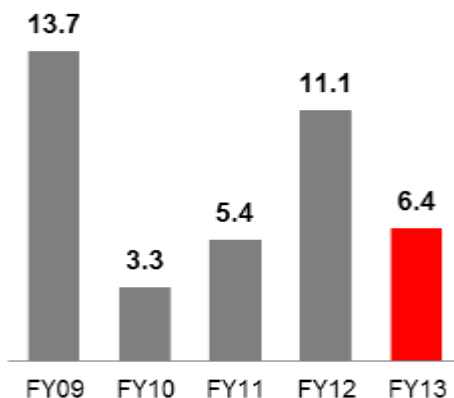
HIGHLIGHTS

5-YEAR SNAP SHOT

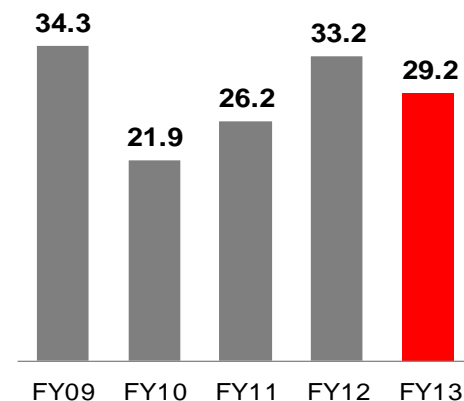
Revenue (S\$m)



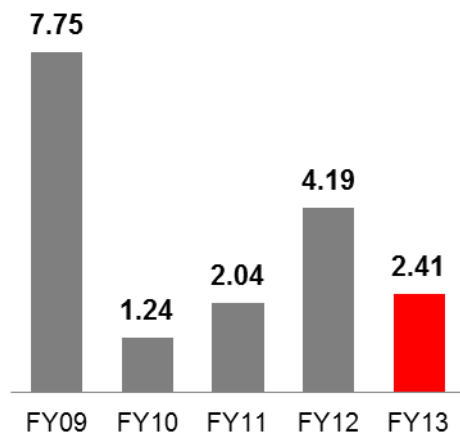
Net Profit (S\$m)



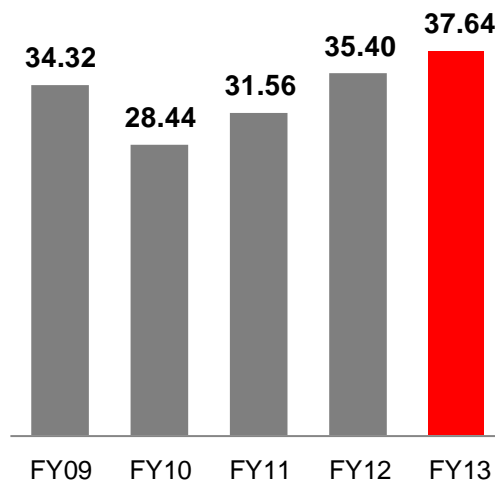
Gross Profit (S\$m)



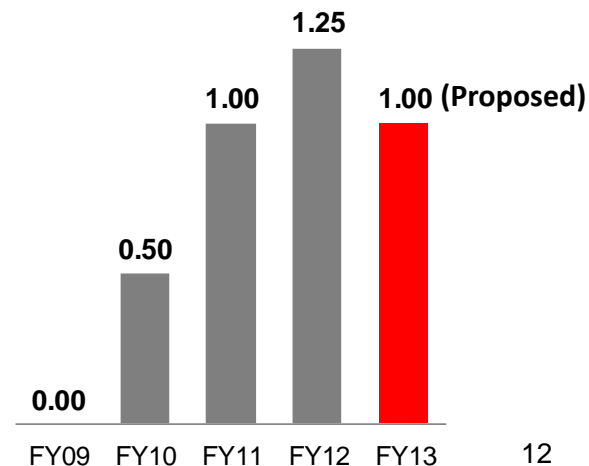
Earnings/Share (cents)



NAV/Share (cents)



Dividend/Share (cents)

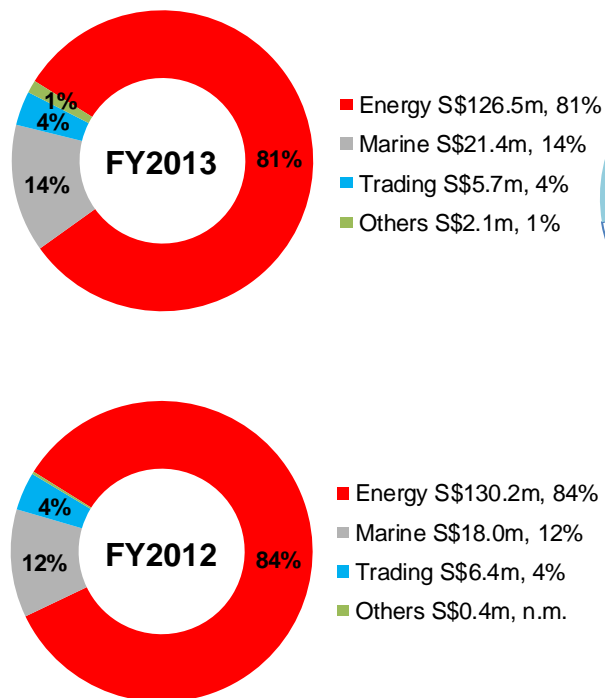


REVENUE

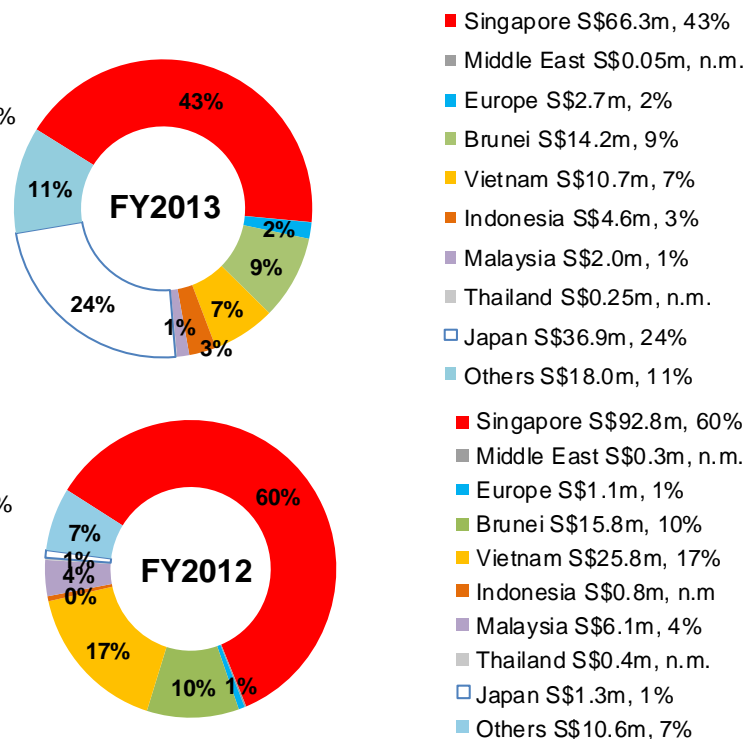
Overall Revenue (S\$'m)



Revenue by Industry (%)



Revenue by Geography (%)



4Q Highlights

4QFY13 revenue up 24.4% yoy to S\$33.6m

•Sales from Energy and Marine sectors up 26.8% to S\$32.2m collectively

FY Highlights

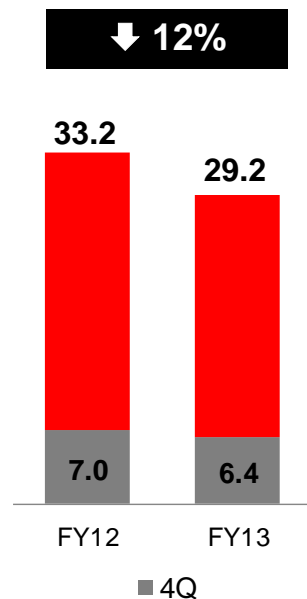
FY13 revenue up 0.4% yoy to S\$155.7m

•Sales from Energy and Marine sectors decreased 0.3% to S\$147.9m

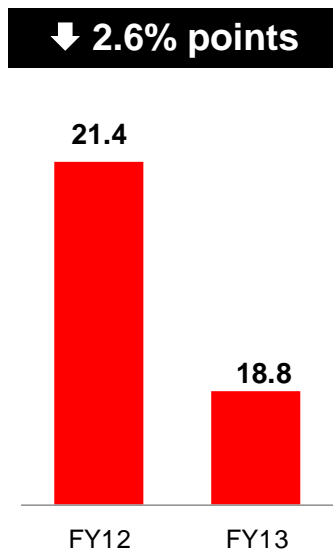
•Main contributor was the Others sectors such as manufacturing

PROFITABILITY

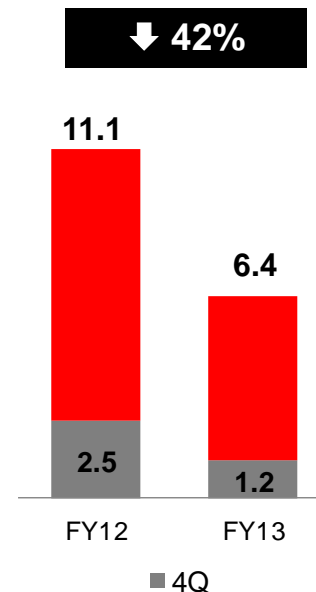
Gross Profit (S\$m)



Gross Profit Margin (%)



Net Profit (S\$m)



4Q Highlights

4QFY13 gross profit decreased 8.9% yoy to S\$6.4m; margin fell 6.9% points to 19.0%

- Increase in allowance for slow-moving stock, which increased cost of sales

FY Highlights

FY13 gross profit decreased by 12% yoy to S\$29.2m; margin decreased by 2.6% points to 18.8%

- Competitively priced project which accounted for 21.2% or S\$33.3m of revenue

Net profit decreased 42% yoy to S\$6.4m

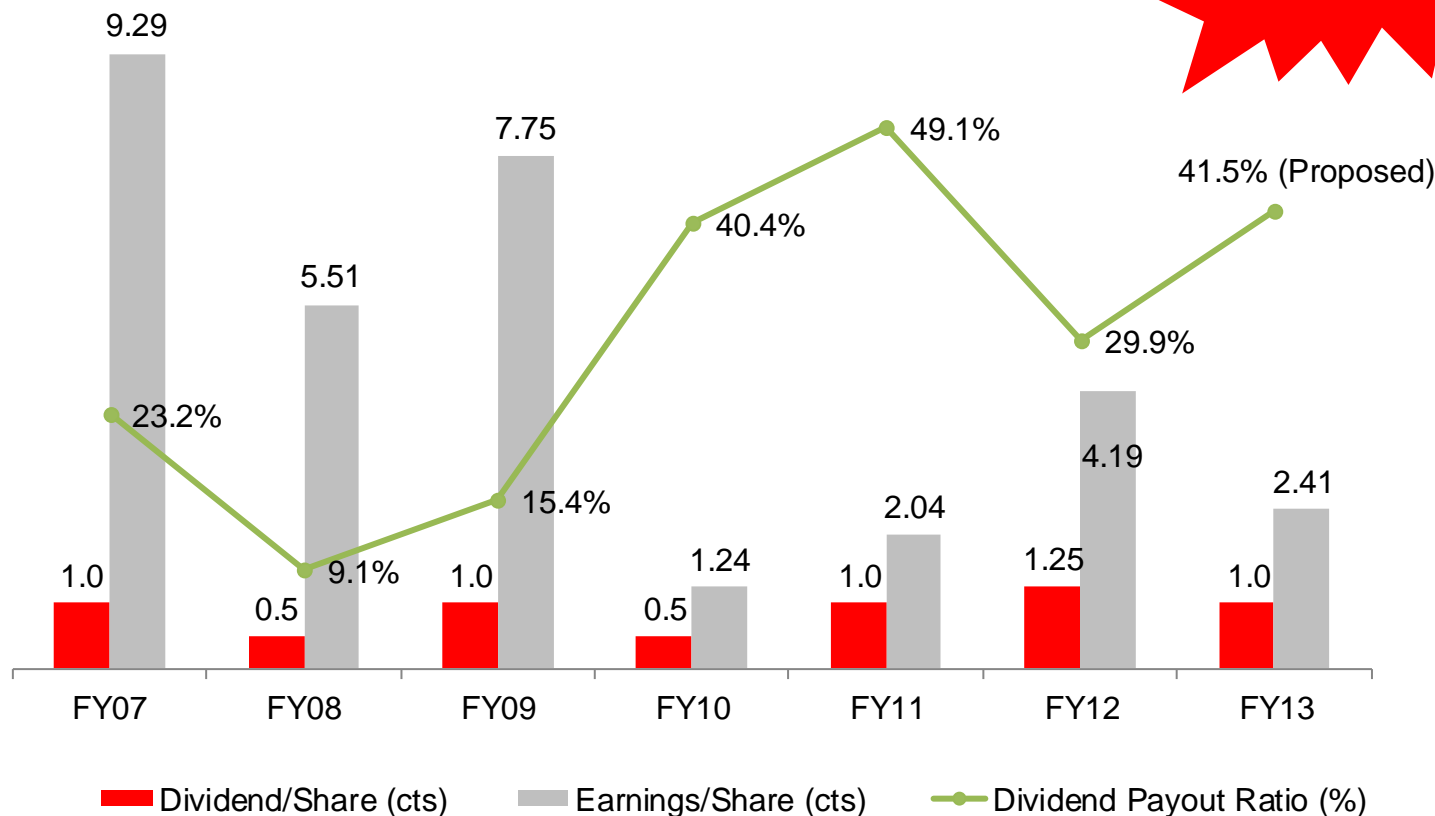
- Relatively stable financial expenses; distribution costs and administrative expenses
- Charge of S\$0.6m from realised and unrealised foreign currency losses (vs a credit of S\$1.4m in FY12)

KEY FINANCIAL INDICATORS

Profitability Ratios (%)	FY12	FY13
Return on Total Assets	8.97	4.67
Return on Equity	12.51	6.60
Efficiency Ratios (Days)	FY12	FY13
Trade Receivables Turnover	64	64
Trade Payables Turnover	36	47
Inventory Turnover	319	350
Liquidity Ratios (Times)	FY12	FY13
Current Ratio	1.97	2.01
Gearing ratio	0.89	0.94

DIVIDEND

**Dividend policy:
At least 10%
of net profit
attributable to
shareholders***



• EPS is calculated based on the following number of shares issued at each financial year end:- FY07: 81,743,000 shares; FY08: 176,200,000 shares; FY09: 176,487,671 shares; FY10 to FY13 : 263,999,997 shares

* Subject to conditions

OUTLOOK

Our Environmental, Health & Safety Policies

+ STRATEGIES

OUTLOOK

Outlook for FY2014 and beyond...

- Challenging market conditions
- Competition in terms of industry and geographical markets
- Margin pressures

STRATEGIES

- **Maintain extensive and ready stocks for quick turnaround**

Inventory Specialist



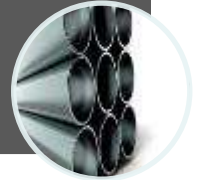
- **Intensify marketing efforts in the Asia Pacific region**
 - China, the Philippines and Myanmar
- **Strengthen ties with existing and new customers**
- **Expand into upstream O&G value chain**
 - Good volume especially with the number of active oil and gas projects in the region

Market Expansion



- **Stay vigilant**
- **Manage costs**

Prudent Financial Management



HIGHLIGHTS

- A market leader and inventory specialist
- Strong and diversified customer base from the Energy and Marine industries
- Proven profitability track record
- Stable and transparent dividend policy
- Experienced and prudent management



THANK YOU
Q&A SESSION