



COSMOSTEEL HOLDINGS LIMITED

CORPORATE PRESENTATION

2QFY2013 &
1HY2013 RESULTS
MAY 2013

No. 55 in the GTI 2012 for best practices in corporate transparency and business operations*



Equity Data (As at 3 May 2013)

Listed on SGX-ST Mainboard	2007
Current share price (S\$)	0.265
Market capitalisation (S\$m)	69.96
Issued & Paid-up Shares (m)	264

Substantial Shareholders (As at 31 Mar 2013)

Ong Chin Sum	21.29%
Ong Tong Hai	6.27%
Ong Tong Yang	6.27%

Key Management

Ong Chin Sum - CEO
Ong Tong Hai – Executive Director
Ong Tong Yang – Executive Director
Tatsuro Mori – Executive Director
Hor Siew Fu - CFO
Laura Ng - Financial Controller
Loh Ngiap Boon – General Manager

* 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. 55 out of 674 companies included in the ranking.

A LEADER IN OUR FIELD

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

One-stop
Inventory
Specialist



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

Serving
Growing
Industries



FY12 revenue: \$155.0m

Energy: 84.0%	Trading: 4.1%
Marine: 11.6%	Others: 0.3%



Reputable
Customers

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- and
Quality-
Driven

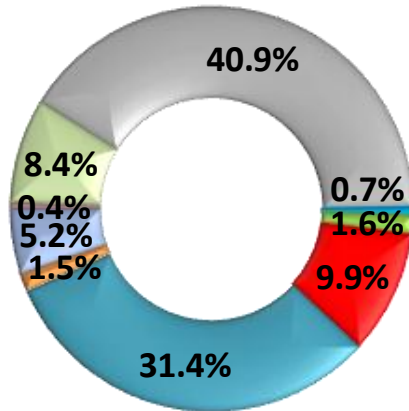
Certification

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

REVENUE BY GEOGRAPHICAL MARKET

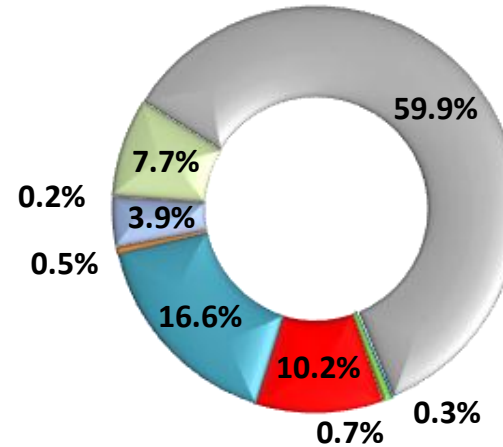


FY2011



- Singapore S\$52.3m, 40.9%
- Middle East S\$0.9m, 0.7%
- Europe S\$2.0m, 1.6%
- Brunei S\$12.6m, 9.9%
- Vietnam S\$40.2m, 31.4%
- Indonesia S\$2.0m, 1.5%
- Malaysia S\$6.7m, 5.2%
- Thailand S\$0.6m, 0.4%
- Others S\$10.7m, 8.4%

FY2012



- Singapore S\$92.8m, 59.9%
- Middle East S\$0.3m, 0.3%
- Europe S\$1.1m, 0.7%
- Brunei S\$15.8m, 10.2%
- Vietnam S\$25.8m, 16.6%
- Indonesia S\$0.8m, 0.5%
- Malaysia S\$6.1m, 3.9%
- Thailand S\$0.4m, 0.2%
- Others S\$11.9m, 7.7%

378,000 SQ FT OF WAREHOUSING FACILITIES



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

Inventory management process supported by integrated computerised ERP system

Customer Commendation Letters

Recent News

SCPS

21th Nov 2012
SC Pipe Solution CO.,LTD.,
1F, RBM Tsukiji Bldg, 3-15-5 Shinjuku, Chuo-ku, Tokyo
Japan 104-0041
Tel: 81-3-6280-0133
Fax: 81-3-6280-0137

CEO Mr. Ong Chin Sun
COO Mr. NB Lok
Kien Seng Huat Hardware Pte Ltd
14 Lok Yang Way
Singapore 628633

Title: Appreciation to your full support
Project: TATA Steel CAPL, India

Dear Mr Ong

Please accept my thanks on behalf of SC Pipe Solution Co., Ltd, for the support your company has shown throughout the construction phase of TATA Steel CAPL, 2012/6.

Your team has worked hard for long hours showing commitment to meeting the project's objectives, beyond what is normally expected of a piping supplier. You delivered a safe and timely service throughout the contract and I wish you well with your business plans.

Thank you.

Yours Sincerely,

Yoshitaka Suzuki
Manager, Sales Dept. for Energy & Heavy Industries

November 2012



April 2013

Small cap CosmoSteel big on quality, customer service and dividends

Most investors probably expect to see a small cap company with a market capitalization of less than \$1 billion. However, CosmoSteel is a small cap company that has a market capitalization of over \$1 billion. The company's success is due to its focus on quality, customer service and dividends.

The company's success is due to its focus on quality, customer service and dividends. The company's success is due to its focus on quality, customer service and dividends. The company's success is due to its focus on quality, customer service and dividends.

The Edge Edge
Small cap CosmoSteel big on quality, customer service and dividends

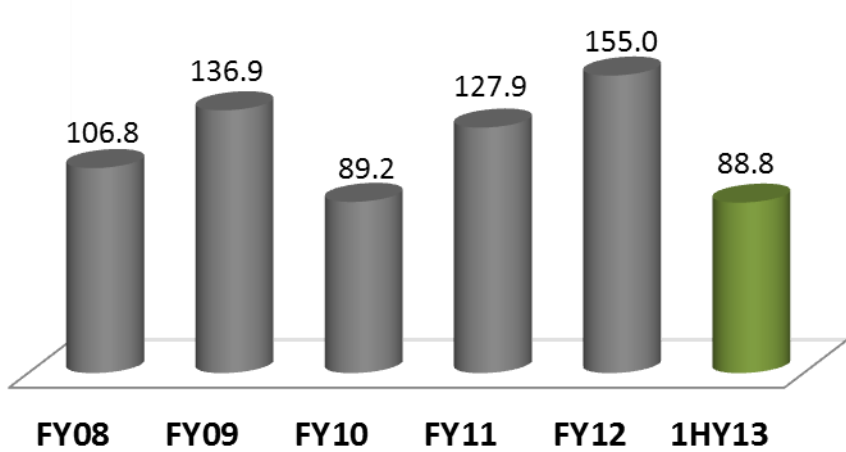
The Edge, February 2013

**2QFY2013 AND
1HY2013
FINANCIAL
HIGHLIGHTS**

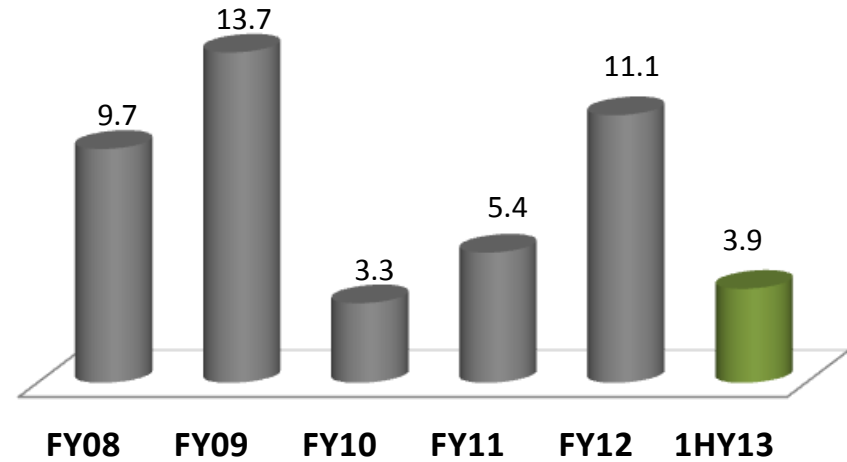


BACK ON THE GROWTH TRACK

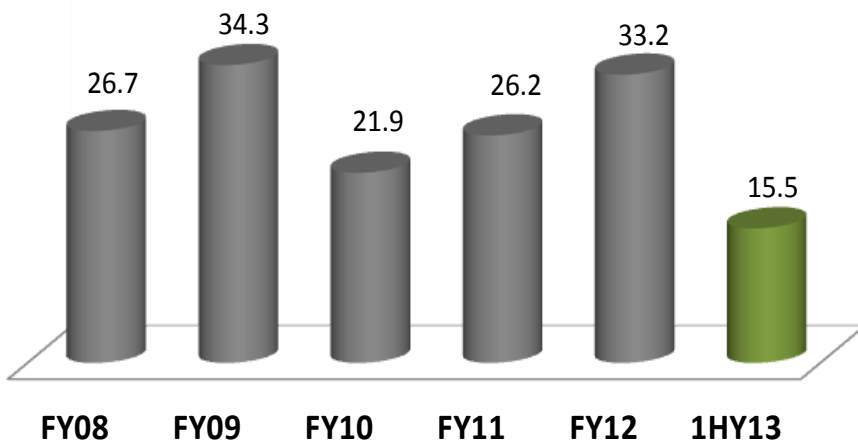
Revenue (S\$m)



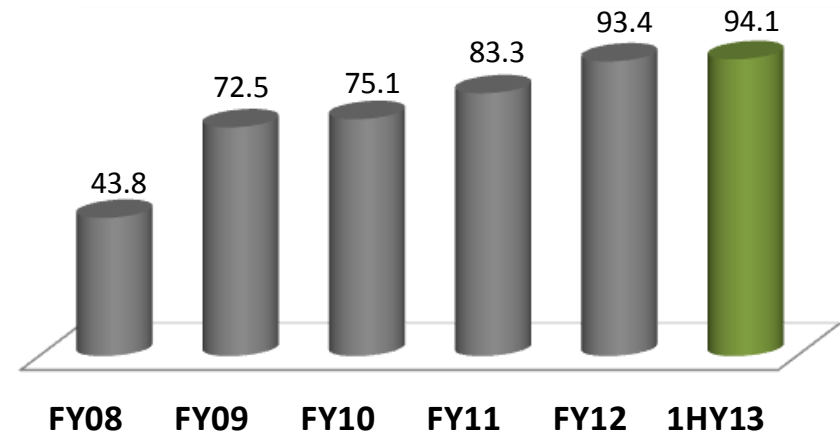
Net Profit (S\$m)



Gross Profit (S\$m)

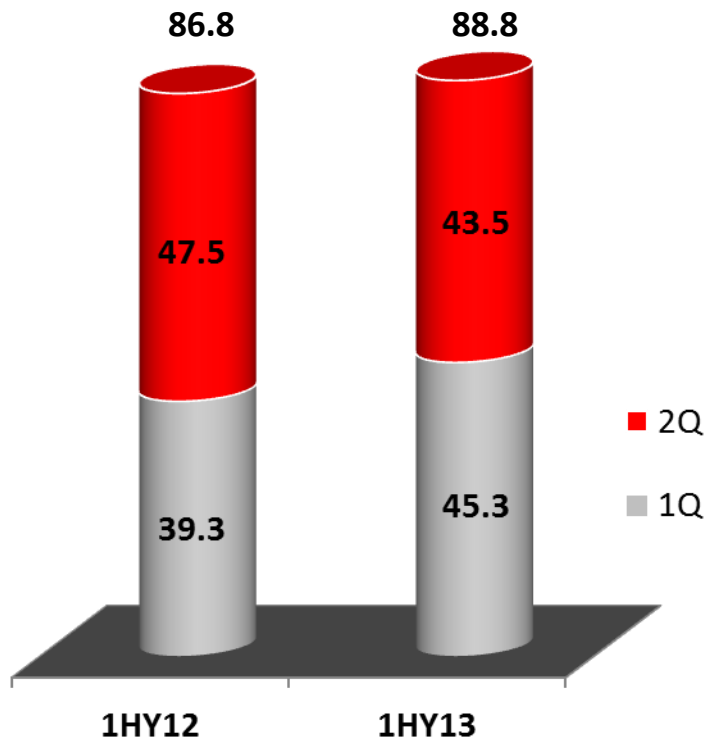


Equity (S\$m)



REVENUE

Revenue (S\$'m)



Main contributor: Energy Sector

2QFY13 revenue: ↓8.6% to S\$43.5m

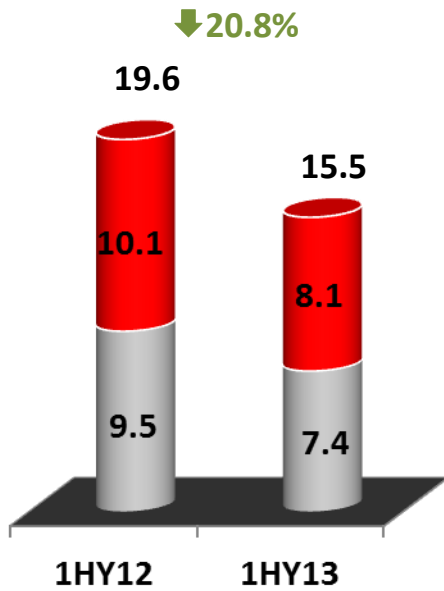
1HY13 revenue: ↑ 2.2% to S\$88.8m

•Revenue from Energy Sector ↑1.7% to S\$75.7 m

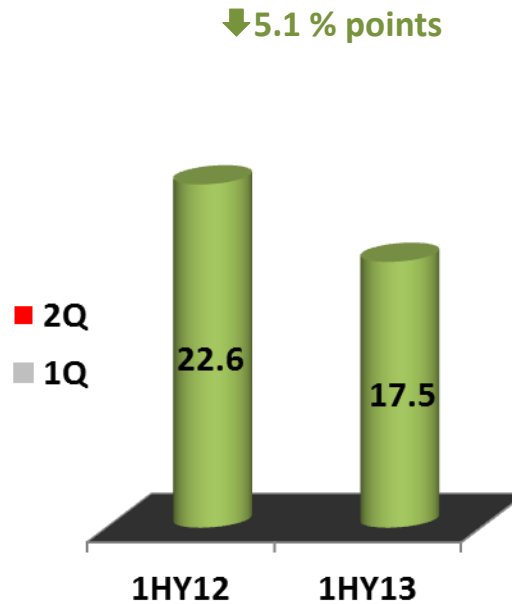


PROFITABILITY

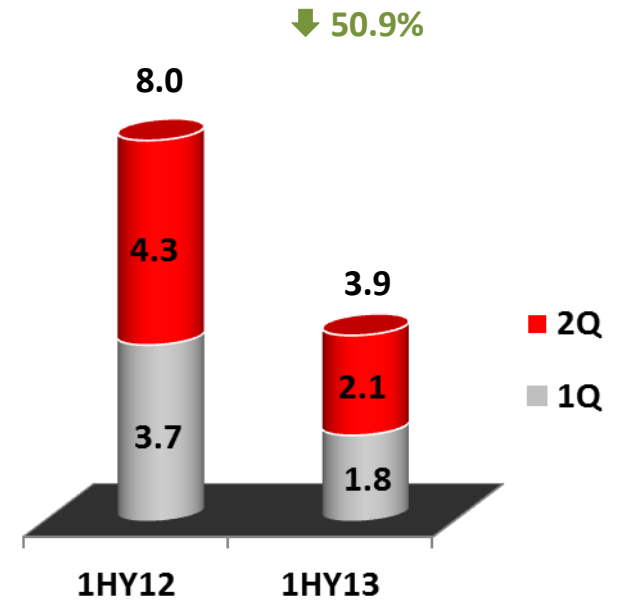
Gross Profit (S\$m):



Gross Profit Margin (%):



Net Profit (S\$m):



Lower margins due to new strategy to expand into upstream oil and gas value chain

- Highly competitive but good volume

KEY FINANCIAL INDICATORS

Profitability Ratios (%)	1HY13	1HY12	FY12
Return on Total Assets	5.9	11.9	8.97
Return on Equity	8.4	18.6	12.51
Efficiency Ratios (Days)	1HY13	1HY12	FY12
Trade Receivables Turnover	67	81	64
Trade Payables Turnover	30	63	36
Inventory Turnover	283	289	319
Liquidity Ratios (Times)	1HY13	1HY12	FY12
Current Ratio	1.92	1.77	1.97
Gearing ratio	1.01	1.19	0.89



STRATEGIES



OUTLOOK



Outlook for 2HY2013 and beyond...

- Highly competitive market
- Margin pressures

STRATEGIES

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

Inventory Specialist



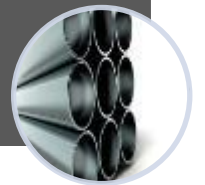
- **Intensify marketing efforts in the Asia Pacific region**
- **Strengthen ties with existing and new customers**
- **Expand into upstream O&G value chain**
 - Good volume especially with the number of active oil and gas projects in the region

Market Expansion

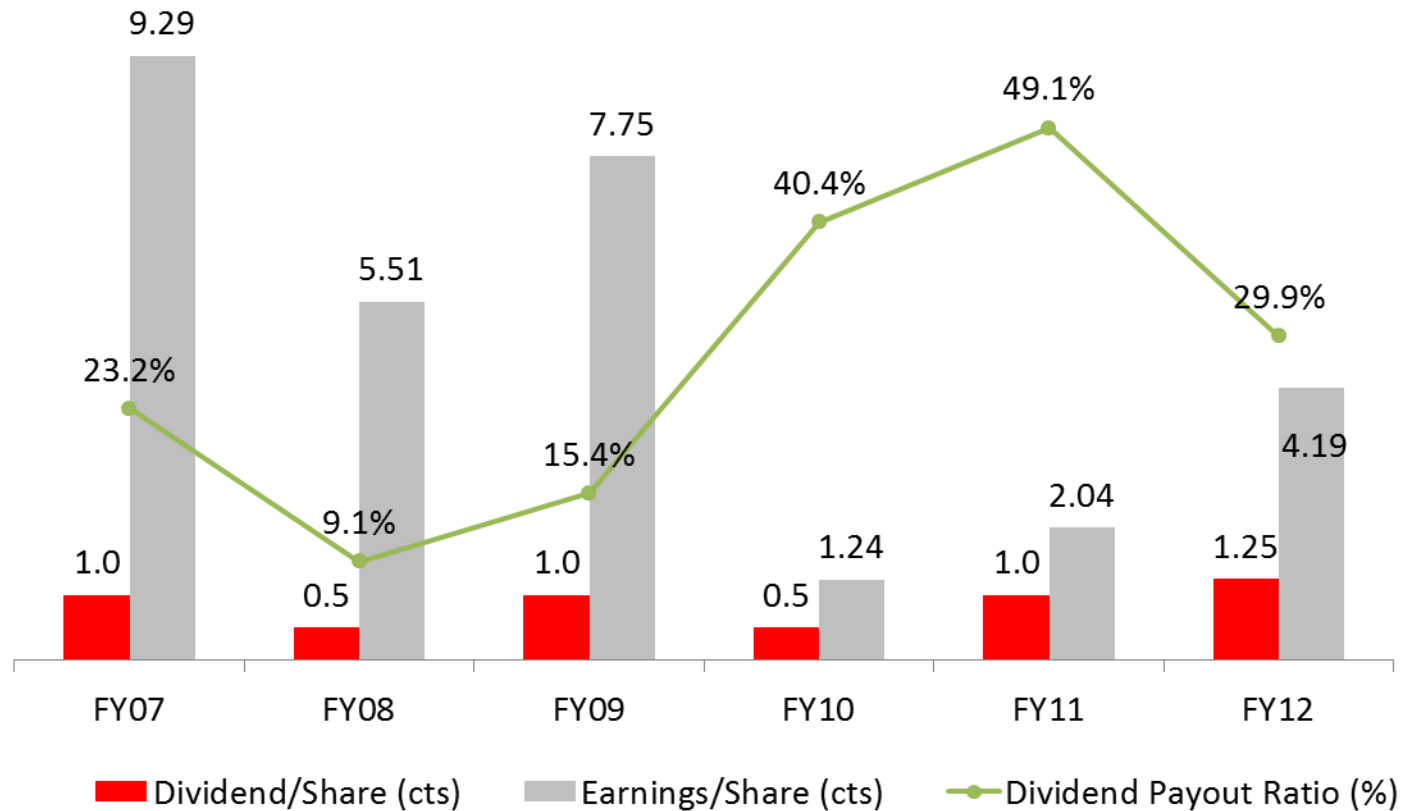


- **Stay vigilant**
- **Manage Costs**

Prudent Financial Management



REGULAR DIVIDEND PAYOUTS SINCE IPO



• 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 FY12 : 263,999,997 shares

DIVIDEND POLICY GOING FORWARD

Annual dividend
payout:

**at least
10%**

**of the net profit attributable to Shareholders,
subject to conditions**

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



COSMOSTEEL HOLDINGS LIMITED

**THANK YOU
Q&A**

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 include manufacturing and pharmaceutical sectors