

Results Presentation Analyst Briefing 1st Half Year of FY2013



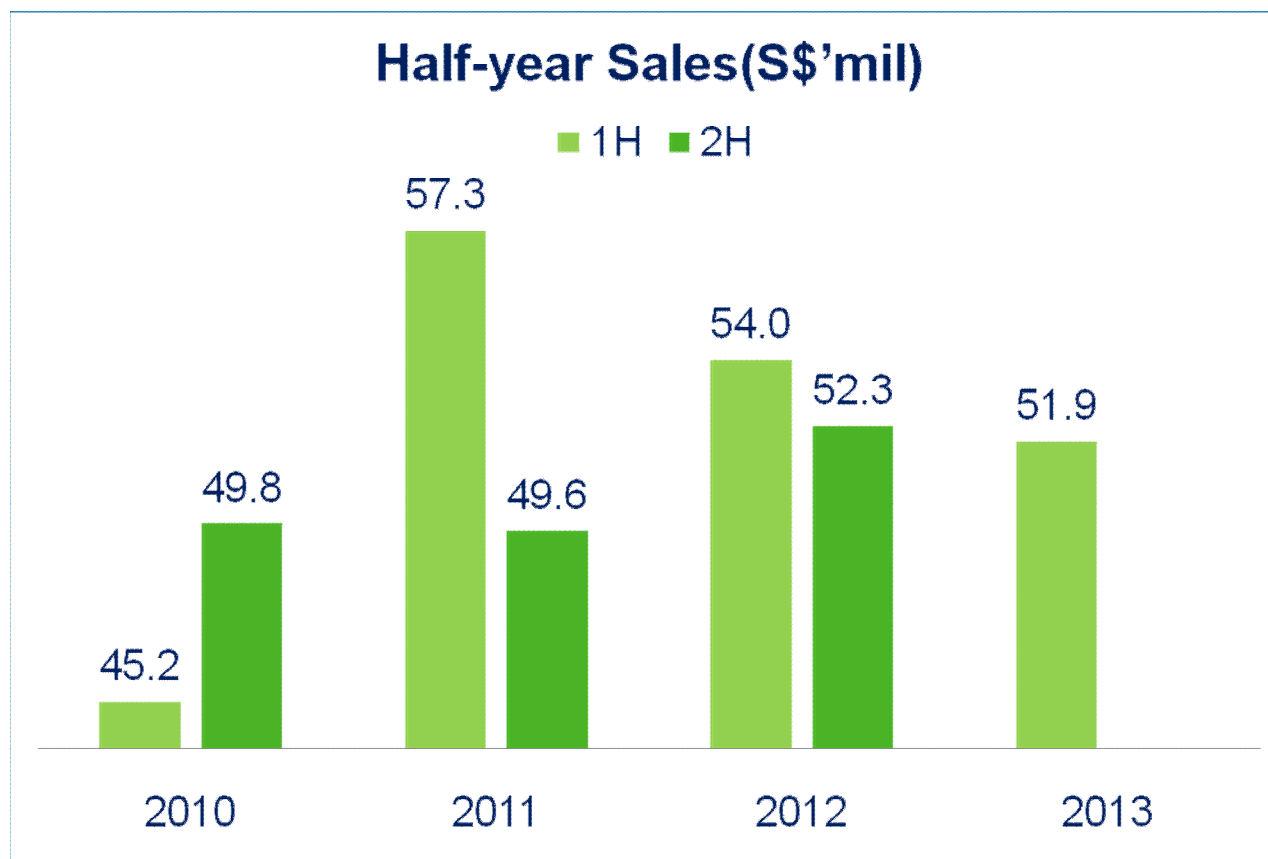
Financial Performance :
Bumpy ride in 1H 2013



P&L Highlights

S\$'mil	1H 12	2H 12	1H 13	1H 13 vs 2H 12	Var % Fav/(unfav)	1H 13 vs 1H 12	Var % Fav/(unfav)
Sales	54.0	52.2	51.9	(0.4)	(0.7%)	(2.2)	(4.0%)
Gross Profit	11.1	10.7	10.4	(0.3)	(2.4%)	(0.7)	(6.3%)
Gross Profit Margin	20.6%	20.5%	20.1%	(0.4% pts)	-	(0.5% pts)	-
Expenses	9.5	9.5	9.5	-	0.2%	-	(0,2%)
Other Income	0.23	0.19	0.06	(0.13)	(67.3%)	(0.17)	(73.5%)
Assoc Profit	0.69	0.54	1.06	0.52	96.1%	0.37	53.8%
NPBT	2.6	1.9	2.1	0.2	8.5%	(0.5)	(20.0%)
NPAT	2.1	1.3	1.5	0.2	13.7%	(0.5)	(26.3%)
NPAT margin %	3.8%	2.6%	2.9%	0.3% pt	-	(0.9% pts)	-
EBITDA	3.2	2.7	3.0	0.3	9.5%	(0.2)	(7.1%)
EBITDA Margin %	5.9%	5.2%	5.7%	0.5% pt	-	(0.2% pts)	-
ROE %	9.8%	6.3%	6.8%	0.5% pt	-	(3.0 pts)	-
EPS(cents)	1.43	0.95	1.01	0.06	6.3%	(0.42)	(29.4%)
Interest Cover	16.7x	10.5x	12.9x	2.4x	-	(3.8x)	-

Sales



" 1H 2013 vs 1H 2012 : (S\$2.2 mil) or (4.0%)

" 1H 2013 vs 2H 2012 : (S\$0.4 mil) or (0.7%)

Sales

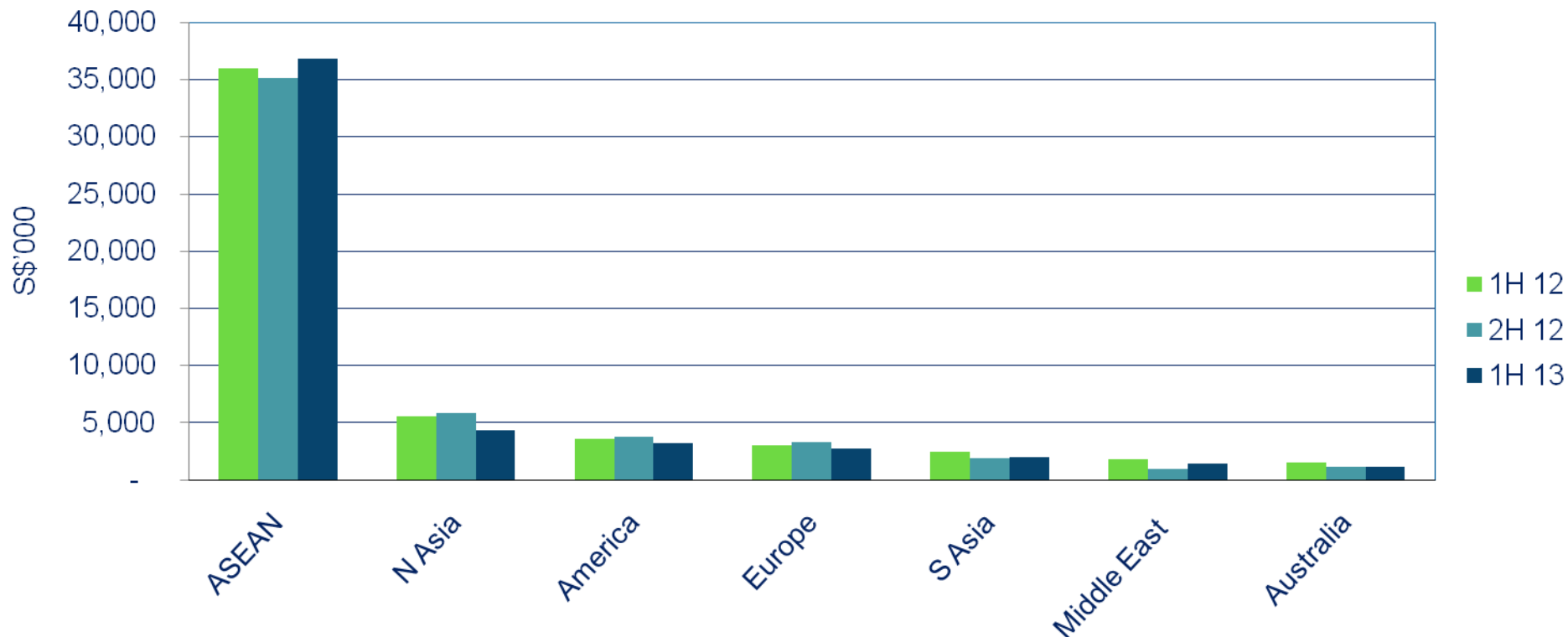


“ 2Q 2013 vs 1Q 2013 : S\$1.9 mil or 7.7%

“ 2Q 2013 vs 2Q 2012 : (S\$1.3 mil) or (-4.6%)

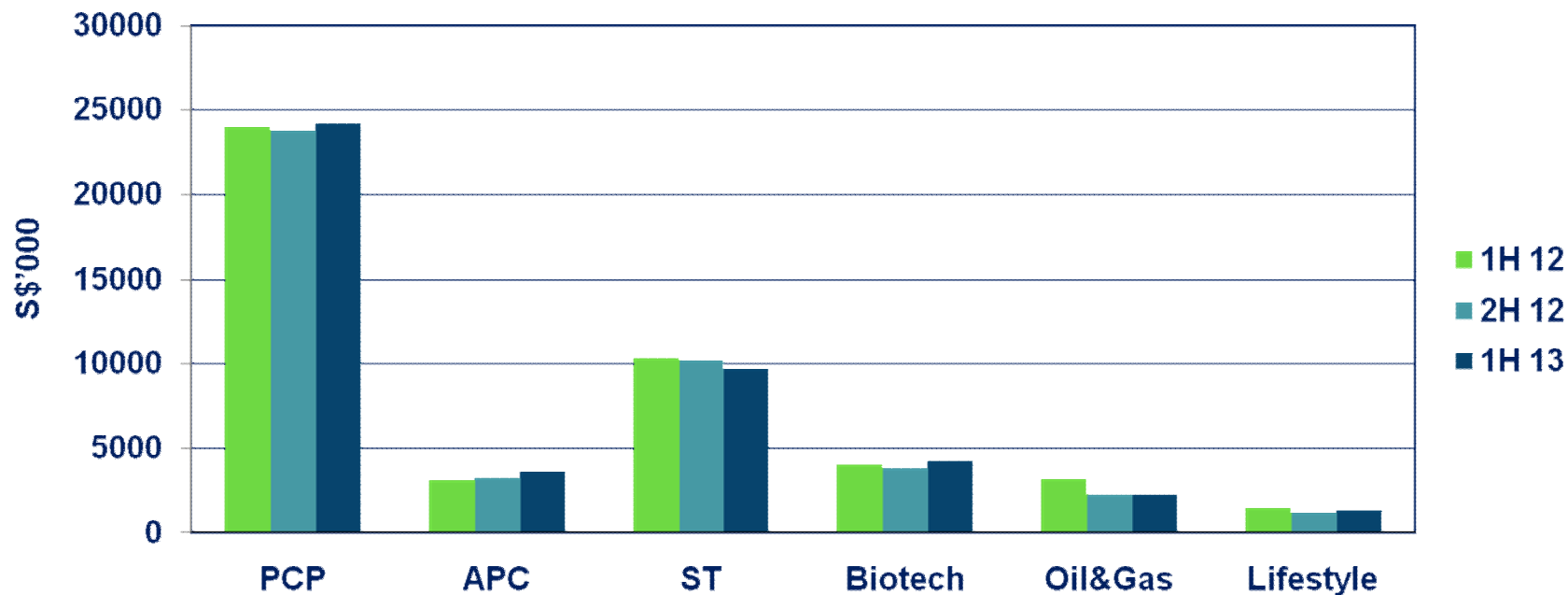
Sales

Sales breakdown by Geographic Markets



- " 1H 13 vs 1H 12 : All markets lower except ASEAN.
- " 1H 13 vs 2H 12 : Stronger sales in ASEAN offset by fall in N Asia, S America and Europe.
- " Europe : dip in UK sales. Minimal sales to crisis hit Euro zone.
- " China led the fall in N Asia
- " S America fall due changes in currency control

Sales breakdown by Industry

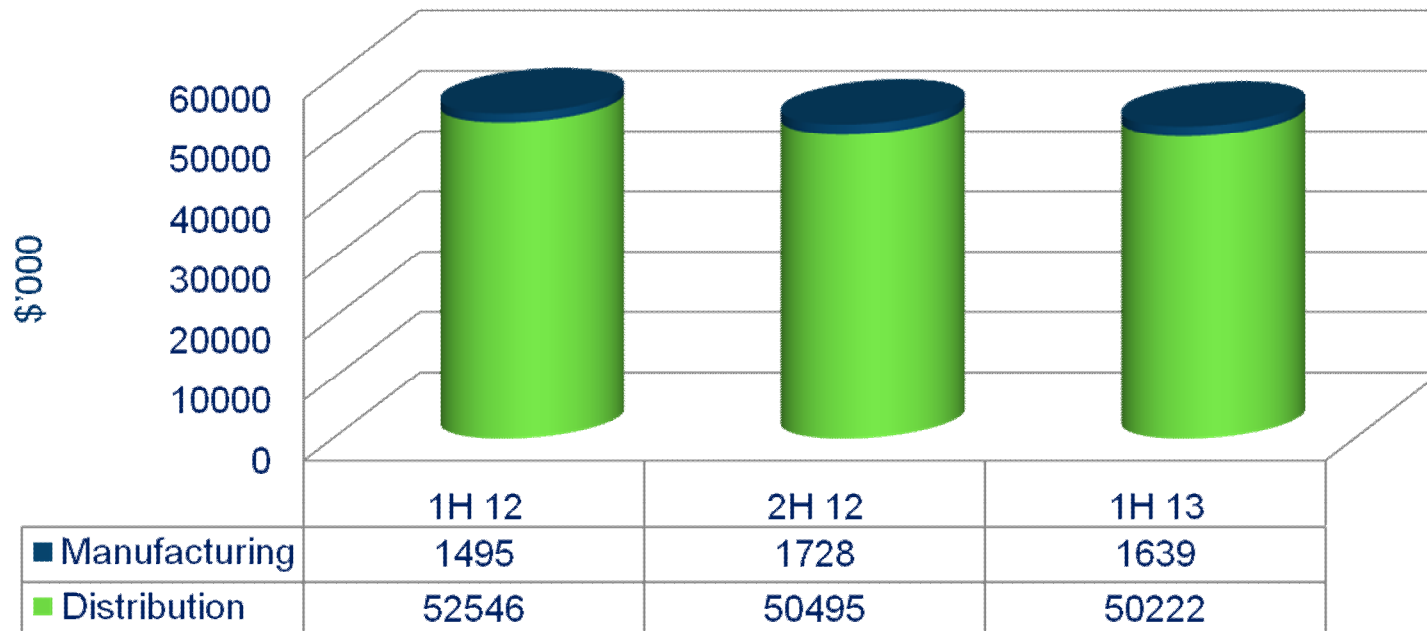


1H 13 vs 1H 12 : Fall in Surface Technology, Oil & Gas and Lifestyle.

1H 13 vs 2H 12 : Fall in Surface Technology..

Sales

Sales Breakdown by Business Activity



Manufacturing

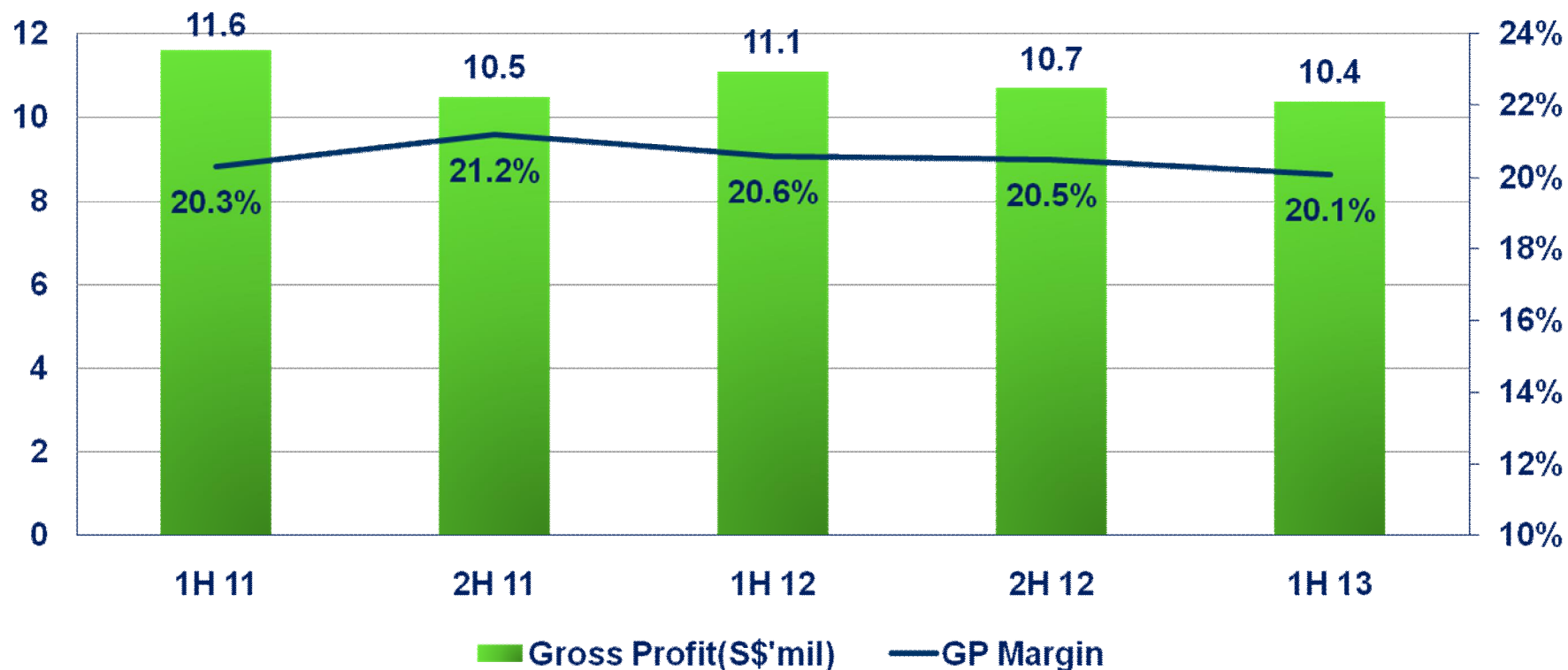
"1H 13 vs 1H 12 higher. Low base in 1H 12 due to disruption during facility set-up.

"1H 13 vs 2H 12 lower.

Distribution

"Lower yoy and flat vs 2H 2012.

Gross Profit



- “ 1H 13 vs 1H 12 Gross Profit : (\$0.7 mil)
- “ 1H 13 vs 1H 12 GP margin : (0.5% pt)
- “ Drop in GP margin mainly due to depreciation of plant and equipment for the new facility.

Expenses

- “ Expenses maintained at about the same level of S\$9.5 mil.
- “ Excluding FX and fair value adjustment, operating expenses increased \$292,000 or 3.3%.
- “ Cost and Productivity Improvement to continue.

S\$'000	1H 2012	1H 2013	Var	Var %	
Staff Cost	5,110	5,418	309	5.7%	Salary increment and increase in headcount.
Depreciation	389	459	70	18%	New production/office
FX	321	42	(279)	(86.9%)	Stronger USD. Gain in USD/SGD, USD/GBP. Loss in Rupee/USD.
Professional Fees	333	235	(98)	(29.4%)	Non-recurring expenses such as tax consultancy, new facility
Impairment of trade receivables	80	79	(1)	(1.2%)	Only 0.3% of total trade receivables
Rental	883	870	(13)	(1.5%)	
Finance Cost	164	174	10	5.9%	Higher borrowings

Other Income

S\$'000	1H 2012	1H 2013	Var	Var %
Other Income	228	61	(167)	(73.5%)

"Bad debt recovered in 1H 13 was lower than 1H 12.

"Other income in 1H 13 consists of mainly interest income, FV gain on forward FX contracts, rental and management fees.

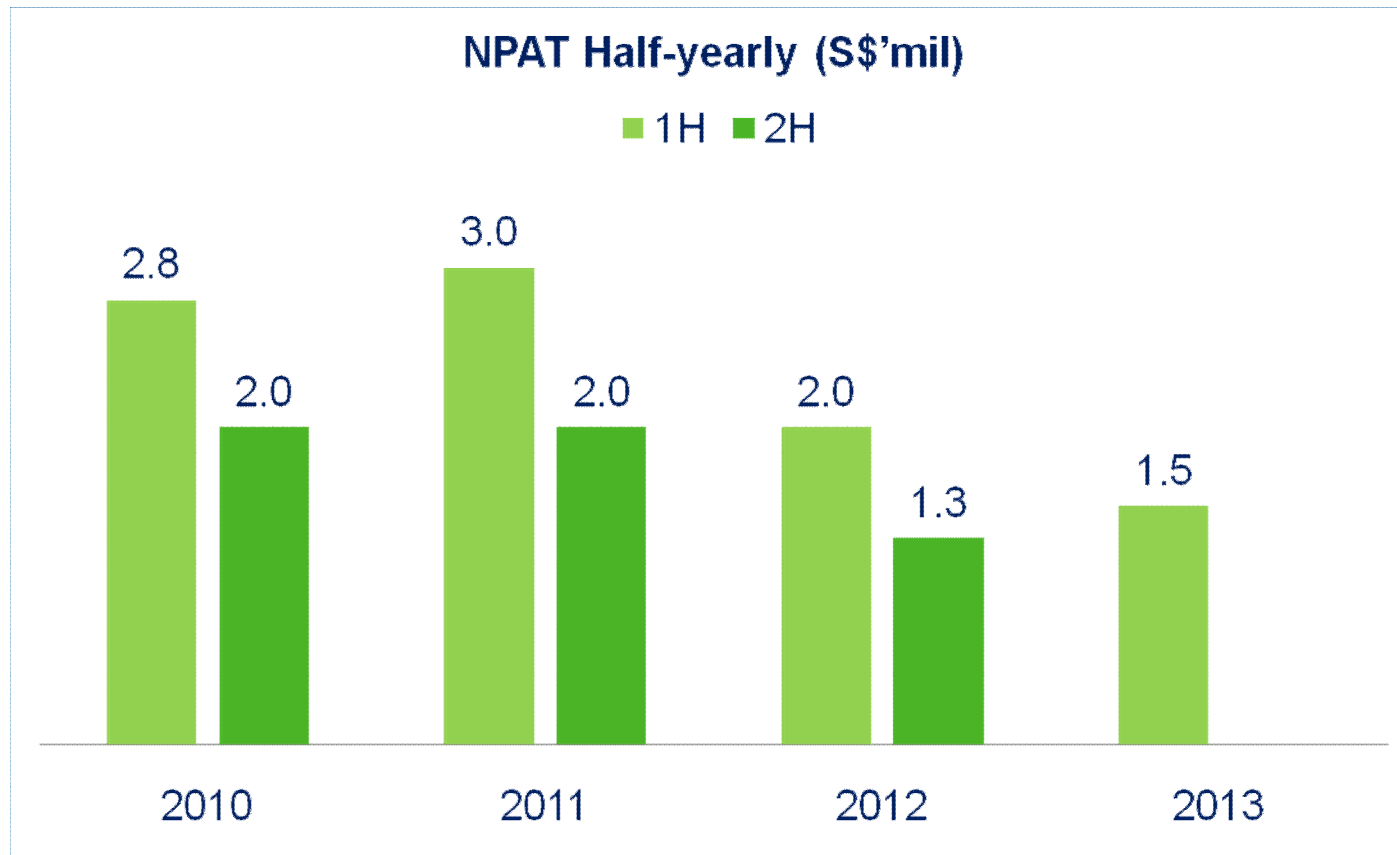
Share of Assoc Profit

S\$'000	1H 2012	1H 2013	Var	Var %
Share of Assoc Profit	692	1,064	372	53.8%

"Strong economic condition in Thailand : increase in investment, manufacturing activities and government infrastructure projects.

"Favourable exchange rates.

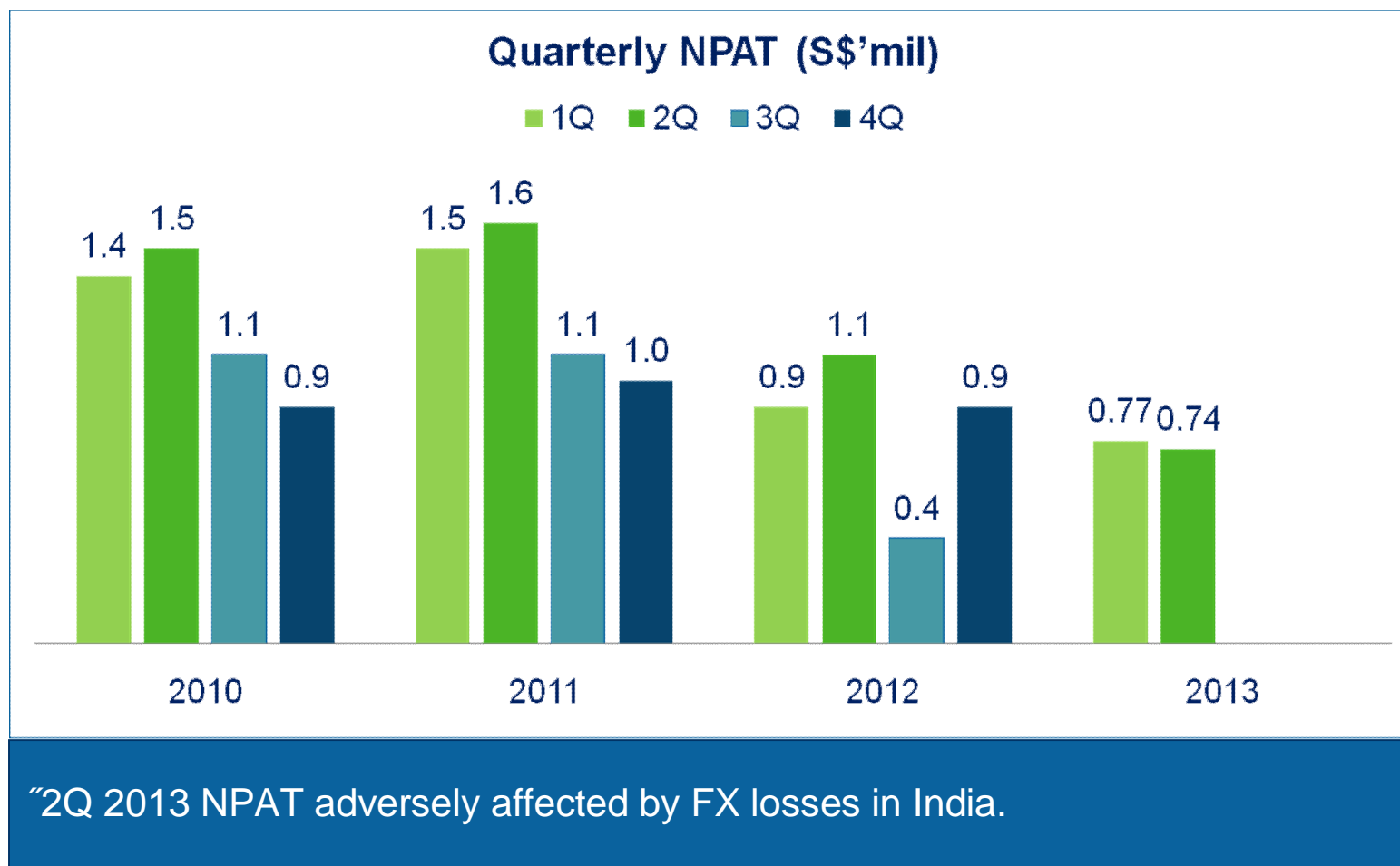
Net Profit After Tax



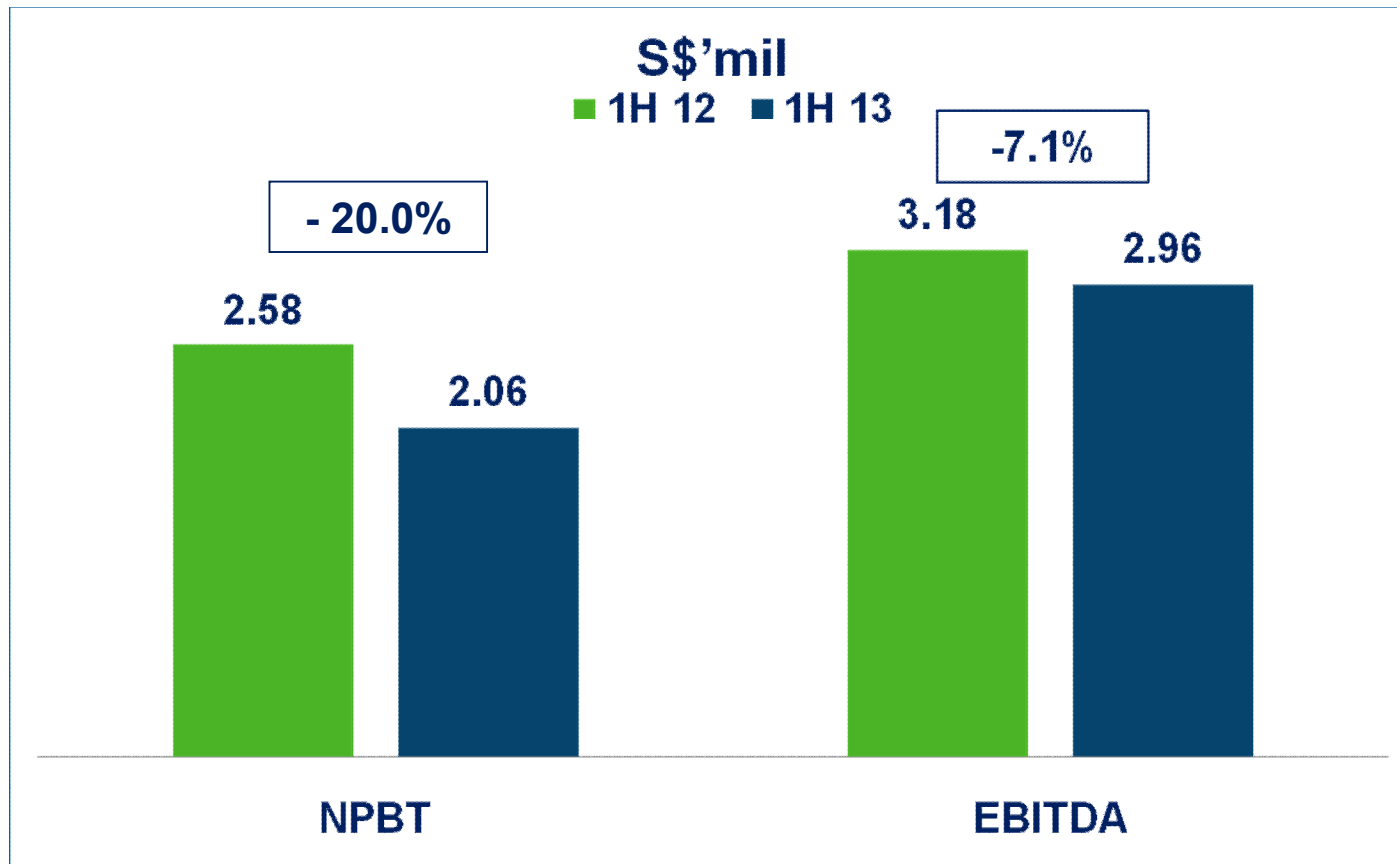
~1H 13 vs 1H 12 : (S\$0.5 mil) or (20%) due to lower sales

~1H 13 vs 2H 12 : S\$0.2 mil or 8.5% due to higher contribution from associated company and smaller FX losses

Net Profit After Tax



NPBT/EBITDA



NPBT declined but stripping off depreciation, EBITDA fell by a smaller %
 => new production facility and office contributed partly to the fall in NPBT.

Balance Sheet

S\$'mil	2010	2011	2012	1H 13	Var	
Cash	6.8	7.6	8.1	6.7	(1.4)	
Cash/share (cents)	5.1	5.7	6.0	5.0	(1.0)	
Borrowings	9.7	15.3	16.0	19.5	3.5	Higher borrowing to fund working capital needs
Shareholders Equity	36.1	38.9	39.8	39.8	-	
Gearing (times)	0.27	0.39	0.40	0.49	0.09	Higher gearing but at acceptable level.
Current ratio (times)	2.4	2.4	2.0	1.9	0.1	Sound liquidity
Inventory	18.2	21.2	19.8	20.0	0.2	Marginal increase
Inventory T/O (days)	84	91	95	95	-	
Trade Receivables	22.8	21.8	23.5	25.1	1.6	Slow payment in Venezuela, India.
Receivables T/O (days)	86	78	80	87	7	
Property, Plant & Equipment	3.5	9.0	12.6	12.3	(0.3)	
NTA/share (cents)	27.1	29.2	29.90	29.88	(0.02)	

Cashflow

\$'000	1H 2012	FY2012	1H 2013	
Cash from Operating activities	633	6,156	(2,486)	Slower collection and decrease in payables
Cash used in Investing activities	(2,490)	(4,094)	(883)	Office Renovation
Cash provided by/(used in) Financing Activities	1,796	(1,451)	1,481	Dividend payment and Increase in borrowing
Net change in Cash & cash eq	(61)	611	(1,887)	
Beginning Cash & cash eq	7,613	7,613	8,056	
Ending Cash & cash eq	7,439	8,056	6,174	

Anxiety over Quantitative Easing tapering and slower China growth dampened our business.

P&L Summary

“ Higher contribution from associated company in Thailand

but

“ Lower Sales

=> Lower Profit

Balance Sheet Summary

“ Gearing marginally higher

“ Liquidity sound

=> Financial position remained healthy

A close-up photograph of a laboratory setup. In the foreground, four glass test tubes are arranged in a row, each containing a different colored liquid: blue, dark blue, orange, and red. A glass pipette is positioned above the orange liquid, with a single drop of the liquid hanging from its tip. The background is a white surface with several circular holes, suggesting a test plate or a similar laboratory equipment. The lighting is bright and even, highlighting the colors of the liquids and the transparency of the glass.

Outlook 2H 2013 : Uncertainty persists

Market conditions remain challenging



Distribution

Focus on improving business in under-performing market segments.
Seek synergistic value in Chori/Megachem collaboration



Custom-blending

Develop new customers to make up for lower demand from existing customers

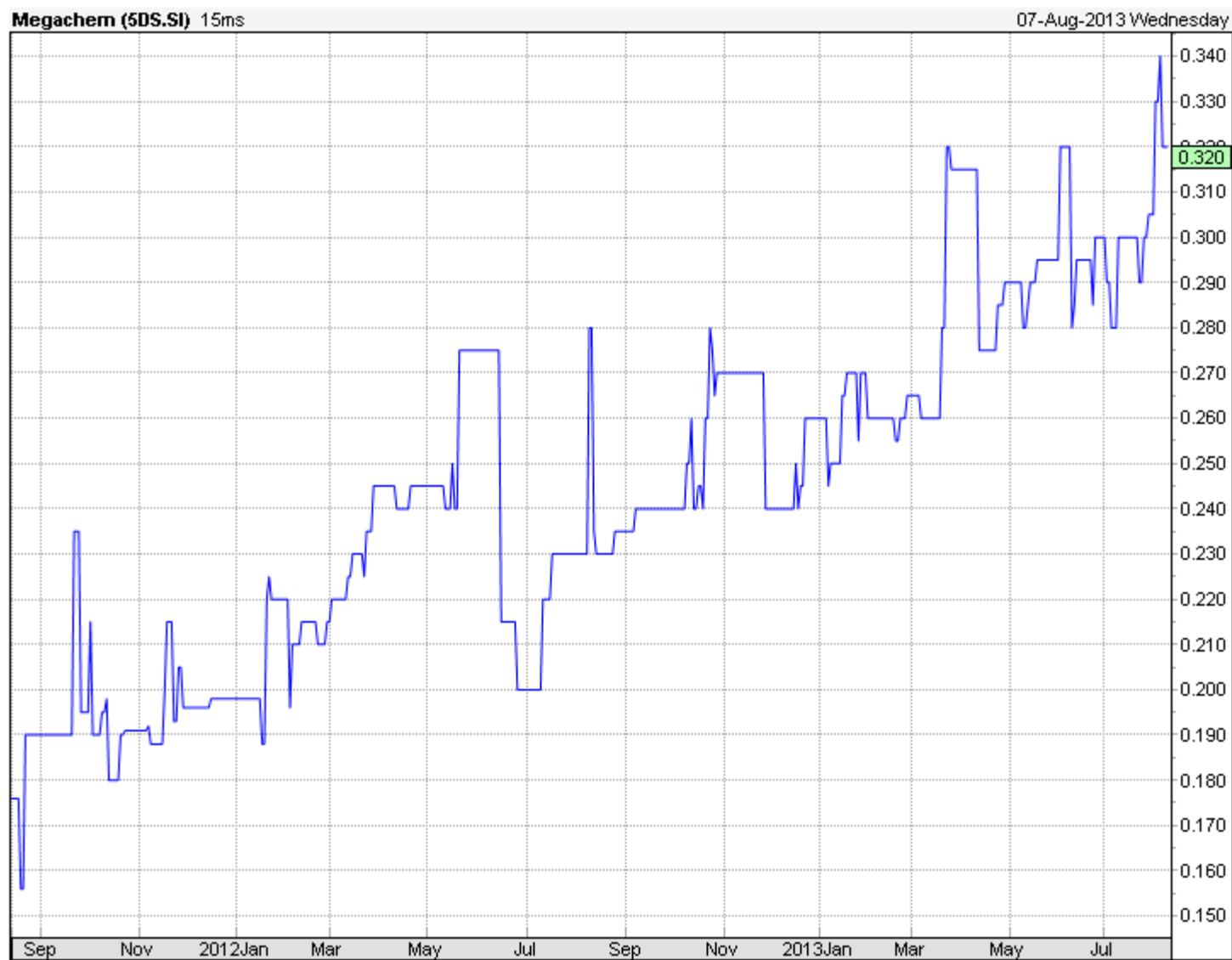


No definitive trend in market condition.

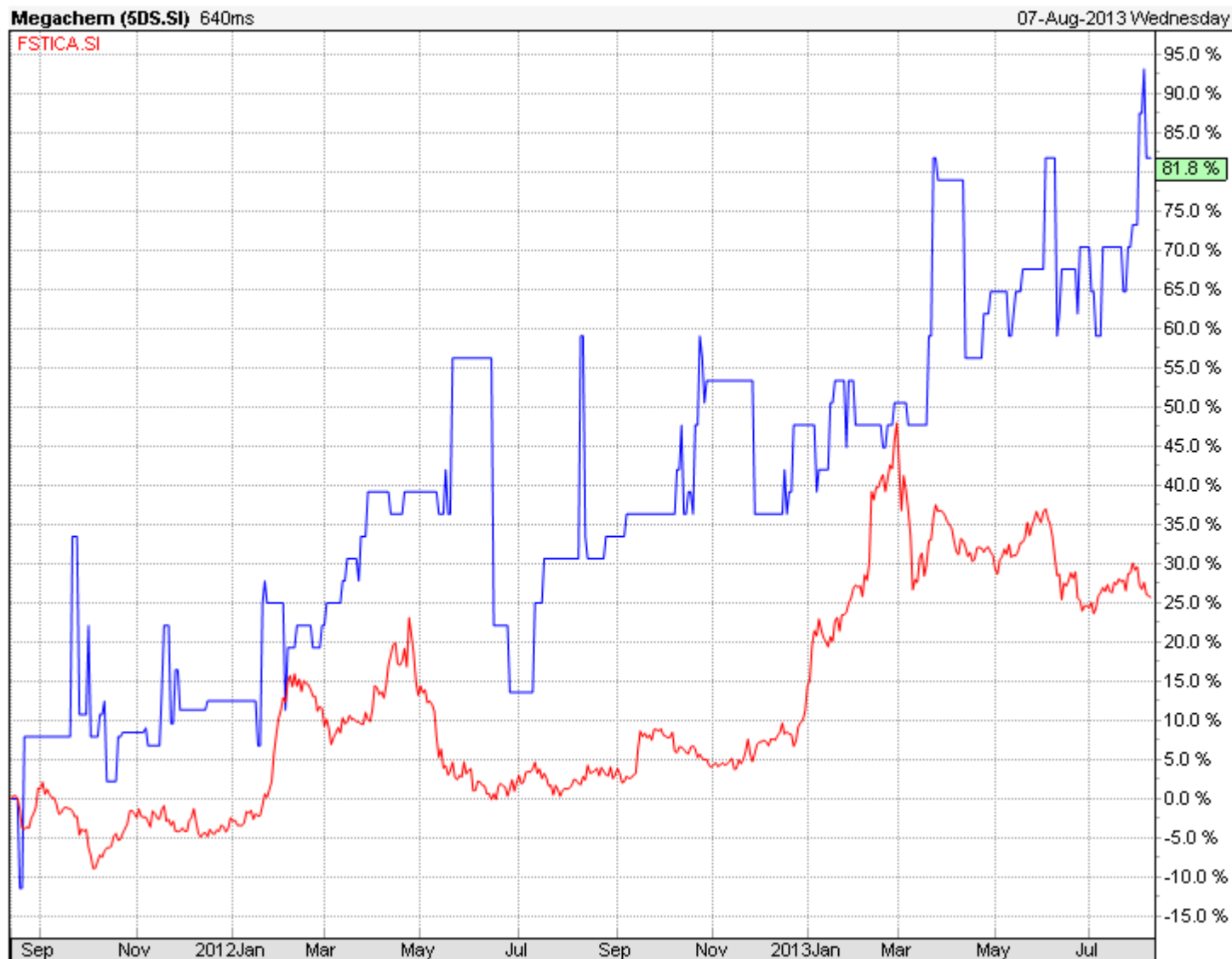


Share Performance :
Enhancing Shareholders Long Term Value

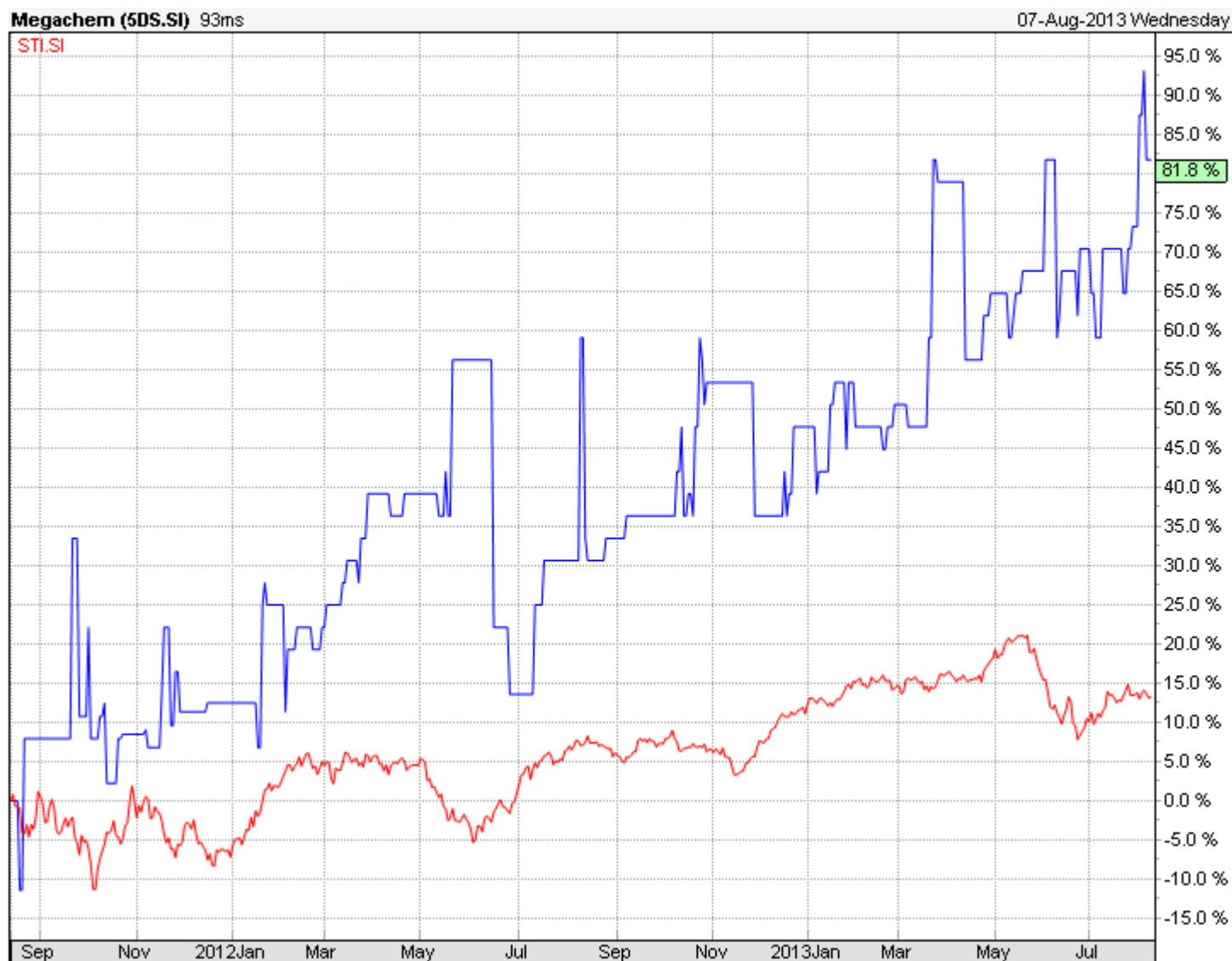
Share Price Chart



Share Price Chart



Share Price Chart



1H 2013 Interim Dividend Proposal

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	1H13
Price/share (cts)	31.5	26.0	16.0	16.0	21.5	23.5	19.5	20.0	19.8	26.0	30.0*
Net Dividend / share (cts)	0.56	0.864	0.576	0.81	0.595	0.40	1.00	1.20	1.3	1.3	0.3**
Net Dividend payout (%)	23.1	31.9	30.2	62.2	35.1	24.1	50.6	34.6	35.7	54.7	29.7
Net Dividend Yield (%)	1.8	3.3	3.6	4.9	2.8	2.0	5.1	6.0	6.6	5.0	1.0 **

* Share price for calculation of yield is based on last day of financial period 1H 2013.

** Dividend Yield calculated for half year period. Not annualised.

Total Shareholders Return

	%
Dividend Yield	1.0%
Capital Gain *	15.4%
Total Shareholders Return	16.4%

“ Capital gain is calculated using ending (ie 30 cents/share) and beginning price (26 cents/share) of 1H 2013.

“ Interim Dividend yield calculation is not annualised.

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