



# Results Presentation For Analyst Briefings Full Year ended 31 Dec 2013



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**Financial Performance**

According to World Bank Report global economy expanded at 2.4% in 2013.

The global economy has weathered 2013 headwinds well.

The fiscal cliff and temporary government shutdown risks have faded, and the Federal Reserve (Fed) was sufficiently comfortable about the pace of healing in the US labour market to begin to taper its Quantitative Easing (QE) program starting from January 2014.

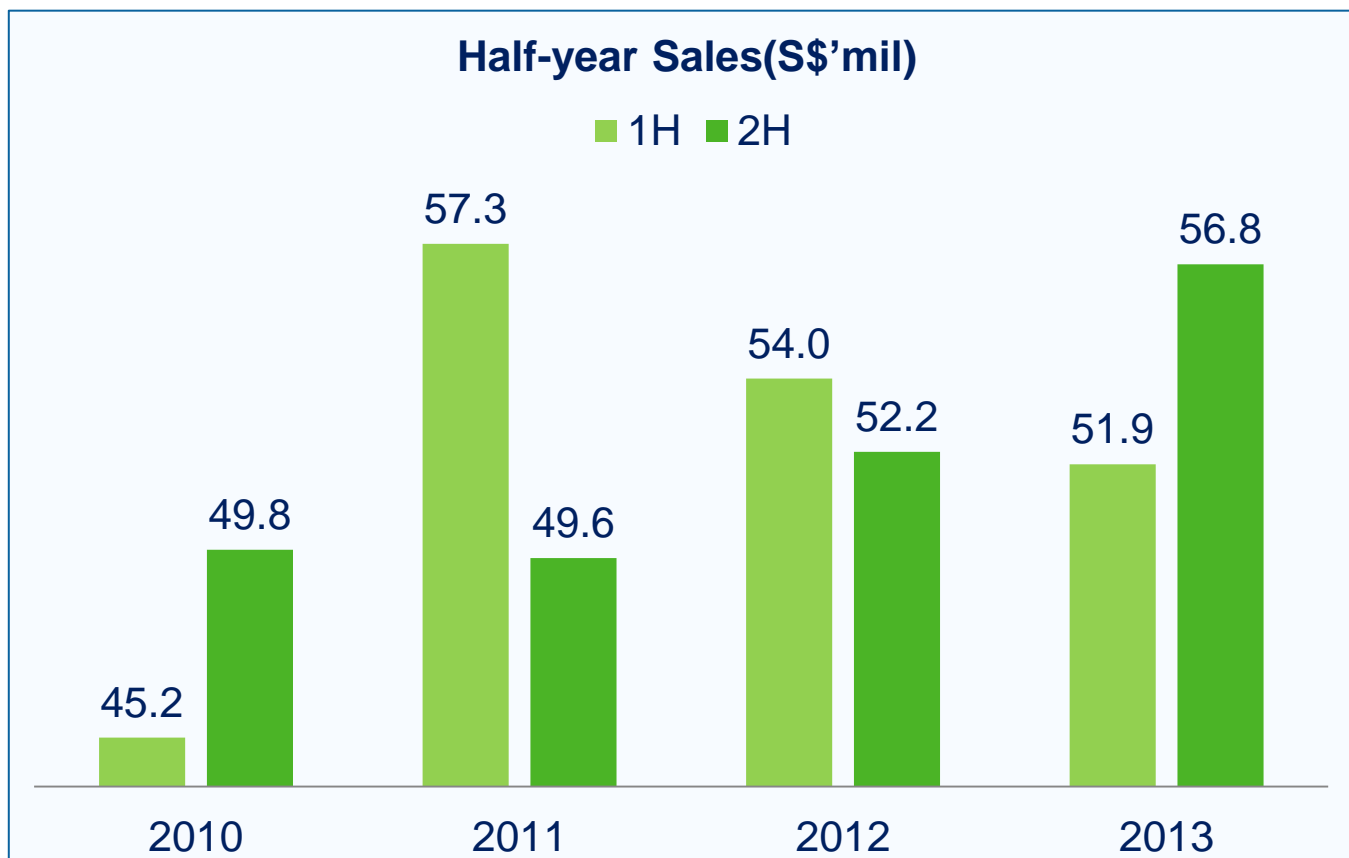
World chemical production grew at about 2.4% in 2013 vis-à-vis 2.7% in 2012 according to a report from the American Chemicals Council.

# P&L Highlights

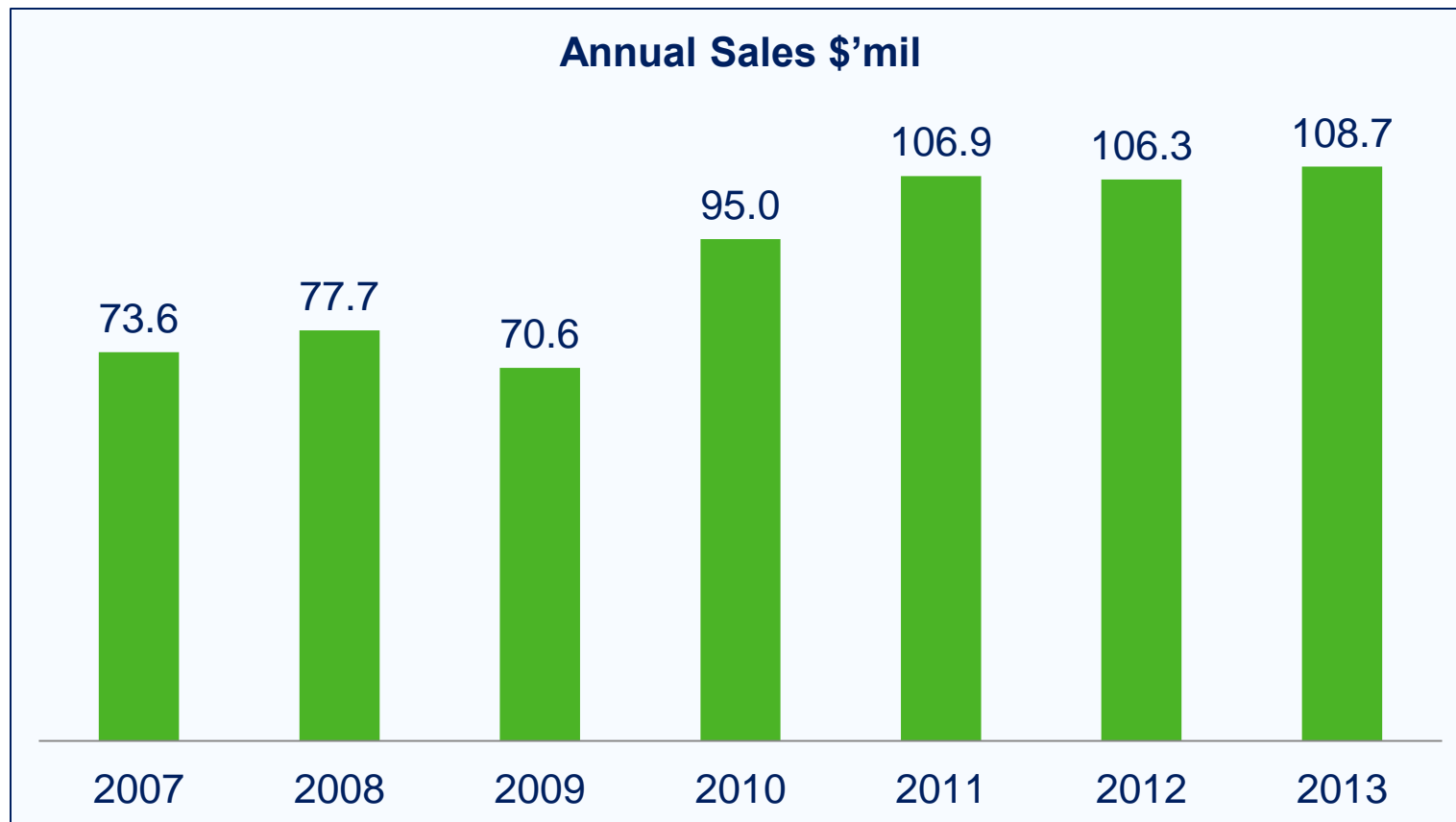
S\$'mil	1H 12	2H 12	1H 13	2H 13	2H13 vs 1H13	Var %	2H13 vs 2H12	Var %
Sales	54.0	52.2	51.9	56.8	5.0	9.6%	4.6	8.8%
Gross Profit	11.1	10.7	10.4	11.1	0.7	6.6%	0.4	4.1%
Gross Profit Margin	20.6%	20.5%	20.1%	19.6%	(0.5% pt)	na	(0.9% pt)	Na
Expenses	9.5	9.5	9.5	10.1	0.6	6.7%	0.6	6.4%
Expenses/Sales %	17.6%	18.2%	18.3%	17.8%	(0.5% pt)	na	(0.4% pt)	Na
Other Income	0.23	0.19	0.06	0.15	0.09	149.7%	(0.03)	(18.4%)
Share of Assoc Profit	0.69	0.54	1.06	0.65	(0.41)	(39.3%)	0.1	19.0%
NPBT	2.6	1.9	2.1	1.8	(0.3)	(13.1%)	(0.1)	(5.7%)
NPAT	2.1	1.3	1.5	1.3	(0.2)	(16.3%)	(0.1)	(4.8%)
NPAT margin %	3.8%	2.6%	2.9%	2.2%	(0.7% pt)	na	(0.4% pt)	Na
EBITDA	3.2	2.7	3.0	2.7	(0.2)	(8.4%)	-	0.3%
EBITDA Margin %	5.9%	5.2%	5.7%	4.8%	(0.9% pt)	na	(0.4% pt)	Na

# P&L Highlights

S'mil	FY12	FY13	Var	Var %
Sales	106.3	108.7	2.4	2.3%
Gross Profit	21.8	21.6	(0.3)	(1.2%)
Gross Profit Margin %	20.6%	19.9%	(0.7% pts)	Na
Expenses	19.0	19.7	0.6	3.3%
Expenses/Sales %	17.9%	18.1%	0.2% pts	Na
Other Income	0.41	0.21	(0.2)	(48.8%)
Share of Assoc Profit	1.23	1.71	0.48	38.5%
NPBT	4.47	3.85	(0.6)	(13.9%)
NPAT	3.39	2.79	(0.6)	(17.8%)
NPAT margin %	3.2%	2.6%	(0.6% pts)	Na
EBITDA	5.9	5.7	(0.2)	(3.7%)
EBITDA Margin %	5.5%	5.2%	(0.3% pts)	Na
ROE %	7.9%	6.2%	(1.7% pt)	Na
EPS(cents)	2.38	1.88	(0.5)	(21%)



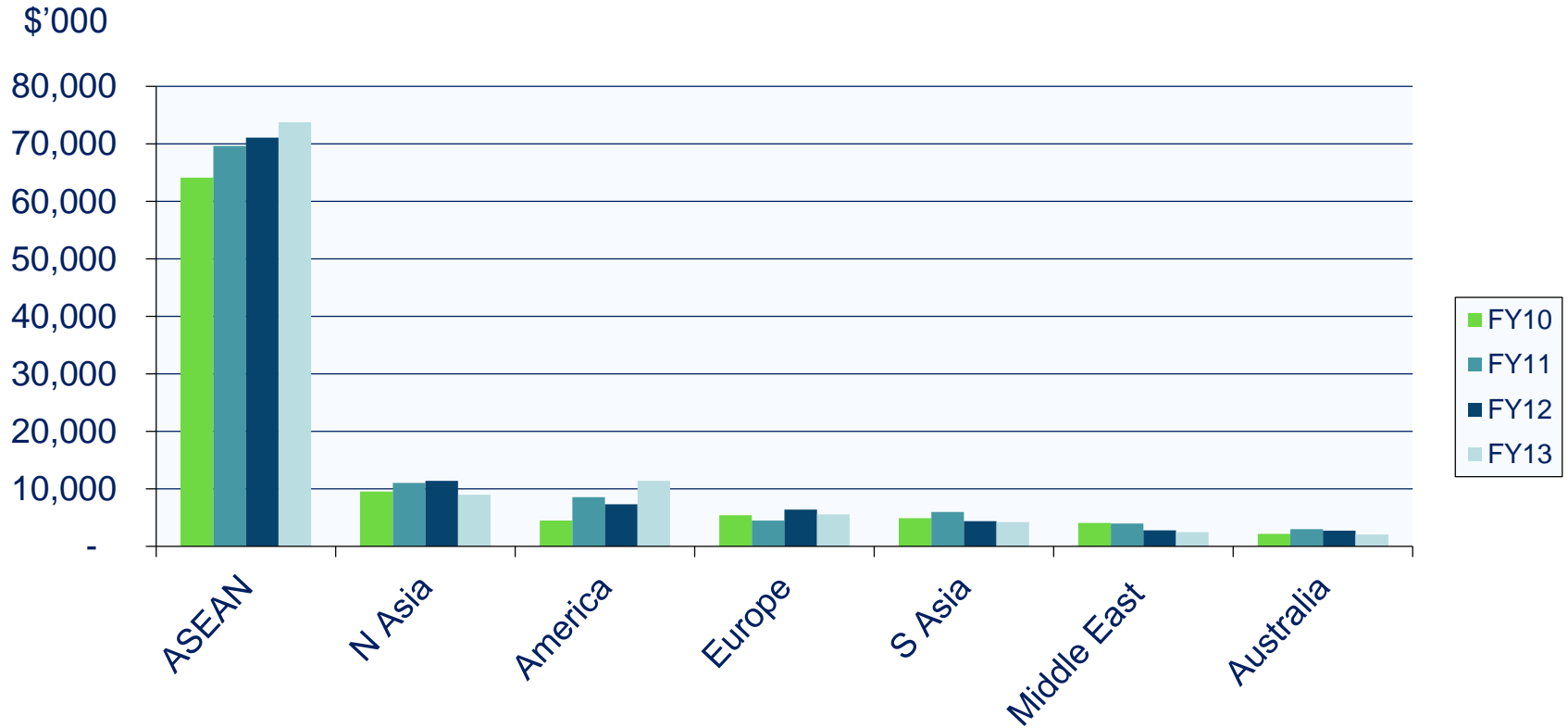
- 2H 2013 vs 2H 2012 : S\$4.6 mil or 8.8%
- 2H 2013 vs 1H 2013 : S\$5.0 mil or 9.6%
- Better performance in 2H 13 reflects positive business sentiment



- Sales hit new high in 2013.
- Sales track record reflects resilience of our business.



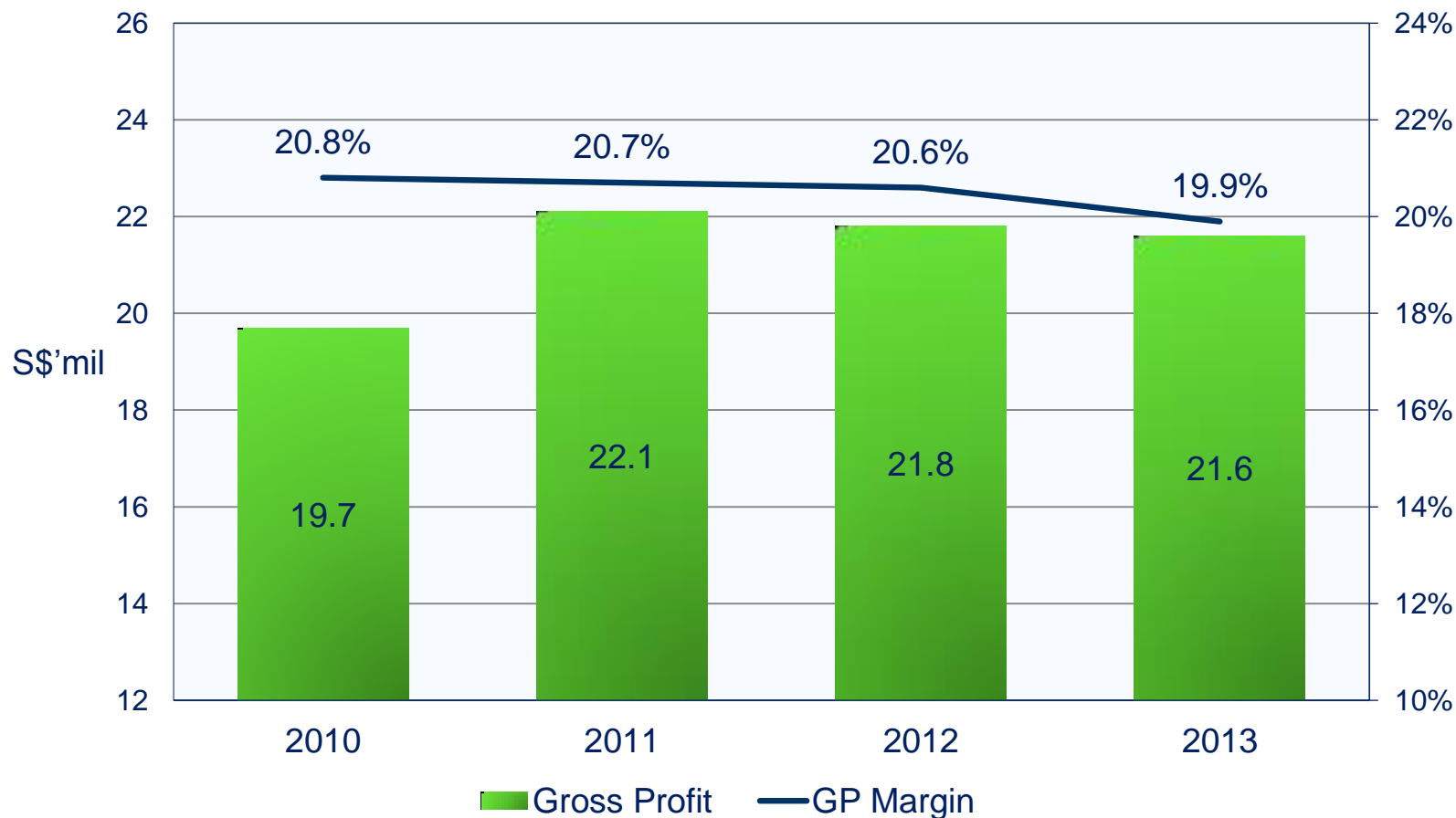
# Sales by Geographic Markets



- Core markets of ASEAN higher.
- Political uncertainty in Venezuela eased => higher sales in S America.
- N Asia, Europe, S Asia and Middle-east lower



# Gross Profit



- Higher manufacturing expenses shaved 0.7% pt off GP margin.
- Distribution GP margin relatively unchanged.



# Expenses

S\$'000	FY 2012	FY 2013	Var	Var %	
Staff Cost and welfare	10,064	10,698	634	6.3%	Increase in headcount and salary
Depreciation	765	915	150	19.6%	Depreciation of new office
Maintenance of fixed assets	483	392	(91)	(18.8%)	Completion of new plant and office
FX & Fair Value loss	674	659	(15)	(2.2%)	Sharp fall in IDR and INR in 2H13
Professional Fees	624	531	(93)	(14.9%)	Completion of new plant and office
Rental	1,720	1,751	31	1.8%	Stable level of inventory
Travelling & Transport	894	967	73	8.1%	Business travels.
Impairment of trade receivables	115	95	(20)	(17.3%)	No significant deterioration in debtors' profile

- Total expenses increased by S\$0.6 mil or 3.3% to S\$19.7 mil.

# Other Income

S\$'000	FY2012	FY2013	Var	Var %
Bad Debt recovered	174	8	(166)	(95.4%)
Change in fair value of financial assets	18	102	84	473%
Gain on disposal of assets	71	7	(64)	(90.2%)
Grant Income	61	15	(46)	(75.8%)
Interest Income	54	44	(10)	(19%)
Management Fee	24	19	(5)	(21.1%)
Rental Income	13	18	5	36.6%
Total Other Income	414	212	(202)	(48.8%)

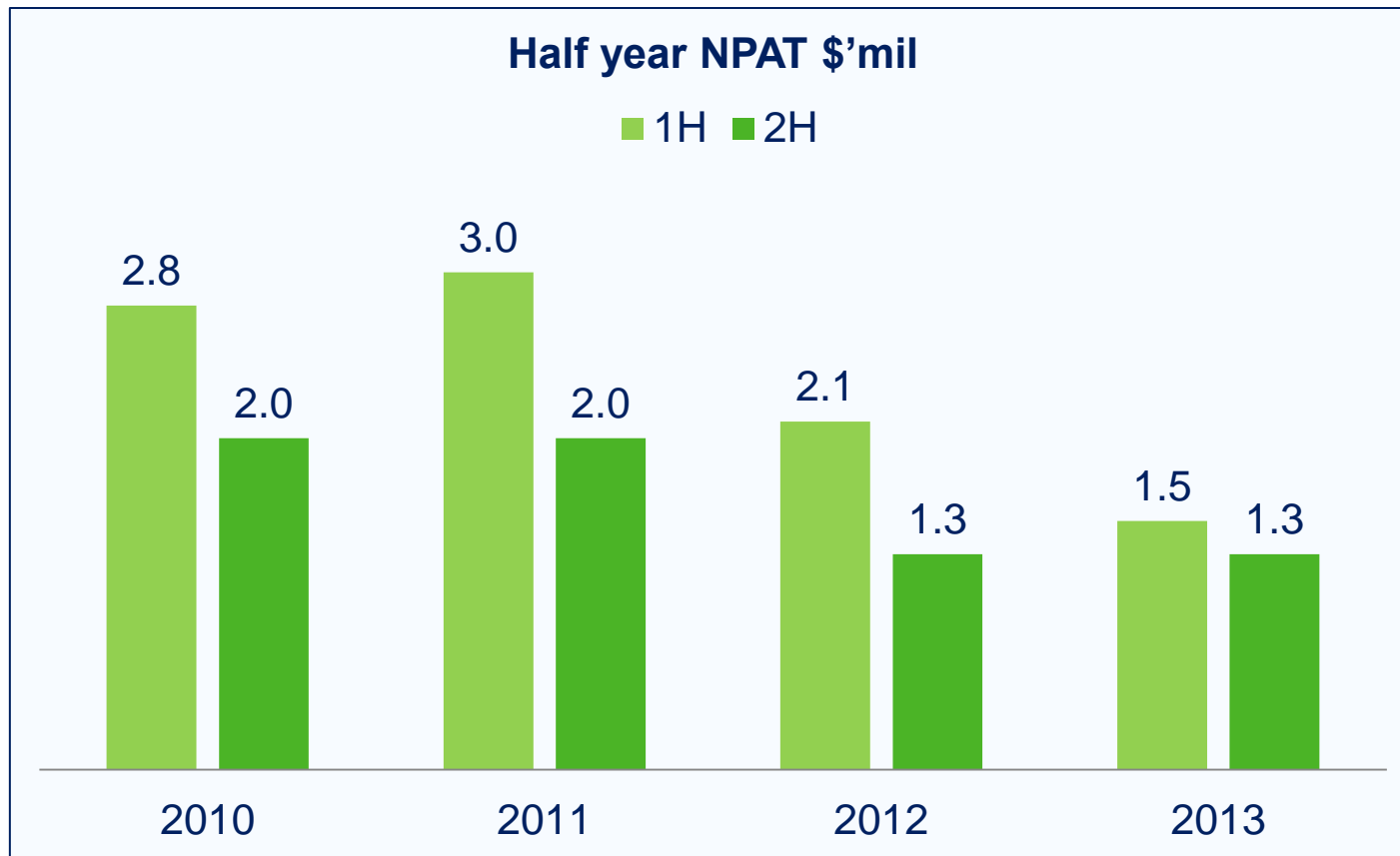
# Share of Associate Profit

S\$'mil	FY2012	FY2013	Var	Var %
Share of Assoc Profit	1.2	1.7	0.5	38.5%

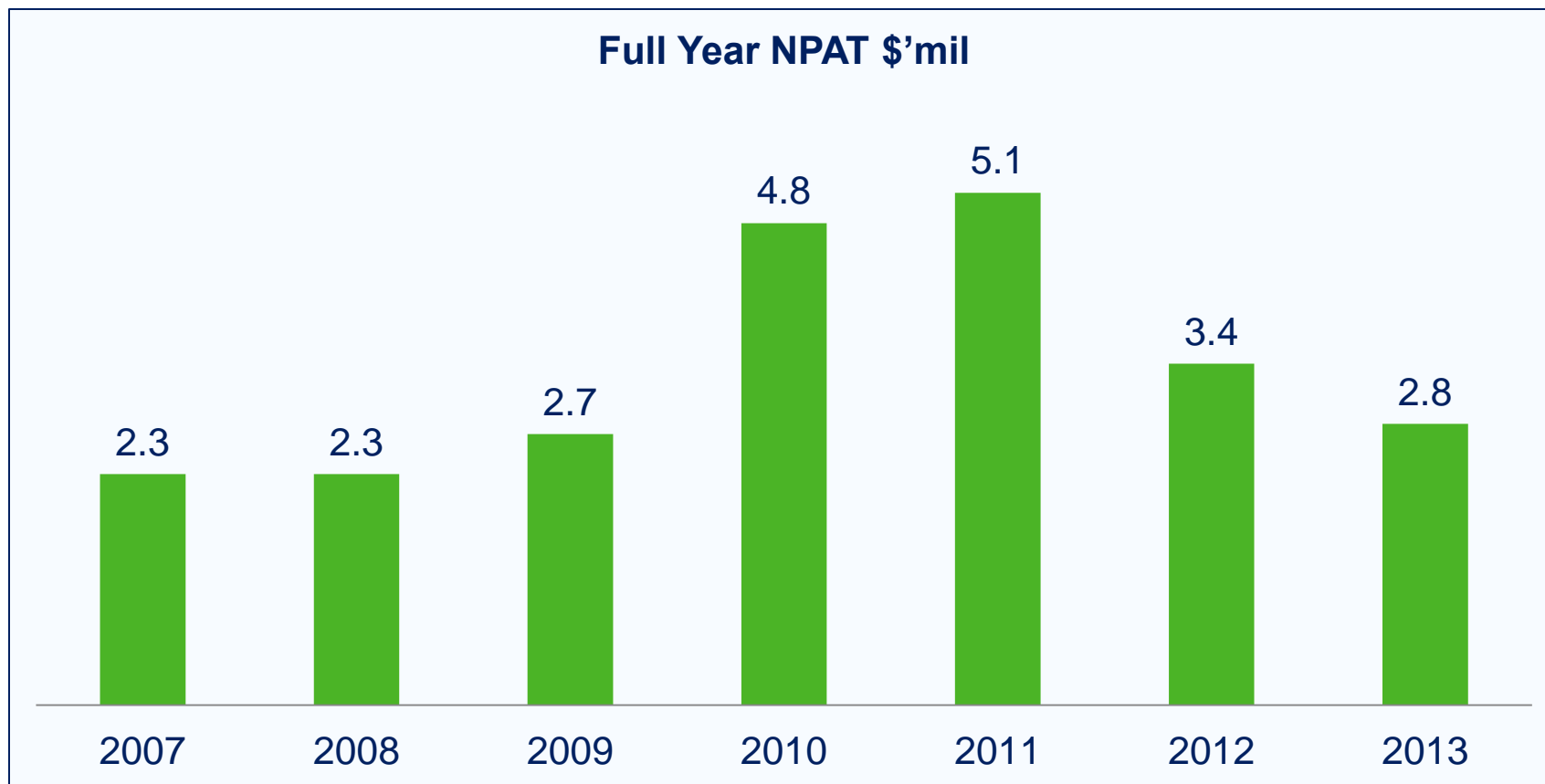
- Boosted by strong sales in 1H 2013.

# Net Profit After Tax

FX Losses in 2H 13 \$617,000 vs \$42,000 in 1H 13

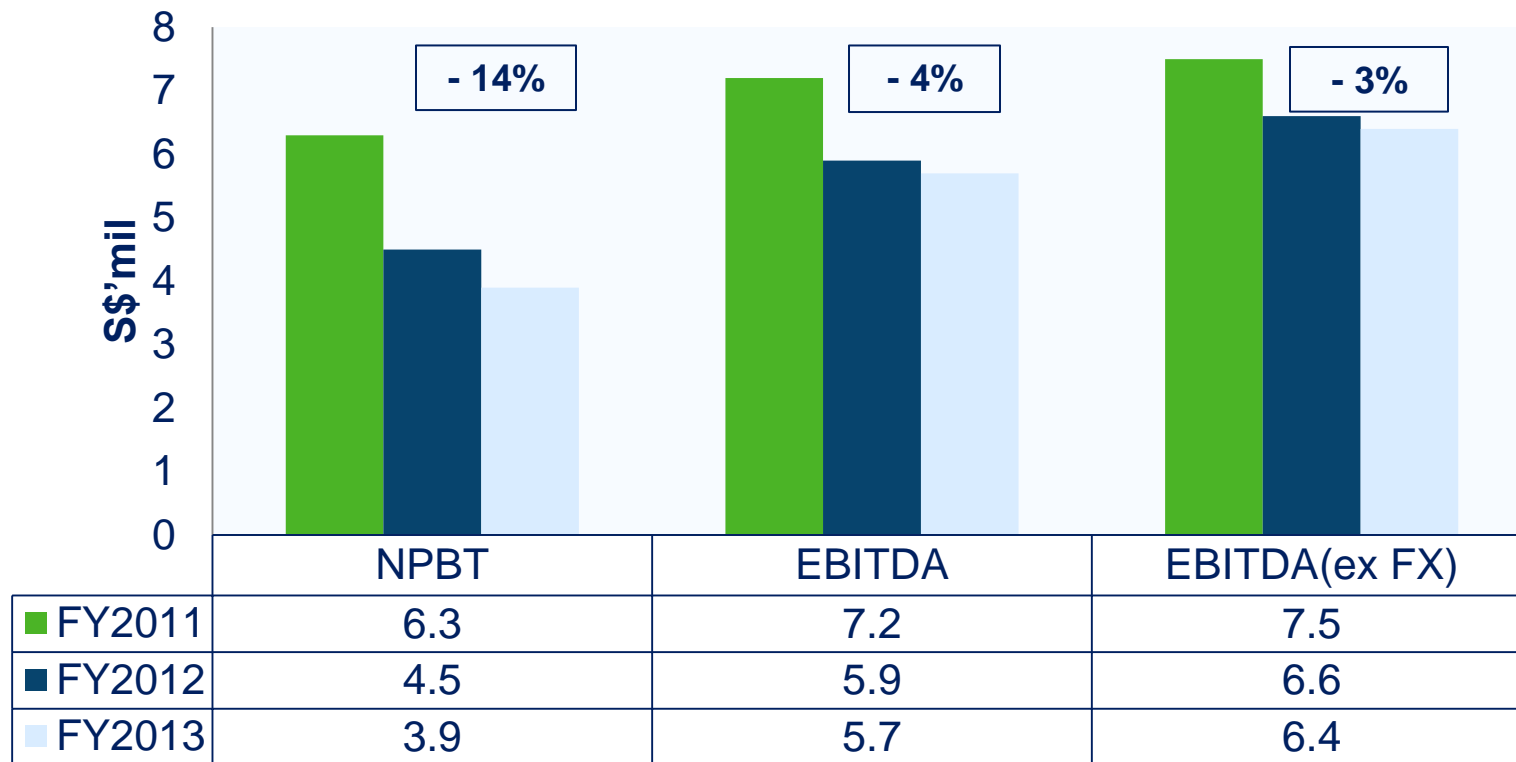


# Net Profit After Tax



- 2013 vs 2012 : -S\$0.6 mil or -17.8%
- Mainly attributed to higher depreciation arising from new plant and office, staff cost

# NPBT/EBITDA



NPBT fell but stripping off the expenses relating to factory expansion, FX losses, the fall was much lower.

# Balance Sheet

S\$'mil	2011	2012	2013	Var	
Cash	7.6	8.1	8.5	0.4	
Borrowings	15.3	16.0	17.7	1.7	To fund working capital, warehouse capacity expansion
Shareholders Equity	38.9	39.9	40.3	0.5	
Gearing (times)	0.39	0.40	0.44	0.04	Acceptable level
Current ratio (times)	2.4	2.05	1.76	(0.29)	Sound liquidity
Inventory	21.2	19.8	19.8	-	
Inventory T/O (days)	91	95	90	(5)	More prudent purchasing
Trade Receivables	21.3	23.1	25.5	2.3	
Receivables T/O (days)	78	80	85	5	Higher sales to markets with longer credit
Property, Plant & Equipment	9.0	12.5	11.8	(0.7)	Increase storage capacity offset by depreciation
NTA/share (cents)	29.2	29.9	30.2	0.3	



# Cashflow

<b>\$'000</b>	<b>FY2012</b>	<b>FY2013</b>	
Cash from Operating activities	6,156	1,562	Positive Operating Cashflow
Cash used in Investing activities	(4,094)	(565)	Office renovation, warehouse capacity expansion
Cash provided by Financing Activities	(1,451)	(649)	Dividend payment offset by Increase in borrowings.
Net change in Cash	611	348	
Beginning Cash	7,613	8,056	
Ending Cash	8,056	8,439	

## P&L Summary

- Higher sales

but profit eroded by

- Higher operating expenses
  - Manufacturing and warehousing facility expansion
  - staff cost

=> Lower Profit

## Balance Sheet Summary

- Gearing marginally higher
- Liquidity sound
- Cashflow positive

=> Financial condition remains stable



**Outlook 2014 : Stability and  
Sustainability**

Led by the major advanced economies and with most emerging markets following in their wake, global growth is set to strengthen.

Caveat however is that though the risks to the global economic growth have subsided, it has not been totally eliminated.

Some emerging economies with negative current accounts and high inflation may be vulnerable.

In addition continued robust growth in China depends on how its economic and financial reforms pan out.

World Bank predicted global gross domestic product will expand 3.2 percent this year, from 2.4 percent in 2013.

American Chemicals Council predicted a growth rate of 3.8% for chemical production globally which is higher than 2.4% in 2013.





Share Performance :  
Enhancing Shareholders' Long Term Value

## Share Information (as at 20 Feb 2014)

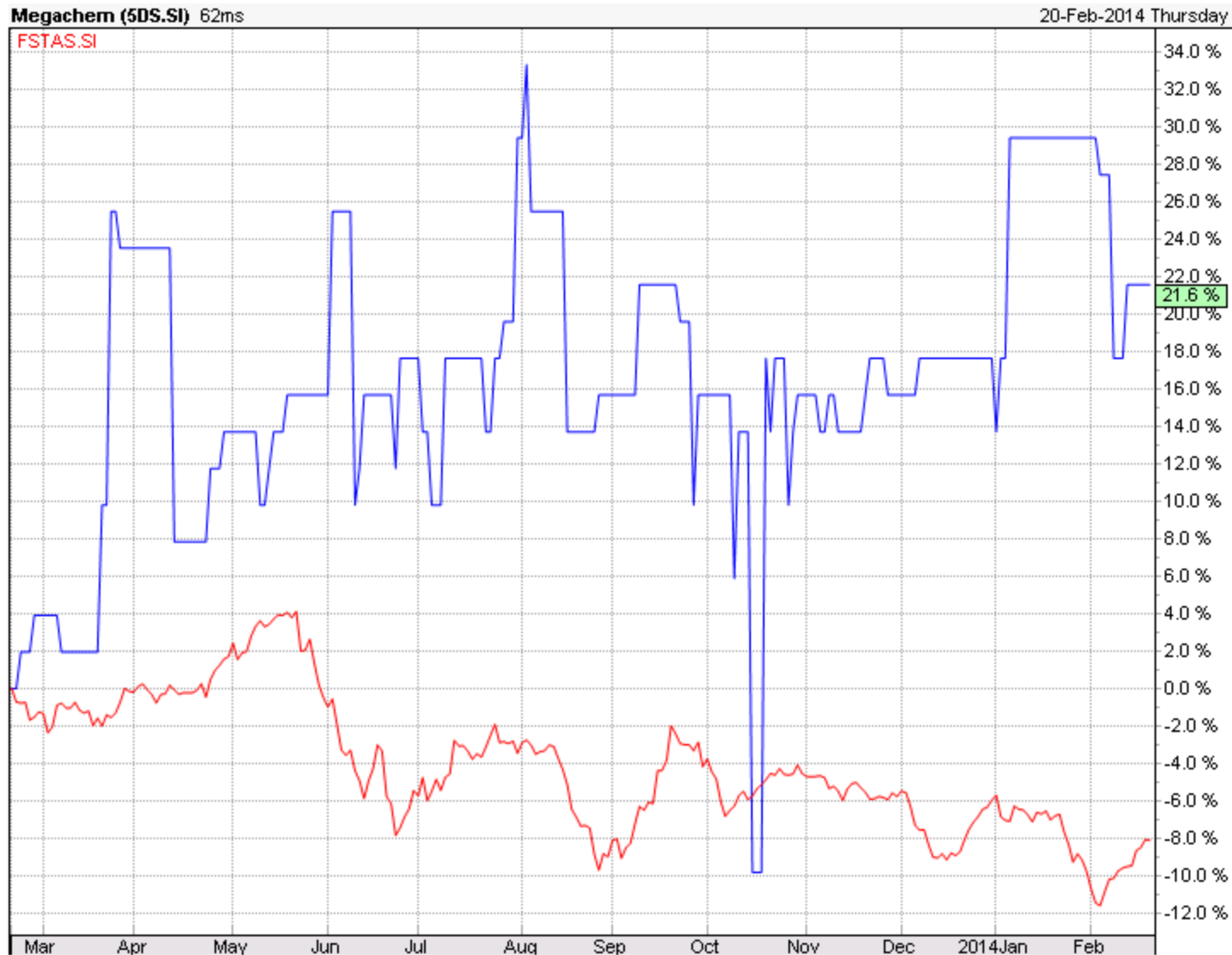
Listing Date	17-Oct-2003
IPO Price	28 cents
Historical High	68 cents
Historical Low	13 cents
52 weeks High	34.0 cents
52 weeks Low	23.0 cents
Price (as at 20 Feb 2014)	31.0 cents
No of Shares	133,300,000
Earnings per share FY2013 (cts)	1.88 cents
Historical P/E	16.5 x
Market Capitalisation	\$41.3 mil
NTA/share (cents)	30.24 cents
Price/Book Ratio	1.03

# Share Price Performance

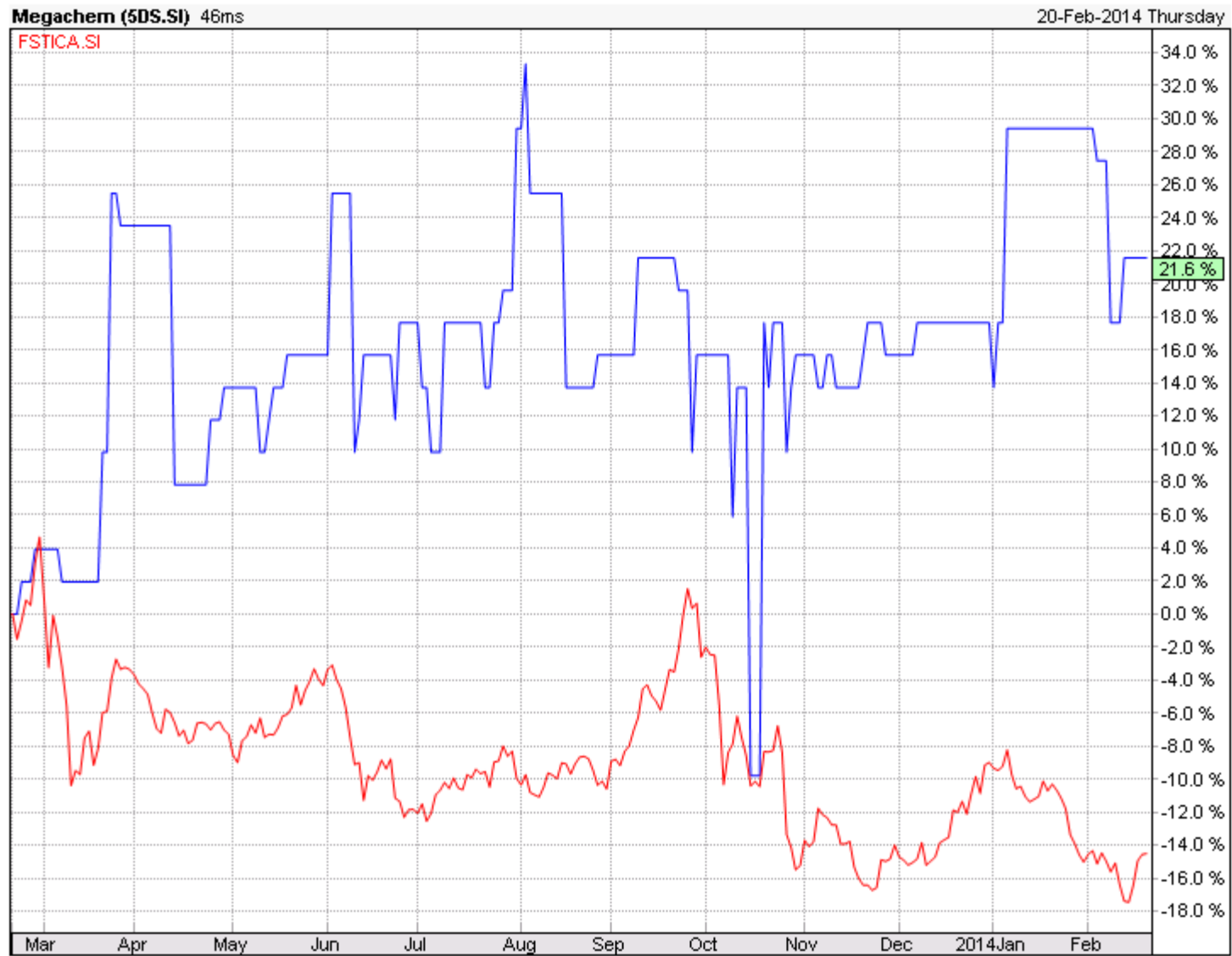




# Share Price Performance vs ST All Shares



# Share Price Performance vs Catalyst



# 2013 Final Dividend Proposal

- Final dividend proposed (subject to shareholders' approval at coming AGM) : 0.7 cts/share
- Interim dividend paid : 0.3 cts/share
- Total dividend for FY2013 : 1.0 cts/share

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Price/sh(as at 31 Dec)	31.5	26	16	16	21.5	23.5	19.5	20	19.8	26.0	30.0
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
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%
Dividend Yield (%) - Net	1.8%	3.3%	3.6%	4.9%	2.8%	2.0%	5.1%	6.0%	6.6%	5.0%	3.3%

	%
Dividend Yield *	3.3%
Capital Gain **	15.4%
Total Shareholders Return	18.7%

\* Dividend Yield is calculated using share price of 30 cents as at 31 Dec 2013.

\*\* Capital gain is calculated using 31 Dec 2013 closing price of 30 cents/share and 31 Dec 2012 closing price of 26 cents/share.

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