



## Results Presentation FY2016 Analyst Briefing



# Business Updates

## Distribution

- Distribution activity faced weaker customers' demand and impacted by cutback in sales to Venezuela.

## Manufacturing

- Manufacturing activity – greater cost efficiency led to improving performance.

## Associated Company

- Thai associate's IPO on 23 Feb 2017.



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# Financial Performance

- S\$10.8 mil (9.8%) Sales
- 0.1 mil (0.4%) Gross Profit
- S\$0.8 mil (12.6%) EBITDA
- S\$0.7 mil (16.9%) NPBT
- S\$1.1 mil (32.1%) NPAT

Results weighed down by receivables impairment, lower contribution from associated company and higher withholding tax expense.

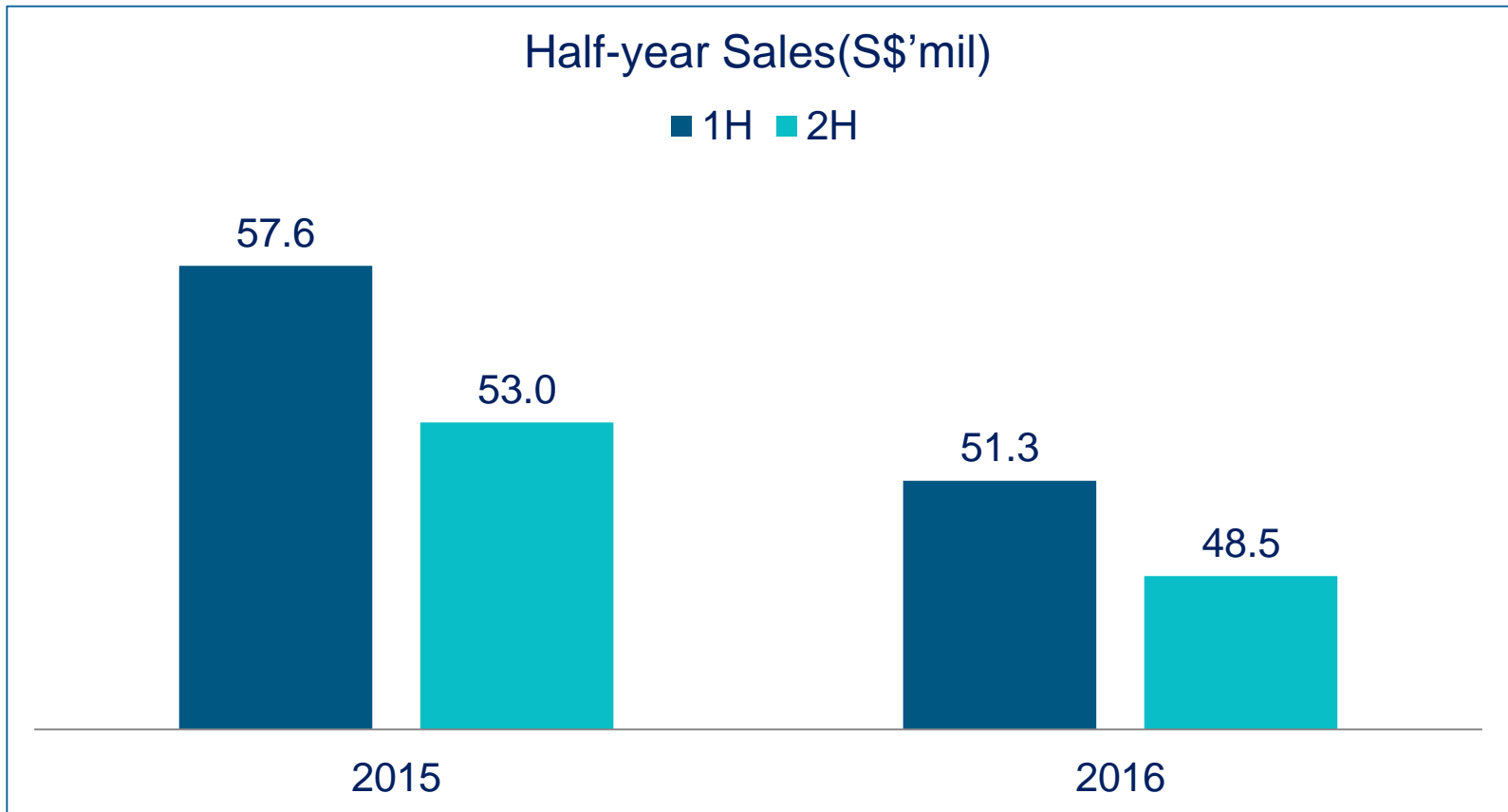


# Profit & Loss Highlights

S\$'mil	1H 15	2H 15	1H 16	2H 16	2H16 vs 2H15	Var %	2H16 vs 1H16	Var %
Sales	57.6	53.0	51.3	48.5	-4.5	-8.5%	-2.8	-5.5%
Gross Profit	12.8	12.6	12.8	12.4	-0.1	-1.1%	-0.4	-3.1%
Gross Profit Margin	22.2%	23.7%	25.0%	25.7%	2.0% pt		0.7% pt	
Expenses	11.3	10.9	11.6	11.3	0.4	3.9%	-0.3	-2.6%
Expenses/Sales %	19.6%	20.6%	22.6%	23.3%	2.7% pt		0.7% pt	
Other Income	0.2	0.1	0.3	0.4	0.3	370.3%	0.1	37.6%
Share of Assoc Profit	0.31	0.59	0.28	0.28	-0.31	-52.3%	0	-0.7%
NPBT	2.0	2.4	1.8	1.8	-0.5	-22.5%	-	1.5%
NPAT	1.5	1.8	0.9	1.3	-0.5	-26.9%	0.4	42.3%
NPAT margin %	2.6%	3.4%	1.8%	2.7%	-0.7% pt		0.9% pt	
EBITDA	3.0	3.4	2.8	2.8	-0.6	-17.0%	0	-0.5%
EBITDA Margin %	5.3%	6.3%	5.5%	5.7%	-0.6% pt		0.2% pt	
ROE %	6.4%	7.7%	3.8%	6.0%	-1.7% pt		2.2% pt	
EPS	1.00	1.22	0.59	0.94	-0.28	-22.9%	0.35	59.3%

# Profit & Loss Highlights

S\$'mil	FY 15	FY 16	Var	Var %
Sales	110.6	99.8	-10.8	-9.8%
Gross Profit	25.4	25.3	-0.1	-0.4%
Gross Profit Margin %	22.9%	25.3%	2.4% pt	
Expenses	22.2	22.9	0.7	3.4%
Expenses/Sales %	20.1%	22.9%	2.8% pt	
Other Income	0.3	0.7	0.4	154.0%
Share of Assoc Profit	0.9	0.6	-0.3	-37.7%
NPBT	4.38	3.64	-0.74	-16.9%
NPAT	3.3	2.2	-1.1	-32.1%
NPAT margin %	3.0%	2.2%	-0.8% pt	
EBITDA	6.4	5.6	-0.8	-12.6%
EBITDA Margin %	5.8%	5.6%	-0.2% pt	
ROE %	7.0%	4.9%	-2.1% pt	
Interest Cover	8.4x	7.5x	-0.9x	
EPS(cents)	2.22	1.53	-0.69	-31.1%

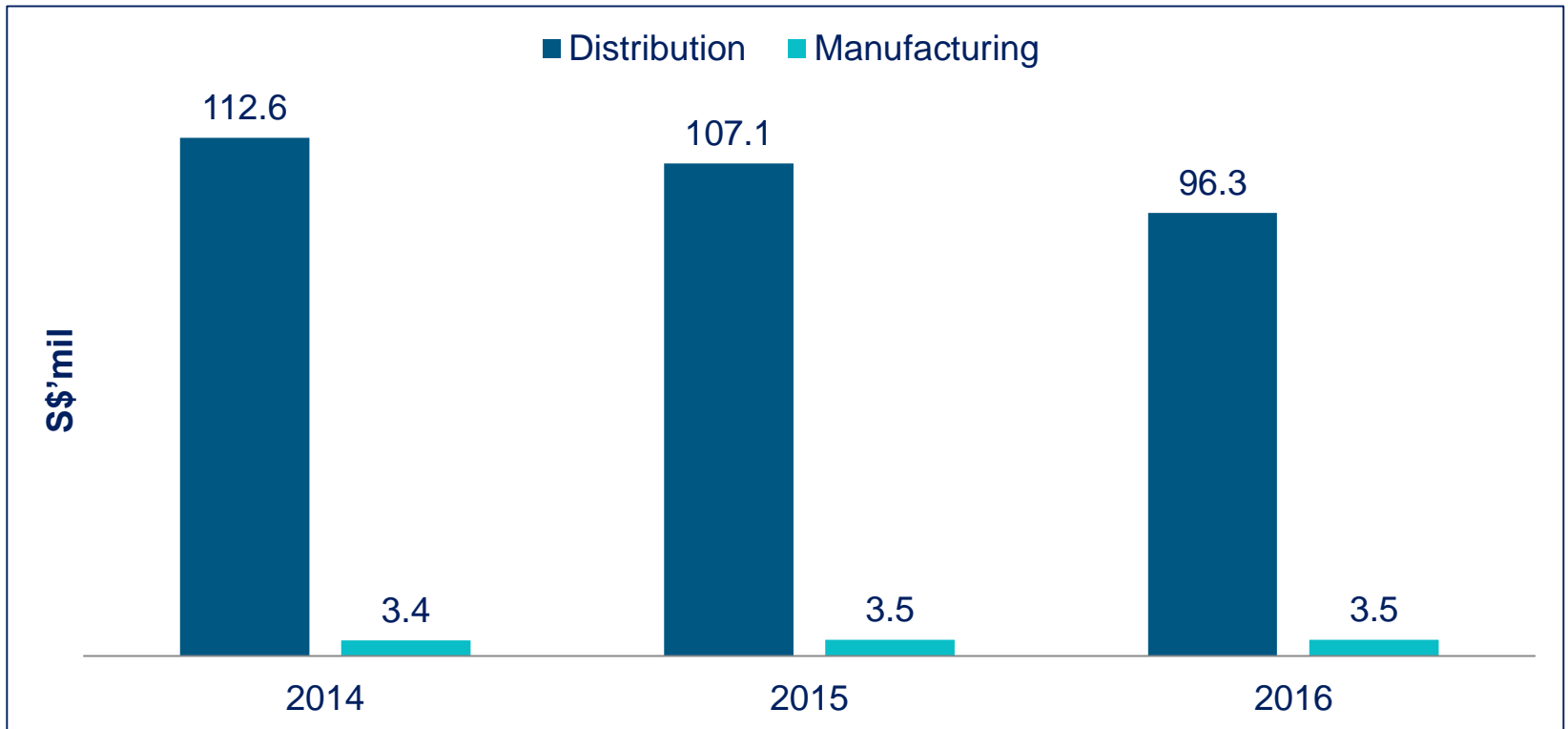


- Sales weighed down by weaker demand and cutback on sales to Venezuela following currency controls.



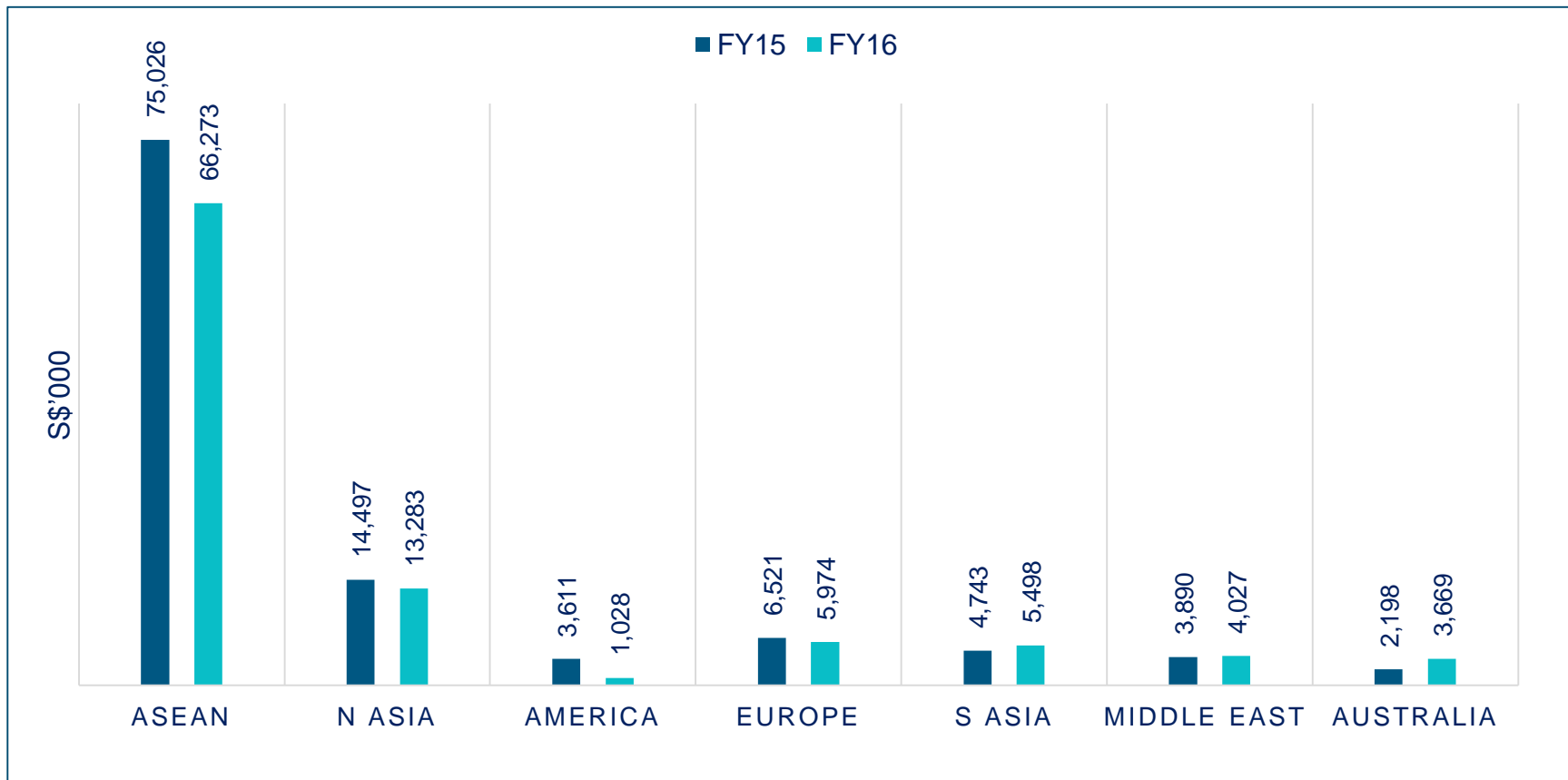


# Sales breakdown by Business Activity



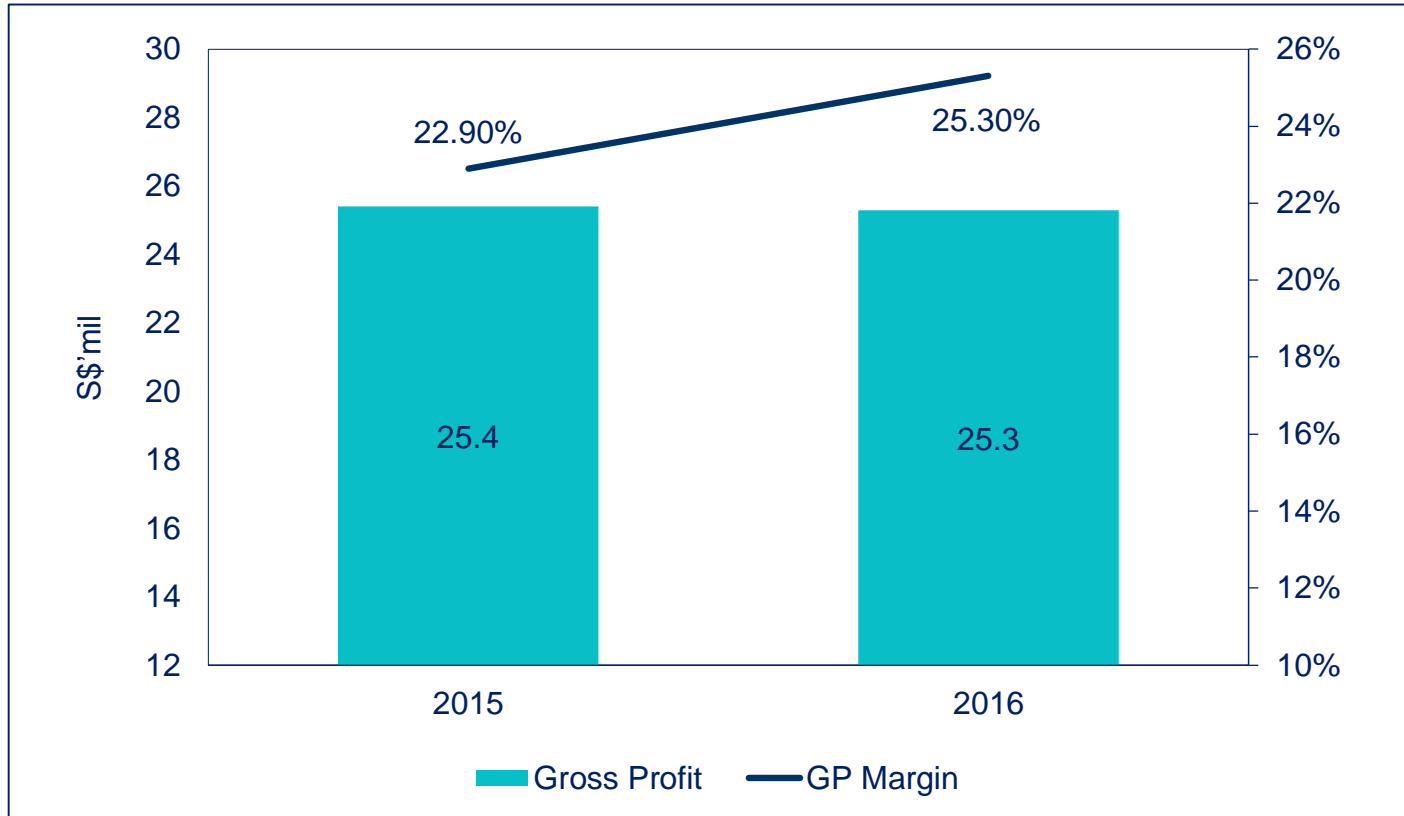
- Fall in sales came mainly from Distribution activity
- Sales from Manufacturing activity was relatively flat.

# Sales by Geographic Markets



- Fall in sales due largely to markets in America, ASEAN, N Asia, Europe.

# Gross Profit



- Margins higher across most markets.
- Gross profit fell by only S\$0.1 mil despite a larger fall in sales

# Expenses

- Total operating expenses(including finance cost) increased S\$0.7 mil or 3.4% to S\$22.9 mil.
- Attributed mainly to Venezuela debt impairment of S\$0.9 mil.
- Excluding Venezuela debt impairment, expenses decreased S\$0.1 mil or 0.6%.

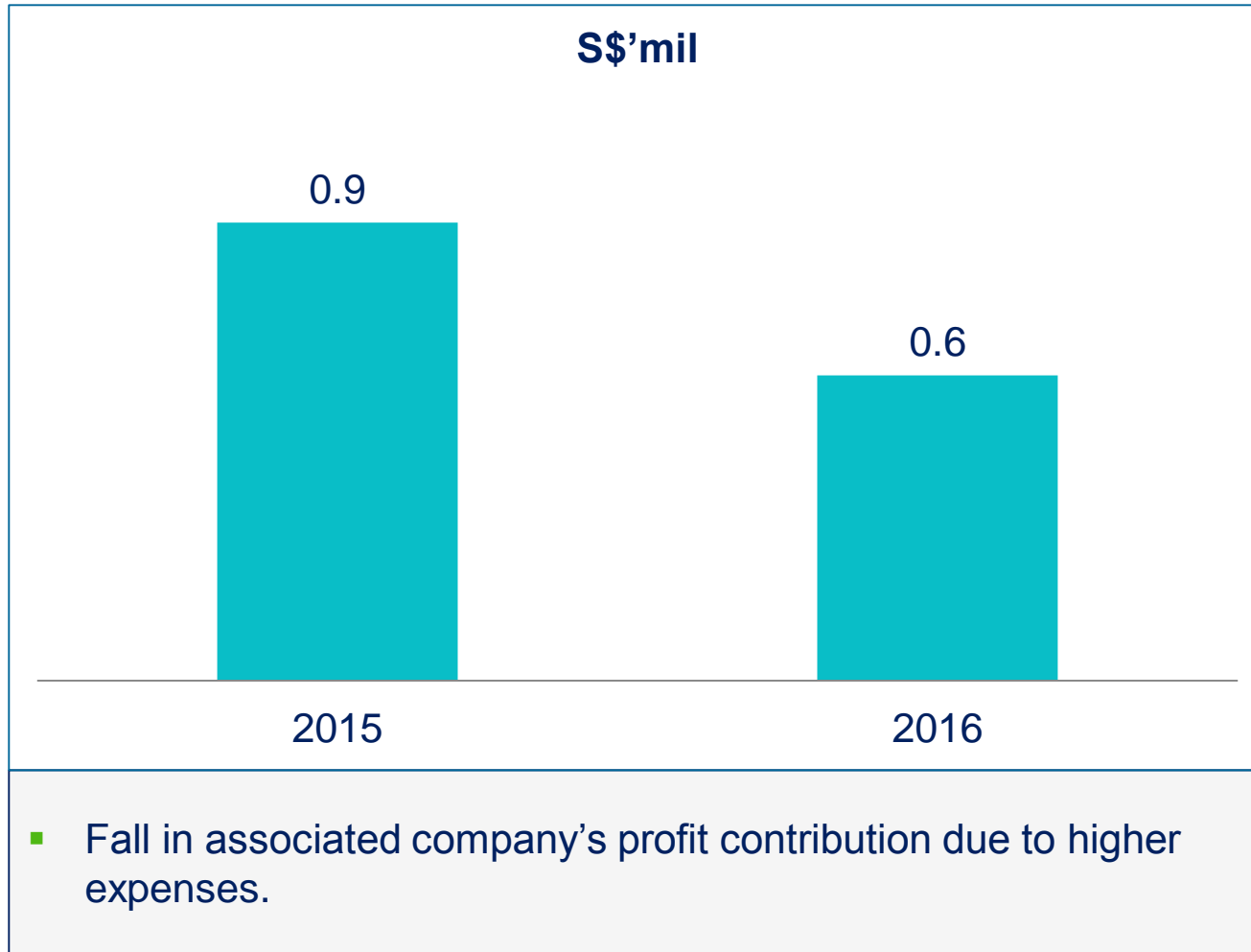
S\$'000	FY 15	FY 16	Variance	Variance %	
Staff Cost	12,563	12,763	200	1.6%	Marginal increase.
Trade receivables impairment	104	1,036	931	892%	S\$0.9 mil due to currency control in Venezuela.
Finance Cost	593	560	-33	-5.5%	Lower borrowing
FX loss	83	-	-83	-100%	Note FX gain of \$260,000 recorded in other income.
Rental	2,698	2,486	-212	-7.9%	Lower inventory.

# Other Income

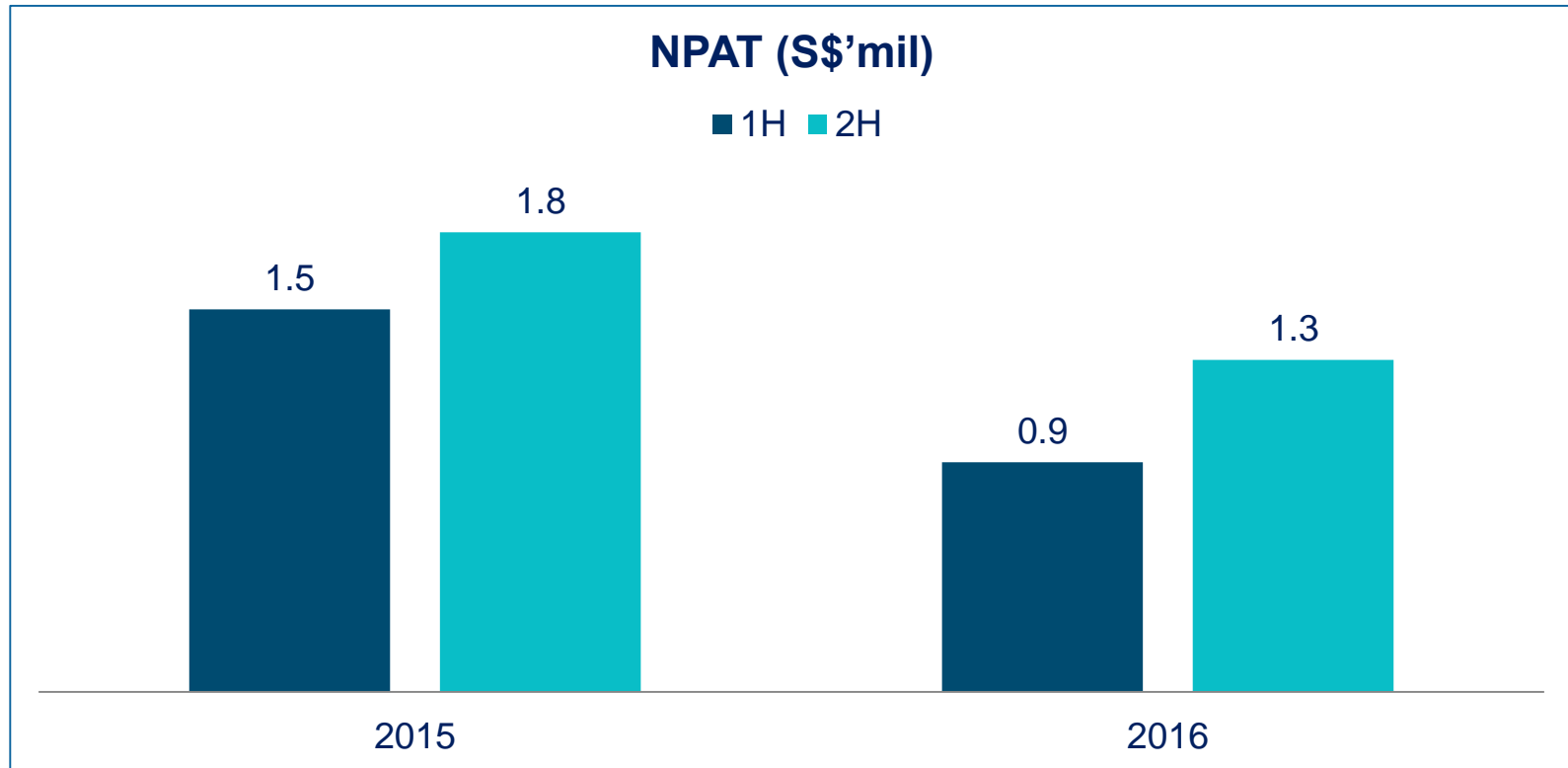
- Total other income increased by S\$444,000 to S\$732,000 due mainly to FX/FV gain.

S\$'000	FY2015	FY2016	Var	Var %
Bad Debt recovered	70	89	19	27.1%
Change in fair value of financial asset- FX contracts	32	71	39	120.9%
Change in fair value of financial assets-equity	10	40	30	300%
FX gain	-	260	260	100%
Grant Income	92	134	41	44.9%

# Share of Associate's Profit



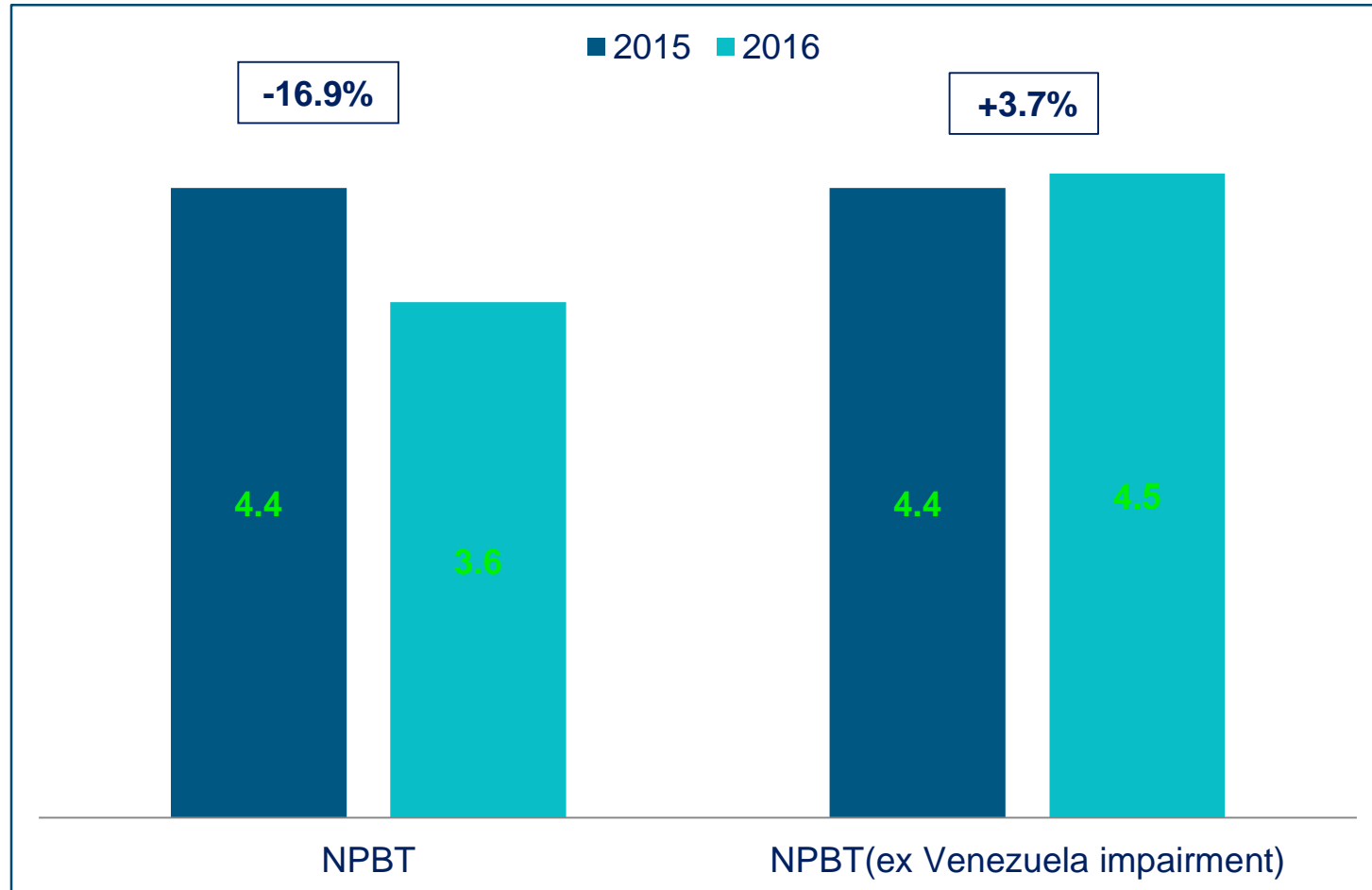
# Net Profit After Tax



- 2H 16 vs 1H 16 : increase due to FX gain vis-à-vis loss in 1H.
- 2H 16 vs 2H 15 : lower sales, higher debt impairment.

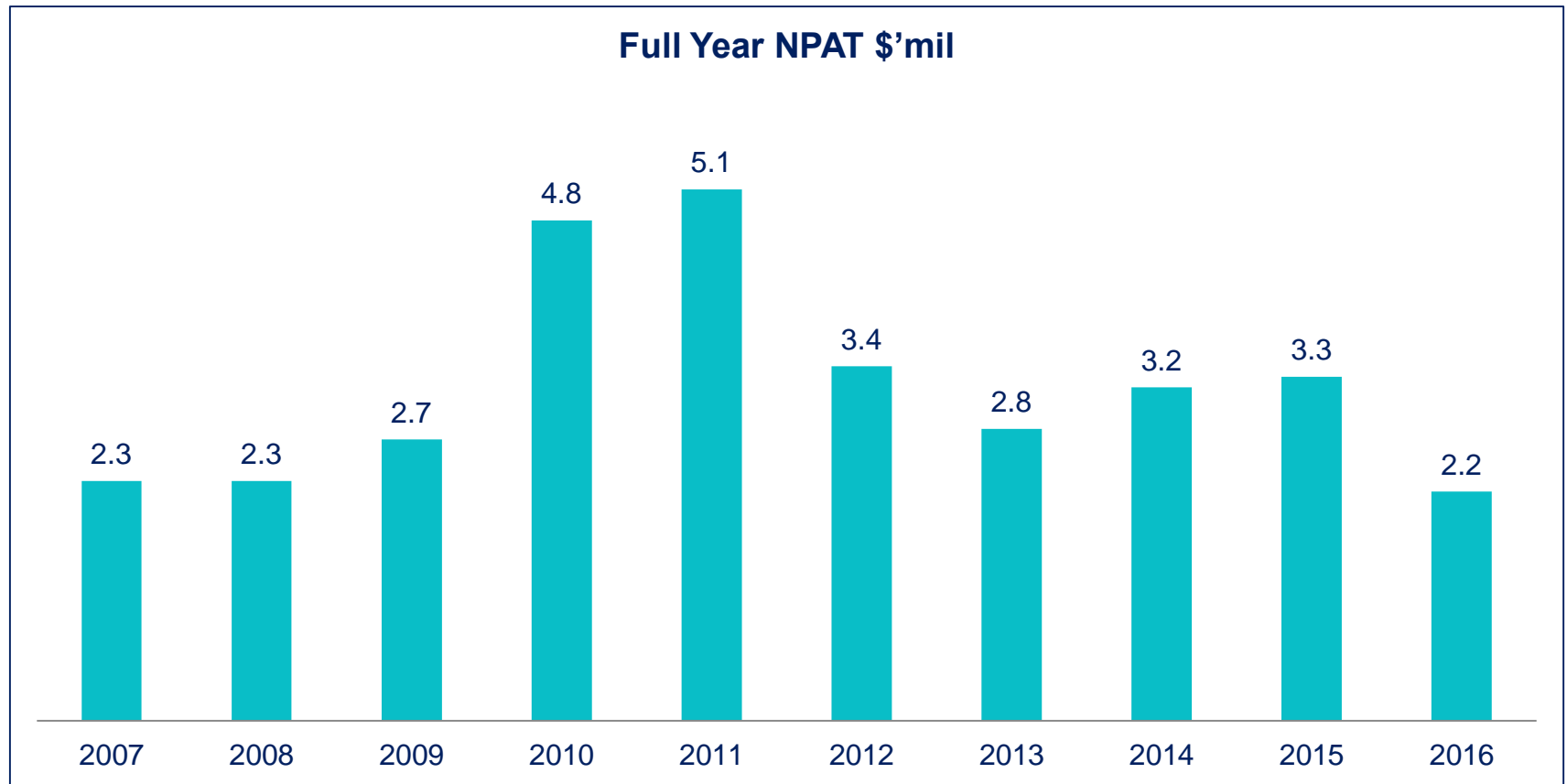


# NPBT/EBITDA



NPBT would have been higher if we exclude Venezuela debt impairment.

# Net Profit After Tax



- Profit in the last 5 years affected by higher depreciation following plant expansion. Plant will be fully depreciated by end of 2017.

# Balance Sheet

S\$'mil	FY 2015	FY 2016	Var	
Cash	11.1	11.6	0.5	Positive operating cashflow. Dividend from Thai associate.
Borrowings	18.3	15.3	-2.9	Better cashflow.
Shareholders Equity(less MI)	42.2	42.0	-0.2	Net income offset by dividend payment and translation losses
Gearing (times)	0.43	0.36	-0.07	Net Gearing : 0.09x. Comfortable level.
Current ratio (times)	2.07	2.30	0.23	Sound liquidity
Inventory(net)	21.0	20.4	-0.6	Lower purchases of inventory towards end of year.
Inventory T/O (days)	101	116	15	Due to slower sales.
Trade Debtors(net)	25.5	23.9	-1.6	Impairment and lower sales.
Receivables T/O (days)	93	94	1	Stable.
Property, Plant & Equipment	12.4	11.4	-1.0	No major capex. Depreciation.
NTA/share (cents)	31.65	31.50	-0.15	Net income offset by dividend payment and translation losses.

# Cashflow

\$'000	FY2015	FY2016	
Cash from operating activities	6,956	3,493	Positive cashflow from profitable operation.
Cash (used in)/from investing activities	979	2,257	Dividend payment from associated company net of subscription of new shares(S\$2.7 mil).
Cash provided by/(used in) financing Activities	(5,732)	(5,181)	Repayment of bank borrowings(S\$2.8 mil) and dividend payment(S\$1.6 mil).
Net change in cash	2,204	568	
Beginning cash	8,999	11,060	
Ending cash	11,060	11,527	

## P&L Summary

- Fall in sales on the back of weaker market condition and cutback in Venezuela sales
- Trade receivables impairment – Venezuela
- Lower contribution from associated company
- => Lower profit

## Balance Sheet Summary

- Sound liquidity
- Positive cashflow
- Lower gearing
- => Healthy balance sheet



Outlook : Building Resilience =>  
Long Term Sustainability

## Persistent Uncertainties => Prospects for FY2017 unpredictable

### Resilience

- Portfolio readjustment of products and services – focus on resilient market segments
- Risk mitigation through diversification
- Improving operational excellence
- Financial discipline

### Growth

- Develop new pillars of growth
- Leveraging Asia network for growth
- Strengthening key customers and suppliers relationship



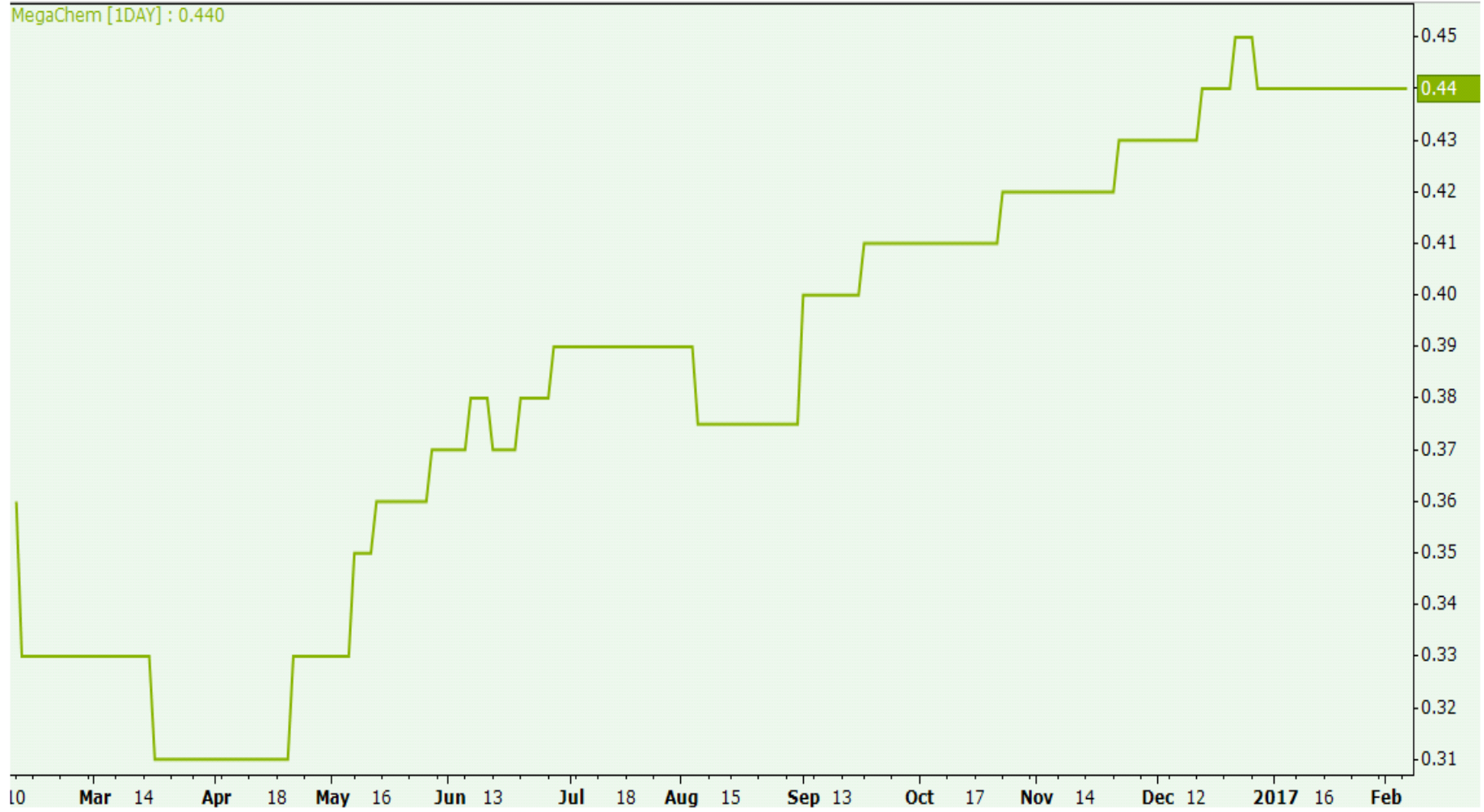
Share Performance :  
Enhancing Shareholders' Long Term Value



## Share Information (as at 7 February 2017)

Listing Date	17-Oct-2003
IPO Price	28 cents
Historical High	68 cents
Historical Low	13 cents
52 weeks High	45.0 cents
52 weeks Low	31.0 cents
Price (as at 7 Feb 2017)	44.0 cents
No of Shares	133,300,000
Earnings per share FY2016	1.53 cents
Historical P/E	28.7 x
Market Capitalisation	\$58.6 mil
NTA/share	31.5 cents
Price/Book Ratio	1.40

# Share Price Performance



# Share Price Performance



# 2015 Final Dividend Proposal

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average price for the period (cents) *	31.5	28.75	21	16	18.75	22.5	21.5	19.75	19.9	22.9	28.0	33.0	36.0	40.0
Dividend / share (cents) - net	0.56	0.864	0.576	0.81	0.595	0.40	1.0	1.2	1.3	1.3	1.0	1.0	1.0	1.2
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%	45.0%	78.0%
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%	3.0%	2.8%	3.0%

**Interim Dividend Paid : 0.5 cts**  
**Final Dividend Proposed : 0.7 cts**  
**Total FY2016 : 1.2 cts**

**Final dividend for FY2016 is subject to shareholders' approval at the coming AGM**

\* Average price is the average of 31 Dec 2015 closing price of 36 cents/share and 31 Dec 2016 closing price of 44 cents/share.

\*\* Dividend yield = dividend per share / average price.

# Total Shareholder's Return

	%
Dividend Yield	3.0%
Capital Gain *	22.2%
Total Shareholders Return	25.2%

\* Capital gain is calculated using 31 Dec 2015 closing price of 36 cents/share and 31 Dec 2016 closing price of 44 cents/share.

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