



Financial Results

Six months ended

31 December 2003

Analyst Briefing
19 February 2004



Agenda



Financial Highlights



Results Analysis



Going Forward



Summary



Financial Highlights



Financial Highlights

	31/12/03 (\$'m)	31/12/02 (\$'m)	Change (%)
Revenue	46.6	26.3	77.3
Gross Profit	4.2	6.4	(33.3)
Profit before tax	3.9	5.6	(31.0)
Net profit attributable to shareholders	2.9	4.5	(36.4)

Gross Profit Margin	9%	24%
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Financial Highlights

	31/12/03	31/12/02	Change (%)
EPS	1.45 cents #	3.04 cents	(52.3)

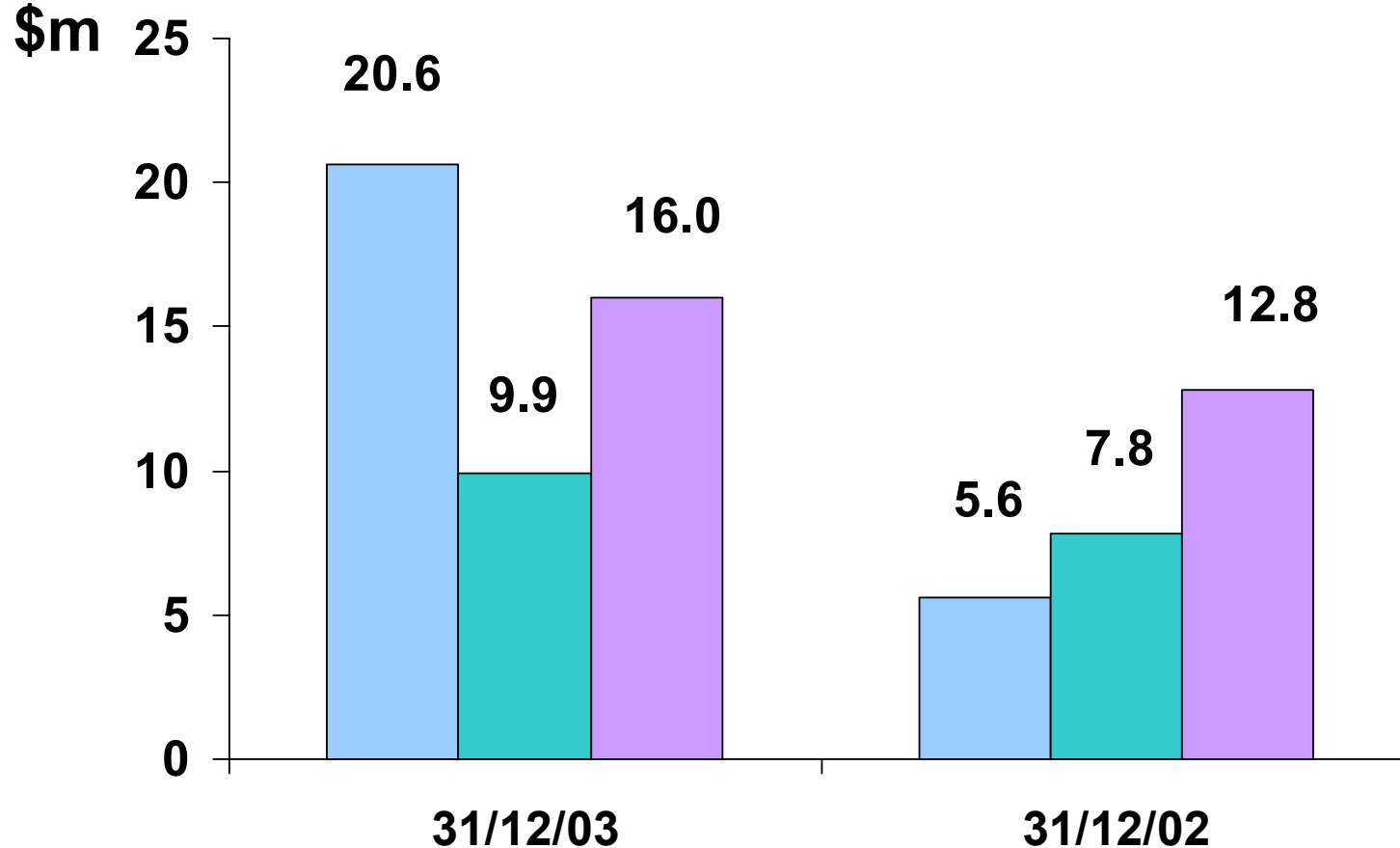
- Based on weighted average of 198,000,000 ordinary shares (31 Dec 02: 148,000,000)

	31/12/03	30/06/03	Change (%)
NTA	25.36 cents	25.32 cents	0.2
ROE	11.4% (annualised)	18.1%	(37.0)

Cash Flow Summary

	31/12/03 (\$'m)	31/12/02 (\$'m)
Net cash inflow from operating activities	12.1	7.5
Net cash outflow from investing activities	(6.8)	(1.3)
Net cash (outflow)/inflow from financing activities	(11.9)	8.4
Net (decrease)/increase in cash and cash equivalents	(6.6)	14.6
Cash and cash equivalent as at end of the year	3.3	11.3

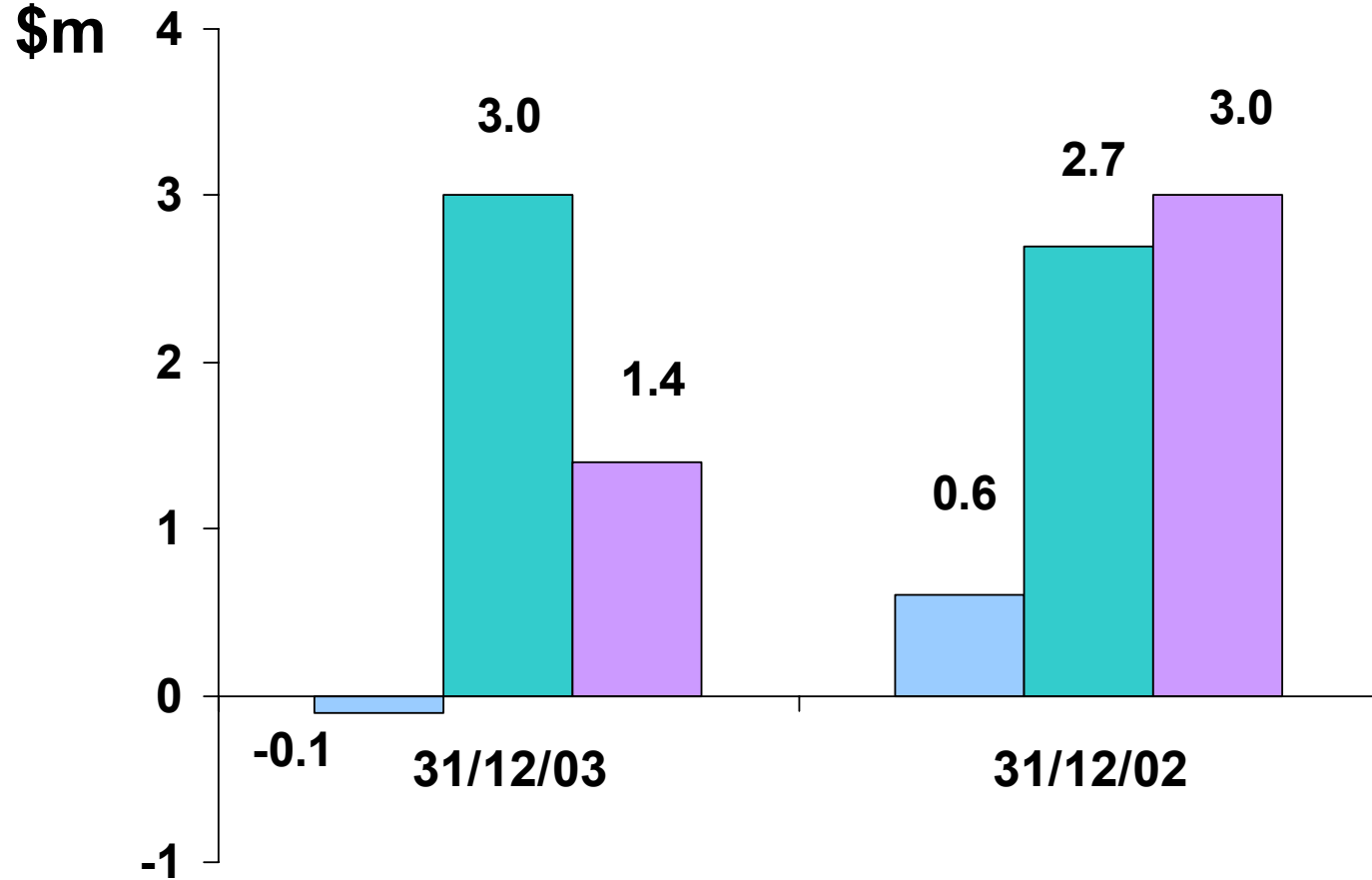
Revenue by Activity



Shipbuilding Shiprepair Shipchartering & rental income



Gross Profit by Activity



Shipbuilding Shiprepair Shipchartering & rental income



Results Analysis



Results Analysis

Shipbuilding

- **Revenue rose 266.8% to \$20.6m**
 - Recognised revenue for 6 tugboats and 18 barges in 1H2004 (1H2003: 2 tugboats and 7 barges)
- **Gross loss of \$0.1m, decline of \$0.7m**
 - Due to cost overruns of \$0.7m for 4 projects
- **Gross profit margin declined to - 0.5%, from 10.6% in 1H2003**
 - Projects recognised in 1H2004 are of much lower margins
 - More profitable projects secured in late FY2003 not yet recognised → have not reached 20% revenue recognition threshold

Results Analysis



Shiprepair

- **Revenue increased by 26.6% to \$9.9m**
 - More shiprepairs and other marine related services undertaken during this period
- **Gross profit rose by 11.1% to \$3.0m**
- **Gross profit margin declined to 30%, from 35% in 1H2003**
 - Due to lower margins derived from shiprepair projects

Results Analysis



Shipchartering

- **Revenue rose 25.1% to \$16.0m**
 - Mainly due to increased demand from new customers from coal industry
- **Gross profit decreased 53.3% to \$1.4m in 1H2004**
- **Gross profit margin declined to 9%, from 24% in 1H2003**
 - Higher repair and maintenance costs
 - Mainly due to drydocking of own vessels for routine repair and maintenance
 - Chartering of third party vessels
 - Chartered more 3rd party vessels at spot rate (generally higher than term charter rate)
 - Mobilisation costs for ASL Energy projects



Shipchartering Fleet



Fleet – 107 vessels

- 48 tugboats
- 59 barges
(as at 31 Dec 2003)



Business Updates

 Secured \$127m contract to transport coal within Indonesian waters for 5 years

 Signed MOU to acquire strategic stake in coal concession in Tabang, East Kalimantan, Indonesia

 Exploring building of graving dry dock in Batam → expand capabilities to build and repair larger vessels





Going Forward



Going Forward

Local Marine Industry

- Expected to continue its positive outlook

ASL Marine

- Confident of achieving revenue growth and maintain profitability for FY2004
- Barring adverse impacts ie further increases in insurance premium and steel/fuel price

Going Forward



Shipyard Operations

- **Outstanding shipbuilding book order of \$84.2m**
 - Approx 40% to be recognised within FY2004
 - Balance to be substantially recognised in FY2005
- **Subsequent to 31 Dec 2003, ASL Marine secured additional shipbuilding contracts for 2 tugboats and 21 barges worth \$25.9m**
- **Gross profit margins for shipbuilding operations in FY2004 expected to be higher than FY2003**

Going Forward



Shipyard Operations

- Revenue and gross profit margins for shiprepairs and other marine related services expected to be lower than FY2003
- Floating dock to be operational in FY2005
- Exploring building of graving dry dock in Batam yard that will enable Group to build and repair larger vessels

Going Forward

Shipchartering Operations

- **Order book of \$4.6m long term charter contracts**
 - significant portion of shipchartering revenue is short-term and ad-hoc
- **Subsequent to 31 Dec 2003, Group secured additional long term charter contracts worth \$10.3m**
- **ASL Energy (Group's 50% owned associate) secured \$127m contract to transport coal in Indonesia waters for 5 years**

Going Forward

Shipchartering Operations

- **Between 1 Jul 2003 to 31 Dec 2003**
 - ASL Marine took delivery of 7 vessels worth \$3.3m, with another 3 vessels worth \$10.7m to be delivered by Jun 2005
 - ASL Energy took delivery of 4 vessels worth \$2.6m, and acquiring 40 sets of tugboats and barges, of varying sizes, to be delivered by Dec 2006
- **Once more vessels are delivered, 3rd party charters will be gradually retired → should improve margins**

Going Forward



Shipchartering Operations

- **Group actively looking into acquiring strategic stake in a coal concession to strengthen foothold in Indonesian coal industry**
 - Also serve to secure continuity to the operation

Summary

-  **Local marine industry expected to be positive**
-  **Integrated marine services company, expansion of Batam shipyard**
-  **Niche position in servicing the marine infrastructure and offshore oil and gas sectors**
-  **Made in-roads into coal energy transportation market with \$127m shipchartering contract**
-  **Positive business environment and outstanding order books → ASL Marine optimistic FY2004 profit after tax will be at least comparable to FY2003**



Q & A

