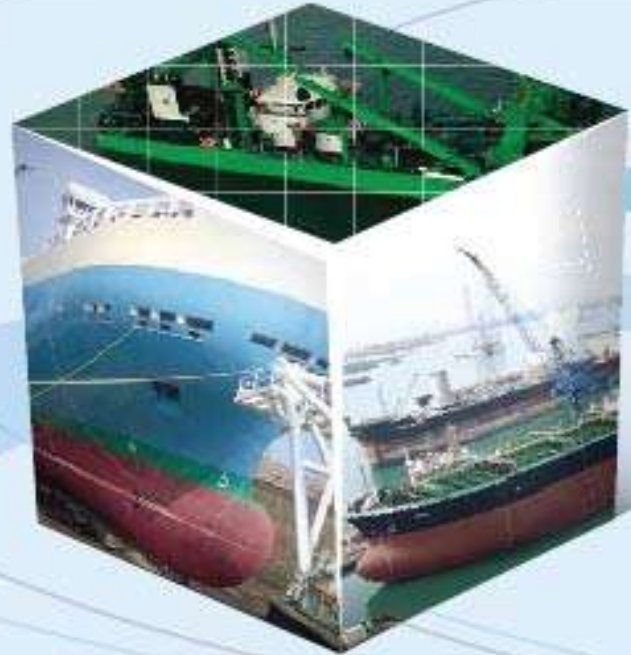




ASL MARINE

DBS Vickers Pulse of Asia Roadshow

10 January 2012



Presentation Outline



- **Group Overview**
- **1Q FY2012 Financial Review**
(3 months ended 30 September 2011)
- **Operations Review**
 - **Shipbuilding**
 - **Shiprepair and Conversion**
 - **Shipchartering**
- **Business Outlook**



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Group Overview

Company Profile



- **Core businesses:-**

- Shipbuilding
- Shiprepair and Conversion
- Shipchartering

- **Shipbuilding and Shiprepair & Conversion**

- 3 shipyards: in Singapore (4 hectare area), Batam, Indonesia (30 hectare area) and Guangdong, China (8 hectare area)
- Batam yard: 3 graving dry docks (300,000 dwt, 60,000 dwt and 20,000 dwt)
- The big dock is currently one of the largest dry docks in Batam capable of accommodating larger vessels (like Capesize Bulk Carriers, Long Range Product Tankers, Containerships, Heavy-lift Ships, FSO and FPSO)



Company Profile



- **Shipbuilding and Shiprepair & Conversion (cont.)**

- Builds a variety of vessels, specialises in building:

- Offshore Support Vessels (Heavy-Lift cum Pipelay Vessel, Subsea Operation Vessel, AHTS, PSV, Offshore Maintenance/Accommodation Vessel, Rescue and Standby Vessel)
- Construction Vessels and Dredgers (Cutter Suction Dredger and Water Injection Dredger)
- Tugs (Rotor Tugs and Azimuth Stern Drive Tugs)
- Barges (Accommodation, Pipe laying and Work)
- Tankers (Chemical Tanker (IMO II/III), Bunkering and Product Tankers)



Company Profile



- **Shipchartering**

- Fleet size at 30 September 2011: 196 vessels
- Mainly barges, towing tugs, Anchor Handling Tugs, AHTS, ROV support vessel and other vessels
- Vessels on time or bareboat charter to following industries:
 - i) Offshore Oil and Gas
 - ii) Marine Infrastructure
 - iii) Dredging, Land Reclamation and Marine Construction Works
 - iv) Transportation of Cargoes e.g. coal, aggregates, heavy equipment



Company Profile



- **Shipchartering (cont.)**

- Out of the 196 vessels in the fleet, 10 vessels are on long term charters
- Of the 196 vessels, 45 vessels are deployed in Singapore, 60 vessels in Indonesia, 20 in Malaysia and 9 in Australia
- Details on the fleet and type of vessels are highlighted below:

TYPE OF VESSELS	NO OF VESSELS	AVG. AGE OF VESSELS
Barges	123	6
Towing Tugs	65	7
AHT	3	5
AHTS	2	1
ROV Support Vessel	1	1
Chemical Tankers	2	2

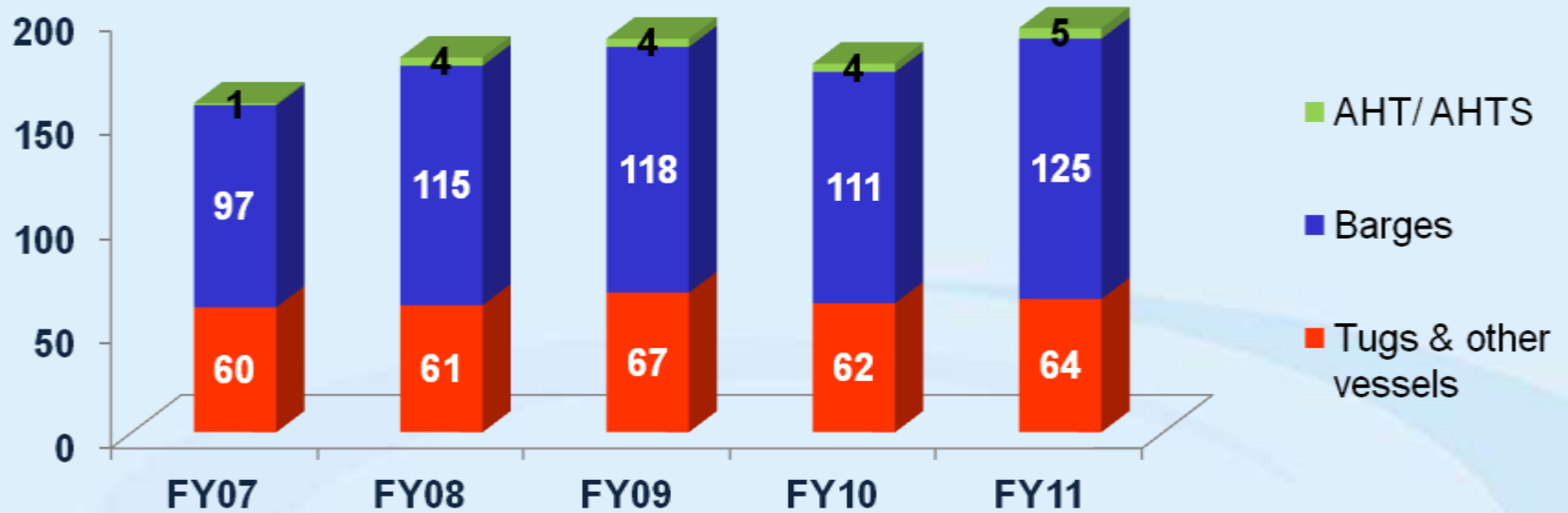


Company Profile



- Shipchartering (cont.)

(No. of vessels)

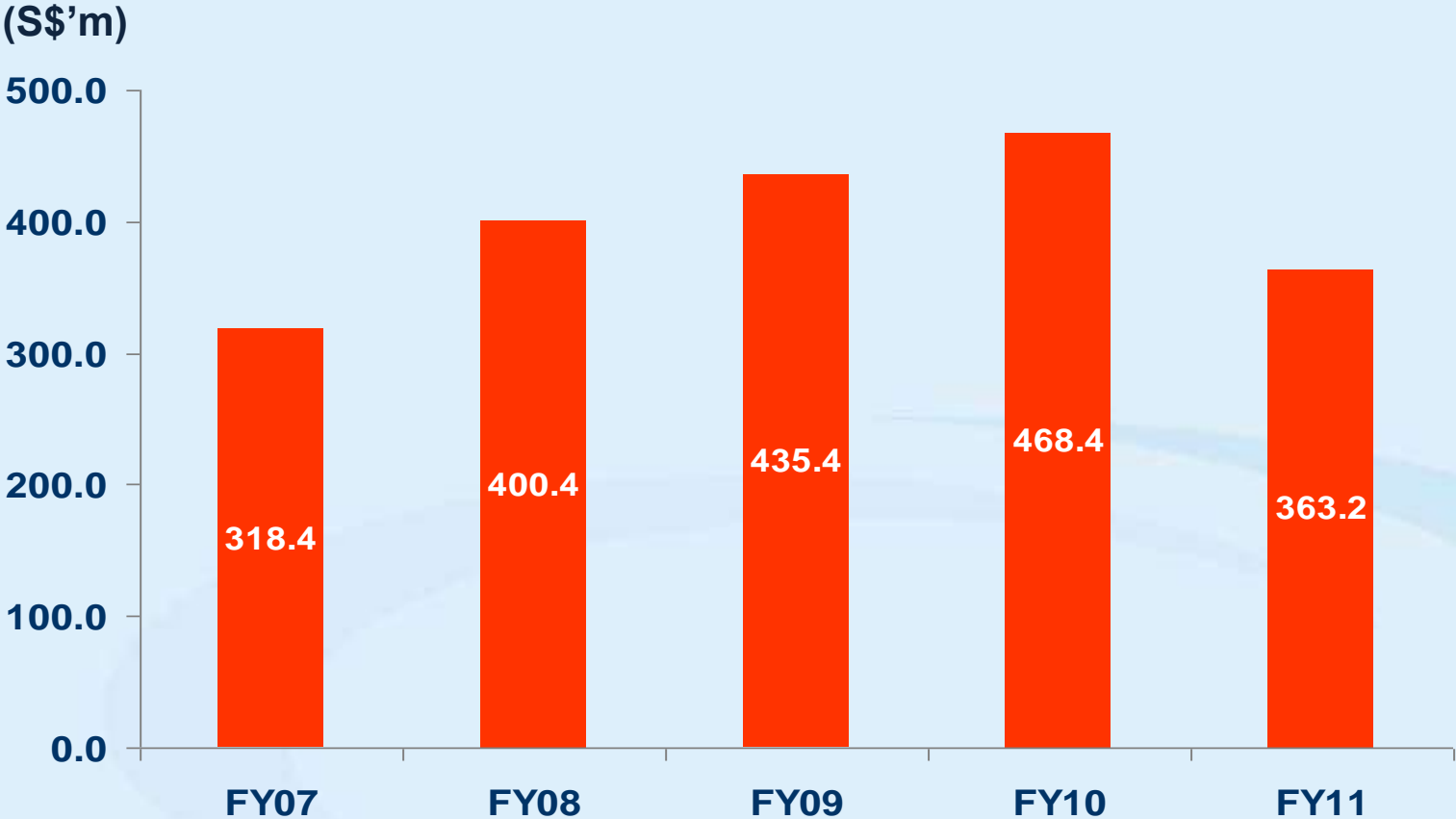




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Financial Review



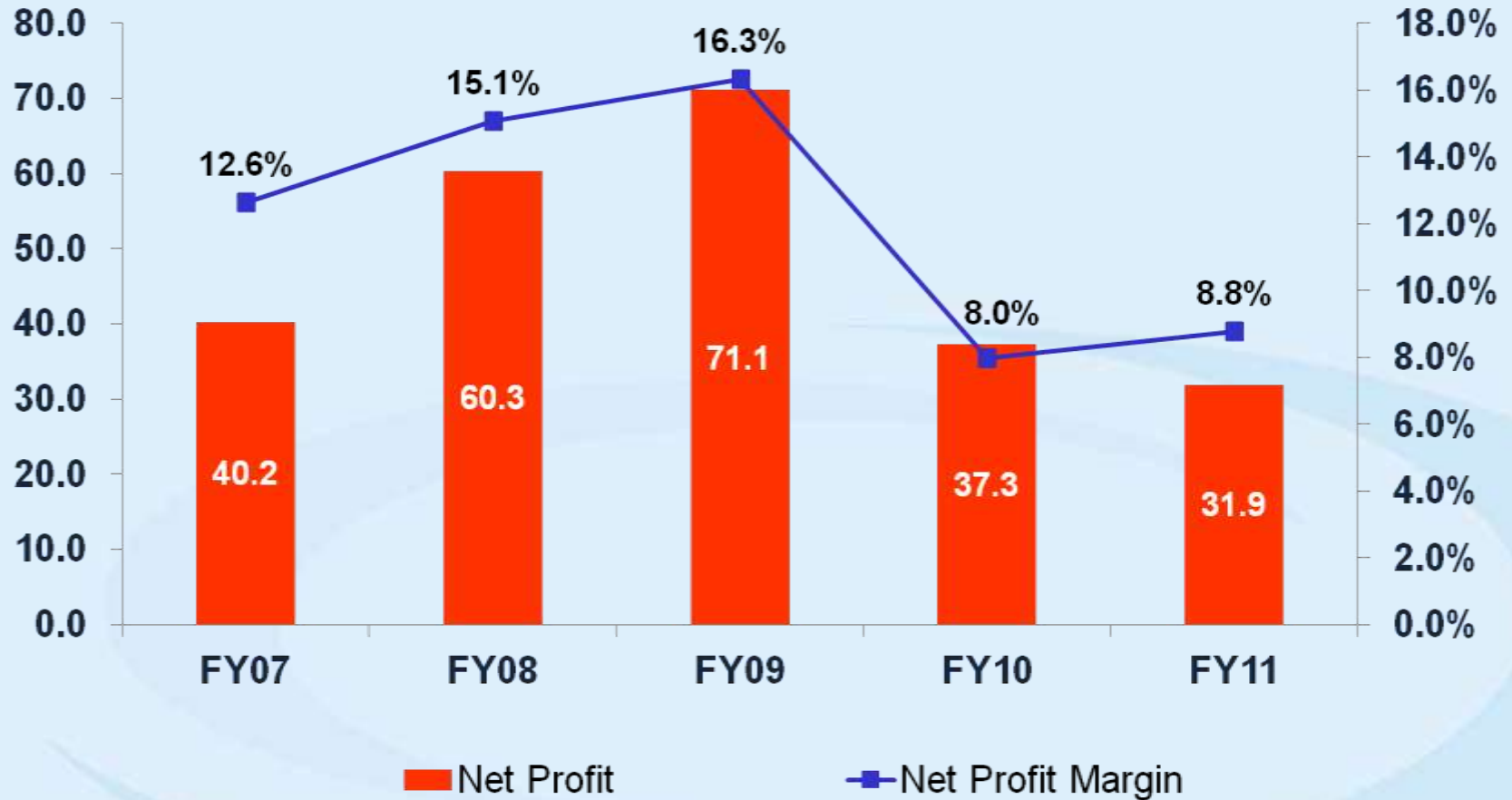
Revenue Trend – 5 Yrs



Profit Trend – 5 Yrs



(S\$m)



Financial Performance



	1Q FY12 (S\$m)	1Q FY11 (S\$m)	chg %	Comments
Revenue	83.1	81.4	2.1	- Higher revenue from shiprepair and conversion and shipchartering segments - Lower gross profit and gross profit margin from shipbuilding and shipchartering segments
Gross Profit	9.6	10.8	(11.3)	
Gross Profit Margin	11.5%	13.3%	-	
Other Operating Income	6.6	4.4	48.4	Foreign exchange revaluation gain of S\$2.5m (1Q FY11: S\$1.5m loss) and higher miscellaneous income partially offset by lower disposal gain on vessels of S\$2.4m (1Q FY11: S\$4.3m)
Other Operating Expense	(0.5)	(1.5)	(66.1)	
Net Profit	8.5	8.0	5.8	
Net Margin	10.2%	9.9%	-	
EBITDA	23.2	19.9	16.4	

Cash Flows



Cash Flows (S\$m)	1Q FY12	1Q FY11	Chg %
Net cash generated from operating activities	14.2	55.0	(74.2)
Net cash generated from/ (used in) investing activities (Capital expenditure net of disposal)	4.0	(21.7)	Nm
Net cash used in financing activities (Borrowings net of repayments)	(4.0)	(23.5)	(82.9)
Net increase in cash	14.1	9.7	45.1
Cash at beginning of the period	44.8	83.3	(46.3)
Cash at end of the period	59.1	92.6	(36.1)

Nm: Not meaningful

Financial Ratios



	1Q FY12	1Q FY11
Basic Earnings per Share ¹ (cents)	2.02	1.91*
Fully Diluted Earnings per Share ² (cents)	2.02	1.91*
Return on Equity (annualised)	9.7%	9.8%
Return on Total Assets (annualised)	4.0%	4.4%

As at	30 Sep 11	30 Jun 11
Net Asset Value per Share ³ (cents)	81.24	80.05
Gearing Ratio	0.76	0.77
Net Gearing Ratio	0.57	0.62

Based on weighted average of

¹ 419,511,294 shares in issue for 1Q FY12 (1Q FY11: 419,445,494)

² 419,511,294 shares in issue for 1Q FY12 (1Q FY11: 419,463,041)

³ 419,511,294 shares as at 30 September 2011 and 30 June 2011

* The earnings per ordinary share (basic and fully diluted basis) for 1Q FY2011 have been restated taking into consideration the bonus share issuance on 29 December 2010.

Share Price Information



As at	4 Jan 12	3 Jan 11
Share Price ¹ (S\$)	0.50	0.75
Price Earnings Ratio	6.19	9.82
Price / Net Asset Value per Share	0.62	0.70
Market Capitalization (S\$'m)	209.8	224.7

¹ Bonus shares on the basis of 4 bonus shares for every 10 existing shares were issued in December 2010



Source: Bloomberg

ASL vs Indices



Source: Bloomberg

ASL's share price versus STI and FTSE Straits Times Oil & Gas Index (FSTOG)
 (for 1 January to 31 December 2011 – normalised graph based on %)

The logo for ASL Marine features the letters 'ASL' in a bold, blue, sans-serif font. A red swoosh underline is positioned beneath the 'A' and 'S'. This logo is set against a light blue, stylized oval background. Below the logo, the text 'ASL MARINE' is written in a large, bold, blue, sans-serif font. Underneath that, the words 'Operation Overview' are written in a smaller, bold, blue, sans-serif font.

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Operation Overview



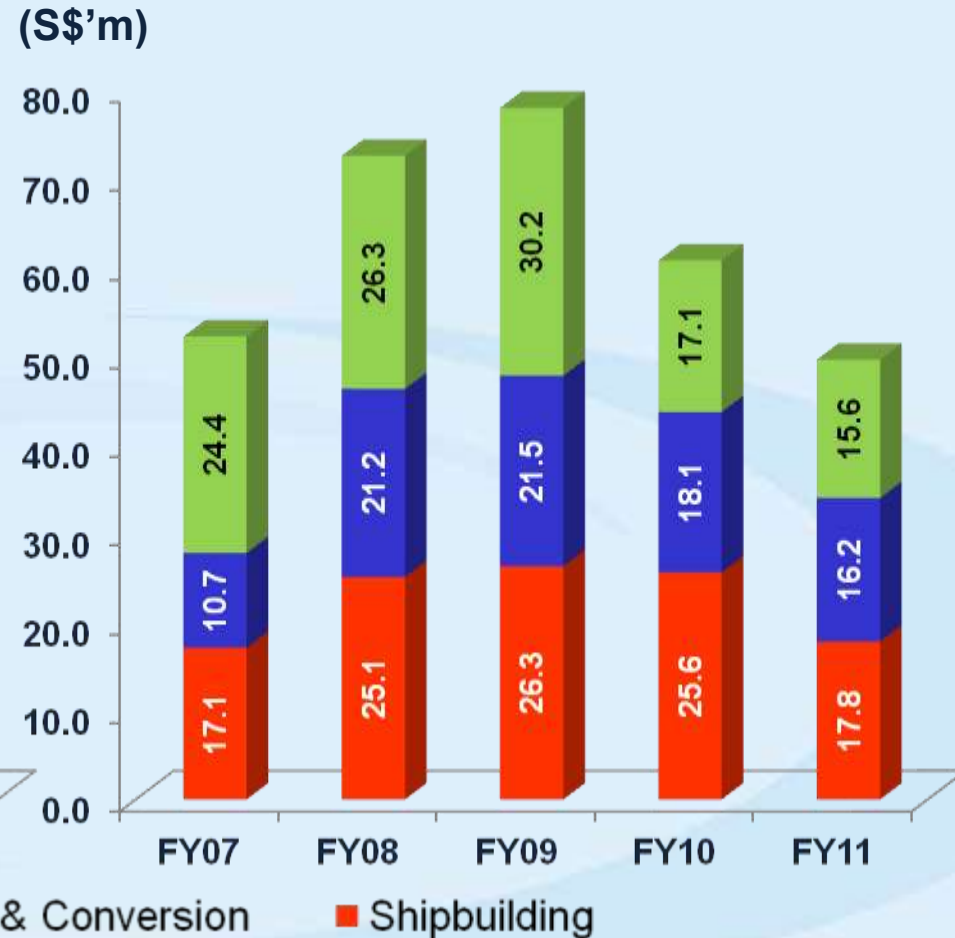
Segmental Trend – 5 Yrs



Segmental Revenue



Segmental Gross Profit

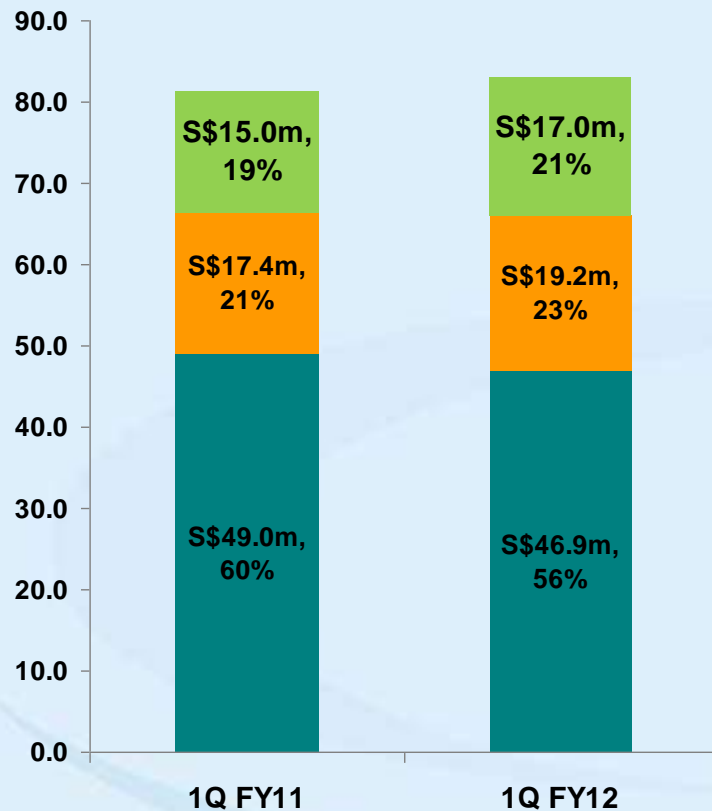


Revenue and Gross Profit by Activities

(1QFY12 vs 1QFY11)

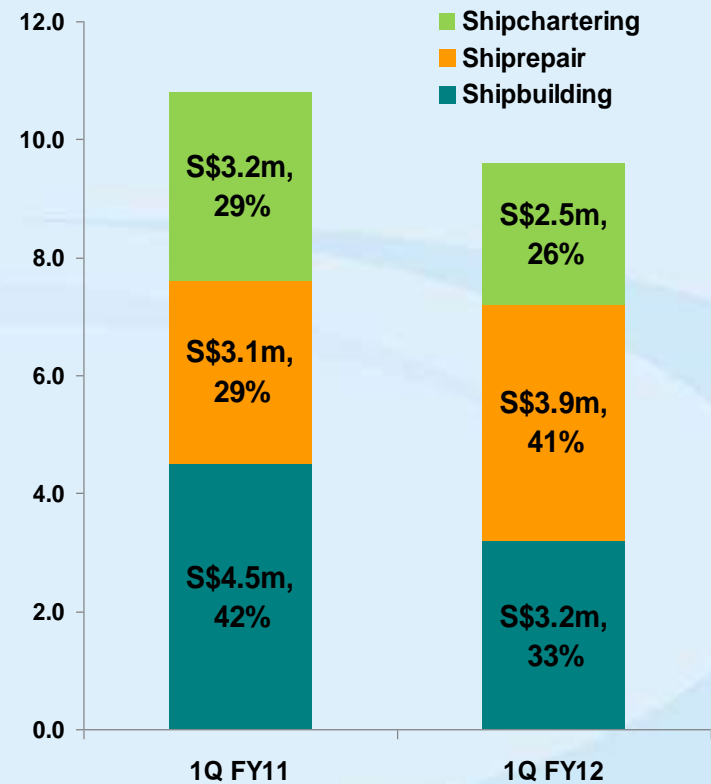
Revenue S\$83.1m (1Q FY11: S\$81.4m)

(S\$'m)



Gross Profit S\$9.6m (1Q FY11: S\$10.8m)

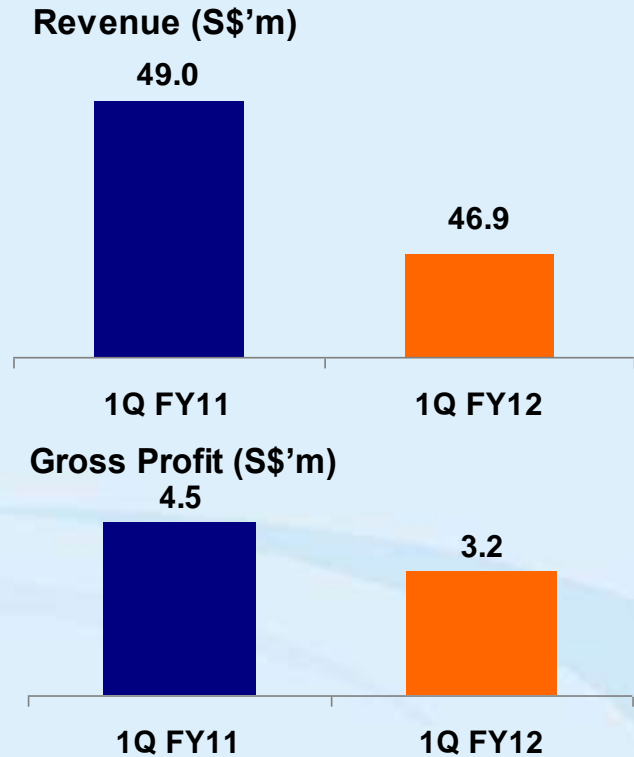
(S\$'m)



Shipbuilding



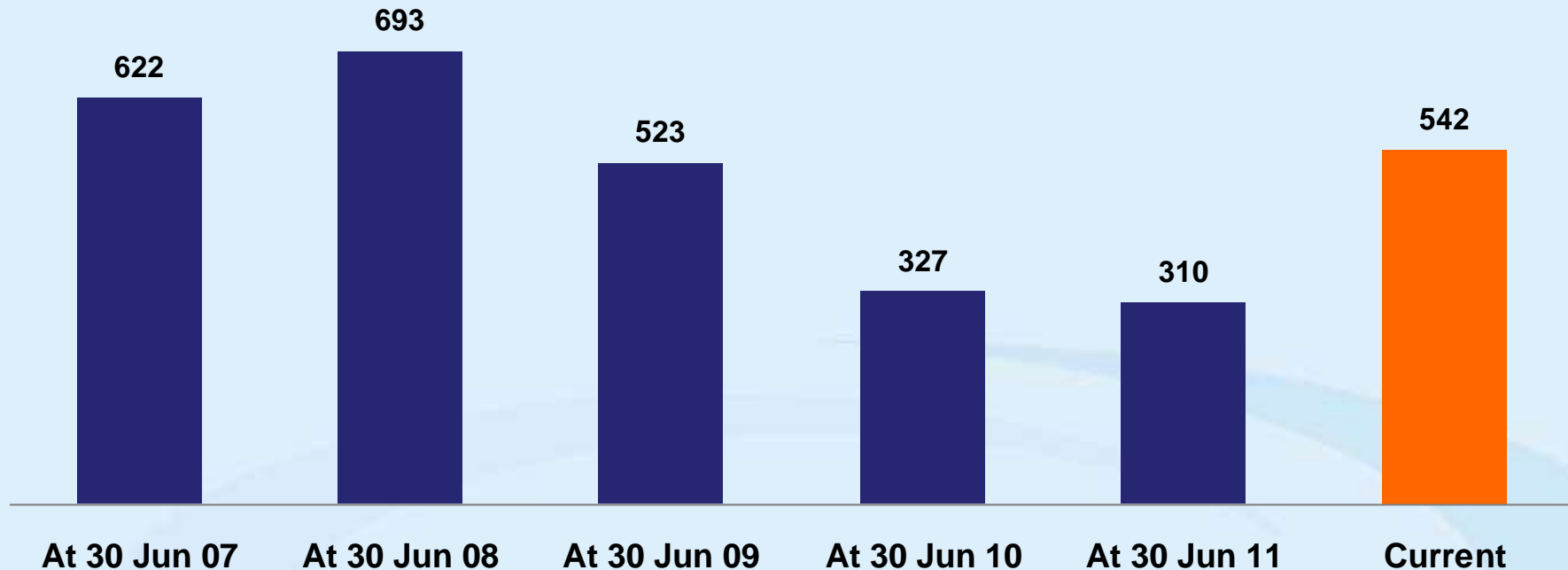
- 1Q FY12 revenue marginally lower by S\$2.1m to S\$46.9m
- 1Q FY12 gross profit declined 29.4% to S\$3.2m with lower gross margin at 6.8% (1Q FY12: 9.2%) due to higher cost provisions for completed projects
- In 1Q FY12, 5 vessels were delivered from the yards and 30 vessels are being built



Shipbuilding Order Book



(S\$m)



- Included secured orders announced in October 2011 worth S\$267 million for 5 vessels comprising 2 Platform Supply Vessels, 1 Dredger and 2 Barges
- Total outstanding order book of S\$542 million comprised of 30 vessels with progressive deliveries up to first quarter of 2014

Shipbuilding Order Book



Type of Vessels	Units	S\$m	%
Offshore Support Vessels ¹	16	294	54
Tugs ²	8	60	11
Dredgers	2	182	34
Barges and other vessels	4	6	1
Total	30	542	100

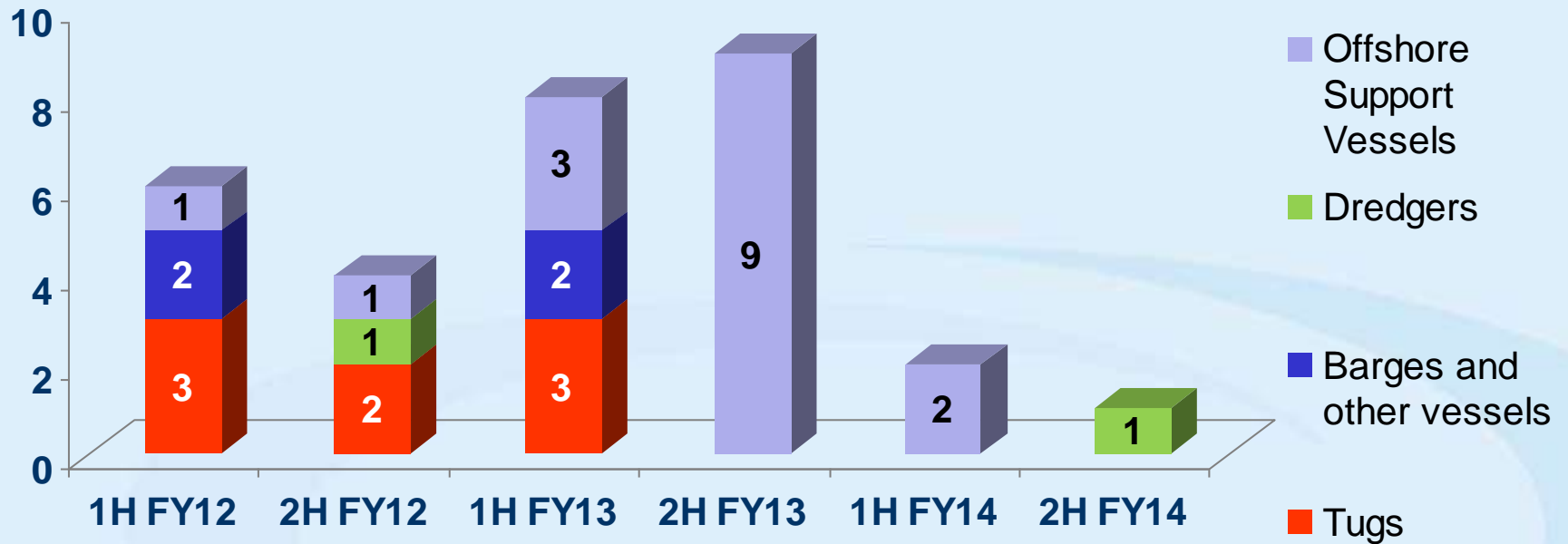
¹ Diving Support Vessel, Offtake Support & Supply Vessels, AHTS, Emergency Response & Rescue Vessels and Platform Supply Vessels

² Rotor Tugs and Azimuth Stern Drive Tugs

Vessel Delivery Schedule



(No. of vessels)

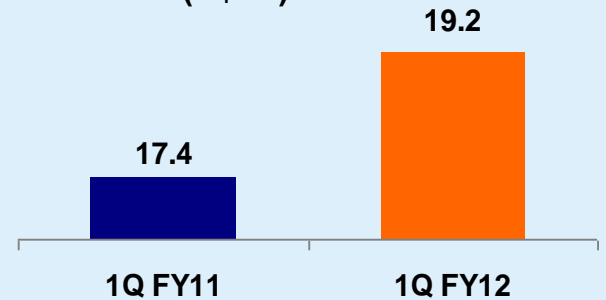


Shiprepair and Conversion

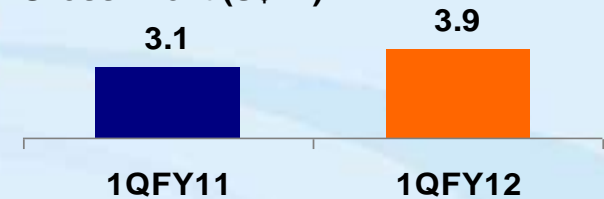


- 1Q FY12 revenue increased by 10.5% to S\$19.2m due to a larger ship conversion job undertaken
- 1Q FY12 gross profit rose by 25.1% to S\$3.9m at higher gross margin of 20.6% (1Q FY11: 18.2%)
- In 1Q FY12, the Group had most of revenue derived from repair of tankers

Revenue (S\$'m)



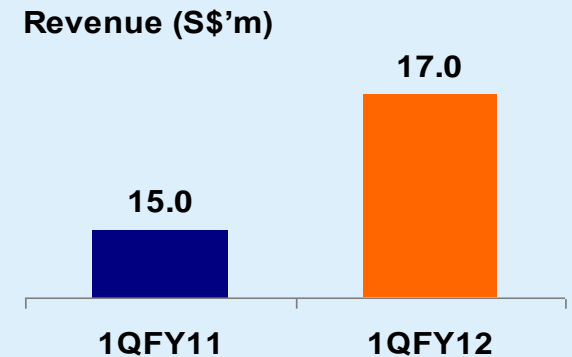
Gross Profit (S\$'m)



Shipchartering



- 1Q FY12 revenue rose by 13.5% to S\$17.0m due to bigger fleet size in spite of lower vessel utilisation rate
- 1Q FY12 gross profit declined by 22.1% to S\$2.5m at lower gross margin of 14.5% (1Q FY12: 21.1%) due to
 - lower vessel utilisation rate
 - higher proportion of lower margin contract-of-affreightment revenue
 - additional depreciation charge of S\$0.7m due to cancellation of vessels held for sale





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Business Outlook

Shipbuilding

- Demand for new shipbuilding orders continue to be affected by uncertainties over global economy outlook
- Secured new orders worth S\$267 million for 5 vessels comprised 2 Platform Supply Vessels, 1 Dredger and 2 Barges
- Total outstanding order book of S\$542 million for 30 vessels will sustain shipbuilding operations up to first quarter of 2014

Shiprepair and Conversion

- Market conditions remain very competitive
- Demand underpinned by:
 - Increasing world fleet
 - Recurring and mandatory requirements to maintain sea worthiness of vessels and to comply with requirement of classification societies
 - Regional demand particularly within Indonesia

Business Outlook



Shiprepair and Conversion (cont'd)

- Well equipped facilities at Batam yard:
 - 1 dry dock of 340 metres length (300,000 dwt)
 - 2 medium-sized dry docks of 230 metres and 180 metres length (60,000 dwt and 20,000 dwt)
- Establishing offshore services division to target on higher value offshore oil and gas related conversion and repair contracts (such as FSO and FPSO)

Shipchartering

- Demand supported by:
 - Domestic marine infrastructure, construction and land reclamation projects e.g. port expansion, new international cruise terminal
 - Transportation demand (e.g. coal & aggregates) in Indonesia and South East Asia regions
 - Offshore oil and gas activities in South East Asia and Australia
 - Marine infrastructure, harbour and terminal services sectors in Australia
- Order book of S\$57 million for long term charter contracts

Business Outlook



Capital Expenditure

- Total capex of S\$16 million in 1Q FY12 comprised mainly:

	S\$m
Vessels	5
Assets under construction for yard infrastructure and vessels	11

- Shipchartering operations have outstanding delivery order for 12 new vessels worth approximately S\$32 million comprising :

Shipchartering outstanding delivery orders	Unit
Barges	10
Anchor Handling Tugs	2
Total	12

Industry Dynamics



AHTS market

Oversupply concerns still remain but due to many AHTS delivered, the number of newbuildings has fallen to 283 vessels in July 2011 as per RS Platou Offshore (please see chart below)

AHTS										
BHP	Brazil	China	India	Indonesia	Malaysia	Norway	Singapore	US	Others	Total
4,000-7,999	2	114	1	14	11	0	19	0	13	174
8,000-9,999	1	12	8	1	1	0	4	1	1	29
10,000-15,999	0	4	1	16	7	0	4	2	2	36
16,000-19,999	0	7	0	0	0	0	6	0	15	28
20,000+	5	3	4	0	0	1	0	0	3	16
Total	8	140	14	31	19	1	33	3	34	283

Source: RS Platou Offshore Research, Jul 2011

Industry Dynamics



PSV market

Demand for PSV newbuilds has recently been stronger than that of AHTS due to growing interest in deepwater activities. Thus, the PSV-to-rig ratio is expected to rise 4% over the next three years, compared to a 3% fall for the AHTS-to-rig ratio, according to Pareto Research

PSV										
sq m	Brazil	China	India	Indonesia	Malaysia	Norway	Singapore	US	Others	Total
<500	2	14	0	12	1	0	0	1	1	31
500-740	3	4	0	7	8	2	4	1	8	37
750-899	2	16	0	6	0	10	0	0	11	45
>900	5	37	0	4	0	32	0	27	10	115
Total	12	71	0	29	9	44	4	29	30	228

Source: RS Platou Offshore Research, Jul 2011

