



BALANCING
BALLAST AND
BUOYANCY
IN ROUGH WATERS

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20
6M
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20

Presentation Outline



- **Financial Highlights**
- **Business Review**
- **Business Outlook & Strategy**





FINANCIAL HIGHLIGHTS



Financial Performance



	4Q FY15 (S\$m)	4Q FY14 (S\$m)	Chg %	FY15 (S\$m)	FY14 (S\$m)	Chg %
Revenue	73.3	26.2	179.5	184.2	509.8	(63.9)
Gross Profit	10.8	6.4	69.0	38.1	58.8	(35.2)
Gross Profit Margin	14.7%	24.3%	(9.6) ppts	20.7%	11.5%	9.2 ppts
Net Profit attributable to Shareholders	1.5	(4.1)	NM	7.9	22.1	(64.1)
Net Profit Margin	2.0%	NM	NM	4.3%	4.3%	-
EBITDA	16.5	11.3	46.0	65.4	82.5	(20.7)
Basic EPS (cents) ¹	0.35	(0.99)	NM	1.89	5.27	(64.1)

¹ Based on the weighted average of 419,511,294 ordinary shares in issue

² ppts: Percentage Points

³ NM means Not Meaningful

Financial Position



	30 Jun 15 (S\$m)	30 Jun 14 (S\$m)	Chg %
Non-current Assets	625.7	584.2	7.1
Currents Assets	573.0	625.4	(8.4)
Total Assets	1,198.7	1,209.6	(0.9)
Current Liabilities	428.8	495.7	(13.5)
Non-current Liabilities	344.0	297.4	15.7
Total Liabilities	772.8	793.1	(2.6)
Total Equity	425.9	416.5	2.3
Property, Plant and Equipment			
Property, Plant and Equipment	582.9	542.8	7.4
Bank Balances, Deposits and Cash			
Bank Balances, Deposits and Cash	77.9	73.2	6.4
Total Borrowings			
Total Borrowings	543.5	545.8	(0.4)

Business Segments Performance



Revenue and Gross Profit Margin

Business Segments	4Q FY15		4Q FY14		FY15		FY14	
	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)
Shipbuilding	23.4	11.1	(5.3)	NM	(30.2)	NM	278.3	2.6
Shiprepair and Conversion	17.2	12.8	4.6	6.7	96.3	19.9	104.5	18.9
Shipchartering	19.1	4.9	15.7	15.6	71.8	14.4	70.1	25.3
Engineering	13.6	36.9	11.2	54.1	46.3	29.3	56.9	25.1
Total	73.3	14.7	26.2	24.3	184.2	20.7	509.8	11.5

NM: Not Meaningful



BUSINESS REVIEW



Shipbuilding



- Negative revenue of S\$30.2m for FY2015
 - Due to S\$95 million revenue reversal on the rescission of 2 OSV orders
 - Orders for non-offshore related vessels relatively stable
 - Low POC from new projects
 - Cost overrun on 4 units of tugs in an effort for on-time delivery
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Shiprepair and Conversion



Breakdown of revenue	4Q FY15 (S\$'000)	4Q FY14 (S\$'000)	Chg %	FY15 (S\$'000)	FY14 (S\$'000)	Chg %
Shiprepair and conversion	16,882	4,394	284.2	95,536	103,300	(7.5)
Other marine related services	341	217	57.1	743	1,174	(36.7)
Total	17,223	4,611	273.5	96,279	104,474	(7.8)
Gross profit	2,210	311	610.6	19,164	19,715	(2.8)
Gross profit margin	12.8%	6.7%	6.1 ppts	19.9%	18.9%	1.0 ppt

Shiprepair and Conversion



- Revenue 7.8% lower yoy to S\$96.3m
- Low revenue recognition for the first 3 quarters
- 273.5% revenue increase to S\$17.2m in Q4
- Challenging market environment:
 - *Overcapacity in shipping, lower charter rates and utilization rates*
- Mandatory repair / docking demand stabilized performance

Shipchartering



Breakdown of revenue	4Q FY15 (S\$'000)	4Q FY14 (S\$'000)	Chg %	FY15 (S\$'000)	FY14 (S\$'000)	Chg %
Offshore support vessels ("OSV")	3,484	4,521	(22.9)	15,577	20,126	(22.6)
Landing Craft ("LCT")	2,263	803	181.8	6,330	1,982	219.4
Tug / work boat	4,923	3,862	27.5	20,989	19,767	6.2
Barges, dredgers, Tankers etc.	7,860	6,138	28.1	26,975	23,261	16.0
Total charter	18,530	15,324	20.9	69,871	65,136	7.3
Trade sales	512	410	24.9	1,955	4,925	(60.3)
Total	19,042	15,734	21.0	71,826	70,061	2.5

Shipchartering



- Stable revenue despite disposal of ROV Support Vessel in November 2014
- Two units of LCT commenced operations in July 2014 and June 2015 for carrying precast RC products from Batam to Singapore
- Two grab dredgers acquired in 4QFY14, subsequently deployed in Jurong new port projects
- Lower gross profit margin due to change in vessel mix

Shipchartering



- Fleet size at 30 June 2015: **204 Vessels**

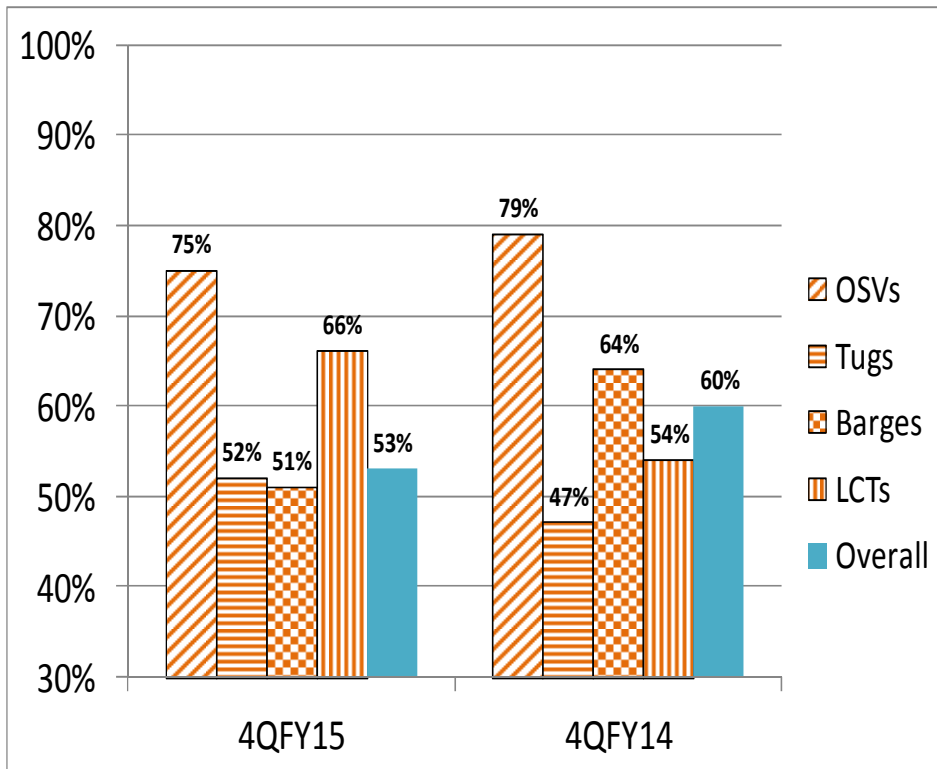
Details on the fleet and type of vessels are highlighted below:

Type of Vessels	No. of Vessels	Avg. Age of Vessels
Barges, Flat Top Barge, Crane Barge, Grab Dredger	141	6
Tugs / work boats	50	8
Landing Crafts	4	1
OSV - AHTS	6	2
Chemical Tankers	2	5
AHT	1	12

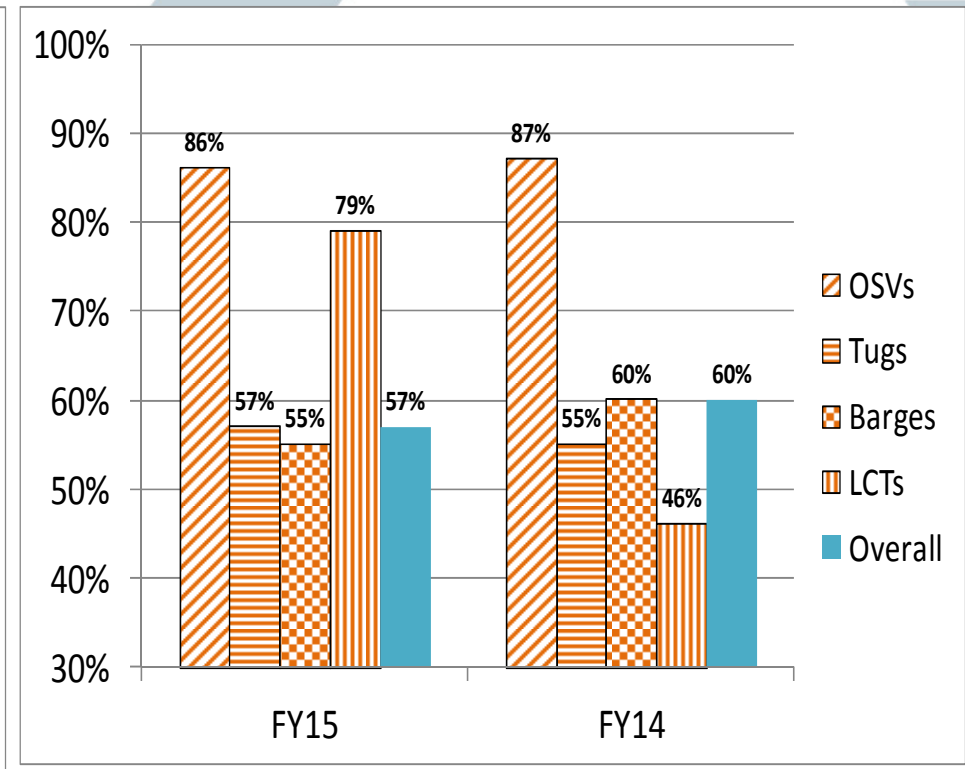
Shipchartering



**Vessel Utilization
4QFY15 vs. 4QFY14**



**Vessel Utilization
FY15 vs. FY14**



Dredge Engineering



- Dredge Engineering revenue down 18.8% yoy to S\$46.3 million for FY2015
 - Fewer projects under New Buildings
 - Depreciation of EUR against SGD
 - Higher demand / orders for cutting / coupling products

Precast Reinforced Concrete Product



- Precast product business contributed profit of S\$2.4 million for FY2015
 - Through jointly-controlled company, Sindo-Econ Group (50% of Koon)
 - Long term charter of 2 landing crafts from ASL's chartering division
 - Operate a fabrication plant situated in ASL's yard in Batam



BUSINESS OUTLOOK & STRATEGY



Market outlook

- EIA projected Brent crude oil price at average \$54/b in 2015 and \$59/b in 2016
- Highlighted significant uncertainties on oil markets
- Reduction in exploration & production budget of oil companies
- Market conditions to remain challenging
- Competition

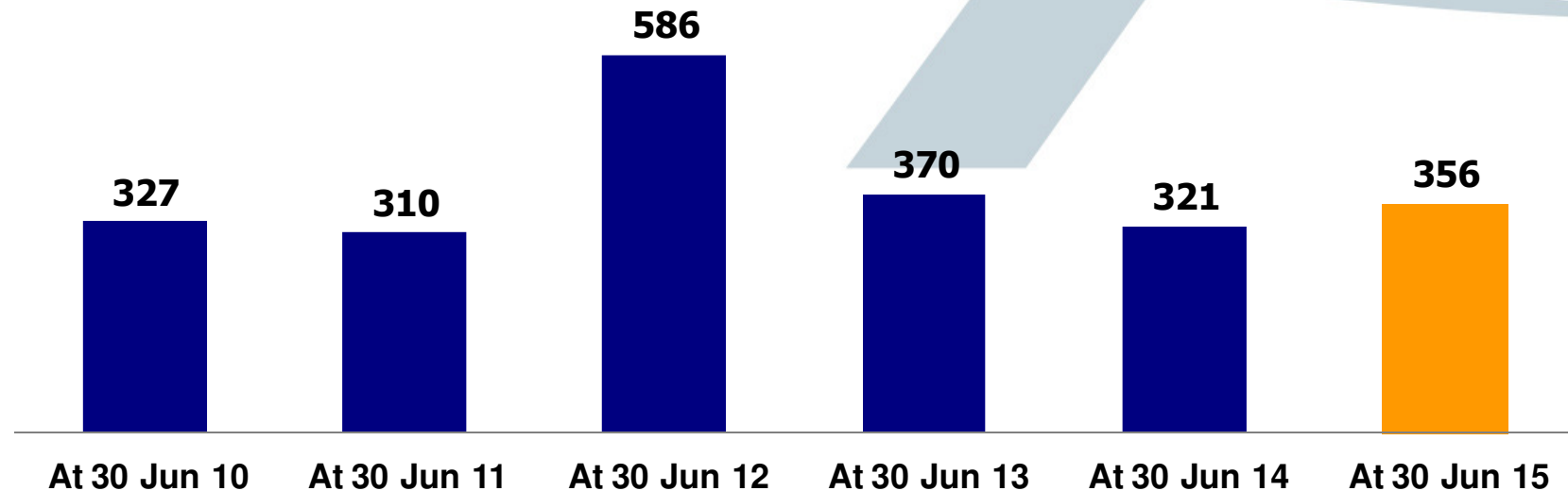
Shipbuilding

- Low volume of new tenders
- Drop in prices of newbuilding vessels due to competition from other yards
- Demand for non-offshore vessels
- Optimize business opportunities while controlling risk & cost

Shipbuilding Order Book



(S\$m)

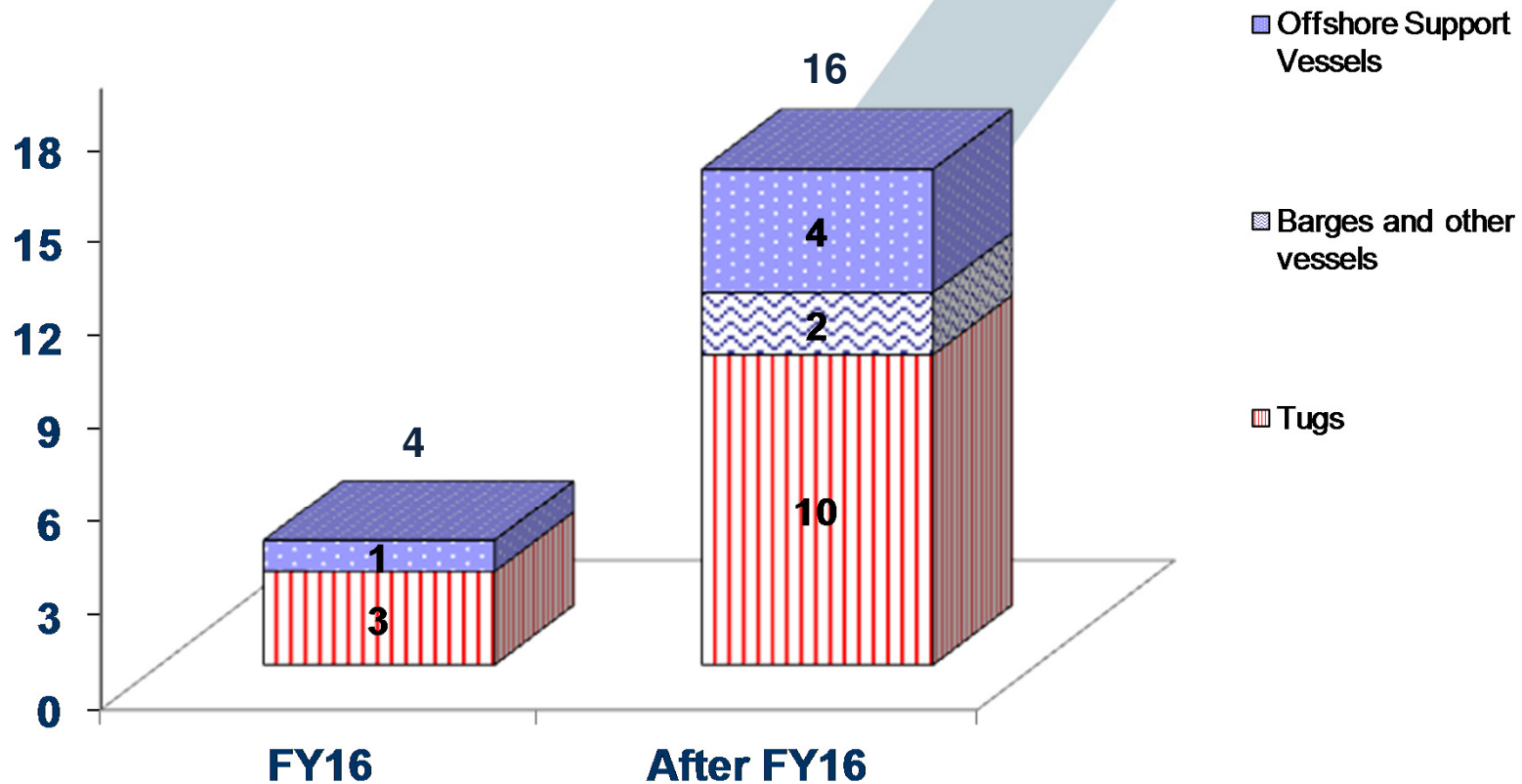


- \$356 million outstanding shipbuilding order book as at 30 June 2015 from external customers
- Comprising 20 vessels, comprising AHTS, Tug, Barge, Seismic Support Vessel and Tanker
- To be progressively delivered up to the first quarter of FY2018

Vessel Delivery Schedule



(No. of vessels)



Shiprepair and Conversion

- Mandatory repair and dry docking of vessels keep business afloat
- Stable performance expected
- Prices remain competitive

Shipchartering

- Slowdown in demand for OSVs
- Outstanding long-term contract order book of S\$57 million as at 30 June 2015
- Outstanding delivery order of 13 vessels worth approximately S\$42 million
- Barges, tugs and other vessels to benefit from major infrastructure projects

Dredge Engineering business

- Actively engage customer to optimize business opportunities
- Focus on sale of components

Precast Concrete

- Expect business growth supported by the public housing development program and major infrastructure projects (MRT etc)
- Long term charter of 2 landing crafts for transport of pre-cast products from Batam to Singapore

THANK YOU
Q&A

