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# ASL Marine's 2QFY2013 earnings surge 39.8% y-o-y to S$10.6 million

- **Revenue improved 7.3% on broad based growth, particularly for shiprepair and conversion and shipchartering segments**
- **Strong gross profit margin improvement across all business segments augmented revenue growth to boost earnings**
- **Robust outlook backed by healthy outstanding order book for shipbuilding segment of S$528 million and long term shipchartering contracts of S$83 million**

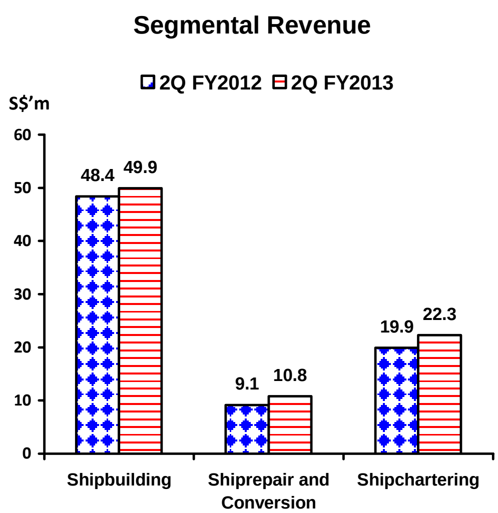
**Singapore, 6 February 2013** – ASL Marine Holdings Ltd. ("ASL Marine" or the "Group"), an integrated marine company offering comprehensive services in shipbuilding, shiprepair and conversion and shipchartering, reported revenue of S$83.0 million and net profit attributable to shareholders of S$10.6 million for the three months ended 31 December 2012 ("2QFY2013").

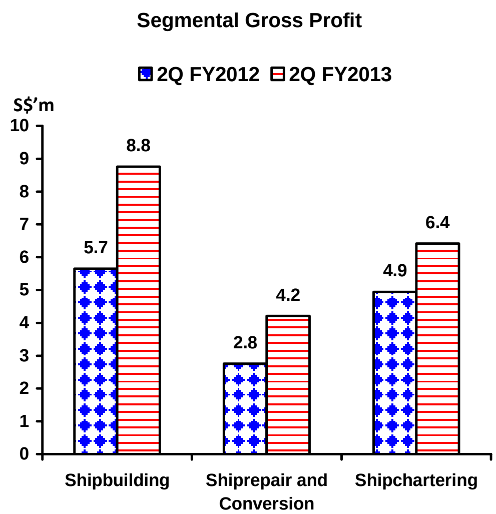
| **Financial Highlights** | **2Q FY2013** | **2Q FY2012** | **Chg** | **1H FY2013** | **1H FY2012** | **Chg** |
|---|---|---|---|---|---|---|
| | **S$'000** | **S$'000** | **%** | **S$'000** | **S$'000** | **%** |
| Revenue | 82,973 | 77,354 | 7.3 | 171,951 | 160,463 | 7.2 |
| Gross Profit | 19,381 | 13,355 | 45.1 | 41,485 | 22,947 | 80.8 |
| Gross Profit Margin | *23.4%* | *17.3%* | - | *24.1%* | *14.3%* | - |
| Other Operating Income | 329 | 1,679 | (80.4) | 1,931 | 8,272 | (76.7) |
| Other Operating Expenses | (2,935) | (396) | 641.2 | (9,792) | (902) | 985.6 |
| Net Profit Attributable to Equity Holders | 10,614 | 7,594 | 39.8 | 20,439 | 16,084 | 27.1 |
| Net Profit Margin | *12.8%* | *9.8%* | - | *11.9%* | *10.0%* | - |
| Basic Earnings Per Share (cents) * | 2.53 | 1.81 | 39.8 | 4.87 | 3.83 | 27.2 |

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

## 2QFY2013 FINANCIAL OVERVIEW

In 2QFY2013, broad based revenue growth across all three business segments, i.e. shipbuilding, shiprepair and conversion, and shipchartering, pushed revenue higher by 7.3% year-on-year (y-o-y) to S$83.0 million.




Revenue from the shipbuilding segment increased slightly by 3.4% y-o-y to S$49.9 million in 2QFY2013 due to higher revenue recognition from the construction of more vessels during the quarter. The Group worked on 23 vessels in 2QFY2013 as compared to 17 vessels in 2QFY2012, with more focus on Offshore Support Vessels. Gross profit margin for the shipbuilding segment was boosted from 11.7% in 2QFY2012 to 17.5% in 2QFY2013 due to the construction of two units of high value Platform Supply Vessels and reversal of unrequired construction costs provisions.

Revenue from the shiprepair and conversion segment increased 17.3% y-o-y to S$10.7 million in 2QFY2013 due to an increase in larger docking repairs jobs undertaken during 2QFY2013. Gross profit margin benefited from a write-back of sub-contractor costs for completed jobs from prior years in 2QFY2013, which surged from 30.1% in 2QFY2012 to 39.2% in 2QFY2013.

The shipchartering segment recorded revenue of S$22.3 million in 2QFY2013, an improvement of 12.1% y-o-y due to higher utilisation rate from charter of tugs, and charter income received from 2 Anchor Handling Tugs (AHT) and one Anchor Handling Towing / Supply Vessel (AHTS) acquired after 2QFY2012. Apart from these factors, a higher proportion of time charter and the absence of additional depreciation of S$0.7 million back charged from cancellation of vessels held for sale in 1QFY2012, contributed to higher gross profit margin of 31.0% in 1HFY2013 as compared to 20.1% in 1HFY2012.

Other operating income decreased 80.4% y-o-y to S$0.3 million, mainly due to the absence of unrealised foreign exchange gain and significantly lesser gain on disposal of plant and equipment. Meanwhile, other operating expenses increased by S$2.5 million to S$2.9 million largely due to S$2.5 million of allowance for impairment of doubtful debts, and foreign exchange loss amounting to S$0.5 million.

The Group recorded a strong increase in net profit attributable to shareholders as the revenue and gross profit margin improvements made in the core business segments significantly outpaces the decline in other operating income and higher operating expenses. Net profit attributable to shareholders was reported at S$10.6 million in 2QFY2013, a 39.8% increase over the S$7.6 million for 2QFY2012.

## OUTLOOK

The Group's shipbuilding order book from external customers stood at approximately S$528 million as at 31 December 2012, which comprised of 34 vessels including Offshore Support Vessels, AHTS, self-propelled cutter suction dredger, tugs and barges. These vessels have progressive deliveries up to 4QFY2014.

The Group's shipchartering fleet comprised of 202 vessels as at 31 December 2012 (31 December 2011: 194 vessels). Meanwhile, the Group's shipchartering operations have a total outstanding delivery order of 25 vessels worth approximately S$138 million, comprising AHT, AHTS, ROV Support Vessel, landing crafts, tugs and barges. With the exception of 3 vessels worth a total of S$8 million, these vessels are being built internally by the Group.

Approximately 30% of the Group's shipchartering revenue in 1HFY2013 was contributed by long-term chartering contracts. As at 31 December 2012, the Group had an outstanding order book of approximately $83 million with respect to long-term shipchartering contracts.

Developments in dredging, land reclamation and mining industries will have a consequent positive effect on the VOSTA LMG group.

***"The offshore oil and gas industry has so far been sheltered from the overhang in the global economy as activities in the region have sustained at a healthy level. We have seen strong orders for rigs over the past year, and we anticipate this demand to flow down the supply chain, supporting the outlook for offshore support vessels over the medium term.***

***With a healthy order book and high yard utilisation, we will channel our focus into margin optimizing measures such as product mix, project selection and project management to maximize shareholders' value. Efficiency and turnaround will be the key focus for the shipbuilding and shiprepair and conversion segments. Meanwhile, the shipchartering segment has displayed an encouraging upward trend in terms of utilisation and charter rates.***

***Despite the positive outlook, we remain vigilant to competition from other shipyards seeking to enter the offshore oil and gas industry. In this regard, our acquisition of the VOSTA LMG group in December 2012 has placed us on a higher rung in the value chain. Going forward, the Group shall seek to derive synergies arising from an expanded scope of services and a stronger presence in various markets globally."***

**Ang Kok Tian**
**Chairman and Managing Director, ASL Marine**

--- The End ---

**About ASL Marine Holdings Ltd. (Bloomberg Code: ASL SP)**

**ASL Marine Holdings Ltd.** is a dynamic marine group principally engaged in shipbuilding, shiprepair and conversion, shipchartering and other marine related services, catering to customers from Asia Pacific, South Asia, the Middle East, Europe and Australia. ASL Marine owns and operates shipyards in Singapore, Batam (Indonesia) and Guangdong (China), providing a comprehensive range of marine engineering services spanning myriad sectors/ industries. The Group's 300,000 dwt graving dry dock in Batam is one of the few docks in the region capable of repairing Capesize vessels. It has a young fleet of about 202 vessels comprising barges, towing tugs, Anchor Handling Tugs, Anchor Handling Towing/ Supply vessels and other vessels for its shipchartering operation.

For more information, please refer to the corporate website www.aslmarine.com

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Issued for and on behalf of ASL Marine Holdings Ltd.

By Financial PR Pte Ltd
For more information, please contact:
Romil SINGH / Kathy ZHANG / KEE Vern Cheng
Tel: (65) 6438 2990 / Fax: (65) 6438 0064
E-mail: romil@financialpr.com.sg / verncheng@financialpr.com.sg / staff@financialpr.com.sg