ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
Co. Reg. No. 200008542N

PRESS RELEASE -- FOR IMMEDIATE RELEASE

ASL Marine Reports S$2.5 million Earnings for 1HFY2017. Noteholders' Approval of Bond Extension and the Club Loan Facility enhances financial flexibility.

- **Group's revenue increased by 2.7% to S$180.4 million for 1HFY2017, primarily supported by the growth in shiprepair and conversion, and shipchartering revenue.**
- **Gross profit decreased by 12.3% to S$23.1 million for 1HFY2017, due to lower shipbuilding gross profit. All three other business segments registered higher gross profit.**
- **The noteholders' approval of the extension of the Series 006 and Series 007 notes in January 2017 and the S$99.9 million club loan facility to be provided by local banks will give ASL Marine increased financial flexibility to meet new business working capital needs.**

Singapore, 14 February 2017– ASL Marine Holdings Ltd. ("ASL Marine" or the "Group"), an integrated marine company offering comprehensive services in shipbuilding, shiprepair and conversion, shipchartering and dredging engineering, reported its financial results for the six months ended 31 December 2016 ("1HFY2017").

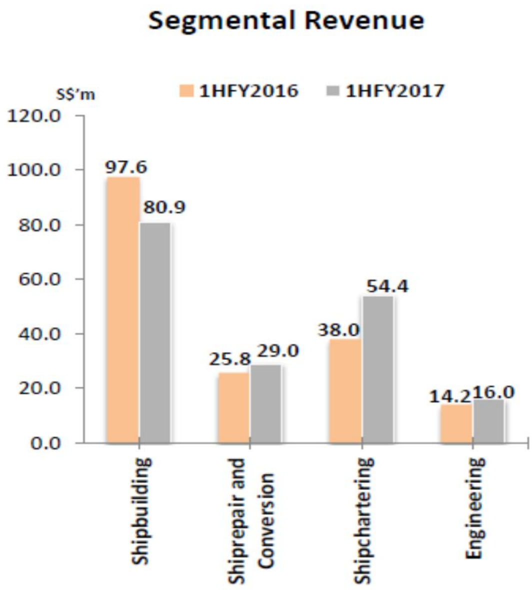
Financial Highlights	2QFY2017 S$'000	2QFY2016 S$'000	Chg %	1HFY2017 S$'000	1HFY2016 S$'000	Chg %
Revenue	83,663	99,682	(16.1)	180,356	175,632	2.7
Gross Profit	10,065	14,904	(32.5)	23,147	26,401	(12.3)
Gross Profit Margin	*12.0%*	*15.0%*	*(3.0) ppts*	*12.8%*	*15.0%*	*(2.2) ppts*
Other Operating Income	1,222	1,440	(15.1)	2,641	2,706	(2.4)
Administrative Expenses	(5,365)	(5,921)	(9.4)	(11,005)	(10,880)	1.1
Finance Costs	(4,667)	(4,823)	(3.2)	(9,175)	(9,295)	(1.3)
Net Profit Attributable to Equity Holders	883	1,824	(51.6)	2,486	7,073	(64.9)
Net Profit Margin	*1.1%*	*1.8%*	*(0.7) ppts*	*1.4%*	*4.0%*	*(2.6) ppts*
Fully diluted Earnings Per Share (cents)*	0.19	0.43	(55.8)	0.57	1.67	(65.9)

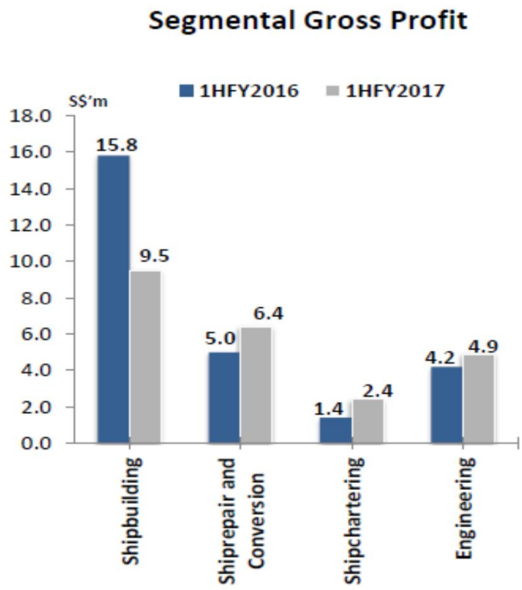
** Please refer to Section 6 of the results announcement for the weighted average number of shares for each period*

** Ppts: Percentage Points*

1H FY2017 FINANCIAL OVERVIEW

Group revenue increased by 2.7% year on year ("yoy") to S$180.4 million in 1HFY2017. Gross profit decreased by 12.3% to S$23.1 million in 1HFY2017.





Shipbuilding revenue (calculated based on project value multiplied by the Percentage of Completion or "POC") decreased by 17.1% to S$80.9 million in 1HFY2017. The decrease was due to lower POC achieved from the construction of OSV and decrease in number of Barges constructed, partially offset by higher revenue recognition from the construction of 11 tugs, of which 5 units were completed in 1H FY2017.

In line with the decrease in revenue, gross profit for the segment was lower at S$9.5 million. Gross profit margin decreased to 11.8% in 1HFY2017 compared to 16.1% in 1HFY2016, mainly due to costs overrun on construction of certain OSV and Barges during the period under review.

Shiprepair and conversion revenue (recognized only upon completion of projects) increased by 12.4% yoy to S$29.0 million in 1HFY2017. With several shiprepair jobs being partial conversions, which take longer than historic jobs to complete, revenue from shiprepair and conversions are now likely to be lumpy. Gross profit for the segment increased to S$6.4 million in 1HFY2017 compared to S$5.0 million in 1HFY2016, and gross profit margin improved from 19.4% in 1HFY2016 to 22.0% in 1HFY2017.

Shipchartering revenue increased 43.2% yoy to S$54.4 million in 1HFY2017, with higher contributions from operation of Tug Boats and Barges with the commencement of large marine infrastructure projects in Singapore and South Asia in 4QFY2016, and the contribution from the operation of a Landing Craft acquired in 2QFY2016 for an overseas infrastructure project commenced in 3QFY2016. The increase in bunker sales and ad-hoc services rendered in conjunction with the New Charter Contracts mentioned above led to higher trade sales too.

Gross profit and gross profit margin for total charter income was lower, due to lower chartering activities and charter rates. Trade sales brought in S$2.0 million gross profit and lifted the gross profit for the Shipchartering segment to S$2.4 million, and gross profit margin for the segment improved from 3.7% for 1HFY2016 to 4.3% for 1HFY2017.

Engineering revenue increased by 12.9% yoy to S$16.0 million in 1HFY2017, primarily contributed by Components and Services Business. Gross profit increased by 15.0% yoy to S$4.9 million in 1HFY2017, and gross profit margin improved from 29.9% for 1HFY2016 to 30.4% for 1HFY2017.

Group has instated several cost cutting measures during 1HFY2017. For 2QFY2017, administrative expenses decreased by 9.4% yoy to S$5.4 million, however, due to rationalisation expense, administrative expenses increased by S$0.1million, or 1.1% yoy for 1HFY2017.

Overall, Group reported net profit attributable to shareholders of S$2.5 million for 1HFY2017, 64.9% lower compared to 1HFY2016. Fully diluted earnings per share was 0.57 Singapore cents for 1HFY2017, compared to 1.67 cents per share for 1HFY2016.

As of 31 December 2016, Group has a net asset value per share of 71.91 Singapore cents.

OUTLOOK

As at 31 December 2016, the Group had an outstanding shipbuilding order book from external customers of approximately S$146 million for the building of 17 vessels with progressive deliveries up to fourth quarter of FY2018. The order book comprises OSV, harbour tugs, barges and tankers. Barring any unforeseen circumstances, approximately 28% of the order book is expected to be recognized in the second half of the financial year ending 30 June 2017. As at 31 December 2016, the Group's shipchartering operations had an outstanding order book of approximately S$136 million with respect to long-term contracts.

In January 2017, the Group obtained the noteholders' approval for the extension of the Series 006 and Series 007 notes, which was also a condition for the Group to have access to the S$99.9 million club loan facility to be provided by local banks. These will give the Group improved financial flexibility and additional sources of working capital.

"Despite the recent stabilization of oil prices, we do not foresee the operating environment for our businesses improving significantly in the next 12 months. The demand for shipbuilding and shipchartering remain weak and price-sensitive and the credit tightening in the industry continue to be a challenge for many industry players.

Our comprehensive financial restructuring plan that engaged shareholders, noteholders, banks and other business partners have made significant progress, with the extension of the Series 006 and Series 007 notes being approved. With careful cost management, we will continue to seek feasible business opportunities, and ASL Marine will be increasingly resilient to ride out the market downturn."

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

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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, dredge engineering and other marine related services, catering to customers from Asia Pacific, South Asia, the Middle East, Europe, Australia and the Middle East. ASL Marine owns and operates shipyards in Singapore, Batam (Indonesia) and Guangdong (China), providing a comprehensive range of shipbuilding, shiprepair and conversion 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. ASL Marine also owns and operates a fleet size of over 200 vessels deploy mainly in the marine infrastructure and construction, cargoes transportation, offshore oil and gas, dredging and land reclamation industries.

ASL Marine added engineering segment to its business model after the acquisition of VOSTA LMG group in 2012. VOSTA LMG is a leading international dredging engineering and contracting company with more than 140 years of history in providing specialized and tailor-made solutions to the world's dredging industry. VOSTA LMG designs, and manages the construction of dredgers, makes and supplies a variety of specialized dredging components, and owns several important patents.

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

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