



**PRESS RELEASE -- FOR IMMEDIATE RELEASE**

## **ASL Marine Records Interim Net Profit Growth of 110% on the Back of Robust Marine Sector**

- Revenue rose 52.2% to \$105.2 million while net profit soared by 109.9% to \$12.3 million
- Outstanding shipbuilding order book of \$298.6 million, 31.3% of which to be recognised in second half of FY2006
- Cautiously optimistic about record performance in FY2006

**Singapore, 26 January 2006** – ASL Marine Holdings Ltd. (“ASL Marine” or the “Group”), an integrated marine company offering comprehensive services in shipbuilding, shiprepair and shipchartering; and owning shipyards in Singapore, Batam (Indonesia) and Guangdong (China) has announced its half year results for the 6 months ended 31 December 2005.

### **Financial Highlights**

	<b>6 months ended 31/12/2005</b>	<b>6 months ended 31/12/2004</b>	<b>% Change</b>
Revenue (\$'000)	105,165	69,088	52.2
Gross Profit (\$'000)	14,591	6,936	110.4
Gross Profit Margins	13.9%	10.0%	-
Profit from Operations (\$'000)	14,387	7,699	86.9
Profit Before Taxation (\$'000)	14,151	6,781	108.7
Net Profit (\$'000)	12,332	5,876	109.9
Net Profit Margins	11.7%	8.5%	-
EPS (Fully diluted)	5.57 cents	2.69 cents	107.1

## **Operations Review**

ASL Marine's total revenue increased by 52.2% to \$105.2 million for the six months ended 31 December 2005, as compared to the corresponding period last year. Revenue increase was broad-based across all three business segments, namely the shipbuilding, shiprepair and shipchartering divisions.

Revenue from shipbuilding operations rose by 41.2% to \$68.9 million in 1H2006 as compared to the previous corresponding period. The bulk of this increase was attributed to the progressive recognition of revenue for the construction of tugs with higher contract values. As a result of the new Batam floating dock which became operationally ready in May 2005, revenue from shiprepair and other marine related services also surged 149.1% to \$12.0 million on the back of more and higher value jobs. In addition, the continuous effort of the Group to acquire larger and more sophisticated vessels has boosted revenue from the shipchartering business from \$15.5 million to \$24.3 million.

Overall, ASL Marine experienced better gross margins of 13.9% in 1H2006 compared to 10.0% in 1H2005. Gross margins in the shipbuilding division rose from 4.9% to 5.6% due to better pricing from higher value contracts while margins in the shipchartering and rental segment increased from 15.0% to 28.5% as a result of higher margin from the time and lump sum charters. However, the Group recorded a lower margin of 31.5% (compared to 45.9% in 1H2005) in the shiprepair segment due to ad-hoc conversion works undertaken in 1H2005.

The Group recorded a 109.9% net profit growth from \$5.9 million in 1H2005 to \$12.3 million in 1H2006. Non-current assets of the Group increased to \$160.7 million as at 31 December 2005 from \$135.8 million as at 30 June 2005. On top of that, current assets also increased to \$99.0 million as at 31 December 2005 from \$88.1 million at 30 June 2005.

In response to the good results, Mr Ang Kok Tian, Executive Chairman and Managing Director of ASL Marine said, "We are pleased to deliver a good set of interim financial results for our shareholders once again. The first 6 months of FY2006 have been fruitful for the Group. Shipbuilding operations continued to be the main contributor to the Group's 1H2006 turnover with revenue recognition from its order book of \$298.6 million. The expansion of our Batam Shipyard has also strengthened our capabilities in taking on more projects in 1H2006. We have completed more higher value shipbuilding and

shiprepair projects in 1H2006, which also allow us to improve our margins. For our shipchartering segment, we continued to generate strong earnings from vessels working in the offshore and coal transportation sectors.“

## **Prospects and Outlook**

Riding on the increased exploration and production activities, the marine and offshore industry continues to give a positive outlook in 2006. According to a recent report from DBS Vickers Securities<sup>1</sup>, offshore rig demand in the Asia Pacific and Middle East are forecasted to rise by 20% and 25% respectively in the next 12 months. Given the shortage of offshore vessels for oil and gas exploration, the demand for new vessels as well as the number of shipchartering commitments is also expected to rise correspondingly. ASL Marine looks set to benefit from this robust growth.

When asked to comment on the outlook of ASL Marine in FY2006, Mr Ang commented, “As at 31 December 2005, the Group has an outstanding shipbuilding order book of \$298.6 million with 31.3% of these projects are expected to be recognised in the second half of FY2006. With higher contract value contracts secured for our floating dock, the operations commencement of our graving dry dock at our Batam shipyard in 2H2006, we expect our shipbuilding and shiprepair business to continue its growth momentum. On the side of shipchartering, our order book as at 31 December 2005 already stands at approximately \$15.9 million.”

Further, the Group is considering strategic alliances or joint ventures to take advantage of the booming shipchartering market in the region, especially in the Middle East, Pearl River Delta region, Malaysia and Indonesia.

Mr Ang added, “The marine and offshore sector is looking good and we believe the trend will carry on through 2006. Barring any adverse increases in oil prices and manpower shortages, with our strong order books and increased shipyard capability, we are confident of making FY2006 to be a record earnings year.”

>>>>>> The End

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<sup>1</sup> DBS Vickers Securities – Sector Focus: Oil & Gas Supporting Industries, 5 December 2005

**About ASL Marine Holdings Ltd.**

ASL Marine Holdings Ltd. (“ASL Marine”) is a fast-growing and dynamic marine company. ASL Marine is principally engaged in shipbuilding, shiprepair & shipchartering and other marine related services, catering to customers from Asia Pacific, South Asia, the Middle East and Europe. It has a young fleet of more than 100 vessels comprising tugs and barges. ASL Marine also owns and operates two shipyards in Singapore and Batam, providing a comprehensive range of marine engineering services spanning myriad sectors/ industries.

For more information, please refer to [www.aslmarine.com](http://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:

Dave TAN, [dave@financialpr.com.sg](mailto:dave@financialpr.com.sg)

Kathy ZHANG, [kathy@financialpr.com.sg](mailto:kathy@financialpr.com.sg)

Tel: (65) 6438 2990

Fax: (65) 6438 0064