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ASL Marine reports S$7.6 m net in 2Q FY2012 amidst challenging market

- **Commendable results in view of uncertain industry outlook as gross margins improved to 17.3% in 2Q FY2012 due to higher margins shipbuilding and shiprepair projects**
- **Shipbuilding order book of S$553 million with deliveries up to 1Q 2014, of which 16% will be recognized in 2H FY2012**
- **Overall operating environment to remain challenging but ASL will continue to tap on pockets of demand in Indonesia and Australia**

Singapore, 10 February 2012 – 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$77.4 million and net profit attributable to shareholders of S$7.6 million for the three months ended 31 December 2011 ("2Q FY2012").

Financial Highlights	2Q FY2012	2Q FY2011	chg	1H FY2012	1H FY2011	chg
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	77,354	103,112	(25)	160,463	184,513	(13)
Gross Profit	13,355	14,703	(9)	22,947	25,522	(10)
Gross Profit Margin	*17.3%*	*14.3%*	-	*14.3%*	*13.8%*	-
Operating Expenses [1]	3,058	2,537	21	6,326	6,327	-
Net Profit Attributable to Equity Holders	7,594	10,029	(24)	16,084	18,055	(11)
Net Profit Margin	9.8%	9.7%	-	10.0%	9.8%	-
Basic Earnings Per Share (cents) *	1.81	2.39	(24)	3.83	4.30	(11)

[1] Includes both administrative expenses and other operating expenses

** Based on the weighted average of 419,511,294 ordinary shares for 2Q FY2012 (2Q FY2011: 419,463,374) and 419,511,294 ordinary shares for 1H FY2012 (1H FY2011: 419,454,434).*

2Q FY2012 FINANCIAL OVERVIEW

The Group's revenue declined 25% year-on-year ("y-o-y") to S$77.4 million in 2Q FY2012 mainly due to decrease in revenue contribution from both shipbuilding and shiprepair and conversion business segments, partially offset by the increase in revenue contribution from the shipchartering business division. Consequently, gross profit decreased marginally by 9% y-o-y to S$13.4 million in 2Q FY2012 as compared to S$14.7 million in 2Q FY2011.

Operating expenses (including administrative expenses and other operating expenses) increased 21% y-o-y to S$3.1 million in 2Q FY2012 mainly due to higher legal and facility fees relating to bank financing incurred. But operating expenses were still kept under tight lid, representing close to 4% of the Group's revenue in 2Q FY2012.

The Group concluded 2Q FY2012 with a net profit attributable to shareholders of S$7.6 million (2Q FY2011: S$10.0 million), representing basic earnings per share of 1.81 Singapore cents (2Q FY2011: 2.39 Singapore cents).

OPERATIONS OVERVIEW

	2Q FY2012			2Q FY2011		
Segments	**Revenue**	**Gross Profit**	**Gross Profit Margin**	**Revenue**	**Gross Profit**	**Gross Profit Margin**
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Shipbuilding	48,305	5,657	12	53,555	4,136	8
Shiprepair and conversion	9,146	2,753	30	31,917	6,541	21
Shipchartering and rental	19,903	4,945	25	17,640	4,026	23

Revenue contribution from the shipbuilding business dipped 10% y-o-y to S$48.3 million in 2Q FY2012 but it registered a higher gross profit margin of 12% in 2Q FY2012 as compared to 8% in the previous corresponding period. This was mainly attributable to progressive recognition of more profitable projects in the current quarter.

Revenue contribution from shiprepair and conversion business dipped 71% y-o-y to S$9.1 million in 2Q FY2012 due to projects of smaller contractual value were secured during the quarter. The gross margins however increased to 30% in 2Q FY2012 from 21% in 2Q FY2011 as these smaller projects generally yield higher margins.

Revenue from the shipchartering and rental business grew 13% y-o-y to S$19.9 million in 2Q FY2012 and gross profit improved from S$4.0 million in 2Q FY2011 to S$4.9 million in 2Q FY2012. Charter income from full operations of bigger vessels like the AHTS (acquired in 4Q FY2011) and ROV support vessel (acquired in 1Q FY2012) was partially offset by the overall lower utilization rate of the Group's chartering fleet.

OUTLOOK

The Group's shipbuilding order book from external customers stands strong at S$553 million as of to-date. It comprises of 39 vessels including offshore support vessels, Anchor Handling Towing/Supply vessels, self-propelled cutter suction dredgers, tugs and barges which will keep the yard busy till 1Q FY2014. Barring any unforeseen circumstances, approximately 16% of the order book is expected to be recognized within 2H FY2012.

As for shipchartering business, the Group has a fleet size of 194 vessels as at 31 December 2011 (30 December 2010: 196 vessels) comprising barges, towing tugs, Anchor Handling Tugs, Anchor Handling Towing/ Supply vessels, ROV support vessel and other vessels. As of the date of this announcement, the Group's shipchartering operations have a total outstanding delivery order of 11 new vessels worth approximately S$35 million. These 11 vessels comprising Anchor Handling Tugs and barges are being built internally by the Group.

Approximately 21% of the Group's shipchartering revenue in 1H FY2012 was contributed by long term chartering contracts. As at 31 December 2011, the Group's outstanding order book comprising long term shipchartering contracts amounted to approximately S$57 million.

Barring any unforeseen circumstances such as a significant deterioration in the shipping industry, the Directors expect the Group to remain profitable for the financial year ending 30 June 2012.

"The macro environment remains challenging amidst renewed concerns over the uncertain global economy. Shipbuilding industry outlook is divided. Commercial vessels like containerships and bulk carriers continue to be affected by depressed BDI index and global trade uncertainties; whereas smaller vessel class like tugs and barges and offshore support vessels appears to be on the recovery trend. These vessel classes are where ASL Marine niche lies.

We believe in the latent potential of the demand streaming from both Australia and Indonesia. Marine transportation continues to be important for oil and coal related customers in Indonesia. Cabotage rule is in full implementation now and I believe ASL Marine will be well-positioned to benefit from the increasing demand. Major O&G projects have started in Australia and we have strong working relationships with customers working there. We are working to leverage on the current network base to entrench ourselves deeper in Australia.

We will continue to remain vigilant and constantly evaluate our strategies so as to remain nimble in the current environment."

Ang Kok Tian
Chairman and Managing Director

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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 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 194 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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