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# ASL Marine reports earnings of S\$32.3 million for FY2012

- Revenue increased 7.7% to S\$391.2 million as all three business segments registered revenue growth
- Gross profit grew 14.7% to S\$56.9 million mainly due to better margins from shipbuilding and shipchartering segments, however earnings were up only 1.3% because of higher other operating expenses
- Shipbuilding order book from external customers & long term shipchartering order book stood at S\$586 million and S\$59 million respectively
- Recommended final cash dividend of 1.75 cents per share, representing a 23% payout

**Singapore, 15 August 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\$391.2 million and net profit attributable to shareholders of S\$32.3 million for the twelve months ended 30 June 2012 (“FY2012”).

Financial Highlights	4Q	4Q	Chg	FY2012	FY2011	Chg
	FY2012	FY2011		S\$'000	S\$'000	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	116,974	92,626	26.3	391,222	363,151	7.7
Gross Profit	17,952	13,649	31.5	56,874	49,599	14.7
Gross Profit Margin	15.3%	14.7%	-	14.5%	13.7%	-
Other Operating Income	337	206	63.6	8,621	10,514	(18.0)
Other Operating Expenses	(4,107)	(1,009)	307.0	(8,409)	(3,311)	154.0
Net Profit Attributable to Equity Holders	8,287	5,825	42.3	32,326	31,916	1.3
Net Profit Margin	7.1%	6.3%	-	8.3%	8.8%	-
Basic Earnings Per Share (cents) *	1.98	1.39	42.4	7.71	7.61	1.3

\* Based on the weighted average of 419,511,294 ordinary shares for 4Q FY2011, 4Q FY2012 & FY2012 (FY2011: 419,482,630 ordinary shares)

## **FY2012 FINANCIAL OVERVIEW**

The total revenue for the Group increased 7.7% year-on-year (“y-o-y”) in FY2012 to S\$391.2 million. The increase was due to all three business segments, namely shipbuilding, shiprepair and conversion and shipchartering, registering growth in their respective revenue contributions for FY2012.

With growth in gross profits for each of the business segments with the exception of shiprepair and conversion, the overall gross profit for the Group climbed 14.7% y-o-y to S\$56.9 million in FY2012. The gross profit margin for the Group improved from 13.7% in FY2011 to 14.5% in FY2012 mainly due to better margins from the shipbuilding and shipchartering segments, partially offset by the margin decline in the shiprepair segment.

Other operating income reduced 18.0% y-o-y in FY2012 to S\$8.6 million mainly due to lesser gain on disposal of vessels from S\$10.2 million in FY2011 to S\$6.5 million in FY2012.

Administrative expenses inched up by 8.2% y-o-y to S\$10.1 million in FY2012 due to higher legal and professional fees as well as higher facility fees incurred for additional bank financing obtained. Other operating expenses for the Group registered an increase from S\$3.3 million in FY2011 to S\$8.4 million in FY2012, mainly due to S\$4.7 million allowance for impairment of doubtful receivables from subsidiaries of PT Berlian Laju Tanker Tbk on shiprepair works carried out previously as it undergoes corporate restructuring.

Consequently, the Group registered a net profit attributable to shareholders of S\$32.3 million in FY2012, a 1.3% improvement y-o-y. This translated to basic earnings per share of 7.71 Singapore cents for FY2012 (FY2011: 7.61 Singapore cents).

## **OPERATIONS OVERVIEW**

Segments	FY2012			FY2011		
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Shipbuilding	223,985	23,671	10.6	215,683	17,769	8.2
Shiprepair and conversion	89,086	14,285	16.0	81,900	16,174	19.7
Shipchartering and rental	78,151	18,918	24.2	65,568	15,656	23.9

Revenue from the shipbuilding business increased 3.8% y-o-y to S\$224.0 million in FY2012 mainly due to a higher project value order book as well as a greater percentage of completion as revenue is recognised on percentage of completion basis. The gross profit for the segment increased 33.2% to S\$23.7 million and the gross profit margin improved from 8.2% in FY2011 to 10.6% in FY2012 due to progressive recognition of higher value projects, while better project management resulted in lower cost over-runs.

Revenue from shiprepair and conversion business improved 8.8% y-o-y to S\$89.1 million in FY2012 mainly attributed to the recognition of revenue generated from the completion of a ship conversion project for a Floating Production and/or Storage and Offloading vessel (FPSO). However, gross profit from the segment declined by 11.7% y-o-y to S\$14.3 million

in FY2012 and the gross profit margin reduced from 19.7% to 16.0% as higher provision was made for subcontractors' costs on the ship conversion job.

Revenue from the shipchartering and rental business experienced strong growth of 19.2% y-o-y to S\$78.2 million in FY2012 mainly due to additional charter income from the operations of the Anchor Handling Towing/ Supply vessels (AHTS) acquired in 4Q FY2011 and the ROV Support Vessel acquired in 1Q FY2012. Gross profit increased 20.8% y-o-y to S\$18.9 million in FY2012 with a corresponding increase in gross profit margins from 23.9% in FY2011 to 24.2% in FY2012, owing to higher utilisation rates for its chartering fleet. The Group's overall vessel utilisation rate in 4QFY2012 improved to 70% (4QFY2011: 63%).

## **OUTLOOK**

The Group secured about S\$454.5 million worth of new shipbuilding contracts in FY2012. With the contract wins, the Group's shipbuilding order book from external customers stood at approximately S\$586 million as at 30 June 2012. The order book comprised of 38 vessels, including Offshore Support Vessels, AHTS, self-propelled cutter suction dredger, tugs and barges. Barring any unforeseen circumstances, the Group expects to recognise approximately 53% of the order book in FY2013.

As for the shipchartering business, the Group's fleet size as at 30 June 2012 stood at 188 vessels (30 June 2011: 194 vessels) comprising barges, towing tugs, Anchor Handling Tugs, AHTS, ROV Support Vessel and other vessels. Currently, the Group's shipchartering operations have a total outstanding delivery order of 30 vessels worth approximately S\$133 million, comprising AHTS, ROV Support Vessel, landing crafts, tugs and barges. With the exception of a barge (worth \$0.6 million), these vessels are being built internally by the Group.

Approximately 26% of the Group's shipchartering revenue in FY2012 was contributed by long-term chartering contracts. As at 30 June 2012, the Group had an outstanding order book of approximately \$59 million with respect to long-term shipchartering contracts. The Group has received notification from an existing customer to exercise their option to purchase the ROV Support Vessel that has been chartered on long-term contract since September 2011. Excluding this vessel, the Group's outstanding order book of long-term shipchartering contracts will be lowered to approximately S\$58 million.

***“Despite the uncertainty surrounding the growth prospects of the global economy, the offshore oil and gas industry appears to be relatively unscathed in the near term with oil prices remaining at healthy levels. This is expected to stimulate exploration and production activities and generate demand for offshore support vessels. Indeed, we have seen increased activities in particular segments of offshore support vessels even as the bulk and container shipping industries languish.*”**

***FY2012 has been a rewarding year in terms of order book momentum, the effects of which will be carried forward into FY2013 as our shipyards shall be operating at near full capacity.***

***To reward our shareholders and to express our appreciation, the Board has recommended a final cash dividend of 1.75 cents per share for FY2012. ”***

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

The Group remains cautiously optimistic and barring any unforeseen circumstances, the Directors expect the Group to remain profitable for FY2013.

--- 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 188 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](http://www.aslmarine.com)

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Issued for and on behalf of ASL Marine Holdings Ltd.

By Financial PR Pte Ltd

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