**PRESS RELEASE -- FOR IMMEDIATE RELEASE**

# Revenue growth continues for ASL Marine, earnings reported at S$19.5 million for 1HFY2014

- **129.5% surge in revenue to S$190.4 million due to contribution from the shipbuilding, shiprepair and conversion, and engineering segments**
- **Proposed acquisition of shipyard in Batam to increase capability and strengthen presence in key target market, Indonesia**
- **Positive outlook supported by build-to-stock program and outstanding shipbuilding order book of S$278 million, and S$72.0 million in long-term shipchartering contracts**

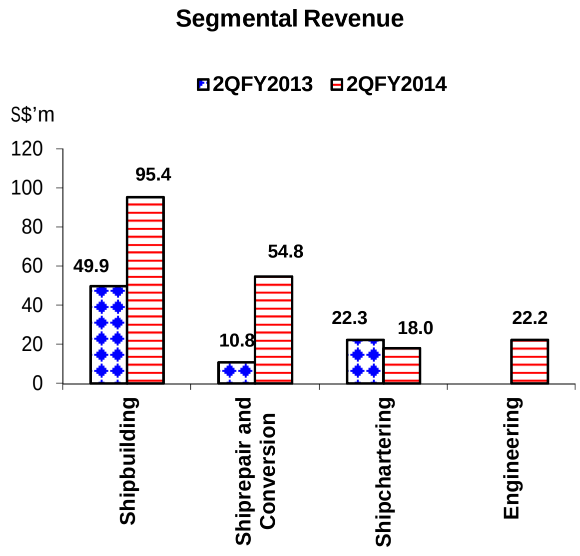
**Singapore, 13 February 2014** – ASL Marine Holdings Ltd. ("ASL Marine" or the "Group"), an integrated marine company offering comprehensive services in shipbuilding, shiprepair and conversion, shipchartering and dredging engineering, reported revenue of S$190.4 million and net profit attributable to shareholders of S$7.8 million for the three months ended 31 December 2013 ("2QFY2014").

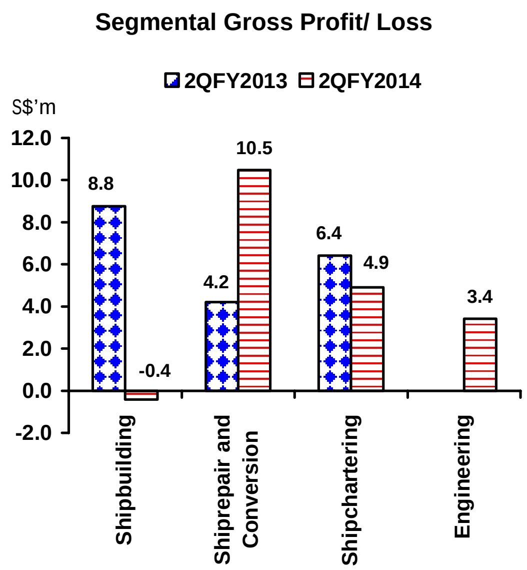
| **Financial Highlights** | **2QFY2014 S$'000** | **2QFY2013 S$'000** | **Chg %** | **1HFY2014 S$'000** | **1HFY2013 S$'000** | **Chg %** |
|---|---|---|---|---|---|---|
| Revenue | 190,436 | 82,973 | 129.5 | 338,738 | 171,951 | 97.0 |
| Gross Profit | 18,387 | 19,381 | (5.1) | 42,379 | 41,485 | 2.2 |
| Gross Profit Margin | *9.7%* | *23.4%* | - | *12.5%* | *24.1%* | - |
| Other Operating Income | 3,830 | 329 | 1,064.1 | 6,610 | 1,931 | 242.3 |
| Administrative Expenses | (8,259) | (3,573) | 131.2 | (16,638) | (6,512) | 155.5 |
| Other Operating Expenses | (973) | (2,935) | (66.8) | (938) | (9,792) | (90.4) |
| Net Profit Attributable to Equity Holders | 7,812 | 10,614 | (26.4) | 19,511 | 20,439 | (4.5) |
| Net Profit Margin | *4.1%* | *12.8%* | - | *5.8%* | *11.9%* | - |
| Basic Earnings Per Share (cents)* | 1.86 | 2.53 | (26.5) | 4.65 | 4.87 | (4.5) |

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

## 2QFY2014 FINANCIAL OVERVIEW

ASL Marine's revenue continued its growth momentum, surging 129.5% year-on-year ("y-o-y") to S$190.4 million for 2QFY2014. The strong growth was led by significant contributions from the shipbuilding segment, shiprepair and conversion segment, as well as engineering segment, slightly moderated by the shipchartering segment.




The shipbuilding segment recorded revenue of S$95.4 million in 2QFY2014, an increase of 91.0% over S$49.9 million in 2QFY2013, mainly due to progressive revenue recognition of a dredger, and more units of offshore support vessels ("OSVs") under construction. However, the Group reported a slight gross loss for the shipbuilding segment on the back of S$4.7 million in provision for additional costs attributable to certain OSVs.

Due to the completion of a rig repair job which contributed S$40.2 million, revenue for the shiprepair and conversion segment increased by more than five-fold to S$54.8 million for 2QFY2014. Concurrently, gross profit increased 149.3% to S$10.5 million for 2QFY2014. Nevertheless, gross profit margin declined to 19.1% owing to a higher amount of subcontractor costs for completed projects in prior years being written back in last year. Excluding the write-back, gross profit margin for the shiprepair and conversion segment would be as follows:

| | 2QFY2014 | 2QFY2013 |
|---|---|---|
| | % | % |
| Gross profit margin as reported | 19.1% | 39.2% |
| Adjusted margin excluding the write-back | 17.8% | 25.2% |

Works are ongoing for 4 remaining rig repair jobs, which are expected to be completed in the coming quarters.

For the shipchartering segment, revenue declined 19.4% to S$18.0 million following the partial disposal of 24% effective interest in PT Capitol Nusantara Indonesia ("PT CNI") in 3QFY2013, partially mitigated by higher income from newly acquired AHTS and ROV support vessel. Had there be no disposal of the 24% effective interest in PT CNI in last year, revenue from the shipchartering segment would have grown 2.8% in 2QFY2014. In addition to the de-consolidation of PT CNI, weaker demand for high horse power tugs also contributed to the slight decline in gross profit and gross profit margin to S$4.9 million and 27.3% respectively.

The engineering segment contributed revenue of S$22.2 million in 2QFY2014, with heavier contribution from the components and services business. Gross profit margin for the engineering segment was 15.4%, which included a write-back of warranty provision of S$1.7 million.

The Group's administrative expenses increased 131.2% to S$8.3 million in 2QFY2014 mainly due to the inclusion of Vosta LMG's expenses. This was offset by the decline of S$2.0 million in other operating expenses and an increase of S$3.5 million in other income, due to the absence of allowance for impairment of doubtful debts, unrealized gain on foreign exchange, and gain from disposal of plant and equipment in 2QFY2014, amongst others.

Net profit attributable to shareholders declined 26.4% to S$7.8 million in 2QFY2014, predominantly due to provisions and cost overruns in the shipbuilding segment, and the one-off reversal of deferred tax liabilities of S$1.5 million in 2Q FY2013. This translated into basic earnings per share of 1.86 Singapore cents (2QFY2013: 2.53 Singapore cents).

## OUTLOOK

As at 31 December 2013, the Group held approximately S$181 million in shipbuilding order book from external customers, comprising of 20 vessels including OSVs, AHTS, self-propelled cutter suction dredger, tugs and barges. 64% of the order book is expected to be recognized in 2HFY2014. Subsequent to 31 December 2013, the Group secured additional shipbuilding contracts for 6 vessels worth $97 million where recognition of income is expected after FY2014.

The Group's shipchartering fleet comprised of 177 vessels as at 31 December 2013 (31 December 2012: 202 vessels). As part of the fleet renewal and enhancement efforts, the Group's shipchartering operations have a total outstanding delivery order of 25 vessels worth approximately S$83 million, comprising a dredger, landing crafts, tugs and barges. Save for 8 vessels amounting to S$28 million, the remaining vessels are being built by the Group. As at 31 December 2013, the Group had an outstanding order book of approximately S$72 million in long-term shipchartering contracts.

The Group holds a positive view on the medium to long term prospects for the engineering segment, as the dredging market is expected to undergo a fleet renewal exercise to replace older and obsolete vessels. Meanwhile, the components business within the engineering segment is relatively stable due to the nature of its business. In the near term, the Group intends to enhance the revenue stream of the components business with the introduction of more items and increased marketing efforts.

***"The revenue growth momentum over the past few quarters endorses our strategy to focus on the offshore marine sector. In line with our belief, we continue to see opportunity for growth in the oil and gas industry, and are taking appropriate steps to exploit these opportunities.***

***In this respect, our build-to-stock program is intended to capture rising demand for generic OSVs, while the traditional build-to-order model is adopted for more customized vessels. This will enable us to capture economy of scale thereby maximizing returns in a shorter time while keeping risks low."***

**Ang Kok Tian**
**Chairman and Managing Director, 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 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 177 vessels comprising barges, towing tugs, Anchor Handling Tugs, Anchor Handling Towing/ Supply vessels and other vessels for its shipchartering operation.

ASL Marine added engineering segment to its business model after the acquisition of Vosta LMG group. 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, provides specialist parts to, and manages the construction of large custom-built or standard, self-propelled or stationary dredgers. Vosta LMG's strength in design allows it to convert, refit and upgrade existing dredgers. Vosta LMG also provides inspection, training, management and advisory services to clients all over the world.

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

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