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ASL Marine generated S$5.6 million earnings in 3QFY2014

- **Revenue remained stable at S$144.8 million, with growth coming mainly from the shiprepair and conversion, and engineering segments**
- **Outstanding shipbuilding order book remains healthy at S$282.0 million, and there is S$66.0 million in long-term shipchartering contracts**

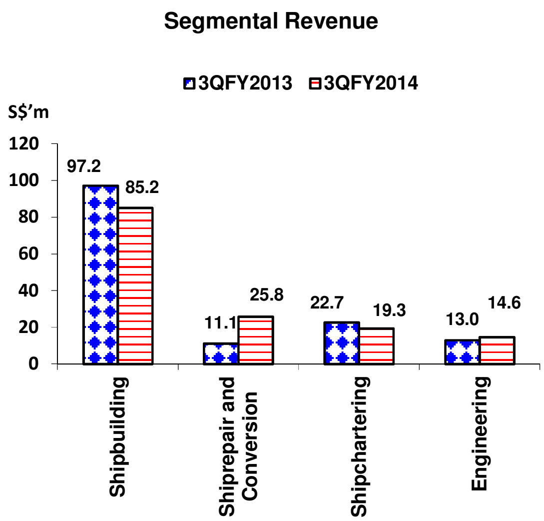
Singapore, 14 May 2014 – ASL Marine Holdings Ltd. ("ASL Marine" or the "Group"), an integrated marine company offering comprehensive services in shipbuilding, shiprepair and conversion, shipchartering and dredging engineering, reported revenue of S$144.8 million and net profit attributable to shareholders of S$5.6 million for the three months ended 31 March 2014 ("3QFY2014").

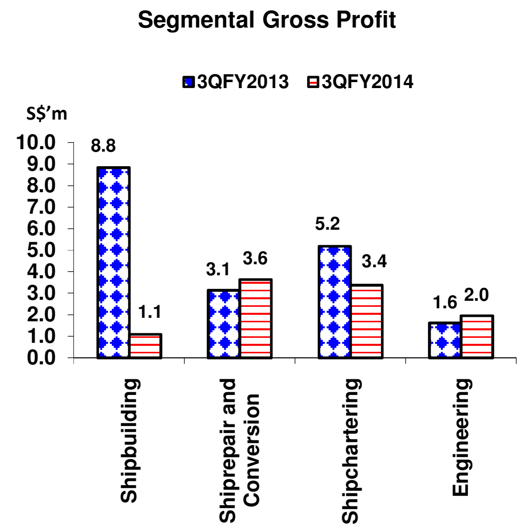
Financial Highlights	3QFY2014 S$'000	3QFY2013 S$'000	Chg %	9MFY2014 S$'000	9MFY2013 S$'000	Chg %
Revenue	144,839	144,029	0.6	483,577	315,980	53.0
Gross Profit	10,071	18,794	(46.4)	52,450	60,279	(13.0)
Gross Profit Margin	*7.0%*	*13.0%*	-	*10.8%*	*19.1%*	-
Other Operating Income	2,876	3,074	(6.4)	8,402	2,675	214.1
Administrative Expenses	(6,538)	(8,289)	(21.1)	(23,176)	(14,801)	56.6
Other Operating Expenses	(1,375)	(40)	3,337.5	(1,229)	(7,502)	(83.6)
Net Profit Attributable to Equity Holders	5,639	9,622	(41.4)	25,150	30,061	(16.3)
Net Profit Margin	*3.9%*	*6.7%*	-	*5.2%*	*9.5%*	-
Basic Earnings Per Share (cents)*	1.34	2.29	(41.5)	6.00	7.17	(16.3)

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

3QFY2014 FINANCIAL OVERVIEW

ASL Marine's revenue remained stable at S$144.8 million for 3QFY2014. The group recorded growth in the shiprepair and conversion, and engineering segment, which was offset by the shipbuilding and shipchartering segment.





Revenue from the shipbuilding segment retraced 12.4% year-on-year ("y-o-y") to S$85.2 million in 3QFY2014. This was attributed to the lower revenue recognized from the construction of offshore support vessels ("OSVs") during the quarter as the construction of most of the OSVs are nearing completion. This was offset by higher revenue recognized from the construction of dredger and barges together with the revenue from an additional 2 units of tugs. Gross profit for the shipbuilding segment was reported at S$1.1 million, with gross profit margin of 1.3%. This was mainly due to the delay in the completion of construction of 3 units of OSVs, of which the margins have been suppressed due to additional subcontractors' cost, additional working capital and provisions for liquidated damages.

Revenue from the shiprepair and conversion segment more than doubled to S$25.8 million in 3QFY2014 from S$11.1 million in 3QFY2013 on the back of major conversion works on a crude oil tanker. Gross profit for the shiprepair and conversion segment was at S$3.6 million. Despite recording higher revenue, the profit margins for conversion works on the crude oil tanker are lower than that of the usual shiprepair and conversion jobs. As a result, the overall profit margin was affected, declining from 28.2% in 3QFY2013 to 14.1% in 3QFY2014, in part also due to lower write-backs of sub-contractor costs. Works are ongoing for 4 remaining rig repair jobs, which are expected to be completed in the coming quarters.

The Group's overall shipchartering revenue decreased $3.4 million, or 14.9% to $19.3 million in 3QFY2014 and $12.6 million, or 18.8% to $54.3 million in 9M FY2014. Following the partial disposal of 24% effective interest in PT Capitol Nusantara Indonesia ("PT CNI") in 3QFY2013, there was no shipchartering revenue from PT CNI in 3QFY2014. Excluding the contribution from PT CNI, shipchartering revenue in 3QFY2014 increased 12.3% to S$17.0 million as long-term charter income increased by S$3.0 million, due to the newly acquired AHTS and ROV support vessel. However, gross profit declined 34.8% to S$3.4 million in 3QFY2014. The lower gross profit margin of 17.5% as compared to 22.8% previously for the shipchartering segment was due to higher repair and maintenance costs incurred on barges.

Revenue from the engineering segment increased 12.3% to S$14.6 million in 3QFY2014, with a large proportion derived from the components and services business. Gross profit margin for the engineering segment increased to 13.4% from 12.5%, with gross profit reported at S$2.0 million.

The Group's administrative expenses decreased 21.1% to S$6.5 million in 3QFY2014 due to lower legal and consultancy costs and staff salaries. This was partially offset by increase of S$1.3 million in other operating expenses due to unrealized foreign exchange loss and higher finance costs arising from the issuance of a S$100.0 million fixed interest rate bond in March 2013.

Net profit attributable to shareholders declined 41.4% to S$5.6 million in 3QFY2014, predominantly due to lower revenues in the shipbuilding and shipchartering segments, as well as lower margins recorded with the exception of the engineering segment. This translated into basic earnings per share of 1.34 Singapore cents (3QFY2013: 2.29 Singapore cents).

OUTLOOK

The Group held approximately S$282.0 million in outstanding shipbuilding order book from external customers as at 31 March 2014. This comprises of 27 vessels including OSVs, AHTS, self-propelled cutter suction dredger, and tugs and barges; with progressive deliveries up to the third quarter of 2016.

The Group's shipchartering fleet comprised of 185 vessels as at 31 March 2014 (31 March 2013: 211 vessels). As part of the fleet renewal and enhancement efforts, the Group's shipchartering operations have a total outstanding delivery order of 18 vessels worth approximately S$49 million, comprising of landing crafts and tugs and barges. Excluding 5 vessels amounting to S$10 million, these vessels are being built by the Group. As at 31 March 2014, the Group had an outstanding order book of approximately S$66 million in long-term shipchartering contracts.

The components business within the engineering segment is performing better than expectations. In addition to pursuing growth of this business, the Group will also step up on marketing activities for the design engineering business.

"Oil prices are remaining at a level that is conducive of continued E&P spending and activities. However, the Group maintains a cautious stance for this sector as there is competition prevalent in the market. Moreover, the ongoing consolidation of China's shipbuilding sector has resulted in heightened competition for OSV builders across the region, even as we face challenges in terms of tight labour conditions.

Our near term focus will be to strengthen profitability through margin improvements as margins came under pressure based on the factors mentioned above. We will enhance efforts to improve productivity so as to minimise project costs over-runs and ensure timely delivery of vessels to our customers.

Externally, the Group will devote more attention into securing high margin projects across our business segments while reviewing our business processes internally to maintain a strict level of quality and boost productivity. By doing so, the Group will be able to boost our competitiveness to remain one of the key players in our field."

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 185 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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