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ASL Marine reports S$3.0 million earnings for 1QFY2015

- **Though Group revenue decreased by 53.8% to S$68.5 million as shipbuilding, and shiprepair and conversion contributing lower revenues, engineering segment showed 37% growth in revenue**
- **Group put a tight leash on the expenses and administrative expense reduced by 18.4% in the quarter**
- **Overall decline in earnings resultant from the low revenue recognition in shipbuilding as new building projects have just started, i.e. the percentage of completion was low**
- **Group has an outstanding shipbuilding order book of 24 vessels for approximately S$298.7 million, and outstanding long-term shipchartering order book approximately S$68.8 million as of September 30**

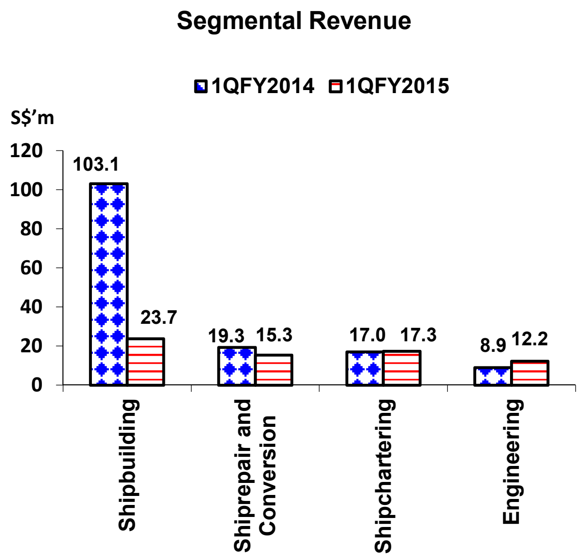
Singapore, 13 November 2014 – ASL Marine Holdings Ltd. ("ASL Marine" or the "Group"), an integrated marine company offering comprehensive services in shipbuilding, shiprepair and conversion, shipchartering and dredging engineering, reported revenue of S$68.5 million and net profit attributable to shareholders of S$3.0 million for the three months ended 30 September 2014 ("1QFY2015").

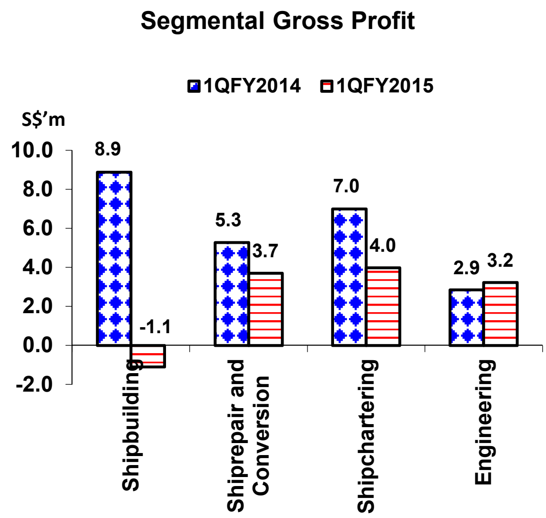
Financial Highlights	**1QFY2015**	**1QFY2014**	**Chg**
	S$'000	**S$'000**	**%**
Revenue	68,530	148,302	(53.8)
Gross Profit	9,810	23,992	(59.1)
Gross Profit Margin	*14.3%*	*16.2%*	-
Other Operating Income	3,448	2,820	22.3
Administrative Expenses	(5,947)	(7,284)	(18.4)
Other Operating Expenses	(1,197)	(5)	23,84 0
Net Profit Attributable to Equity Holders	3,010	12,794	(76.5)
Net Profit Margin	*4.4%*	*8.6%*	-
Basic Earnings Per Share (cents)*	0.72	3.05	(76.4)

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

1QFY2015 FINANCIAL OVERVIEW

Total Group revenue of S$68.5 million for 1QFY2015 was 53.8% lower year-on-year (yoy) compared to 1QFY2014, as lower revenue was generated from shipbuilding division, and shiprepair and conversion division. The decrease was partially offset by the higher revenue from engineering division.





Revenue from shipbuilding segment decreased by 77% to S$23.7 million as most of the shipbuilding projects undertaken in the previous financial year were either completed or delivered, or near completion, thereby reducing the amount recognized for this quarter. Revenue from offshore support vessels, dredgers, and tugs declined, while barges and other vessels brought in relatively higher revenue.

Shiprepair and conversion segment reported revenue of S$15.3 million, a decrease of 20.6% yoy due to fewer high value (amount above S$1.0 million) shiprepair and conversion jobs undertaken.

Revenue from shipchartering segment increased marginally by 1.5% to S$17.3 million in 1QFY2015. Revenue from charter of vessels increased by about S$1.0 million, partially offset by the S$0.7 million decrease in trade sales revenue. Revenue from long-term charter of vessels increased, while spot charter revenue decreased.

Engineering segment generated S$12.2 million revenue for the quarter, an increase of 37% yoy. New Buildings revenue decreased as only 2 projects were undertaken in 1QFY2015, compared to 3 in 1QFY2014, and most of the projects commenced in the previous financial year were approaching completion. Revenue from the components business increased 42% to S$12.0 million.

Total gross profit decreased by 59.1% to S$9.8 million in 1QFY2015 compared to 1QFY2014. Shipbuilding segment saw a loss of S$1.1 million due to upward revision of material cost and overrun in subcontractors' costs. Gross profit and the margin both decreased for the shiprepair and conversion division, due to lower write-back of sub-contractors' costs for prior years' completed projects. The lower gross profit and the margin for shipchartering division was attributable to lower utilization of tugboats and AHT, as well as the higher upkeep costs and port charges arising from the increase in fleet size. Gross profit for the engineering division improved, while the margin declined due to a non-recurring write back of warranty provision in 1QFY2014.

Administrative expenses decreased by 18.4% as the Group conscientiously took effort in cost rationalization. The effective tax rate was lower for the quarter compared to 1QFY2014. Other operating expenses increased by S$1.2 million due to foreign exchange losses and a written off of 2 units of barges. Overall, net profit attributable to shareholders decreased by 76.5% to S$ 3.0 million.

OUTLOOK

The overall business climate for the shipbuilding industry has been challenging due to less demand and the over capacity issue. Coupled with the recent slide in oil prices, demand for construction of new offshore supply vessels is expected to reduce thereby resulting competition in the offshore oil and gas market to heighten and the Group has experienced some challenges in securing new orders. Shipbuilding margin expected to continue to remain weak due to the depressed pricing and rising labour costs.

As at 30 September 2014, the Group had an outstanding shipbuilding order book from external customers of approximately S$298.7 million for 24 vessels, which will be progressively delivered up to 1QFY2017. The order book comprised Offshore Support Vessels, AHTS, tugs and barges.

The Group's shipchartering operations currently have an outstanding delivery order of 20 vessels worth approximately S$122.8 million, comprising AHTS, PSV, landing crafts, tugs and barges. With the exception of 8 vessels with a total worth of S$14.2 million, these vessels are being built internally by the Group. Outstanding order book for long-term shipchartering contracts stood at approximately S$68.8 million.

"Market conditions remained weak, and the recent decline in oil prices exacerbated it. While competition has been fierce, we still secured new projects. However, vessel owners are demanding for better products at lower prices, and margins for the new vessel contracts were squeezed. In addition, as new building projects have just started, the percentage of completion is low, resulting in lower revenue recognition in the quarter. These projects will add to the revenue stream in the coming quarters as they carry on.

On the shiprepair and conversion and chartering front, margin remained healthy.

Another notable achievement for the quarter was that the Engineering division has started to generate positive earnings, despite slower than expected economic recovery in the EU, and the global downturn for the shipping industry. The improvement in Engineering highlighted the strength of a diversified business structure of the Group and the capability to reduce the volatility in earnings in a weak market.

Looking ahead, we expect the market will remain tough and challenging in remaining part of FY2015, however, we think the demand for charter of vessels will improve as port expansion and marine infrastructure in the region are going on.

The Group remains strategically committed to maximizing deployment, enhancing and renewing its fleet to better meet customers' needs. With the enlarged fleet size and improved yard infrastructure, the Group will be well positioned to weather the market downturn, and capture the growth when it picks up in the next cycle. "

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 vessels comprising barges, towing tugs, Anchor Handling Tugs, Anchor Handling Towing/ Supply 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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