



**MANAGEMENT REPLIES TO ONLINE Q&A**

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27 February 2014

Dear Investors,

Thank you very much for the questions and the opportunities to clarify them. Your questions are reposted in *blue* followed by our replies.

Through this online exchange, we hope you have a better understanding of our Group's businesses and strategies.

Regards,

The Management Team  
ASL Marine Holdings Ltd.

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Dear KC, you wrote:

- 1. I read from your latest 2Q report that "The additional costs arose due to delays in delivery of certain OSVs and costs overrun". What causes this delay and is the delay cause by your shipyards in Singapore or other countries? Would we be expecting the same delay and cost overrun in the future?*

**ASL:** The delay in delivery of certain Offshore Support Vessels and costs overrun was due to project execution undertaken in both Batam and China yards. The Management is constantly monitoring the progress of the various projects carried out in the Group's overseas yards to improve margin and costs control.

- 2. Your commentary wrote that "the group is more focused on margin". What is the profit margin that you are targeting for each of your segment and what is the expected quarter that you are targeting to reach those margin?*

**ASL:** The Company does not provide profit guidance.

- 3. China shipyards are rising. Do you have any intention to break away from the competition and find your own niche (e.g. designing more fuel-efficient ships) which is of higher value to reduce the competition from China shipyards?*

**ASL:** The Group is already building vessels which are fuel-efficient, for example hybrid and diesel-electric powered vessels. In addition, the Group is also taking pro-active role in our shipbuilding segment by building to stocks offshore support vessels (such as medium size AHTS, PSV, work maintenance vessels, LNG terminal escort tugs etc).

**4. Interest rate is expected to rise. Your business requires huge capital expenditure. Are there any intentions to reduce the gearing ratio to approximately 0.5 to 0.6 instead of the current 0.87?**

**ASL:** The current gearing ratio of 0.87 is mainly due to the 10%/90% and 20%/80% payment terms granted to our shipbuilding customers. Along with the delivery of vessels in the months to come, the Management expects the gearing ratio to improve. Generally, the Group is constantly monitoring and working hard to keep the gearing ratio below 1 time.

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Dear B Ng, you wrote:

***In your 1H14 announcement, Pg 24, para, shipbuilding and Shiprepair Operation. You have mentioned that the outstanding shipbuilding order book from external customer approximately \$181 million and approximately 64% of order book is expected to be recognised within the next 6 months.***

***What about the outlook and forecast revenue for shiprepair operation??***  
***Tks***

**ASL:** The order book for general shiprepair projects is normally of ad hoc and short term nature. The Group currently has 4 units of service rigs repairs works still ongoing and are expected to be completed in the coming quarters.

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Dear Jayster, you wrote:

***Political risk is rising in Indonesia, unlike in China where Singapore has good relations. What steps or measures have the management taken to contain rising political risk in Indonesia to safeguard the company's shipyards assets.***

**ASL:**

The long term prospects for Indonesia remains positive. The Management constantly monitors and keeps a close eye on the legal and regulatory trends as well as the likelihood of major political events and developments in Indonesia.

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Dear Ah Huat, you wrote:

*Recently, Fidelity Investments became a substantial shareholder of ASL Marine. May I know from your records or your investment meetings with institutional investors, which other major funds have increased their shareholdings of your Company. I can't see it from your 2013 annual report as the holdings are through nominees.*

**ASL:** The substantial shareholdings notification provisions are governed under the Companies Act (Cap.50) and the Securities and Futures Act. It is the onus of the substantial shareholder (whose interest is 5% or more) of a company listed on the Singapore Exchange Securities Trading Limited to notify the Company when he becomes or ceases to be a substantial shareholder of the Company or changes to its percentage holding thereto.

Besides FMR LLC, the Company has not received any such notifications from any other shareholders/ investors.

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Dear David Tan, you wrote:

*I notice you also repair rigs. What types of rigs are you repairing? When will you start building rigs?*

**ASL:** The types of rigs that the Group is repairing are mainly service rigs. The Group is actively tendering for building of self-elevating jack-up vessels which include liftboat and jack-up accommodation vessels.

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**Dear Investors,**

**Thank you for all your questions and the interest in ASL Marine Holdings Ltd. We have come to the end of this Q&A session.**

**We have enjoyed and learnt much from your questions and we hope that you have a better insight of our Group and its operations.**

**Regards,**

**The Management Team  
ASL Marine Holdings Ltd.**