



MANAGEMENT REPLIES TO ONLINE Q&A

11 September 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.

Dear John Ng, you wrote:

1. 2H14 badly hit by the 2 OSV delays and 1 cancellation. View this outcome was due to complicated design of the vessels, does it mean such project is beyond the capability of ASL or is it simply under-quoted for these 3 OSVs? It was allured that your supplier did not quite fulfill the equipment specs. Thus can ASL hold this supplier partly responsible for the loss?

ASL: As a shipyard that builds vessels customised to the requirements of customers, we are exposed to certain risks in the building and construction of the vessels. In this particular case, we embarked on this project that is relatively complicated and there are only a handful of such vessels constructed in this part of the world. The vessel is of the deep water Norwegian design and is of DNV class. As a shipyard, we constructed the vessel based on the design of an external party and also ordered the equipment package from the same party. After identifying some of the main technical problems, our main focus was to work harmoniously with the other parties (including the design firm, the equipment supplier, etc) and get the issue resolved, rather than pointing fingers on who's fault was it. We would like to assure our shareholders that we would do the necessary to ensure that this cancellation has the least impact on us when everything with external parties is settled. We believe that our asset is world class and we would keep our options open to either charter it out or sell it to another party, whichever is most beneficial to the Group.

Dear Ramanathan Alaganchetty, you wrote:

2. Though we understand the profit/revenue erosion due to cancellation of one OSV vessel contract in last quarter, what are the efforts in getting the subsequent quarters back on track and with growth? Any positive development on the deployment of the cancelled OSV?

ASL: The Company believes that the results in 4Q FY2014 is one-off and will revert back to its profitable ways in 1Q FY2015. The Company is presently in discussion with interested buyers and charterers and does not foresee any difficulty in concluding a sale or charter contract for the cancelled vessel in the near term.

3. *How is your order book? Is it better than normal or below normal in comparison with historical order book data?*

ASL: The Company's order book has been consistent during the last few years except as at 30 June 2012 where it spiked when we secured a dredger project.

4. *Your engineering division has contributed healthy GP margin. Is there any specific efforts to improve the business and focus more on the engineering division rather than on heavily competitive ship building?*

ASL: Dredging companies are required to continuously invest in maintaining and up-grading their equipment. The Company has been focusing on the dredge component business since taking over Vosta LMG in 2012.

5. *Could you please provide guidance of revenue and earnings for next FY?*

ASL: The Company does not provide profit guidance.

6. *ASL's gearing through MTM/bond offerings is high. Do you envisage any equity dilution in the next 24 months?*

ASL: At present the Company is not expecting any funds raising exercise via equity and in the event such exercise is being considered, an announcement will be made accordingly.

Dear Frank Ho, you wrote:

7. *Your long term charter business is quite resilient. Have you considered starting a shipping trust by selling your chartering vessel to the trust and retaining a majority stake to collect tax-free distribution while being able to raise funds from the IPO of the trust to buy distress vessels to inject into the trust?*

ASL: The Company appreciates your valuable input and will sincerely take it into consideration.

Dear Alvin Khoo, you wrote:

8. *Why don't you offer scrip dividend so you can conserve cash and allow existing shareholders to increase their stakes in the Company?*

ASL: The Company appreciates your valuable input and will sincerely take it into consideration.

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.**