

Dear Investors,

Thank you very much for the questions and the opportunities to clarify them.

We hope you have a better understanding of our business through this online exchange.

Your questions will be reposted in blue followed by our replies in black.

Regards,  
The Management Team  
ASL Marine Holdings Ltd.

---

Dear Michael See, you wrote:

First of all let me once again say thank you for a job well done. I have been investing in ASL and increasing my stake holding since 2004.

1. With the impending slow down in the global economy, especially the US. How are you prepared to face the challenge and will ASL business be impacted, notwithstanding the confidence of Chairman Ang.

We believe any slow down in the global economy; especially the United States will affect most industries.

Barring unforeseen circumstances, the marine industry is expected to remain with its positive outlook owing to the increasing offshore oil & gas exploration and production activities, International Maritime Organization's regulation to phase out all single hull tankers by 2010, as well as new demand and renewal of ageing offshore support vessels (AHT, AHTS, PSV etc) by offshore operators.

In view of the Group's strong order books and increased shipyard capability and capacity, we are confident that the Group will achieve revenue and profit growth for FY2007, barring the adverse impacts that may be caused by further increases in prices of fuel and raw materials, manpower and subcontractor shortages.

2. Many of ASL competitor has moved their focus to rig building and Oil related business. Is there any plan to move into that area of business.

The Group is currently focusing on expanding its core businesses and has no immediate plan to move its focus to rig building. However, the Group is moving up the value chain into the offshore oil & gas sector. The Group has recently repaired a Jack-Up rig and a Floating, Supply & Offloading vessel. The Group has also been securing more technically sophisticated vessels such as Anchor Handling Towing & Supply vessels ("AHTS"), Platform Supply Vessel ("PSV") and offshore self elevating barge for offshore activities. Further, an increasing number of the Group's fleet are also deployed in the offshore oil and gas sector and related activities.

3. If not, are you positioned to increase the business and benefiting from this development. ASL can take advantage to increase market share and revenue.

Please refer to our reply to your question 2 raised.

4. Will more focus and resources be invested into the area of shiprepair and shipchartering where margins are much higher, and can these numbers be maintained and improved.

The Group has positioned itself for further growth in its core businesses with special focus on its high margin shiprepair and shipchartering segments. This is evident from the Group's increased investment in its shiprepair capability and capacity with the completion of a 150,000 dwt graving dry dock in August 2006 and the Group's continuing effort in renewing and upgrading its fleet. Further, the Group planned to take delivery 13 tugs and 14 barges worth S\$43 million in FY2007.

5. Is there any increase in contribution from the middle east segment and will that be increased

An increasing number of the Group's fleet in the ship chartering division is chartered to the Middle East region involving in infrastructure, land reclamation and dredging works. The Group's shipchartering business will continue to benefit from the current buoyant infrastructure development projects undertaken in the Middle East, especially in U.A.E and Qatar.

Once again, let me congratulate the management team and all the staff member for the excellent work. Well done.

---

Dear John, you wrote:

Dear Sir,

Good results. I was wondering if management would increase the dividend payout next year in the form of interim and full year.

The dividend payout for FY2007 will be depending on the Group's performance and foreseeable funding requirement in future years. Barring unforeseen circumstances, the Group intends to maintain at least the same dividend payout level as in FY2006.

---

Dear Chow Kay Toh, you wrote:

Being a share holder , I would like to ask in the near future whether any consideration for ASL marine to go into the direction of offshore rigs and if so does management have the expertise to execute such massive plans.

Kindly refer to our reply to question 2 raised by Mr Michael See.

---

Dear Barry Ng, you wrote:

We were delighted without any surprise about the record profit and revenue for ASL company posted on 24th Aug.

Based on the current price S\$0.75, ASL Marine is only traded at FY06 PER 7.5, FY06 P/B 1.59. Both numbers are way below sector average. Indeed ASL Marine is the lease expensive ship building company traded in SGX.

In the event, should ASL Marine match the marine sector average ratio. The price for ASL Marine should be well above S\$1.5 per share.

I guess the reason for this underperformance in share price has to do with the reporting interval. Because most company report their result quarterly. However ASL Marine is having half yearly result announcement. Longer announcement interval could also mean more uncertainty than those company who practise shorter announcement interval. This could be the reason that has put off investors.

1) Would the company consider to have quarterly result announcement?

The Ministry of Finance has on 31 August 2006 announced that it has accepted all the recommendations of the Council on Corporate Disclosure and Governance including retaining mandatory quarterly reporting for listed companies with market capitalisation exceeding S\$75 million. Under this new arrangement, the Group with market capitalisation crosses the S\$75 million threshold will be required to submit its first quarterly financial statement for the quarter ending 31 March 2008.

2) I would like to register my interest to participate any analyst briefing or plant visit. Should the company have any plan to do it. Please keep me informed.

We noted your request.

3) On your result announcement pg 16, paragraph "Shipchartering Operations".; Quoted "the group expect to take delivery of 13 tugs and 14 barges worth an aggregate S\$43 m (of which 3 tugs and 4 barges worth S\$ 16m are being built internally) in the first half of FY 2007" Please advise what do you mean by "being built internally"?

The 3 tugs and 4 barges worth S\$ 16m which are to be acquired by the ship chartering division are being built internally by the Group's shipbuilding division.

---

Dear JK Lim, you wrote:

What is the cause for low margin in new construction ? If Management cannot secure contract of higher margin or poor management of cost, it should then refuse the bid because worldwide the offshore activities are very active and thus should focus selectively. ASL should also focus on its shipping activities as that is the strongest source of margin. Will management be focusing more long term charter or shipping contract and boost the fleet further.

The Group's revenue from shipbuilding operations increased by 27.8% to S\$123.3 million in FY2006. The Group also recorded higher gross profit margin of 4.3% for FY2006 as compared to 3.2% in FY2005 mainly due to better pricing derived from higher value projects recognised in FY2006.

The Group will continue to focus on its core activities in shipbuilding, shiprepair and ship chartering. The Group will continue to renew its fleet of vessels for the ship chartering division while aiming to maintain a higher proportion of time and lumpsum charter as compared to projects under contract of affreightment which are of longer contracted terms but generally yields lower margin.

---

Dear Merxantia, you wrote:

Dear ASL Marine,

Congratulations on your sterling results for FY06. Appreciate if you can respond to the following queries:

1. Given ASL Marine's steady expertise now in shipbuilding and shiprepair, would ASL be considering diversifying into rig building similar to Labroy in future?

Kindly refer to our reply to question 2 raised by Mr Michael See.

2. Are the current shipyards already operating at maximum capacity for FY07? In that sense, does the company have further capacity to take on more orders for FY07-FY08?

The Group's shipyards currently are operating near maximum capacity for FY2007. The Group has capacity to take on additional orders for FY2007 to FY2008.

Thanks and best wishes to the management of ASL.

---

Dear Goh Si Mien, you wrote:

Firstly, I would like to thank the management for doing a good job for FY06. Looking forward, i have the following questions:

1. Does ASL Marine have a plan to move into the lucrative oil rig business, similar to what Labroy and Cosco are doing?

Kindly refer to our reply to question 2 raised by Mr Michael See.

2. Is there any reason why the dividend payout ratio of 24% of net profit attributable to shareholder is lower than the 29% given out last FY?

The total dividend payout for FY2006 included a special dividend of 0.4 cents per share which has taken into consideration the Group's performance in FY2006 and funding requirement in FY2007.

3. What is the strategic reason for ASL Marine to go into the Tabang Coal Concession? Would this venture contribute significantly to the bottomline in the near future?

Kindly refer to SGXNET announcement made on 9 January 2004. ASL Energy is a jointly-controlled entity of ASL Marine. The acquisition by ASL Energy into the Tabang Coal Concession in early 2004 was to secure a strategic stake in the supply chain for coal, so as to ensure at least a minimum level of utilisation for ASL Energy's 72 vessels. The acquisition provides an additional source of revenue and profit for ASL Energy. ASL Marine has also enjoyed additional shipbuilding revenue and profit contribution from the shipbuilding contract for the construction of a 65,000 dwt floating terminal. This contract was awarded to ASL Shipyard Pte Ltd, a wholly-owned subsidiary of ASL Marine.

The Tabang coal mine is not expected to reach its optimum capacity and realize its full potential in FY2007. The expected contribution from the coal concession for FY2007 will continue to be limited to the guaranteed minimal operating cashflow of US\$3.6 million less the amortisation (over 20 years) of the marketing and mining rights to the coal concession which is valued at S\$40 million (note that ASL Marine's effective shareholding interest in the coal mine is 25.1%).

4. Could you give us a more concrete plan for the venture into Guangdong and is there plan to establish a more significant footing in China?

Kindly refer to SGXNET announcement made on 12 August 2005. The Group's 60% subsidiary in Guangdong China, Jiangmen Hongda Shipyard Ltd ("Jiangmen Hongda"), was incorporated in July 2005 as a Wholly Foreign-Owned Enterprise with a registered capital of US\$2,100,000. The principal activities of Jiangmen Hongda are those of shipbuilding, shiprepair and other marine related services.

Jiangmen Hongda has acquired a 8.17 hectare shipyard land in Guangdong province. The company is currently developing the yard and target to commence operation towards the end of first half FY2007.

best rgds  
Goh Si Mien

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 Company and know more about our operations.

Regards,  
The Management Team  
ASL Marine Holdings Ltd.