

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 are reposted in blue followed by our replies in black.

Regards,
The Management Team
ASL Marine Holdings Ltd.

Dear KM Gan, you wrote:

Firstly, congratulation for another good set of financial results. Well done!

As an investor of ASL Marine, lately, I observed that there has been lack of announcements for the new ship building contracts.

1. Does this mean that the ship building sector is reaching / nearing its peak?

The Group recorded its highest amount of outstanding shipbuilding order book of \$382 million as at 31 December 2006 with approximately 33% of these projects expected to be recognised by June 2007. Depending on the type and sophistication of the new shipbuilding orders to be secured, we believe there is potential growth for the ship building sector owing to the generally positive outlook for the marine industry. The Group's shipyards currently are operating near maximum capacity for FY2007 and the Group has capacity to take on additional shipbuilding orders for FY2008 and beyond.

2. If this is so, how does the management plan to address this to maintain the CAGR in excess of 30% that we have been seeing for the past 2~3 years?

The Group's total revenue increased by 48.7% from \$105.2 million for half year ended 31 December 2005 ("1HFY06") to \$156.4 million for half year ended 31 December 2006 ("1HFY07"). The Group achieved higher revenue in all three segments with revenue from shipbuilding, shiprepair and shipchartering increased by 46.0%, 77.5% and 42.1% respectively. In view of the Group's strong order books of S\$382 million for shipbuilding as at 31 December 2006, we are confident that the Group will be in position to maintain its CAGR in excess of 30% for revenue in FY2007. Going forward, the Group will continue to focus on expanding its core business in shipbuilding, shiprepair and shipchartering operations to achieve growth in its revenue and earnings.

3. Since the margin from the ship repair and ship chartering are relatively good, are there plans to increase the revenue contribution from the ship repair and ship chartering segments to counter for the likely revenue falls from ship building business?

The Group has continuously positioning 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. The operation of the graving dry dock in Batam has boosted the shiprepair revenue in 1HFY07 and has enhanced the Group's capability to provide ship owners a fuller range of repair services, thus increasing its prospects of taking on more and bigger shiprepair & conversion jobs. The Batam shipyard's new 220m finger pier, when completed in July 2007, will further increase berthing capacity and allow the Group to take on more shiprepair business. Further, the Group planned to take delivery 14 tugs and 8 barges worth S\$39 million in the second half year of FY2007 (2HFY07).

4. What is the expected revenue contribution/forecast for the new shipyard in Guangdong?

The Group's 60% subsidiary in Guangdong China, Jiangmen Hongda Shipyard Ltd is expected to commence operations in 1Q2007 and will be focusing mainly on shipbuilding activities. Being a new set-up, the shipyard in Guangdong is not expected to contribute significantly for our revenue for FY2007 and FY2008.

Dear James, you wrote:

Will ASL move towards building and even chartering FPSO, FSO or drillships?

The Group is currently focusing on expanding its core businesses and has no immediate plan to move its focus to building or chartering FPSO, FSO or drillships. The Group has been moving up the value chain into the offshore oil & gas sector and has been securing more technically sophisticated vessels such as Anchor Handling Towing & Supply vessels ("AHTS") and Platform Supply Vessel ("PSV") for offshore activities. An increasing number of the Group's shipchartering fleet are deployed in the offshore oil and gas sector and related activities.

Dear EL, you wrote:

Congratulations on your sterling performance, especially in terms of top-line revenue! I have two questions.

Firstly, the rate of increase in shipbuilding orders appear to have slowed down sharply, with orders only increasing 6.7% since FY06, compared to 83% annual growth between FY03-06. Why is this so, given buoyant projections in demand for new ships? Does management anticipate significant increases in shipbuilding orders over the coming year?

The Group recorded its highest amount of outstanding shipbuilding order book of \$382 million as at 31 December 2006. While it represented only 6.7% increase over the six month period against the outstanding shipbuilding order book of \$358 million as at 30 June 2006, it achieved a 27.8% increase on a year-on-year basis against the outstanding shipbuilding order book of \$299 million as at 31 December 2005.

Depending on the type and sophistication of the new shipbuilding orders to be secured, we believe there is potential growth for the ship building sector owing to the generally positive outlook for the marine industry. The Group's shipyards currently are operating near maximum capacity for FY2007 and the Group has capacity to take on additional shipbuilding orders for FY2008 and beyond.

Secondly, 1H07 Gross Profit grew a highly commendable 67% compared to Net Profit of 36%. The drag in terms of Net Profit appears to be due to lower disposal of ships to third parties and poor results from ASL Energy's operations. What does management anticipate disposal income and ASL Energy's performance to be in the coming year?

The Group recorded lower gain on disposal of plant and equipment of S\$2.2 million (comprised of sale of 10 vessels) in 1HFY07 as compared to S\$3.3 million (comprised of sale of 15 vessels) in 1HFY06. While the Group continues its effort in renewing and upgrading its fleet, the level of disposal income will be depending on the opportunity and demand of specific type of vessels.

The share of results from ASL Energy Group decreased from a profit of \$0.9 million in 1HFY06 to a loss of \$0.07 million in 1HFY07. This was mainly attributed to depreciation charge of its 65,000 dwt floating terminal during the initial charter-free period granted to the charterer, as well as higher bank loan interest and foreign exchange loss. The contribution from chartering of the floating terminal is expected to commence in 2HFY07. ASL Energy Group's 50.2% share of profit contribution from the Tabang coal concession in 2HFY07 will however be continued to be limited to the guaranteed minimal operating cash flow as the coal production has yet to reach its optimum capacity.

Thank you.

Dear Pang Seng Chan, you wrote:

Given that you built the biggest dry dock in Indonesia, what plan do you have to build the 2nd one to complement it? Rumors in the market that the existing dry dock was leaking profusely and was empty for a while, what are the impacts on your earnings and when will you announce to shareholders? Please clarify.

The group currently has no immediate plan to build the second dry dock in Batam.

We would like to clarify that the rumors were grossly exaggerated. The dry dock is designed with a “hydrostatic relieve system” consisting of underground drainage and many evenly spaced relieve holes. The design allows for underground water to flow out preventing structural damage to the dry dock due to hydrostatic pressure. The water collected in the dock would then be pumped out using dewatering pump. Water seepage from the dock floor is not abnormal. We have in-placed standard operating procedures to handle such incidence which has no material impact to the Group’s shiprepair activities.

Following the completion of the 150,000 dwt graving dry dock in Batam in August 2006, the Group’s revenue from shiprepair operations increased significantly by 77.5% from \$12.0 million in 1HFY06 to \$21.3 million in 1HFY07. This is comparable to the shiprepair revenue of \$23.3 million for the whole of FY2006. The strong performance in this segment was primarily due to more and bigger shiprepair and ship conversion jobs undertaken at the Batam graving dry dock in 1HFY07.

Dear Lek Kwei How, you wrote:

Based on your financial result report, ASL marine has achieved good result.

Despite of STI index dropped, ASL marine had dropped nearly 1.0.

Does this also reflect investor lack of confident for ASL Marine?

What is your point of view?

There are many complex factors affecting movement in share price and we are in no position to comment on the day-to-day fluctuation in share price movement of the Group. The Group is currently focusing on expanding its core businesses and we will continue to work hard to generate value for our shareholders.

Dear Steven Gan, you wrote

My questions to the management:

1. In the 1H07 result, there is a provision of \$780K for liquidated damage. Can you pls. elaborate on this? Is this a one time incident pertaining to the challenges faced in the project delivery? Do you see any further provisioning in this aspect that will be needed going forward?

The provision of \$780K for liquidated damages as at 31 December 2006 was pertaining to allowances made for estimated delay in certain shipbuilding deliveries. The allowances are subject to finalisation with customers including the Group's claims on extension of time and variation orders. Part of the amount provided has since been reversed in 2HFY07 after finalisation with customer. Going forward, we will continue to improve our operation and strive to minimise further provisioning of this nature.

2. With the exercising of ESOS and the potential conversion of the 49.5 mil warrants by 1 Apr 2008, there will be dilution in EPS earning from FY08. Are there any plan for share buy-back to mitigate against this?

The Group's Share Purchase Mandate has been approved by shareholders in an Extraordinary General Meeting held on 20 October 2006. The Group currently has no immediate plan for share buy back. To consider future plan on share buy back, the Group will take into consideration the impact on its working capital requirements or the gearing levels.

3. What is the mgmt earning guidance going into FY08?

The outlook for the marine industry is expected to remain positive in view of the buoyant offshore oil and gas exploration and production activities, booming infrastructure development in the Middle-East, increasing numbers of domestic infrastructure construction projects and new demand and renewal of ageing offshore support vessels by offshore operators.

Based on the generally positive business environment, the Group's outstanding order books and increased shipyard capacity and capability, barring any unforeseen circumstances, the Group is optimistic of the prospect for FY2008.

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.