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:

First of all, congratulation to the entire team at ASL for achieving excellent result yet again.

As an investor of ASL Marine, I would hope the management can help to clarify on the following questions:

1. Due to the cyclical nature of offshore and marine sector, slowdown of demand will bound to be happen one day. This might result in over capacity and under utilization at the shipyards. What are the long term strategies for ASL to address this risk and to ensure that ASL will continue to chalk-up healthy net-profit grow annually?

While the slowdown of demand due to the cyclical nature of offshore and marine sector will affect the Group's shipbuilding business, the other two business segments especially the shiprepair business is less cyclical due to the recurring need for regular maintenance and repair of vessels. The Group has started to adopt longer term strategies to position itself for further growth in its higher 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 expanding its chartering fleet. Further, the Group planned to take delivery 37 vessels worth S$85 million in FY2008.

2. I am confident that ASL will continue to chalk-up further growth in FY08. Going into FY09, what is the management earning guidance?

Based on the Group's outstanding shipbuilding order books, improved shiprepair capabilities and enlarged fleet size for shipchartering operations, barring any unforeseen circumstances, the Group is optimistic to achieve revenue and earnings growth in FY2008.

As at 30 June 2007, the Group had an outstanding order book for shipbuilding of approximately $622 million for the building of 45 vessels including offshore support vessels and offshore construction vessels. Barring any unforeseen circumstances, approximately 43% of the order book is expected to be recognised in FY2008 and the remaining 57% of the order book is expected to be recognized after FY2008.

3. I noticed that there was a 10-fold increase for the allowance for doubtful trade receivables. Can you pls. help to elaborate on this further? Is the management expect this number to further escalate going forward?

The allowance for doubtful trade debts increased by $1.0 million to $1.2 million in FY2007 due to provision made for certain overdue debts. Approximately 43% of the amount provided has since been received after FY2007. While the level of business activities is expected to increase, the Group expects the provision of such nature to remain at a manageable level.

4. Looking at the financial data that was released, the total debt payment due with less than a year amounted to about $66 mil. Can you help to elaborate on how ASL will be able to meet the payment obligation? What is the management plan to trim down the long term debt of S$59.8 mil?

The total debt payment due with less than a year of $65.7 million comprised mainly trust receipts of $24.2 million and current portion of interest-bearing liabilities of $41.3 million. The total debt payment due more than a year of $59.8 million comprised mainly interest-bearing liabilities of $59.2 million.

These are borrowings pertaining to specific project financing for the Group's shipbuilding projects, capital expenditure for yard facilities development and acquisition of new vessels for fleet enlargement and renewal. The Group expects to meet the repayment schedule through positive operating cashflow..

5. In the near term, did the management foresee a need to raise capitals by means of new share placement, issuing of rights, etc. to fund ASL growth further?

During FY2007, the Group funded its vessel fleet expansion and shipyards development mainly through its positive operating cash flows, external borrowings and proceeds from sale of vessels. The Group currently has no immediate plan to raise capital. To evaluate the need to raise capital, the Group will take into consideration the longer term funding requirements, available financing options and potential dilutive effect on shareholders.

6. I understand that the US subprime mortgage issue is impacting the financial sector. Nonetheless, is there any direct or indirect impact from the US subprime mortgage or Collateral Debt Obligation fallout on ASL businesses going forward?

We do not foresee direct impact on the Group's businesses from the US sub-prime mortgage or Collateral Debt Obligation fallout. However, we believe any slowdown in the global economy especially the United States will affect most industries and therefore will have indirect impact on the Group's businesses.

7. Based on the current opportunities in the pipeline, does the management foresee any further upside in securing new shipbuilding contracts in the near term?

The Group has received on going enquiries on new shipbuilding contracts. Appropriate announcement on new shipbuilding contracts secured will be made by the Group via SGXNET as and when the contracts are confirmed and signed.

8. Comparing the outlook before and after the US subprime issues, did the management forsee or have the management started to see any apparent softness from customers for ASL products/services going forward?

Please refer to our reply to your question 6.

Dear Jayster, you wrote:

Why did ASL Energy sell its 50.2% interest in Tabang coal concession when coal prices is rising?

The rationale for ASL Energy's divestment of its 50.2% interest in the Tabang coal concession has been explained in the Group's SGXNET announcement made on 25 July 2007. Since the beginning of 2006, mining operations at Tabang have been adversely affected by increasing difficulty of access to the coal loading facilities. Consequently, output at the mine has been below plan. Although ASL Energy has been able and will be able to rely on a cash flow guarantee from Bayan Resources Group until mid-2009, a substantial amount of additional investment would have been required to address the logistics problem and to enhance the value of the coal at Tabang in the longer term. Given the capital constraint of ASL Energy and the intention of its management to focus on the business of coal transportation, the shareholders of ASL Energy have decided to sell the entire interests in the Tabang coal concession.

Dear Serene Lim, you wrote:

Which line of business do ASL sees the most potential with margin expansion?

While the Group continuously positioning itself for further growth in its core businesses with special focus on the higher margin shiprepair and shipchartering segments, the Group does not foresee significant margin expansion for its businesses in view of the competitive market condition and various factors affecting our profit margin such as manpower shortages and increase in raw material price such as fuel etc.

Dear Alex Looi, you wrote

Please advise the following.

1. In your Financial report for FY2007, it was mentioned that the book order for ship building was $622m. Can you also provide your forecast or book order for your ship repair and ship chartering division?

The Group has announced that the outstanding order book as at 30 June 2007 with respect to long term shipchartering contracts is approximately $14 million. For the shiprepair segment, the order book for general shiprepair projects is normally of ad hoc and short term nature. The Group remains optimistic of its shiprepair business as its docking facilities at Batam have been operating near full capacity in FY2007.

2. As the debt level has increase substantially due to the purchase of more ships for your ship chartering division, the impact of interest payment, and thus profit for FY2008 will be much higher. Based on the figure in the FY2007 financial statement, I believe the interest expense (financial expenses) will be doubled to approx $8m. Do you foresee the interest expense to substantially decrease the overall net profit for FY2008?

Finance costs increased by $1.2 million to $4.6 million in FY2007 comprised mainly of $4.4 million interest for term loans and $0.2 million for trust receipts. Term loan interest increased by $1.4 million in FY2007 due to increase in borrowings in line with increased level of business activity and fleet expansion of the shipchartering fleet and operations. The Group hedges against interest rate fluctuations. While interest expense is expected to increase due mainly to increase in borrowings for fleet expansion, the expanded fleet size is expected to generate higher gross profit for the Group.

3. ASL marine has made a number of large capital expenditures for the past few years. Are there any plans to make anymore capital expenditure for the current financial year? If there is, what will be the nature of the capital expenditure what is the projected amount as well as the projected revenue earning that will be generated from the new expenditure?

The Group has announced that as at 30 June 2007 it plans to further strengthen its shipchartering fleet by taking delivery of 37 vessels worth approximately $85 million in FY2008 including towing tug, Azimuth Stern Drive tug, Straight Supply vessel, Anchor Handling Towing/ Supply vessel and Anchor Handling tug (of which 10 vessels worth approximately $31 million are being built internally). Depending on the timing of delivery, the enlarged fleet size is expected to contribute positively to the Group's shipchartering revenue. The Group's shipchartering segment recorded gross margin of 33.8% in FY2007.

4. Is there any on going cost cutting measures to improve the margin for the ship building division? Most of the revenue comes from this division but it is not the highest profit generating division.

The Group's revenue from shipbuilding operations increased significantly by 64.4% to S$202.7 million in FY2007. The shipbuilding segment also recorded higher gross profit margin of 8.4% for FY2007 as compared to 4.3% in FY2006 mainly due to improved pricing derived from higher value projects and improved operating efficiency. The Group will continue its effort to improve the shipbuilding margin through operation efficiency and cost control.

5. Contribution margin is high for Ship repair and ship chartering. Are there any plans to increase the revenue for these 2 divisions?

Please refer to our reply to your question 3 and our reply to KM Gan's question 1.

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.