ASL MARINE HOLDINGS LTD. (CO. REG. NO. 200008542N)

ASL MARINE'S MANAGEMENT REPLIES TO ONLINE MANAGEMENT Q&A

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:

As an existing shareholder of ASL Marine, I would like to congratulate the ASL Management Team for achieving yet another record year of growth! The followings are my questions:

1. With the generally suppressed economic climate and the lack of new ship building contracts, how does ASL attempt to position itself for further growth moving forward? Is the management on the lookout for any potential M&A opportunities?

The Group is currently focusing on expanding its core businesses in shipbuilding, shiprepair and shipchartering, particularly in its higher margin shiprepair and shipchartering segments which are of less cyclical nature as compared to the shipbuilding segment.

We have announced plans to expand the Group's docking facilities at its Batam yard by lengthening existing 150,000 dwt drydock and adding two new graving drydocks for repair of medium-sized vessels. Further, the Group would increase its shipchartering fleet by taking delivery of 27 vessels worth approximately $67 million, including towing tugs, Straight Supply vessels and Anchor Handling Towing/ Supply vessels (of which 8 vessels worth approximately $27 million are to be built internally). The expansion of docking facilities for shiprepair segment and the continuous renewal and expanding of fleet for the shipchartering segment will enhance the Group's competitive edge to position itself for further growth moving forward.

The Group currently has no immediate plans to explore potential M&A opportunities.

2. With the offshore and marine sector likely to sail into a consolidation phase, what are the management plans to stay ahead of its competitors?

While any 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 particularly the shiprepair business is less cyclical due to the recurring need for regular maintenance and repair of vessels. To stay ahead of competitors, the Group has announced plans to expand its shipyard capacity and capability to enable the repair and service of a wider range of vessels for its shiprepair business. For the shipchartering segment, the Group will continue its efforts in renewing and expanding its chartering fleet. The Group's shipchartering segment currently operates a fleet of 180 vessels comprising Anchor Handling Tugs, tugs and barges servicing customers from various industries, including offshore oil & gas, marine infrastructure, dredging, land reclamation, marine construction and cargoes transportation. With this diversified strategy, the Group has the flexibility and versatility to re-deploy its vessels to cushion against any downturn encountered by a particular sector.

3. With the continue softness in the demand for Ship Building, is ASL Management confident of successfully ramping-up the revenue for its ship repair and ship chartering businesses to sufficiently cover the likely shortfall in the ship building revenue in next 2-3 years?

The Group is positioning itself for further growth in its higher margin shiprepair segment in the next 2-3 years with the expansion of docking facilities at the Group's Batam yard which is expected to be completed in 2009. This growth strategy, together with the continuous expansion of its shipchartering fleet, will help to cushion the Group against any impact on earnings caused by slowdown in demand by the shipbuilding segment moving forward.

Dear Steven Lim, you wrote:

First of all, congratulations to the management for a wonderful 2008!

While the increase in dividend to 4ct is good, I wish the management can consider increasing it at a higher payout ratio of at least 33% instead of a low 20%.

Many other companies are already adopting a higher payout ratio. Your nearest competitor, Jaya Holdings, has been giving out 67% for last 2 years and at least 57% for the last 9 years since Jun 2000.

I fully understand your funding needs for your operations and i think given the situation, having a higher ratio of 33% - 50% would not seriously affect yr funding.

Thank you.

In view of the higher earnings achieved in FY2008, the board of directors have recommended a higher dividend of 4 cents to shareholders as compared to 2.8 cents paid for last financial year. The payout ratio of 20% for FY2008 is also higher as compared to 18% for last financial year.

The Group constantly reviews its dividend policy. The amount of dividend will be depending on the Group's performance and foreseeable future funding requirements including the availability of external financing for capital expenditure.

Dear Tan Yap Hong, you wrote

Do the management constantly review its cash policy to ensure that there is sufficient cash for operations? If so, to what extent will the management allow the net cash equivalents to be negative?

Management constantly reviews and monitors the Group's cashflow to ensure sufficient cash and credit facilities to meet operational requirements. The balance of net cash and cash equivalents at any period would subject to operational funding requirements and credit facilities of the Group.

Dear Stephanie Loy, you wrote:

Hi, I would like some guidance on ASL Marine's funding needs and capex requirements in the next 1-2 years.

1. To expand docking facilities at Batam yard by lengthening existing 150,000 dwt drydock and adding two new graving drydocks for repair of medium-sized vessels. Has this investment of $30 million been fully financed?

The total investment for the lengthening of existing graving drydock and the building of two new graving drydocks of approximately $30 million would be funded through a combination of internal resources and borrowings from the issuance of floating rate notes in June 2008 under the Group's Multicurrency Debt Issuance Programme.

2. To increase your shipchartering fleet by taking delivery of 27 vessels worth approximately $67 million. Has this $67 million been fully financed? When will these 27 vessels be delivered?

The capital expenditure for the 27 vessels worth approximately $67 million will be funded through a combination of internal resources and borrowings. Financing arrangement for vessel acquisitions are usually carried out upon the delivery of vessels. Based on current estimated delivery schedules, approximately 21 vessels will be delivered before 30 June 2009 while the remaining 6 vessels are expected to be delivered after 30 June 2009.

3. Any other plans to increase your shipchartering fleet? What is the funding required? Thank you.

The Group will continue its efforts on the renewal and expanding of fleet for its shipchartering segment with specific focus in the offshore oil and gas sector as well as harbor and terminal services. The rate of future fleet expansion and funding requirement will be dependent on the market demand and the amount of capital expenditure to be incurred moving forward.

Dear N.Segarajasingam, you wrote:

1. *How is the shipyard in China performing and its future prospects.*

Commenced operations in May 2007, the Group's 60% subsidiary in Guangdong China, Jiangmen Hongda Shipyard Ltd ("JMHD") currently undertakes the building of barges and tugs for in-house contracts. JMHD incurred a start-up loss of $0.4 million for FY2008 and it is not expected to contribute significantly to the Group's earnings for the financial year ending 30 June 2009.

2. *Steel prices have gone up and did it have any significant effect on the fair value of shipping vessels the company owns.*

The Group does not perform revaluation on its property, plant and equipment except for assessment for impairment.

Depending on the profile of vessels owned by the Group such as type and date of acquisition, increasing steel prices generally has positive impact on the market valuation of vessels owned by the Group.

3. *As there is no par value for shares can the Board consider splitting the shares to have more shares for the shares for public to trade.*

The Group currently has no plans to split the Company's shares. The Group will continue to monitor the share trading volume and market liquidity of the Company's shares for future consideration.

4. *Where can the public find the information on the shares of ASL lend by shareholders/SGX for short selling if any*

Thank you

We are not aware of the eligibility of the Company's shares under the Securities Lending scheme administered by The Central Depository (Pte) Limited.

Dear Panagioti Grigoriou, you wrote:

Congratulations once again! However, the better the results, the worst the share price. Valuation is now ridiculous. Dividend could have been at least 6 c. What will we do to get a P/E of 8?

There are many complex factors (such as economic outlook, market sentiment etc) affecting movement in the share price and market valuation of the Group which are subject to fluctuations from time to time.

Kindly refer to our earlier reply to question raised by Mr Steven Lim regarding the Group's dividend policy.

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.