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

MANAGEMENT REPLIES TO ONLINE Q&A

2 September 2009

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 Jayster, you wrote:

Ship repair and chartering seems to be holding better than the slowing shipbuilding sector. I would see shipbuilding as a one time revenue flow and ship repair/conversion & chartering as strong recurring business for ASL Marine.

What's the strategy going forward for ASL Marine when shipbuilding order has come to a standstill but ships are still being sent for repair/conversion and chartered when needed?

The Group expects demand for new shipbuilding orders to remain weak under current economic conditions and the tight liquidity situation. The Group remains positive of the longer term outlook of the less cyclical shiprepair and shipchartering segments where the Group is entrenching its position by expanding the docking facilities at Batam yard and enlarging its fleet size.

The Group's optimism on the longer term outlook for shiprepair is supported by the increasing world fleet and regulatory requirements to maintain sea worthiness of vessels. As announced earlier, the Group is enhancing its competitive edge for the repair and service of a wider range of vessels by lengthening the existing 150,000 dwt graving dry dock to accommodate larger vessels and also building two new smaller graving dry docks for medium-sized vessels. These facility expansions are expected to be completed in the third quarter of FY2010.

The positive medium and longer term outlook for the Group's shipchartering operation is underpinned by the continued activities in the marine infrastructure, harbour and terminal services sectors in Singapore, South East Asia as well as Australia. The Group remains strategically committed to its fleet renewal and enhancement program and the current market weaknesses provide opportunity for the Group to exploit acquisition at relatively lower prices.

Dear Gerald Tan, you wrote:

The company has continued to pay out 4 cents in dividend for FY2009 despite the slowing business. Has the management considered paring down its debt level with the cash instead of paying it out to the shareholders?

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 working capital and capital expenditure requirements.

Having considered the Group's gearing position and projected working capital requirement, the board of directors has recommended maintaining the same level of 4 cents dividend per share for FY2009 so as to reward shareholders for their continual belief and support in the Group.

Dear Marcus Chua, you wrote:

Has the company considered listing the chartering unit of your business as a shipping trust? This would free up cashflow to buy more ships cheaply today. They can be leased out at a cheaper rate than competitors. The benefits will be seen in the next few years as Asia's economy grows. What's the management view on this?

The Group's shipchartering unit currently consists of smaller vessels such as tugs and barges and its revenue are generated mainly from short-term and ad-hoc contracts. The Group currently has no immediate plan to list its shipchartering unit as a shipping trust. However, the Group will continue to evaluate the proposal taking into consideration various factors such as the type and mix of vessels in the portfolio, existing borrowings and charter revenue type as well as the expected return.

Dear Serene Lim, you wrote:

ASL is one of the few companies in the shipping and marine sector that hasn't tapped into the market for equity funds. Will the company consider raising funds soon given the buoyant stock market environment?

During FY2009, the Group funded its capital expenditure and repayment of loans and borrowings mainly through its positive operating cash flows, external borrowings and proceeds from sale of vessels and disposal of its jointly-controlled entity, ASL Energy Pte Ltd. The Group has on 5 June 2008 issued S$50 million in aggregate principal amount of Floating Rate Notes ("FRN") comprising S$39 million in principal amount of FRN maturing on 5 June 2010 and S$11 million in principal amount of FRN maturing on 5 June 2011.

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.

Dear Tam Lim Hock, you wrote:

I've noticed discounts were given out to ship charterers hence affecting gross profit. Is this a temporary or permanent measure to increase the utilisation rate of the fleet? What cost saving measures has the company adopted to weather this economic downturn?

Gross profit for the Group's shipchartering operations increased by 15% to S$30.2 million as its gross profit margin improved from 29.9% in FY2008 to 31.4% in FY2009.

Under the current economic environment, the Group expects the shipchartering segment to continue experiencing pricing pressures where requests for trade discount by customers have inevitably increased. The Group would mitigate the situation by expanding the customer base, improving the revenue mix and tightening costs management such as manpower and production costs to weather the economic downturn.

Dear Mr Pang, you wrote:

Can I know why this year dividend is the same as last year? Does it mean that ASL Marine is not earning much? How long will the order book for ship building last?

The board of directors has recommended maintaining the same level of 4 cents dividend per share for FY2009, which translates to a yield of approximately 4%.

Kindly refer to our reply to the question raised by Mr Gerald Tan regarding the Group's dividend policy.

As at 30 June 2009, the Group's shipbuilding operation had an outstanding order book of approximately $523 million for external customers. The order book comprised 33 vessels, including offshore support vessels such as heavy lift and pipelay vessels, subsea operation vessels, tugs, self-propelled cutter suction dredgers and other vessels. Barring any unforeseen circumstances, the Group expects approximately 56% of the order book to be recognised in FY2010 with the balance stretched up to financial year ending 30 June 2011.

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.