



**MANAGEMENT REPLIES TO ONLINE Q&A**

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1 September 2010

Dear Investors,

Thank you very much for the questions and the opportunities to clarify them. Your questions are reposted in *blue* followed by our replies in black.

Through this online exchange, we hope you have a better understanding of our businesses and strategies.

Regards,

The Management Team  
ASL Marine Holdings Ltd.

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Dear Jayster, you wrote:

*Your shipchartering business was down 44% in FY2010, the worst compared to the rest of the business, why is this so?*

*What's your outlook on the shipchartering business and any strategy in place to stem further decline in the segment?*

Revenue and gross profit of the shipchartering operation in FY2010 were down by 24.1% and 43.5% respectively as compared to FY2009. The decline was mainly due to the double impact of lower vessel utilisation rates and reduced charter pricing attributed to weaker market demand during the year.

The outlook for the Group's shipchartering operation is underpinned by the continued activities in the marine infrastructure, marine transportation, harbour and terminal services as well as oil & gas sectors in the region including Singapore, South East Asia and Australia. Besides working on maximizing deployment of its fleet in these areas, the Group's strategy is to continue to enhance and renew its fleet to better meet customers' needs. As at end of FY2010, the Group's shipchartering operation has an outstanding delivery order of 12 vessels worth approximately S\$84 million comprising towing tugs, barges, ROV support vessel, Anchor Handling Towing/ Supply vessel and Anchor Handling Tugs.

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Dear Serene Lim, you wrote:

***The company recently secured shipbuilding contracts worth S\$55 million. What's the orderbook of ASL Marine currently?***

***What's the pipeline like for ASL Marine in securing more shipbuilding projects?***

***Has there been more or less enquiries from customers?***

Including the new orders of S\$55 million, the Group currently has a total outstanding shipbuilding order book from external customers of approximately \$327 million for 47 vessels with progressive deliveries up to first quarter of 2012.

In spite of clearer signs that global economic conditions are improving, the pace of recovery remains uncertain. Against this backdrop and the over-supply in some important sub-sectors of the shipping industry, demand for new shipbuilding orders are expected to remain subdued. The Group has been actively seeking out and pursuing opportunities for new building orders, however, the Group expects new shipbuilding order flows to remain minimal in the next few quarters amidst weak demand and intense competition within the marine industry.

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Dear Peter Lim, you wrote:

***Does the company intend to go into building green offshore infrastructure to capture wind and tidal power?***

***I believe this will bring the company to the next level of growth as investment in green energy infrastructure is growing.***

The Group currently has no plans to venture into the building of green offshore infrastructure relating to wind and tidal power generation. The Group however will take into consideration the level of technical complexities, resource requirements, investment size, potential risk and return when evaluating any business opportunity relating to green energy infrastructure in the marine industry.

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Dear Ivy Sim, you wrote:

***Thank you for announcing a 3 cent final dividend.***

***I always reinvest the dividend you give me into more ASL Marine shares.***

***Is it possible the company offer a script or cash options so investors like me can save money on brokerage transaction cost?***

***Thanks.***

Thank you for your continuous support. The Company will evaluate the possibility to adopt a scrip dividend scheme for shareholders to make an election to receive dividend in the form of shares instead of cash. Any proposal to adopt such scheme will be subject to approval by shareholders.

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Dear Marcus Toh, you wrote:

***Does the company intend to list in Taiwan or Hong Kong?***

***You have S\$83m in cash. Any acquisition plans to buy out distressed assets or companies that adds synergy to the existing business of ASL Marine?***

The Group currently has no immediate plans to seek secondary listing overseas. The Group however constantly evaluates the need to raise capital taking into consideration the longer term funding requirements, available financing options and potential dilutive effect on shareholders.

In terms of new investments in assets, the Group has announced that as at the end of FY2010 its shipchartering operation has an outstanding delivery order of 12 vessels worth approximately \$84 million comprising towing tugs, barges, ROV support vessel, Anchor Handling Towing/ Supply vessel and Anchor Handling Tugs.

The Group continuously exploits strategic opportunities to make selective investments including related businesses or new business areas, any new business opportunity will be subject to prudent evaluation of the risks and returns before a decision is made.

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Dear Ashby, you wrote:

***Shipbuilding seems to be facing margin pressure nowadays. Is the company looking to break into other segments for example oil rig building or perhaps ship breaking?***

The Group's shipbuilding operation has moved up the value chain with the building of more technically sophisticated vessels such as Anchor Handling Towing & Supply vessel, heavy lift and pipe-lay vessel and subsea operation vessel for the offshore oil and gas sector.

As mentioned earlier, any new business opportunity will be subject to prudent evaluation of the risks and returns before a decision is made. The Group currently has no plans to move its focus to rig building or ship breaking.

Amidst intense competition within the marine industry, the Group expects pricing pressure to continue for new shipbuilding orders including those of rig building. The Group remains its focus on shiprepair, conversion and shipchartering businesses which are of less cyclical nature as compared to the shipbuilding business.

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**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.**