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

MANAGEMENT REPLIES TO ONLINE Q&A

31 August 2011

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 Group's businesses and strategies.

Regards,

The Management Team
ASL Marine Holdings Ltd.

Dear Jayster, you wrote:

Shipchartering and rental seems to be the strongest segment of your business. Any plans to expand on that given the uncertain economic outlook, business would rather rent than commit to CAPEX by acquiring vessels. Thanks.

The Group's shipchartering revenue of S$65.6 million in FY2011 was $7.4 million lower as compared to FY2010 mainly attributed to weaker market demand for towing jobs during the year. It recorded a gross margin of 23.9% in FY2011 which was comparable to FY2010.

The Group's fleet of 194 vessels as at 30 June 2011 consisting mainly barges, towing tugs, anchor handling tugs and other vessels. To maximize deployment of its fleet, the shipchartering segment constantly renews and upgrades its fleet to better meet customers' demand. In its evaluation of capital expenditure plan, the group takes into account various factors such as customers' requirements, availability of specific vessel type in the market for charter in, charter rates, expected returns, shipbuilding costs and funding options.

The shipchartering operations currently have a total outstanding delivery order of 14 new vessels worth approximately S$78 million which are being built internally by the Group. These 14 vessels under construction comprised towing tugs, pipe-lay barge, ROV support vessel, Anchor Handling Tugs and barges of which long term charter contract has been secured for 1 vessel.

Dear Frank Lim, you wrote:

Your cash balance is quite low currently at S$44.75M. Yet you are paying out a final dividend of 1.5 cents. Will you be raising equity or debt soon?

Having considered the Group's gearing position and projected working capital requirement, the board of directors has recommended a final dividend of 1.5 cents per share amounted to approximately S$6.3 million to reward shareholders for their continual supports to the Group.

The Group currently has no immediate plan to raise capital. The Group expects to fund its working capital including the proposed dividend payment, capital expenditure and debts servicing requirements through its operating cash flows, external borrowings and possibly proceeds from sale of vessels.

Dear Peter Khaw, you wrote:

The Singapore dollar has strengthened significantly against the US dollar. How has this affected your business? Do you bill your customers in USD? What is the currency used to pay for labour and raw materials in your business? How do you hedge your currency risk?

As the majority of the Group's cost base is in local currency, the strengthening of Singapore dollars has affected the price competitiveness of the Group in tendering for new projects as comparing with foreign market players. Where possible, the Group would adjust its foreign currency denominated pricing to mitigate its relative weakness against the Singapore dollars.

The Group's billings are denominated in various currencies, such as Singapore dollars, US dollars and Euros. The Group's labour and raw material costs are mainly in local currency.

For receivables and payables denominated in foreign currencies, where appropriate the Group enters into "plan vanilla" forward contracts to hedge against exposures in foreign currency fluctuations.

Dear Joanne Ling, you wrote:

Your orderbook is about S$310 million until 3Q13. What type of vessels are still in high demand? Do you intend to expand into rig-building given the higher profit margin?

The Group's shipbuilding order book of approximately $310 million comprised of 29 vessels scheduled for progressive deliveries up to the third quarter of 2013. The order book comprised offshore support vessels, diving support vessel, Anchor Handling Towing/Supply vessels, tugs, self-propelled cutter suction dredgers and other vessels.

The Group currently has no immediate plans to move its focus to rig building. Amidst intense competition within the marine industry, the Group expects pricing pressure to continue for new shipbuilding orders including those of rig building.

Dear Rick Toh, you wrote:

Do you expect interest rate to rise?

Your finance cost is S$8.9M in FY11. I'm a bit worry about your current ratio.

In accordance with current market speculation, owing to the top credit rating of Singapore and expectation in the appreciation of Singapore dollars, Singapore will continue to attract inflows of fund and thereby its interest rates are expected to be kept low in the short term.

The Group minimizes its exposure to interest rate fluctuations on its long term borrowings through interest rate swaps, where appropriate, over the duration of its borrowings.

Finance costs increased by $0.8 million to $8.9 million in FY2011. In tandem with higher capital expenditure incurred during FY2011, the Group's total interest-bearing loans and borrowings increased by $39.7 million to $224 million as at 30 June 2011. The increase in borrowings was mainly due to borrowing arising from bonds issued of $50 million in March 2011 and other borrowings of $54.5 million partially offset by redemptions and repayments made of $64.8 million during the year. The Group's gearing ratio was 0.77 as at 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.