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

REPLY TO QUERIES REGARDING UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

The Board of Directors of ASL Marine Holdings Ltd. (the "Company") refers to the queries from the Singapore Exchange Securities Trading Limited ("SGX-ST") regarding the Company's unaudited quarterly financial statements announcement for the first quarter ended 30 September 2011 ("1Q FY2012"):

SGX-ST's Query 1

Refer to Page 6, Statement of Cash Flow. Under 'Changes in working capital', there is a line item 'trade and other receivables' of $(104.293)m which displays a huge increase from the previous year of $18.8m. Please elaborate on this huge increase in the line item.

Company's Clarification 1

Trade and other receivables increased from S$117.4 million as at 30 June 2011 to S$221.6 million as at 30 September 2011. The significant increase of S$104.2 million was mainly due to higher trade receivables which increased by S$102.6 million. The increase in trade receivables was mainly attributed to higher billings for shipbuilding projects in 1QFY2012 which comprised mainly (i) first progress billings totaling S$50.0 million for newly secured contracts on two Platform Supply Vessels and one Dredger pursuant to the Group's announcement dated 11 October 2011 and (ii) a final billing of S$32.0 million on a Pipe-Lay Barge completed in July 2011. Subsequent to 30 September 2011, the Group has received the first progress billings of S$50 million as mentioned above.

SGX-ST's Query 2

We noted that the Derivative Financial Instruments are entered into for hedging purposes.

a. To elaborate on the hedging policy of the Company; and

b. To advise whether the Company has sought approval from the Board of Directors on the Company's hedging policy; and

c. To advise whether the Company has put in place adequate procedures in relation to its hedging practices, and to furnish information on such procedures; and

d. To advise whether the Audit Committee has reviewed the hedging instruments, process and practices in accordance with the Company's hedging policy.

Company's Clarification 2

a. The Group enters into "plain vanilla" foreign exchange forward contracts to hedge for future receipts or payments. The Group also hedges against interest rate fluctuations on its long-term borrowings by way of "plain vanilla" interest rate swaps.

b. The Group's hedging policy has been duly approved by the Company's Board of Directors.

c. For contracts entered in foreign currencies, the Group assesses its currency exposure in future receipts and payments. Where natural hedge is not feasible, the Group enters into "plain vanilla" foreign exchange forward contracts to hedge its exposure based on contractual terms of receipts and payments.

   For long-term borrowings with floating interest rates, the Group assesses its exposure by taking into consideration current and projected interest rate movements. Where appropriate, the Group enters into "plain vanilla" interest rate swaps based on borrowing terms.

   All hedging transactions are handled by the Group Financial Controller and approved by the Managing Director.

d. The Audit Committee has reviewed the hedging instruments, process and practices in accordance with the Company's hedging policy.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
29 November 2011