



ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
Co. Reg. No. 200008542N

UPDATE ON THE GROUP'S BUSINESS AND OPERATIONS IN VIEW OF THE COVID-19 PANDEMIC

The Board of Directors (the “**Board**”) of ASL Marine Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide the following updates on its business and operations in Singapore amid the global outbreak of the COVID-19 pandemic.

On 3 April 2020, the Singapore Government announced circuit breaker measures to control the spread of COVID-19 (the “**Circuit Breaker Measures**”) for the period from 7 April 2020 to 4 May 2020, which has since been extended until 1 June 2020 (the “**Circuit Breaker Period**”). During the Circuit Breaker period, essential services and their related supply chains are exempted from the suspension of activities at workplace premises.

Impact on Business and Operations

The companies within the Group were considered essential services and are able to continue operating from our premises (including both shipyards in Singapore and Batam, Indonesia) albeit with additional Circuit Breaker Measures imposed in accordance with the directives from the Government of Singapore issued from time to time.

The Ministry of Trade and Industry (“**MTI**”) imposed a quota limiting the total number of employees working under the Group’s core operating subsidiary, ASL Shipyard Pte Ltd, to 100 on 20 April 2020. This reduction is taken substantially from the administrative departments, with partial reduction in production headcount, to manage the continual activities in the shipyard.

The Ministry of Manpower (“**MOM**”) stopped all foreign workers in dormitories from reporting to work during Circuit Breaker Period on 21 April 2020. Pursuant to the Shipyard’s application, the workers who reside at the Group’s dormitory at 17B Pandan Road (the “**Dormitory**”) are exempted on the grounds that the Dormitory is located within the shipyard’s premise and the Group has placed movement restriction on its dormitory workers.

Led by MOM and MOH, on 4 May 2020 swab tests were performed on 60 dormitory workers who were selected on random basis. None of them have tested positive for COVID-19. Officers from the MOM visited the Group’s headquarter where the yard is located. They also inspected the overall environment of the Dormitory, the safe distancing procedures and other preventive measures in place. Several subsequent inspections were made by the MOM officers at the Dormitory and the results of which were found satisfactory.

Whilst the yard operations in Batam, Indonesia have not been shut-down, the travel restrictions prohibiting both Singaporeans and other foreigners from entering/ transiting in Indonesia, effected from 2 April 2020 has meant that owner representatives and third party works specialists (both from Singapore and other foreign countries) are unable to attend onsite for vessel repairs. This has meant that ASL is unable to bid for or complete more complex and higher value shiprepair works due to our reliance on Singapore specialists. Vessel owners are also wary of using local (Indonesian) agents that they may not be familiar with to act as their representative to oversee these repair works. These combined factors have impacted new order acquisition and also delayed existing works.

The Singapore and Batam yards were originally designed to synergistically complement each other, with both Singaporean and foreign ASL staff overseeing both yards. Due to the travel restrictions, even if Singapore yard personnel are able to travel between Singapore and Indonesia, they would be subject to 14 days quarantine measures in both countries. As such, staff have been physically restricted to operations in only one location stifling management and control of operations of the Batam yard.

The timing of the COVID-19 pandemic, coinciding together with the Ramadan period from 23 April to 23 May this year, has also curtailed local worker availability. Ongoing works have been impacted by the worker shortage.

Financial Assessments and Impact

Consequent to the above-mentioned restriction of essential service personnel to 100 and delay in delivery of certain equipment from overseas, all site construction work on the Group's four existing shipbuilding projects in Singapore have temporarily come to a stop. The Group expects approximately 40% reduction in monthly shiprepair and shipchartering revenue for 4Q FY2020, depending on how long the COVID-19 situation will persist. Certain of the key marine transportation for infrastructure projects under shipchartering operations are affected by temporary suspension and few smaller charters have sought to declare force majeure.

The Government of Singapore has provided relief and support measures in response to the COVID-19 pandemic, including job support scheme, wage credit scheme, worker levies waivers and Enterprise Singapore financing schemes. As there are uncertainties over how long the COVID-19 situation will last, the Group is in the midst of securing the appropriate financial support packages and liaising with its banks for temporary moratorium of its existing term loan repayments up to the end of the calendar year. This is to cater for and sustain the Group's operation during this challenging period.

Update on the Group's Operations in relation to the COVID-19 Pandemic

The Company will continue to assess the impact of the COVID-19 pandemic and will announce any material developments on its business, operations and assets value in a timely manner in compliance with Rule 703 of the Listing Manual.

Shareholders, noteholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and noteholders should exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and noteholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman, Managing Director and CEO
13 May 2020