



ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Co. Reg. No. 200008542N

RESPONSE TO SGX-ST QUERIES IN RESPECT OF ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (“FY2020 ANNUAL REPORT”)

The Board of Directors (the “**Board**” or the “**Directors**”) of ASL Marine Holdings Ltd. (the “**Company**”), wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), pertaining to the Company’s FY2020 Annual Report released via SGXNET on 11 November 2020:

SGX-ST’s queries:

- (a) Under Listing Rule 1207(20)(b), where the proceeds have been used for working capital purposes, issuers are required to provide a breakdown with specific details on how the proceeds have been applied.

We note that the Company has disclosed on page 53 of the Annual Report that the “Group had fully utilised the net proceeds of \$0.9 million raised from the subscription of Rights Issue of 266,505,713 warrants issued in July 2019 for working capital usage including payment to its suppliers and subcontractors, and for its operating expenses”. Please provide a breakdown accordingly.

- (b) Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “**Code**”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provisions 8.2 of the Code with regards to the disclosure of remuneration (and in particular, whether the disclosures pertaining to employees who are substantial shareholders or immediate family members of substantial shareholders), and there were no explanations provided for in your FY2020 annual report on how it is consistent with the intent of Principle 8 of the Code.

Please provide a negative confirmation and if not, clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

The Company’s responses:

- (a) As disclosed in the Corporate Governance Report under Use of Proceeds on page 53 of the FY2020 Annual Report, the Group had fully utilised the net proceeds of \$0.9 million raised from the subscription of Rights Issue of 266,505,713 warrants issued in July 2019 for working capital usage including payment to its suppliers and subcontractors, and for its operating expenses (the “**Net Proceeds**”). The breakdown of utilisation of Net Proceeds raised from the subscription of Rights Issue of 266,505,713 warrants issued in July 2019 is as below:

Use of Net Proceeds	Amount (\$’000)
Payment to suppliers and subcontractors	543
Operating expenses (crew salaries)	356
Total	899

The utilisation is in accordance with the intended use of proceeds as stated in the Company Announcement dated 26 January 2019, the Offer Information Statement dated 2 July 2019 and the Circular to Shareholders dated 3 July 2019 set out as follows:

Use of Net Proceeds (from Subscription of Rights Warrants)

The Company intends to use the Net Proceeds from the Rights Issue for the Group's general working capital purposes.

Use of Exercise Proceeds (from Exercise of Rights Warrants and Noteholder Warrants)

Use of Exercise Proceeds	%
1. General working capital	Approximately 50%
2. Repayment to Noteholders (which may include servicing of existing obligations and/or additional partial redemption)	Approximately 50%

As stipulated on page 59 and 170 of the FY2020 Annual Report, there were no warrants exercised since the date of issuance.

- (b) In accordance with Provision 8.2 of the Code, the Company has disclosed on page 41 of the FY2020 Annual Report, the names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 per annum for FY2020 in bands no wider than S\$100,000, being the requisite information according to Provision 8.2.

Save for Mr. Ang Kok Eng and Mr. Ang Sin Liu, the Company confirms that there is no other employee of the Group whose remuneration exceeds S\$100,000 and is a substantial shareholder of the Company, or an immediate family member of a Director or the CEO, or substantial shareholder of the Company.

In relation to Principle 8 of the Code, the Company refers to pages 38 to 39 of the FY2020 Annual Report, where it has set out the Company's remuneration policy and procedure for setting remuneration in respect of its executive directors, key management personnel and non-executive directors. It is also stated at page 38 of the FY2020 Annual Report that the remuneration of executive directors and key management personnel is structured to link rewards to corporate and individual performance to align remuneration with the interests of shareholders so as to promote the long term success of the Company and its subsidiaries (the "Group"). Pages 40 and 41 of the FY2020 Annual Report sets out the level and mix of remuneration for directors, key management personnel and employees who fall under the scope of Provision 8.2 of the Code. The Company is of the view that it has provided sufficient information for shareholders to have an adequate understanding of its remuneration policies and level and mix of remuneration, and that the practices adopted by the Company are appropriate for the continued sustainable performance and value creation of the Company. Accordingly, the Company is of the view that it has considered and addressed the intent of Principle 8 of the Code.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman, Managing Director and CEO
20 November 2020