

Summary of Principal Terms

| Key Proposal | | Series 006 | Series 007 |
|--------------|--|---|--|
| 1 | Base Coupon Rate [based on Redemption Amount ¹] | 2.5% + 0.5% = 3.0% p.a. | |
| 2 | Base Mandatory Redemption [based on Denomination Amount ²] | 1.0% p.a. | |
| 3a | Additional Coupon Rate [based on Redemption Amount ¹] | +0.15% p.a. for every S\$1 million increase to prior year Adjusted Core EBITDA Amount* above S\$65 million, capped at 2.0% p.a.; reset yearly | |
| 3b | Additional Mandatory Redemption [based on Denomination Amount ²] | +0.15% p.a. for every S\$1 million increase to prior year Adjusted Core EBITDA Amount* above S\$65 million, less Additional Coupon Rate, capped at 4.0% p.a.; reset yearly | |
| 4 | Notes Redemption Accounts (“NRAs”) | Proportionate cash sweep of Free Cash** into the NRAs. Partial mandatory redemption on the subsequent Interest Payment Date if certain payment conditions are met | |
| 5 | Warrants | Exercise price: S\$0.06 Exercisable for a period of 5 years from the date of issuance | |
| | | 462,500 warrants per S\$250,000 Denomination Amount of Notes | 578,125 warrants per S\$250,000 Denomination Amount of Notes |
| 6 | Principal Repayment | In full (no haircut) | |
| 7 | Maturity | 28 March 2025 | 1 October 2026 |
| 8 | Financial Covenants | To delete financial covenants: (a) Consolidated total liabilities/ Consolidated tangible network < 2.75 times; and (b) Consolidated total borrowings/ Consolidated tangible network < 2.0 times | |
| 9 | Negative Pledge | Negative pledge to be amended to allow the Company to grant any security interest in connection with the grant of additional project financing and trade lines of up to S\$150 million | |

* Adjusted Core EBITDA Amount: with respect to any financial year, the earnings of the Issuer and its subsidiaries during such period before taking into account interest expenses, tax, depreciation and amortisation, but making adjustments thereto by (i) adding back allowance for doubtful debts, impairments, write-offs and any other non-cashflow items and (ii) deducting other operating income.

** In relation to each financial quarter, the Issuer's cash and cash equivalents as reflected in the Statement of Cash Flows in the Issuer's consolidated financial statements for such financial quarter after deducting S\$25.0 million.

¹ Redemption Amount: Denomination Amount (S\$250,000) less the aggregate of all of the principal amounts paid from time to time upon any partial redemption of the Notes since the Issue Date.

² Denomination Amount: S\$250,000

Merits of the Proposal



No Hair-cut. We endeavor to preserve value for all



Sharing of upside:

- Additional coupon and principal redemption based on improvement to EBITDA;
- Issuance of warrants to share the upside should the Company perform well.



No Debt-to-Equity Conversion

Illustration of Principal Terms

1. Base Coupon Rate

[based on Redemption Amount¹]



2.5% + 0.5% p.a. [^]

[^] from management-shareholder pay-cut

2. Base Mandatory Redemption

[based on Denomination Amount²]



1.0% p.a.

5. Warrants



2x warrants

For every S\$1 principal outstanding as of 8 January 2019 (adjusted for Series 007)

Exercise price: **S\$0.06**

- **Series 006: 462,500** warrants per S\$250,000 Denomination Amount of Notes
- **Series 007: 578,125** warrants per S\$250,000 Denomination Amount of Notes

3a & 3b. Additional Coupon and/or Mandatory Redemption (annual basis)

[based on Redemption Amount¹]

[based on Denomination Amount²]



+0.15% p.a. for every S\$1 million increase to prior year Adjusted Core EBITDA Amount* above S\$65 million (*Additional Coupon capped at 2.0% p.a. and Additional Mandatory Redemption capped at 4.0% p.a.*); reset yearly

4. Notes Redemption Accounts

What Does It Mean?

| Prior FY Adjusted Core EBITDA Amount* | Coupon % (p.a.) [based on Redemption Amount ¹] | | | Mandatory Redemption % (p.a.) [based on Denomination Amount ²] | | | |
|---------------------------------------|---|-----------------|----------------------|---|---------------------|--------------------------|--|
| | 1: Base Coupon | 3a: Add. Coupon | 1 + 3a: Total Coupon | 2: Base Redemption | 3b: Add. Redemption | 2 + 3b: Total Redemption | |
| < S\$65m: | 2.5% + 0.5% | - | 3.0% | 1.0% | - | 1.0% | |
| S\$66m – S\$78m | 2.5% + 0.5% | | | 1.0% | | 1.0% | |
| S\$66m | | + 0.15% | 3.15% | | | | |
| S\$67m | | + 0.30% | 3.30% | | | | |
| S\$68m | | + 0.45% | 3.45% | | | | |
| S\$69m | | + 0.60% | 3.60% | | | | |
| S\$70m | | + 0.75% | 3.75% | | | | |
| S\$71m | | + 0.90% | 3.90% | | | | |
| S\$72m | | + 1.05% | 4.05% | | | | |
| S\$73m | | + 1.20% | 4.20% | | | | |
| S\$74m | | + 1.35% | 4.35% | | | | |
| S\$75m | | + 1.50% | 4.50% | | | | |
| S\$76m | + 1.65% | 4.65% | | | | | |
| S\$77m | + 1.80% | 4.80% | | | | | |
| S\$78m | + 1.95% | 4.95% | | | | | |
| S\$79m – S\$105m | 2.5% + 0.5% | + 2.0% | 5.0% | 1.0% | | | |
| S\$79m | | | | | + 0.10% | 1.10% | |
| S\$80m | | | | | + 0.25% | 1.25% | |
| S\$81m | | | | | + 0.40% | 1.40% | |
| S\$82m | | | | | + 0.55% | 1.55% | |
| S\$83m | | | | | + 0.70% | 1.70% | |
| S\$84m | | | | | + 0.85% | 1.85% | |
| S\$85m | | | | | + 1.00% | 2.00% | |
| ⋮ | | | | | ⋮ | ⋮ | |
| S\$90m | | | | | + 1.75% | 2.75% | |
| ⋮ | ⋮ | ⋮ | | | | | |
| S\$105m | +4.0% | 5.00% | | | | | |

* Adjusted Core EBITDA Amount: with respect to any financial year, the earnings of the Issuer and its subsidiaries during such period before taking into account interest expenses, tax, depreciation and amortisation, but making adjustments thereto by (i) adding back allowance for doubtful debts, impairments, write-offs and any other non-cashflow items and (ii) deducting other operating income.

¹ Redemption Amount: Denomination Amount (S\$250,000) less the aggregate of all of the principal amounts paid from time to time upon any partial redemption of the Notes since the Issue Date.

² Denomination Amount: S\$250,000



About the Company

ASL Marine Holdings Ltd. ("ASL"), together with its subsidiaries (the "Group") is a vertically integrated marine services group primarily engaged in shipbuilding, shiprepair & conversion, shipchartering, dredge engineering and other marine related services.

Vertically Integrated Marine Services Group

- Shipbuilding
- Shiprepair and conversion
- Shipchartering
- Engineering

One of the largest owner-operator of tugs and barges in Southeast Asia

Able to manage large-scale projects, service customers from diverse industries, mainly those in marine infrastructure, dredging, land reclamation, marine construction works and cargo transportation

Total EBITDA (excluding other operating income)

FY2016 – FY2018 amounted to S\$211.7 million

Why Are We Here Again - Cascading Effect of the Struggles in the Industry

After 2017 CSE – Marine services sector seemed to have stabilised but yet to recover



S\$199 million cash outflow from cancelled orders



Credit squeeze from tightened credit terms



Decrease in shipbuilding business volume

Holistic Approach Needed to Preserve Value for All Stakeholders



Time needed to generate sufficient EBITDA to pare down its liabilities



Additional project financing and trade lines needed



Restore balance sheet and financial stability

We Need All Stakeholders to Play A Part in Supporting the Group

- The **Shareholders**: injected S\$25.2 million through rights issue in FY2016.
- The **Controlling Shareholders**:
 - Have advanced interest-free loan of S\$5 million;
 - Prepared to extend an additional S\$5 million of standby line of credit; and
 - Management-shareholder team have agreed to a decrease in their base salary by approximately 50% to assist the Group to fund an additional interest rate of 0.5% coupon (p.a.) on the Notes. The Group intends to progressively restore the pay reductions as the Group's performance improves, thereby aligning the interest of the Noteholders and the management-shareholders.
- The **Principal Banks**:
 - Agreeable to the reprofiling of their bank repayment obligations (10 years profile payable over 8 years repayment) to match the Group's operating cashflows;
 - The Group has commenced negotiations to obtain additional project financing and trade lines of up to S\$150 million; and
 - The above are subject to the passing of the Extraordinary Resolutions with the Noteholders.



Casting Your Vote

Instructions and Submission Options

How Are Your Securities Held?



**Direct
with CDP**



**Through
a bank or
nominee**

How to fill in your Voting Instruction Form:



**Not Voting
in Person – Meeting Agent to
vote on your behalf**

- For Section A: select (b)
- Fill in remaining of Section A, B, C and E
- Fill in Section D if you had voted **IN FAVOUR** and will be submitting your Voting Instruction Form no later than the Expiration Deadline.

**Eligible for
S\$750* Early Consent Fee:
OR
S\$500* Consent Fee
(within stipulated deadlines)**



**Voting in Person –
yourself or through your proxy**

- For Section A: select (a)
- Fill in remaining of Section A, C and E
- Submit the Voting Instruction Form to the Voting agent and collect Voting Certification

Vote in person yourself

- Present Voting Certificate at Meeting

Vote through your proxy

- Hand Voting Certificate to your proxy
- Proxy to present Voting Certificate at Meeting

**Consent Fee does not apply to voting
in person.
Proxies will vote at their discretion.**



**Please
contact your
bank or
nominee for
instructions**

Please ensure that you have submitted the following together with the Voting Instruction Form:

- Copy of NRIC / Passport (for individual holders)
- Common Seal witnessed by two Authorised Signatories (for Corporations)

Important Deadlines

Forms to reach Meeting Agent by the date and time below:

| Series | Forms to reach Meeting Agent by the date and time below: | | |
|--------|--|--|-----------------------------|
| | Early Consent Deadline** | Submission of Voting Instruction Form ** | Meeting |
| 006 | 23 January 2019, 5.00 p.m. | 28 January 2019, 10.00 a.m. | 30 January 2019, 10.00 a.m. |
| 007 | 23 January 2019, 5.00 p.m. | 28 January 2019, 10.30 a.m. | 30 January 2019, 10.30 a.m. |

** If you are holding your securities through banks or nominees, you may need to submit your voting instructions to them a few days before this deadline for their consolidation. Please check with your banks or nominees.

**Early Consent Fee : S\$750* - if you submit your
vote IN FAVOUR by 23 January 2019, 5.00 p.m.**

**Consent Fee: S\$500* - if you submit your vote IN FAVOUR by 28
January 2019 deadline above**

* Amount of Consent Fee per outstanding principal amount of S\$231,250.