ASL MARINE HOLDINGS LTD.

Informal Noteholders Meeting
29 October 2018

Important Notes

- This informal meeting is being convened for the purpose of providing Noteholders (i) with a recap on the Group's business climate and financial performance for the past financial year; (ii) an update on the discussions with the principal bankers on possible additional working capital lines and (iii) present the Proposal to Noteholders for their consideration.

Kindly note that:

- The informal meeting is not intended to be, and is not, a meeting convened pursuant to the Trust Deed relating to the Notes;

- The informal meeting has been called solely for the dissemination of information and no decisions or voting will be made at the informal meeting;

- The informal meeting is private and confidential and will be held on an entirely without prejudice basis; and

- In addition to noteholders on the records of The Central Depository (Pte) Limited who presently are recognised as Noteholders under the terms of the Trust Deed and the Notes, there may be persons holding the underlying beneficial interest who may also attend the informal meeting, and the reason why these persons have been allowed to attend is not in recognition of their status as Noteholders but solely as a practical measure to facilitate the dissemination of information to such persons whom nominee Noteholders having rights may take instructions from.

Disclaimer

- Certain statements in this presentation may constitute forward looking statements. Forward looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “may,” “should,” “expect,” “pending” and similar expressions identify forward looking statements.

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Disclaimer

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Meeting Protocol

Without prejudice

Informal meeting

No recording and photo taking

Identification for Q&A

Agenda

01 Opening Remarks

02 Recap on the Previous Meeting

03 Updates

04 Proposal to Noteholders

05 Looking Ahead

06 Q&A

Recap On The Previous Meeting

Recap

1. Business Climate – cascading effect of the industry.
2. The Group has been generating substantial EBITDA annually.
3. The Group is viable but needs time to recover from the impact of cancellation of orders of S$199m.
4. The Group will need time to fully meet its bank and note obligations.
5. The Group needs project and working capital lines.
6. How You Can Help.

Management is focusing on generating strong cash flows to reduce the liabilities to a sustainable level with all stakeholders' help.

Business Climate

1. Market has stabilised but has not recovered.

2. Cascading effect of the struggles of companies in the industry resulting in a credit squeeze.
   - Creditors are pressuring companies to repay the monies owed and tightening credit terms.
   - Non-renewal of revolving credit facilities by some bank lenders.
   - Restrictions on use of project financing lines.

3. Not able to achieve the target business volume that was used as the basis for the proposed terms in the previous Consent Solicitation Exercise (“CSE”).

4. Total cash outflow of **S$199m** as a result of cancelled Offshore Support Vessels (“OSVs”) and Platform Supply Vessels (“PSVs”) shipbuilding projects.

5. There is a need to recalibrate the repayment obligations to match the operating cashflows from existing business volume.

Historical 5-Years EBITDA

ASL Marine Holdings Ltd and its Subsidiaries	FY2014		FY2015		FY2016		FY2017		FY2018		Total Over
Consolidated Profit or Loss (S$'000)	30-Jun-14		30-Jun-15		30-Jun-16		30-Jun-17		30-Jun-18		5 Years
	$'000		$'000		$'000		$'000		$'000		$'000
Revenue	**509,797**		**184,156**		**364,439**		**342,261**		**280,457**		**1,681,110**
Cost of sales	(450,969)		(146,059)		(313,977)		(308,637)		(263,501)		(1,483,143)
Gross profit	**58,828**	*11.5%*	**38,097**	*20.7%*	**50,462**	*13.8%*	**33,624**	*9.8%*	**16,956**	*6.0%*	**197,967**
Other operating income	11,072		10,664		5,532		5,197		15,556		48,021
Administrative expenses	(32,538)		(25,609)		(23,368)		(27,900)		(20,851)		(130,266)
Other operating expenses	(1,319)		(2,799)		(9,727)		(57,066)		(53,403)		(124,314)
Finance costs	(13,764)		(15,624)		(19,126)		(19,333)		(22,711)		(90,558)
Share of profit of jointly-controlled entity	3,860		3,882		(3,253)		(5,795)		(3,823)		(5,129)
Profit/(Loss) before taxation	**26,139**		**8,611**		**520**		**(71,273)**		**(68,276)**		**(104,279)**
Add: Provisions and write-off	**1,313**		**1,506**		**4,041**		**18,438**		**3,344**		**28,642**
Add: Impairment expenses	**-**		**-**		**3,934**		**35,853**		**50,059**		**89,846**
Profit/(Loss) before taxation without provisions for doubtful debts and impairment	**27,452**		**10,117**		**8,495**		**(16,982)**		**(14,873)**		**14,209**
EBITDA (Normalised)	**83,852**		**67,696**		**87,796**		**72,461**		**75,179**		**386,984**
Less: Other operating income	(10,792)		(10,530)		(4,709)		(4,373)		(14,684)		(45,088)
EBITDA (excluding other operating income)	**73,060**		**57,166**		**83,087**		**68,088**		**60,495**		**341,896**
Total Borrowings	**545,807**		**543,483**		**592,186**		**549,499**		**502,108**		

**Adjusted EBITDA is computed based on earnings before interests, tax depreciation, amortisation, and adjusted for/add back of allowance for doubtful debts, impairments, write-offs and any other non-cashflow items*

^For FY2018, S$65m is derived from net operating cashflow generated before changes in working capital

Substantial EBITDA generated annually.

Impact of Order Cancellations

The Group is viable and is healthy except for the impact from the cancellation of orders.

Type of Vessels	Cancelled Orders		Total	Remarks
	Transferred to Fleet	Inventory / Work-in-progress		
PSV	-	3	3	• *1 PSV completed in FY2016* • *2 PSV completed in FY2017*
OSV	1	2	3	• *1 OSV cancelled in FY2017* • *2 OSV cancelled in FY2018*
Total Value	**S$20m**	**S$179m**	**S$199m**	

Total cash outflows of S$199m incurred from order cancellations.

Had the Group not suffered the order cancellations, the bank borrowings and trade payables would be much lower.

Existing Loan Payment Obligations

Assuming **S$65m of net operating cashflows** is generated annually

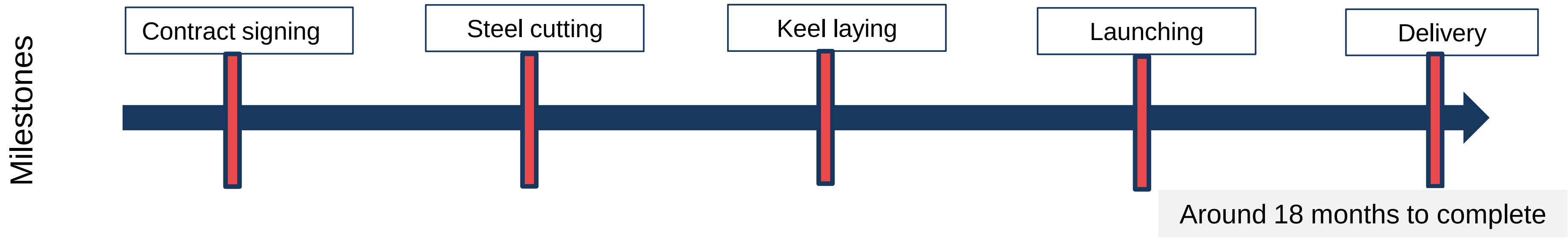
(based on FY2018 net operating cash generated):

- The company may not be able to pay fully its obligations for FY2019 with the current volume of business.
- It may not be able to generate sufficient cashflows to redeem the Notes due in March 2020 and October 2021.
- **The current repayment obligations are likely not sustainable.**

Current Loan Obligations									
		YE 30 Jun 19	*YE 30 Jun 20*	*YE 30 Jun 21*	*YE 30 Jun 22*	*YE 30 Jun 23*	*YE 30 Jun 24*	*YE 30 Jun 25*	*YE 30 Jun 26*
Loan Obligations (S$'000)	**Year 1 to 8 Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**
Assuming S$65m of net operating cashflows	520,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Net Cashflows	520,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Less: Interest Cost of Banks	(39,601)	(12,795)	(10,425)	(7,890)	(4,679)	(2,100)	(986)	(577)	(149)
Less: Interest Cost of Bonds	(22,087)	(8,602)	(8,833)	(3,078)	(1,574)	-	-	-	-
Total Interest Cost	(61,688)	(21,397)	(19,258)	(10,968)	(6,253)	(2,100)	(986)	(577)	(149)
Net Operating Cashflows (after interest)	**458,312**	**43,603**	**45,742**	**54,032**	**58,747**	**62,900**	**64,014**	**64,423**	**64,851**
Banks									
Repayment Obligations	(359,608)	(76,015)	(45,956)	(80,783)	(79,763)	(49,172)	(6,524)	(13,934)	(7,461)
Notes									
Series 006	(95,000)	(5,000)	(90,000)	-	-	-	-	-	-
Series 007	(47,500)	(2,500)	(2,500)	(2,500)	(40,000)	-	-	-	-
Repayment Obligations	(142,500)	(7,500)	(92,500)	(2,500)	(40,000)	-	-	-	-
Total Repayment Obligations	(502,108)	(83,515)	(138,456)	(83,283)	(119,763)	(49,172)	(6,524)	(13,934)	(7,461)
Free Cashflows	**(43,796)**	**(39,912)**	**(92,714)**	**(29,250)**	**(61,016)**	**13,728**	**57,490**	**50,489**	**57,390**
Cummulative Deficit		***(39,912)***	***(132,626)***	***(161,876)***	***(222,892)***	***(209,164)***	***(151,674)***	***(101,186)***	***(43,796)***

Project and Working Capital Lines

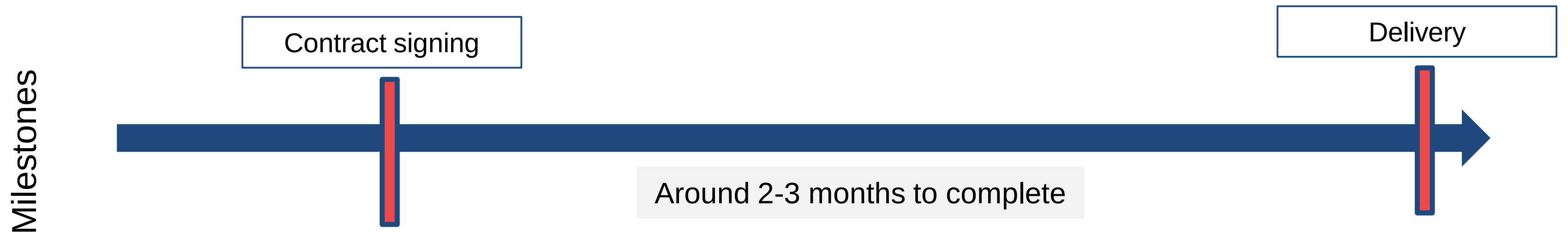
The Group needs banking lines to meet the project requirements of shipbuilding projects.



Shipbuilding Project Lines

- Support from banks needed on bid bonds, performance bonds, refund guarantees and builder's warranty bonds.
- For every dollar of projects on hand, a dollar and a half of bank guarantees is needed as the average duration of the projects is one and half year.
- A small working capital line in the form of trade lines to purchase equipment and supplies needed for the projects is required. This can be part of the project lines for ship building.

Project and Working Capital Lines



Shiprepair Trade Lines

- Trade lines approximating three months of business is needed for ship repairs. This approximates the average time needed for ship repairs.
- With the trade lines, the Group will be able to scale up the volume of business over time.

How You Can Help

Banks	Notes
✓ Re-profile of loans to match operating cashflows of the Group.	✓ Extend maturity.
✓ Extend a working capital line of S$150m. *(such as invoice financing / banker's guarantee / performance bond / refund guarantee / letter of credit & trust receipts etc)*	✓ Lower principal sum amortisation.
✓ Reduction of interest rates.	✓ Reduction of interest rates.
✓ Relaxation of some covenants.	✓ Relaxation of some covenants.

The length of reprofiling of the loans and quantum of additional working capital line will depend on what the banks are willing to do for the Company.

They would like Noteholders to extend similar support to the Company.

Updates

Discussions with Lenders

Active discussions with several Lenders

Updates	✓ Ongoing discussions with the principal lenders and several other lenders. ✓ Supportive of the Group and are willing to continue to extend help. ✓ Concerned that banks' sole support is insufficient to enable the Group to meet its repayment obligation. ✓ Want Noteholders to help by reducing interest and extending maturity to allow the Group time to generate sufficient cashflows.
Proposal to Banks	✓ Request for additional project financing and working capital lines of up to S$150m. ✓ Re-profiling of repayment obligations to match operating cashflows. ✓ Lifting and/or relaxation of covenants.

Proposal to Noteholders

How You Can Help

Banks

- ✓ Reprofile of loans to match operating cashflows of the Group.
- ✓ Extend project financing and trade lines of S$150m to scale up the shipyard business. *(such as invoice financing / banker's guarantee / performance bond / refund guarantee / letter of credit & trust receipts etc)*
- ✓ Interest rates spread of 2% to 2.5%.
- ✓ Lifting/Relaxation of some covenants.

Notes

- ✓ Extend maturity by 5 years from current maturity.
- ✓ Lower principal sum amortisation to 1% p.a.
- ✓ Reduction of interest rates to 2.5% p.a.
- ✓ Lifting of covenants
  - Consolidated total liabilities/ Consolidated tangible net worth.
  - Consolidated total borrowings/ Consolidated tangible net worth.
- ✓ Warrants will be issued as part of compensation.

The length of reprofiling of the loans and quantum of additional working capital line will depend on what the banks are willing to do for the Company.

They would like Noteholders to extend similar support to the Company.

How You Can Help (Series 006)

- The Group needs time to generate cash flows to bring down the debts to a sustainable level **without a haircut** and would like the support of the Noteholders on the following proposal:

	Existing	Proposed
Par Value	In lots of S$250,000	In lots of S$50,000
Principal	In Full	In Full
Maturity	28 March 2020	28 March 2025
Coupon Rates	5.50% p.a. with 0.5% p.a. step-up *(current interest rates of 6%)*	Flat 2.50% p.a.
Mandatory Redemption	5.0% p.a.	1.0% p.a.
Covenants	(a) Consolidated total liabilities/ Consolidated tangible networth < 2.75 times (b) Consolidated total borrowings/ Consolidated tangible networth < 2.0 times	To be Lifted
Warrants	N.A.	For every S$1 principal amount of Notes held, 1 warrant will be issued

How You Can Help (Series 007)

- The Group needs time to generate cash flows to bring down the debts to a sustainable level **without a haircut** and would like the support of the Noteholders on the following proposal:

	Existing	Proposed
Par Value	In lots of S$250,000	In lots of S$50,000
Principal	In Full	In Full
Maturity	1 October 2021	1 October 2026
Coupon Rates	5.85% p.a. with 0.5% p.a. step-up *(current interest rates of 6.35%)*	Flat 2.50% p.a.
Mandatory Redemption	5.0% p.a.	1.0% p.a.
Covenants	(a) Consolidated total liabilities/ Consolidated tangible networth < 2.75 times (b) Consolidated total borrowings/ Consolidated tangible networth < 2.0 times	To be Lifted
Warrants	N.A.	For every S$1 principal amount of Notes held, 1 warrant will be issued

Illustration - Impact of Proposal

Assumptions used in Illustration:

EBITDA:

- ✓ Assuming **S$65m of net operating cashflows** is generated annually *(based on FY2018 net operating cash generated).*

Asset Rationalisation

- ✓ Disposal of some vessels and PSVs over the next few years to reduce accompanying loans.

Capex and Working Capital

- ✓ Assuming S$5m annual capex from Year 2 onwards. Increase in capex after adequate cash balance accumulated.
- ✓ S$50m to fund working capital / trade payables over the next few years.

Re-profiling:

- ✓ Assuming both Banks and Noteholders agree to re-profiled terms.

Impact of Action Plans on Existing Loan Obligations

		YE 30 Jun 19	*YE 30 Jun 20*	*YE 30 Jun 21*	*YE 30 Jun 22*	*YE 30 Jun 23*	*YE 30 Jun 24*	*YE 30 Jun 25*	*YE 30 Jun 26*	*YE 30 Jun 27*
Loan Obligations (S$'000)	**Year 1 to 9 Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**
EBITDA / Net Operating CF	585,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Working Capital (Trade Payables)	(50,000)		(10,000)	(15,000)	(15,000)	(10,000)	-	-	-	-
Add: Disposal of Assets	96,000	5,000	31,000	30,000	30,000					
Less: Capex	(45,000)		(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(7,500)	(7,500)
Net Cashflows (after disposal)	586,000	70,000	81,000	75,000	75,000	50,000	60,000	60,000	57,500	57,500
Less: Interest Cost of Banks	(54,737)	(12,927)	(11,307)	(9,257)	(7,015)	(5,343)	(4,316)	(3,221)	(1,352)	0
Less: Interest Cost of Bonds	(28,414)	(6,139)	(3,450)	(3,413)	(3,375)	(3,338)	(3,300)	(3,263)	(1,075)	(1,063)
Total Interest Cost	(83,152)	(19,066)	(14,757)	(12,669)	(10,390)	(8,680)	(7,616)	(6,483)	(2,427)	(1,063)
Net Cashflows (after interest)	**502,848**	**50,934**	**66,243**	**62,331**	**64,610**	**41,320**	**52,384**	**53,517**	**55,073**	**56,438**
Banks										
Club Deal Drawdown	3,850	3,850								
Bank Principal Repayment	(257,503)	(51,816)	(30,269)	(29,428)	(26,607)	(25,058)	(24,225)	(23,079)	(47,022)	
Repayments from Disposal of Assets	(96,000)	(5,000)	(31,000)	(30,000)	(30,000)	-	-	-	-	-
Total Bank Principal Repayment	(349,653)	(52,966)	(61,269)	(59,428)	(56,607)	(25,058)	(24,225)	(23,079)	(47,022)	-
Bonds										
Series 006	(95,000)	(3,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(87,000)	-	-
Series 007	(47,500)	(1,500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(42,500)
Repayment Obligations	(142,500)	(4,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(87,500)	(500)	(42,500)
Total Repayment Obligations	(492,153)	(57,466)	(62,769)	(60,928)	(58,107)	(26,558)	(25,725)	(110,579)	(47,522)	(42,500)
Free Cashflows	**23,489**	**(6,532)**	**3,474**	**1,403**	**6,503**	**14,762**	**26,659**	**(57,062)**	**7,551**	**13,938**
Cummulative Cash Balance	*12,793*	*6,261*	*9,735*	*11,138*	*17,641*	*32,403*	*59,062*	*2,000*	*9,551*	*23,489*

Excluding repayments of trust receipts

Merits of the Proposal

1. No hair cut.
2. No debt-to-equity conversion.
3. Value of Notes may improve after refinancing is completed.
4. Sharing of upside / capital gain (from the exercise of warrants).

Key objective set by Management:
Preserve Value for ALL stakeholders.

All Stakeholders Have Been Asked to Extend Support

Existing Shareholders

Rights issue in FY2016. The amount raised was **S$25.17 million**.

A proposal is intended to be put forth to the shareholders for approval of the proposal, together with an issue of warrants to shareholders and noteholders to potentially **raise more monies**.

Additional controlling shareholders' interest-free loan of S$5 million already injected into Company and the controlling shareholders are willing to extend another **S$5 million of standby line of credit** to the Group.

Management Team

Management of the Group has spearheaded the cost reduction measures.

Lower overheads costs and **no bonus for past 3 years for management** to tide the Group over the challenging times

The team is looking at avenues **for further cost reduction** (i.e. tighter working capital management).

Continue cost-saving measures.

Lenders

a) Re-profile tenure of loans to match the operating cash flows of the Group.

b) Extend a project financing and trade line of S$150m to scale up the shipyard business.
(such as invoice financing/banker's guarantee/performance guarantee/refund guarantee/letter of credit & trust receipts etc)

a) Relaxation and/or lifting of covenants.

Noteholders

a) Extend maturity by **5 years from current maturity**.

b) Lower principal sum amortisation to **1% p.a**.

c) Reduction of interest rates to **2.5% p.a**.

d) Lifting of covenants.

e) Subject to the approval of shareholders, issuance of **1 warrant per S$1 principal amount of Notes** held.

Restore Balance Sheet and Financial Stability

Holistic Solution Needed to Preserve Value For All Stakeholders

Looking Ahead

Looking Ahead

Shipbuilding

- ✓ The Group continues to exercise caution as it selects the end-customers based on creditworthiness and size of projects
- ✓ The Group continues to seek orders for non-OSV vessels such as tugs and barges.
- ✓ Focus on operational efficiency.
- ✓ Tighten cost control.

Shiprepair

- ✓ Expected increase in shiprepair jobs as customers are looking to reactivate / repair existing vessels for deployment.
- ✓ With additional floating dock to be put in place by 3QFY19 at the Singapore yard, it is expected to provide additional capacity and source of revenue to meet this increased demand.

Shipchartering

- ✓ Focus on maximising utilisation of vessels and improving charter rates.
- ✓ Identify vessels for disposal / scrap.

Management of Capital Expenditure.

Looking Ahead

- The principal lenders to re-profile existing loans to match operating cashflows and provide additional working capital lines to help the Group generate more cash flows.

- Cashflows generated over the next few years will provide more monies to the Group that will be useful for the eventual redemption of the notes.

- The exercise of warrants will enhance the cash position of the Group.

Formation of ISC

- The Group wishes to actively engage the Noteholders to address your concerns on the proposal.

- SIAS has agreed to take the lead role in the setting up of the Informal Steering Committee (“ISC”) and in facilitating its work moving forward.

- Interested Noteholders have volunteered for the Informal Steering Committee of Noteholders with SIAS.

Next Steps

- Next informal meeting – By end November 2018.

- The Group will keep Noteholders updated on the ongoing discussions with the principal bankers.

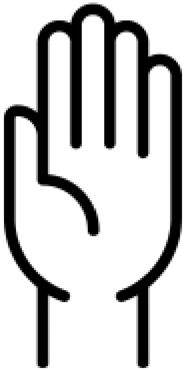
The Group looks forward to your support

Q & A

Q & A

Please state your name before asking your question

1



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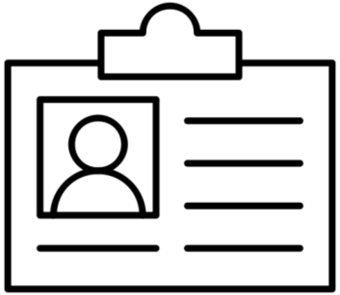

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Thank You