



## ASL MARINE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

Co. Reg. No. 200008542N

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### RESPONSE TO SGX-ST QUERIES- DISCLOSURES IN RESPECT OF INDEPENDENT AUDITOR'S OPINION ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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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 announcement made by the Company on 10 October 2019 in relation to Independent Auditor's opinion on "Material uncertainty related to going concern" (the "**Matter**") on the financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 30 June 2019 ("**FY2019**"):

#### SGX-ST's queries:

With reference to the announcement issued by the Company on 10 October 2019 entitled "Material uncertainty related to going concern by Independent Auditor on the financial statements for the financial year ended 30 June 2019", please disclose the following:-

1. the Board's assessment of the Group's ability to continue operating as a going concern and the bases for the said assessment;
2. the Board's opinion as to whether trading of the Company's shares should be suspended pursuant to Listing Rule 1303(3); and
3. the Board's confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner; and the bases for its views.

#### The Company's responses:

1. The opinion of the Board that the Company and the Group can continue as going concerns has been included on page 81 of the FY2019 Annual Report, which forms part of the enclosures in the announcement made on 10 October 2019 as follows:
  - a) The principal lenders and certain secured lenders of the Group have given their approvals on the re-scheduling (extending loans tenure thereby reducing monthly instalment) of its existing term loans which include its club term loan facility amounting to a face value of approximately \$267,837,000 as at 30 June 2019, substantially based on a 10 year profile for repayment by monthly instalments over 8 years from loan restructured date. In addition, the principal lenders have granted revolving project financing and trade lines of \$114,000,000 subsequent to the financial year under review;
  - b) The Group has received consent from its noteholders on 30 January 2019 to extend the tenure of its Series 006 Notes and Series 007 Notes with outstanding nominal value of \$92,000,000 and \$46,000,000 as at 30 January 2019 respectively by an another five years to 28 March 2025 for Series 006 Notes and 1 October 2026 for Series 007 Notes with reduced coupon rate of a base rate of 3% per annum and a mandatory redemption rate of 1% per annum, payable semi-annually; and
  - c) The Group expects that it will generate adequate cash flows from operations to meet working capital needs and to receive continued financial support from the lenders.

The Company and the Group's ability to continue as going concerns are also reiterated in our clarification announcement released on 14 October 2019 in relation to a news article published on 11 October 2019 by The Business Times. The followings were highlighted:

- d) The Group's business fundamentals are reasonably sound in the context of the current economic climate and industry weakness. The Group is able to generate sufficient operating cash flows from operations to meet its working capital needs. This is supported by positive Earnings before Interest, Tax, Depreciation, Amortisation and after adjusting for impairments and any other non-cash flow items of S\$51.5 million for FY2019. The losses in FY2019 was mainly due to impairment of \$167.2 million to write down both the financial and non-financial assets mainly inventories, doubtful debts and vessels; and
  - e) The controlling shareholders of the Company remain supportive to the Company and the Group with their injection of funds during the Company's last two fund raising exercises in December 2016 and July 2019.
2. The Board is of the opinion that the Company and the Group will be able to continue as going concerns, and therefore, trading of the Company's shares should not be suspended pursuant to Listing Rule 1303(3).
  3. The Board confirms that to the best of its knowledge and belief, all material and sufficient information have been disclosed and announced for trading of the Company's shares to continue in an orderly manner.

Shareholders of the Company are advised to read the Independent Auditors' Report together with the audited financial statements of the Group in the Company's FY2019 Annual Report, which was released on 15 October 2019.

In the meantime, the Board wishes to advise Shareholders and potential investors to exercise caution when dealing in the shares of the Company. In the event of any doubt, they 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  
17 October 2019