

**OFFER INFORMATION STATEMENT DATED 2 JULY 2019**  
(Lodged with the Monetary Authority of Singapore on 2 July 2019)

**THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

A copy of this offer information statement (the “**Offer Information Statement**”), together with a copy of each of the Provisional Allotment Letter (“**PAL**”), the Warrants Application Form (“**WAF**”) and the Warrants and Excess Warrants Application Form (“**WEWAF**”), have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the WAF and the WEWAF. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Company, its Subsidiaries (as defined herein), the Warrants (as defined herein) and the New Shares (as defined herein) being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and quotation for the Warrants and the New Shares on the Official List of the Main Board of the SGX-ST subject to certain conditions. The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Warrants, the New Shares, the Company, its Subsidiaries and their securities. The Warrants and the New Shares will be admitted to the Official List of the Main Board of the SGX-ST and the official quotation will commence after all the conditions imposed by the SGX-ST are satisfied, including in respect of the Warrants, a sufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrant certificates have been issued and the notification letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement.

**IT SHOULD BE NOTED THAT IN THE EVENT OF AN INSUFFICIENT SPREAD OF HOLDINGS FOR THE WARRANTS TO PROVIDE FOR AN ORDERLY MARKET IN THE TRADING OF THE WARRANTS, THE WARRANTS MAY NOT BE LISTED AND QUOTED ON THE OFFICIAL LIST OF THE MAIN BOARD OF THE SGX-ST. ACCORDINGLY, HOLDERS OF THE WARRANTS (“WARRANTHOLDERS”) WILL NOT BE ABLE TO TRADE THEIR WARRANTS ON THE SGX-ST. HOWEVER, IF WARRANTHOLDERS WERE TO EXERCISE THEIR WARRANTS, SUBJECT TO THE TERMS AND CONDITIONS OF THE WARRANTS, TO CONVERT THEIR WARRANTS INTO NEW SHARES, SUCH NEW SHARES WILL BE LISTED AND QUOTED ON THE OFFICIAL LIST OF THE MAIN BOARD OF THE SGX-ST.**

This Offer Information Statement has been prepared solely in relation to the Rights Issue and shall not be relied upon by any other person or for any other purpose. No Warrants shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement with the Authority.

**Your attention is drawn to the section entitled “Part V – Operating and Financial Review and Prospects” of this Offer Information Statement which you should review carefully.**



## **ASL MARINE HOLDINGS LTD.**

(Company Registration Number: 200008542N)  
(Incorporated in the Republic of Singapore on 4 October 2000)

**RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 314,633,470 WARRANTS (“WARRANTS”) AT AN ISSUE PRICE OF S\$0.006 FOR EACH WARRANT, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (“NEW SHARE”) AT AN EXERCISE PRICE OF S\$0.06 FOR EACH NEW SHARE, ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”)**

### **IMPORTANT DATES AND TIMES:**

Last date and time for splitting and trading Rights	:	11 July 2019 at 5.00 p.m.
Last date and time for acceptance and payment for the Warrants	:	17 July 2019 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for acceptance and payment for the Warrants by renounees	:	17 July 2019 at 5.00 p.m.
Last date and time for excess application and payment for the Excess Warrants (as defined herein)	:	17 July 2019 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications)



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## **IMPORTANT NOTICE**

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Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “**Definitions**” of this Offer Information Statement.

**For Entitled Depositors (which excludes Entitled Scripholders and investors who hold Shares through finance companies or Depository Agents), acceptances of the Warrants and (if applicable) applications for Excess Warrants may be made through CDP or by way of an Electronic Application.**

**For Entitled Scripholders, acceptance of the Warrants and (if applicable) applications for Excess Warrants may be made through the Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902.**

**For investors who hold Shares through finance companies or Depository Agents, acceptances of the Warrants and (if applicable) applications for Excess Warrants must be done through the respective finance companies or Depository Agents. Such investors are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances and (if applicable) applications for the Excess Warrants on their behalf by the Closing Date. Any acceptances of the Warrants and (if applicable) applications for Excess Warrants made directly through CDP, the Share Registrar, the Company and/or Electronic Applications will be rejected.**

**CPFIS Members should note that they cannot accept the Warrants and/or apply for Excess Warrants using their CPF Funds to pay for the Issue Price. Subject always to the applicable terms and conditions of the CPFIS, CPFIS Members may use their CPF Funds (subject to the availability of investible savings) for the payment of the Exercise Price upon the exercise of the Warrants (in which case, the New Shares arising therefrom will be held through their respective CPF Investment Account). CPFIS Members are not permitted to use CPF Funds, as the case may be, to: (a) pay the Issue Price; and/or (b) purchase Rights traded on the SGX-ST; and/or (c) purchase the Warrants traded on the SGX-ST (the listing thereof subject to there being a sufficient spread of holdings of the Warrants). Notwithstanding the foregoing, CPFIS Members should consult their respective CPF Approved Bank for information and directions as to the use of their CPF Funds.**

**SRS Investors may, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the SRS Approved Banks, use monies standing to the credit of their respective SRS accounts to pay for the acceptance of their entitlements to the Warrants and (if applicable) applications for Excess Warrants. SRS Investors who wish to accept their entitlements to the Warrants and (if applicable) apply for Excess Warrants using their SRS Funds must instruct their respective SRS Approved Banks in which they hold their SRS account(s), to accept their entitlements to the Warrants and (if applicable) apply for Excess Warrants on their behalf, in accordance with this Offer Information Statement. SRS Investors who have insufficient funds in their SRS account(s) may, subject to the SRS contribution cap, deposit cash into their SRS account(s) with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their entitlements to the Warrants and (if applicable) apply for Excess Warrants. SRS Funds may not however, be used for the purchase of the provisional allotments of Warrants directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies standing to the credit of their respective SRS account.**

The existing Shares are quoted on the Official List of the Main Board of the SGX-ST.

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## IMPORTANT NOTICE

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Persons wishing to purchase any Rights or subscribe for the Warrants offered by this Offer Information Statement should, before deciding whether to do so, carefully read this Offer Information Statement in its entirety in order to make an informed assessment, *inter alia*, of the assets and liabilities, profits and losses, financial position and performance, risk factors and prospects of the Company and the Group and the rights and liabilities attaching to the Warrants and the New Shares. They should rely, and shall be deemed to have relied on their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their accountant, stockbroker, bank manager, legal, financial, tax adviser and/or other professional adviser before deciding whether to purchase the Rights, acquire the Warrants and invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by the Company and the Group. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group.

Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Warrants shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date of this Offer Information Statement and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the Authority. All Entitled Shareholders and their renounees should take note of any such announcement and, upon the release of such announcement and/or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company nor the Group is making any representation or warranty to any person regarding the legality of an investment in the Warrants, the New Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Warrants, the New Shares and/or the Shares.

Neither the Company nor the Group makes any representation, warranty or recommendation whatsoever as to the merits of the Group, the Rights Issue, the Warrants, the New Shares, the Shares or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement and its accompanying documents shall be construed as a recommendation to accept or purchase the Rights, the Warrants and/or the New Shares (as the case may be). Each prospective investor of the Warrants should rely on his own investigation of the financial performance, condition and affairs as well as their appraisal and determination of the merits and risks of investing in the Company and the Group and shall be deemed to have done so.

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## IMPORTANT NOTICE

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This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Warrants pursuant to the Rights Issue and may not be relied upon by any person, other than Entitled Shareholders (and their renounees and Purchasers) to whom these documents have been despatched by the Company, or for any other purpose.

This Offer Information Statement, the PAL, the WAF and the WEWAF may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Any persons having possession of this Offer Information Statement and its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Company or the Group.**

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## DEFINITIONS

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For the purposes of this Offer Information Statement, the PAL, the WAF and the WEWAF, the following terms shall, unless the context otherwise requires or unless otherwise stated, have the following meanings:

<b>“9M”</b>	:	Nine months ended 31 March
<b>“Act” or “Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“AGM”</b>	:	The annual general meeting of the Company
<b>“Associated Company”</b>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
<b>“ATM”</b>	:	Automated teller machine of a Participating Bank
<b>“Authority”</b>	:	The Monetary Authority of Singapore
<b>“Board”</b>	:	The board of Directors of the Company as at the date of this Offer Information Statement
<b>“Books Closure Date”</b>	:	5.00 p.m. on 28 June 2019, being the time and date at and on which the Register of Members and the share transfer books of the Company will be closed to determine the provisional allotment of Entitled Shareholders under the Rights Issue
<b>“Business Day(s)”</b>	:	Any day on which commercial banks are open for business in Singapore, other than Saturday, Sunday and days which have been gazetted as public holidays in Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Closing Date”</b>	:	(a) 5.00 p.m. on 17 July 2019 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Warrants under the Rights Issue through CDP or the Share Registrar respectively; or  (b) 9.30 p.m. on 17 July 2019 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Warrants under the Rights Issue by way of an Electronic Application
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“Controlling Shareholder”</b>	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company; or (b) in fact exercises control over the Company

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## DEFINITIONS

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<b>“Company”</b>	:	ASL Marine Holdings Ltd.
<b>“Consent Solicitation Statement”</b>	:	The consent solicitation statement dated 8 January 2019 issued by the Company to the Noteholders
<b>“Council”</b>	:	The Securities Industry Council of Singapore
<b>“CPF”</b>	:	The Central Provident Fund
<b>“CPF Funds”</b>	:	Monies standing to the credit of the CPF savings account of CPF members under the CPF Investment Scheme – Ordinary Account
<b>“CPF Approved Bank”</b>	:	Any bank appointed by the board of the CPF to be a bank for the purposes of the CPF regulations
<b>“CPF Investment Account”</b>	:	An account opened by a member of CPF with a CPF Approved Bank for investment purposes
<b>“CPFIS”</b>	:	CPF Investment Scheme
<b>“CPFIS Members”</b>	:	Shareholders who bought Shares under the CPFIS using their CPFIS Funds
<b>“Deed Poll”</b>	:	The deed poll dated 24 June 2019 executed by the Company for the purposes of constituting the Warrants (as the same may be amended, supplemented or modified from time to time) and containing, among others, provisions for the protection of the rights and interests of the Warrantholders
<b>“Directors”</b>	:	The directors of the Company as at the date of this Offer Information Statement
<b>“Electronic Application(s)”</b>	:	Acceptance of the Warrants and (if applicable) application for Excess Warrants made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement and the relevant procedures for electronic application through an ATM as set out in this Offer Information Statement or on the ATM screens of the relevant Participating Banks
<b>“Entitled Depositors”</b>	:	Shareholders with Shares entered against their own names in the Depository Register maintained with CDP as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents



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## DEFINITIONS

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- “Entitled Scripholders”** : Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
- “Entitled Shareholders”** : Entitled Depositors and Entitled Scripholders collectively
- “Excess Warrants”** : The provisional allotments of Warrants which are not validly taken up by Entitled Shareholders or are otherwise not allotted for whatsoever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, the WAF, the WEWAF and (if applicable) the Constitution as at the Closing Date, and which are available for application by Entitled Shareholders in excess of the number of Warrants provisionally allotted to such Entitled Shareholders
- “Exercise Period”** : The period during which the Warrants may be exercised, being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 60 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members and the Register of Warranholders is closed and/or is not a Market Day, in which event, the Expiration Date shall be the immediate preceding Market Day on which the Register of Members and the Register of Warranholders remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the Deed Poll. Warrants which have not been exercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose
- “Exercise Price”** : The exercise price of S\$0.06, at which a New Share may be subscribed for upon the exercise of a Warrant, subject to adjustments under certain circumstances pursuant to the terms and conditions of the Warrants as set out in the Deed Poll
- “Exercise Proceeds”** : Has the meaning ascribed to it in paragraph 2 of the section entitled **“Part IV – Key Information”** of this Offer Information Statement
- “Existing Share Capital”** : The existing issued and paid-up share capital of the Company comprising 629,266,941 Shares at the Latest Practicable Date

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## DEFINITIONS

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<b>“Expiration Date”</b>	:	The last day of the relevant Exercise Period, provided that if such last day falls on a day on which the Register of Members and the Register of Warranholders is closed and/or is not a Market Day, then the immediate preceding Market Day on which the Register of Members and the Register of Warranholders remain open or the immediate preceding Market Day, as the case may be
<b>“Extraordinary Resolutions”</b>	:	The extraordinary resolutions of the Noteholders pursuant to the Consent Solicitation Statement to approve <i>inter alia</i> the reduction in interest rate and extension of maturity dates for the Notes
<b>“Ex-Rights Trading Date”</b>	:	The date on which the existing Shares commence trading on the SGX-ST on the basis that the purchasers of such Shares on or after such date shall not rank for any Rights
<b>“Foreign Purchasers”</b>	:	Persons purchasing the provisional allotment of Warrants through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore at the time of purchase
<b>“Foreign Shareholders”</b>	:	Shareholders whose registered addresses with the Share Registrar or CDP, as the case may be, are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
<b>“FY”</b>	:	Financial year ended or ending 30 June, as the case may be
<b>“Group”</b>	:	The Company and its Subsidiaries
<b>“Issue Price”</b>	:	The issue price of S\$0.006 for each Warrant pursuant to the Rights Issue, payable in full on acceptance and/or application
<b>“Latest Practicable Date”</b>	:	25 June 2019, being the latest practicable date prior to lodgement of this Offer Information Statement with the Authority
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Mainboard”</b>	:	The Main Board listing platform of the SGX-ST
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“MOM”</b>	:	The Ministry of Manpower of the Republic of Singapore

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## DEFINITIONS

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<b>“MTN Programme”</b>	:	The S\$500,000,000 Multicurrency Debt Issuance Programme of the Company established on 7 May 2008, and as updated and amended on 31 March 2014, and as amended, varied or supplemented from time to time
<b>“Net Proceeds”</b>	:	Has the meaning ascribed to it in paragraph 2 of the section entitled <b>“Part IV – Key Information”</b> of this Offer Information Statement
<b>“New Shares”</b>	:	The new Shares to be issued by the Company, credited as fully paid, upon the exercise of the Warrants, including, where the context so admits, such new Shares arising from the exercise of any additional Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
<b>“Noteholder Warrant Issue”</b>	:	The proposed issue of 300,625,000 free Warrants to Noteholders on the basis of 462,500 Warrants for every S\$250,000 denomination amount of the Series 006 Notes and 578,125 Warrants for every S\$250,000 denomination amount of the Series 007 Notes held as at the Books Closure Date. Please refer to the circular to Shareholders dated 3 July 2019 for more information
<b>“Noteholders”</b>	:	Holders of the Series 006 Notes or Series 007 Notes
<b>“Noteholders Meeting”</b>	:	The meeting of the Noteholders convened on 30 January 2019 for the purposes of passing the Extraordinary Resolutions
<b>“Notes”</b>	:	The Series 006 Notes and the Series 007 Notes
<b>“Offer Information Statement”</b>	:	This offer information statement together with (where the context requires), the PAL, the WAF and the WEWAF and all other accompanying documents including, where the context so admits, any supplementary or replacement document(s) which may be issued by the Company in connection with the Rights Issue
<b>“PAL”</b>	:	The provisional allotment letter to be issued to Entitled Scripholders setting out the provisional allotments of Warrants of such Entitled Scripholders under the Rights Issue and for the purpose of applying for Excess Warrants under the Rights Issue
<b>“Participating Bank”</b>	:	The bank that will be participating in the Rights Issue by making available their ATMs to Entitled Depositors and persons purchasing their provisional allotment of Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, for acceptances of the Warrants and applications for Excess Warrants, as the case may be, to be made under the Rights Issue

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## DEFINITIONS

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<b>“PRC”</b>	:	The People’s Republic of China
<b>“Purchasers”</b>	:	Persons purchasing the provisional allotment of Warrants traded on the SGX-ST through the book-entry (scripless) settlement system
<b>“Record Date”</b>	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<b>“Register of Members”</b>	:	Register of members of the Company
<b>“Register of Warrantheolders”</b>	:	Register of Warrantheolders of the Company
<b>“Rights”</b>	:	The “nil-paid” rights to subscribe for one (1) Warrant for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement
<b>“Rights Issue”</b>	:	The proposed renounceable non-underwritten rights issue of up to 314,633,470 Warrants at the Issue Price for each Warrant, with each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price, on the basis of one (1) Warrant for every two (2) existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“Securities and Futures Act” or “SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified or supplemented from time to time
<b>“Series 006 Notes”</b>	:	S\$100 million 4.75% notes due 2017 issued pursuant to the Company’s MTN Programme
<b>“Series 007 Notes”</b>	:	S\$50 million 5.35% notes due 2018 issued pursuant to the Company’s MTN Programme
<b>“Settlement Date”</b>	:	The date on which CDP completes the crediting of the Warrants and (if applicable) Excess Warrants, to the Securities Accounts of Entitled Shareholders who have accepted their Warrants (or who have applied for and have been allotted Excess Warrants)
<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) prescribed by the SGX-ST

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## DEFINITIONS

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<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company and each a <b>“Share”</b>
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with those Shares
<b>“Share Registrar”</b>	:	M & C Services Private Limited, whose registered office is located at 112 Robinson Road, #05-01, Singapore 068902
<b>“SRS”</b>	:	Supplemental Retirement Scheme
<b>“SRS Approved Banks”</b>	:	Approved banks in which SRS members hold their accounts under the SRS
<b>“SRS Funds”</b>	:	Monies standing to the credit of the SRS accounts of SRS members under the SRS
<b>“SRS Investors”</b>	:	Shareholders who have previously subscribed for or purchased Shares under the SRS using their SRS Funds
<b>“Substantial Shareholders”</b>	:	A person who has an interest in one (1) or more voting Shares in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares of the Company
<b>“Take-Over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
<b>“WAF”</b>	:	Application and acceptance form for Warrants to be issued to Purchasers
<b>“Warrantholder(s)”</b>	:	Registered holders of the Warrants, except that where the registered holder is CDP, the term <b>“Warrantholders”</b> shall, in relation to such Warrants and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Warrants
<b>“Warrant Agent”</b>	:	M & C Services Private Limited, whose registered office is located at 112 Robinson Road, #05-01, Singapore 068902

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## DEFINITIONS

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<b>“Warrants”</b>	:	Up to 615,258,470 warrants in registered form to be allotted and issued by the Company pursuant to the Rights Issue, the Noteholder Warrant Issue and (where the context admits) such additional warrants as may be required or permitted to be allotted and issued by the Company pursuant to the terms and conditions of the warrants as set out in the Deed Poll (any such additional warrants to rank equally and without preference with the warrants to be issued and for all purposes to form part of the same series of warrants constituted by the Deed Poll), each warrant entitling the Warrantholder to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions of the Warrants as set out in the Deed Poll
<b>“WEWAF”</b>	:	Application and acceptance form for Warrants and Excess Warrants to be issued to Entitled Depositors in respect of the provisional allotments of Warrants of such Entitled Depositors under the Rights Issue
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<b>“US\$” and “US dollars”</b>	:	United States dollar, the lawful currency of the United States of America
<b>“%” or “per cent.”</b>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them in section 81SF of the SFA.

The term **“Subsidiary”** shall have the meaning ascribed to it in section 5 of the Act and **“Subsidiaries”** shall be construed accordingly.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to the time of day or date in this Offer Information Statement, the PAL, the WAF and the WEWAF in relation to the Rights Issue shall be a reference to Singapore time and date respectively, unless otherwise stated, and shall include such other dates(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference to **“we”**, **“us”** and **“our”** in this Offer Information Statement is a reference to the Group or any member of the Group as the context requires.

Any reference in this Offer Information Statement, the PAL, the WAF and the WEWAF to any enactment is reference to that enactment for the time being amended or re-enacted. Any term defined under the Act, the SFA, the Take-over Code or the Listing Manual or such statutory modification thereof and used in this Offer Information Statement, the PAL, the WAF and the WEWAF shall, where applicable, have the meaning ascribed to it under the Act, SFA, the Take-over Code or the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

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## DEFINITIONS

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All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to announcements of or by the Company in this Offer Information Statement, the PAL, the WAF and the WEWAF includes announcements by the Company posted on SGXNET at <http://www.sgx.com>.

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## SUMMARY OF THE RIGHTS ISSUE

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The following is a summary of the principal terms and conditions of the Rights Issue which is derived from the Deed Poll and should be read in conjunction with the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

### **Principal Terms of the Rights Issue**

- Number of Warrants** : Up to 314,633,470 Warrants will be issued.
- Issue Price** : S\$0.006 for each Warrant, payable in full on acceptance and/or application.
- Basis of provisional allotment** : One (1) Warrant for every two (2) existing Shares standing to the credit of the Securities Accounts of Entitled Depositors or held by Entitled Scripholders, as the case may be, as at the Books Closure Date, fractional entitlements to be disregarded.
- Listing of the Warrants and the New Shares** : Approval in-principle has been obtained from the SGX-ST for the dealing in, listing of and quotation for the Warrants and the New Shares on the Mainboard, subject to certain conditions, including a sufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants.

The approval in-principle is not to be taken as an indication of the merits of the Rights Issue, the Warrants, the New Shares, the Company, its Subsidiaries and their securities.

Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Mainboard. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Shareholders should note that in the event that permission is not granted by the SGX-ST due to an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, Warrant holders will not be able to trade their Warrants on the SGX-ST but the Company shall nevertheless proceed with and complete the Rights Issue.

- Trading of the Warrants and the New Shares** : Subject to, among others, there being a sufficient spread of holdings of the Warrants, upon listing of and quotation for the Warrants and the New Shares on the Mainboard, the Warrants and the New Shares will be traded under the book-entry (scripless) settlement system.

Each board lot of Warrants or Shares (as the case may be) will consist of 100 Warrants or 100 Shares respectively. Odd lots of less than 100 Warrants or 100 Shares (as the case may be) may be traded on the unit share market of the SGX-ST.



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## SUMMARY OF THE RIGHTS ISSUE

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- Form and subscription rights of the Warrants** : The Warrants are constituted by the Deed Poll and will be issued in registered form. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each Warrant will entitle a Warranholder to subscribe for one (1) New Share at the Exercise Price during the Exercise Period. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
- Exercise Price** : The exercise price of S\$0.06, at which a New Share may be subscribed for upon the exercise of a Warrant, subject to adjustments under certain circumstances pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.
- Exercise Period** : The Warrants may be exercised at any time commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 60 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members and the Register of Warranholders is closed and/or is not a Market Day, in which event, the Expiration Date shall be the immediately preceding Market Day on which the Register of Members and the Register of Warranholders remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which have not been exercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
- Notice of Expiry** : Notice of expiry of the Warrants shall be delivered by post to the registered address of all Warranholders at least one (1) month before the expiry of the Exercise Period and an appropriate announcement shall also be made on SGXNET.
- Payment of the Exercise Price** : Warranholders who exercise their Warrants must pay the Exercise Price by way of:
- (a) a remittance in Singapore currency by Cashier's Order or Banker's Draft drawn on a bank operating in Singapore;
  - (b) debiting the CPF Investment Account with the CPF Approved Bank (subject to the availability of CPF Funds), as specified in the Exercise Notice (as defined in the Deed Poll and as reproduced in "**Appendix I – Terms and Conditions of the Warrants**" of this Offer Information Statement);
  - (c) debiting the SRS account with the SRS Approved Bank (subject to the availability of SRS Funds); and/or
  - (d) any combination of the above, as specified in the Exercise Notice,

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## SUMMARY OF THE RIGHTS ISSUE

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for the credit of the Special Account (as defined in the Deed Poll and as reproduced in “**Appendix I – Terms and Conditions of the Warrants**” of this Offer Information Statement) for the full amount of the monies payable in respect of the Warrant(s) exercised.

**Acceptance of Rights and Application for Excess Warrants**

: Entitled Shareholders will be at liberty to accept, decline, renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) (in full or in part) their provisional allotments of Warrants and will be eligible to apply for the Excess Warrants. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for Excess Warrants or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Listing Manual.

In the allotment of Excess Warrants, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Warrants. The Company will not make any allotment and issuance of Warrants that will result in a transfer of controlling interest in the Company, unless otherwise approved by Shareholders at a general meeting.

**Adjustments**

: The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Warrants as set out in the Deed Poll in all or any of the following cases as stipulated below as extracted from the Deed Poll and as reproduced in “**Appendix I – Terms and Conditions of the Warrants**” of this Offer Information Statement. Capitalised terms used herein below shall be given the same meanings as stated in the Deed Poll:

- (i) an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not and including any capital redemption reserve fund) to Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);
- (ii) a Capital Distribution made by the Company to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

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## SUMMARY OF THE RIGHTS ISSUE

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- (iii) an offer or invitation made by the Company to Shareholders under which they may acquire or subscribe for Shares by way of rights;
- (iv) an issue (otherwise than pursuant to a rights issue available to all Shareholders, requiring an adjustment under Condition 5.1.3 in Appendix I, and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares if the Total Effective Consideration for each Share is less than 90% of the Last Dealt Price for each Share; or
- (v) any consolidation, subdivision or conversion of Shares.

Any such adjustments shall be announced by the Company via an announcement on SGXNET in compliance with the Listing Manual.

<b>Number of New Shares</b>	:	Up to 314,633,470 New Shares will be issued upon the full exercise of 314,633,470 Warrants.
<b>Status of the New Shares</b>	:	The New Shares arising from the exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant date of exercise of the Warrants and shall rank <i>pari passu</i> in all respects with the then existing issued Shares.
<b>Alteration to terms of the Warrants</b>	:	No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantheader shall be made, unless the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll or the prior approval of Shareholders at a general meeting has been sought.
<b>Transfer and transmission</b>	:	The Warrants may only be transferred in lots, such that the subscription of the New Shares by Warrantheaders may only be effected in whole numbers. A Warrant may only be transferred in the manner prescribed by the terms and conditions of the Warrants as set out in the Deed Poll including, <i>inter alia</i> , the following as stated below and as reproduced in “ <b>Appendix I – Terms and Conditions of the Warrants</b> ” of this Offer Information Statement:

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## SUMMARY OF THE RIGHTS ISSUE

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(i) Warrants not registered in the name of CDP

A Warranholder whose Warrants are registered otherwise than in the name of CDP (“**Transferor**”) shall lodge, during normal business hours on any Market Day at the specified office of the Warrant Agent, the Transferor’s warrant certificate(s) together with a transfer form as prescribed by the Company from time to time (“**Transfer Form**”) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any applicable law for the time being in force relating to stamp duty, and accompanied by the fees and expenses set out in the Deed Poll, provided that the Company and the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP. A Transferor shall be deemed to remain a Warranholder of the Warrants until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent;

(ii) Deceased Warranholder

The executors and administrators of a deceased Warranholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holder of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company as having any title to the Warrants and shall be entitled to be registered as Warranholders upon the production by such persons to the Company and the Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of the fees and expenses as set out in the Deed Poll; and

(iii) Warrants registered in the name of CDP

Where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry. A Depositor shall be deemed to remain as a Warranholder of the Warrants until the name of the transferee is entered in the Depository Register by CDP.

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## SUMMARY OF THE RIGHTS ISSUE

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- Winding-up** : Where there is a members' voluntary winding-up of the Company, each Warranholder may elect to be treated as if he had immediately prior to the commencement of such winding-up, exercised the Warrants and had on such date been the holders of the New Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to each Warranholder in accordance with the terms and conditions as set out in the Deed Poll of the passing of any such resolution.
- Further Issues** : Subject to the terms and conditions of the Warrants, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue of Shares unless otherwise resolved by the Company at a general meeting.
- Warrant Agent** : M & C Services Private Limited, whose registered office is located at 112 Robinson Road, #05-01, Singapore 068902
- Governing law** : Laws of the Republic of Singapore.
- Risk factors** : Investing in the Warrants and the New Shares involves risks. Please refer to the risk factors as disclosed in "**Part V – Operating and Financial Review and Prospects**" of this Offer Information Statement for details on such risks.

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## INDICATIVE TIMETABLE OF KEY EVENTS

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The important dates and time for the Rights Issue are as follows:

Shares trade ex-right	:	27 June 2019 from 9.00 a.m.
Books Closure Date	:	28 June 2019 at 5.00 p.m.
Lodgement of the Offer Information Statement in relation to the Rights Issue with the Authority	:	2 July 2019
Despatch of the Offer Information Statement, (together with the PAL, the WAF and the WEWAF as the case may be) to Entitled Shareholders	:	3 July 2019
Commencement of trading of Rights	:	3 July 2019 from 9.00 a.m.
Last date and time for splitting Rights	:	11 July 2019 at 5.00 p.m.
Last date and time for trading of Rights	:	11 July 2019 at 5.00 p.m.
Last date and time for acceptance of and payment for the Warrants	:	17 July 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for acceptance of and payment for the Warrants by renounees	:	17 July 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for application of and payment for the Excess Warrants	:	17 July 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date of issuance of Warrants	:	24 July 2019
Expected date of crediting of Warrants	:	25 July 2019
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	25 July 2019
Expected date of commencement of trading of the Warrants (subject to there being a sufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants)	:	26 July 2019 at 9.00 a.m.

**The above timetable is indicative only and is subject to change.**

As at the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, upon consultation with its advisers and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce the same through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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### 1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the PAL, the WAF and/or the WEWAF, as the case may be, and other accompanying documents at their respective registered Singapore address(es). Entitled Depositors who do not receive this Offer Information Statement, and where applicable, the WAF and/or the WEWAF, as the case may be, may obtain them from CDP for the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and where applicable, the PAL, may obtain them from the Share Registrar for the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Warrants on the basis of their shareholdings as at the Books Closure Date, fractional entitlements to be disregarded. Entitled Shareholders are at liberty to accept, decline or renounce their Rights and will be eligible to apply for Excess Warrants. In addition, Entitled Depositors will also be eligible to trade their Rights (in full or in part) on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for additional Warrants in excess of their provisional allotments under the Rights Issue.

Entitled Depositors who wish to accept their provisional allotment of Warrants and (if applicable) apply for Excess Warrants may do so through CDP and/or by way of Electronic Applications.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered Singapore mailing addresses with CDP.

Entitled Depositors should note that any request to CDP to update its records or to effect any change in address should have reached CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, at least three (3) Market Days before the Books Closure Date. Shareholders whose Shares are registered in their own names (not being depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue should have provided such an address in Singapore by notifying the Company c/o the Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, at least three (3) Market Days before the Books Closure Date.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotment of Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12<sup>th</sup> Market Day from the date of lodgement of the share certificates with CDP or such other date as CDP may determine.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered address with the Share Registrar.

**For investors who hold Shares through finance companies or Depository Agents, acceptances of the Warrants provisionally allotted to them and (if applicable) applications for Excess Warrants must be done through these intermediaries. Any acceptance and (if applicable) application of the Warrants by such investors directly to CDP, the Share Registrar, the Company or through Electronic Applications will be rejected.**

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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Fractional entitlements to the Warrants, if any, will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with the provisional allotments of Warrants which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

In the allotment of Excess Warrants, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Warrants. The Company will not make any allotment and issuance of Warrants that will result in a transfer of controlling interest in the Company, unless otherwise approved by Shareholders at a general meeting.

**All dealings in, and transactions of, the provisional allotment of Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.**

The procedure for, and the terms and conditions applicable to, acceptance, splitting, renunciation and/or sale of the provisional allotment of Warrants or the application for Excess Warrants, including the different modes of acceptance or application and payment are contained in **Appendices II to IV** of this Offer Information Statement and in the PAL, the WAF and the WEWAF.

### 2. Foreign Shareholders

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislations applicable in countries other than in Singapore, this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or to any jurisdictions outside Singapore.

**Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.**

**SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE WILL HAVE TO PROVIDE CDP AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 OR THE SHARE REGISTRAR AT 112 ROBINSON ROAD, #05-01, SINGAPORE 068902, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.**

This Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotment of Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any



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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of Warrants renounced to him.

The Company reserves the right to reject any acceptances of Warrants and/or applications for Excess Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right to treat as invalid any PAL, WAF or WEWAF or decline to register such application or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the warrant certificate(s) or which requires the Company to despatch the warrant certificates to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation or warranty as required by the terms and conditions of this Offer Information Statement, the PAL, the WAF and/or the WEWAF.

If it is practicable to do so, arrangements may, at the sole discretion of the Company, be made for the provisional allotment of Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Warrants commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by means of a crossed cheque drawn on a bank in Singapore by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith.

Where such provisional allotment of Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in respect of such sales or the proceeds thereof, the provisional allotment of Warrants or the Warrants represented by such provisional allotments.

If such provisional allotment of Warrants cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotment of Warrants, the Warrants represented by such provisional allotment will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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Notwithstanding the above, Entitled Shareholders and any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe all legal requirements applicable thereto at their own expense and without liability to the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith. No person in any jurisdiction outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Warrants unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirement in such jurisdiction.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

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## OFFERING, SELLING AND TRANSFER RESTRICTIONS RELATING TO THE RIGHTS ISSUE

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No action has been taken or will be taken to permit a public offering of the Warrants and the New Shares to occur in any jurisdiction, or the possession or circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material(s) relating to the Company, the Warrants and the New Shares in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the Authority.

Accordingly, the Warrants and/or the New Shares may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents and offering materials or advertisements in connection with the Warrants and/or the New Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotments of Warrants, applying for Excess Warrants, or making any offer, sale, resale, pledge or other transfer of the Warrants.

**This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.**

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## TRADING

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### 1. Listing and Quotation of the Warrants and the New Shares

Approval in-principle has been obtained from the SGX-ST on 20 June 2019 for the listing of and quotation for the Warrants and the New Shares on the Mainboard, subject to the following conditions:

- (a) compliance with the listing requirements of the SGX-ST;
- (b) Shareholders' approval for the Noteholder Warrant Issue;
- (c) announcement of the conditions under which the exercise price for the Warrants may be adjusted and the conditions under which the Warrants may be redeemed;
- (d) submission of the following documents:–
  - (i) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of proceeds from the proposed Rights Issue and the Noteholder Warrant Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on the use of proceeds and in the annual report;
  - (ii) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
  - (iii) a written confirmation from the Company that there is a satisfactory spread of registered holders (at least 100) to provide an orderly market for the Warrants, in compliance with Rule 826 of the Listing Manual;
  - (iv) a written confirmation from the Company that the terms of the warrant issue do not permit revision of the exercise price/ratio in any form, other than in compliance with Rule 829(1) of the Listing Manual;
  - (v) a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any excess Warrants; and
  - (vi) a written undertaking from the Company that the Rules 820 (for the Rights Issue), 830 and 831 of the Listing Manual will be complied with.

The approval in-principle granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Noteholder Warrant Issue, the Warrants, the New Shares, the Company, its Subsidiaries and their securities.

Upon listing and quotation on the Mainboard, the Warrants and the New Shares will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Warrants and the New Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "*Terms and Conditions for Operation of Securities Accounts with CDP*" and the "*Terms and Conditions for CDP to act as Depository for the Warrants*", as the same may be amended, modified or supplemented from time to time. Copies of the above are available from CDP.

**It should be noted that in the event of an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Mainboard. Accordingly, Warrant holders will not be able to trade their Warrants on the SGX-ST. However if Warrant holders were to**

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## TRADING

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**exercise their Warrants, subject to the terms and conditions of the Warrants, to convert their Warrants into New Shares, such New Shares will be listed and quoted on the Mainboard.**

### **2. Arrangement for Scripless Trading**

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Warrants provisionally allotted to them and (if applicable) apply for Excess Warrants, and who wish to trade the Warrants issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Warrants and, if applicable, the Excess Warrants that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept the Warrants and (if applicable) apply for the Excess Warrants and have their Warrants and (if applicable) the Excess Warrants, credited into their Securities Accounts must fill in their Securities Account numbers and/or national registration identity card (“**NRIC**”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical certificates in their own names, for the Warrants allotted to them and (if applicable), the Excess Warrants allotted to them, by ordinary post at their own risk to their mailing address in Singapore as maintained with the Share Registrar, within 10 Market Days after the Closing Date, but such physical warrant certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be, *prima facie* evidence of legal title.

If an Entitled Scripholder’s address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical certificate(s), or an Entitled Scripholder who has not deposited his share or warrant certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit with CDP the certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Warrants or existing Shares, as the case may be, before he can effect the desired trade.

### **3. Trading of Odd Lots**

Entitled Depositors who wish to trade all or part of their provisional allotment of Warrants on the SGX-ST during the provisional allotment trading period should note that the provisional allotment of Warrants will be tradable in board lots, each board lot of Warrants comprising 100 Warrants, or any other board lot size as the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so on the unit share market of the SGX-ST during the provisional allotment trading period. Such Entitled Depositors may start trading in their provisional allotment of Warrants as soon as dealings therein commence on the SGX-ST.

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## TRADING

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**Entitled Shareholders should note that the Rights Issue may result in them holding odd lots of Warrants (that is, lots other than board lots of 100 Warrants). The exercise of such Warrants would also result in an Entitled Shareholder holding odd lots of Shares.**

Entitled Shareholders should note that most counters on the SGX-ST currently trade in board lot sizes of 100 shares and/or warrants. Following the Rights Issue, Entitled Shareholders who hold odd lots of the Warrants and/or Shares (i.e. lots other than board lots of 100 Warrants or 100 Shares) and who wish to trade in odd lots of Warrants and/or Shares should note that they can do so on the unit share market of the SGX-ST, which allows trading of odd lots. However, the market for trading of such odd lots of Warrants and/or Shares may be illiquid.

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on the Company's behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that are biased or by forward-looking terms such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "will", "would" and "should" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, operating results, business strategy, plans and future prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements

Given the risks, uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Offer Information Statement, you are advised not to place undue reliance on those statements which apply only as at the date of this Offer Information Statement.

The Group's actual future results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants to you that the Group's actual future results, performance or achievements will be as discussed in those forward-looking statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same on the SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

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## TAKE-OVER LIMITS

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The Take-Over Code regulates, amongst others, the acquisition of ordinary shares of corporations with a primary listing on the SGX-ST, including the Company.

Under Rule 14 of the Take-Over Code, except with the consent of the Council, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in a company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights of a company,

such person must extend a mandatory take-over offer immediately to the shareholders of that company for the remaining shares in that company in accordance with the provisions of the Take-Over Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Take-Over Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Take-Over Code.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-Over Code as a result of the subscription of all or any of their respective entitlements of Warrants under the Rights Issue and the acquisition of New Shares upon the exercise of all or any such Warrants, should consult the Council and/or their professional advisers immediately.**



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**PART II – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS**

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**Directors**

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.
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Name of Directors	Address
Ang Kok Tian (Chairman, Managing Director and Chief Executive Officer)	: c/o 19 Pandan Road, Singapore 609271
Ang Ah Nui (Deputy Managing Director)	: c/o 19 Pandan Road, Singapore 609271
Ang Kok Leong (Executive Director)	: c/o 19 Pandan Road, Singapore 609271
Andre Yeap Poh Leong (Independent Director)	: c/o 19 Pandan Road, Singapore 609271
Christopher Chong Meng Tak (Independent Director)	: c/o 19 Pandan Road, Singapore 609271
Tan Sek Khee (Independent Director)	: c/o 19 Pandan Road, Singapore 609271

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**Advisers**

2. Provide the names and addresses of:
- (a) the issue manager to the offer, if any;
  - (b) the underwriter to the offer, if any; and
  - (c) the legal adviser for or in relation to the offer, if any.
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Manager of the Rights Issue	: Not applicable.
Underwriter of the Rights Issue	: Not applicable.
Legal adviser to the Company as to Singapore law in relation to the Rights Issue	: Morgan Lewis Stamford LLC 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315

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**Registrars and Agents**

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.**
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Share Registrar	:	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
Warrant Agent	:	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
Receiving Bank	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza 1 Singapore 048624

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**PART III – OFFER STATISTICS AND TIMETABLE**

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**Offer Statistics**

- 1. For each method of offer, state the number of securities or securities-based derivatives contracts being offered.**
- 

Method of offer	:	Renounceable non-underwritten rights issue of Warrants
Number of Warrants and New Shares	:	Up to 314,633,470 Warrants (assuming that the Rights Issue is fully subscribed) convertible into 314,633,470 New Shares
Basis of allotment	:	One (1) Warrant for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Issue Price	:	S\$0.006 for each Warrant
Exercise Price	:	S\$0.06 for each New Share

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**Method and Timetable**

- 2. Provide the information referred to in paragraphs, 3 to 7 of this Part to the extent applicable to –**
- (a) the offer procedure; and**
  - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
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Please see paragraphs 3 to 7 of this Part III below.

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- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.**
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Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement.

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As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, upon consultation with its advisers and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce the same through a SGXNET announcement to be posted on SGXNET at <http://www.sgx.com>.

The procedure for, and terms and conditions applicable to the, acceptance, splitting, renunciation and/or sale of the provisional allotment of Warrants or the application for Excess Warrants including the different modes of acceptance or application and payment are contained in **Appendices II to IV** of this Offer Information Statement and in the PAL, the WAF and the WEWAF.

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**4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

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The Warrants and Excess Warrants are payable in full upon acceptance and/or application.

Please refer to details on the procedures for acceptance and/or application of, and payment for the Warrants and Excess Warrants set out in **Appendices II to IV** of this Offer Information Statement.

Please refer to the section entitled “**Indicative Timetable of Key Events**” of this Offer Information Statement for the last date and time for acceptance and payment for the Warrants and (if applicable) Excess Warrants.

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**5. State, where applicable, the methods of and time limits for –**

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
  - (b) the book-entry transfers of securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**
- 

The Warrants will be provisionally allotted to Entitled Shareholders on or about 2 July 2019 by crediting the provisional allotment to the Securities Accounts of Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders, based on their respective shareholdings of the Company as at the Books Closure Date.

In the case of Entitled Scripholders and their renounees with valid acceptances for Warrants and (if applicable) successful applications for Excess Warrants and who have failed to furnish or furnished incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers in the relevant forms comprised in the PAL or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, certificates representing such number of

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Warrants will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within 10 Market Days after the Closing Date.

In the case of Entitled Depositors, Purchasers, Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with valid acceptances for Warrants and (if applicable) successful applications for Excess Warrants, certificates representing such number of Warrants will be registered in the name of CDP and CDP will thereafter credit such number of Warrants to their relevant Securities Accounts. Certificates representing such number of Warrants are expected to be sent to CDP within 10 Market Days after the Closing Date. It is expected that CDP will then send to such subscribers at their own risk a notification letter showing the number of Warrants credited to the relevant Securities Accounts.

Please refer to **Appendices II to IV** of this Offer Information Statement for further details.

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- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable as no pre-emptive rights have been offered.

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- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
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**Results of the Rights Issue**

The Company will publicly announce the results of the allotment or the allocation of the Warrants as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on SGXNET at <http://www.sgx.com>.

**Manner of refund**

Where any acceptance for Warrants and (if applicable) application for Excess Warrants is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by any one or a combination of the following:

- (a) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses as maintained with the Share Registrar; or

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- (b) where acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any; or
- (c) where the acceptance and/or application had been made through CDP, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address as maintained with CDP or in such other manner as the applicant may have agreed with CDP for the payment of any cash distributions.

Please refer to **Appendices II to IV** of this Offer Information Statement, the PAL, the WAF and the WEWAF (as the case may be) for further details on refunding excess amounts paid by applicants.

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**PART IV – KEY INFORMATION**

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**Use of Proceeds from Offer and Expenses Incurred**

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**
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Please see paragraphs 2 to 7 of this Part IV below.

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- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**
- 

Based on the Existing Share Capital and assuming that the Rights Issue is fully subscribed, 314,633,470 Warrants will be issued pursuant to the Rights Issue and the net proceeds from the subscription of the Warrants ("**Net Proceeds**") will amount to approximately S\$1.19 million after deducting professional fees as well as related expenses of approximately S\$0.70 million incurred in connection with the Rights Issue. On the basis of the foregoing, and assuming that all 314,633,470 Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants ("**Exercise Proceeds**") will be approximately S\$18.88 million. In view thereof, the total proceeds comprising the Net Proceeds and the Exercise Proceeds will amount to approximately S\$20.07 million.

All the Net Proceeds arising from the Rights Issue will go to the Company.

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- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses.**

**Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**

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

As and when the Warrants are exercised, the Company intends for the Exercise Proceeds arising therefrom to be applied to the following purposes:

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<b>Use of Exercise Proceeds</b>	<b>Proportion (%)</b>
1. General working capital <sup>(1)</sup>	Approximately 50
2. Repayment to Noteholders (which includes servicing of existing obligations <sup>(2)</sup> and funding of additional partial redemption <sup>(3)</sup> of the Notes)	Approximately 50

**Note(s):**

- (1) The Company intends to utilise a portion of the Exercise Proceeds for general corporate and working capital purposes, including but not limited to capital expenditure and operating costs incurred in the ordinary course of business.
- (2) This includes the mandatory semi-annual redemption payment of an aggregate principal amount of S\$0.50 million (for Series 006 Notes) and S\$0.25 million (for Series 007 Notes), together with interest accrued but unpaid, as approved by Noteholders under the Consent Solicitation.
- (3) This includes (a) in respect of the Notes, the mandatory semi-annual redemption payment of the amount equal to half of the EBITDA Redemption Rate multiplied by the Denomination Amount; (b)(i) in respect of the Series 006 Notes, if the aggregate amount in the Series 006 Note Redemption Account net of any fees, expenses and minimum balance requirement imposed by the account bank (as determined on the eleventh Business Day prior to the payment date) is more than S\$500,000, the mandatory semi-annual redemption payment of such amount (but rounding down to the nearest S\$500,000), such redemption to be made on a *pro rata* basis; and (b)(ii) in respect of the Series 007 Notes, if the aggregate amount in the Series 007 Note Redemption Account net of any fees, expenses and minimum balance requirement imposed by the account bank (as determined on the eleventh Business Day prior to the payment date) is more than S\$250,000, the mandatory semi-annual redemption payment of such amount (but rounding down to the nearest S\$250,000), such redemption to be made on a *pro rata* basis, as approved by Noteholders under the Consent Solicitation,

where:

**“Adjusted Core EBITDA Amount”** means, with respect to any financial year, the earnings of the Company and its subsidiaries during such period before taking into account interest expense, 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 (in each case to the extent deducted in arriving at such earnings) and (ii) deducting other operating income;

**“Adjusted Core EBITDA Redemption Rate”** means 0.15 per cent. for every S\$1.0 million of Adjusted Core EBITDA Amount that is above S\$65.0 million, subject to a maximum Adjusted Core EBITDA Payment Rate of 6.00 per cent. For the avoidance of doubt, the aggregate rate shall be calculated by multiplying (a) 0.15, and (b) the difference between the Adjusted Core EBITDA Amount (rounded down to the nearest S\$1.0 million) and S\$65.0 million (and if such difference is negative in value, such difference shall be deemed to be zero);

**“EBITDA Redemption Rate”** means the difference between the Adjusted Core EBITDA Payment Rate and 2.0 per cent.;

**“Free Cash”** means, in relation to each financial quarter, the Company’s cash and cash equivalents as reflected in the Statement of Cash Flows in the Company’s consolidated financial statements for such financial quarter after deducting S\$25.0 million;

**“Series 006 Note Redemption Account”** means the account opened by the escrow agent into which 28<sup>4</sup>/<sub>7</sub> per cent. of Free Cash will, within 10 Business Days of announcement of the Company’s quarterly financial statements, be required to be deposited, subject to a maximum amount equal to the outstanding principal amount of the Series 006 Notes; and

**“Series 007 Note Redemption Account”** means the account opened by the escrow agent into which 11<sup>3</sup>/<sub>7</sub> per cent. of Free Cash will, within 10 Business Days of announcement of the Company’s quarterly financial statements, be required to be deposited, subject to a maximum amount equal to the outstanding principal amount of the Series 007 Notes.

Pending deployment of the Net Proceeds and/or Exercise Proceeds for the uses identified above, such proceeds may be placed as deposits with financial institutions or invested in



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short-term money market or debt instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Company.

The Company will make periodic announcements on the use of the Net Proceeds and/or Exercise Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of Net Proceeds and/or Exercise Proceeds in the Company's annual report(s). Where there is any material deviation from the stated use of the Net Proceeds and/or Exercise Proceeds, the Company will announce the reasons for such deviation.

Where the Net Proceeds and/or Exercise Proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds and/or Exercise Proceeds for working capital in the Company's announcement and in the Company's annual report(s).

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**4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

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The estimated gross proceeds arising from the subscription of the Warrants under the Rights Issue is approximately S\$1.89 million.

Based on the intended use of the proceeds as described in paragraph 3 of this Part IV above, for each dollar of the aggregate gross proceeds raised from the subscription of the Warrants under the Rights Issue (excluding any Exercise Proceeds), the estimated amount that will be allocated for the intended use and the estimated amount that will be used to pay for expenses incurred in relation to the Rights Issue are as follows:

- (a) approximately S\$0.629 for each dollar of gross proceeds raised will be allocated towards the Group's general working capital purposes; and
- (b) approximately S\$0.371 for each dollar of gross proceeds raised will be allocated to pay for professionals' fees and related expenses incurred in connection with the Rights Issue.

As described in paragraph 3 of this Part IV above, all of the Exercise Proceeds raised may, at the discretion of the Directors, be applied towards the following purposes:

- (a) the Group's general working capital purposes; and
- (b) repayment to Noteholders (which may include servicing of existing obligations and/or additional partial redemption of the Notes).

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5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.

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The Net Proceeds will not be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity other than in the ordinary course of business.

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6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

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Please refer to paragraph 3 of this Part IV. Pursuant to the amended terms and conditions of the Notes further to the passing of the Extraordinary Resolutions at the Noteholders Meeting, the maturity date of the Series 006 Notes has been extended to 28 March 2025, and the maturity date of the Series 007 Notes has been extended to 1 October 2026.

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7. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

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Not applicable.

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**Information on the Relevant Entity**

8. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office)

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Registered address and principal place of business	:	19 Pandan Road, Singapore 609271
Telephone	:	(65) 6264 3833
Facsimile	:	(65) 6268 0274

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group**

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The Company, the investment holding company of the Group, was incorporated in Singapore on 4 October 2000 under the Act as a private limited company under the name “ASL Marine Holdings Pte. Ltd.” On 29 January 2003, the Company was converted into a public limited company and changed its name to “ASL Marine Holdings Ltd.” (“**ASL Marine**”). The Company has been listed on the Mainboard since March 2003.

The Group is a vertically-integrated marine services group principally engaged in shipbuilding, shiprepair and conversion, shipchartering, dredge engineering and other related marine services, catering to customers mainly from Asia Pacific, South Asia, Europe, Australia and the Middle East.

The Group started operations as a trader of scrapped steel material in 1974, and subsequently rode on the 1980s construction sector boom by undertaking building construction works. Guided by its vision to be a leading player in the marine sector, the Group undertook ship-breaking activities in 1986 before venturing into shipbuilding and shiprepair. It successfully constructed its first barge and tug in 1988 and 1990 respectively. In 1989, the Group extended its vertically integrated capabilities by providing charter of tugs and barges and other marine logistics services.

Headquartered and listed in Singapore since 17 March 2003, ASL Marine owns and operates shipyards in Singapore, Batam (Indonesia) and Guangdong (PRC), providing a comprehensive range of marine engineering services spanning myriad sectors/industries.

The Group’s 300,000 dwt graving dry dock in Batam is one of the few docks in the region capable of repairing Capesize vessels. Operations at the Guangdong shipyard was ceased since May 2017.

The Group owns and operates a fleet of vessels consisting mainly of towing tugs, cargo barges, crane barges, split hopper barges, workboats, grab dredgers, landing crafts, tankers, Anchor Handling Tugs (“**AHTs**”) and Anchor Handling Towing and Supply Vessels (“**AHTSs**”). Majority of the vessels are deployed in Singapore and Asia Pacific regions such as Malaysia, Indonesia and Bangladesh.

As at 31 March 2019, the Group owns a fleet of 251 vessels. The Group has carved a niche in providing shipchartering services to various industries, including marine infrastructure and construction, dredging, land reclamation and cargoes transportation.

The Group added an engineering segment to its business model after the acquisition of VOSTA LMG International B.V. (“**VOSTA LMG**”) and its subsidiaries (the “**VOSTA LMG group**”) in December 2012. The VOSTA LMG group is in the business of designing and management of construction of large custom-built or standard dredgers; making and supplying of a wide range of specialised dredging components; and ownership of several important patents.

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As at the Latest Practicable Date, the Subsidiaries of the Company and their principal activities are as follows:

Name of Subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group
<b><u>Held by the Company:</u></b>			
ASL Shipyard Pte Ltd	Singapore	Shipbuilding, shiprepair and conversion and general engineering	100%
PT. ASL Shipyard Indonesia	Indonesia	Shipbuilding, shiprepair and conversion and general engineering	10%
ASL Offshore & Marine Pte. Ltd.	Singapore	Chartering of vessels and ship management	100%
Capitol Marine Pte Ltd.	Singapore	Chartering of vessels	100%
Capitol Offshore Pte Ltd.	Singapore	Chartering of vessels	100%
Capitol Tug & Barge Pte Ltd.	Singapore	Chartering of vessels	100%
Capitol Shipping Pte Ltd.	Singapore	Chartering of vessels	100%
Lightmode Pte Ltd.	Singapore	Chartering of vessels	100%
Capitol Logistics Pte. Ltd.	Singapore	Chartering of vessels	100%
Capitol Navigation Pte. Ltd.	Singapore	Chartering of vessels	100%
Capitol Aquaria Pte. Ltd.	Singapore	Chartering of vessels	100%
Capitol Oceans Pte. Ltd.	Singapore	Chartering of vessels	100%
ASL Maritime Services Pte. Ltd.	Singapore	Chartering of vessels	100%
Intan Maritime Investments Pte. Ltd.	Singapore	Chartering of vessels	100%
Intan Synergy Pte. Ltd.	Singapore	Chartering of vessels	100%
Intan Offshore Pte. Ltd.	Singapore	Chartering of vessels	100%
Intan Oceans Pte. Ltd.	Singapore	Chartering of vessels	100%
Intan Scorpio Pte. Ltd.	Singapore	Chartering of vessels	100%
Intan OSV Pte. Ltd.	Singapore	Chartering of vessels	100%
ASL Triaksa Offshore Pte. Ltd.	Singapore	Chartering of vessels	60%
Harmony PSV Pte. Ltd.	Singapore	Chartering of vessels	100%

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<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Group</b>
ASL Leo Pte. Ltd.	Singapore	Chartering of vessels	100%
ASL Marine Contractor Pte. Ltd.	Singapore	Chartering of vessels and ship management	100%
ASL Project Logistics Pte. Ltd.	Singapore	Chartering of vessels	100%
ASL Towage & Salvage Pte. Ltd.	Singapore	Chartering of vessels	100%
Capitol Workboats Pte. Ltd.	Singapore	Chartering of vessels	100%
VOSTA LMG India Pvt. Ltd.	India	Chartering of vessels	6%
Hongda Investment Pte. Ltd.	Singapore	Investment Holding	60%
Intan Overseas Investments Pte. Ltd.	Singapore	Investment holding	100%
Singa Tenaga Investments Pte. Ltd.	Singapore	Investment holding	100%
<b><u>Held through Subsidiaries:</u></b>			
PT. ASL Shipyard Indonesia	Indonesia	Shipbuilding, shiprepair and conversion and general engineering	90%
PT. Cipta Nusantara Abadi	Indonesia	Investment holding and provision of agency, handling and consultancy services	75%
PT. Bina Kontinental Lestari	Indonesia	Investment holding and provision of agency, handling and consultancy services	100%
PT. Awak Samudera Transportasi	Indonesia	Chartering of vessels	100%
PT. Cemara Intan Shipyard	Indonesia	Shipyard, shiprepair and general engineering	100%
PT. Sukses Shipyard Indonesia	Indonesia	Shipbuilding and fabrication services	100%
Jiangmen Hongda Shipyard Ltd.	People's Republic of China	Shipbuilding and general engineering	60%

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<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Group</b>
Leo Dynamische Investerings B.V.	Netherlands	Investment holding	100%
VOSTA LMG International B.V.	Netherlands	Investment Holding	100%
VOSTA LMG Component & Services B.V.	Netherlands	Dredge engineering, design, trading and repair of dredging equipment	100%
VOSTA LMG Dredges B.V.	Netherlands	Dredge engineering, design, trading and repair of dredging equipment	100%
VOSTA LMG B.V.	Netherlands	Dredge engineering, design, trading and repair of dredging equipment	100%
VOSTA LMG IP & Software B.V.	Netherlands	Leasing of intellectual property	100%
CFT Netherlands B.V.	Netherlands	Market research and public opinion polling	100%
VOSTA LMG Design GmbH	Germany	Building of dredgers and dredging equipment	100%
VOSTA LMG (Asia Pacific) Pte Ltd.	Singapore	Shipbuilding and repair of maritime dredging systems and equipment	100%
VOSTA LMG (Zhuhai) Ltd.	People's Republic of China	Manufacturing and trading of dredging equipment	100%
VOSTA Inc.	United States of America	Trading of dredges and maritime dredging equipment	100%
VOSTA LMG India Pvt. Ltd.	India	Chartering of vessels	94%

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As at the Latest Practicable Date, the Associated Companies and joint ventures of the Group are as follows:

Name of Associated Companies and Joint Ventures	Country of incorporation	Principal activities	Effective interest held by the Group
<b>Joint Ventures</b>			
<b><u>Held through Subsidiaries:</u></b>			
Sindo-Econ Pte. Ltd.	Singapore	Investment holding	50%
PT. Sindomas Precas	Indonesia	Manufacture of reinforced concrete piles and precast components	50%
<b>Associated Companies</b>			
<b><u>Held by the Company:</u></b>			
Fastcoast Industries Pte. Ltd.	Singapore	Investment holding and metal galvanising, coating and protecting operations	44.5%
<b><u>Held through an associate:</u></b>			
PT. Fastcoat Industries	Indonesia	Metal galvanising, coating and protecting operations	44.5%
<b><u>Held through a Subsidiary:</u></b>			
PT. Hafar Capitol Nusantara	Indonesia	Chartering of vessels	36.75%
PT. Capitol Nusantara Indonesia Tbk	Indonesia	Chartering of vessels and ship management	27%

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- (c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published.
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The general development of the business of the Group for the three (3) most recent completed financial years up to the Latest Practicable Date is set out in chronological order below. The significant developments included in this section have been extracted from related announcements released by the Company via SGXNET and the information

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presented herein is correct as at the date of the relevant announcements. Shareholders are advised to refer to the related announcements released by the Company via SGXNET for further details.

### **General Developments in FY2016**

On 27 August 2015, the Company announced that its wholly-owned subsidiary, ASLS, had secured new shipbuilding contracts worth approximately S\$140 million for the construction for a series of tugs and barges. All of these vessels were specially designed and built for overseas customers who were engaged in the mining and marine infrastructure industries.

On 18 September 2015, the Company announced that its Indonesian subsidiary, PT. Awak Samudera Transportasi ("**PT AST**") had increased its authorised issued share capital from IDR1 billion to IDR6 billion and increased its paid-up share capital from IDR1 billion to IDR1.5 billion by the allotment of 50,000 shares of IDR10,000 per share. The Company's equity interest in PT AST was held through its wholly-owned subsidiary, Capitol Marine Pte Ltd., and the additional investment was funded through internal resources.

On 26 October 2015, the Company announced that the VOSTA LMG Hong Kong Co. Limited, a wholly-owned subsidiary of Singa Tenaga Investments Pte. Ltd. ("**STI**") had transferred its 100% shareholding in VOSTA LMG (Zhuhai) Ltd. to STI for a total transfer consideration of HKD1. STI is a wholly-owned subsidiary of the Company.

On 12 November 2015, the Company announced that CFT International GmbH, a dormant indirect wholly-owned subsidiary incorporated in Germany had been liquidated as of 5 November 2015. The liquidation was not expected to have any material financial impact on the consolidated net tangible assets and earnings per share of the Group for FY2016.

On 18 November 2015, the Company announced that it had incorporated a wholly-owned subsidiary in Singapore, with the name of ASL Project Logistics Pte. Ltd. ("**APL**"). APL had an issued and paid-up share capital of S\$1.00. The principal activities of APL are those relating to shipchartering and provision of freight services.

On 8 December 2015, the Company announced that its wholly-owned subsidiary, APL, had on 7 December 2015 increased its issued and paid-up share capital from S\$1 to S\$50,000 by the allotment of 49,999 ordinary shares to the Company at an issue price of S\$1 per share. The Company's investments in APL were funded through internal resources.

On 28 April 2016, the Company announced that VOSTA LMG Dredging Technologies (South East Asia) Pte. Ltd. ("**VLDT**"), a dormant wholly owned subsidiary, had on 9 September 2015 filed an application with the Accounting and Corporate Regulatory Authority of Singapore for striking off pursuant to Section 344 of the Companies Act. VLDT has since been struck off from the Register. The striking off of VLDT was not expected to have any material financial impact on the consolidated net tangible assets and earnings per share of the Group for FY2016.

On 12 May 2016, the Company announced that the Group had secured a total of S\$156 million worth of contracts from its shipbuilding, shiprepair & conversion, shipchartering and dredging engineering divisions. The contracts secured were mainly from repeat customers in the region as well as in Middle-East, United States of America and Europe. The shipbuilding and shiprepair & conversion contracts were expected to be delivered over the next 1 to 2



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years and the shipchartering contracts were to have tenure of 2 to 5 years. There were potential additional orders from certain customers upon successful delivery of current projects.

On 20 May 2016, the Company announced the resignation of Ang Iris, its Chief Financial Officer and Company Secretary. The Company also announced the appointment of Koh Kai Kheng Irene as Group Financial Controller and Company Secretary and the appointment of Toh Sock Kuan as Head of Corporate Finance and Treasury.

### **General Developments in FY2017**

On 24 August 2016, the Company announced that it was expected that the Group would record a loss in the unaudited consolidated financial results for 4Q FY2016. The expected loss for 4Q FY2016 was primarily due to provision of one-off reorganisation cost from engineering segment as well as impairment losses on its receivables (including 100% of the amount owed by wholly-owned subsidiaries of Swiber Holdings Limited), built-to-stocks vessels and chartering fleet in view of the protracted weakness and uncertainty of recovery in the global marine industry.

On 29 August 2016, the Company announced that it was undertaking a renounceable non-underwritten rights issue of up to 209,755,647 new ordinary shares in the share capital of the Company at an issue price of S\$0.12 for each rights share, on the basis of one (1) rights share for every two (2) existing ordinary shares in the share capital of the Company held by entitled shareholders as at a books closure date to be determined by the Board, fractional entitlements to be disregarded. The rights shares were to be issued pursuant to the share issue mandate which was approved by shareholders of the Company at the annual general meeting of the Company held on 29 October 2015.

The Company intended to use 100% of the net proceeds from the aforementioned rights issue for its working capital. As an indication of their support and commitment to the Company, Mr. Ang Sin Liu, Mr. Ang Kok Tian, Mr. Ang Ah Nui, Mr. Ang Kok Eng, Mr. Ang Kok Leong and Ms. Ang Swee Kuan (the "**Undertaking Shareholders**") had each provided an irrevocable undertaking to the Company. On 31 August 2016, the Company clarified that the Undertaking Shareholders will only be undertaking to subscribe and pay for their own rights shares entitlements. On 6 October 2016, the Company announced that it had obtained in-principle approval from the SGX-ST.

On 12 October 2016, the Company announced that it had applied to SGX-ST for a one month extension to (i) hold its annual general meeting for FY2016 from the current deadline of 31 October 2016 to 30 November 2016 and (ii) release its 1QFY2017 results from the current deadline of 14 November 2016 to 14 December 2016. On 31 October 2016, the Company announced that it had obtained from SGX-ST, a one (1) month extension of time to hold its annual general meeting for FY2016 by 30 November 2016 and to release its 1QFY2017 results by 14 December 2016.

On 28 October 2016, the Company announced that it had incorporated a wholly-owned subsidiary in Singapore, with the name of "ASL Towage & Salvage Pte. Ltd. ("**ATS**"). ATS has an issued and paid up share capital of S\$1.00. The principal activities of ATS are those relating to the provision of shipchartering and shipmanagement services.

On 11 November 2016, the Company issued a notice to shareholders for an extraordinary general meeting to be held thereafter following the conclusion of the Company's annual

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general meeting to be convened on 28 November 2016 for the proposed adoption of the interested person transactions mandate.

On 11 November 2016, the Company announced that its independent auditor had issued its independent auditor's report for FY2016, which contained an emphasis of matter in respect of the ability of the Group and the Company to continue as going concerns.

On 11 November 2016, the Company announced that it had signed a commitment letter with various lenders for a 5-year club term loan facility amounting to S\$99.9 million (the "**Club Term Loan Facility**"). The availability of the Club Term Loan Facility is subject to the completion of satisfactory documentation and due diligence. The management is not aware of any reason that the necessary documentation and due diligence cannot be completed. In connection with the Club Term Loan Facility, the Company is required to undertake and successfully conclude a consent solicitation exercise to extend the tenor of the full principal amount of the fixed rate notes by 3 years or more and seek any other waivers required for the extension of the fixed rate notes amounting to S\$100 million maturing on 28 March 2017 and S\$50 million maturing on 1 October 2018 prior to the first drawdown of the Club Term Loan Facility. The Company has appointed a solicitation agent, and intends to engage the noteholders in discussions prior to the launch of the consent solicitation exercise. On 29 November 2016, the Company announced that (a) it had appointed United Overseas Bank Limited as its solicitation agent in connection with the proposed consent solicitation exercise; and (b) would be proceeding with discussions and engagement sessions with the relevant Noteholders shortly.

On 1 December 2016, the Board announced that VOSTA LMG Hong Kong Co. Limited ("**VLHK**"), a dormant indirect wholly-owned subsidiary incorporated in Hong Kong had been deregistered as of 25 November 2016.

On 1 December 2016, the Company announced that it had received a letter on 1 December 2016 from the Accounting and Corporate Regulatory Authority (the "**ACRA**") dated 22 November 2016 stating that ACRA had rejected the Company's application for an extension of time under Section 201(4) of the Companies Act, Cap. 50 to hold its AGM by 30 November 2016 to lay the financial statements made up to 30 June 2016. ACRA had advised the Company to take immediate action to hold its AGM and to lay the financial statements made up to 30 June 2016 by 31 December 2016. The Company had held its AGM to lay the financial statements made up to 30 June 2016 on 28 November 2016 and would be filing its annual return with ACRA within 30 days from the date of the AGM.

On 19 December 2016, the Board announced the results of the aforementioned rights issue, including, *inter alia*, that the Company had raised gross proceeds of approximately S\$25.17 million from the rights issue. On 20 December 2016, the Board announced that all 209,755,647 rights shares which were allotted and issued on 19 December 2016 would be listed and quoted on the Mainboard of the SGX-ST on 21 December 2016 and trading of the rights shares would commence from 9.00 a.m. on the same date.

On 29 December 2016, the Company announced that it had issued a consent solicitation statement dated 29 December 2016 to the Noteholders for purposes of a consent solicitation by the Company in connection with the Notes. Under the consent solicitation, the issuer of the Notes is proposing to seek approval and consent of the Noteholders to, *inter alia*, (i) extend the maturity date of the Notes for three years, (ii) introduce a call option and mandatory redemption event for the Notes, (iii) amend interest rates payable in respect of the Notes, (iv) allow for a form of security to be taken, and (v) amend certain financial covenants

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applicable to the Notes, subject to the terms and conditions of the consent solicitation statement dated 29 December 2016. On 20 January 2017, the Company announced that the extraordinary resolutions tabled at the meeting of the holders of the Series 006 Notes and the holders of the Series 007 Notes had been passed. To this end, the Company announced that it would, together with the Trustee, in due course, execute (a) the Series 006 Amendment and Restatement Trust Deed and the Series 007 Second Amendment and Restatement Trust Deed to provide for the relevant amendments to the Trust Deed; and (b) other relevant documents (including security documents) to give effect to the amendments, all as more particularly set out in the consent solicitation statement dated 29 December 2016.

On 31 January 2017, the Company announced that it had, on 31 January 2017 and together with DBS Trustee Limited, entered into (a) an amendment and restatement trust deed to provide for the relevant amendments to the Trust Deed and the Conditions of the Series 006 Notes described in the extraordinary resolution passed on 20 January 2017; and (b) a second amendment and restatement trust deed to provide for the relevant amendments to the Trust Deed and the Conditions of the Series 007 Notes described in the extraordinary resolution passed on 20 January 2017.

On 14 February 2017, the Company announced that HKR-ASL Joint Venture Limited (“**HKR-ASL**”), a dormant 50% owned joint venture incorporated in Hong Kong had been deregistered as of 3 February 2017.

On 23 March 2017, in connection with the consent solicitation announced on 29 December 2016, the Company announced that it had entered into the following security documents to further give effect to the amendments set out in the consent solicitation statement dated 29 December 2016 and the provisions of the Amendment and Restatement Trust Deeds dated 31 January 2017:

- (a) an Intercreditor Deed dated 23 March 2017 made between (i) United Overseas Bank Limited, as loan agent, (ii) Pacific Trustees (Singapore) Ltd. (the “**Security Trustee**”), as notes security trustee, (iii) the Company, as borrower, (iv) DBS Trustee Limited (the “**Trustee**”), as notes trustee, and (v) Capitol Aquaria Pte. Ltd., Capitol Logistics Pte. Ltd., Capitol Navigation Pte. Ltd., Capital Oceans Pte. Ltd., Capital Offshore Pte. Ltd., Capitol Shipping Pte. Ltd., Capitol Tug & Barge Pte. Ltd., Lightmode Pte. Ltd., Harmony PSV Pte. Ltd., Intan Oceans Pte. Ltd. and PT Awak Samudera Transportasi;
- (b) a Security Trust Deed dated 23 March 2017 made between (i) the Company, as issuer, (ii) Capitol Aquaria Pte. Ltd., Capitol Logistics Pte. Ltd., Capitol Navigation Pte. Ltd., Capital Oceans Pte. Ltd., Capital Offshore Pte. Ltd., Capitol Shipping Pte. Ltd., Capitol Tug & Barge Pte. Ltd., Lightmode Pte. Ltd., Harmony PSV Pte. Ltd., Intan Oceans Pte. Ltd. and PT Awak Samudera Transportasi, as original vessel owners, (iii) the Trustee, as notes trustee, and (iv) the Security Trustee, as security trustee; and
- (c) a Deed of Floating Charge and Assignment dated 23 March 2017 made between (i) Capitol Aquaria Pte. Ltd., Capitol Logistics Pte. Ltd., Capitol Navigation Pte. Ltd., Capital Oceans Pte. Ltd., Capital Offshore Pte. Ltd., Capitol Shipping Pte. Ltd., Capitol Tug & Barge Pte. Ltd., Lightmode Pte. Ltd., Harmony PSV Pte. Ltd., Intan Oceans Pte. Ltd. and PT Awak Samudera Transportasi, as chargors, and (ii) the Security Trustee, as security trustee.

On 8 May 2017, the Company announced that it was expected that the Group would record a net loss in the unaudited financial statements for the third quarter and nine months ended 31 March 2017 (“**3Q FY2017**”). The expected net loss for 3Q FY2017 was mainly attributable

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to a lower operational profit, increased administrative expenses which mainly pertained to transaction costs in relation to the consent solicitation exercise concluded in January 2017, unrealised foreign exchange losses and higher share of losses from its joint venture and associated companies.

### **General Developments in FY2018**

On 14 August 2017, the Company announced that it was expected that the Group would record a net loss in the unaudited consolidated financial statements for the fourth quarter (“**4Q FY2017**”) and full year ended 30 June 2017 (“**FY2017 Results**”). The expected net loss for 4Q FY2017 was primarily due to (a) weaker contribution from operations and (b) impairment losses on receivables, inventories and chartering fleet of vessels in view of the protracted downturn and uncertainty of recovery in the global marine industry.

On 9 September 2017, the Company announced that an incident involving a fire took place in its shipyard in Batam, Indonesia on 7 September 2017. Initial investigations confirmed that the incident occurred on board a tanker that was being repaired at one of its dry docks. Initial investigations suggested that the fire started inside and was confined to the pump room. Whilst this may have restricted damage and deaths, nevertheless five people died and one person was injured, they were employees of the subcontractor of the Company. Initial investigations suggested that there was no explosion.

On 11 September 2017, the Company announced that it had incorporated a wholly-owned subsidiary in Singapore, with the name of Capitol Workboats Pte. Ltd. (“**CW**”), with an issued and paid-up share capital of S\$1.00. The principal activities of CW are those relating to the shipchartering and provision for freight services.

On 18 September 2017, the Company announced the resignation of its Executive Director, Mr. Ang Kok Eng. This was so as to comply with the Guideline 2.2 of the Code of Corporate Governance 2012 which stipulated that independent directors should make up at least half of the Board where, among others, the Chairman and the Chief Executive Officer is the same person.

On 29 September 2017, the Company announced that CW had increased its issued and paid-up share capital from S\$1 to S\$50,000 by the allotment of 49,999 ordinary shares to the Company at an issue price of S\$1 per share. The Company’s investments in CW were funded through internal resources.

On 12 October 2017, the Company announced that its independent auditor had issued its independent auditor’s report for FY2017, highlighted a material uncertainty related to going concern in respect of the ability of the Group and the Company to continue as going concerns in the Independent Auditor’s Report on the financial statements of the Company and its subsidiaries for the financial year ended 30 June 2017. The audit opinion in the independent auditor’s report remained unqualified.

On 6 November 2017, the Company announced that it was expected that the Group would record a net loss in the unaudited consolidated financial statements for the first quarter ended 30 September 2017 (“**1Q FY2018**”) due to weaker contribution from operations.

On 15 January 2018, the Company announced that it had increased its investment in a wholly-owned subsidiary, Vosta LMG India Private Limited., by subscribing for 4,386 additional equity shares at a cash consideration of INR53,991,660 (equivalent to

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S\$1,137,978), the proceeds of which were to be used for chartering operations in India. The injection of capital by the Company was funded through internal resources.

On 2 February 2018, the Company announced that it was expected that the Group would record a net loss in the unaudited consolidated financial statements for the second quarter (“**2Q FY2018**”) and six months ended 31 December 2017 (“**1H FY2018**”) due to weaker contribution from operations, partially offset by higher other operating income.

On 4 May 2018, the Company announced that it was expected that the Group would record a net loss in the unaudited consolidated financial statements for the third quarter (“**3Q FY2018**”) and nine months ended 31 March 2018 (“**9M FY2018**”) due to a weak contribution from its shipbuilding segment.

### **1 July 2018 to the Latest Practicable Date**

On 23 July 2018, the Company announced that it had increased its investment in a wholly-owned subsidiary, Vosta LMG India Private Limited., by subscribing for 2,020 additional equity shares at a total cash consideration of INR24,866,200 (equivalent to S\$518,674), the proceeds of which were to be used for chartering operations in India. The injection of capital by the Company was funded through internal resources.

On 15 August 2018, the Company announced that it was expected that the Group would record a net loss in the unaudited consolidated financial statements for the fourth quarter (“**4Q FY2018**”) and full year ended 30 June 2018 (“**FY2018 Results**”) due to a weak contribution from its shipbuilding segment and impairment losses.

On 7 September 2018, the Company announced that it would be convening informal meetings with the holders of Series 006 Notes and Series 007 Notes pursuant to its S\$500,000,000 Multicurrency Debt Issuance Programme. The agenda of the informal meetings was to provide the Noteholders with an update on the Group’s business climate and financial performance for the past financial year, and to update the Noteholders on the discussions with the principal bankers on possible additional working capital lines. On 19 September 2018, the Company announced that it had completed the first separate informal meeting with the holders of the Series 006 Notes and the Series 007 Notes.

On 8 October 2018, the Company announced that its independent auditor had issued its independent auditor’s report for FY2018, and had highlighted a material uncertainty related to going concern in respect of the ability of the Group and the Company to continue as going concerns in the Independent Auditor’s Report on the financial statements of the Company and its subsidiaries for the financial year ended 30 June 2018. The audit opinion in the Independent Auditor’s Report is not modified in respect of this matter.

On 12 October 2018, the Company announced that it would be convening a second informal meeting with the holders of Series 006 Notes and Series 007 Notes pursuant to its S\$500,000,000 Multicurrency Debt Issuance Programme. The agenda of the second informal meeting was to provide the Noteholders with an update on developments of the discussions with the Company’s principal bankers since the first informal meetings, and to present the proposal for the Notes to the Noteholders for their consideration.

On 12 October 2018, the Company announced that it was taking steps to review its financing and capitalisation structure and was intent on ensuring that the process is pursued in a manner that is fair and equitable to all stakeholders. As part of this effort, the Company wished to actively engage the Noteholders to address concerns of Noteholders on how the

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review will impact them and on the potential options to refinance the Notes. Accordingly, the Company looked to work closely with Securities Investors Association (Singapore) (“SIAS”) with a view to establish an informal steering committee of the Series 006 and Series 007 Noteholders (the “**Informal Steering Committee**”) which would be representative of the general body of the relevant Noteholders. SIAS had indicated a willingness to take a lead role in the setting up of the Informal Steering Committee and in facilitating its work moving forward. In this way, an effective line of communication and discussion could be pursued between the Company and the Noteholders.

On 29 October 2018, the Company announced that it had completed the second informal meeting with the holders of the Series 006 Notes and the Series 007 Notes, as facilitated and moderated by SIAS. The Company also announced that the Informal Steering Committee had been established and that it comprised a mix of institutional and individual holders of Series 006 Notes and Series 007 Notes.

On 21 November 2018, the Company announced that it would be convening a third informal meeting with the holders of Series 006 Notes and Series 007 Notes pursuant to its S\$500,000,000 Multicurrency Debt Issuance Programme. The agenda of the third informal meeting was to provide the Noteholders with an update on developments of the discussions with the Company’s principal bankers and the Noteholders’ Informal Steering Committee since the second informal meeting, and to present the revised proposal for the Notes to the Noteholders for their consideration. On 5 December 2018, the Company announced that it had completed the third informal meeting with the holders of the Series 006 Notes and Series 007 Notes.

On 31 December 2018, the Company announced that it was proposing to issue (a) two (2) warrants for every dollar of the outstanding principal amount of the Series 006 Notes (i.e. 462,500 Warrants for every \$231,250 of outstanding principal amount of Series 006 Notes); (b) two and one-half (2.5) Warrants for every dollar of the outstanding principal amount of the Series 007 Notes (i.e. 578,125 Warrants for every \$231,250 of outstanding principal amount of Series 007 Notes); and (c) one (1) Warrant for every two (2) Shares held by Shareholders, with each Warrant carrying the right to subscribe for one (1) new Share at an exercise price of S\$0.06 per Share. Further details of the Warrants were to be found in the consent solicitation statement and the Shareholders’ circular to be issued by the Company.

On 8 January 2019, the Company announced that it had issued a Consent solicitation Statement dated 8 January 2019 to the holders of the Noteholders for purposes of a consent solicitation by the Company in connection with the Notes. Under the consent solicitation, the issuer of the Notes was proposing to seek approval and consent of the Noteholders to, *inter alia*, (i) the extension of the maturity date of the Series 006 Notes and the Series 007 Notes, and (ii) the issuance of warrants to Series 006 Noteholders and Series 007 Noteholders, subject to the passing of the shareholders’ resolution(s) and approval from the SGX-ST, such date of issuance to occur on or prior to 31 July 2019. On 9 January 2019, the Company announced that it would be holding a series of informal clinics with the Noteholders in relation to the consent solicitation announced on 8 January 2019.

On 26 January 2019, the Company announced that it was undertaking a renounceable non-underwritten rights issue of up to 314,633,470 Warrants at an issue price of S\$0.006 for each warrant, on the basis of one (1) Rights Warrant for every two (2) existing ordinary shares in the share capital of the Company held by entitled shareholders as at a books closure date to be determined by the Board, fractional entitlements to be disregarded. Each Rights Warrant will entitle the holder to subscribe for one (1) new ordinary share at an

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exercise price of S\$0.06 for each New Share. The Rights Warrants are to be issued pursuant to the share issue mandate which was approved by shareholders of the Company at the annual general meeting of the Company held on 31 October 2018. In addition, the Company announced that it was undertaking a proposed issue of 300,625,000 Noteholder Warrants to holders of the Series 006 Notes and Series 007 Notes, on the basis of 462,500 Noteholder Warrants for every S\$250,000 Denomination Amount of the Series 006 Notes and 578,125 Noteholder Warrants for every S\$250,000 Denomination Amount of the Series 007 Notes held as at the Books Closure Date.

The Company intended to use the net proceeds from the Rights Issue of Rights Warrants for its general working capital, and intended to use 50% of the Exercise Proceeds for its general working capital and the remaining 50% for the repayment to Noteholders (which may include servicing of existing obligations and/or additional partial redemption). In addition, the Directors believe that the proceeds arising from the Rights Issue and the exercise of the Noteholder Warrants and the Rights Warrants (as and when exercised), will (i) expand and strengthen the capital base of the Company; (ii) provide additional working capital for the Company; and (iii) allow the Company to set aside cash for repayment to the Noteholders (which may include servicing of existing obligations and/or additional partial redemption).

On 30 January 2019, the Company announced that the extraordinary resolutions tabled at the meeting of the holders of the Series 006 Notes and the holders of the Series 007 Notes had been passed. To this end, the Company announced that it would, together with the Trustee, in due course, execute supplemental trust deeds to provide for the relevant amendments to the Series 006 Trust Deed and the Conditions of the Series 006 Notes, and the Series 007 Trust Deed and the Conditions of the Series 007 Notes. Additionally, the Company, the Trustee and the Escrow Agent will in due course execute escrow agreements in respect of the Series 006 Notes and the Series 007 Notes.

On 1 February 2019, the Company announced that in connection with the consent solicitation exercise announced on 8 January 2019, in respect of the Series 006 Notes, the Company had, on 1 February 2019, entered into (a) the supplemental trust deed with DBS Trustee Limited, as trustee, to amend various provisions of the Series 006 Trust Deed and the Conditions of the Series 006 Notes, as described in the Extraordinary Resolution, and (b) the escrow agreement with DBS Trustee Limited, as trustee, and RSM Corporate Advisory Pte. Ltd., as escrow agent, in relation to the note redemption account in connection with the Series 006 Notes. In respect of the Series 007 Notes, the Company had, on 1 February 2019, entered into (a) the supplemental trust deed with DBS Trustee Limited, as trustee, to amend various provisions of the Series 007 Trust Deed and the Conditions of the Series 007 Notes, as described in the Extraordinary Resolution, and (b) the escrow agreement with DBS Trustee Limited, as trustee, and RSM Corporate Advisory Pte. Ltd., as escrow agent, in relation to the note redemption account in connection with the Series 007 Notes.

On 6 March 2019, Hongda Investment Pte. Ltd. (“**HDI**”), the Company’s 60%-owned subsidiary, entered into a memorandum of understanding with Guangdong Sanhe Pipe Pile Co., Ltd. for the sale of HDI’s entire stake in Jiangmen Hongda Shipyard Ltd (“**JMHD**”), a wholly-owned subsidiary of HDI, subject to entry into a definitive agreement. Following the proposed disposal, JMHD will cease to be an indirect subsidiary of the Company. JMHD was previously principally engaged in shipbuilding and general engineering services. Since May 2017 and in conjunction with the downturn in the global marine industry, JMHD has no operations and is inactive. The proposed disposal is part of the Group’s on-going rationalisation of non-core assets to raise monies for purposes of increasing the Group’s current working capital and to pare down the Group’s debts.

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(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon

As at the Latest Practicable Date, the equity capital of the Company is as follows:

Issued and paid-up share capital	S\$108,056,473
Number of Shares	629,266,941

As at the Latest Practicable Date, the loan capital of the Company is as follows:

	Amount issued (S\$'000)	Amount outstanding (S\$'000)	Base interest rate per annum (%)
<u>MTN Programme</u>			
Series 006 Notes	100,000	92,000	3.0
Series 007 Notes	50,000	46,000	3.0

(e) where:

(i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or

(ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date.

The interests of the Substantial Shareholders, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Ang Kok Tian <sup>(2)(3)(4)</sup>	88,212,800	14.02	334,830,150	53.21
Ang Ah Nui <sup>(2)(3)(4)</sup>	30,660,000	4.87	392,382,950 <sup>(5)</sup>	62.36
Ang Kok Eng <sup>(2)(3)(4)</sup>	73,799,100	11.73	349,243,850	55.50
Ang Kok Leong <sup>(2)(3)(4)</sup>	72,841,500	11.58	350,201,450	55.65
Ang Sin Liu <sup>(3)(4)</sup>	58,633,350	9.32	364,409,600 <sup>(6)</sup>	57.91



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Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Ang Swee Kuan <sup>(3)(4)</sup>	27,195,000	4.32	395,847,950	62.91
FMR LLC	–	–	54,372,313 <sup>(7)</sup>	8.64
Fidelity Management & Research Company	–	–	54,372,313 <sup>(8)</sup>	8.64
FMR Co., Inc.	–	–	54,372,313 <sup>(9)</sup>	8.64
Fidelity Puritan Trust	48,010,413	7.63	–	–

**Notes:**

- (1) The percentage is calculated based on 629,266,941 issued ordinary shares of the Company (excluding 2,511,600 ordinary shares held as treasury shares) as at the Latest Practicable Date.
- (2) Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong are brothers. Each of the brothers is deemed to have an interest in the shares held by the other.
- (3) Ang Sin Liu is the father of Ang Kok Tian, Ang Ah Nui, Ang Kok Eng, Ang Kok Leong and Ang Swee Kuan. Each of them is deemed to have an interest in the shares held by the other.
- (4) Ang Swee Kuan is the sister of Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong and the daughter of Ang Sin Liu. Each of them is deemed to have an interest in the shares held by the other.
- (5) 62,431,800 shares are registered in the name of nominee(s).
- (6) 9,269,400 shares are registered in the name of nominee(s).
- (7) FMR LLC is deemed to have interests in 54,372,313 shares because such shares are held by funds and/or accounts managed by one or more of FMR LLC's direct and indirect subsidiaries, which are fund managers.
- (8) Fidelity Management & Research Company is deemed to have interests in 54,372,313 shares because such shares are held by funds and/or accounts managed by one or more of Fidelity Management & Research Company's direct and indirect subsidiaries, which are fund managers.
- (9) FMR Co., Inc. is deemed to have interests in 54,372,313 shares because such shares are held by funds and/or accounts managed by FMR Co., Inc. which is the fund manager.

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- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group**
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As at the Latest Practicable Date, the Directors are not aware of any material legal or arbitration proceedings to which any member of the Group is a party to, or which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

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- (g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –
- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities or equity interests issued at each price; or
  - (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests

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The Company has not issued any securities, securities-based derivatives contracts or equity interests for cash and/or services in the last 12 months immediately preceding the Latest Practicable Date.

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- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

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Save as disclosed below and in paragraph 9(c) in the section entitled “**Part IV – Key Information**” of this Offer Information Statement, neither the Company nor any of its Subsidiaries has entered into any material contract (not being a contract entered into in the ordinary course of business) during the period of two (2) years immediately preceding the date of lodgement of this Offer Information Statement:

- (a) the two (2) supplemental trust deeds dated 1 February 2019 entered into between the Company and DBS Trustee Limited, as trustee, to amend various provisions of each of the Series 006 Trust Deed and the Conditions of the Series 006 Notes, and the Series 007 Notes and the Conditions of the Series 007 Notes;
- (b) the two (2) escrow agreements dated 1 February 2019 entered into between the Company, DBS Trustee Limited as trustee, and RSM Corporate Advisory Pte. Ltd., as escrow agent, in relation to the note redemption account in connection with each of the Series 006 Notes and the Series 007 Notes;
- (c) a memorandum of understanding dated 6 March 2019 entered into between HDI and Guangdong Sanhe Pipe Pile Co., Ltd. for the sale of HDI’s entire stake in JMHD, a wholly-owned subsidiary of HDI;
- (d) the Deed Poll dated 24 June 2019 executed by the Company for the purpose of constituting the Warrants and containing, *inter alia*, the provisions for the protection of the rights and interests of Warrantholders; and
- (e) the warrant agency agreement dated 24 June 2019 entered into between the Company and the Warrant Agent in connection with the Rights Issue, amongst others, appointing the Warrant Agent.

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**PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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**Operating Results**

1. Provide selected data from –
    - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
    - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
  2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
    - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
    - (b) earnings or loss per share; and
    - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.
  3. Despite paragraph 1 of this Part, where –
    - (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and
    - (b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.
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The audited consolidated statement of profit or loss and other comprehensive income of the Group for FY2016, FY2017 and FY2018, and the unaudited consolidated statement of profit or loss and other comprehensive income for 9M FY2019 are set out below.

(\$S'000)	Unaudited 9M FY2019	Audited FY2018	Audited FY2017	Audited FY2016
<b>Revenue</b>	249,575	280,457	342,261	364,439
<b>Cost of sales</b>	(238,630)	(263,501)	(308,637)	(313,977)
<b>Gross profit</b>	<b>10,945</b>	<b>16,956</b>	<b>33,624</b>	<b>50,462</b>
Other operating income	2,928	15,556	5,197	5,532
Administrative expenses	(17,871)	(20,851)	(27,900)	(23,368)
Other operating expenses	(5,013)	(53,403)	(57,066)	(9,727)
Finance costs	(15,375)	(22,711)	(19,333)	(19,126)
Share of results of joint ventures and associates	(275)	(3,823)	(5,795)	(3,253)
<b>(Loss)/profit before tax</b>	<b>(24,661)</b>	<b>(68,276)</b>	<b>(71,273)</b>	<b>520</b>
Income tax (expense)/credit	(1,066)	(3,041)	(2,032)	423
<b>(Loss)/profit for the period/year</b>	<b>(25,727)</b>	<b>(71,317)</b>	<b>(73,305)</b>	<b>943</b>
<b>Other comprehensive income:</b>				
(Loss)/profit for the period/year	(25,727)	(71,317)	(73,305)	943
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Translation differences relating to financial statements of foreign subsidiaries	573	(1,795)	1,726	83
Share of other comprehensive income of joint ventures and associates	31	(147)	306	188
Net fair value changes to cash flow hedges	-	(11)	493	(60)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Re-measurement of defined benefit pension plans	(58)	177	189	(380)
<b>Other Comprehensive income for the period/year, net of tax</b>	<b>546</b>	<b>(1,776)</b>	<b>2,714</b>	<b>(169)</b>
<b>Total comprehensive (loss)/ income for the period/year</b>	<b>(25,181)</b>	<b>(73,093)</b>	<b>(70,591)</b>	<b>774</b>
<b>(Loss)/profit attributable to:</b>				
Owners of the Company	(24,439)	(69,892)	(71,659)	1,985
Non-controlling interests	(1,288)	(1,425)	(1,646)	(1,042)
	<b>(25,727)</b>	<b>(71,317)</b>	<b>(73,305)</b>	<b>943</b>
<b>Total comprehensive (loss)/ income attributable to:</b>				
Owners of the Company	(23,914)	(71,512)	(69,067)	1,789
Non-controlling interests	(1,267)	(1,581)	(1,524)	(1,015)
	<b>(25,181)</b>	<b>(73,093)</b>	<b>(70,591)</b>	<b>774</b>
<b>Dividends per Share (cents):</b>	-	-	-	-
<b>(Loss)/earnings per Share before the Rights Issue:</b>				
Basic and diluted (cents)	(3.88)	(11.11)	(13.44)	0.47
<b>(Loss)/earnings per Share after/ the Rights Issue<sup>(1)</sup>:</b>				
Basic and diluted (cents)	(2.59)	(7.40)	(8.45)	0.27

**Note:**

(1) On the assumption that 314,633,470 New Shares have been issued at the beginning of the financial year

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4. In respect of –

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

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Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group.

**FY2018 vs FY2017**

**Revenue**

The Group revenue of \$280.5 million for FY2018 was \$61.8 million (18.1%) lower compared to FY2017.

Details for revenue generated from each segment are as follows:

	Group		
	FY2018 \$'000	FY2017 \$'000	Increase/ (Decrease) %
Shipbuilding	54,911	143,450	(61.7)
Shiprepair and conversion	93,771	72,731	28.9
Shipchartering	118,650	104,270	13.8
Engineering	13,125	21,810	(39.8)
	<b>280,457</b>	<b>342,261</b>	<b>(18.1)</b>

**Shipbuilding**

Recognition of shipbuilding revenue is calculated based on project value multiplied by the percentage of completion ("POC").

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The breakdown of shipbuilding revenue generated and the number of units recognised under POC are as follows:

	<b>Group</b>				<b>Increase/ (Decrease) %</b>
	<b>FY2018</b>		<b>FY2017</b>		
	<b>Units</b>	<b>\$'000</b>	<b>Units</b>	<b>\$'000</b>	
Tugs	11	25,018	11	115,321	(78.3)
Barges and others	21	29,893	12	28,129	6.3
	<b>32</b>	<b>54,911</b>	<b>23</b>	<b>143,450</b>	<b>(61.7)</b>

Shipbuilding revenue decreased by \$88.5 million (61.7%) in FY2018 as compared to FY2017 mainly due to continued weak market conditions. This is reflected by the progressive revenue recognition of existing shipbuilding projects which are of lower contractual value as the vessels being built are smaller and/or less sophisticated.

The Group has delivered a total of 4 Tugs and 16 Barges in FY2018.

**Shiprepair and conversion**

Shiprepair and conversion projects are meant to be short term in nature, resulting in revenue recognised only upon completion. With several of our shiprepair jobs being larger or with partial conversions, which take far longer than historic jobs to complete (i.e. may not complete within a quarter), revenue from shiprepair and conversions can now be lumpy.

The breakdown of revenue generated from the shiprepair and conversion segment are as follows:

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>FY2018</b>	<b>FY2017</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Shiprepair and conversion	90,542	70,449	28.5
Other marine related services	3,229	2,282	41.5
	<b>93,771</b>	<b>72,731</b>	<b>28.9</b>

Apart from having completed several high value repair jobs in 1H FY2018, the increase in shiprepair and conversion revenue by \$20.1 million (28.5%) to \$90.5 million in FY2018 was partly due to there being more number of smaller shiprepair jobs completed during the year. When fewer new ships are being built, the industry often sees more older ships being repaired.

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**Shipchartering**

The breakdown of revenue generated from the shipchartering segment are as follows:

	Group		Increase/ (Decrease) %
	FY2018 \$'000	FY2017 \$'000	
OSV	12,291	11,824	3.9
Tug Boats	40,599	35,061	15.8
Barges	46,881	40,035	17.1
<b>Total charter</b>	<b>99,771</b>	<b>86,920</b>	<b>14.8</b>
Trade sales	18,879	17,350	8.8
	<b>118,650</b>	<b>104,270</b>	<b>13.8</b>

Shipchartering revenue increased by \$12.9 million (14.8%) in FY2018 mainly due to higher revenue from Tug Boats and Barges with the mobilisation of our charter fleet deploying in several infrastructure projects in Bangladesh, Indonesia, Malaysia and Singapore.

**Engineering**

The breakdown by revenue generated from the engineering segment are as follows:

	Group		Increase/ (Decrease) %
	FY2018 \$'000	FY2017 \$'000	
Engineered dredgers products & dredger ("New Buildings")	–	653	(100.0)
Components & services ("Components")	13,125	21,157	(38.0)
	<b>13,125</b>	<b>21,810</b>	<b>(39.8)</b>

The decrease in revenue in FY2018 was due to lower sales in spare parts and components and cutting and coupling system.

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**Gross profit and gross profit margin**

The breakdown of gross profit and gross profit margin for each respective segment are as follows:

	Group			
	FY2018		FY2017	
	\$'000	GPM	\$'000	GPM
Shipbuilding	175	0.3%	14,094	9.8%
Shiprepair and conversion	11,087	11.8%	13,028	17.9%
Shipchartering	3,045	2.6%	504	0.5%
Engineering	2,649	20.2%	5,998	27.5%
	<u>16,956</u>	<u>6.0%</u>	<u>33,624</u>	<u>9.8%</u>

**Shipbuilding**

The low profit margin of 0.3% in FY2018 was mainly due to:

- (1) lower margin from the construction of existing Tugs secured during 1H FY2018 as a result of competitive pricing;
- (2) recognition of foreseeable loss and liquidated damage on one tanker which is due for completion in next quarter; and
- (3) reversal of cumulative \$1.6 million profit recognised in prior years from the rescission of its remaining 2 OSVs shipbuilding contracts in FY2018. The 2 cancelled projects were secured in 2014. One unit was completed in July 2018, there is a charter contract to be secured and the Group has therefore reclassified its carrying amount to assets under construction under property, plant and equipment. Another unit is partially completed, the Group intends to sell the vessel upon its completion and has therefore reclassified its carrying amount to inventories (Work-in-progress).

Excluding the rescission, the Group's Shipbuilding gross profit and gross profit margin in FY2018 would have been \$1.8 million and 3.3% respectively.

**Shiprepair and conversion**

Gross profit decreased by \$1.9 million (GPM: 11.8%) in FY2018 mainly due to competitive market pricing and the need for higher manpower overheads being allocated to the shiprepair segment.



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**Shipchartering**

The breakdown of gross profit and gross profit margin from shipchartering segment are as follows:

	Group			
	FY2018		FY2017	
	\$'000	GPM	\$'000	GPM
OSV	(5,870)	(47.8%)	(3,090)	(26.1%)
Tug boats and Barges	5,407	6.2%	442	0.6%
<b>Total charter</b>	<b>(463)</b>	<b>(0.5%)</b>	<b>(2,648)</b>	<b>(3.0%)</b>
Trade sales	3,508	18.6%	3,152	18.2%
	<u><b>3,045</b></u>	<u>2.6%</u>	<u><b>504</b></u>	<u>0.5%</u>

With the increase in revenue, the Group recorded a higher gross profit and gross profit margin from the operation of Tug Boats and Barges. This was mainly attributed to:

- (a) increase in Group's utilisation rate for tugs and grab dredgers with the deployment and mobilisation of vessels for the infrastructure projects in Bangladesh, Indonesia, Malaysia and Singapore; and
- (b) pick up of activities (tonnage to carry) from contracts of affreightment.

Despite the higher contribution derived from Tug Boats and Barges, the Group recorded a gross loss of \$0.5 million in FY2018 as a result of negative contribution from OSV. There was reduction in charter rate, off hire of certain OSVs and one-off compensation incurred for late delivery of two AHTS to a charterer in India recorded in 1Q FY2018.

**Engineering**

The breakdown of gross profit and gross profit margin from engineering segment are as follows:

	Group			
	FY2018		FY2017	
	\$'000	GPM	\$'000	GPM
New Buildings	–	–	440	67.4%
Components	2,649	20.2%	5,558	26.3%
	<u><b>2,649</b></u>	<u>20.2%</u>	<u><b>5,998</b></u>	<u>27.5%</u>

Gross profit margin decreased to 20.2% in FY2018 mainly due to higher passed on costs from suppliers.

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**Other operating income**

Details for other operating income are as follows:

	Group	
	FY2018 \$'000	FY2017 \$'000
Gain on disposal of plant and equipment	7,364	550
Gain on disposal of assets classified as held for sale	1,950	55
Gain/(loss) on foreign exchange (net)		
– unrealised	3,665	–
– realised	(678)	–
Interest income from bank balances	299	80
Interest income from finance lease receivables	573	744
Insurance claims	449	2
Rental income from plant & equipment and yard space	1,369	3,264
Miscellaneous income	565	502
	<b>15,556</b>	<b>5,197</b>

The gain on disposal of plant and equipment in FY2018 arose mainly from disposal of 3 unit of cranes, 8 barges and 2 tug boats.

The net foreign exchange gain in FY2018 was mainly attributed from depreciation of IDR against SGD on IDR denominated liabilities.

Rental income decreased by \$1.9 million in FY2018 as compared to FY2017 mainly due to lower rental of cranes from shipyard operation and reduced rental rate on leasing of precast workshop, production and storage areas, dump trucks and excavators for precast operations in Indonesia.

**Administrative expenses**

Administrative expenses decreased by \$7.0 million (25.3%) to \$20.9 million in FY2018 as compared to FY2017 mainly due to:

- (i) lower staff costs in FY2018; and
- (ii) one-off transaction costs of \$4.3 million incurred in FY2017 which comprised consent fees, solicitation agent and legal and professional fees incurred in relation to debt restructuring exercise and new club term loan facility.

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**Other operating expenses**

	Group	
	FY2018 \$'000	FY2017 \$'000
Allowance for impairment of doubtful receivables (net)	2,547	18,437
Inventories written off	330	–
Loss on foreign exchange (net)		
– unrealised	–	2,144
– realised	–	631
Impairment loss on		
– inventories and recoverables	23,675	13,849
– property, plant and equipment	21,357	22,004
– goodwill	5,027	–
Property, plant and equipment written off	467	1
	<b>53,403</b>	<b>57,066</b>

The inventories written off pertained to write-off of slow moving components parts from engineering segment.

The Group recorded a lower allowance of \$2.5 million for impairment of doubtful receivables (net) as compared to \$18.4 million made in the corresponding year. The impairment largely pertained to specific provision on certain receivables, impaired after due assessment, where final settlement sum is being negotiated or the probability of recovering is remote. Nonetheless, the Group continues to make great effort to recover these amounts, especially with respect to those receivables which the Group has possession of the repaired vessels in hand.

Other impairment loss recorded in FY2018:

(a) Inventories and recoverables

Mainly comprised impairment of:

- (i) inventories (Finished goods) of \$15.6 million on three Platform Supply Vessels (“PSV”) which the Group holds as inventories for sale, impaired based on valuation guidance from independent valuers;
- (ii) inventories (Work-in-progress) of \$3.0 million on one unit of Seismic Support Vessel from a cancelled project in FY2017, based on management estimation;
- (iii) inventories (Raw materials) of \$1.9 million (partial) mainly from a previous cancelled built-to-stock project, impaired based on management estimation; and

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(iv) recoverables of \$1.9 million on deposits paid for purchase of equipment for previous cancelled projects, impaired as the Group may not be able to recover from its suppliers.

(b) Property, Plant and Equipment

Impairment of the Group's chartering fleet of vessels, mainly on OSV, based on valuation guidance from independent valuers.

(c) Goodwill

The goodwill arose from the Group's acquisition of VOSTA LMG group in December 2012. The Engineering segment continued to incur lower operating profits. The goodwill is impaired based on recoverable amount determined from value in use calculations using cash flow projections from financial budgets prepared by the management covering a five-year period.

**Finance costs**

Finance costs increased by \$3.4 million (17.5%) to \$22.7 million in FY2018 mainly due to i) interest incurred from progressive drawdown of loans under the committed \$99.9 million 5-year club term loan facility (the "CTL Facility") and ii) stepped up interest rate payable under the fixed rate bonds which became effective from 1 April 2017.

**Share of results of joint ventures and associates**

The Group's share of results of joint ventures and associates comprised:

	Group's effective interest	Group	
		FY2018 \$'000	FY2017 \$'000
<u>Joint ventures</u>			
Sindo-Econ group	50%	(1,311)	(3,465)
<u>Associates</u>			
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	(2,696)	(1,567)
PT Capitol Nusantara Indonesia ("PT CNI")	27%	184	(763)
		<b>(3,823)</b>	<b>(5,795)</b>

The loss of \$1.3 million recorded by Sindo-Econ group in FY2018 was due to lower margin of precast products attributed to competitive market condition. The Group has restricted its share of losses to its cost of investment since 1Q FY2018.

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The share of loss from PT Hafar of \$2.7 million in FY2018 was mainly due to impairment loss of \$1.7 million on its vessel fleet, which comprises mainly OSV, impaired based on valuation guidance from independent valuers.

The share of profit from PT CNI of \$0.2 million in FY2018 mainly pertained to progressive recognition of the Group's proportionate interest of unrealised profits previously eliminated on sale of vessels to PT CNI. The required accounting policy restricts the Group's share of losses to its cost of investment since 4Q FY2017.

### **Loss before tax**

Despite an overall decrease in gross profit and higher finance costs, the Group recorded a lower loss before tax of \$68.3 million in FY2018 as compared to \$71.3 million in FY2017 mainly due to higher other operating income and lower administrative expenses, impairment losses and share of losses from joint ventures and associates.

### **Tax expense**

The Group recorded higher tax expenses of \$3.0 million in FY2018 as compared to FY2017. This was mainly due to losses incurred by shipyard operations overseas that cannot be offset profits earned by other subsidiaries within the Group, coupled with higher proportion of non-exempt shipping profits.

### **Non-controlling interests**

Non-controlling interests' share of loss of \$1.4 million in FY2018 mainly pertained to the portion of results of its non-wholly owned subsidiaries in Indonesia and China.

### **FY2017 vs FY2016**

The Group and the industry fared poorly in FY2017. Exploration and Production, particularly in the offshore oil and gas industry, has collapsed in the face of sustained weak oil prices. The container and bulk cargo market is recording very low to historic low charter rates as a result of China and the Asia-Pacific's slowdown. Even LNG charter rates are under tremendous pressure despite a record amount of LNG being carried. As a capital goods provider to these industries shipbuilding, repair and conversion has inevitably suffered.

In FY2017 we held our own in terms of Revenue recording only a 6.1% decline. However, we had to sacrifice margins. In some cases, we only able to achieve single digit margins.

Regrettably, when an industry undergoes a recession, the capital values fall, credit risk rises and the number of negative one-off surprises increases. Our results for the year, very much reflects this. In FY2017 we had to reduce the value of our assets by \$35.9 million due to the reduction in their market value. In FY2017 we provided \$18.4 million against debtors.

In FY2017 other one off losses including the cost of the debt restructuring and cancellations amounted to \$16.4 million. In fact, if these one off items were excluded, the Group would have made a loss before tax of only \$0.6 million.

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**Revenue**

The Group revenue of \$342.3 million for FY2017 was \$22.2 million (6.1%) lower compared to FY2016.

Details for revenue generated from each segment are as follows:

	Group		Increase/ (Decrease) %
	FY2017 \$'000	FY2016 \$'000	
Shipbuilding	143,450	189,174	(24.2)
Shiprepair and conversion	72,731	61,716	17.8
Shipchartering	104,270	85,956	21.3
Engineering	21,810	27,593	(21.0)
	<b>342,261</b>	<b>364,439</b>	<b>(6.1)</b>

**Shipbuilding**

Recognition of shipbuilding revenue is calculated based on project value multiplied by the percentage of completion ("POC").

The breakdown of shipbuilding revenue generated and the number of units recognised under POC are as follows:

	Group				Increase/ (Decrease) %
	FY2017		FY2016		
	Units	\$'000	Units	\$'000	
Offshore support vessels ("OSV")	5	8,080	5	27,883	(71.0)
Tugs	11	115,321	13	123,596	(6.7)
Barges and others	7	20,049	14	37,695	(46.8)
	<b>23</b>	<b>143,450</b>	<b>32</b>	<b>189,174</b>	<b>(24.2)</b>

Shipbuilding revenue in FY2017 decreased by \$45.7 million (24.2%) compared to FY2016 was due to lower contribution from OSV vessels and decrease in the number of vessels recognised based on reducing order books.

The Group has delivered a total of 8 Tugs and 2 Barges in FY2017.

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**Shiprepair and conversion**

Shiprepair and conversion projects are meant to be short term in nature, resulting in revenue recognised only upon completion. With several of our shiprepair jobs being partial conversions, which take far longer than historic jobs to complete (i.e. may not complete within a quarter), revenue from shiprepair and conversions are now likely to be lumpy.

The breakdown of revenue generated from the shiprepair and conversion segment are as follows:

	<b>Group</b>		
	<b>FY2017</b>	<b>FY2016</b>	<b>Increase/ (Decrease)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Shiprepair and conversion	70,449	60,946	15.6
Other marine related services	2,282	770	196.4
	<b>72,731</b>	<b>61,716</b>	<b>17.8</b>

Shiprepair and conversion revenue increased by \$11.0 million (17.8%) in FY2017 when compared to FY2016 mainly due to there being more high value (>\$1.0 million) shiprepair jobs undertaken.

**Shipchartering**

The breakdown of revenue generated from the shipchartering segment are as follows:

	<b>Group</b>		
	<b>FY2017</b>	<b>FY2016</b>	<b>Increase/ (Decrease)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
OSV	11,824	14,465	(18.3)
Landing Crafts	9,166	5,406	69.6
Tug Boats	25,895	22,702	14.1
Barges	40,035	36,950	8.3
<b>Total charter</b>	<b>86,920</b>	<b>79,523</b>	<b>9.3</b>
Trade sales	17,350	6,433	169.7
	<b>104,270</b>	<b>85,956</b>	<b>21.3</b>

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The total charter revenue increased by \$7.4 million (9.3%) in FY2017 when compared to FY2016 mainly due to contribution from operation of Tug Boat and Barges with the commencement of large marine infrastructure projects in Singapore and South Asia in 4Q FY2016 (the “New Charter Contracts”); partially offset by decreased contribution from OSV.

The significant increase in trade sales in FY2017 was due to sale of bunker fuel ancillary to certain ongoing charters and ad hoc services rendered in conjunction with the New Charter Contracts.

**Engineering**

Similar to shipbuilding, revenue from New Buildings is calculated based on project value multiply by POC.

The breakdown by revenue generated from the engineering segment are as follows:

	Group		
	FY2017 \$'000	FY2016 \$'000	Increase/ (Decrease) %
Engineered dredgers products & dredger ("New Buildings")	653	3,878	(83.2)
Components & services ("Components")	21,157	23,715	(10.8)
	<b>21,810</b>	<b>27,593</b>	<b>(21.0)</b>

Engineering revenue were lower in FY2017 mainly due to lower revenue recognition from New Buildings and lower orders concluded for spare parts and cutting/coupling systems.

**Gross profit and gross profit margin**

The Group gross profit decreased by \$16.8 million (33.4%) to \$33.6 million in FY2017 compared to FY2016.

The breakdown of gross profit and gross profit margin for each respective segment are as follows:

	Group			
	FY2017		FY2016	
	\$'000	GPM	\$'000	GPM
Shipbuilding	14,094	9.8%	23,440	12.4%
Shiprepair and conversion	13,028	17.9%	15,810	25.6%
Shipchartering	504	0.5%	2,812	3.3%
Engineering	5,998	27.5%	8,400	30.4%
	<b>33,624</b>	<b>9.8%</b>	<b>50,462</b>	<b>13.8%</b>



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**Shipbuilding**

The lower gross profit incurred in FY2017 was mainly attributed to loss recognised on the rescission of 3 OSV vessels (the “**Rescission**”) as follows:

- (1) Two units of Anchor Handling Tug/Multi-Purpose Supply Vessels (“**AHTSs**”); and
- (2) One unit of Seismic Support Vessel (“**SSV**”).

Excluding the Rescission, the Group’s gross profit for shipbuilding would have been:

	<b>Group</b>			
	<b>FY2017</b>		<b>FY2016</b>	
	<b>\$'000</b>	<b>GPM</b>	<b>\$'000</b>	<b>GPM</b>
Total	14,094	9.8%	23,440	12.4%
Add back :				
OSV cancelled	3,354	Nm	–	–
Adjusted	17,448	12.2%	23,440	12.4%

The Rescission was mutually agreed by the customers. The loss recognised mainly pertained to:

- (1) Write-off of shipbuilding costs of \$2.0 million incurred on the AHTSs since these projects are still at inception phase of building with no profit recognition in prior years; and
- (2) Reversal of prior year profit of \$1.2 million recognised from the SSV. The SSV, being partially completed, will be treated as vessel work in progress under inventories.

**Shiprepair and conversion**

Despite the increase in revenue, gross profit reduced by \$2.8 million (17.6%) with a gross profit margin of 17.9% recorded in FY2017. The lower margin was due to competitive pricing in a weak market, this include single digit margin derived from several major projects (Revenue > \$1 million) recognised in 4QFY2017.

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**Shipchartering**

The breakdown of gross profit and gross profit margin from shipchartering segment are as follows:

	Group			
	FY2017		FY2016	
	\$'000	GPM	\$'000	GPM
OSV	(3,090)	(26.1%)	1,829	12.6%
Landing Crafts	1,776	19.4%	(1,182)	(21.9%)
Tug boats and Barges	(1,334)	(2.0%)	800	1.3%
<b>Total charter</b>	(2,648)	(3.0%)	1,447	1.8%
Trade sales	3,152	18.2%	1,365	21.2%
	<b>504</b>	<b>0.5%</b>	<b>2,812</b>	<b>3.3%</b>

Despite increase in revenue in FY2017 when compared to FY2016, gross profit decreased by \$2.3 million (82.1%) and gross profit margin decreased from 3.3% to 0.5% mainly due to:

- (i) Reduced charter rate from an AHTS and off-hire of two AHTS. With the exception of 4 OSV on bareboat charter, the remaining OSV are chartered on ad hoc basis.
- (ii) Reduced contributions from certain tug boats and barges deployed under a local marine infrastructure project. The tonnage available for carry fell in 2H FY2017. Under contract of affreightment, the Group is required to keep these vessels on standby. The main standby costs are fuel and labour;

partially offset by

- (iii) Higher utilisation rate from Landing crafts which increased from 64% in FY2016 to 92% in FY2017 coupled with a new addition in 2Q FY2016 which commenced operation in 3Q FY2016;
- (iv) Higher trade sales profit mainly derived from ad hoc services rendered in conjunction with one of the New Charter Contracts.

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**Engineering gross profit and gross profit margin**

The breakdown of gross profit and gross profit margin from engineering segment are as follows:

	Group			
	FY2017		FY2016	
	\$'000	GPM	\$'000	GPM
New Buildings	440	67.4%	2,614	67.4%
Components	5,558	26.3%	5,786	24.4%
	<b>5,998</b>	<b>27.5%</b>	<b>8,400</b>	<b>30.4%</b>

The gross profit margin of 26.3% from Components in FY2017 is comparable to the 24.4% recorded in FY2016.

**Other operating income**

Details for other operating income are as follows:

	Group	
	FY2017	FY2016
	\$'000	\$'000
Gain on disposal of plant and equipment	550	1,466
Gain on disposal of assets held for sale	55	–
Interest income from bank balances	80	43
Interest income from finance lease receivables	744	780
Insurance claims	2	139
Rental income	3,264	2,449
Miscellaneous income	502	655
	<b>5,197</b>	<b>5,532</b>

The higher rental income in FY2017 derived mainly from the leasing of precast workshop, production and storage areas.

**Administrative expenses**

Administrative expenses increased by \$4.5 million (19.4%) to \$27.9 million in FY2017 when compared to FY2016 mainly due to higher legal and professional fees incurred for debt restructuring exercise.

The Group incurred an one-off transaction costs amounted to \$4.3 million in FY2017, these costs comprised consent fees, solicitation agent and legal and professional fees incurred in relation to i) the Consent Solicitation Exercise undertaken on extension of tenor of the Company's existing Notes in Jan 2017; ii) the committed \$99.9 million 5-year club term loan facility (the "CTL facility") obtained from the three local banks in February 2017 and iii) perfection of legal mortgages for drawdown of working capital loan under the CTL facility.

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**Other operating expenses**

Other operating expenses comprised the following:

	Group	
	FY2017 \$'000	FY2016 \$'000
Allowance for impairment of doubtful receivables (net)	18,437	3,988
Bad debts written off (trade)	–	53
Loss/(gain) on foreign exchange (net)		
– unrealised	2,144	1,880
– realised	631	(128)
Impairment loss on		
– inventories	13,849	2,700
– investment in joint venture	–	36
– property, plant and equipment	22,004	1,198
Property, plant and equipment written off	1	–
	<b>57,066</b>	<b>9,727</b>

The allowance for impairment of doubtful receivables (net) made in FY2017 of \$18.4 million largely pertained to specific provision on certain receivables, impaired after due assessment, who either was being wound up or where final settlement sum is being negotiated or the probability of recovering is remote. Nonetheless, the Group will continue its effort to recover the amount, especially for those receivables which the Group has possession of the vessels repaired in hand.

The impairment loss recorded in FY2017 pertained to:

(a) Inventories (Finished Goods)

impairment of three Platform Supply Vessels (“PSV”) which the Group holds as inventories (finished goods) for sale. An impairment loss of \$9.1 million was made based on valuation guidance from independent valuers;

(b) Inventories (Work-in-progress)

write-off of two vessels (one Anchor Handling Tug and Supply vessel “AHTS” and one Multi-purpose Maintenance Workboat) which were built under former Built-to-Stocks programme. An impairment loss of \$4.7 million for the full amount was made as the Group wish to discontinue building of these vessels in view of the protracted downturn of the global marine industry; and

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(c) Property, Plant and Equipment

impairment of its chartering fleet of vessels based on valuation guidance from independent valuers.

The net foreign exchange losses in FY2017 were mainly attributed from appreciation of USD and IDR against SGD on USD and IDR denominated liabilities.

**Finance costs**

Finance costs increased marginally by \$0.2 million (1.1%) to \$19.3 million in FY2017.

**Share of results of joint ventures and associates**

The Group's share of results of joint ventures and associates comprised:

	Group's effective interest	Group	
		FY2017 \$'000	FY2016 \$'000
<u>Joint ventures</u>			
Sindo-Econ group	50%	(3,465)	1,967
<u>Associates</u>			
PT. Hafar Capitol			
Nusantara ("PT Hafar")	36.75%	(1,567)	(1,322)
PT Capitol Nusantara			
Indonesia ("PT CNI")	27%	(763)	(3,898)
		<b>(5,795)</b>	<b>(3,253)</b>

The share of loss from Sindo-Econ group of \$3.5 million in FY2017, on the precast operations in Batam, was attributed by low margin due to competitive market condition.

The share of loss from PT Hafar of \$1.6 million in FY2017 was mainly due to absence of charter income from its fleet of vessels since 3Q FY2016.

The share of loss from PT CNI of \$0.8 million was mainly attributable to the low utilisation of its vessels; several of its vessels have remained off-hired mainly due to the slowdown in Indonesia coal mining industry, partially offset by the share of profit pertained to progressive recognition of the Group's proportionate interest of unrealised profits previously eliminated on sale of vessels to PT CNI. The Group has restricted its share of losses to its cost of investment since 4Q FY2017.

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**Loss before tax**

The Group recorded a loss before tax of \$71.3 million in FY2017 as compared to a profit before tax of \$0.6 million in FY2016. However, much of the loss arose from one-off events:

	<b>FY2017 \$'m</b>
<b>Loss before tax</b>	(71.3)
<b>One-off losses/(gain):</b>	
i) Cost arising from debt restructuring	4.4
ii) Allowance for impairment of doubtful receivables (net)	18.4
iii) Impairment loss	35.9
iv) Net foreign exchange (gain)/loss	2.8
v) Joint ventures and associates' loss	5.8
vi) Cancellation of projects	3.4
<b>Adjusted loss before tax</b>	<u>(0.6)</u>

**Tax (expense)/credit**

The Group's current income tax expense was \$2.5 million lower in FY2017 as compared to FY2016 mainly due to loss incurred from shipyard operations and tax adjustments in prior years.

**Non-controlling interests**

Non-controlling interests' share of loss of \$1.6 million for FY2017 mainly pertained to the portion of results of its non-wholly owned subsidiaries in Indonesia and China.

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**Financial Position**

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recent completed financial year for which audited financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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6. The data referred to in paragraph 5 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;
  - (b) net assets or liabilities per share; and
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.
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The unaudited statement of financial position of the Group as at 31 March 2019 is set out below:

<b>(S\$'000)</b>	<b>Unaudited as at 31 March 2019</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	523,685
Lease prepayment	5,591
Investment in joint ventures and associates	4,428
Intangible assets	11,420
Finance lease receivables	7,272
Total non-current assets	552,396
<b>Current assets</b>	
Inventories	172,466
Contracts assets	16,127
Trade and other receivables	183,465
Prepayments	4,707
Finance lease receivable	658
Derivative financial instruments	–
Cash and bank balances	24,923
Total current assets	402,346

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<b>(S\$'000)</b>	<b>Unaudited as at 31 March 2019</b>
<b>Current liabilities</b>	
Trade and other payables	202,936
Provision for warranty	10
Contract liabilities	4,053
Trust receipts	2,053
Interest-bearing loans and borrowings	45,121
Income tax payable	6,330
Total current liabilities	260,503
<b>Net current assets</b>	<b>141,843</b>
<b>Non-current liabilities</b>	
Other liabilities	8,696
Interest-bearing loans and borrowings	391,659
Deferred tax liabilities	15,395
Total non-current liabilities	415,750
Net assets	278,489
<b>Equity attributable to owners of the Company</b>	
Share capital	108,056
Treasury shares	(923)
Reserves	170,957
	278,090
Non-controlling interests	399
Total equity	278,489



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For illustrative purposes only, the following is an analysis of the effects of the Rights Issue and the exercise of the Warrants on the NAV per Share based on the unaudited statement of financial position of the Group as at 31 March 2019:

	<b>As at 31 March 2019</b>
<b>Before the Rights Issue</b>	
NAV (S\$'000)	278,090
Number of Shares in issue	629,266,941
NAV per Share (cents)	44.19
<b>After the Rights Issue, assuming that 314,633,470 Warrants are issued and none of the Warrants are exercised</b>	
NAV adjusted for the Net Proceeds (S\$'000)	279,278
Number of Shares in issue	629,266,941
Adjusted NAV per Share (cents)	44.38
<b>After the Rights Issue, assuming that 314,633,470 Warrants are issued and all of the Warrants are exercised</b>	
NAV adjusted for the Net Proceeds and the Exercise Proceeds (S\$'000)	298,156
Number of Shares in issue	943,900,411
Adjusted NAV per Share (cents)	31.59

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**Liquidity and Capital Resources**

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recent completed financial year for which financial statements have been published; and
  - (b) if interim financial statements have been published for any subsequent period, that period.
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The audited consolidated statement of cash flows of the Group for FY2018 and the unaudited consolidated statement of cash flows for the Group for 9M FY2019 are set out below:

<b>(S\$'000)</b>	<b>Unaudited 9M FY2019</b>	<b>Audited FY2018</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(24,661)	(68,276)
<b>Adjustments for:</b>		
Amortisation of intangible assets	492	766
Amortisation of lease prepayments	272	358
Allowance for impairment of doubtful receivables (net)	–	2,547
Depreciation of property, plant and equipment	45,640	63,266
Loss/(gain) on disposal of property, plant and equipment	577	(7,364)
Gain on disposal of assets classified as held for sale	(989)	(1,950)
Inventories written off	1,050	330
Impairment loss on property, plant and equipment	–	21,357
Impairment loss on inventories and recoverables	–	23,675
Impairment loss on goodwill	–	5,027
Loss on disposal of short-term investment	134	–
Interest expense	15,375	22,711
Interest income	(541)	(872)
Write back for warranty (net)	(24)	(128)
Property, plant and equipment written off	2	467
Provision for pension liabilities	115	22
Share of results of joint ventures and associates	275	3,823
<b>Operating cash flows before changes in working capital</b>	<b>37,717</b>	<b>65,759</b>
<b>Changes in working capital:</b>		
Inventories	(3,545)	(13,023)
Contract assets and liabilities	24,663	22,582
Trade and other receivables	(3,415)	1,520
Prepayments	1,083	(226)
Trade and other payables	(7,310)	20,684
Finance lease receivables	742	1,088
Other liabilities	2,923	(4,208)
Balances with related parties (trade)	(1,139)	(6,152)
<b>Cash flows generated from operations</b>	<b>51,719</b>	<b>88,024</b>
Interest received from finance lease receivables	485	573
Income tax paid	(742)	(1,578)
<b>Net cash flows generated from operating activities</b>	<b>51,462</b>	<b>87,019</b>

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(S\$'000)	Unaudited 9M FY2019	Audited FY2018
<b>Cash flows from investing activities</b>		
Interest received from bank balances	56	299
Purchase of assets classified as held for sale	(2,509)	(4,300)
Purchase of property, plant and equipment	(6,397)	(30,970)
Proceeds from disposal of property, plant and equipment	24,935	14,466
Proceeds from disposal of assets classified as held for sale	9,125	6,250
Proceeds from disposal of short-term investment	534	–
Lease prepayments	(505)	(531)
Balances with related parties (non-trade)	1,961	836
<b>Net cash flows generated from/(used in) investing activities</b>	<b>27,200</b>	<b>(13,950)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(17,920)	(26,624)
Repayment of interest-bearing loans and borrowings	(56,499)	(98,399)
Proceeds from interest-bearing loans and borrowings	3,850	51,288
Repayment of trust receipts	(27,141)	(36,389)
Proceeds from trust receipts	15,392	29,603
Cash and bank balances (restricted use)	3,065	(1,578)
<b>Net cash flows used in financing activities</b>	<b>(79,253)</b>	<b>(82,099)</b>
Net decrease in cash and cash equivalents	(591)	(9,030)
Cash and cash equivalents at beginning of period/year	12,793	21,903
Effects of exchange rate changes on cash and cash equivalents	(30)	(80)
<b>Cash and cash equivalents at end of period/year</b>	<b>12,172</b>	<b>12,793</b>
Cash and cash equivalents comprise the followings:		
Cash and bank balances	24,923	28,609
Less: Restricted cash		
– Cash at banks	(9,431)	(15,281)
– Fixed deposits with banks	(3,320)	(535)
<b>Cash and cash equivalents at end of period/year</b>	<b>12,172</b>	<b>12,793</b>

The Group's restricted cash has been set aside for specific use with respect to certain shipbuilding financing and banking facilities granted to the Group.

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**Review of cash flow position for 9M FY2019**

(a) Cash Flow from Operating Activities

The Group recorded a net cash inflow from operating activities of \$51.5 million mainly due to cash inflow generated from operating cash flows and working capital during the period.

(b) Cash Flow from Investing Activities

The net cash inflow from investing activities of \$27.2 million was mainly due to net proceeds of \$18.5 million from sale of property, plant and equipment and net proceeds of \$6.6 million from sale of assets classified as held for sale.

(c) Cash Flow from Financing Activities

The net cash outflow from financing activities of \$79.3 million was mainly due to net repayments on interest-bearing loans and borrowings and trust receipts, partially offset by restricted cash which was released upon completion of shipbuilding projects.

**Review of cash flow position for FY2018**

(a) Cash Flow from Operating Activities

The Group recorded a net cash inflow from operating activities of \$87.0 million mainly due to cash inflow generated from operating cash flows and working capital during the year.

(b) Cash Flow from Investing Activities

The net cash outflow from investing activities of \$14.0 million was mainly due to net purchase of property, plant and equipment at \$16.5 million, partially offset by net proceeds of \$2.0 million from sale of assets classified as held for sale.

(c) Cash Flow from Financing Activities

The net cash outflow from financing activities of \$82.1 million was mainly due to net repayment of interest-bearing loans and borrowings and trust receipts.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgement of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.

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As at the Latest Practicable Date, the Directors are of the reasonable opinion that, barring any unforeseen circumstances, after taking into consideration the internal resources, the present banking facilities available to the Group and discussions on future banking facilities, and on the successful completion of the Rights Issue, the working capital available to the Group is sufficient for at least the next 12 months.

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9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –
- (a) a statement of that fact;
  - (b) details of the credit arrangement or bank loan; and
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

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As at the Latest Practicable Date, to the best of the Directors' knowledge, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Group, save as disclosed in Paragraph 10 (*Financial Covenant*) below.

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**Trend Information and Profit Forecast or Profit Estimate**

**10. Discuss –**

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

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The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled “**Cautionary Note on Forward-Looking Statements**” of this Offer Information Statement for further details.

Save as disclosed in the public announcements made by the Company and in this Offer Information Statement and barring any unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group’s revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

**Business and Financial Prospects of the Group**

**Shipbuilding and Shiprepair**

In shipbuilding, we will continue to seek orders for non-OSV vessels such as tankers, tugs and barges and exercise caution with selection of customers’ portfolio based on creditworthiness and size of projects.

In shiprepair, with an additional floating dock to be put in place by 1Q FY2020 at the Singapore yard, this will provide additional capacity in terms of servicing the mid-size range of vessels.

We also adopt the strategy to train direct employed workers for specialised work, thus reducing our reliance on subcontractors, and strengthening our competency and efficiency. We will continue to improve operational efficiency, tighten cost control to ensure our competitiveness.

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### **Shipchartering**

The diversified vessel types in our fleet, especially the non-OSV vessels are expected to lend support to our chartering business in view of the marine infrastructure projects in Bangladesh, Indonesia and Singapore. Our in-house ability to provide integrated services to modify or retrofit vessels to suit our shipchartering customers' customised requirements. However, due to market competition, the Group expects continued pressure on charter rates. The management will focus on increasing utilisation of fleet, improving charter rates, limiting capital expenditure and exploring bareboat charter-in of vessels.

The OSV in the market has not recovered from depressed pricing. The Group, however has been actively seeking opportunities to improve the utilisation of the OSV such as deployment for towage jobs.

### **Dredge Engineering**

Our engineering division (VOSTA LMG) engages primarily in the infrastructure and construction industry. Demand for our engineering business is supported by i) the amount of land and coastal reclamation projects due to population growth and global warming; and ii) port expansion projects due to increasing seaborne trade and growing size of container vessels. The Group is working closely with suppliers and seek to have production capability in different regional markets to drive down costs.

### **Order Book**

As at 31 March 2019, the Group had an outstanding shipbuilding order book from external customers of approximately \$36 million for the building of 5 tugboats with progressive deliveries up to 1H FY2021.

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 28% of shipchartering revenue in 9M FY2019 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 31 March 2019, the Group had an outstanding chartering order book of approximately \$105 million with respect to long-term contracts.

Investors may wish to note that the financial performance of the companies in the shipping and shipbuilding industries tend to lag industry trends.

### **Funding Arrangement**

#### The Notes

The Company had received consent from the Noteholders on 30 January 2019, for amongst others:

- (i) an extension of the tenor of its existing Notes by another five years from the last maturity dates to 28 March 2025 (Series 006 Notes) and 1 October 2026 (Series 007 Notes);

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- (ii) amendments to the interest rate provisions to, *inter alia*, reduce the interest rates per annum (commencing 28 September 2018 for the Series 006 Notes and 1 October 2018 for the Series 007 Notes) of the Notes from 6.00 per cent. and upwards (Series 006 Notes) and 6.35 per cent. and upwards (Series 007 Notes), to (in respect of each of the Series 006 Notes and Series 007 Notes) a base interest rate of 3.00 per cent. with an additional interest rate of up to 2.00 per cent. depending on the Company's financial performance;
- (iii) amendments to the base mandatory redemption of the Notes such that the Company shall on each interest payment date be required to redeem a lower aggregate principal amount of:
  - (a) S\$0.50 million (as compared to S\$2.50 million) of the Series 006 Notes;
  - (b) S\$0.25 million (as compared to S\$1.25 million) of the Series 007 Notes; and
- (iv) subject to the passing of the requisite Shareholders' resolutions and approval from the SGX-ST, the Noteholder Warrant Issue, such date of issuance to occur on or prior to 31 July 2019.

### Banking Facilities

The principal lenders and certain secured lenders of the Group have given their in-principle approvals on the re-profiling (extending loans tenure thereby reducing monthly instalment) of its existing term loans which includes its CTL Facility, generally based on a 10-year profile with 8 years repayment term from its principal lenders.

To further enhance the Group's operating cash flow, the management is currently working with its principal lenders on an additional revolving project financing and trade lines of up to S\$114 million.

### **Financial Covenant**

Subsequent to 31 March 2019, the Company has received a waiver for the breach of one of the financial covenants (the "**Breach**") under the CTL Facility for the third quarter ended 31 March 2019. The Company continues to repay in accordance with the monthly repayment schedule of the Facility Agreement. In view of the above, the Company has not reclassified the non-current portion of the CTL Facility of \$78,861,000 as current liabilities as at 31 March 2019.

The Breach relates to the same covenant that has been clarified in the clarification announcement released via SGXNET on 19 October 2017.

In addition, the Company has also obtained consent from the lenders of the CTL Facility that they have no objection to the request for waiver of any breach of financial covenants in respect of the results announcement for the fourth quarter ending 30 June 2019.

### Risk Factors

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed judgement on the Rights Issue (save for those which have already been disclosed to the general public) are set out below.

Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to purchase the Rights, acquire the Warrants and invest in the Company. The Group could be affected by a number of risks that may relate to



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the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are only a summary and not intended to be an exhaustive description of all the uncertainties, demands, commitments or events. There may be additional risks not presently known to the Group, or that the Group may deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, prospects, financial condition and results of operations of the Group may be materially and adversely affected. In such an event, the trading price of the Warrants, the New Shares, and the Shares could decline and subscribers may lose all or part of their investment in the Warrants, the New Shares and/or the Shares as the case may be.

**Any reference to “we”, “us” and “our” in this section of the Offer Information Statement is a reference to our Company, our Group or any member of our Group as the context requires, save that, where appropriate, such references to “we”, “us” and “our” in the context of the descriptions of our businesses and operations in Singapore, Indonesia, Europe and PRC are references to the businesses and operations of our Subsidiaries and/or associates operating in that particular country, as the case may be.**

**Risks relating to the Group**

**Values of the Group’s assets may fluctuate substantially and any impairment in such values may result in volatility to and have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.**

The values of the Group’s assets may fluctuate substantially over time due to a number of different factors, including, but not limited to:

- supply and demand for similar types of assets;
- prevailing economic conditions in the markets in which the Group’s assets operate;
- a substantial or extended decline in marine services sector;
- competition from other marine services companies;
- the age and condition of the Group’s vessels; and
- the cost of retrofitting or modifying existing assets as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

These factors could substantially reduce the values of the Group’s assets and put the Group in a position of not being able to otherwise satisfy relevant net asset value related loan covenants, which may result in adverse liquidity, or other financial or legal developments, including but not limited to events of default, cross defaults, acceleration of debts and forward-looking enforcement of security over the Group’s assets. Not satisfying the loan covenants would constitute an event of default under applicable loan agreements, affecting the Group’s ability to secure or complete shipbuilding and shiprepair projects, renew or obtain charters as well as the rates it will be able to charge for such charters at the termination of the existing charters and the price of its vessels at the time of sale.

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Furthermore, if for any reason, including, but not limited to, the Group's inability to re-charter a vessel at favourable rates at the termination of its charter, the Group elects to dispose one or more vessels, the sale prices of such vessels are expected to reflect prevailing market rates, which could be below the vessels' carrying value. If the Group sells vessels at prices that are lower than the book values of such vessels, the Group will be required to write off such losses, which may result in volatility to, and have a material adverse effect on, the Group's business, financial condition, results of operations and prospects.

Notably, the Group had incurred the following impairment losses and write-offs in FY2017 and FY2018:

	<b>FY2017</b>	<b>FY2018</b>
	<b>(in S\$'000)</b>	<b>(in S\$'000)</b>
Impairment of doubtful receivables (net)	18,437	2,547
Impairment loss on property, plant and equipment	22,004	21,357
Impairment loss on inventories and recoverable	13,849	23,675
Impairment loss on goodwill	–	5,027
<b>Sub-total for Impairment</b>	<b>54,290</b>	<b>52,606</b>
Property, plant and equipment written off	1	467
Inventories written off	–	330
<b>Sub-total for Write-Offs:</b>	<b>1</b>	<b>797</b>
<b>Total Impairment and Write-offs:</b>	<b>54,291</b>	<b>53,403</b>

The Group is in the process of assessing the extent of further impairment losses on its assets, such as inventories, vessels, intangible assets and trade and other receivables. The assessment of the amount of impairment losses on the Group's assets is a complex exercise which is heavily dependent on management's judgement and estimates of charter rates, utilisation rates, operating expenditure, creditworthiness of counterparties and appropriate discount rates that take into account market rates, and incorporating market, country and asset-specific risk premiums of the Group's assets.

The Group will need time to finalise the assessment of the amount of impairment losses and expects to complete such assessment by the end of FY2019. For illustrative purposes, the table below sets out a sensitivity analysis on the adjusted net asset value ("**NAV**") per Share assuming impairment losses of between S\$50 million and S\$250 million, based on the NAV per Share of S\$0.4419 as at 31 March 2019.

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<b>Assuming impairment of:</b>	<b>S\$50 million</b>	<b>S\$100 million</b>	<b>S\$150 million</b>	<b>S\$200 million</b>	<b>S\$250 million</b>
Unaudited NAV per Share adjusted for the above impairment losses (S\$)	0.3624	0.2830	0.2035	0.1241	0.0446

The impact on the NAV per Share for every S\$10 million of impairment is S\$0.0159.

**There may be a substantial doubt about the Group's ability to continue as a going concern**

There cannot be any assurance that the Company or the Group will be able to continue as a going concern. Note 2.1 of each of the consolidated financial statements as of and for FY2016, FY2017 and FY2018 disclose conditions that indicate the existence of material uncertainties surrounding the continuing use of the going concern assumption in the preparation of the financial statements.

As at 31 March 2019, the Group's and Company's total borrowings amounted to S\$438.8 million and S\$227.2 million of which S\$47.2 million and S\$11.6 million were classified as current liabilities respectively. The ability of the Group and the Company to continue as going concerns is dependent on the ability of the Group to generate sufficient cash flows from operations and to receive continued support from the lenders.

**The Group has experienced and expects to continue to experience net losses**

The Group has incurred loss after tax in FY2017 and FY2018 of S\$73.3 million and S\$71.3 million respectively. During these periods, while the marine services sector seemed to have stabilised it had yet to recover. There was a significant drop in the volume of the shipbuilding business from the continued weak market conditions. Some customers had difficulties making payments and the Group had to recognise significant impairments of doubtful receivables.

In addition, the impact of the sector downturn to the Group was magnified by the cancelled orders of three OSVs and three PSVs shipbuilding projects. These cancelled orders resulted in a total cash outflow of S\$199 million and the Group had to recognise significant impairments on vessels held as inventories and plant and equipment.

In addition, there cannot be any assurance that the Group will not incur additional net losses in the future, or that the Group will generate positive cash flow or achieve or sustain profitability in the future. Please refer to Paragraph 1 and 2 of Part V for more information on the Group's results of operations and financial condition as of and for 9M FY2019.

**The Group may not be able to generate sufficient cash flow to meet its debt obligations, including its obligations and commitments under the Notes**

A range of economic, competitive, business and industry factors will affect the Group's future financial performance and as a result, the Group's ability to generate cash flow from operations and to repay its debt obligations, including the Notes. Many of these factors, such as supply and demand for similar types of assets, economic and financial conditions in the

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markets in which the Group's assets operate, industry and the global economy or competitive initiatives of the Group's competitors, are beyond its control.

Worldwide downturns in the marine services sector may be experienced as a result of generally weak economic conditions. The marine services sector is sensitive to the cyclical nature of the industries that they serve, such as marine infrastructure and construction, transportation and other trade-related industries. The demand for and pricing of the Group's services are sensitive to global and regional economic conditions.

In shipbuilding and shiprepair and conversion, ship owners may cancel signed orders, defer the building or procurement of new vessels and/or the execution of maintenance and repair work on existing vessels during an economic downturn. In shipchartering, a general economic slowdown may affect trade in general and/or demand for specific goods which the Group transports. Should any of such developments occur, the Group's financial results may be materially and adversely affected. Whilst the marine services sector has stabilised, it has not recovered. There cannot be any assurance that the sector will improve or remain stable in the future.

### **The Group's business is affected by the lack of demand for vessels in the industry and unexpected cancellations of projects**

The Group's business is affected by the significant drop in the volume of the shipbuilding business and the unexpected cancellations of the three OSVs and three PSVs shipbuilding projects. The market for the shipbuilding business has also remained very competitive, weighing on the segment's margin.

This gives rise to financial statements risk such as impairment of the Group's vessels, as well as the determination of the net realisable value of finished goods and the recoverability of receivables. Whilst the Group has taken countermeasures such as implementing tighter measures in respect of risk management, there is no assurance that there will not be a need for further impairment in the future.

### **The Group expects to be highly leveraged for the next several years and may not be able to generate sufficient cash flows to meet its debt service obligations, including payments under the Notes**

The Group is highly leveraged. As of 31 March 2019, the Group had approximately S\$47.1 million of current interest-bearing borrowings (including trust receipts of S\$2.1 million) and S\$391.7 million in non-current interest-bearing borrowings (including the Notes). After the Company successfully implemented its refinancing pursuant to the Consent Solicitation, the Company continues to have substantial indebtedness, over a longer loan tenure. In addition, the Group has commenced the process with banks to obtain additional project financing and trade lines of up to S\$114.0 million for its business operations.

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This substantial indebtedness will have important consequences for the Group's creditors and shareholders. The Group will require substantial cash flow to meet its obligations under the refinanced indebtedness, including the Notes. Therefore, a substantial part of its cash flow from operations will not be available for its business. The Group's substantial indebtedness could adversely affect its results of operations and could have important consequences for the Group, including but not limited to:

- limiting the Group's ability to obtain necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes;
- requiring a substantial portion of the Group's cash flow from operations to be used for payments on its debt and therefore reducing its ability to reinvest its cash flow from operations in its business;
- limiting the Group's flexibility in planning for, or reacting to changes in its business and its ability to take advantage of future business opportunities;
- placing the Group at a competitive disadvantage to certain of its competitors with less indebtedness or greater resources; and
- limiting the Group's ability to react to changing market conditions, changes in the industries that it does business in or economic downturns.

The occurrence of any one of these events could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, and its ability to satisfy its obligations under the Notes and any of its other indebtedness.

The Group's ability to service its debt will depend on its future performance, which, in turn, depends on the successful implementation of its strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for the Group's services, costs of raw materials and other factors specific to industry or specific projects, many of which are beyond the Group's control. The Group may not be able to generate sufficient cash flow from operations and future sources of capital may not be available to the Group in an amount sufficient to enable it to service its indebtedness or to fund its other liquidity needs.

If the Group is unable to generate sufficient cash flow and capital resources to satisfy its debt obligations or other liquidity needs, it may have to undertake alternative financing plans, which may not be available on commercially reasonable terms or at all. Therefore, the Group could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its debt service and other obligations. The Group's credit facilities and the relevant trust deed relating to the Notes contain restrictions on the Group's ability to dispose of assets and the use of the proceeds of such disposition. The Group may not be able to consummate any dispositions or the proceeds from such disposition may not be adequate to meet any debt service obligations then due.

### **The Group's business may be exposed to variation in interest rates**

As at 31 March 2019, the Group has total interest bearing loans and borrowings (excluding the Notes payable and trust receipts) amounting to approximately S\$298.5 million. The Group expects its working capital requirements to be met, *inter alia*, by the Group incurring additional project financing and trade lines of up to S\$114 million. The interest rates for such borrowings are principally pegged to the lenders' cost of funds, usually the Singapore

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Interbank Offered Rate (“**SIBOR**”). Any significant increase in interest rates due to an increase in the lenders’ cost of funds would adversely affect the Group’s business, financial condition, results of operations and prospects.

There can be no assurance that such additional financing will be made available or, if available, that such financing will be obtained on terms favourable to the Group. Factors that could affect the Group’s ability to procure such financing include market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, further consolidation in the banking industry in Singapore and/or elsewhere in Asia may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

**The Group adopted Singapore Financial Reporting Standards (International) (“SFRS(I)”) on 1 July 2018, which brings key changes to the accounting of contracts of the Group, and any restatement of the financial statements for previous periods may result in material changes to such previous financial statements.**

The Group adopted Singapore Financial Reporting Standards (International) (SFRS(I)), on 1 July 2018. In adopting SFRS(I), the Group applied the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I) in preparing the Group’s unaudited consolidated financial statements as of and for the 9M FY2019. The Group’s consolidated opening balance sheet has been prepared as at 1 July 2017, which is the Group’s transition date to SFRS(I).

The following SFRS(I)s, amendments and interpretations of SFRS(I)s are applicable to the Group:

- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The adoption of the new accounting standards does not have any significant impact on the consolidated and standalone financial statements of the Group and the Company respectively, except for SFRS(I) 15.

The key impact of adopting SFRS(I) 15 includes:

- Timing of revenue recognition: Revenue and related costs of sales of contracts with non-enforceability of right to payment for performance completed to-date are recognised only when the constructed assets are delivered to customers at a point in time, instead of using the percentage of completion method
- Contract costs: For long term contracts where the stage of completion is measured by reference to the contracts costs incurred to date as a percentage of the total estimated costs for each contract, contract costs are recognised as an expense in profit or loss using the percentage of completion method prior to the adoption of SFRS(I) 15. On adoption of SFRS(I) 15, the costs incurred to fulfil the satisfied performance obligation are recognised in profit or loss as control of goods or services to the customer is transferred over time. Where the control of goods and services to the customer is

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transferred at a future point in time, the costs incurred to fulfil the future performance obligation are capitalised as they are recoverable, and presented as “Contract Assets” within the balance sheet. The costs capitalised are recognised in profit or loss when the performance obligation is satisfied.

- In accordance with the presentation requirements of the SFRS(I) 15, the Group has presented “Construction work-in-progress in excess of progress billings” as “Contract assets” and “Progress billings in excess of construction work-in-progress” as “Contract liabilities”.

The key impact of adopting SFRS(I) 9 includes:

- The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, the requirements of SFRS 39 are applied to financial instruments up to the financial year ended 30 June 2018. Financial assets measured at amortised costs or Fair Value Through Other Comprehensive Income (FVOCI) and financial guarantees are subject to expected credit loss impairment model under SFRS(I) 9. There were no adjustments made to the opening retained earnings in this regard as the Group preliminarily assessed that the effects were immaterial. A more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the effects of SFRS(I) 9 is in process.

With respect to SFRS(I) 15 and SFRS(I) 9, the Group will continue to assess their effects on the Group’s financial statements. The restatement of the Group’s financial statements for previous periods may result in material changes to such previous financial statements.

**The Group’s associate companies and joint ventures have been making losses and may continue to make losses, and the Group’s other receivables from these entities may not be collectable.**

The Group has invested an aggregate of S\$10.1 million in associate companies and joint ventures. The Group’s associated companies and joint ventures have historically been making losses. In addition, the Group has net receivables of a total S\$66.6 million in its consolidated statements of financial condition as of 31 March 2019, principally attributable to such associate companies and joint ventures. The recoverability of these other receivables is dependent on the ability of the associates and joint ventures to turn around from their loss making positions. If the Group is unable to collect on the other receivables, the Group will be required to impair such other receivables either in part or in full. Any such impairment may have a material adverse effect on the Group’s business, financial condition, results of operations and prospects. See Paragraph 8(b) of Part IV for further information on the Group’s joint ventures and associate companies.

**The Group is dependent on a few major customers.**

The Group’s largest customer and their affiliated companies accounted for approximately 18.8%, and the Group’s largest five customers and their related companies accounted for approximately 48.1%, of the Group’s revenue for FY2018.

There is no assurance that these customers and their affiliated companies will continue to engage the Group or that the Group will continue to sustain the general level of revenues that the Group has been securing from them periodically. In the event that any of the Group’s major customers cease to have business dealings with the Group or materially reduce the level and/or frequency of jobs that they engage the Group for, the revenue and profitability of the Group will be adversely affected.

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**The Group is exposed to the risk of increases in fuel oil costs for its shipping business.**

Most of the Group's contract of affreightment and lump sum charter contracts contain bunker escalation clauses whereby increase in fuel costs are recoverable from customers. However, increases in fuel oil costs will mainly affect the Group's shipping business insofar as the Group is not able to pass on the higher fuel costs to its customers, which may have a material impact on the Group's longer term contracts where the charter rates have been fixed. If the Group increases its charter rates, demand for the Group's services may be significantly reduced. If there is an increase in the fuel costs while the Group is fulfilling its contractual obligations to customers, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

**The Group is exposed to the risks of fluctuations in charter rates for its shipping business.**

The Group offers vessels on a variety of charter contracts, including time/bareboat and lumpsum charters. The Group also offers services on a contract of affreightment basis, where the Group provides marine transportation and logistics services on a unit rate basis. The tenure for each type of contract ranges from spot charter, which may last from one to 30 days, to longer term charters of up to 15 years. As the Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts, this may expose the Group to short-term fluctuations in charter rates. Any material decrease in charter rates would materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Charter rates may also be affected by conditions such as trade, environmental and weather conditions as well as political situations in the countries where the operations of the Group's customers are located. In such an event, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

**The Group is exposed to fluctuations in foreign exchange rates.**

The Group is exposed to foreign exchange risk. The Group's trade and other receivables are denominated in Singapore dollars as well as foreign currencies such as US dollars, Indonesian Rupiah, the Euro and Chinese Yuan Renminbi. Any significant fluctuation in the foreign exchange rates at the time of purchase and payment and at the time of sale and receipts may have an impact on the Group's profits. For example, profits derived from sales in US dollars would be lower in Singapore dollars should there be any depreciation in the exchange rate of US dollars against Singapore dollars.

Fluctuations in foreign exchange rates will also result in translation gains or losses on consolidation as Singapore dollars is the Group's reporting currency. Any such translation gains or losses will be recorded as translation reserves or deficits as part of the Group's shareholders' equity.

The Group's foreign exchange risks are hedged either by forward foreign exchange contracts in respect of actual or forecasted currency exposures which are reasonably certain or hedged naturally by a matching sale or purchase of a matching asset or liability of the same currency and amount.

The Group is exposed to currency risk arising from its net investments in foreign operations, including the People's Republic of China, Indonesia and the Netherlands. In view of the



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nature of the Group's business, foreign exchange risk will continue to be an integral aspect of the Group's risk profile in the future.

**The Group is affected by competition in the chartering and shipyard industry.**

One of the Group's principal business activities lies in the shipchartering sector. The process of obtaining such charters is competitive and involves an intensive bidding and selection process. Competition for charters is based on a variety of factors, which may include:

- charter hire or contract rates;
- relationships with charterers;
- willingness to accept operational risks pursuant to the charter, such as allowing termination for force majeure events; and
- vessel availability and the size, age and condition of the vessel.

Any of these factors could limit the Group's ability to retain existing customers and attract new customers for its vessels, which could in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

From time to time, the Group may bid for charter contracts without securing and/or acquiring the requisite vessels prior to bidding. Notwithstanding that the Group may be successful in its bid, should the Group be unable to enter into committed charter contracts due to its inability to secure the requisite vessels when required, or inability to acquire such vessels at competitive prices, this would materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group faces competition from a variety of parties, many of which are larger and may have greater financial resources than the Group. The Group cannot give assurance that it will be able to continue competing successfully with existing competitors and/or new entrants into the market. These competitors may be able to operate larger fleets, have longer operating histories, offer better charter rates and devote greater resources to the development, promotion and employment of their vessels than the Group. In addition, the entry of new competitors may result in increased competition and higher pressure on margins, which could in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Further, the Group's ability to compete in international markets may also be adversely affected by regulations in the countries where it operates which require, among other things, the awarding of contracts to local contractors, the employment of local citizens and/or the purchase of supplies from local vendors that favour or require local ownership.

If the Group fails to compete successfully with existing competitors and new entrants into the market, the business, financial condition, results of operations and prospects of the Group may be materially and adversely affected.

Similarly, the shipyard industry is highly competitive. Some of the Group's competitors have more resources than the Group, while certain competitors may have lower costs of operations or may engage in aggressive pricing in order to gain market share.

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If the Group's competitors are able to provide comparable services at a lower price and/or better quality, the Group may have to lower prices significantly to secure new shipyard contracts, which will result in the Group having a lower profit margin. These could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group is exposed to the risk of increases in costs of materials and equipment for its shipyard business.**

Apart from labour, other major cost components for the Group's shipbuilding and shiprepair projects include the costs of steel and other materials as well as equipment such as pumps, propellers and engines.

The costs (including potential future price increases) of such major cost components are taken into consideration when submitting quotations to customers. This allows the Group to estimate the costs and correspondingly the profit margin of a project more accurately. However, if there are price increases in these items, and the Group is not able to pass on these increases to its customers in fulfilment of its contractual agreements or when negotiating for new contracts, or if there are any cost overruns, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

**The Group's future growth may be limited by the capabilities of its vessels.**

The Group's future growth may be limited by the capacity of its vessels in terms of engine horsepower, physical dimensions, type of equipment on board the vessels and ability of the vessels to perform certain tasks. In the event that the capabilities of the Group's vessels are not able to meet the requirements of its existing and potential marine services customers, some of them may charter vessels from the Group's competitors. The lack of capabilities of the Group's vessels may result in the Group not being able to secure certain contracts for some projects. These events may cause the Group to lose some customers, which could have a material adverse effect on its future growth and consequently its business, financial condition, results of operations and prospects.

**The Group's business is affected by political and other risks in countries where the Group operates.**

Wars, unsettled political conditions, social unrest, riots, terrorist attacks and government actions such as possible vessel seizure and import/export restrictions in countries where the Group may operate could potentially affect the ability of the Group's vessels to call on the ports of such countries. Such developments may also affect the ability of the Group's customers to meet their payment obligations to the Group and increase the insurance premium for its operations, which could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

**The vessels deployed in the Group's business are exposed to security threats and piracy.**

The vessels deployed in the Group's business operate in regions in which ships may encounter incidences of security threats such as piracy, terrorist attacks, wars/insurgency and internal strife.

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The Group has taken out hull and machinery policies in respect of certain vessels in its fleet that cover damage and/or loss (which are generally up to the hull values of the relevant vessels) to such vessels arising out of such attacks. However, in the event that the Group's vessels are attacked, destroyed or stolen resulting in damage and/or loss to its vessels in excess of the insurance coverage, this may materially and adversely impact the Group's business, financial condition, results of operations and prospects.

**The Group's business is subject to general risks associated with operating businesses outside Singapore.**

There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could materially and adversely affect the Group's overseas operations and consequently, its business, financial condition, results of operations and prospects.

**The Group's ability to borrow in the bank or capital markets may be adversely affected by a financial crisis.**

The Group's ability to borrow in the bank or capital markets to meet its financial requirements is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors for example, the Sino-American trade war, the United States sub-prime mortgage crisis and the sovereign debt crisis in Europe, have, in the past, led and could in the future lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, in turn threatening affected companies, financial systems and economies.

Any market slowdown may adversely impact the Group's ability to borrow from the bank or capital markets and may significantly increase the costs of such borrowing. If sufficient sources of financing are not available in the future for these or other reasons, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, the Group cannot ensure that it will not continue to incur losses in the future, or that it will become profitable, in either case due to a potential increase in its operating and financing costs incurred to finance the Group's growth and expansion or lower than expected increase in revenues. This increase in operating and financing costs without a corresponding increase in turnover will have a negative impact on the Group's results of operations. In the event that any of the above events materialise, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

**The Group may face claims for defects and warranties in respect of shipbuilding and/or shiprepair work undertaken.**

The Group may face claims and/or rescission of contracts by the Group's customers in respect of defective repairs, poor workmanship, non-conformance to work specifications and/or non-execution of the project in respect of vessels that are built or repaired by the Group.

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The Group typically extends a warranty period of 12 months to the Group's customers for shipbuilding projects and sale of products by its engineering division and a warranty period of one month for shiprepair projects.

Due to the length of the warranty period extended, the Group may experience claims from customers that may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group may not be able to complete its contractual obligations to customers in its shipyard business.**

The Group undertakes shipbuilding and shiprepair projects on a contract basis, subject to certain terms and conditions. If the Group is unable to fulfil its contractual obligations, the Group may have to pay liquidated or other damages or the customer may seek to rescind the contract, or both.

In addition, if the delay continues beyond the time stipulated in the contracts (inclusive of allowable delays) due to force majeure events such as adverse weather or other acts of God, the Group's customers may rescind their shipbuilding or shiprepair contracts with the Group while work is in progress.

If a contract is rescinded, the Group is typically required to refund all of the progress payments already made by the customer and the Group retains the progress work/vessel which it has to sell in the open market or retain for its shipchartering business. In such circumstances, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

**The Group faces the risk of unreliability of work performed by subcontractors and/or materials and equipment delivered by suppliers.**

In the Group's shipyard business, the Group is dependent on the timely delivery of materials and equipment such as steel, pumps, propellers and engines by suppliers. The Group outsources jobs such as fabrication work, blasting, painting, electrical and piping work to subcontractors.

The Group may face the risk of its suppliers not being able to deliver on time and/or non-delivery of materials and equipment. If the Group is unable to source these materials and equipment from alternative suppliers on a timely basis, the Group's production will be delayed, thereby affecting delivery of the end-product/service to the Group's customers.

In addition, if the Group's subcontractors default on their contractual obligations and work specifications, the Group's ability to deliver the end-product/service to its customers in accordance with quality and/or timing specifications may be compromised. Furthermore, if the Group is unable to maintain its business relationships with the Group's subcontractors at competitive rates, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

**The Group is exposed to payment delays and/or default by customers.**

The Group is exposed to payment delays and/or default by its customers. There is no guarantee on the timelines of the Group's customers' payments and whether they will be able to fulfil their payment obligations. Any inability of the Group's customers to settle or settle

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promptly such amounts due to the Group for work done and/or services rendered may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group faces the risk of insufficient insurance coverage in the event of a loss of vessels or parts of vessels that it owns or repairs.**

The Group is insured against loss of or damage to vessels that the Group owns or repairs. However, if such loss or damage exceeds the insurance coverage or is not covered by the insurance policies it has taken up, the Group may be liable for the amounts claimed or the excess amount not covered by its insurance policies. The Group typically limits liability to its customers to the amount covered in the applicable insurance policy.

For the Group's shipchartering operations, the Group occasionally hires vessels from other owners. Such vessels are typically insured by the owners. However, in the event that such loss or damage exceeds the insurance coverage or is not adequately covered by the insurance policies taken up, the Group may be liable to cover the amounts claimed.

Furthermore, events such as wars or terrorist attacks may result in substantial increases in the Group's insurance premiums, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group's business is affected by the inherent risks associated with marine operations.**

The operations of the Group's vessels are exposed to inherent risks of marine disasters such as oil spills, damage to and/or loss of vessels and cargo sustained in collisions, property loss, interruptions to operations caused by adverse weather conditions and mechanical failures. In the event of an oil spill, the Group may incur liability for containment, clean-up and salvage costs and other damages that may arise as a result. The Group may also be liable for damages sustained in collisions and wreck removal charges arising from the operations of its vessels.

The Group's vessels may be involved in accidents, resulting in damage to or loss of vessels, equipment or cargo for which the Group may be exposed to claims from third parties. Any of such events will result in a reduction in turnover or increased costs. Further, although the Group's protection and indemnity insurance insures it against the risks of oil spills, damage to and/or loss of vessels as well as equipment and offshore structures which are carried onboard its vessels sustained in collisions, there can be no assurance that all risks can be adequately insured against or that any insured sum will be paid. Any damages or losses in excess of the insurance coverage may require Group to make material compensation payments, which would materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group's business is exposed to potential liability arising from any damage, injury or death resulting from accidents or other causes.**

Due to the nature of its operations, the Group may be subject to the risk of accidents occurring either to its employees or to third parties who may be involved in accidents while on its premises or vessels. These accidents may occur as a result of fire, explosions or other incidents which may result in injury to persons, death or damage to property or vessels. The Group may be liable, whether contractually or under the law, for any or all of such loss or damage or injury to or loss of life. In addition, it may be liable for substantial fines and

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penalties imposed by the authorities of the relevant jurisdictions. Any of such events will disrupt the Group's business and lead to a reduction in revenue and profits and to increased costs of operations. The Group customarily obtains insurance for hull and machinery, war risk, protection and indemnity and mortgagee interest for its assets, which typically cover, inter alia, the hull value and/or acquisition cost of these assets. In the event of an accident that is not covered by its insurance policies or the claims of which are in excess of its insurance coverage or are contested by the insurance companies, the Group's business, financial condition, results of operations and prospects will be adversely affected.

### **The Group may be unable to source for sufficient skilled personnel.**

The recruitment and retention of qualified, skilled and experienced personnel is critical to achieving the Group's strategic objectives. The Group's shipyard operations require skilled personnel such as engineers, fitters, welders, mechanics, electricians and heavy equipment operators who are willing to work additional shifts and/or on weekends if necessary. If the Group is unable to source for sufficient skilled personnel to meet the customers' orders, or is required to pay substantially higher salaries to procure such skilled personnel, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

### **The Group is dependent on skilled foreign workers.**

The Group's business relies on skilled foreign workers. Some of these foreign workers are contracted to work directly for the Group and with some co-sharing with its sub-contractors. If there is a disruption in the supply of workers, whether by reason of regulatory changes, or health quarantine imposed as a result of disease outbreaks or otherwise, the Group may have to seek alternate sources of skilled labour, which may result in higher costs for the Group. If the Group is not successful in obtaining alternate supply of labour, its operations may be disrupted and its business, financial condition, results of operations and prospects may be materially and adversely affected.

### **The Group's vessels are susceptible to natural disasters.**

The Group's vessels are subject to weather and environmental conditions. Adverse changes in weather and environmental conditions, such as the occurrence of typhoons, tsunami and earthquakes in the areas where the Group operates may cause damage to its vessels. Damage to the Group's vessels caused by natural disasters will result in downtime of its vessels as its vessels will have to be sent for extensive servicing or repairs instead of being utilised for its operations. The Group's operations may experience disruption if there is a significant downtime in any of its vessels when it is operating at or close to maximum capacity. This may have a material and adverse effect on its business, financial condition, results of operations and prospects.

### **Maritime claimants could arrest the Group's vessels, which could interrupt its cash flow and cause a material adverse effect on its business, financial condition, results of operations and prospects.**

The Group's vessels are chartered by customers operating in various countries and are governed by the applicable laws of these jurisdictions. Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to maritime liens against that vessel (and, in some jurisdictions, any associated vessel owned or controlled by the same owner) for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a vessel and commencing foreclosure

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proceedings. This would apply even if vessels in the Group's fleet of vessels are chartered out (whether on a bareboat charter basis or otherwise). The arrest or attachment of one or more of the Group's vessels could result in the Group paying a substantial sum of money to have the arrest lifted if the lessee of the relevant vessel does not do so. In this respect, unless the Group takes timely actions to intervene in these proceedings, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

**Due to the capital intensive nature of the Group's business, the Group may incur substantial capital expenditures in order to expand its fleet and maintain its vessels, and the Group may experience limited availability of funds and/or face difficulties financing these capital expenditures.**

The Group's business is capital intensive in nature and the Group may require additional financing for the funding of working capital requirements, the reprofiling of existing debt obligations or for the expansion and development of the Group's business or for the modification of its existing fleet in order to maximise the utilisation rate. Capital expenditures are also required in order to maintain the operational quality of the Group's vessels. These expenditures increase with the age of the vessels and include costs of repairs, surveys, drydocking vessels and modifying vessels in order to maintain or increase the operating capacity of the fleet of the Group.

The Group's vessels are drydocked periodically for repairs and maintenance. Vessels may also need to be drydocked in the event of accidents or other unforeseen damage. The capital expenditures of the Group for repairs and maintenance may increase as a result of a variety of factors, including:—

- increases in the cost of labour, materials and spare parts;
- changes in customer requirements;
- increase in the size of the fleet of the Group;
- cost of replacement vessels;
- changes in technical development for chartered vessels;
- defects and deficiencies of the Group's vessels;
- changes in governmental regulations and maritime self-regulatory organisation standards relating to safety, security or the environment; and
- changes in the quality of competitor vessels.

Such increases in capital expenditures for repairs and maintenance may reduce the repairs and maintenance work which the Group can afford to carry out on the vessel which may, in turn, restrict the types of operations which the Group's vessels may carry out. There can be no assurance that the Group's vessels will not require extensive repairs, which would result in significant expense and extended periods of downtime, or that the Group would have sufficient funds or working capital to finance the necessary repairs. In addition, given such capital expenditures, the Group cannot guarantee that, as its vessels age, the Group will be able to operate its vessels profitably during the remainder of their useful lives. Should the

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Group choose to sell certain vessels, the Group cannot be certain that the price at which such vessels are sold will not be less than their book value.

There is no assurance that the Group would be able to procure such future financing as may be required, either on a short term or long term basis, or that the Group would be able to obtain subsequent financing on terms that are as attractive as its previous financing, or at all. In addition, the terms of any other indebtedness incurred by the Group may restrict its ability to incur additional debt. Factors that could affect the Group's ability to procure financing include market disruption, interest rates and availability of funding sources. Failure to obtain financing on a timely basis, or at all, may cause the Group to forfeit or forgo various business opportunities, which in turn will limit its expansion and growth and consequently affect the Group's ability to compete in its industry, hence adversely affecting the Group's business, financial condition, results of operations and prospects. Failure to obtain financing on attractive terms may result in increased financing costs and may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group's charter contracts may be terminated upon the occurrence of certain events and the Group may not be able to re-deploy the vessels under the terminated charter contracts promptly, if at all, and/or on terms that are as attractive as the previous charter contracts.**

The Group's charter contracts are for varying periods of time and may be for up to 15 years. Such charter contracts may however be terminated upon the occurrence of certain events, such as non-performance by the Group, events of force majeure, loss or seizure of the vessel, unavailability of the vessel due to various reasons such as confiscation or requisition by the government of the state under which the vessel is registered, or upon notice of termination being given by the charterer in accordance with the relevant charter contract. Further, the charter rates payable under the charter contracts may be reduced or suspended due to various reasons such as work stoppage by the officers or crew members of the vessel, breakdown of machinery, breakdown of hull or other accidents to the vessel or any other reasons which render the vessel unavailable for deployment for specified periods of time.

The termination of existing charter contracts or reduction/suspension of contracted charter rates will reduce the Group's revenue and have an adverse effect on the Group's business, financial condition, results of operations and prospects. The Group's business, financial condition, results of operations and prospects would also be materially and adversely affected if it is not able to re-deploy its vessels for a period of time, if at all, upon termination of existing charter contracts, if there are protracted negotiations over the terms of the charter contracts, or if the charter contracts are renewed on less favourable terms.

**The Group's business may be affected by disputes with its joint venture partners.**

In the course of the Group's business, the Group has collaborated and intends to continue to collaborate with joint venture partners for various projects (whether on an ad hoc or recurring basis), such collaborations being entered into and formalised by way of written contracts. From time to time, disputes may arise between the Group and its joint venture partners for various reasons, including disputes over project, material and/or contract specifications. In the event disputes between the Group and any of its joint venture partners arise and such disputes cannot be satisfactorily and amicably resolved, the Group may be the subject of legal or arbitration proceedings and the Group would be required to incur costs in defending such actions. The Group would also be unable to continue its collaborations with such joint venture partner which in turn may affect the Group's business, financial condition, results of operations and prospects.



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**The Group's business may be affected by infectious communicable diseases.**

Typically, the crew whom the Group hires to operate its vessels in the course of providing offshore marine support services are engaged on a contractual basis and may have travelled or worked in other areas prior to deployment upon the Group's vessels. If any one of these crew members is suspected to have contracted or contracts infectious communicable diseases, the entire crew on the relevant vessel may have to be quarantined for an indeterminate period. This will disrupt the operations of the relevant vessel, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, the onshore staff may also be affected by such infectious communicable diseases, which may result in a disruption to the Group's business.

**The Group's business depends on adequate insurance coverage.**

The Directors have observed that recent years have witnessed heightened security threats in the countries and regions where the customers of the Group's business operate. Any deterioration of the security conditions in the countries or regions where the Group's customers operate may lead to withdrawal by insurers from providing insurance coverage, which in turn may lead to the Group and/or the Group's customers being unable to secure adequate insurance coverage. An inability to secure adequate insurance coverage for the Group's vessels by the Group and/or the Group's customers may result in the Group being unable to charter out its vessels, disrupting the Group's business and adversely affecting the Group's business, financial condition, results of operations and prospects.

For all workers hired by the Group's subcontractors, the subcontractors are required to provide insurance coverage for such workers. Such insurance coverage is limited to the number of workers deployed in the Group's yards. In addition, the Group's subcontractors are required to include the Group as co-insured. However, a subcontractor may fail and/or neglect to provide such insurance and the Group may be exposed to liabilities for accidents occurring to workers hired by its subcontractors.

**The Group's business will be dependent on key personnel for its operations and profitability.**

The success of the business will be dependent on the commitment of its key management personnel comprising the Company's Chairman, Managing Director and Chief Executive Officer, Mr Ang Kok Tian, the Company's Deputy Managing Director, Mr Ang Ah Nui, the Company's executive director, Mr Ang Kok Leong, and the executive director of various subsidiaries, Mr Ang Kok Eng, and key executives, namely, the General Manager (Shipchartering), Captain Tay Kes Siong, and the Group Financial Controller, Ms Koh Kai Kheng Irene, and the Group's ability to identify, recruit, train and retain qualified employees for technical, marketing and managerial positions. The competition for such employees is likely to be intense, and the loss of the services of one or more of these individuals without adequate replacements or the inability to attract new qualified personnel at a reasonable cost would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. There is no assurance that the Group will be able to retain its key management personnel. The loss of the Group's key management personnel without suitable and timely replacements may have an adverse impact on the Group's business, financial condition, results of operations and prospects.

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**The Group is exposed to credit risks and risks arising from credit terms extended to its customers.**

The Group's business will be exposed to payment delays and/or defaults by customers who are granted credit terms. Generally, the charter fees under the Group's current charter contracts are payable with credit terms of between 30 and 90 days. The Group's business is exposed to credit risks due to the inherent uncertainties in the customers' business environment. Such risks include political, social, legal, economic and foreign exchange risks, as well as those arising from unforeseen events or circumstances. There is hence no guarantee on the timeliness of the customers' payments or whether they will be able to fulfil their payment obligations. Any inability on the part of the Group's customers to promptly settle the amounts due to the Group for work done and/or services rendered may have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

**The Group is subject to various international conventions governing the shipping industry.**

The Group is subject to various conventions under the International Maritime Organisation ("IMO"). Compliance with such conventions adds to the Group's cost of operations. From time to time, the IMO may adopt new conventions which the Group's vessels need to comply with. If such conventions become more stringent in the future and/or additional compliance procedures are introduced, the Group's cost of operations may increase. If the Group is unable to comply with such conventions, the Group may not be allowed to operate its vessels, which would materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group is subject to appraisal and certification standards issued by independent certification authorities.**

Pursuant to the International Safety Management Code (the "ISM Code"), companies which have complied with the requirements of the ISM Code are issued with a document of compliance by the relevant government authorities of the jurisdictions in which their vessels are registered. The Group's vessels are also subject to assessment by independent certification organisations for compliance with the requirements of international conventions for the prevention of pollution from ships.

The relevant authorities and certification organisations have the right to conduct inspections of the Group's vessels to ensure that the Group continues to comply with the relevant standards. Any material failure to comply with the standards or any changes in the standards which are implemented from time to time may cause the Group's certifications to be withdrawn. The Group's chartering customers typically require the vessels which the Group provides to bear certain certifications. If the certifications are withdrawn, the Group would not be able to meet the requirements of its customers, which would materially and adversely affect the Group's business, financial condition, results of operations and prospects.

**The Group is subject to the laws and regulations of the jurisdictions in which its vessels are registered and the countries in which its vessels operate.**

Some of the Group's vessels are registered outside Singapore. Some of the jurisdictions in which the Group's vessels are registered and some of the countries in which the Group's vessels operate have laws and regulations which the Group is required to comply with and

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may require the Group to apply for licences or operate under laws and regulations that may impose onerous conditions on the conduct of its operations.

If the Group is unable to comply with the relevant laws and regulations, its vessels may not be allowed to operate and the Group's business would be adversely affected. The need to comply with new laws and regulations introduced by the jurisdictions in which the vessels are registered may increase its cost of operations, which could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group currently enjoys tax incentives that it may not enjoy in the future.***

Batam is currently classified as a bonded zone by the Indonesian government with exemptions from customs duties, import and export taxes and value-added tax. The Company's subsidiary operating in Batam, PT ASL Shipyard Indonesia, enjoys such exemption benefits. If the tax incentive exemption for companies operating within the Batam bonded zone is changed or revoked, the Group may be subject to such taxes in respect of its operations in Batam.

Pursuant to Section 13A of the ITA, income derived by Singapore incorporated companies from the operation (including charter) of Singapore registered ships outside the limits of the ports of Singapore is exempted from income tax in Singapore, so long as the income is derived from overseas operations (except for overseas income derived from bareboat charters of non-propelled foreign-flagged barges). The exemption also applies to income derived from the carriage in international waters of passengers, mails, livestock or goods and includes income derived from the charter of the vessel.

The Group's shipping subsidiaries in Indonesia are subject to a lower rate of income tax for shipping income derived from Indonesia-registered vessels. There are also available tax allowances given to the Group that allows the Group to enjoy a rate of tax that is lower than the Singapore corporate tax rate.

Any changes to the current tax and/or other investment incentives, rules and regulations pertaining to the taxation of companies in areas which the Group operates in may affect the tax payable by the Group and may have a material and adverse effect on its business, financial condition, results of operations and prospects.

**The Group faces risks associated with the uncertain nature of the political, regulatory and economic outlook for investors and business in Indonesia.**

The Group owns and operates shipyards in Batam, Indonesia to take advantage primarily of the strategic location, tax incentives, and generally lower labour and other operating costs as well as land and infrastructure costs as compared to Singapore. While Indonesia has opened up its economy to foreign investors and companies, the political, regulatory and economic outlook for investors and businesses in Indonesia is uncertain.

Political upheavals, internal strife, civil commotions, terrorist attacks, natural disasters, insurgency movements, and governmental policies affect the performance of the Group's businesses in Indonesia. The Group's vessels may also be subject to seizure and arrest as a result of political and social conditions, or arising from government actions against the Group or its customers. An economic decline in Indonesia or any of such events may have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

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### **The Group is subject to various international and local environmental protection laws and regulations.**

The Group's vessels and its operations are subject to various international and local environmental protection laws and regulations in the jurisdictions in which it operates. Such laws and regulations are becoming increasingly complex and stringent and compliance may become increasingly difficult and costly.

Some of these laws and regulations may expose the Group to liability for the conduct of or conditions caused by others, or for the Group's acts, even if such acts had complied with all applicable laws at the time of performance, and the Group may be required to pay significant fines and penalties for non-compliance. Some environmental laws impose joint and several "strict liability" for cleaning up spills and releases of oil and hazardous substances, regardless of whether the Group was negligent or at fault.

Environmental protection laws and regulations may also have the effect of curtailing offshore exploration, development and production activities by the Group's customers. This would reduce the demand for the Group's services, which would have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

### **Risks relating to the Rights Issue and the Shares**

#### **The Warrants will expire and become worthless if not exercised by the expiry of the Exercise Period**

The Warrants issued pursuant to the Rights Issue have an Exercise Period of five (5) years from the date of issue of the Warrants. In the event that the Warrants are not exercised by the expiry of the Exercise Period, the Warrants will expire and become worthless.

#### **There may be further issues of Shares by the Company**

Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company may issue Shares for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit, but Warrantheolders may not have any participating rights in such further issues unless otherwise resolved by the Company at a general meeting.

#### **The listing of Warrants is subject to a sufficient spread of holdings**

In the event that permission is not granted by the SGX-ST for the listing and quotation for the Warrants due to an insufficient spread of holdings of the Warrants, to provide for an orderly market in the trading of the Warrants, the Company shall nevertheless proceed and complete the Rights Issue. Accordingly, the Warrantheolders will not be able to trade their Warrants, on the SGX-ST. However, if Warrantheolders exercise the Warrants, to convert the Warrants into New Shares, such New Shares will be listed and quoted on the Mainboard.

#### **The trading price of our Shares has been, and may continue to be, volatile**

The trading price of our Shares may be subject to fluctuations. The price of our Shares, including the New Shares, may increase or decrease in response to a number of events and factors, including:

- quarterly variations in our operating results;

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- changes in financial estimates and recommendations by securities analysts;
- the operating and stock performance of other companies in similar industries as us;
- fluctuations in stock market prices and volume;
- developments affecting our Group, our customers, competitors or the marine industry;
- changes in government regulations and other rules/regulations with regard to the industries that we operate in, including those that affect the demand for our products and services;
- changes in general economic, financial, equity and credit market conditions;
- changes in accounting policies; and
- other events or factors described in this Offer Information Statement.

This volatility may adversely affect the price of our Shares regardless of our operating performance. A fall in the price of our Shares could have a material adverse impact on the value of the Warrants, and the New Shares. We cannot assure investors that they will be able to sell the New Shares at a price equal to or greater than the sum of the Issue Price and the Exercise Price.

**Market and economic conditions may affect the market price and demand for our Shares**

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price and demand for our Shares.

**Shareholders who do not or are not able to accept their provisional allotment of Rights will experience a dilution in their ownership of the Company**

If Shareholders do not or are not able to accept their provisional allotment of Rights, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his “nil-paid” rights entitlements, or such “nil-paid” rights entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his shareholding in the Company following completion of the Rights Issue.

**Investors may experience future dilution in the value of their Shares**

The Company may undertake future fundraising activities in the future in order to, amongst others, expand the Group’s existing operations and/or to finance future investments. If additional funds are raised through the issue of new Shares other than on a *pro rata* basis to existing Shareholders, the shareholding interest of existing Shareholders in the Company may be diluted.

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**An active trading market in the “nil-paid” rights may not develop**

There is no certainty that an active trading market for the “nil-paid” rights on the SGX-ST will develop during the trading period for such nil-paid entitlements. Even if an active market develops, the trading price for the “nil-paid” rights, which depends on the trading price of the Shares, may be volatile.

**There is no assurance that an active trading market for the Shares will develop after the Rights Issue**

Although in-principle approval has been obtained from the SGX-ST to list the New Shares on the SGX-ST, there is no assurance that an active trading market for the Shares will develop, or if it develops, will be sustained after the Rights Issue. There is also no assurance that the market price for the New Shares will not decline below the sum of the Issue Price and the Exercise Price after completion of the Rights Issue. Volatility in the trading price of the Shares may be caused by factors outside the Company’s control and may be unrelated or disproportionate to its operating results.

Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they can acquire such number of Shares to make up one board lot of 100 Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST. Further, Shareholders who hold odd lots of less than 100 Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Shares.

**There is no assurance that our Shares will remain listed on the Mainboard or that there will be a liquid market for our Shares**

Although it is currently intended that our Shares will remain listed on the SGX-ST, there is no guarantee of the continued listing of our Shares. The Company may not continue to satisfy any continuing listing obligations under the Listing Manual. As a result, there may not be a liquid market for our Shares. In addition, active and liquid trading for securities generally result in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, among others, the size of the free float, the price of each board lot, institutional interests, the business prospects as well as the prevailing market sentiment. There is no assurance that the liquidity of our Shares or the volume of our Shares as traded on the SGX-ST may change or improve after the Rights Issue.

**Our Share price may be adversely affected by negative publicity relating to our Group or any of our Directors, Executive Officers or Substantial Shareholders**

Any change in controlling ownership of our Company may generate negative publicity which might adversely affect our Share price. In addition, any negative publicity or announcements relating to our Group, any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the stock market’s perception of our Company, whether or not this is justified. Some examples are unsuccessful attempts in joint ventures, takeovers or involvement in insolvency proceedings.

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**The United Kingdom’s withdrawal from the European Union (“Brexit”) could impair financial markets and global economic growth which may lead to volatility and fluctuations in Share prices**

The economic and political uncertainties following the United Kingdom (“UK”)’s decision to leave the European Union (“EU”) in June 2016 have had an immediate impact on global currencies and stock markets. Although the stock markets have since recovered, there may be repeated bouts of volatility in financial markets as Brexit is debated and negotiated between the UK and the EU. Following this change in political landscape, there will also be inevitable, but currently unknown, changes in underlying laws, regulations, agreements and/or controls governing the UK and the EU. Such uncertainties will likely reduce investments and economic growth in the UK and to some extent in Europe, which may result in a subdued global economic outlook for the next few years and loss of market confidence.

Although Brexit is not expected to have any significant adverse effects on our Group, we are not insulated from volatility in the financial markets and there is no assurance that we will not be affected by global economic uncertainties or other unanticipated consequences of Brexit. The occurrence of such events may cause the market price of our Shares to fluctuate significantly and/or rapidly which could result in substantial losses for investors in our Shares and adversely affect our business, prospects, financial performance and financial conditions.

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- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

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- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable as there is no profit forecast or profit estimate disclosed in this Offer Information Statement.

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- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
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Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

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14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

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15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable as there is no profit forecast disclosed in this Offer Information Statement.

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**Significant Changes**

16. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or



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- (b) if interim financial statements have been published for any subsequent period, that period, to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.
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Save as disclosed in this Offer Information Statement and in all public announcements made by the Company, the Directors are not aware of any event which has occurred since 1 July 2018 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

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**Meaning of “published”**

17. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.
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Noted.

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**PART VI – THE OFFER AND LISTING**

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**Offer and Listing Details**

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

The Issue Price is S\$0.006 for each Warrant issued pursuant to the Rights Issue, payable in full on acceptance and/or application.

The Exercise Price for each New Share is S\$0.06, payable in full upon exercise of the Warrants (subject to any adjustment under certain circumstances as provided in the Deed Poll).

The expenses incurred in connection with the Rights Issue will not be specifically charged to subscribers or Purchasers of the Warrants.

For Electronic Applications, a non-refundable administrative fee for each application will be charged by the respective Participating Bank at the point of application, and such administrative fee will be borne by the subscribers or Purchasers of the Warrants.

- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

Not applicable as the Shares, the Warrants (subject to there being a sufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants) and the New Shares will be listed for quotation on the Mainboard and traded on the SGX-ST.

- 3. If –**

- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived, indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

None of the Shareholders has pre-emptive rights to subscribe for the Warrants.

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As there may be prohibitions or restrictions against the offering of the Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled “**Eligibility of Shareholders to Participate in the Rights Issue**” of this Offer Information Statement for further information.

- 
- 4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any securities exchange –**
- (a) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
- 

The New Shares to be issued upon the exercise of the Warrants, are of the same class as the Shares and such Shares are listed for quotation on the Mainboard.

The following table sets forth the highest and lowest closing prices for the Shares and the volume of Shares traded on the SGX-ST for each of the last 12 months immediately preceding the Latest Practicable Date, and for the period from 1 June 2019 to the Latest Practicable Date:

<b>Month</b>	<b>Lowest closing price (S\$)</b>	<b>Highest closing price (S\$)</b>	<b>Volume of Shares traded</b>
June 2018	0.075	0.098	404,800
July 2018	0.080	0.110	314,300
August 2018	0.070	0.106	677,700
September 2018	0.072	0.098	449,300
October 2018	0.061	0.107	751,200
November 2018	0.052	0.080	429,500
December 2018	0.050	0.071	313,900
January 2019	0.055	0.070	145,900
February 2019	0.071	0.071	200
March 2019	0.064	0.064	29,700
April 2019	0.053	0.069	1,037,100
May 2019	0.047	0.067	655,400
1 June 2019 to the Latest Practicable Date	0.047	0.064	268,700

Source: Bloomberg L.P.<sup>(1)</sup>

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
DERIVATIVES CONTRACTS) REGULATIONS 2018**

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**Note:**

- (1) Bloomberg L.P. has not consented for the purposes of sections 249 and 277 of the SFA to the inclusion of the above information in this Offer Information Statement and is thereby not liable for such information under sections 253 and 254 of the SFA. The Company has included the above information in its proper form and context in this Offer Information Statement and has not independently verified the accuracy of the above information.

- 
- (b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –**
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**
- 

Not applicable. The Shares have been listed and quoted on the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.

- 
- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and**
- 

There has been no trading suspension of the Shares on the Mainboard during the three (3) years immediately preceding the Latest Practicable Date.

- 
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.**
- 

Please refer to paragraph 4(a) of this Part for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date, and for the period from 1 June 2019 to the Latest Practicable Date.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
DERIVATIVES CONTRACTS) REGULATIONS 2018**

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5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –
- (a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and
  - (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.
- 

Please refer to the section entitled “**Summary of The Rights Issue**” of this Offer Information Statement for information on the rights, preference and restrictions attached to the Warrants.

The New Shares will, when allotted and issued upon the exercise of the Warrants, be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant date of exercise of the Warrants, and shall rank *pari passu* in all respects with the then existing issued Shares.

The 314,633,470 Warrants and 314,633,470 New Shares proposed to be issued under the Rights Issue are to be issued pursuant to the authority granted by the share issue mandate passed by Shareholders at the Company’s AGM held on 31 October 2018.

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**Plan of Distribution**

6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.
- 

The Rights Issue is made on a renounceable non-underwritten basis of up to 314,633,470 Warrants to Entitled Shareholders at the Issue Price for each Warrant, on the basis of one (1) Warrant for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The Warrants are payable in full upon acceptance and/or application. The New Shares will, upon allotment and issuance pursuant to the exercise of the Warrants, rank for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant date of exercise of the Warrants, and shall rank *pari passu* in all respect with the then existing issued Shares.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
DERIVATIVES CONTRACTS) REGULATIONS 2018**

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Entitled Shareholders are at liberty to accept, decline or renounce their Rights and will be eligible to apply for the Excess Warrants. In addition, Entitled Depositors will also be eligible to trade their Rights (in full or in part) on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for Excess Warrants or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Listing Manual.

Fractional entitlements to the Warrants, if any, will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with the provisional allotments of Warrants which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may in their absolute discretion deem fit in the interests of the Company.

In the allotment of Excess Warrants, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority. The Company will not make any allotment and issuance of Warrants that will result in a transfer of controlling interest in the Company, unless otherwise approved by Shareholders at a general meeting.

The Warrants are not being offered through the selling efforts of any broker or dealer.

As there may be prohibitions or restrictions against the offering of Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement for further details.

- 
- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**
- 

Not applicable. The Rights Issue is not underwritten.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
DERIVATIVES CONTRACTS) REGULATIONS 2018**

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**PART VII – ADDITIONAL INFORMATION**

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**Statements by Experts**

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
- 

Not applicable. No statement or report attributed to a person as an expert is included in this Offer Information Statement.

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- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

- (a) state the date on which the statement was made;**
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
- 

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the Offer Information Statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**
- 

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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**Consents from Issue Managers and Underwriters**

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
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Not applicable. No issue manager or underwriter was appointed for the Rights Issue.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
DERIVATIVES CONTRACTS) REGULATIONS 2018**

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**Other Matters**

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –
- (a) the relevant entity's business operations or financial position or results; or
  - (b) investments by holders of securities in the relevant entity.

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Save as disclosed in this Offer Information Statement and in the public announcements made by the Company via SGXNET, to the best of their knowledge, the Directors are not aware of any other matters not disclosed under any paragraph of this Offer Information Statement which could materially affect, directly or indirectly, the Group's business operations or financial position or results or investments by holders of securities in the Company.

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**PART VIII – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR  
UNITS OF DEBENTURES**

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Not applicable.

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**PART IX – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

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Not applicable.



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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
DERIVATIVES CONTRACTS) REGULATIONS 2018**

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**PART X – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY  
OF RIGHTS ISSUE**

---

**1. Provide –**

- (a) the particulars of the rights issue;**
  - (b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
  - (c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
  - (d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
  - (e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
- 

- (a)** Please refer to the section entitled “**Summary of The Rights Issue**” of this Offer Information Statement for the particulars of the Rights Issue.
  - (b)** The last date and time for splitting of the provisional allotment of Warrants is on **11 July 2019 at 5.00 p.m.**
  - (c)** The last date and time for acceptance of and payment for Warrants is on **17 July 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications).**
  - (d)** The last date and time for acceptance of payment by the renounee for the Warrants is on **17 July 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications).**
  - (e)** The allotment and issuance of the Warrants pursuant to the Rights Issue are governed by the terms and conditions as set out in this Offer Information Statement, including **Appendices I to IV** of this Offer Information Statement and in the PAL, the WAF and the WEWAF.
- 

- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
- 

Not applicable. There are no undertaking shareholders for the Rights Issue.

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- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**
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In view of the cost savings enjoyed from not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

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## ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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### 1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

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A summary of the working capital of the Group as at 31 December 2018, 30 June 2018, 30 June 2017 and 30 June 2016 is set out below:

(\$'000)	Unaudited As at 31 December 2018	Unaudited As at 30 June 2018 (restated)*	Audited As at 30 June 2018	Audited As at 30 June 2017	Audited As at 30 June 2016
Current assets	435,421	437,985	439,411	491,644	625,587
Current liabilities	(311,515)	(332,698)	(332,401)	(427,833)	(596,914)
Working capital	123,906	105,287	107,010	63,811	28,673

\* Restatement pursuant to adoption of new accounting standards. For details, please refer to Paragraph 10 (*Risk Factors*) of Part V (*Operating and Financial Review and Prospects*).

#### **31 December 2018 (unaudited) compared to 30 June 2018 (unaudited and restated)**

##### **Total Current Assets**

Total current assets decreased by \$2.6 million (0.6%) from \$438.0 million as at 30 June 2018 to \$435.4 million as at 31 December 2018. The decrease was mainly from lower contract assets and cash and bank balances, partially offset by higher trade receivables and assets held for sale.

- (a) Contract assets decreased by \$29.0 million (64.0%) mainly attributed to completion of shipbuilding and shiprepair jobs during the current period under review.
- (b) Decrease in cash and bank balances by \$5.1 million (18.0%) mainly due to lower cash inflow from operating activities, higher net repayment of interest-bearing loans and borrowings, partially offset by lower acquisition of property, plant and equipment.
- (c) The trade receivables increased by \$16.5 million (20.3%) mainly due to more shipchartering and shipbuilding jobs being completed and billed in the current quarter.
- (d) Assets classified as held for sale as at 31 December 2018 comprised two tugboats and four self-propelled barges contracted for disposal within a year.

##### **Total Current Liabilities**

Current liabilities decreased by \$21.1 million (6.3%) from \$332.7 million as at 30 June 2018 to \$311.6 million as at 31 December 2018. The decrease was mainly due to lower current portion of interest-bearing loans and borrowings, trust receipts and contract liabilities, partially offset by higher trade and other payables.

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## ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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- (a) Increase in trade and other payables by \$9.1 million (4.4%) was mainly due to increase in trade payables by \$3.3 million and amounts due to related parties by \$4.7 million. Amounts due to related parties increased mainly due to charter of vessels and payments on behalf by related parties.
- (b) The current portion of interest-bearing loans and borrowings reduced by \$26.3 million (23.2%) mainly due to conversion of a shipbuilding related short term loan of \$12.3 million to a long-term vessel loan and a short term money market loan of \$6.0 million to a 8-year working capital loan.

### **30 June 2018 (audited) compared to 30 June 2017 (audited)**

#### **Total Current Assets**

Total current assets decreased by \$52.2 million (10.6%) from \$491.6 million as at 30 June 2017 to \$439.4 million as at 30 June 2018. The decrease was mainly from construction work-in-progress, inventories and cash and bank balances.

- (a) Inventories decreased by \$10.6 million (5.8%) mainly due to impairment on three Platform Supply Vessels (“PSV”), partially offset by transfer of one AHTS from construction work-in-progress to inventories due to cancellation of projects in FY2018.
- (b) Construction work-in-progress decreased by \$38.6 million (45.2%) mainly attributed to completion of projects during the year and transfer of two AHTS due to cancellation of projects, carrying amounts of which have been reclassified to inventories (hold for sale) and property, plant and equipment (for charter).
- (c) Decrease in cash and bank balances by \$7.5 million (20.8%) mainly due to higher net repayment of interest-bearing loans and borrowings and absence of proceeds from shares issuance raised in FY2017, partially offset by higher proceeds from disposal of property, plant and equipment.

#### **Total Current Liabilities**

Total current liabilities decreased by \$95.4 million (22.3%) from \$427.8 million as at 30 June 2017 to \$332.4 million as at 30 June 2018. The decrease was mainly due to lower trust receipts and current portion of interest-bearing loans and borrowings, partially offset by higher trade and other payables.

- (a) Increase in trade and other payables by \$22.2 million (12.0%) was mainly due to increase in trade payables by \$6.3 million and other payables by \$15.9 million. There was an increase in deposits received from customers of S\$13.5 million mainly attributed to deposits received for the mobilisation and supply of vessels deployed in an overseas infrastructure project.
- (b) Trust receipts decreased by \$6.7 million (32.7%) was mainly due to net repayment of trust receipts.

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## ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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- (c) The current portion of interest-bearing loans and borrowings decreased by \$115.6 million (53.7%) as the Group classified the current portion of the CTL facility in accordance to the monthly repayment schedule of the Facility Agreement, over its 5-year tenor since the waiver for the breach of one of the financial covenants under the CTL facility for 4Q FY2018 was obtained before the reporting date.

### **30 June 2017 (audited) compared to 30 June 2016 (audited)**

#### **Total Current Assets**

Total current assets decreased by \$134.0 million (21.4%) from \$625.6 million as at 30 June 2016 to \$491.6 million as at 30 June 2017 due to the decrease in inventories, construction work-in-progress, trade and other receivables, partially offset by cash and bank balances.

- (a) Inventories decreased by \$56.5 million (23.7%) mainly due to transfer of three AHTS to plant and equipment as the Group managed to secure charter contracts for these vessels, and write-off of two vessels which were built under the former Built-to-Stocks programme in view of the protracted downturn of the global marine industry.
- (b) Construction work-in-progress decreased by \$23.6 million (21.7%) mainly attributed to completion of projects during the year.
- (c) Trade and other receivables decreased by \$61.6 million (24.8%) mainly due to higher receipts, specific allowances for doubtful debts and netting agreements entered in FY 2017.
- (d) Increase in cash and bank balances by \$11.4 million (46.3%) mainly due to higher cash inflow from operating activities, lower cash outflow on purchase of property, plant and equipment, partially offset by lower borrowings on trust receipts and interest-bearing loans and borrowings.

#### **Total Current Liabilities**

Total current liabilities decreased by \$169.1 million (28.3%) from \$596.9 million as at 30 June 2016 to \$427.8 million as at 30 June 2017. The decrease was mainly due to lower trade and other payables, progress billings in excess of work in progress, trust receipts and interest-bearing loans and borrowings.

- (a) Decrease in trade and other payables by \$38.6 million (17.3%) mainly attributed to higher payment and netting agreement entered.
- (b) Trust receipts decreased by \$51.7 million (71.6%) mainly due to net repayment of trust receipts upon completion of shipbuilding projects.
- (c) The current portion of interest-bearing loans and borrowings decreased by \$75.5 million (26.0%) mainly due to:
- (i) the Company received approval from noteholders on 20 January 2017 to extend the maturity dates of its existing \$100 million and \$50 million notes originally due in March 2017 and October 2018 respectively for another three years each; and
  - (ii) in 4Q FY2017, the Group's principal lenders have effected the re-profiling of its existing term loans (extending the loans tenure thereby reducing monthly instalments), this has further alleviated the Group's debt repayment for the coming 12 months.

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## ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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### 2. Convertible Securities

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.
- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.

- 
- (i) Please refer to the sections entitled “**Summary of The Rights Issue**” of this Offer Information Statement and **Appendix I** of this Offer Information Statement for details relating to the Warrants.

Please refer to paragraph 3 of the section entitled “**Part IV – Key Information**” of this Offer Information Statement for details relating to the Net proceeds.

Please refer to paragraphs 2 and 5 of the section entitled “**Part V – Operating and Financial Review and Prospects**” of this Offer Information Statement for the financial effects of the Rights Issue.

- (ii) Not applicable. The Exercise Price is not based on a price fixing formula.

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### 3. Responsibility Statement by the Financial Adviser

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As provided in Appendix 8.2 of the Listing Manual, this requirement is not applicable if an Company has to comply with the offer information statement requirements in the SFA.

Not applicable. No financial adviser has been appointed for the Rights Issue.

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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The warrants (the “**Warrants**”) to subscribe for new ordinary shares in the capital of ASL Marine Holdings Ltd. (the “**Company**”), are issued in conjunction with the renounceable non-underwritten rights issue of up to 314,633,470 Warrants at an issue price of S\$0.006 (the “**Issue Price**”), with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Share**”) at the exercise price of S\$0.06 for each New Share, on the basis of one (1) Warrant for every two (2) existing ordinary shares (“**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at the books closure date, fractional entitlements to be disregarded (the “**Rights Issue**”).

The Warrants issued pursuant to the Rights Issue and the Noteholder Warrants Issue are subject to the terms and conditions of the Warrants as stated in the Deed Poll and as extracted and reproduced herein.

Copies of the Deed Poll are available for inspection at the specified office of the warrant agent referred to in Condition 4.6 (the “**Warrant Agent**”). The holders of the Warrants (the “**Warrantholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Deed Poll.

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### TERMS AND CONDITIONS OF THE WARRANTS

The statements in these terms and conditions of the Warrants (the “**Conditions**”) are an extract of the Deed Poll, and are subject to the provisions of the Deed Poll:

#### 1. DEFINITIONS

In the terms and conditions contained herein (except where such definition shall be inconsistent with the subject matter or context), the words and expressions set out below shall have the meanings set out against them:

“**Act**” means the Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time;

“**Additional Warrants**” means such further warrants as may be required or permitted to be issued by the Company in accordance with Condition 5 (such further warrants to rank *pari passu* with the Original Warrants and for all purposes to form part of the same series), each Additional Warrant entitling the holder thereof to subscribe for one (1) New Share at such price as may be determined in accordance with Condition 5, upon and subject to the Conditions;

“**Approved Bank**” means a bank or a merchant bank in Singapore selected by the Directors;

“**Auditors**” means the auditors for the time being of the Company or, in the event of them being unable or unwilling to carry out any action required of them pursuant to the Deed Poll or the Conditions, such other auditors as may be nominated by the Company;

“**CDP**” or “**Depository**” means The Central Depository (Pte) Limited and any other corporation which agrees with the Company to act as Depository in respect of the Warrants including its successors in title and, where the context requires, shall include any person specified by it, in a notice given to the Company, as its nominee;

“**Company**” means ASL Marine Holdings Ltd.;

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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“**Conditions**” means the terms and conditions of the Warrants as the same may from time to time be modified in accordance with the provisions set out herein and “**Condition**” refers to the relative numbered paragraphs of the Conditions;

“**CPF**” means the Central Provident Fund;

“**CPF Act**” means the Central Provident Fund Act, Chapter 36 of Singapore, as may be modified, amended or supplemented from time to time;

“**CPF Approved Bank**” means any bank appointed by the CPF Board to be a bank for the purposes of the CPF Regulations;

“**CPF Board**” means the board of the CPF established pursuant to the CPF Act;

“**CPF Investment Account**” means an account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, *inter alia*, payment of the Exercise Price arising from the exercise of each Warrant;

“**CPF Regulations**” means the Central Provident Fund (Investment Schemes) Regulations as may be modified, amended or supplemented from time to time;

“**Depositor**” means a person being a Depository Agent or a holder of a Securities Account maintained with CDP but does not include a holder of a sub-account maintained with a Depository Agent;

“**Depository Agent**” means an entity registered with CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others;

“**Depository Register**” means the register maintained by CDP in respect of the Warrants registered in the name of CDP and held by CDP for the Depositors;

“**Directors**” means the board of directors for the time being of the Company;

“**Entitled Shareholders**” means the holders of the Shares whose names appear in the Register of Members and Depositors with Shares entered against their respective names in the Depository Register in each case;

“**Exercise Date**” means in relation to the exercise of any Warrant, the Market Day (falling within the Exercise Period) on which the applicable conditions described in Condition 4 are fulfilled, or, if fulfilled on different days, on which the last of such conditions is fulfilled PROVIDED ALWAYS that if any such Market Day falls on a date when the Register of Members and the Register of Warrantheolders is closed or is not a Market Day, the Exercise Date will be the following Market Day on which the Register of Members and the Register of Warrantheolders is open;

“**Exercise Notice**” means in relation to any Warrant the relevant form (for the time being current) for exercising the Warrants, copies of which may be obtained from the Company or the Warrant Agent;

“**Exercise Period**” means the period during which the Warrants may be exercised commencing on and including the date of the issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 60 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members and the Register of Warrantheolders is closed and/or is not a Market Day, in which event, the Expiration Date shall be the immediate preceding Market Day on which the Register of Members and the

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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Register of Warrantheolders remain open on the immediate preceding Market Day, as the case may be, subject to the Conditions as set out in the Deed Poll;

**“Exercise Price”** means S\$0.06, being the sum payable in respect of each New Share for which a Warrantheolder will be entitled to subscribe upon exercise of a Warrant, such price subject to such adjustments as may be required in accordance with Condition 5;

**“Expiration Date”** means the last day of the relevant Exercise Period, provided that if such last day falls on a day on which the Register of Members and the Register of Warrantheolders is closed and/or is not a Market Day, then the immediate preceding Market Day on which the Register of Members and the Register of Warrantheolders remain open or the immediate preceding Market Day;

**“Last Dealt Price”** means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of Shares on the SGX-ST;

**“Market Day”** means a day on which the SGX-ST is open for securities trading;

**“New Shares”** means new ordinary shares in the capital of the Company to be issued upon exercise of the Warrants, credited as fully paid, including, where the context admits, such new Shares arising from the exercise of any further Warrants as may be required or permitted to be issued in accordance with the Conditions set out in the Deed Poll. Such New Shares shall rank for any dividends, rights, allocations, or other distributions, the Record Date for which falls on or after the relevant Exercise Date;

**“Notice”** means a notice given or to be given in accordance with Condition 11;

**“Original Warrants”** means the Warrants in registered form to be issued pursuant to the Deed Poll by the Company, each Warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price upon and subject to the Conditions;

**“Record Date”** means, in relation to any dividends, rights, allocations or other distributions, the date at the close of business on which Shareholders must be registered in order to participate in such dividends, rights, allocations or other distributions;

**“Register of Members”** means the register of members containing the names and addresses of the members of the Company kept at the registered office of the Company;

**“Register of Warrantheolders”** means the register of Warrantheolders required to be maintained by the Warrant Agent pursuant to Condition 4.7;

**“Registrar”** means M & C Services Private Limited or such other person, firm or company as may be appointed from time to time by the Company;

**“S\$”** mean the lawful currency of Singapore;

**“Securities Account”** means a securities account maintained by a Depositor with CDP;

**“SGX-ST”** means Singapore Exchange Securities Trading Limited;

**“Share(s)”** means ordinary share(s) in the capital of the Company;

**“Special Account”** means the account maintained by the Company with a bank in Singapore for the purpose of crediting money, paid by Warrantheolders in satisfaction of the Exercise Price upon the exercise of the Warrants;



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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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**“Special Resolution”** means a resolution passed at a meeting of the Warranholders duly convened and held and carried by a majority consisting of not less than 75% of the votes cast thereon;

**“SRS”** means Supplemental Retirement Scheme;

**“SRS Approved Banks”** means approved banks in which SRS members hold their accounts under the SRS;

**“SRS Funds”** means monies standing to the credit of the SRS account of SRS members under the SRS;

**“unexercised”** means, in relation to the Warrants, all the Warrants which have been issued pursuant to the resolutions referred to in Recital (A) of the Deed Poll and also the Additional Warrants (if any), for so long as the Warrants shall not have lapsed in accordance with Conditions 3 or 6 and other than (i) those which have been exercised in accordance with their terms; (ii) those mutilated or defaced Warrants in respect of which replacement Warrants have been duly issued pursuant to Condition 9; and (iii) those for the purpose of ascertaining the number of Warrants unexercised at any time (but not for the purpose of ascertaining whether any Warrants are unexercised) those Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Warrants have been issued pursuant to Condition 9, PROVIDED ALWAYS that for the purposes of (a) the right to attend and vote at any meeting of Warranholders and (b) the determination of how many and which Warrants for the time being remain unexercised for the purposes of Condition 8 and paragraphs 1, 3, 4 and 8 of Schedule 2 of the Deed Poll, those Warrants which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgement, be deemed not unexercised;

**“Warrant Agency Agreement”** means the warrant agency agreement executed by the Company, the Warrant Agent and Registrar, pursuant to which the Warrant Agent is appointed by the Company to act in connection with the Warrants upon the terms and conditions set out therein, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

**“Warrant Agent”** means M & C Services Private Limited or such other person, firm or company as may be appointed from time to time by the Company under the Warrant Agency Agreement;

**“Warrant Certificates”** means the certificates (in registered form) to be issued in respect of the Warrants in or substantially in the form set out in Schedule 1 of the Deed Poll as may from time to time modified in accordance with the Conditions;

**“Warranholders”** means, in relation to any Warrant, the person or persons for the time being registered in the Register of Warranholders as the holder or joint holders of that Warrant, except that where the registered holder is CDP, it shall mean the persons named in the Depository Register against which such Warrants are credited; and

**“Warrants”** means the Original Warrants, the Additional Warrants (if any), and for the time being remaining unexercised or, as the context may require, a specific number thereof and includes any replacement Warrant issued pursuant to Condition 9.

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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### 2. FORM, TITLE AND REGISTER

2.1 The Warrants are issued in registered form. Title to the Warrants will be transferable in accordance with Condition 10. The Warrant Agent will maintain the Register of Warranholders on behalf of the Company and except as required by law:

- (a) the person in whose name a Warrant is registered (other than CDP); and
- (b) (where a Warrant is registered in the name of CDP) the Depositor for the time being appearing in the Depository Register maintained by CDP as having such Warrant credited to his Securities Account,

will be deemed to be and treated as the absolute owner of that Warrant (whether or not the Company shall be in default in respect of the Warrants or any of the covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft or forgery of the relevant Warrant Certificate or any irregularity or error in the records of CDP or any express notice to the Company or Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

2.2 If two (2) or more persons are entered in the Register of Warranholders or (as the case may be) the records maintained by CDP as joint holders of any Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

- (a) the Company shall not be bound to register more than two (2) persons as the registered joint holders of any Warrant but this provision shall not apply in the case of executors or trustees of a deceased Warranholder;
- (b) joint holders of any Warrant whose names are entered in the Register of Warranholders or (as the case may be) the relevant records maintained by CDP shall be treated as one (1) Warranholder;
- (c) the Company shall not be bound to issue more than one (1) Warrant Certificate for a Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Register of Warranholders shall be sufficient delivery to all; and
- (d) the joint holders of any Warrant whose names are entered in the Register of Warranholders or (as the case may be) the relevant records maintained by CDP shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such Warrant as well as in connection with the exercise of any such Warrant.

### 3. EXERCISE RIGHTS

3.1 Upon and subject to the Conditions, each Warranholder shall have the right, by way of exercise of each Warrant held by the Warranholder, at any time during the Exercise Period, in the manner set out in Condition 4 and otherwise on the terms and subject to the Conditions, to subscribe for one (1) New Share at the Exercise Price (subject to adjustments in accordance with Condition 5) on the Exercise Date (as defined in Condition 4.3) applicable to such Warrant. No fraction of a Share shall be allotted.

3.2 On the expiry of the Exercise Period, any Warrants which have not been exercised in accordance with Condition 4 shall lapse and cease to be valid for any purpose.

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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- 3.3 Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.
- 3.4 New Shares allotted and issued upon exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allocations or other distributions, the Record Date for which is on or after the relevant Exercise Date (subject as aforesaid), and shall rank *pari passu* in all respects with the then existing Shares.
- 3.5 The Company shall, not later than one (1) month before the expiry of the Exercise Period:
- (i) give notice to the Warranholders in accordance with Condition 11 of the expiry of the Exercise Period and notify the same to the SGX-ST; and
  - (ii) take reasonable steps to despatch to the Warranholders notices in writing to their addresses recorded in the Register of Warranholders or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Without prejudice to the generality of the foregoing, Warranholders who acquire Warrants after notice of the expiry of the Exercise Period has been given in accordance with the aforementioned shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with Condition 11. For the avoidance of doubt, neither the Company nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser of the Warrants to be aware of or to receive such notification.

### 4. PROCEDURE FOR EXERCISE OF WARRANTS

#### 4.1 Lodgement Conditions

- 4.1.1 In order to exercise the Warrant(s), a Warranholder must before 3.00 p.m. on any Market Day and before 5.00 p.m. on the Expiration Date, during the Exercise Period:
- (a) lodge the relevant Warrant Certificate(s) registered in the name of the exercising Warranholder or CDP (as the case may be) for exercise at the specified office for the time being of the Warrant Agent together with the Exercise Notice (copies of which may be obtained from the Warrant Agent or the Company) in respect of the Warrants represented thereby, duly completed and signed by or on behalf of the exercising Warranholder and duly stamped in accordance with any law for the time being in force relating to stamp duty PROVIDED ALWAYS that the Warrant Agent may dispense with or defer the production of the relevant Warrant Certificate where such Warrant Certificate is registered in the name of CDP;
  - (b) furnish such evidence (if any) as the Warrant Agent may require to determine or verify the due execution of the Exercise Notice by or on behalf of the exercising Warranholder (including every joint Warranholder, if any) or otherwise to ensure the due exercise of the Warrants;
  - (c) pay the Exercise Price in accordance with the provisions of Condition 4.2;
  - (d) pay any deposit or other fees or expenses for the time being chargeable by and payable to CDP (if any) and any stamp, issue, registration or other similar

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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taxes or duties arising on the exercise of the relevant Warrant(s) as the Warrant Agent may require; and

- (e) if applicable, pay any fees for certificates for the New Shares to be issued, submit any necessary documents required in order to effect, and pay the expenses of the registration of the New Shares in the name of the exercising Warrantheader or CDP (as the case may be) and the delivery of certificates for the New Shares to the place specified by the exercising Warrantheader in the Exercise Notice or to CDP (as the case may be).

4.1.2 Any exercise by a Warrantheader in respect of Warrants registered in the name of CDP shall be further conditional upon:

- (a) that number of Warrants so exercised being credited to the “Free Balance” of the Securities Account of the Warrantheader and remaining so credited until the relevant Exercise Date; and
- (b) the relevant Exercise Notice specifying that the New Shares to be issued on exercise of the Warrants are to be credited to the Securities Account of the exercising Warrantheader; or
- (c) in the case where funds standing to the credit of a CPF Investment Account are to be used for payment of the Exercise Price arising from the exercise of each Warrant, by crediting such Shares to the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice,

failing which the Exercise Notice shall be void and all rights of the exercising Warrantheader and of any other person thereunder shall cease.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrantheaders whose Warrants are registered in the name of CDP irrevocably authorise the Company and the Warrant Agent to obtain from CDP and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the above mentioned conditions have been fulfilled and such other information as the Company or the Warrant Agent may require in accordance with the Conditions and the Deed Poll and to take such steps as may be required by CDP (including the steps set out in CDP’s “Guidelines to the Procedures for Exercise of Warrants/TSRs (Warrants)” as amended from time to time) in connection with the operation of the Securities Account of any Warrantheader, provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by the Warrantheader as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the records of and information supplied by CDP.

4.1.3 Once all the above mentioned conditions (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), the Exercise Notice and any moneys tendered in connection with the exercise of the Warrant(s) in accordance with Condition 4.2 may not be withdrawn without the prior written consent of the Company.

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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### 4.2 Payment of Exercise Price

4.2.1 Payment of the Exercise Price shall be made at the specified office for the time being of the Warrant Agent by way of remittance in Singapore currency by Cashier's Order or Banker's Draft drawn on a bank in Singapore and/or debiting the CPF Investment Account with the CPF Approved Bank, for the credit of the Special Account for the full amount of the moneys payable in respect of the Warrant(s) exercised under Condition 4.1, and/or debiting the SRS account with the SRS Approved Bank (subject to the availability of SRS Funds); and/or any combination of the above, as specified in the Exercise Notice.

PROVIDED ALWAYS that any such remittance shall be accompanied by the delivery to the Warrant Agent of the payment advice referred to below and shall comply with any exchange control or other statutory requirements for the time being applicable.

4.2.2 Any payment under this Condition 4.2 shall be made free of any foreign exchange commissions, remittance charges or other deductions and shall be accompanied by a payment advice containing (a) the name of the exercising Warranholder, (b) the number of Warrants exercised, and (c) if the relevant Warrant Certificate is registered in the name of a person other than CDP, the certificate number(s) of the Warrant Certificate(s) in respect of the Warrant(s) being exercised or, where the Warrant Certificates are registered in the name of CDP, the Securities Account number(s) of the exercising Warranholder which is to be debited with the Warrants being exercised.

4.2.3 If the payment of the Exercise Price fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may be delayed accordingly or be treated as invalid and neither the Warrant Agent nor the Company shall be liable to the Warranholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warranholders' purported exercise of all the relevant Warrants lodged with the Warrant Agent is less than the full amount of all the moneys payable under Condition 4.1, the Warrant Agent shall not treat the relevant amount so received or any part thereof as payment of such moneys or any part thereof or forward the same to the Company, and the whole of such relevant payment shall remain in the Special Account unless and until a further payment is made in accordance with the requirements set out above in this Condition 4.2 and Condition 4.4 below in an amount sufficient to cover the deficiency. The Company shall not be held responsible for any loss arising from the retention of any such payment by the Warrant Agent.

4.2.4 Payment of the Exercise Price received by the Warrant Agent will be delivered to the Company in accordance with the Warrant Agency Agreement in payment for the New Shares to be delivered in consequence of the exercise of such Warrants.

### 4.3 Exercise Date

4.3.1 The relevant Warrant shall (provided that the provisions of this Condition 4 have been satisfied) be treated as exercised on the Exercise Date relating to that Warrant.

4.3.2 The relevant Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of CDP, such

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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Warrant Certificates shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

### 4.4 Non-fulfilment of Lodgement Conditions

4.4.1 If payment of the Exercise Price is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount payable under Condition 4.1 or the conditions set out in Condition 4.1 or Condition 4.2 have not then all been fulfilled in relation to the exercise of such Warrants, pending recognition of such payment or full payment or, as the case may be, fulfilment of the conditions set out in Conditions 4.1 and 4.2, such payment will (if the Exercise Date in respect of such Warrants had not by then occurred) be returned, without interest, to the Warranholder on (i) the 14th day after receipt of such Exercise Notice by the Warrant Agent, or (ii) the expiry of the Exercise Period, whichever is the earlier. So long as the relevant Exercise Date has not occurred, any such payment (excluding any interest, if any, accrued thereon) will continue to belong to the Warranholder but may only be withdrawn within the abovementioned 14 day period with the prior consent in writing of the Company.

4.4.2 The Warrant Agent will, if it is possible to relate the payment so returned to any Warrant Certificates (if applicable) and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice together with such payment to the exercising Warranholder by ordinary post at the risk and expense of such Warranholder. The Company and/or the Warrant Agent will be entitled to deduct or otherwise recover any applicable handling charges and out-of-pocket expenses from the exercising Warranholder.

### 4.5 Allotment of New Shares, Issue of Warrant Certificates and Status of New Shares

4.5.1 A Warranholder exercising Warrants which are registered in the name of CDP must have the delivery of the New Shares arising from the exercise of such Warrants effected by crediting such New Shares to the Securities Account(s) of such Warranholder or, as the case may be, the nominee company of the CPF Approved Bank as specified in the Exercise Notice. A Warranholder exercising Warrants registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the New Shares arising from the exercise of such Warrants or to have the delivery of such New Shares effected by crediting such New Shares to his Securities Account(s) with CDP (in which case such Warranholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by CDP) or, as the case may be, the nominee company of the CPF Approved Bank as specified in the Exercise Notice, failing which such exercising Warranholder shall be deemed to have elected to receive physical share certificates in respect of such New Shares at his address specified in the Register of Warranholders.

4.5.2 The Company will allot and issue the New Shares arising from the exercise of the relevant Warrants by a Warranholder in accordance with the instructions of such Warranholder as set out in the Exercise Notice and:

(a) where such Warranholder has (or is deemed to have) elected in the Exercise Notice to receive physical certificates in respect of the New Shares arising from the exercise of the relevant Warrants, the Company shall despatch the physical certificates, as soon as practicable but in any event not later than seven (7) Market Days after the relevant Exercise Date, by ordinary post to

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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the address specified in the Exercise Notice (or the Register of Warranholders, as the case may be) and at the risk of such Warranholder; and

- (b) where the delivery of New Shares arising from the exercise of the relevant Warrants is to be effected by the crediting of the Securities Account(s) of such Warranholder as specified in the Exercise Notice or, as the case may be, the Securities Account of the nominee company of the CPF Approved Bank as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Market Days after the relevant Exercise Date despatch the certificates relating to such New Shares in the name of, and to, CDP for the credit of the Securities Account(s) of such Warranholder as specified in the Exercise Notice.

4.5.3 Where a Warranholder exercises part only (but not all) of the subscription rights represented by Warrants registered in his name, the Company shall despatch a balancing Warrant Certificate in the name of the exercising Warranholder in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice (or, failing which, to his address specified in the Register of Warranholders) and at the risk of that Warranholder and where such Warranholder exercises part only (and not all) of his Warrants registered in the name of CDP, the number of Warrants represented by the Warrant Certificate registered in the name of CDP shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

4.5.4 The New Shares will rank for any dividends, rights, allotments or other distributions, the Record Date for which shall fall on or after the relevant Exercise Date. Subject as aforesaid, the New Shares shall rank *pari passu* in all other respects with the then existing Shares.

### 4.6 Warrant Agent

4.6.1 The name of the initial Warrant Agent and its specified office is set out below and on the Warrant Certificate. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent PROVIDED ALWAYS that it will at all times maintain a Warrant Agent approved in writing by CDP having a specified office in Singapore, so long as any of the Warrants are outstanding. Notice of any such termination or appointment and of any changes in the name or specified office of the Warrant Agent will be given to the Warranholders in accordance with Condition 11.

Warrant Agent : M & C Services Private Limited

Specified office : 112 Robinson Road #05-01, Singapore 068902

### 4.7 Register of Warranholders

4.7.1 The Warrant Agent will maintain a register containing particulars of the Warranholders (other than Warranholders who are Depositors) and such other information relating to the Warrants as the Company may require. The Register of Warranholders may be closed during such periods when the register of transfers and the Register of Members are deemed to be closed and during such periods as may be required to determine the adjustments to the Exercise Price and/or the number of Warrants held by any Warranholder or during such other periods as the Company may determine. Notice of the closure of the Register of Warranholders

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and (if applicable) the Depository Register will be given to the Warrantheolders in accordance with Condition 11.

4.7.2 Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Register of Warrantheolders (where the registered holder of a Warrant is a person other than CDP) or the Depository Register (where CDP is the registered holder of a Warrant) or any statement or certificate issued by CDP to the Company or any Warrantheolder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrantheolders, the number of Warrants to which any such Warrantheolders are entitled, to give effect to the exercise of the subscription rights constituted by the Warrants and for all other purposes in connection with the Warrants (whether or not the Company shall be in default in respect of the Warrants or any of the Conditions contained herein or in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Warrant or Warrant Certificate).

4.7.3 Except as required by law:

- (a) the person in whose name a Warrant is registered (other than CDP); and
- (b) (where a Warrant is registered in the name of CDP) the Depositor for the time being appearing in the Depository Register maintained by CDP as having such Warrant credited to his Securities Account;

will be deemed and treated as the absolute owner of that Warrant (whether or not the Company shall be in default in respect of the Warrants or any of the covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of the relevant Warrant Certificate or any express notice to the Company or the Warrant Agent or any other related matter) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

### 5. ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF WARRANTS

5.1 The Exercise Price and the number of Warrants held by each Warrantheolder shall from time to time be adjusted by the Directors in consultation with an Approved Bank in accordance with Condition 5.2, which adjustment shall be certified by the Auditors. The Exercise Price and the number of Warrants held by each Warrantheolder shall subject to Conditions 5.3 and 5.4 from time to time be adjusted as provided in the Conditions and the Deed Poll in all or any of the following cases:

- 5.1.1 an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature or not and including any capital redemption reserve fund) to Shareholders (other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);
- 5.1.2 a Capital Distribution (as defined below) made by the Company to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);



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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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- 5.1.3 an offer or invitation made by the Company to Shareholders under which they may acquire or subscribe for Shares by way of rights;
- 5.1.4 an issue (otherwise than pursuant to a rights issue available to all Shareholders, requiring an adjustment under Condition 5.1.3 above, and other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares if the Total Effective Consideration (as defined below) for each Share is less than 90% of the Last Dealt Price for each Share (calculated as provided below); or
- 5.1.5 any consolidation, subdivision or conversion of Shares.
- 5.2 Subject to the Conditions (and in particular Condition 5.3) and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions 5.1.1 to 5.1.5 or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as the Approved Bank shall determine):
- 5.2.1 If and whenever the Company shall make any issue of Shares to Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B} \times P$$

$$\text{Adjusted number of Warrants} = \frac{A + B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

P = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

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For the purpose of this Condition 5, “**record date**” in relation to the relevant transaction means the date as at the close of business on which Shareholders must be registered as such to participate therein.

5.2.2 If and whenever:

- (a) the Company shall make a Capital Distribution to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (b) the Company shall make any offer or invitation to Shareholders under which they may acquire or subscribe for Shares by way of rights,

then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

and in respect of each case referred to in Condition 5.2.2(b) above, the number of Warrants held by each Warrantheader shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

where:

C = the average of the Last Dealt Prices on the five (5) Market Days immediately before the date on which the Capital Distribution, or any offer or invitation referred to in Condition 5.2.2(b) above, as the case may be, is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 5.2.2(b) above, the value of the rights attributable to one (1) Share (as defined below); or (ii) in the case of any other transaction falling within Condition 5.2.2 above, the fair market value, as determined by an Approved Bank (with the concurrence of the Auditors), of that portion of the Capital Distribution or of the nil-paid rights attributable to one (1) Share;

P = as in P above; and

W = as in W above.

For the purpose of definition (i) of “D” above the “**value of the rights attributable to one (1) Share**” shall be calculated in accordance with the formula:

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$$C - E$$

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$$F + 1$$

where:

C = as in C above;

E = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights; and

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights.

For the purposes of Conditions 5.1.2 and 5.2.2(a) above, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5.2.1) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Condition 5.2.2.

For the purposes of this Condition 5, “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

5.2.3 If and whenever the Company makes any allotment to Shareholders as provided in Condition 5.2.1 above and also makes any offer or invitation to Shareholders as provided in Condition 5.2.2(b) above and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(G \times C) + (H \times E)}{(G + H + B) \times C} \times P$$

$$\text{Adjusted number of Warrants} = \frac{(G + H + B) \times C}{(G \times C) + (H \times E)} \times W$$

Where:

B = as in B above;

C = as in C above;

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E = as in E above;

G = the aggregate number of issued and fully paid-up Shares on the record date;

H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

P = as in P above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions.

- 5.2.4 If and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Conditions 5.2.2(b) or 5.2.3 other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than 90% of the average Last Dealt Price on the SGX-ST on the five (5) Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the prior Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{M + N}{M + O} \times P$$

where:

M = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

N = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such average Last Dealt Price for the five (5) Market Days immediately preceding the date on which the issue price of such Shares is determined (exclusive of expenses);

O = the aggregate number of Shares so issued; and

P = as in P above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day before the date on which the issue is announced, or (failing any such announcement) before the date on which the Company determines the offering price of such Shares.

For the purpose of Conditions 5.1.4 and 5.2.4, the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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Approved Bank and shall be the aggregate consideration receivable by the Company on payment in full for such Shares, without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

- 5.2.5 If, and whenever, consolidation, subdivision or conversion of the Shares occurs, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B} \times P$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

where:

A = as in A above;

B = as in B above;

P = as in P above; and

W = as in W above,

such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation, subdivision or conversion becomes effective.

- 5.3 Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants held by each Warrantholder will be required in respect of:

5.3.1 an issue by the Company of Shares or other securities convertible into rights to acquire or subscribe for Shares to officers, including directors, or employees of the Company or any of the Subsidiaries pursuant to any purchase or option scheme approved by Shareholders in a general meeting;

5.3.2 an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;

5.3.3 any issue by the Company of Shares pursuant to the exercise of any of the Warrants and any other warrants or the conversion of any convertible securities previously issued by the Company;

5.3.4 any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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exercise of such securities or rights, issued subsequent to the issue of Warrants, whether by itself or together with any other issues; or

- 5.3.5 any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in a general meeting subsequent to the issue of Warrants, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury.
- 5.4 If any offer or invitation for Shares is made otherwise than by the Company to Shareholders, then the Company shall so far as it is able to, procure that at the same time an offer or invitation is made to the then Warranholders as if their rights to subscribe for New Shares had been exercised the day immediately preceding the date on which as at the close of business Shareholders must be registered in order to participate in such offer or invitation on the basis then applicable.
- 5.5 Any adjustment to the Exercise Price will be rounded upwards to the nearest one (1) cent. No adjustments to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 5.2 above by the Auditors. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one (1) cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 5.6 Any adjustment to the number of Warrants held by each Warranholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants held by each Warranholder shall be made unless (a) it has been certified to be in accordance with Condition 5.2 above by the Auditors, and (b) approval has been granted by the SGX-ST for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Shares as may be issued on the exercise of any of such Warrants. If for any reason an event giving rise to an adjustment (the **"First Adjustment"**) made to the Exercise Price or the number of Warrants held by each Warranholder pursuant to the Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Warrants held by each Warranholder shall be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as an Approved Bank may consider appropriate.
- 5.7 Notwithstanding the provisions referred to in this Condition 5, in any circumstances where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants held by each Warranholder provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants held by each Warranholder should be made notwithstanding that no such adjustment is required or contemplated under the said provisions, the Company may at its discretion appoint an Approved Bank to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Bank shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be considered by such Approved Bank to be in its opinion appropriate. For the avoidance of doubt, no material alteration to the terms of the Warrants after issue thereof to the advantage of Warranholders shall be made, unless the alterations are made pursuant to the Conditions or the prior approval of Shareholders at a general meeting has been sought.

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5.8 Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantheolders in accordance with Condition 11 that the Exercise Price and/or the number of Warrants held by each Warrantheolder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at the specified office for the time being of the Warrant Agent:

5.8.1 a signed copy of the certificate of the Auditors certifying the adjustment to the Exercise Price and/or the number of Warrants; and

5.8.2 a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or the number of Warrants and the effective date of such adjustment,

and shall, on request and at the expense of the Warrantheolder, send a copy thereof to any Warrantheolder. Whenever there is an adjustment to the number of Warrants held by each Warrantheolder, the Company will, as soon as practicable but not later than seven (7) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Warrants issued to each Warrantheolder, at the risk and expense of that Warrantheolder, to his address appearing in the Register of Warrantheolders or, in respect of Warrants registered in the name of CDP, to CDP provided that if additional Warrants are issued to each Warrantheolder as a result of an adjustment which is cancelled, revoked or not completed and the number of Warrants held by each Warrantheolder is readjusted pursuant to Condition 5.5, such additional Warrants shall be deemed to be cancelled with effect from such date and in such manner as an Approved Bank may consider appropriate.

5.9 If the Directors, the Approved Bank and the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.

5.10 Without prejudice to the generality of Condition 5.7, if the Company shall in any way modify the rights attached to any Share or loan capital so as to convert or make convertible such Share or loan capital into Shares, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank to consider whether any adjustment is appropriate and if such Approved Bank and the Directors shall determine that an adjustment is appropriate, the Exercise Price and/or the number of Warrants held by each Warrantheolder shall be adjusted accordingly.

5.11 Any new Warrants which may be issued by the Company under Condition 5 shall be part of the series of Warrants constituted by the Deed Poll, and shall be issued, subject to and with the benefit of the Deed Poll and the Conditions, on such terms and conditions as the Directors may from time to time deem fit.

5.12 In giving any certificate or making any adjustment hereunder, the Auditors and the Approved Bank shall be deemed to be acting as experts and not as arbitrators and in the absence of

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## **APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS**

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manifest error, their decisions shall be conclusive and binding on the Company, the Warrantheolders and all other persons having an interest in the Warrants.

- 5.13 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantheolder other than in accordance with the provisions of Condition 5 shall be subject to the approval of the SGX-ST and agreed to by the Company, the Auditors and the Approved Bank.
- 5.14 Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of the SGX-ST. For the avoidance of doubt, no approval or consent of the Warrantheolders shall be required for such buyback of any classes of shares and there shall be no adjustments to the Exercise Price and number of Warrants by reason of such buy-back of any classes of shares.

### **6. WINDING-UP OF THE COMPANY**

- 6.1 If an effective resolution is passed during the Exercise Period for a members' voluntary winding-up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warrantheolders by way of a Special Resolution, the terms of such scheme of arrangement shall be binding on all the Warrantheolders and all persons having an interest in the Warrants.
- 6.2 In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warrantheolder shall be entitled upon and subject to the Deed Poll and the Conditions, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with all payments payable under Conditions 4.1 and 4.2, to elect to be treated as if he had had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the Exercise Notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrantheolders in accordance with the Deed Poll and the Conditions of the passing of any such resolution within seven (7) days after the passing thereof.
- 6.3 Subject to the foregoing, if the Company is wound up for any other reasons, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

### **7. FURTHER ISSUES**

Subject to the Conditions, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warrantheolders shall not have any participating rights in such issue of Shares unless otherwise resolved by the Company in a general meeting or in the event of a takeover offer to acquire the Shares.

### **8. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS**

- 8.1 Schedule 2 of the Deed Poll sets out the provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by



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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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Special Resolution of a modification of the Warrants or the Deed Poll. Such a meeting may be convened by the Company or Warranholders holding not less than 20% of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing a Special Resolution shall be two (2) or more Warranholders present in person or by proxy duly appointed by Warranholders holding or representing not less than 50% of the Warrants for the time being unexercised.

- 8.2 At any adjourned meeting, two (2) or more persons present being or representing Warranholders whatever the number of Warrants so held or represented shall form a quorum, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Deed Poll (including cancelling the subscription rights constituted by the Warrants or changing the exercise period) the necessary quorum for passing a Special Resolution shall be two (2) or more persons or representing not less than 75% or at any adjournment of such meeting over 50% of the Warrants for the time being remaining unexercised. A Special Resolution duly passed at any meeting of Warranholders shall be binding on all Warranholders, whether or not they were present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from the lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warranholders.
- 8.3 The Company may, without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the Warrants, the Deed Poll or the Warrant Agency Agreement which, in the opinion of the Company:
- 8.3.1 is not materially prejudicial to the interests of the Warranholders;
  - 8.3.2 is of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law or the rules and regulations of the SGX-ST; and/or
  - 8.3.3 is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of new Shares arising from the exercise of the Warrants or meetings of the Warranholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Any such modification shall be binding on the Warranholders and all persons having an interest in the Warrants and shall be notified to them in accordance with Condition 11 as soon as practicable thereafter.

- 8.4 Notwithstanding Condition 8.3 above, no material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warranholders and prejudicial to Shareholders shall be made unless approved by Shareholders in a general meeting, and, if necessary, the SGX-ST.
- 8.5 Except where the alterations are made pursuant to the Conditions (including but not limited to alterations made pursuant to and in accordance with Condition 5 or Condition 8.3 or Condition 8.4), the Company shall not:
- 8.5.1 extend the Exercise Period;

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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8.5.2 issue new warrants to replace the Warrants;

8.5.3 change the Exercise Price; or

8.5.4 change the exercise ratio of the Warrants.

### 9. REPLACEMENT OF WARRANT CERTIFICATES

If a Warrant Certificate is mutilated, defaced, lost, stolen or destroyed, it may, subject to applicable law and at the discretion of the Company, be replaced upon request by the Warrantholder at the specified office for the time being of the Warrant Agent on payment of such costs as may be incurred in connection therewith, and on such terms as to evidence, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate in respect of the Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Warrants at the time of the replacement thereof), advertisement, undertaking and otherwise as the Company and/or the Warrant Agent may require. Mutilated or defaced Warrant Certificates must be surrendered to the Warrant Agent before replacements will be issued. The replacement Warrant Certificate will be issued to the registered holder of the Warrant Certificate replaced.

### 10. TRANSFER AND TRANSMISSION OF WARRANTS

10.1 Subject to the provisions contained herein, the Warrants shall be transferable in lots entitling the Warrantholder to subscribe for whole numbers of New Shares and so that no person shall be recognised by the Company as having title to Warrants entitling the holder thereof to subscribe for a fractional part of a New Share or otherwise than as the sole or joint holder of the entirety of such New Share.

10.2 Subject to applicable law and the Conditions, a Warrant which is not registered in the name of CDP may only be transferred in accordance with the following provisions:

10.2.1 a Warrantholder whose Warrants are registered in the name of a person other than CDP (the “**Transferor**”) shall lodge, during normal business hours on any Market Day at the specified office of the Warrant Agent, the Transferor’s Warrant Certificate(s) together with a transfer form as prescribed by the Company from time to time (the “**Transfer Form**”) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Deed Poll, provided that the Company and the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP;

10.2.2 the Transferor shall furnish such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the transferring Warrantholder;

10.2.3 the Transferor shall pay the expenses of, and submit any necessary documents required in order to effect the delivery of the new Warrant Certificate(s) to be issued in the name of the transferee;

10.2.4 the Transfer Form shall be accompanied by the registration fee (such fee being for the time being a sum of S\$2.00 (excluding any goods and services tax) for each Warrant Certificate to be transferred) which shall be payable by cash or cheque

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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together with any stamp duty and any goods and services tax (if any) specified by the Warrant Agent to the Transferor, such evidence as the Warrant Agent may require to determine and verify the due execution of the Transfer Form and payment of the expenses of, and submit, such documents as the Warrant Agent may require to effect delivery of the new Warrant Certificate(s) to be issued in the name of the transferee;

- 10.2.5 if the Transfer Form has not been fully or correctly completed by the Transferor or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the Transferor accompanied by written notice of the omission(s) or error(s) and requesting the Transferor to complete and/or amend the Transfer Form and/or to make the requisite payment; and
- 10.2.6 if the Transfer Form has been fully and correctly completed, the Warrant Agent shall as agent for and on behalf of the Company:
- (a) register the person named in the Transfer Form as transferee in the Register of Warranholders as registered holder of the Warrant in place of the Transferor;
  - (b) cancel the Warrant Certificate(s) in the name of the Transferor; and
  - (c) issue new Warrant Certificate(s) in respect of the Warrants registered in the name of the transferee.
- 10.3 With respect to Warrants registered in the name of CDP, any transfer of such Warrants shall be effected subject to and in accordance with the Conditions, applicable law and the rules of CDP as amended from time to time and where the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by the CDP by way of book-entry.
- 10.4 The executors and administrators of a deceased Warranholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holder of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants and shall be entitled to be registered as a holder of the Warrants upon the production by such persons to the Company and the Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of such fees and expenses referred to in Conditions 10.2.3 and 10.2.4. Conditions 10.2 and 10.3 shall apply *mutatis mutandis* to any transfer of the Warrants by such persons.
- 10.5 A Transferor or Depositor, as the case may be, shall be deemed to remain a Warranholder of the Warrant until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent or in the Depository Register by CDP, as the case may be.
- 10.6 Where the transfer relates to part only (but not all) of the Warrants represented by a Warrant Certificate, the Company shall deliver or cause to be delivered to the Transferor at the cost of the Transferor, a Warrant Certificate in the name of the Transferor in respect of any Warrants not transferred.

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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### 11. NOTICES

Each Warrantholder is required to nominate an address in Singapore for service of notices and documents by giving a notice in writing to the Company and the Warrant Agent, failing which such Warrantholder shall not be entitled to receive any notices or documents. Notices to Warrantholders may be sent by ordinary post to their respective addresses so nominated (and in the case of joint holdings, to the Warrantholder whose name appears first in the Register of Warrantholders or, where applicable, the relevant record of CDP in respect of joint holdings) or be given by advertisement in a leading daily English language newspaper in circulation in Singapore. Such notices shall be deemed to have been given in the case of posting, on the date of posting and in the case of advertisement, on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made. If such advertisement is not practicable, notice can be given in such manner as the Company and the Warrant Agent may agree in writing.

All notices required to be given pursuant to the Conditions shall also be announced by the Company on SGXNET on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.

### 12. NOTICE OF EXPIRATION DATE

The Company shall, not later than one (1) month before the Expiration Date, give notice to the Warrantholders in accordance with Condition 11, of the Expiration Date. Additionally, the Company shall not later than one (1) month before the Expiration Date, take reasonable steps to notify the Warrantholders in writing of the Expiration Date and such notice shall be delivered by post to the address of the Warrantholder as recorded in the Register of Warrantholders, or in the case of Warrant holders whose Warrants are registered in the name of CDP, their addresses as shown in the records of CDP. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Market Day after posting.

### 13. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

The Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, as may be modified, re-enacted, amended, supplemented or reconstituted from time to time, shall not under any circumstances apply to any provision of the Deed Poll and/or the Conditions and any person who is not a party to the Deed Poll shall have no right whatsoever to enforce any provision of the Deed Poll and/or the Conditions.

### 14. GOVERNING LAW

The Warrants and the Conditions shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company submits and each Warrantholder is deemed to irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the Republic of Singapore for all purposes in relation to the Warrants and the Conditions but the foregoing shall not prevent or restrict any of them from enforcing any judgement obtained from a Singapore court in any other jurisdiction.

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## APPENDIX I – TERMS AND CONDITIONS OF THE WARRANTS

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### NOTES:

- (1) *The attention of Warrantholders is drawn to Rule 14 of the Singapore Code on Take-overs and Mergers and sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore. In general terms, these provisions regulate the acquisition of effective control of public companies. Warrantholders should consider the implications of these provisions before they exercise their respective Warrants. In particular, a Warrantholder should note that he may be under an obligation to extend a takeover offer for the Company if:*
  - (a) *he intends to acquire, by exercise of the Warrants or otherwise, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or*
  - (b) *he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company; and either alone or together with persons acting in concert with him, intends to acquire additional Shares by the exercise of the Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than 1%.*
- (2) *The attention of the Warrantholders is drawn to Condition 3.2 relating to restrictions on the exercise of the Warrants.*
- (3) *A Warrantholder who, after the exercise of his Warrant(s), has an interest in not less than 5% of the issued share capital of the Company at that point in time, is under an obligation to notify the Company of his interest in the manner set out in section 82 of the Act.*

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 1. INTRODUCTION

- 1.1. Entitled Depositors are entitled to receive this Offer Information Statement and the WEWAF which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SFG Service.
- 1.2. The provisional allotments of Warrants are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution and the instructions in the WEWAF.

The number of Warrants provisionally allotted to each Entitled Depositor is indicated in the WEWAF (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Warrants as indicated in the WEWAF. Entitled Depositors may accept their provisional allotments of Warrants in full or in part and are eligible to apply for Warrants in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Warrants and payment for Excess Warrants are set out in this Offer Information Statement as well as the WEWAF.

- 1.3. If an Entitled Depositor wishes to accept his provisional allotment of Warrants specified in the WEWAF, in full or in part, and (if applicable) apply for Excess Warrants, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the WEWAF. An Entitled Depositor should ensure that the WEWAF is accurately completed and signed, failing which the acceptance of the provisional allotment of Warrants and (if applicable) application for Excess Warrants may be rejected.
- 1.4. For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the WEWAF is not accurately completed and signed or if the “Free Balance” of the relevant Entitled Depositor’s Securities Account is not credited with, or is credited with less than the relevant number of Warrants accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) application for Excess Warrants is in breach of the terms of the WEWAF or this Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF WARRANTS SPECIFIED IN HIS WEWAF AND (IF APPLICABLE) APPLY FOR EXCESS WARRANTS EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.**

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the WEWAF, the WAF, the PAL and/or any other application form for the Warrants and/or Excess Warrants in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an

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## **APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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application by the WEWAF, the WAF, the PAL and/or any other application form for the Warrants and/or Excess Warrants in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Warrants, and where applicable, application for Excess Warrants in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Warrants.

- 1.5. Unless expressly provided to the contrary in this Offer Information Statement, the WEWAF and/or the WAF with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the WEWAF or the WAF has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### **2. MODE OF ACCEPTANCE AND APPLICATION**

#### **2.1. Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs to accept the Warrants provisionally allotted or (if applicable) to apply for Excess Warrants will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix IV of this Offer Information Statement for the additional terms and conditions for Electronic Applications.

**IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE WARRANTS PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE WEWAF AND/OR THE WAF AND/OR HAS APPLIED FOR EXCESS WARRANTS BY WAY OF THE WEWAF AND ALSO BY WAY OF AN ELECTRONIC APPLICATION, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**

#### **2.2. Acceptance/Application through CDP**

If the Entitled Depositor wishes to accept the provisional allotment of Warrants and (if applicable) apply for Excess Warrants through CDP, he must:

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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- (a) complete and sign the WEWAF. In particular, he must state in Part C(i) of the WEWAF the total number of Warrants provisionally allotted to him which he wishes to accept and the number of Excess Warrants applied for and in Part C(ii) of the WEWAF the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed WEWAF accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Warrants accepted and (if applicable) Excess Warrants applied for:
  - (i) by hand to **ASL MARINE HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
  - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **ASL MARINE HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Warrants accepted and (if applicable) Excess Warrants applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – ASL MARINE RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

### 2.3. Acceptance through the SGX-SFG Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Warrants and (if applicable) apply for Excess Warrants through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the WEWAF and this Offer Information Statement as if the WEWAF had been completed and submitted to CDP.

### 2.4. Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Warrants accepted by the Entitled Depositor and (if applicable) the Excess Warrants applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.4 and 5.2 of this Appendix III which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the WEWAF, the WAF or any other application form for Warrants in relation to the Rights Issue.



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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 2.5. Acceptance of Part of Provisional Allotments of Warrants and Trading of Provisional Allotments of Warrants

An Entitled Depositor may choose to accept his provisional allotment of Warrants specified in the WEWAF in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Warrants and trade the balance of his provisional allotment of Warrants on the SGX-ST, he should:

- (a) complete and sign the WEWAF for the number of Warrants provisionally allotted which he wishes to accept and submit the duly completed and original signed WEWAF together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Warrants by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Warrants may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Warrants on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Warrants will be tradable in board lots, each board lot comprising provisional allotments of 100 Warrants, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Warrants as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the unit share market of the SGX-ST during the provisional allotment trading period.

### 2.6. Sale of Provisional Allotments of Warrants

The WEWAF need not be forwarded to the Purchasers as arrangements will be made by CDP for separate WAFs to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the WAF, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their WAF is accurately completed and signed, failing which their acceptances of the provisional allotments of Warrants may be rejected. Purchasers who do not receive the WAF, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Warrants. You may obtain a copy from CDP. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF WARRANTS ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE WARRANTS REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF WARRANTS PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF WARRANTS ON THEIR BEHALF.

### 2.7. Renunciation of Provisional Allotments of Warrants

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Warrants in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Warrants which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the WAF and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Warrants. The last time and date for acceptance of the provisional allotments of Warrants and payment for the Warrants by the renounee is **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### 3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Warrants by way of the WEWAF and/or the WAF and/or has applied for Excess Warrants by way of the WEWAF and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the WEWAF, the WAF and (if applicable) any other acceptance of Warrants provisionally allotted to him and/or application for Excess Warrants (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Entitled Depositor has 50,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 25,000 Warrants as set out in his WEWAF. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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Alternatives	Procedures to be taken
(a) Accept his entire provisional allotment of 25,000 Warrants and (if applicable) apply for Excess Warrants.	<p>(1) Accept his entire provisional allotment of 25,000 Warrants and (if applicable) apply for Excess Warrants by way of an Electronic Application as described herein not later than <b>9.30 P.M. ON 17 JULY 2019</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or</p> <p>(2) Complete and sign the WEWAF in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 25,000 Warrants and (if applicable) the number of Excess Warrants applied for and forward the original signed WEWAF together with a single remittance for S\$150.00 (or, if applicable, such higher amount in respect of the total number of Warrants accepted and Excess Warrants applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "<b>CDP – ASL MARINE RIGHTS ISSUE ACCOUNT</b>" and crossed "<b>NOT NEGOTIABLE, A/C PAYEE ONLY</b>" for the full amount due on acceptance and (if applicable) application, by hand to <b>ASL MARINE HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588</b> or by post, at his own risk, in the self-addressed envelope provided to <b>ASL MARINE HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147</b> so as to arrive not later than <b>5.00 P.M. ON 17 JULY 2019</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.</p>

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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Alternatives	Procedures to be taken
(b) Accept a portion of his provisional allotment of Warrants, for example 5,000 provisionally allotted Warrants, not apply for Excess Warrants and trade the balance on the SGX-ST.	<p>(1) Accept his provisional allotment of 5,000 Warrants by way of an Electronic Application as described herein not later than <b>9.30 P.M. ON 17 JULY 2019</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company);</p> <p>(2) Complete and sign the WEWAF in accordance with the instructions contained therein for the acceptance of his provisional allotment of 5,000 Warrants, and forward the original signed WEWAF, together with a single remittance for S\$30.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than <b>5.00 P.M. ON 17 JULY 2019</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).</p> <p>The balance of the provisional allotment of 20,000 Warrants which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Warrants would be tradable in the ready market, each board lot comprising a provisional allotments size of 100 Warrants or any other board lot size which the SGX-ST may require.</p>
(c) Accept a portion of his provisional allotment of Warrants, for example 5,000 provisionally allotted Warrants, and reject the balance.	<p>(1) Accept his provisional allotment of 5,000 Warrants by way of an Electronic Application as described herein not later than <b>9.30 P.M. ON 17 JULY 2019</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or</p> <p>(2) Complete and sign the WEWAF in accordance with the instructions contained herein for the acceptance of his provisional allotment of 5,000 Warrants and forward the original signed WEWAF, together with a single remittance for S\$30.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than <b>5.00 P.M. ON 17 JULY 2019</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).</p>

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

### Procedures to be taken

The balance of the provisional allotment of 20,000 Warrants which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through Electronic Application by **9.30 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## 5. TIMING AND OTHER IMPORTANT INFORMATION

### 5.1. Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE WARRANTS IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) 9.30 P.M. ON 17 JULY 2019 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE WARRANTS IS MADE THROUGH ELECTRONIC APPLICATION(S).**
- (B) 5.00 P.M. ON 17 JULY 2019 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE WARRANTS IS MADE THROUGH CDP OR SGX-SFG SERVICE.**

If acceptance and payment for the Warrants in the prescribed manner as set out in the WEWAF, the WAF or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Warrants shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS**

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## **APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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**STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

### **5.2. Appropriation**

Without prejudice to paragraph 1.3 of this Appendix II, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Warrants and/or applying for Excess Warrants, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Warrants provisionally allotted to him and (if applicable) in respect of his application for Excess Warrants as per the instructions received by CDP whether under the WEWAF, the WAF and/or in any other application form for Warrants in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the WEWAF, the WAF and/or any other application form for Warrants in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Warrants provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Warrants. The determination and appropriation by the Company and CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the WEWAF, the WAF and/or any other application form for Warrants in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Warrants and (if applicable) his application for Excess Warrants, to apply the amount of the remittance which is attached to the WEWAF, the WAF and/or any other application form for Warrants in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Warrants provisionally allotted to him by way of the WEWAF and/or the WAF and/or has applied for Excess Warrants by way of the WEWAF and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the WEWAF, the WAF and/or any other acceptance and/or application for Excess Warrants (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### **5.3. Availability of Excess Warrants**

The Excess Warrants available for application are subject to the terms and conditions contained in the WEWAF, this Offer Information Statement and (if applicable) the Constitution. Applications for Excess Warrants will, at the Directors' absolute discretion, be satisfied from such Warrants as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Warrants together with the aggregated fractional entitlements to the Warrants, any unsold "nil-paid" provisional allotment of Warrants (if any) of Foreign Shareholders and any Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the WEWAF and this Offer Information Statement. In the event that applications are received by the Company for more Excess Warrants than are available, the Excess Warrants available will be allotted in such manner as the Directors

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Warrants, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders of the Company who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Warrants. The Company will not make any allotment and issuance of Warrants that will result in a transfer of controlling interest in the Company, unless otherwise approved by Shareholders at a general meeting. The Company reserves the right to refuse any application for Excess Warrants, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Warrants allotted to an Entitled Depositor is less than the number of Excess Warrants applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Warrants actually allotted to him.

If no Excess Warrants are allotted or if the number of Excess Warrants allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 14 Business Days after the Closing Date by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Warrants by way of an Electronic Application), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Warrants through CDP).

### 5.4. Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Warrants is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application and payment of the full amount payable for such Warrants is effected by **9.30 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed WEWAF or WAF accompanied by a single remittance for the full amount payable for the relevant number of Warrants accepted and (if applicable) Excess Warrants applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – ASL MARINE RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **ASL MARINE HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK, to ASL MARINE HOLDINGS LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by 5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

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## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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- (c) acceptance is made by a Depository Agent via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Warrants is effected by **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Warrants will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITORS' OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

### 5.5. Certificates

The certificates for the Warrants and Excess Warrants will be registered in the name of CDP or its nominee. Upon the crediting of the Warrants and Excess Warrants, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Warrants and Excess Warrants credited to your Securities Account.

### 5.6. General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Warrants provisionally allotted and credited to your Securities Account. You can verify the number of Warrants provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access Service or through CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Warrants provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the WEWAF and/or the WAF is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the WEWAF and/or the WAF, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the WEWAF and/or the WAF on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF WARRANTS AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS WARRANTS IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Warrants and (if applicable) your



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application for Excess Warrants through CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

### CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' for Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

### 6. PERSONAL DATA PRIVACY

By completing and delivering a WEWAF or a WAF and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, the Warrant Agent, Securities Clearing and Computer Services (Pte) Ltd, the SGX-ST and the Company (the "**Relevant Persons**") for the purpose of facilitating his application for the Warrants, and in order for the Relevant Persons to comply with any applicable laws, Listing Manual, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 7. PROCEDURE TO COMPLETE THE WEWAF AND THE WAF

#### 7.1. Know your holdings and entitlement

##### **A. KNOW YOUR HOLDINGS & ENTITLEMENT**

Number of Shares currently held by you

XX.XXX

Shares as at **XX January 2017**  
(Books Closure Date)

This is your shareholdings as at Books Closure Date.

This is the date to determine your Right entitlements.

Number of Warrants provisionally allotted\*

XX.XXX

This is your number of Warrants.

Issue Price

**S\$0.0X** per Warrant

This is the price that you need to pay when you subscribe for one Warrant.

#### 7.2. Select your applications options

##### **B. SELECT YOUR APPLICATION OPTIONS**

**1. ATM** Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by **XX September 2017 at 9.30 p.m.** Participating Banks are **XXX, XXX and XXX.**

This is the last date and time to subscribe and pay for the Warrants through ATM and CDP.

You can apply for the Warrants through ATMs of these Participating Banks.

**2. Mail** Complete section below and submit this form to CDP by **XX September 2017 at 5.00 p.m.**

- (i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP-XXXXX WARRANTS ISSUE ACCOUNT**" will be accepted
- (ii) Applications using a **PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER** will be rejected
- (iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

**Note:** Please refer to the WEWAF/WAF for the actual holdings, Books Closure Date, entitlements, Issue Price, Closing Date for subscription, list of Participating Banks and payee name on the Banker's Draft/Cashier's Order.

## APPENDIX II – PROCEDURE FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 7.3. Declaration

#### C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Warrants Applied:  
(Provisionally Allotted + Excess Warrants)

,,,

ii. Cashier's Order/Banker's Draft Details\*\*:  
(Input 6 digits of CO/BD)

Signature of Entitled Depositor(s)

Date

Fill in the total number of the Warrants and Excess Warrants (for WEWAF)/ number of Warrants (for WAF) that you wish to subscribe within the boxes.

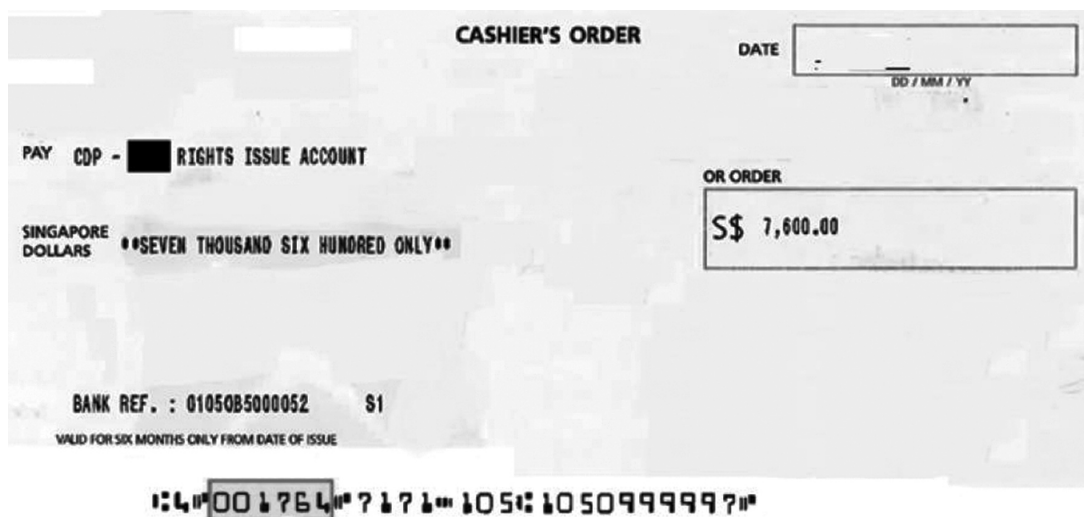
Fill in the 6 digits of the CO/BD number (eg. 001764) within the boxes.

Sign within the box.

#### Notes:

- (1) If the total number Warrants applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (2) The total number of Warrants applied will be based on cash amount stated in your Banker's Draft/Cashier's Order. The total number of Warrants will be appropriated accordingly if the applied quantity exceeds this amount.
- (3) Please note to submit one Banker's Draft/Cashier's Order per application form.

### 7.4. Sample of a Cashier's Order



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**APPENDIX III – PROCEDURE FOR ACCEPTANCE, SPLITTING,  
RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY  
ENTITLED SCRIPHOLDERS**

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**1. INTRODUCTION**

- 1.1. Acceptances of the provisional allotment of and any excess application for the Warrants must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.
- 1.2. Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Warrants Application Form	Form E

- 1.3. The provisional allotment of the Warrants and application for Excess Warrants are governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Constitution. The number of Warrants provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded) and contains full instructions with regard to acceptance and payment and the procedures to be followed should such Entitled Scripholders wish to renounce, transfer or split all or any part of their provisional allotment pursuant to the Rights Issue. Entitled Scripholders may accept their provisional allotment of Warrants, in full or in part, and are eligible to apply for Warrants in excess of their entitlements under the Rights Issue.
- 1.4. With regards to acceptance and/or application which does not conform strictly to the instructions set out under this Offer Information Statement, the WEWAF, the WAF, the PAL and/or any other application form for the Rights Issue, or is not in accordance with the terms and conditions of this Offer Information Statement, or in the case of any application by the WEWAF, the WAF and the PAL and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application, payment or other processes of remittances at any time after receipt in such manner as it may deem fit.
- 1.5. The Company and the Warrant Agent shall be entitled to process each application submitted for the acceptance of Warrants, and where applicable, application of Excess Warrants in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance and (if applicable) application for Excess Warrants.
- 1.6. The full amount payable for the relevant number of Warrants accepted or applied for will be rounded up to the nearest cent, if applicable.

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**APPENDIX III – PROCEDURE FOR ACCEPTANCE, SPLITTING,  
RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY  
ENTITLED SCRIPHOLDERS**

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- 1.7. Entitled Scripholders who intend to trade any part of their provisional allotment of Warrants on the SGX-ST should note that all dealings in and transactions of the provisional allotment of Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.
- 1.8. Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL with respect to enforcement against Entitled Scripholders or their renounees, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the PAL has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

## 2. FORM OF ACCEPTANCE (FORM A)

### 2.1. Acceptance

Entitled Scripholders who wish to accept their entire provisional allotment of Warrants or to accept any part of it and decline the balance, should:

- (a) complete and sign Form A of the PAL (Form of Acceptance) for the number of Warrants which they wish to accept; and
- (b) forward the PAL at their own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **ASL MARINE HOLDINGS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED at 112 ROBINSON ROAD, #05-01, SINGAPORE 068902**, in the self-addressed envelope provided so as to reach the Share Registrar not later than **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Directors may exercise their discretion on such terms and conditions as they deem fit to accept any FORM A (Form of Acceptance) which is not duly completed.

Your provisional allotment of Warrants shall be deemed to have been declined and shall forthwith lapse and become void, and cease to be capable of acceptance by you to the extent that it is not accepted by **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) in accordance with the terms and conditions contained in the Offer Information Statement and the instructions contained in the PAL (and (if applicable), the Constitution. Provisional allotments of Warrants not accepted in accordance with and by the date and time stated in the Offer Information Statement and/or the PAL will forthwith lapse and become void, and cease to be capable of acceptance. To the extent that such provisional allotment of Warrants is accepted in part only, the balance will be deemed to have been declined and will forthwith lapse and become void, and cease to be capable of acceptance by you.

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## APPENDIX III – PROCEDURE FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

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### 2.2. Insufficient payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Warrants accepted by the Entitled Scripholder and (if applicable) Excess Warrants applied for by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL is less than the full amount that is payable for the provisional allotment of Warrants accepted by the Entitled Scripholder and (if applicable) Excess Warrants applied for by the Entitled Scripholder;

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix III entitled “Appropriation” which sets out the circumstances and manner in which the Company and the Share Registrar shall be entitled to determine the number of Warrants which the Entitled Scripholder has given instructions to accept.

### 2.3. Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Warrants, he acknowledges that, the Company and the Share Registrar, in determining the number of Warrants which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Warrants, whether by way of Cashier’s Order or Banker’s Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of his provisional allotment of Warrants.

## 3. REQUEST FOR SPLITTING (FORM B)

- 3.1. Entitled Scripholders who wish to accept part of their provisional allotment of Warrants and renounce the balance of their provisional allotment of Warrants, or who wish to renounce all or part of their provisional allotment of Warrants in favour of more than one (1) person, should first, using Form B of the PAL (Request for Splitting), request to have their provisional allotment of Warrants under the PAL split into separate PALs (the “**Split Letters**”) according to their requirements. The duly completed and signed Form B in accordance with these instructions together with the PAL in its entirety should then be returned to **ASL MARINE HOLDINGS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED at 112 ROBINSON ROAD, #05-01, SINGAPORE 068902**, not later than **5.00 P.M. ON 11 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B (together with the whole of the PAL) is received after **5.00 P.M. ON 11 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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**APPENDIX III – PROCEDURE FOR ACCEPTANCE, SPLITTING,  
RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY  
ENTITLED SCRIPHOLDERS**

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3.2. The Split Letters representing the number of Warrants which Entitled Scripholders intend to renounce may be renounced by the Entitled Scripholder by completing and signing Form C (Form for Renunciation) before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A (Form of Acceptance) of the Split Letter(s) representing that part of their provisional allotment of Warrants they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **ASL MARINE HOLDINGS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED at 112 ROBINSON ROAD, #05-01, SINGAPORE 068902**, not later than **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

**4. RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)**

4.1. Entitled Scripholders who wish to renounce their entire provisional allotment of Warrants in favour of one person, or renounce any part of it in favour of one (1) person and decline the balance, should complete and sign Form C (Form of Renunciation) for the number of Warrants which they wish to renounce and deliver the PAL in its entirety to the renounee as soon as possible.

4.2. The renounee should complete and sign Form D (Form of Nomination) and send Form D (Form of Nomination) together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to **ASL MARINE HOLDINGS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED at 112 ROBINSON ROAD, #05-01, SINGAPORE 068902**, not later than **5.00 P.M. ON 17 JULY 2019** or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

4.3. Each Entitled Scripholder may consolidate the Warrants provisionally allotted in the PAL together with those comprised in any PAL and/or Split Letter renounced in his favour by completing and signing Form A (Form of Acceptance) and the Consolidated Listing Form in Form D (Form of Nomination) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotment of Warrants comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D (Form of Nomination) of only one PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALs AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

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**APPENDIX III – PROCEDURE FOR ACCEPTANCE, SPLITTING,  
RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY  
ENTITLED SCRIPHOLDERS**

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**5. APPLICATIONS FOR EXCESS WARRANTS (FORM E)**

- 5.1.** Entitled Scripholders who wish to apply for Excess Warrants in addition to those which have been provisionally allotted to them may do so by completing and signing Form E (Excess Warrants Application Form) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Warrants applied for in the form and manner set out in paragraph 6 below, at their own risk, to **ASL MARINE HOLDINGS LTD C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED at 112 ROBINSON ROAD, #05-01, SINGAPORE 068902**, so as to arrive not later than **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

**FORM E IS NOT TRANSFERABLE AND MAY ONLY BE USED BY THE ENTITLED SCRIPHOLDERS NAMED THEREIN.**

- 5.2.** Applications for Excess Warrants by the Entitled Scripholders are subject to the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Constitution. Applications for Excess Warrants will, at the Directors' absolute discretion, be satisfied from such Warrants as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotment of Warrants, together with the aggregated fractional entitlements to the Warrants, the unsold "nil-paid" provisional allotment of Warrants (if any) of Foreign Shareholders and any Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Constitution. In the event that applications are received by the Company for more Excess Warrants than are available, the Excess Warrants available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Warrants, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Warrants. The Company will not make any allotment and issuance of Warrants that will result in a transfer of controlling interest in the Company, unless otherwise approved by Shareholders at a general meeting. The Company reserves the right to allot the Excess Warrants applied for under Form E in any manner they deem fit and to reject or to refuse, in whole or in part, any application for Excess Warrants without assigning any reason whatsoever.
- 5.3.** If no Excess Warrants are allotted to Entitled Scripholders or if the number of Excess Warrants allotted to them is less than that applied for, the amount paid on application for Excess Warrants or the surplus application monies for Excess Warrants received by the Company, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 Business Days after the Closing Date **BY ORDINARY POST TO THEIR MAILING ADDRESSES AS MAINTAINED WITH THE SHARE REGISTRAR AT THEIR OWN RISK.**



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**APPENDIX III – PROCEDURE FOR ACCEPTANCE, SPLITTING,  
RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY  
ENTITLED SCRIPHOLDERS**

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**6. PAYMENT**

- 6.1.** Payment in relation to the PALs for the full amount due on acceptance and/or application must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**ASL MARINE RIGHTS ISSUE ACCOUNT**", and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the remittance. The completed and signed PAL and remittance should be addressed and forwarded, at the sender's own risk, to **ASL MARINE HOLDINGS LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED at 112 ROBINSON ROAD, #05-01, SINGAPORE 068902**, so as to arrive not later than **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 6.2.** If acceptance and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.00 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Warrants shall be deemed to have been declined and shall forthwith lapse and become void and such provisional allotment of Warrants not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith by **ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or benefit arising therefrom, within 14 Business Days after the Closing Date.

**7. GENERAL**

- 7.1.** No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.
- 7.2. Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**
- 7.3.** Upon listing and quotation on the Mainboard, the Warrants, when issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Warrants effected through the SGX-ST and/or CDP shall be made in accordance with the "*Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited*", as the same may be amended from time to time, copies of which are available from CDP.
- 7.4.** To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Warrants provisionally allotted to them and (if applicable) apply for Excess Warrants, and who wish to trade the Warrants issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Warrants and, if applicable, the Excess Warrants that may be allotted and issued

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### **APPENDIX III – PROCEDURE FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS**

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to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Warrants provisionally allotted to them and (if applicable) apply for the Excess Warrants and have their Warrants credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration number (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration number (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration number (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical certificate(s) in their own names, for the Warrants allotted to them and if applicable, the Excess Warrants allotted to them. Such physical warrant certificates, if issued will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be, on the face of it, evidence of legal title.

**7.5.** If an Entitled Scripholder's address stated in the PAL is different from his address maintained with CDP, he must inform CDP of his updated address promptly, failing which the notification letter, on successful allotments will be sent to his address last registered with CDP.

**7.6.** A holder of physical share or warrant certificate(s), or an Entitled Scripholder who has not deposited his share or warrant certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his respective certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Shares or Warrants, as the case may be, before he can effect the desired trade.

**7.7. THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR EXCESS APPLICATIONS AND PAYMENT FOR THE WARRANTS UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 17 JULY 2019 (9.30 P.M. FOR ELECTRONIC APPLICATION) (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

#### **8. PERSONAL DATA PRIVACY**

**8.1.** By completing and delivering the PAL, an Entitled Scripholder (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons (as defined in Appendix II of this Offer Information Statement) for the Purposes (as defined in Appendix II of this Offer Information Statement), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

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## **APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK**

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The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one (1) Participating Bank cannot be used to accept provisional allotment of Warrants and (if applicable) apply for Excess Warrants at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser who accepts the provisional allotment of Warrants or (as the case may be) who applies for the Warrants through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any WEWAF or WAF.

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Warrants and (if applicable) applications for Excess Warrants must be done through the respective finance companies or Depository Agents. Such investors are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application will be rejected.

For SRS Members, acceptance of the Warrants and (if applicable) applications for Excess Warrants must be done through the relevant SRS Approved Banks. SRS Members are advised to provide their respective SRS Approved Banks with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Applications will be rejected.

For Renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Warrants represented by the provisional allotment of Warrants must be done through the respective finance companies or Depository Agents. Such Renounees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptances of the Warrants made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application will be rejected.

**An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM Card issued to him in his own name. Using his own Securities Account number with an ATM Card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.**

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## **APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK**

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The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application for the Warrants, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Warrants under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
  - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, the Warrant Agent, Securities Clearing & Computer Services (Pte) Ltd, CDP, the SGX-ST and the Company (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the 2 statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including section 47(2) of, and the Third Schedule to, the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Warrants using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Warrants provisionally allotted and Excess Warrants credit of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of Excess Warrants or not to allot any number of Excess Warrants to the Applicant, the Applicant agrees to accept the decision as final.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be, on the ATM) of the number of Warrants accepted and/or Excess Warrants applied for shall signify and shall be treated as his acceptance of the number of Warrants accepted and/or Excess Warrants applied for that may be allotted to him.

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**APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR  
ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK**

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- (5) In the event that the Applicant accepts the Warrants by way of the WEWAF and/or the WAF (as the case may be) and/or by way of acceptance through Electronic Application, the Company and/or CDP and shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their absolute discretion, deem fit. In determining the number of Warrants which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Warrants which are standing to the credit of his Securities Account as at the Closing Date, and the aggregate number of Warrants which have been accepted by the Applicant by way of the WEWAF and/or the WAF (as the case may be) and by Electronic Application. The Company and/or CDP, in determining the number of Warrants which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Warrants, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the WEWAF and/or the WAF or by way of acceptance through Electronic Application.
- (6) If applicable, in the event that the Applicant applies for Excess Warrants both by way of the WEWAF and by Electronic Application, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or CDP may, in their absolute discretion, deem fit. In determining the number of Excess Warrants which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Warrants not exceeding the aggregate number of Excess Warrants for which he has applied by way of the WEWAF and by way of Electronic Application. The Company and/or CDP, in determining the number of Excess Warrants which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Warrants, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the WEWAF, or by way of Electronic Application.
- (7) The Applicant irrevocably requests and authorises the Company to:
- (a) register or to procure the registration of the Warrants and (if applicable) the Excess Warrants allotted to the Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Warrants accepted and/or Excess Warrants applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 Business Days after the Closing Date; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Warrants be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 Business Days after the Closing Date.
- (8) BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE WARRANTS AS NOMINEE OF ANY OTHER PERSON.

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**APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR  
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- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Company and/or the Share Registrar) and any events whatsoever beyond the control of CDP, the Participating Banks, the Company, and/or the Share Registrar and if, in any such event, CDP and/or the Participating Banks and/or the Company and/or the Share Registrar do not record or receive the Applicant's Electronic Application by **9.30 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Company, and/or the Share Registrar for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. and 9.30 p.m. (excluding public holidays).**
- (11) Electronic Applications shall close at **9.30 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 Business Days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK

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- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 P.M. ON 17 JULY 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);
  - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company, CDP, the Participating Banks nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Warrants and (if applicable) his application for Excess Warrants;
  - (e) in respect of the Warrants for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
  - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Warrants or (if applicable) applies for Excess Warrants, as the case may be, by way of the WEWAF or the WAF or by way of Electronic Application, the Warrants and/or Excess Warrants will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK

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and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 Business Days after the Closing Date by any one or a combination of the following:

- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST AT HIS OWN RISK** to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
  - (b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Warrants represented by the provisional allotment of Warrants which he can validly accept, the Company and CDP are entitled, and the Applicant hereby authorises the Company and CDP to take into consideration:
- (a) the total number of Warrants represented by the provisional allotment of Warrants which the Applicant has validly accepted, whether under the WEWAF and/or the WAF or any other form of application (including Electronic Application) for the Warrants;
  - (b) the total number of Warrants represented by the provisional allotment of Warrants standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
  - (c) the total number of Warrants represented by the provisional allotment of Warrants which has been disposed of by the Applicant.

The Applicant hereby acknowledges that CDP's or the Company's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Warrants accepted by the Applicant and (if applicable) the Excess Warrants which the Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the WEWAF, the WAF and/or any other application form for the Warrants in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the WEWAF, the WAF and/or any other application form for the Warrants in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company and CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as they may deem fit.
- (22) The Company and CDP shall be entitled to process each application submitted for the acceptance of Warrants, and where applicable, application of Excess Warrants in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid, evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Warrants.



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**APPENDIX V – LIST OF PARTICIPATING BANKS FOR  
ELECTRONIC APPLICATIONS THROUGH AN ATM**

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1. United Overseas Bank Limited

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## **DIRECTORS' RESPONSIBILITY STATEMENT**

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### **OFFER INFORMATION STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

Dated

2019

For and on behalf of

**ASL MARINE HOLDINGS LTD.**

**BOARD OF DIRECTORS**

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**Ang Kok Tian**

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**Ang Ah Nui**

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**Ang Kok Leong**

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**Andre Yeap Poh Leong**

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**Christopher Chong Meng Tak**

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**Tan Sek Khee**



