ASL MARINE HOLDINGS LTD. (CO. REG. NO. 200008542N)

PROPOSED ACQUISITION OF SHIPYARD IN BATAM

1. INTRODUCTION

The Board of Directors (the "**Board**") of ASL Marine Holdings Ltd. (the "**Company**") wishes to announce that the Company and its wholly-owned subsidiary, PT. Sukses Shipyard Indonesia (the "**Purchaser**"), have entered into a conditional sale and purchase agreement dated 24 January 2014 (the "**Agreement**") with Miclyn Express Offshore Limited ("**MEO**") and its wholly-owned subsidiary, PT Loh & Loh Construction Indonesia (the "**Vendor**"), pursuant to which the Purchaser has agreed to acquire the property and fixed assets in respect of a shipyard (the "**Sale Assets**") from the Vendor, for the cash consideration of US$20.0 million (equivalent to approximately S$25.6 million based on the exchange rate of US$1: S$1.279) (the "**Acquisition**").

2. INFORMATION ON SALE ASSETS

The shipyard operates on the land located at Jalan Brigjen Katamso Km. 19 Tanjung Uncang Batam, Indonesia (the "**Property**"), being adjacent to the Group's existing shipyard in Batam. It is situated in a free trade zone with industrial areas designated specifically for shipyards with infrastructure such as roads, telecommunications, utilities and supporting services.

The Sale Assets comprise a site of 12.2 hectares with berthing / repair quays of 220 metres, 2 shiprepair slip / launch-ways and shipyard facilities (office building, fabrication shop, and machineries) which cater for shipbuilding, vessels repair, modification and mobilisation, as well as modular fabrication services.

The Purchaser commissioned KJPP, Sarwono, Indrastuti & Rekan ("**KJPP**"), a property valuer, to evaluate the "market value" of the Sale Assets, being the "estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

According to its valuation report dated 15 January 2014 (the "**Valuation Report**"), and using the "value based market data approach and cost approach", KJPP is of the opinion that the market value of the Sale Assets as at 20 December 2013 is Rp310.6 billion (equivalent to approximately S$33.0 million based on the exchange rate of S$1: Rp9,426).

3. INFORMATION ON VENDOR

MEO is headquartered in Singapore and is a leading provider of offshore vessel services. It operates a range of offshore support vessels, crew/utility vessels, tugs and barges for customers in the offshore oil and gas industry across South-East Asia, Australia and the Middle East.

The Vendor is a wholly owned company of MEO which holds the Sale Assets. MEO had previously used the shipyard to build, convert and customize vessels as well as service its

South East Asian based fleet and other third party vessels when spare capacity existed. MEO has undertaken to dispose the Sale Assets in order to focus on its core vessel chartering business.

4. RATIONALE AND BENEFITS

The Company and its subsidiaries (collectively, the "**Group**") are engaged in the business of ship building, ship repair and conversion, ship-chartering, engineering and provision of other marine related services. It caters to customers which are mainly from Asia Pacific, South Asia, Europe, Australia and the Middle East. The Group currently owns and operates four (4) shipyards which are located in Singapore, Indonesia (Batam) and the People's Republic of China (Guangdong).

The proposed Acquisition is in line with the overall strategy of the Group to strengthen and expand its shipbuilding and ship repair capability and capacity. In view of the water-front land and the close proximity of the Sale Assets to the Group's existing premise in Batam, the proposed Acquisition will provide a good opportunity for the Group to expand its capacity and berthing space to support the growing demand for ship repair and upgrading of ships and other floating structures from the marine and offshore sector. The additional shipyard will also supplement the revenue stream of the Group, as well as strengthen its ability to serve customers in the South Asia region.

5. PRINCIPAL TERMS

5.1 Subject to the terms and conditions of the Agreement, the Vendor shall sell and the Purchaser shall purchase all of the Vendor's rights, title and interest in the Sale Assets, free from encumbrances, for the cash consideration of US$20 million (the "**Consideration**"). The Consideration was determined at arm's length on a willing buyer willing seller basis, taking into account the valuation of the Sale Assets as conducted by KJPP.

5.2 Completion of the Acquisition ("**Completion**") shall be subject to, *inter alia*, the following:

(a) the Vendor having obtained from Badan Pengusahaan Batam ("**BP Batam**") the grant of Ijin Peralihan Hak (Permit to Transfer the Right) for the transfer of the Property ("**IPH Approval**");

(b) the Purchaser having obtained from Badan Pertanahan Nasional (National Land Authority) ("**BPN**") the confirmation that the Property is free from dispute ("**BPN Confirmation**");

(c) the execution of the formal deed of sale and purchase in Bahasa Indonesia (the "**Deed**") after receipt of the IPH Approval and BPN Confirmation;

(d) the payment of the relevant income tax relating to the transfer of the Property by the Vendor, and the payment of the relevant duty for the acquisition of the Property by the Purchaser (collectively, the "**Taxes**"); and

(e) the submission of the executed Deed, proof of payment of the Taxes and other relevant documents to BPN to register the transfer of the legal title of the Property from the Vendor to the Purchaser (the "**Title Transfer**").

5.3 On such date as may be agreed by the parties (which shall be no later than 10 business days of the date of the Agreement) (the "**Exchange Date**"):

(a) the Vendor shall deliver to the Purchaser the original documents of title (including the land certificate) in respect of the Property and certain documents required for procuring the BPN Confirmation and Title Transfer; and

(b) the Purchaser shall pay the deposit of US$1.0 million (the "**Deposit**") to the Vendor.

The Deposit shall be refunded to the Purchaser if the Agreement is terminated (i) by the Vendor or (ii) by either party in the event that the IPH Approval or BPN Confirmation is not obtained.

5.4 In the event that the BPN Confirmation and IPH Approval are obtained and the Title Transfer is completed within two (2) months from the Exchange Date:

(a) the Purchaser shall, on the date of Completion, pay the balance of US$19 million to the Vendor; and

(b) the Purchaser shall be entitled to take possession of the Sale Assets.

5.5 In the event that the BPN Confirmation and IPH Approval are obtained, but the Title Transfer is not completed by the date falling two (2) months from the Exchange Date (the "**Interim Date**"),

(a) the Purchaser shall on the Interim Date pay the amount of US$9.5 million to the Vendor;

(b) the Purchaser shall be entitled to take possession of the Sale Assets; and

(c) the Purchaser shall subsequently, on the date of Completion, pay the balance of US$9.5 million to the Vendor.

6. SOURCE OF FUNDS

The Company intends to use internal sources of funds and/or external borrowings to finance the Consideration payable to the Vendor.

7. DISCLOSEABLE TRANSACTION

The relative figures in respect of the proposed Acquisition, computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST, are as follows:

	Bases in Rule 1006	**US$'000 / S$'000**
(a)	Net asset value of the assets to be disposed	Not applicable[(1)]
	Net asset value of the Group	-
	Size of relative figure	-

(b)	Net profits[2] attributable to the Sale Assets	Not applicable[3]
	Net profits of the Group	-
	Size of relative figure	-
(c)	Aggregate value of the Consideration	US$20,000 / S$25,580[5]
	Market capitalisation[4] of the Company	S$310,061
	Size of relative figure	8.2%
(d)	Number of consideration shares to be issued	Not applicable[6]
	Number of shares of the Company in issue	-
	Size of relative figure	-
(e)	Proved and probable reserves to be disposed	Not applicable[7]
	Proved and probable reserves of the Group	-
	Size of relative figure	-

Notes:

(1) This is not applicable to an acquisition of assets.
(2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
(3) This is not applicable as profits are derived from the ship building, repair, conversion and other activities carried out by the owner of the Sale Assets.
(4) "Market capitalisation" is determined by multiplying the number of shares of the Company in issue by the weighted average price of such shares transacted on 23 January 2014 (being the market day preceding the date of the Agreement).
(5) Based on an exchange rate of US$1: S$1.279.
(6) This is not applicable as the Consideration is entirely payable in cash.
(7) This is only applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

As the relative figures computed on the basis set out in Rule 1006 exceeds 5% but not 20%, the proposed Acquisition constitutes a "discloseable transaction" within the meaning of Chapter 10 of the Listing Manual, and has to be immediately announced by the Company.

8. FINANCIAL EFFECTS

The pro forma financial effects of the proposed Acquisition, based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2013, are set out below. The pro forma financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company or the Group after the completion of the proposed Acquisition.

Earnings per Share

Assuming that the proposed Acquisition had been completed on 1 July 2012, the effect on the earnings per share (the "**EPS**") of the Company will be as follows:

	Before Acquisition	**After Acquisition**
Profit after tax and minority interest (S$'000)	45,251	45,251
Weighted average number of shares	419,511,294	419,511,294
EPS (cents)	10.79	10.79

Note:

(1) The Sale Assets do not generate profits. The profits are derived from ship building, repair, conversion and other activities carried out by the owner of the Sale Asset.

Net Tangible Assets

Assuming that the proposed Acquisition had been completed on 30 June 2013, the effect on the net tangible asset (the "**NTA**") per share of the Company will be as follows:

	Before Acquisition	After Acquisition
NTA (S$'000)	378,390	378,390
Number of shares (excluding treasury shares)	419,511,294	419,511,294
NTA per share (cents)	90.20	90.20

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the proposed Acquisition.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement and Valuation Report is available for inspection at the registered office of the Company at 19 Pandan Road, Singapore 609271 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
27 January 2014