



PROPOSED DISPOSAL OF INTEREST IN ASL ENERGY PTE. LTD.

1. INTRODUCTION

The Board of Directors (“**Directors**”) of ASL Marine Holdings Ltd (the “**Company**” or the “**Group**”) wishes to announce that the Company has entered into a share purchase and loan novation agreement with Manhattan Resources Limited (“**MRL**”) on 11 June 2008 (the “**Share Purchase and Loan Novation Agreement**”) to dispose its entire 50 per cent. interest in ASL Energy Pte. Ltd. (“**ASLE**”) to MRL as follows:

- (i) the Company will sell 14,040,000 shares of ASLE (the “**Sale Shares**”); and
- (ii) the Company will novate the Shareholder Loan (as defined below) to MRL (collectively, the “**Proposed Disposal**”).

2. ASLE

ASLE is a jointly controlled entity held by the Company and MRL. ASLE and its subsidiaries are principally involved in the marine transportation of coal in Indonesia using its fleet of tugs and barges (64 units in aggregate) and the owning and chartering of a floating coal terminal.

ASLE has an issued share capital of S\$28,080,000 divided into 28,080,000 ordinary shares. As at the date of this announcement, the Company holds 14,040,000 shares in the capital of ASLE while MRL holds the remaining 14,040,000 shares in the capital of ASLE.

The Company and MRL have each extended an interest-free shareholder loan of S\$12,500,000 to ASLE pursuant to a shareholder loan agreement between the Company, MRL and ASLE (the “**Shareholder Loan**”).

3. RATIONALE OF THE PROPOSED DISPOSAL

The Proposed Disposal will enable the Company to rationalise its investment by re-deploying the proceeds from the disposal for the purposes of funding the future growth of the Group’s core businesses in shipbuilding, shiprepair and conversion as well as shipchartering.

4. DISPOSAL CONSIDERATION

4.1 Disposal Consideration. The consideration for sale of the Sale Shares and the novation of the Shareholder Loan (the “**Completion Amount**”), comprises:

- (a) the cash sum of US\$16,338,733, or approximately S\$22,367,725¹ representing the consideration for sale of the Sale Shares by the Company; and
- (b) the cash sum of S\$12,500,000 representing the consideration for the novation of the Shareholder Loan to MRL.

¹ All references in the Announcement, unless otherwise indicated, to the Singapore dollar equivalent of any amounts stated in United States dollars are based on an exchange rate ratio of US\$1: S\$1.369 as at 10 June 2008, being the date immediately preceding the date of this Announcement.

Accordingly, the Completion Amount will amount in aggregate to approximately S\$34,867,725.

The consideration for sale of the Sale Shares was arrived at after arm's length negotiations and on a willing buyer-willing seller basis, taking into consideration:

- (i) the unaudited consolidated net tangible asset value of ASLE as at 30 April 2008, of US\$9,340,174 or approximately S\$12,786,698 which is attributable to the Sale Shares as at 30 April 2008; and
- (iii) the adjusted value of ASLE's fleet of tugs and barges as agreed between MRL and the Company of US\$6,998,559, or approximately S\$9,581,027 which is attributable to the Sale Shares.

4.2 **Payment Terms.** The Share Purchase and Loan Novation Agreement provides that on completion of the Proposed Disposal, MRL will pay the Completion Amount in cash to the Company for (i) the purchase of the Sale Shares in United States dollars and (ii) the novation of the Shareholder Loan in Singapore dollars.

4.3 **Gain on Disposal and Use of Sale Proceed.**

The Proposed Disposal will result in an estimated net gain of approximately S\$9.6 million for the Group. The net proceeds from the Proposed Disposal will be used for the Group's general working capital purposes, repayment of bank borrowings, funding for capital expenditure including acquisition of support vessels used in offshore oil and gas sector and potential investment to expand the Group's core businesses.

5. **MATERIAL CONDITIONS OF THE PROPOSED DISPOSAL**

5.1 **Conditions Precedent.**

Completion of the Share Purchase and Loan Novation Agreement is conditional upon the following conditions:

- (a) **shareholders approval of MRL:** the passing at a general meeting of MRL of resolutions to approve (i) the Proposed Disposal in the agreed terms or without material amendments there to and (ii) the proposed warrants issue of MRL;
- (b) **approval in-principle of SGX-ST for MRL:** the grant by the SGX-ST of the approval in-principle (and such approval not having been withdrawn or revoked on or prior to the date the MRL's warrants are issued) for the listing of MRL's warrants and the new shares of MRL on the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to MRL;
- (c) **irrevocable undertaking from certain shareholders of MRL:** the exercise by certain shareholders of MRL ("Undertaking Shareholders") of MRL's warrants which are issued to them, in accordance with the terms of the proposed warrants issue of MRL, within 60 days from the date of issue of the warrants of MRL (or such other period as the Undertaking Shareholders and MRL may agree) to subscribe for new ordinary shares in the capital of MRL; and

- (d) **discharge of guarantees to banks:** the entry by DBS Bank Ltd, Bumiputra-Commerce Bank Berhad (now known as CIMB Bank Berhad) and United Overseas Bank Limited (“Banks”) into an agreement or agreements to release and discharge the Company from all its liabilities and obligations under the guarantees furnished by the Company in connection with the Banks’ facilities granted to ASLE with effect from the completion of the Proposed Disposal.

- 5.2 **Termination.** If the conditions in paragraph 5.1 above are not satisfied or waived (as the case may be) on or before **31 December 2008** or such later date as may be agreed in writing by the Company and MRL, MRL may, in its sole discretion, terminate the Share Purchase and Loan Novation Agreement and neither the Company nor MRL shall have any claim against each other under it.

6. VALUATION

Based on the balance sheet as at 30 April 2008, as extracted from the unaudited consolidated management accounts of ASLE, the book value of the Sale Shares based on the unaudited consolidated net tangible asset value of ASLE is US\$9,340,174 or approximately S\$12,786,698 and the amount of the outstanding principal attributable to the Shareholder Loan as recorded in the unaudited management accounts is S\$12,500,000.

7. FINANCIAL EFFECTS

- 7.1 **Net Profits.** The net profits after tax attributable to the Sale Shares for the financial year ended 30 June 2007 was \$50,049.
- 7.2 **Assumptions.** For illustrative purposes only, the financial effects of the Proposed Disposal on the net tangible assets (“NTA”) per Share and earnings per Share, based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2007, are set out below.
- 7.3 **NTA.** Assuming that the Proposed Disposal had been completed on 30 June 2007, being the end of the most recently completed financial year, and based on the Group’s audited consolidated financial statements as at 30 June 2007, the effect on the NTA per Share of the Group as at 30 June 2007 would be as follows:

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$’000)	\$152,914	\$162,600
NTA per share ¹ (cents)	59.68	63.46

Note:

¹ Based on 256,206,000 ordinary shares in issue as at 30 June 2007

- 7.4 **Earnings.** Assuming that the Proposed Disposal had been completed on 01 July 2006, being the beginning of the most recently completed financial year, and based on the Group’s audited consolidated financial statements for the financial year ended 30 June 2007, the effect on the earnings per Share of the Group for the financial year ended 30 June 2007, would be as follows:

	Before Proposed Disposal	After Proposed Disposal
Profit after tax and minority interests (S\$'000)	\$40,248	\$49,883
Earnings per Share (cents) ¹ - Basic	16.01	19.85
Earnings per Share (cents) ² - Diluted	14.66	18.17

Note:

¹ Based on weighted average of 251,347,249 ordinary shares in issue during the financial year ended 30 June 2007

² Based on weighted average of 274,585,892 ordinary shares in issue during the financial year ended 30 June 2007

8. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 (“**Rule 1006**”) of the listing manual of the SGX-ST (the “**Listing Manual**”), are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value ¹ of the Sale Shares compared with the net asset value of the Group based on the latest announced consolidated accounts as at 31 March 2008	5.9%
(b)	Net loss ² attributable to the Sale Shares compared with the Group’s profits, based on the latest announced consolidated accounts, being the nine month period ended 31 March 2008	-0.5%
(c)	Aggregate value of the consideration for sale of the Sale Shares compared with market capitalisation ³ of the Company as at 10 June 2008	5.8%
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable

Note:

¹ The net asset value of the Sale Shares as at 31 March 2008 was S\$12.7 million. The Group’s net asset value as at 31 March 2008 was S\$214.8 million.

² The net loss attributable to the Sale Shares for nine month period ended 31 March 2008 was S\$0.25 million. The Group’s net profit for the nine month period ended 31 March 2008 was S\$49.5 million.

³ The market capitalisation of the Company is based on 300,876,002 shares in issue as at 10 June 2008, being the market day preceding the date of this Announcement at a weighted average price of \$1.2796 per share.

As the relative figures under Rule 1006(a) and 1006(c) exceed 5 per cent. but do not exceed 20 per cent., the Proposed Disposal constitutes a discloseable transaction as defined in Chapter 10 of the Listing Manual.

9. FURTHER INFORMATION RELATING TO THE PROPOSED DISPOSAL

- 9.1 **Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 9.2 **Interests of Directors and Controlling Shareholders.** None of the directors and controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal.
- 9.3 **Documents for Inspection.** Copies of the Share Purchase and Loan Novation Agreement dated 11 June 2008 are available for inspection by Shareholders during normal business hours at the registered address of the Company at 19 Pandan Road, Singapore 609271, for three months from the date of this announcement.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
11 June 2008