



Proposed Acquisition of Property and Vessels

The Board of Directors of ASL Marine Holdings Ltd. (the "Company" or "ASL Marine") is pleased to announce:

- (1) the Company's subsidiary, ASL Shipyard Pte Ltd ("**ASL Shipyard**") has, on 28 September 2010, entered into a put and call option agreement (the "**Option Agreement**") with Koon Construction & Transport Co. Pte Ltd ("**KCTC**") relating to the purchase of the leasehold property (the "**Property**") located at 17B Pandan Road, Singapore (the "**Property Purchase**"). Under the Option Agreement, ASL Shipyard may exercise the call option to purchase the Property one week from the date ASL Shipyard receives evidence that all relevant approvals have been obtained. If ASL Shipyard does not exercise the call option within such timeframe, KCTC may, within one week thereafter, exercise the put option to require ASL Shipyard to purchase the Property; and
- (2) the Company's subsidiary, Capitol Shipping Pte Ltd ("**Capitol Shipping**") has on 28 September 2010, entered into a sale and purchase agreement with Gems Marine Pte Ltd ("**Gems Marine**") relating to the purchase of 21 vessels (the "**Vessels Purchase**") comprising tugboats and barges (the "**Vessels**"),

((1) and (2) collectively, the "**Proposed Acquisition**")

KCTC and Gems Marine are both members of the Koon Holdings Limited's group of companies (the "**KHL Group**").

The completion of the Property Purchase and the Vessels Purchase are both subject to, *inter alia*, the approval of the shareholders of KHL Group in general meeting being obtained for the Property Purchase and the Vessels Purchase.

In addition, the completion of the Property Purchase is also conditional upon KCTC and ASL Shipyard obtaining the relevant approval of JTC for the sale and purchase of the Property including the extension of lease period.

Rationale of the Proposed Acquisition

Property Purchase

Adjacent to ASL Shipyard's current yard, the leasehold property at 17B Pandan Road, Singapore comprises a 4-storey office building with an adjoining single-storey workshop and an open-sided workshop building. The proposed acquisition of the Property is in line with the overall strategy of the Company and its subsidiaries (the "**Group**") to strengthen and expand its shipbuilding and shiprepair capability and capacity.

In view of the scarcity of water-front land in Singapore and the close proximity of the leasehold property to the Group's premises, the Property Purchase will provide a good opportunity for the Group to expand its capacity and berthing space to support the

growing demand for the ship repair and upgrading of ships and other floating structure from the marine and offshore sector.

Vessels Purchase

The proposed acquisition of the Vessels is part of the Group's on-going strategy to enhance its fleet for its ship chartering operations.

Purchase Price and Consideration

The purchase price of the Property is S\$7.5 million and was arrived at on a willing buyer-willing seller basis. A valuation was commissioned by ASL Shipyard in August 2010 which stated the open market value of the unexpired lease term of the Property of approximately 15 years is S\$7.5 million. Such valuation took into account the prevailing market conditions and all other relevant factors.

The purchase price of the Vessels is S\$7.13 million and was arrived at on a willing buyer-willing seller basis.

In respect of the Property Purchase, a deposit of S\$375,000 together with GST thereon has been paid by ASL Shipyard upon the execution of the Option Agreement. The balance of the purchase price for the Property and the purchase price of the Vessels will be paid in cash at completion. The total purchase price of the Property and the Vessels will be funded through a combination of borrowings and internal resources.

Relative Figures under Rule 1006 of the Listing Manual

The relative figures of the proposed acquisition of the Property computed on the bases set out in Rule 1006 (b) and (c)¹ under Chapter 10 of the listing manual ("**Listing Manual**") of the SGX-ST are below 5%.

Pursuant to the definition set out in Rule 1002(1) of the Listing Manual, the Vessels Purchase is in the ordinary course of the Group's business and is therefore excluded from the application of Chapter 10.

Financial Effect

The Proposed Acquisition is not expected to have a material financial impact on the consolidated net tangible asset and earnings per share of the Group for the financial year ending 30 June 2011.

¹ Rule 1006 (a) and (d) are not applicable.

Interest of Directors or Controlling Shareholders of ASL Marine

Mr Ang Kok Tian, Mr Ang Ah Nui, Mr Ang Kok Eng and Mr Ang Kok Leong are the executive directors of ASL Marine. Mr Ang Kok Tian, Mr Ang Ah Nui, Mr Ang Kok Eng, Mr Ang Kok Leong together with their father, Mr Ang Sin Liu and their sister, Ms Ang Swee Kuan (collectively known as “**Ang Family**”) are controlling shareholders of ASL Marine and they are interested in approximately 65.29% of the share capital of ASL Marine.

The Ang Family collectively has less than 30% interest in the share capital of KHL Group. Mr Ang Sin Liu has an aggregate interest in 29.14% of the share capital of KHL Group, comprising a direct interest of approximately 23.92% and a deemed interest of approximately 5.22% in the share capital of KHL Group.

Mr Ang Kok Tian, Mr Ang Ah Nui, Mr Ang Kok Eng and Mr Ang Kok Leong have abstained from voting in the decision with respect to the Proposed Acquisition.

Mr Christopher Chong Meng Tak, being an independent non-executive director of ASL Marine and Koon Holdings Limited, has also abstained from voting in the decision with respect to the Proposed Acquisition.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
28 September 2010