



PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. INTRODUCTION

The Board of Directors of ASL Marine Holdings Ltd. (the “**Company**”) wishes to announce that the Company proposes to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 209,755,647 new ordinary shares in the share capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.12 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the share capital of the Company (the “**Shares**”) held by Entitled Shareholders (as defined in paragraph 2.4 below) as at a books closure date to be determined by the Board (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Rights Shares will be issued pursuant to the share issue mandate which was approved by shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 29 October 2015.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Basis of Provisional Allotment

The Rights Issue is proposed to be made on a renounceable non-underwritten basis to Entitled Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares, as at the Books Closure Date, fractional entitlements to be disregarded.

2.2 Issue Price

The Issue Price of S\$0.12 represents:

- (a) a discount of approximately 40% to the closing market price of S\$0.20 per Share on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 26 August 2016, being the immediate market day (on which trades were recorded) prior to the date of this announcement; and
- (b) a discount of approximately 31% to the theoretical ex-rights price of S\$0.18, being the immediate market day (on which trades were recorded) prior to the date of this announcement.

2.3 Size of the Rights Issue

As at the date of this announcement, the Company has an issued share capital comprising 419,511,294 Shares (excluding 2,511,600 treasury shares). Assuming no new Shares are issued on or before the Books Closure Date, up to 209,755,647 Rights Shares will be issued pursuant to the Rights Issue.

2.4 Eligibility of Shareholders to Participate in the Rights Issue

The Company proposes to provisionally allot nil-paid Rights Shares to all Shareholders who are eligible to participate in the Rights Issue (“**Entitled Shareholders**”), comprising Entitled Depositors (as defined below) and Entitled Scripholders (as defined below).

2.5 Entitled Depositors

Shareholders whose Shares are registered in the name of The Central Depository (Pte) Limited (“**CDP**”) and whose securities accounts with CDP are credited with Shares as at the

Books Closure Date will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Books Closure Date. To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as at the Books Closure Date or must have, 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.

2.6 Entitled Scripholders

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Books Closure Date by M & C Services Private Limited (the “**Share Registrar**”), will be registered to determine the provisional entitlements of the transferee (“**Scripholder**”, which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights Issue. To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore as at the Books Closure Date or must have, 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.

2.7 Foreign Shareholders

For practical reasons and in order to avoid violation of relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not at least three (3) market days prior to the Books Closure Date, provided to the Company, CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The Offer Information Statement (details set out below) to be issued for the Rights Issue and its accompanying documents will not be mailed to addresses outside Singapore. Accordingly, no provisional allotments of the nil-paid Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid. Entitlements to nil-paid Rights Shares which would otherwise accrue to Foreign Shareholders will, if practicable, be sold “nil-paid” on the SGX-ST after dealings in the provisional allotments of nil-paid Rights Shares commence.

Such sales may, 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 as at the Books Closure Date and sent to them at their own risk 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 or CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares 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, CDP and their respective officers of such sales or the proceeds thereof, of such provisional allotments of nil-paid Rights Shares represented by such provisional allotments.

2.8 Status and Ranking

The Rights Shares will be payable in full upon acceptance and/or application and, upon issue and allotment, will rank *pari passu* in all respects with the Shares then in issue, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares. For this purpose, “**Record Date**” means, 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 the 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.

2.9 Provisional Allotments

Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the nil-paid Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue.

Provisional allotments of Rights Shares which are not taken up for any reason shall be used to satisfy excess applications for Rights Shares (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for excess Rights Shares (if any), provided that where there are insufficient excess Rights Shares to allot to each application, the Company shall allot the excess Rights Shares to Entitled Shareholders such that 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 either be ineligible for excess Rights Shares, or if eligible, rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

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

2.10 CPFIS

Shareholders who have previously purchased Shares using their Central Provident Fund (“**CPF**”) account savings (“**CPF Funds**”) under the Central Provident Fund Investment Scheme (“**CPFIS**”) may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of nil-paid Rights Shares and (if applicable) to apply for excess Rights Shares, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with the terms and conditions in the Offer Information Statement. CPF Funds may not be used to purchase provisional allotments of nil-paid Rights Shares directly from the market.

2.11 Non-Underwritten Rights Issue

In light of the Irrevocable Undertakings (as defined in paragraph 4 below), the savings in costs by the Company in respect of underwriting fees and commission, and there being no minimum amount to be raised from the Rights Issue, the Directors of the Company (the “**Directors**”) have decided to proceed with the Rights Issue on a non-underwritten basis.

2.12 Offer Information Statement

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be lodged with the Monetary Authority of Singapore, and despatched to Entitled Shareholders in due course.

3. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

3.1 Rationale

The Company intends to undertake the Rights Issue to raise funds to strengthen the financial position and capital base of the Company. The Rights Issue will also provide Shareholders with an opportunity to further participate in the equity of the Company by lowering their average costs of shares in the Company.

3.2 Use of Proceeds

3.2.1 Based on the existing issued share capital comprising 419,511,294 Shares (excluding 2,511,600 treasury shares), on the assumption that all of the Entitled Shareholders subscribe in full for their provisional entitlements of Rights Shares, 209,755,647 Rights Shares will be issued pursuant to the Rights Issue (the “**Maximum Subscription Scenario**”). Under the Maximum Subscription Scenario, the net proceeds from the subscription of the Rights Shares (the “**Net Proceeds**”) is approximately S\$24,950,000 after deducting approximately S\$220,000 for professional fees and related expenses incurred in connection with the Rights Issue.

3.2.2 Based on the existing issued share capital comprising 419,511,294 Shares (excluding 2,511,600 treasury shares), on the assumption that only the Undertaking Shareholders subscribe for the Rights Shares pursuant to the Irrevocable Undertakings, 140,997,650 Rights Shares will be issued pursuant to the Rights Issue (the “**Minimum Subscription Scenario**”). Under the Minimum Subscription Scenario, the Net Proceeds is approximately S\$16,759,000 after deducting approximately S\$160,000 for professional fees and related expenses incurred in connection with the Rights Issue.

3.2.3 The Company intends to use the Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Minimum Subscription Scenario (S\$'000)	Maximum Subscription Scenario (S\$'000)
Working capital	100	16,759	24,950

Using 100% of the Net Proceeds for the Company's working capital will provide the Company with greater operational and financial flexibility to adapt and respond to the challenging economic conditions.

As the redemption in respect of the S\$100 million in principal amount of fixed rate notes (“**FRN Series 006**”) issued under the Company's S\$500 million multicurrency debt issuance programme is due in March 2017, the Company may seek additional facility loans from banks for the redemption of such notes. The Company believes that its bankers will continue to support the Company and grant the Company's request for the additional facility loans. Accordingly, the Company is of the view that the Net Proceeds raised will be sufficient to meet the present funding requirements.

3.2.4 Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of Net Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the Net Proceeds in the annual report of the Company. Where there is a material deviation in the use of Net Proceeds, the Company will state the reasons for such deviation.

4. IRREVOCABLE UNDERTAKING

4.1 As at the date of this announcement, the number of Shares held and the percentage proportion held in the Company's issued and paid-up share capital by each of the Undertaking Shareholders (as defined in paragraph 4.2 below) is as follows:

	No. of Shares		
	Direct Interest	Deemed Interest	Total Interest
Ang Kok Tian	58,775,200	223,220,100	281,995,300
Ang Ah Nui	45,440,000	236,555,300	281,995,300
Ang Kok Eng	49,199,400	232,795,900	281,995,300
Ang Kok Leong	48,561,000	233,434,300	281,995,300
Ang Sin Liu	39,088,900	242,906,400	281,995,300
Ang Swee Kuan	18,130,000	263,865,300	281,995,300

As Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong are brothers (the "**Ang Brothers**"), each of the Ang Brothers is deemed to have an interest in the Shares held by each other. As Ang Sin Liu is the father of the Ang Brothers and Ang Swee Kuan, each of them is deemed to have an interest in the Shares held by each other. As Ang Swee Kuan is the sister of the Ang Brothers and the daughter of Ang Sin Liu, each of them is deemed to have an interest in the Shares held by each other.

In addition, 16,621,200 Shares which Ang Ah Nui has a deemed interest in are registered in the name of a nominee and 6,179,600 Shares which Ang Sin Liu has a deemed interest in are registered in the name of a nominee.

4.2 As an indication of their support and commitment to the Company, each of Mr. Ang Kok Tian, Mr. Ang Ah Nui, Mr. Ang Kok Eng, Mr. Ang Kok Leong, Mr. Ang Sin Liu and Ms. Ang Swee Kuan (each an "**Undertaking Shareholder**" and collectively, the "**Undertaking Shareholders**") has provided irrevocable undertakings (each an "**Irrevocable Undertaking**" and collectively, the "**Irrevocable Undertakings**") to the Company, which include, *inter alia*, the following conditions:

- (a) prior to the Books Closure Date, each of them shall not, and shall ensure that such entities holding their respective proportion of the Shares (the "**Relevant Entities**") shall not transfer nor otherwise dispose of all or any part of their respective proportion of the Shares;
- (b) as at the Books Closure Date, each of the Undertaking Shareholders shall hold, and shall ensure that the Relevant Entities continue to hold their respective proportion of the Shares and maintain their direct or deemed interest in the respective proportion of the Shares;
- (c) each of the Undertaking Shareholders shall, and shall ensure that the Relevant Entities shall subscribe and pay for:
 - (i) all of their rights entitlements through their direct and deemed interest in their respective proportion of the Shares as at the Books Closure Date;
 - (ii) an excess share application for all the Rights Shares excluding (c)(i) above; and

- (iii) all of the Rights Shares at the Issue Price which remain unsubscribed after satisfying all the valid applications and excess applications (if any) for the Rights Shares,
- (d) each of the Undertaking Shareholders shall, and shall ensure that the Relevant Entities shall deposit such sums of money with the Company, the aggregate value of which shall be approximately S\$12 million, to partially fulfil their respective obligations pursuant to paragraph 4.2(c) above;
- (e) prior to the Books Closure Date, each of them shall, and shall ensure that the Relevant Entities, have a registered address in Singapore (as set out in the register of members of the Company or the records of The Central Depository (Pte) Limited (“CDP”)), or have at least 3 market days prior to the Books Closure Date, provided to the Company or CDP, addresses in Singapore for the service of notices and documents in connection with the Rights Issue; and
- (f) each of them shall, and shall ensure that the Relevant Entities adhere to the instructions provided by the Company and CDP in relation to the subscription and payment procedures to satisfy their respective obligations pursuant to this paragraph 4.

For the avoidance of doubt and for the purpose of this paragraph 4.2, “deemed interest” shall be taken to mean the interest in such proportion of Shares held by way of a nominee for and on behalf of an Undertaking Shareholder, excluding the deemed interest that such Undertaking Shareholder may have in another Undertaking Shareholder’s Shares.

- 4.3** On the assumption that the Rights Issue is fully subscribed and no new Share is issued on or prior to completion of the Rights Issue, upon completion of the Rights Issue, the Undertaking Shareholders will have a total interest in approximately 67.22% of the enlarged share capital of the Company.
- 4.4** On the assumption that there are zero subscription applications for the Rights Shares, no new Share is issued on or prior to completion of the Rights Issue and the Undertaking Shareholders subscribe for 140,997,650 Rights Shares, the Undertaking Shareholders’ interest in the issued share capital of the Company will increase from 67.22% to 75.47%.

5. APPROVALS

5.1 The Rights Issue is subject to, amongst others, the following:

- (a) the receipt of the in-principle approval of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST;
- (b) lodgement of the Offer Information Statement with the Monetary Authority of Singapore; and
- (c) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights Issue and to give effect to the Rights Issue being obtained and not having been revoked or amended before the closing date.

5.2 An application will be made by the Company to the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST. The Company will release an announcement on the outcome of the application in due course.

6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and other than their respective shareholding interests in the Company, none of the Directors and substantial shareholders of the Company has any interests, direct or indirect, in the Rights Issue.

7. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement 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 announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

8. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution in trading in the Company's Shares as there is no certainty or assurance that the proposed Rights Issue will materialise. Shareholders and investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director

29 August 2016