



UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 months ended 30 June			12 months ended 30 June		
	4Q FY2008 \$'000	4Q FY2007 \$'000	Increase/ (Decrease) %	FY2008 \$'000	FY2007 \$'000	Increase/ (Decrease) %
Shipbuilding	70,908	50,528	40.3	244,255	202,755	20.5
Shiprepair and other marine related services	21,242	12,573	68.9	68,226	43,480	56.9
Shipchartering and rental	23,228	21,439	8.3	87,959	72,167	21.9
Total revenue	115,378	84,540	36.5	400,440	318,402	25.8
Cost of sales	(95,974)	(67,855)	41.4	(327,813)	(266,237)	23.1
Gross profit	19,404	16,685	16.3	72,627	52,165	39.2
Other operating income	5,243	1,388	277.7	14,438	8,839	63.3
Administrative expenses	(2,958)	(2,899)	2.0	(10,378)	(9,360)	10.9
Other operating expenses	(629)	(341)	84.5	(2,031)	(2,125)	(4.4)
Finance costs	(1,342)	(1,228)	9.3	(5,328)	(4,615)	15.4
Share of results of jointly-controlled entities and associate	639	98	552.0	529	229	131.0
Profit before tax	20,357	13,703	48.6	69,857	45,133	54.8
Tax expense	(1,850)	(587)	215.2	(9,414)	(4,100)	129.6
Profit for the period/ year	18,507	13,116	41.1	60,443	41,033	47.3
Attributable to:						
Equity holders of the Company	18,149	12,939	40.3	60,296	40,248	49.8
Minority interests	358	177	102.3	147	785	(81.3)
	18,507	13,116	41.1	60,443	41,033	47.3

Net profit for the year was stated after crediting/ (charging):-

	Group		Group	
	<u>3 months ended 30 June</u>		<u>12 months ended 30 June</u>	
	4Q	4Q	FY2008	FY2007
	FY2008	FY2007	FY2008	FY2007
	\$'000	\$'000	\$'000	\$'000
Allowance for doubtful trade receivables	(509)	(611)	(818)	(1,219)
Allowance for doubtful non-trade receivables	-	-	(35)	-
Write back of allowance for doubtful trade receivables	9	19	1,034	205
Amortisation of lease prepayments	(49)	(50)	(197)	(201)
Bad debts written off	-	-	(1)	-
Depreciation of property, plant and equipment	(5,074)	(4,077)	(20,191)	(14,581)
Fair value gain on forward currency contracts and interest rate swap	127	10	826	21
Gain on disposal of property, plant and equipment	4,803	766	9,631	7,391
Impairment loss on property, plant and equipment	-	(117)	-	(117)
Interest income	206	97	1,519	589
Gain /(loss) on foreign exchange (net)	(99)	372	(1,460)	(889)
Property, plant and equipment written off	(30)	(2)	(699)	(18)
Share-based payments expense	-	-	-	(37)
Adjustment for (under)/over provision of tax in respect of prior years				
- Current tax expense	522	179	221	600
- Deferred tax expense	-	-	(650)	(59)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Jun-08 \$'000	30-Jun-07 \$'000	30-Jun-08 \$'000	30-Jun-07 \$'000
Non-current assets				
Property, plant and equipment	255,458	216,391	148	305
Lease prepayments	4,246	4,458	-	-
Subsidiaries	-	-	22,465	20,370
Interest in jointly-controlled entities and associate	1,050	21,476	534	26,540
Finance lease receivables	1,238	235	-	-
	261,992	242,560	23,147	47,215
Current assets				
Inventories	22,759	10,681	-	-
Assets held for sale	34,572	-	26,540	-
Construction work-in-progress	64,125	36,091	-	-
Trade and other receivables	100,739	94,436	240	26
Finance lease receivables	1,372	2,223	-	-
Amount due from related parties	6,332	10,013	70,909	50,893
Derivative financial instruments	13,919	500	-	72
Cash and cash equivalents	102,995	47,668	26,832	446
	346,813	201,612	124,521	51,437
Current liabilities				
Trade and other payables	102,460	74,685	577	371
Progress billings in excess of construction work-in-progress	105,601	70,813	-	-
Amount due to related parties	-	-	5,767	18,774
Loan from minority shareholders of subsidiaries	1,899	-	-	-
Trust receipts	-	24,151	-	-
Interest-bearing loans & borrowings	26,831	41,537	23	6,013
Derivative financial instruments	3,844	2,940	118	-
Current tax liabilities	7,293	4,301	75	29
	247,928	218,427	6,560	25,187
Net current assets/ (liabilities)	98,885	(16,815)	117,961	26,250
Non-current liabilities				
Loan from minority shareholders of subsidiaries	(1,397)	(3,649)	-	-
Interest-bearing loans & borrowings	(109,800)	(59,800)	(50,069)	(5,695)
Deferred tax liabilities	(9,484)	(5,551)	-	-
	(120,681)	(69,000)	(50,069)	(5,695)
Net assets	240,196	156,745	91,039	67,770
Share capital	82,725	58,430	82,725	58,430
Reserves	153,770	94,484	8,314	9,340
	236,495	152,914	91,039	67,770
Minority interests	3,701	3,831	-	-
Total equity	240,196	156,745	91,039	67,770

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30-Jun-08		As at 30-Jun-07	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
26,831	-	25,837	39,851

Amount repayable after one year

As at 30-Jun-08		As at 30-Jun-07	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
59,800	50,000	59,800	-

Details of any collateral

The Group's secured borrowings comprised term loans and finance leases which are secured by way of:

- Corporate guarantees from the Company and certain subsidiaries
- Legal mortgages over certain leasehold properties of subsidiaries
- Legal mortgages over certain vessels, plant and equipment of subsidiaries
- Assignment of charter income and insurance of certain vessels of subsidiaries

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group <u>3 months</u> <u>ended 30 June</u>		Group <u>12 months</u> <u>ended 30 June</u>	
	4Q FY2008 \$'000	4Q FY2007 \$'000	FY2008 \$'000	FY2007 \$'000
Cash flows from operating activities				
Profit before tax	20,357	13,703	69,857	45,133
Adjustments for:				
Amortisation of lease prepayments	49	50	197	201
Allowance for/ (write back of) doubtful receivables	500	592	(181)	1,014
Allowance for doubtful trade receivables written off	-	(215)	-	(215)
Bad debts written off (trade)	-	-	1	-
Depreciation of property, plant & equipment	5,074	4,077	20,191	14,581
Fair value gain on forward currency contracts and interest rate swap	(127)	(10)	(826)	(21)
Gain on disposal of property, plant and equipment	(4,803)	(766)	(9,631)	(7,391)
Impairment loss on property, plant and equipment	-	117	-	117
Interest expense	1,342	1,228	5,328	4,615
Interest income	(206)	(97)	(1,519)	(589)
Loss on dissolution of a subsidiary	-	-	52	85
Property, plant and equipment written off	30	2	699	18
Provisions	500	(830)	600	270
Share of results of jointly-controlled entities and associate	(639)	(98)	(529)	(229)
Share-based payments expense	-	-	-	37

Operating profit before working capital changes	22,077	17,753	84,239	57,626
Changes in working capital:				
Inventories	2,959	(2,907)	(12,078)	(1,826)
Assets held for sale	(11,579)	-	(11,579)	-
Construction work-in-progress and progress billings in excess of construction work-in-progress	(32,808)	23,408	7,695	11,689
Trade and other receivables	(35,218)	(30,674)	(6,113)	(35,110)
Trade and other payables	8,556	5,087	27,676	14,354
Balances with related parties (trade)	2,161	(88)	4,281	(6,592)
Cash (used in)/ generated from operations	(43,852)	12,579	94,121	40,141
Tax refund/ (paid)	57	(26)	(4,214)	(1,777)
Net cash (used in)/ generated from operating activities	(43,795)	12,553	89,907	38,364
Cash flows from investing activities				
Interest received	206	97	1,519	589
Investment in associate	(87)	-	(621)	-
Purchase of property, plant & equipment	(17,287)	(26,740)	(91,980)	(105,979)
Proceeds from disposal of property, plant and equipment	11,226	5,486	37,577	42,769
Lease prepayments	-	-	-	(1,000)
Return of capital upon dissolution of a subsidiary	-	-	-	(749)
Balances with related parties (non trade)	212	382	(600)	(1,385)
Net cash used in investing activities	(5,730)	(20,775)	(54,105)	(65,755)
Cash flows from financing activities				
Interest paid	(1,322)	(1,366)	(5,246)	(4,531)
Dividend paid	-	-	(8,317)	(5,516)
Repayment of interest-bearing loans and borrowings	(23,189)	(31,941)	(88,388)	(55,186)
Proceeds from interest-bearing loans and borrowings	60,483	42,761	122,777	84,586
Repayment of finance lease liabilities	(144)	(86)	(490)	(235)
Proceeds from/ (increase in) finance lease receivables	263	1,426	(152)	3,113
Contributions from minority interests of subsidiaries	-	1,034	-	1,587
Proceeds from issue of shares	306	2,245	23,679	3,681
Loan from minority shareholders of subsidiaries	1,488	214	1,488	2,167
Repayment of loan to minority shareholders of subsidiaries	(1,414)	-	(1,531)	(1,262)
Repayment of trust receipts	(4,765)	(10,649)	(59,627)	(36,132)
Proceeds from trust receipts	-	20,846	35,476	54,199
Net cash generated from financing activities	31,706	24,484	19,669	46,471
Net (decrease)/ increase in cash and cash equivalents	(17,819)	16,262	55,471	19,080
Cash and cash equivalents at beginning of period/ year	120,900	31,395	47,668	28,629
Effects of exchange rate changes on opening cash and cash equivalents	(86)	11	(144)	(41)
Cash and cash equivalents at end of period/ year	102,995	47,668	102,995	47,668

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the period ended 30-Jun-08 and 30-Jun-07

<u>Group</u>	Attributable to equity holders of the Company								
	Share capital	Capital reserve	Employee share option reserve	Foreign currency translation reserve	Hedging reserve	Accumulated profits	Total reserves	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1-Jul-07	58,430	595	78	(1,656)	(2,375)	97,842	94,484	3,831	156,745
Net change in hedging reserve	-	-	-	-	9,888	-	9,888	(35)	9,853
Net effect of exchange differences	-	-	-	(1,965)	-	-	(1,965)	(242)	(2,207)
Net income and expenses recognized directly in equity	-	-	-	(1,965)	9,888	-	7,923	(277)	7,646
Profit for the year	-	-	-	-	-	60,296	60,296	147	60,443
Total recognised income and expenses for the year	-	-	-	(1,965)	9,888	60,296	68,219	(130)	68,089
Dividends on ordinary shares	-	-	-	-	-	(8,317)	(8,317)	-	(8,317)
Issue of shares under ESOS ¹	142	-	(24)	-	-	-	(24)	-	118
Issue of shares under warrants	24,153	(592)	-	-	-	-	(592)	-	23,561
Transfer of capital reserve on expired warrants	-	(3)	-	-	-	3	-	-	-
Balance at 30-Jun-08	82,725	-	54	(3,621)	7,513	149,824	153,770	3,701	240,196
Balance at 1-Jul-06	54,437	660	288	(1,207)	2,163	63,110	65,014	2,236	121,687
Net change in hedging reserve	-	-	-	-	(4,538)	-	(4,538)	(18)	(4,556)
Net effect of exchange differences	-	-	-	(449)	-	-	(449)	(10)	(459)
Net expenses recognised directly in equity	-	-	-	(449)	(4,538)	-	(4,987)	(28)	(5,015)
Profit for the year	-	-	-	-	-	40,248	40,248	785	41,033
Total recognised income and expenses for the year	-	-	-	(449)	(4,538)	40,248	35,261	757	36,018
Dividends on ordinary shares	-	-	-	-	-	(5,516)	(5,516)	-	(5,516)
Recognition of equity-settled share options to employees	-	-	37	-	-	-	37	-	37
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	1,587	1,587
Issue of shares under ESOS ¹	1,339	-	(247)	-	-	-	(247)	-	1,092
Issue of shares under warrants	2,654	(65)	-	-	-	-	(65)	-	2,589
Effect of dissolution of a subsidiary	-	-	-	-	-	-	-	(749)	(749)
Balance at 30-Jun-07	58,430	595	78	(1,656)	(2,375)	97,842	94,484	3,831	156,745

Statement of Changes in Equity for the period ended 30-Jun-08 and 30-Jun-07

<u>Company</u>	Attributable to equity holders of the Company						
	Share capital \$'000	Capital reserve \$'000	Employee share option reserve \$'000	Hedging reserve \$'000	Accumulated Profits \$'000	Total reserves \$'000	Total Equity \$'000
Balance at 1-Jul-07	58,430	595	78	72	8,595	9,340	67,770
Net change in hedging reserve	-	-	-	(190)	-	(190)	(190)
Net expenses recognised directly in equity	-	-	-	(190)	-	(190)	(190)
Profit for the year	-	-	-	-	8,097	8,097	8,097
Total recognised income and expenses for the year	-	-	-	(190)	8,097	7,907	7,907
Dividends on ordinary shares	-	-	-	-	(8,317)	(8,317)	(8,317)
Issue of shares under ESOS ¹	142	-	(24)	-	-	(24)	118
Issue of shares under warrants	24,153	(592)	-	-	-	(592)	23,561
Transfer of capital reserve on expired warrants	-	(3)	-	-	3	-	-
Balance at 30-Jun-08	82,725	-	54	(118)	8,378	8,314	91,039
Balance at 1-Jul-06	54,437	660	288	394	7,704	9,046	63,483
Net change in hedging reserve	-	-	-	(322)	-	(322)	(322)
Net expenses recognised directly in equity	-	-	-	(322)	-	(322)	(322)
Profit for the year	-	-	-	-	6,407	6,407	6,407
Total recognised income and expenses for the year	-	-	-	(322)	6,407	6,085	6,085
Dividends on ordinary shares	-	-	-	-	(5,516)	(5,516)	(5,516)
Recognition of equity-settled share options to employees	-	-	37	-	-	37	37
Issue of shares under ESOS ¹	1,339	-	(247)	-	-	(247)	1,092
Issue of shares under warrants	2,654	(65)	-	-	-	(65)	2,589
Balance at 30-Jun-07	58,430	595	78	72	8,595	9,340	67,770

¹ ASL Employee Share Option Scheme

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Ordinary Shares	ASL Employee Share Option Scheme ("ESOS")	Warrants
Balance as at 1-Jul-07	256,206,000	809,000	44,615,000
Number of ESOS exercised	215,000	(215,000)	-
Number of warrants exercised	44,455,002	-	(44,455,002)
Number of warrants expired	-	-	(159,998)
Balance as at 30-Jun-08	300,876,002	594,000	-

The total number of shares that may be issued on exercise of all outstanding share options granted under the ESOS are as follows:-

Category	Vesting Period	Exercise Period	Exercise Price	ESOS outstanding as at 30-Jun-08	ESOS outstanding as at 30-Jun-07
<u>Employees</u>					
	18-Dec-04	18-Dec-04 to 17-Dec-13	\$0.55	-	80,000
	18-Dec-05	18-Dec-05 to 17-Dec-13	\$0.55	3,000	67,000
	18-Dec-06	18-Dec-06 to 17-Dec-13	\$0.55	91,000	162,000
				94,000	309,000
<u>Independent Directors</u>					
	18-Dec-04	18-Dec-04 to 17-Dec-08	\$0.55	200,000	200,000
	18-Dec-05	18-Dec-05 to 17-Dec-08	\$0.55	150,000	150,000
	18-Dec-06	18-Dec-06 to 17-Dec-08	\$0.55	150,000	150,000
				500,000	500,000
Total				594,000	809,000

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial year reported as in the last audited financial statements.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share based on net profit attributable to shareholders:-	Group 3 months ended 30 June		Group 12 months ended 30 June	
	4QFY2008	4QFY2007	FY2008	FY2007
(i) Based on weighted average number of ordinary shares in issue	6.03cts	5.09cts	21.09cts	16.01cts
(ii) On a fully diluted basis	6.02cts	4.69cts	20.41cts	14.66cts

Note to item 6 (i):

The calculation of basic earnings per ordinary share for 4Q FY2008 is based on weighted average of 300,868,529 (FY2007: 253,949,538) ordinary shares in issue during the quarter.

The calculation of basic earnings per ordinary share for the 12 months period is based on weighted average of 285,931,421 (FY2007: 251,347,249) ordinary shares in issue during the year.

Note to item 6 (ii):

The calculation of fully diluted earnings per ordinary share for 4Q FY2008 is based on weighted average of 301,234,980 (FY2007: 275,999,268) ordinary shares in issue during the quarter, adjusted for the effect arising from share options and warrants of 366,451 (FY2007: 22,049,730) shares.

The calculation of fully diluted earnings per ordinary share for the 12 months period is based on weighted average of 295,357,457 (FY2007: 274,585,892) ordinary shares in issue during the year, adjusted for the effect arising from share options and warrants of 9,426,036 (FY2007: 23,238,643) shares.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Jun-08	30-Jun-07	30-Jun-08	30-Jun-07
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates	78.60 cents	59.68 cents	30.26 cents	26.45 cents

Note:

The calculation of net asset value of the Group and of the Company is based on 300,876,002 (30-Jun-07: 256,206,000) ordinary shares in issue as at the respective balance sheet dates.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF GROUP PERFORMANCE

(a) FY2008 vs FY2007

Group	FY2008			FY2007			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	244,255	25,120	10.3	202,755	17,072	8.4	41,500	20.5	8,048	47.1
Shiprepair and other marine related services	68,226	21,244	31.1	43,480	10,686	24.6	24,746	56.9	10,558	98.8
Shipchartering and rental	87,959	26,263	29.9	72,167	24,407	33.8	15,792	21.9	1,856	7.6
	400,440	72,627	18.1	318,402	52,165	16.4	82,038	25.8	20,462	39.2

Revenue

The Group's revenue increased by 25.8% from \$318.4 million for the year ended 30 June 2007 ("FY2007") to \$400.4 million for the year ended 30 June 2008 ("FY2008"). The Group achieved higher revenue for all three segments.

Shipbuilding revenue was 20.5% higher mainly due to the progressive recognition of more and higher value shipbuilding projects undertaken. Progressive recognition of shipbuilding revenue commences when the work-in-progress reaches the 10% recognition threshold.

Shiprepair revenue increased significantly by 56.9% mainly due to increased number of higher value shiprepair and ship conversion jobs undertaken.

Shipchartering revenue was 21.9% higher in tandem with expanded fleet size. The Group has a fleet size of 180 vessels (61 tugs, 4 anchor handling tugs and 115 barges) as at 30 June 2008 as compared to 158 vessels (60 tugs, 1 anchor handling tug and 97 barges) as at 30 June 2007

Gross profit and gross profit margin

The Group's gross profit was 39.2% higher with increased earnings from all three segments. The Group achieved a higher overall gross margin of 18.1% for FY2008 as compared to 16.4% for FY2007.

Shipbuilding operations recorded higher gross profit margin primarily attributed to progressive recognition of higher value projects undertaken.

Shiprepair operations recorded higher gross profit margin due to higher margin shiprepair jobs undertaken during the year and improved operating efficiency.

Shipchartering operations recorded lower gross profit margin mainly due to lower vessel utilisation rate as more vessels were under mandatory repair during the year, higher fuel costs and higher charter costs of third party's vessels to meet demand

Other operating income

Other operating income increased by \$5.6 million to \$14.4 million in FY2008.

Other operating income mainly arose from gain on disposal of plant and equipment of \$9.6 million (FY2007: \$7.4 million), miscellaneous income of \$3.3 million (FY2007: \$0.8 million) and interest income of \$1.5 million (FY2007: \$0.6 million).

The gain on disposal of plant and equipment included the sale of 24 vessels (FY2007: 33 vessels) to third parties. The disposals were part of the Group's fleet renewal program. The miscellaneous income mainly comprised insurance claims of \$1.7 million and profit from ad-hoc trade sale of vessels of \$0.8 million. The higher interest income was mainly due to an increase in fixed deposit placements for shipbuilding project accounts.

Administrative expenses

Administrative expenses increased by \$1.0 million to \$10.4 million. The increase was mainly attributed to higher manpower costs (increased by \$0.8 million) as well as an increase in certain administrative expenses in line with higher business activities.

Other operating expenses

Other operating expenses decreased by \$0.1 million to \$2.0 million in FY2008. The decrease was mainly due to write-back of net allowance of doubtful trade receivables of \$0.2 million (FY2007: \$1.0 million net allowance made) partially offset by higher foreign exchange loss (increased by \$0.6 million) as well as write off and impairment of plant and equipment (increased by \$0.5 million).

Finance costs

Finance costs increased by \$0.7 million to \$5.3 million in FY2008.

Finance costs comprised mainly \$5.1 million interest for term loans and \$0.2 million interest for trust receipts and hire purchase obligations. Term loan interest increased by \$0.8 million mainly due to increase in borrowings for fleet expansion for the shipchartering operations. The Group hedges against interest rate fluctuations on its long term borrowings by way of interest rate swaps.

Share of results of jointly-controlled entities and associate

Share of results of jointly-controlled entities, namely ASL Energy Pte Ltd and its subsidiaries ("ASL Energy group") and HKR-ASL Joint Venture Limited as well as share of results of an associate, Fastcoat Industries Pte.Ltd., was a net profit of \$0.5 million (FY2007: \$0.2 million).

The Group had on 11 June 2008 entered into a conditional share purchase and loan novation agreement to divest its entire 50 per cent. interest in ASL Energy Pte. Ltd. ("ASLE"). Accordingly, the Group had taken up its share of results of ASL Energy group up to 30 April 2008, the date on which the consideration was determined pursuant to the divestment. The Group has also reclassified its net investment in ASLE under assets held for sale.

The share of results from ASL Energy group was a net loss of \$0.1 million in FY2008 (up to 30 April 2008) as compared to a net profit of \$0.1 million in FY2007.

The share of results from HKR-ASL Joint Venture Limited was \$0.5 million higher at net profit of \$0.7 million in FY2008. The increase was mainly due to commencement of a new shipchartering project since December 2007.

The share of results from its newly incorporated associated company, Fastcoat Industries Pte Ltd was a loss of \$0.1 million mainly due to initial start-up costs incurred.

Profit before taxation

In line with revenue growth and higher gross profits, the Group's profit before taxation of \$69.9 million for FY2008 was \$24.7 million or 54.8% higher as compared to FY2007.

Income tax expense

The Group's taxation charge rose by \$5.3 million to \$9.4 million in FY2008 of which \$0.7 million was due to an adjustment for prior year deferred tax expense. The Group's effective tax rate of 13.7% for FY2008 was higher than the 11.8% recorded for FY2007 mainly attributed to lower proportion of exempt shipping profits in FY2008.

Minority interests

Minority shareholders' share of profits decreased by \$0.6 million mainly due to higher foreign exchange losses and initial start up costs incurred by non-wholly owned foreign subsidiaries.

Operating cash flow

Net cash inflow from operating activities of \$89.9 million in FY2008 was \$51.5 million higher as compared to FY2007. The increase was mainly attributed to higher earnings recorded in FY2008, payments received from customers for initial milestone and progress billings for shipbuilding projects and increase in trade payables. The Group funded its capital expenditure and repayment of loans and borrowings mainly through its positive operating cash flows, external borrowings, proceeds from issuance of shares due to conversion of warrants and from disposal of plant and equipment.

(b) 4Q FY 2008 vs 4Q FY 2007

Group	4Q FY2008			4Q FY2007			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	70,908	6,445	9.1	50,528	6,064	12.0	20,380	40.3	381	6.3
Shiprepair and other marine related services	21,242	5,774	27.2	12,573	3,633	28.9	8,669	68.9	2,141	58.9
Shipchartering and rental	23,228	7,185	30.9	21,439	6,988	32.6	1,789	8.3	197	2.8
	115,378	19,404	16.8	84,540	16,685	19.7	30,838	36.5	2,719	16.3

The Group's business segments are subject to different degree of seasonality, with highest impact being experienced by the shipchartering operations. The quarter on quarter results may not be an indicative of overall trend of the results for the financial year.

Revenue

The Group's revenue of \$115.4 million for 3 months ended 30 June 2008 ("4Q FY2008") was 36.5% higher as compared to revenue of \$84.5 million for 3 months ended 30 June 2007 ("4Q FY2007"). The Group recorded higher revenue for all three segments of shipbuilding, shiprepair and ship conversion as well as shipchartering with an expanded fleet size of 180 vessels as at 30 June 2008 (158 vessels as at 30 June 2007).

Gross profit and gross profit margin

The Group's gross profit of \$19.4 million was \$2.7 million higher with increase in earnings recorded by all three segments.

Shipbuilding operations however recorded lower gross profit margin mainly due to higher costs incurred in 4Q FY2008.

Shiprepair operations' gross profit margin of 27.2% was marginally lower as compared to 4Q FY2007.

Shipchartering operations' recorded lower gross profit margin mainly due to lower vessel utilisation rate as well as higher fuel costs in 4Q FY2008 as compared to 4Q FY2007.

Other operating income

Other operating income was \$3.9 million higher mainly due to higher gain on disposal of plant and equipment.

Administrative expenses

Administrative expenses of \$3.0 million was marginally higher as compared to 4Q FY2007.

Other operating expenses

Other operating expenses was \$0.3 million higher mainly due to higher foreign exchange differences.

Finance costs

Finance costs of \$1.3 million was \$0.1 million higher mainly due to increased borrowings in 4Q FY2008.

Share of results of jointly-controlled entities and associate

Share of results of jointly-controlled entities and associate amounted to a profit of \$0.6 million in 4Q FY2008 as compared to \$0.1 million in 4Q FY2007. The increase was attributed to higher share of profit from HKR-ASL Joint Venture Limited and ASL Energy group.

Profit before taxation

The Group's profit before taxation of \$20.4 million for 4Q FY2008 was \$6.7 million or 48.6% higher as compared to 4Q FY2007.

Income tax expense

The Group's taxation charge increased by \$1.3 million mainly due to higher earnings recorded in 4Q FY2008. In addition, the taxation charge for 4Q FY2007 was lower mainly due to write-back for over provision made in respect of prior years tax expense and recognition of Group relief.

Operating cash flow

The Group recorded a net cash outflow from operating activities of \$43.9 million in 4Q FY2008 as compared to a cash inflow of \$12.6 million in 4Q FY2007. This was mainly due to comparatively higher work-in-progress and lower progress billings received on shipbuilding projects during the quarter.

REVIEW OF FINANCIAL POSITIONS AS AT 30 JUNE 2008

Non-current assets

Property, plant and equipment increased by \$39.1 million from \$216.4 million as at 30 June 2007 to \$255.5 million as at 30 June 2008. The increase was mainly due to acquisition of plant and equipment of \$93.4 million (inclusive of \$72.2 million for vessels and \$5.6 million for plant and machinery) partially offset by disposal of plant and equipment with aggregate net book value of \$28.0 million, depreciation charge of \$21.1 million and others (including the write-off of plant and equipment, transfer to assets held for sale) of \$5.2 million.

The Group's total depreciation charge was \$5.6 million higher as compared to FY2007 mainly attributed to increase in fleet size from 158 vessels as at 30 June 2007 to 180 vessels as at 30 June 2008.

Current assets

Current assets increased by \$145.2 million from \$201.6 million as at 30 June 2007 to \$346.8 million as at 30 June 2008. The increase was mainly due to higher inventories, assets held for sale, construction work-in-progress, trade receivables, derivative financial instruments and cash and cash equivalents offset by decrease in other receivables and amount due from related parties.

Inventories increased by \$12.1 million mainly due to raw material (mainly steel) purchased for shipbuilding and shiprepair projects.

Assets held for sale comprised net investment in ASLE and vessels held for sale.

In line with the increased business activities, trade receivables increased by \$12.7 million to \$82.0 million. Average debtors turnover was 75 days as at 30 June 2008 as compared to 84 days as at 30 June 2007. Other receivables decreased by \$6.4 million to \$18.7 million which mainly comprised receivables from disposal of vessels, insurance claimables and downpayment made for purchase of plant and equipment.

Derivative financial instruments assets increased by \$13.4 million due to higher mark-to-market gains derived mainly from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables, trade payables and bank borrowings. The Group entered into "plain vanilla" forward contracts to hedge against foreign currency fluctuations.

Cash and cash equivalents increased by \$55.3 million to \$103.0 million as at 30 June 2008.

Current liabilities

Current liabilities increased by \$29.5 million from \$218.4 million as at 30 June 2007 to \$247.9 million as at 30 June 2008.

Trade payables and other payables increased by \$27.8 million mainly due to increase in trade payables of \$29.5 million offset by decrease in other payables of \$1.7 million. The increase in trade payables was in line with the increased level of business activities. Other payables comprised mainly payables for purchase of plant and equipment and deposits received on sale of vessels.

Current portion of interest-bearing loans and borrowings was \$14.7 million lower mainly due to repayment made in FY 2008.

Derivative financial instruments liabilities increased by \$0.9 million due to higher mark-to-market losses derived mainly from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables, trade payables and bank borrowings.

Net current liabilities

The net current assets of \$98.9 million as at 30 June 2008 and net current liabilities of \$16.8 million as at 30 June 2007 included net progress billings in excess of construction work-in-progress of \$41.5 million and \$34.7 million respectively. The increase in net progress billings in excess of construction work-in-progress were mainly attributed to initial milestone and progress billings received for shipbuilding projects. There were 48 projects as at 30 June 2008 (30 June 2007 : 45 projects).

Excluding the construction work-in-progress and progress billings in excess of construction work-in-progress, the Group's net current assets as at 30 June 2008 and 30 June 2007 was \$140.4 million and \$17.9 million respectively.

Non-current liabilities

Non-current liabilities increased by \$51.7 million to \$120.7 million as at 30 June 2008.

Total interest-bearing loans and borrowings increased by \$35.3 million to \$136.6 million as at 30 June 2008. The increase was mainly due to new term loans and borrowings of \$124.2 million partially offset by the redemption and repayment made of \$88.9 million during the year.

Deferred tax liabilities increased by \$3.9 million to \$9.5 million as at 30 June 2008.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In the third quarter financial statements announcement made on 12 May 2008, it was stated that the Group was optimistic of achieving higher revenue and earnings in FY2008 as compared to FY2007.

In line with the prospect statement indicated in the announcement made on 12 May 2008, the Group recorded higher revenue and profit after tax in FY2008 as compared to FY2007.

In the third quarter financial statements announcement made on 12 May 2008, the Group also announced plans to further strengthen its shipchartering fleet by taking delivery of 22 vessels worth approximately \$48 million. During 4Q FY2008, the Group had taken delivery of 12 vessels worth \$15 million.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Overall

Based on the Group's shipbuilding outstanding order book, enhanced shiprepair capabilities and enlarged fleet size for shipchartering operations, barring any unforeseen circumstances, the Group is cautiously optimistic of achieving higher revenue and earnings in FY2009 amidst the current economic environment and rising operating costs.

Shipbuilding and Shiprepair Operations

The Group expects revenue from shipbuilding operations for FY2009 to be higher than FY2008.

Progressive recognition of shipbuilding revenue commences when the work-in-progress reaches the 10% recognition threshold. As at 30 June 2008, the Group's shipbuilding operations has an outstanding order book of approximately \$693 million for external customers. The order book comprised 48 vessels, including offshore support vessels such as heavy lift and pipelay vessels, subsea operation vessels, tugs, self-propelled cutter suction dredgers and other vessels. Based on the scheduled completion of order book, barring any unforeseen circumstances, approximately 48% of the order book is expected to be recognised in the financial year ending 30 June 2009 ("FY2009"). In addition, the Group has an outstanding shipbuilding order book of approximately \$27 million for the building of 8 vessels for companies from within the Group.

The demand for shiprepair and conversion services has been healthy. The Group expects the outlook for shiprepair to remain positive and has announced plans to expand its docking facilities at its Batam yard in FY2009.

Shipchartering Operations

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts, with approximately 13% contribution from long term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2008, the Group has an outstanding order book of approximately \$15 million with respect to long term shipchartering contracts.

The shipchartering operations are however affected by various short term factors such as mandatory survey and maintenance of vessels, timing of contracts and uncertainty in movement of fuel price.

As at 30 June 2008, the Group planned to increase its shipchartering fleet by taking delivery of 27 vessels worth approximately \$67 million, including towing tugs, Straight Supply vessels and Anchor Handling Towing/ Supply vessels (of which 8 vessels worth approximately \$27 million are being built internally).

The Group will remain focused in the offshore oil and gas activities as well as harbour/ terminal services.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	First & Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	3.0 cents	1.0 cents
Tax Rate	Tax-exempt	Tax-exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First & Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	2.5 cents	0.3 cents
Tax Rate	Tax-exempt	Tax-exempt

(c) Date payable

The first and final and special dividends, if approved at the Annual General Meeting, will be paid on 13 November 2008.

(d) Books closure date

Notice is hereby given that the share transfer book and register of members of the Company will be closed on 31 October 2008. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited up to the close of business at 5.00 p.m. on 30 October 2008 will be registered to determine shareholders' entitlements to the dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to the CDP which will in turn distribute entitlements to holder of shares in accordance with its practice.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business Segments

	Shipbuilding \$'000	Shiprepair & other marine related services \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
2008						
Revenue						
Revenue from external customers	244,255	68,226	87,959	-	-	400,440
Inter-segment revenue	25,196	25,906	33,164	9,000	(93,266)	-
Total revenue	269,451	94,132	121,123	9,000	(93,266)	400,440
Results						
Segment results	23,089	20,137	36,100	8,958	(11,757)	76,527
Unallocated expenses						(1,871)
Finance costs						(5,328)
Share of results of jointly-controlled entities and associate						529
Income tax expense						(9,414)
Profit for the year						60,443
Assets						
Segment assets	251,091	78,572	230,283	47,809	-	607,755
Unallocated assets						1,050
Total assets						608,805
Liabilities						
Segment liabilities	167,773	26,288	20,449	691	-	215,201
Unallocated liabilities						153,408
Total liabilities						368,609
Capital expenditure	12,702	9,149	71,525	-	-	93,376
Depreciation	4,661	1,299	14,197	34	-	20,191

	Shipbuilding \$'000	Shiprepair & other marine related services \$'000	Shipchartering and rental \$'000	Investment Holding \$'000	Eliminations \$'000	Consolidated \$'000
2007						
Revenue						
Revenue from external customers	202,755	43,480	72,167	-	-	318,402
Inter-segment revenue	18,162	12,963	25,696	6,000	(62,821)	-
Total revenue	<u>220,917</u>	<u>56,443</u>	<u>97,863</u>	<u>6,000</u>	<u>(62,821)</u>	<u>318,402</u>
Results						
Segment results	14,397	9,408	28,752	7,277	(8,528)	51,306
Unallocated expenses						(1,787)
Finance costs						(4,615)
Share of results of jointly-controlled entities						229
Income tax expense						(4,100)
Profit for the year						<u>41,033</u>
Assets						
Segment assets	191,038	49,444	181,349	865	-	422,696
Unallocated assets						21,476
Total assets						<u>444,172</u>
Liabilities						
Segment liabilities	115,535	14,905	21,276	371	-	152,087
Unallocated liabilities						135,340
Total liabilities						<u>287,427</u>
Capital expenditure	<u>23,280</u>	<u>9,587</u>	<u>73,656</u>	<u>-</u>	<u>-</u>	<u>106,523</u>
Depreciation	<u>2,945</u>	<u>626</u>	<u>10,938</u>	<u>72</u>	<u>-</u>	<u>14,581</u>

(b) Geographical segments

	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	United States and Other Countries \$'000	Consolidated \$'000
2008						
Revenue from external customers	<u>115,327</u>	<u>19,292</u>	<u>39,782</u>	<u>130,925</u>	<u>95,114</u>	<u>400,440</u>
Capital expenditure	<u>79,639</u>	<u>12,508</u>	<u>1,229</u>	<u>-</u>	<u>-</u>	<u>93,376</u>
2007						
Revenue from external customers	<u>90,583</u>	<u>25,105</u>	<u>21,584</u>	<u>130,283</u>	<u>50,847</u>	<u>318,402</u>
Capital expenditure	<u>88,544</u>	<u>14,001</u>	<u>3,978</u>	<u>-</u>	<u>-</u>	<u>106,523</u>

The Directors believe it would be inaccurate to analyse the segment assets by geographical segment because certain vessels cannot be meaningfully allocated to the different geographical areas. For the shipchartering operations, charterers have the discretion to operate within a wide trading area and are not constrained by a specific sea route.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

15. A breakdown of sales.

	30-Jun-08	Group 30-Jun-07	Increase
	\$'000	\$'000	%
Sales reported for first half year	193,373	156,356	23.7
Profit attributable to shareholders reported for first half year	27,984	16,766	66.9
Sales reported for second half year	207,067	162,046	27.8
Profit attributable to shareholders reported for second half year	32,312	23,482	37.6

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend	Latest full year	Previous full year
	\$'000	\$'000
Ordinary	12,035	7,174
Preference	-	-
Total	12,035	7,174

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
20 August 2008