

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

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

Income Statement

	Group		
	<u>3 months ended 30 September</u>		
	1Q FY2012	1Q FY2011	Increase/ (Decrease)
	\$'000	\$'000	%
Shipbuilding	46,891	49,027	(4.4)
Shiprepair and conversion	19,210	17,384	10.5
Shipchartering and rental	17,008	14,990	13.5
Total revenue	83,109	81,401	2.1
Cost of sales	(73,517)	(70,582)	4.2
Gross profit	9,592	10,819	(11.3)
Other operating income	6,593	4,443	48.4
Administrative expenses	(2,762)	(2,296)	20.3
Other operating expenses	(506)	(1,494)	(66.1)
Finance costs	(2,555)	(2,153)	18.7
Share of results of jointly-controlled entity and associate	(38)	(168)	(77.4)
Profit before tax	10,324	9,151	12.8
Tax expense	(1,822)	(1,069)	70.4
Profit for the period	8,502	8,082	5.2
Attributable to:			
Owners of the Company	8,490	8,026	5.8
Non-controlling interests	12	56	(78.6)
	8,502	8,082	5.2

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

Statement of Comprehensive Income

	Group		
	<u>3 months ended 30 September</u>		
	1Q FY2012	1Q FY2011	Increase/ (Decrease)
	\$'000	\$'000	%
Profit for the period	8,502	8,082	5.2
Translation differences relating to financial statements of foreign subsidiaries, net of tax	2,363	(2,749)	Nm
Share of other comprehensive income of jointly-controlled entity	53	(68)	Nm
Net fair value changes to cash flow hedges	(5,728)	(263)	2,077.9
Other comprehensive income for the period, net of tax	(3,312)	(3,080)	7.5
Total comprehensive income for the period	5,190	5,002	3.8
Attributable to:			
Owners of the Company	4,957	5,316	(6.8)
Non-controlling interests	233	(314)	Nm
	5,190	5,002	3.8

Nm: Not meaningful

1(a)(ii) Net profit for the period was stated after crediting/ (charging):-

	Group	
	<u>3 months ended 30 September</u>	
	1Q FY2012	1Q FY2011
	\$'000	\$'000
Allowance for impairment of doubtful trade receivables	(60)	(24)
Write back of allowance for impairment of doubtful trade receivables	2	54
Amortisation of lease prepayments	(51)	(50)
Depreciation of property, plant and equipment	(10,269)	(8,463)
Gain on disposal of assets held for sale	1,622	4,009
Gain on disposal of property, plant and equipment	796	332
Gain/ (Loss) on foreign exchange (net)*	2,546	(1,525)
* inclusive of (loss)/ gain on ineffective portion of cash flow hedges on forward currency contracts and interest rate swaps	(1,836)	157
Impairment loss on property, plant and equipment	(424)	-
Interest income	25	39
Property, plant and equipment written off	(24)	-
Underprovision of tax in respect of prior years		
- Current tax expense	(12)	-

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

	Group		Company	
	30-Sep-11 \$'000	30-Jun-11 \$'000	30-Sep-11 \$'000	30-Jun-11 \$'000
Non-current assets				
Property, plant and equipment	501,729	493,278	-	-
Lease prepayments	3,875	3,844	-	-
Subsidiaries	-	-	69,505	69,505
Interest in jointly-controlled entity and associate	968	953	-	-
	506,572	498,075	69,505	69,505
Current assets				
Inventories	13,703	12,591	-	-
Assets held for sale	1,475	15,764	-	-
Construction work-in-progress	37,508	80,453	-	-
Trade and other receivables	221,628	117,395	3,251	3,344
Amount due from related parties	1,853	1,881	188,848	178,153
Derivative financial instruments	971	3,225	-	-
Bank balances, deposits and cash	64,134	49,536	142	177
	341,272	280,845	192,241	181,674
Current liabilities				
Trade and other payables	138,508	132,652	612	1,870
Progress billings in excess of construction work-in-progress	73,249	19,507	-	-
Amount due to related parties	219	147	46,417	34,643
Loan from non-controlling interests of subsidiaries	2,253	2,125	-	-
Trust receipts	26,234	34,865	-	-
Interest-bearing loans and borrowings	74,206	68,411	22,100	22,100
Derivative financial instruments	7,695	1,842	475	505
Current tax liabilities	8,395	8,266	-	-
	330,759	267,815	69,604	59,118
Net current assets	10,513	13,030	122,637	122,556
Non-current liabilities				
Interest-bearing loans and borrowings	157,128	155,539	92,900	92,900
Deferred tax liabilities	9,579	10,378	-	-
	166,707	165,917	92,900	92,900
Net assets	350,378	345,188	99,242	99,161
Share capital	83,092	83,092	83,092	83,092
Treasury shares	(923)	(923)	(923)	(923)
Reserves	258,624	253,667	17,073	16,992
	340,793	335,836	99,242	99,161
Non-controlling interests	9,585	9,352	-	-
Total equity	350,378	345,188	99,242	99,161

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

Amount repayable in one year or less, or on demand

As at 30-Sep-11		As at 30-Jun-11	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
35,190	65,250	34,766	68,510

Amount repayable after one year

As at 30-Sep-11		As at 30-Jun-11	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
62,557	94,571	60,646	94,893

Details of any collaterals

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

	Group	
	1Q FY2012	1Q FY2011
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	10,324	9,151
Adjustments for:		
Amortisation of lease prepayments	51	50
Allowance for/ (Write back of) impairment of doubtful trade receivables (net)	58	(30)
Depreciation of property, plant and equipment	10,269	8,463
Loss/ (Gain) on ineffective portion of cash flow hedges on forward currency contracts and interest rate swaps	1,836	(157)
Gain on disposal of assets held for sale	(1,622)	(4,009)
Gain on disposal of property, plant and equipment	(796)	(332)
Impairment loss on property, plant and equipment	424	-
Interest expense	2,555	2,153
Interest income	(25)	(39)
Property, plant and equipment written off	24	-
Share of results of jointly-controlled entity and associate	38	168
Operating profit before working capital changes	23,136	15,418

Changes in working capital:		
Inventories	(1,112)	983
Construction work-in-progress and progress billings in excess of construction work-in-progress	97,000	29,770
Trade and other receivables	(104,293)	18,835
Trade and other payables	1,520	(7,777)
Balances with related parties (trade)	95	(135)
Bank balances, deposits and cash (restricted use)	(206)	(1,240)
Cash generated from operations	16,140	55,854
Tax paid	(1,952)	(892)
Net cash generated from operating activities	14,188	54,962
Cash flows from investing activities		
Interest received	25	39
Purchase of property, plant and equipment	(16,547)	(31,091)
Proceeds from disposal of assets held for sale	14,598	8,852
Proceeds from disposal of property, plant and equipment	5,885	476
Balances with related parties (non trade)	5	(5)
Net cash generated from/ (used in) investing activities	3,966	(21,729)
Cash flows from financing activities		
Interest paid	(2,761)	(2,148)
Repayment of interest-bearing loans and borrowings	(10,869)	(14,239)
Proceeds from interest-bearing loans and borrowings	18,253	1,440
Repayment of trust receipts	(19,953)	(9,392)
Proceeds from trust receipts	11,322	853
Net cash used in financing activities	(4,008)	(23,486)
Net increase in cash and cash equivalents	14,146	9,747
Cash and cash equivalents at beginning of period	44,751	83,302
Effects of exchange rate changes on opening cash and cash equivalents	246	(443)
Cash and cash equivalents at end of period	59,143	92,606

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-Sep-11

Group	Attributable to owners of the Company						Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000			
1Q FY2012									
At 1-Jul-11	83,092	(923)	(4,865)	1,392	257,140	253,667	335,836	9,352	345,188
Profit for the period	-	-	-	-	8,490	8,490	8,490	12	8,502
Other comprehensive income for the period, net of tax									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	2,195	-	-	2,195	2,195	168	2,363
Share of other comprehensive income of jointly-controlled entity	-	-	-	-	-	-	-	53	53
Net fair value changes to cash flow hedges	-	-	-	(5,728)	-	(5,728)	(5,728)	-	(5,728)
	-	-	2,195	(5,728)	-	(3,533)	(3,533)	221	(3,312)
Total comprehensive income for the period	-	-	2,195	(5,728)	8,490	4,957	4,957	233	5,190
At 30-Sep-11	83,092	(923)	(2,670)	(4,336)	265,630	258,624	340,793	9,585	350,378

Statement of Changes in Equity for the period ended 30-Sep-10

Attributable to owners of the Company

<u>Group</u>	Share capital \$'000	Treasury shares \$'000	Employee share option reserve ¹ \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
1Q FY2011										
At 1-Jul-10	83,061	(923)	5	(55)	(967)	234,212	233,195	315,333	8,784	324,117
Profit for the period	-	-	-	-	-	8,026	8,026	8,026	56	8,082
Other comprehensive income for the period, net of tax										
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	-	(2,447)	-	-	(2,447)	(2,447)	(302)	(2,749)
Share of other comprehensive income of jointly-controlled entity	-	-	-	-	-	-	-	-	(68)	(68)
Net fair value changes to cash flow hedges	-	-	-	-	(263)	-	(263)	(263)	-	(263)
	-	-	-	(2,447)	(263)	-	(2,710)	(2,710)	(370)	(3,080)
Total comprehensive income for the period	-	-	-	(2,447)	(263)	8,026	5,316	5,316	(314)	5,002
At 30-Sep-10	83,061	(923)	5	(2,502)	(1,230)	242,238	238,511	320,649	8,470	329,119

¹ ASL Employee Share Option Scheme

Statement of Changes in Equity for the period ended 30-Sep-11 and 30-Sep-10

Company	Share capital \$'000	Treasury shares \$'000	Employee share option reserve¹ \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Total equity \$'000
1Q FY2012							
At 1-Jul-11	83,092	(923)	-	(505)	17,497	16,992	99,161
Profit for the period	-	-	-	-	52	52	52
Other comprehensive income for the period, net of tax							
Net fair value changes to cash flow hedge	-	-	-	29	-	29	29
	-	-	-	29	-	29	29
Total comprehensive income for the period	-	-	-	29	52	81	81
At 30-Sep-11	83,092	(923)	-	(476)	17,549	17,073	99,242
1Q FY2011							
At 1-Jul-10	83,061	(923)	5	(368)	18,317	17,954	100,092
Profit for the period	-	-	-	-	(538)	(538)	(538)
Other comprehensive income for the period, net of tax							
Net fair value changes to cash flow hedge	-	-	-	(261)	-	(261)	(261)
	-	-	-	(261)	-	(261)	(261)
Total comprehensive income for the period	-	-	-	(261)	(538)	(799)	(799)
At 30-Sep-10	83,061	(923)	5	(629)	17,779	17,155	99,293

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 (excluding treasury shares)
Balance as at 30-Sep-11 and 30-Jun-11	419,511,294

There was no movement in the issued and paid-up capital of the Company since 30 June 2011.

There was no outstanding share options granted under the ESOS as at 30 September 2011:

Category	Vesting Period	Exercise Period	Exercise Price	ESOS outstanding as at 30-Sep-11	ESOS outstanding as at 30-Jun-11	ESOS outstanding as at 30-Sep-10
Employees	18-Dec-06	18-Dec-06 to 17-Dec-13	\$0.55	-	-	47,000

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30-Sep-11	As at 30-Jun-11
Total number of issued shares	422,022,894	422,022,894
Total number of treasury shares	(2,511,600)	(2,511,600)
Total number of issued shares (excluding treasury shares)	419,511,294	419,511,294

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the current financial period reported on, there were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares.

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 accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 30 June 2011 except in the current financial period, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2011. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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	Group 3 months ended 30 September	
	1Q FY2012	1Q FY2011 Restated*
(a) On weighted average number of ordinary shares in issue	2.02 cents	1.91 cents
(b) On a fully diluted basis	2.02 cents	1.91 cents

* The earnings per ordinary share (basic and fully diluted basis) for 1Q FY2011 have been restated taking into consideration the bonus share issuance on 29 December 2010.

Note to item 6 (i):

The calculation of basic earnings per ordinary share for 1Q FY2012 is based on net profit attributable to shareholders of \$8,490,000 (1Q FY2011: \$8,026,000) and the weighted average of 419,511,294 (1Q FY2011: 419,445,494) ordinary shares in issue during the quarter.

Note to item 6 (ii):

The calculation of fully diluted earnings per ordinary share for 1Q FY2012 is based on net profit attributable to shareholders of \$8,490,000 (1Q FY2011: \$8,026,000) and the weighted average of 419,511,294 (1Q FY2011: 419,463,041) ordinary shares in issue during the quarter.

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

	Group		Company	
	30-Sep-11	30-Jun-11	30-Sep-11	30-Jun-11
Net asset value per ordinary share	81.24 cents	80.05 cents	23.66 cents	23.64 cents

Note:

The calculation of net asset value of the Group and of the Company is based on 419,511,294 (30-Jun-11: 419,511,294) ordinary shares in issue.

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

1Q FY2012 vs 1Q FY2011

Group	1Q FY2012			1Q FY2011			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	46,891	3,175	6.8	49,027	4,495	9.2	(2,136)	(4.4)	(1,320)	(29.4)
Shiprepair and conversion	19,210	3,953	20.6	17,384	3,161	18.2	1,826	10.5	792	25.1
Shipchartering and rental	17,008	2,464	14.5	14,990	3,163	21.1	2,018	13.5	(699)	(22.1)
	83,109	9,592	11.5	81,401	10,819	13.3	1,708	2.1	(1,227)	(11.3)

The Group's business segments are subject to different degree of seasonality, with highest impact being experienced by the shipchartering operations. As a result the quarter on quarter results may not be a good indicator of the overall trend of our business or of the results for the whole of the financial year.

Revenue

Total Group revenue for the 3 months ended 30 September 2011 ("1Q FY2012") of \$83.1 million was 2.1% higher as compared to \$81.4 million recorded in corresponding 3 months ended 30 September 2010 ("1Q FY2011").

Shipbuilding revenue was marginally lower by \$2.1 million in 1Q FY2012.

Shiprepair and conversion revenue was \$1.8 million higher in 1Q FY2012 mainly attributed to a larger ship conversion job undertaken during the period.

Despite a larger fleet size of 196 vessels as at 30 September 2011 (30 September 2010: 179 vessels), revenue from shipchartering revenue was marginally higher by \$2.0 million in 1Q FY2012 owing to lower vessel utilisation rate. The Group's fleet size of 196 vessels comprised of barges, towing tugs, Anchor Handling Tugs, Anchor Handling Towing/Supply vessels, ROV support vessel and other vessels.

Gross profit and gross profit margin

The Group's gross profit was \$1.2 million lower mainly due to lower earnings from shipbuilding and shipchartering operations.

Shipbuilding operations recorded a lower gross profit margin of 6.8% mainly due to higher cost provisions made during the period for completed projects.

Shiprepair and conversion operations recorded a higher gross profit margin of 20.6% in 1Q FY2012.

Shipchartering operations recorded a lower gross profit margin of 14.5% mainly attributed to lower vessel utilisation rate, a higher proportion of contract of affreightment charter revenue which generally yields lower margin as well as an additional depreciation charge of \$0.7 million arising from cancellation of vessels held for sale.

Other operating income

Other operating income increased by \$2.2 million to \$6.6 million in 1Q FY2012.

Other operating income comprised:

1. Gain on disposal of plant and equipment of \$0.8 million from the sale of 6 vessels to third parties (1Q FY2011: \$0.3 million for 3 vessels).
2. Gain on disposal of vessels held for sale of \$1.6 million (1Q FY2011: \$4.0 million);
3. Foreign exchange gain of \$2.5 million mainly attributed to unrealised foreign exchange gain arising from revaluation of foreign currency denominated assets and liabilities (1Q FY2011: net foreign exchange loss of \$1.5 million shown under other operating expense);
4. Miscellaneous income of \$1.6 million comprised mainly a forfeiture of \$1.3 million deposit received due to cancellation of vessels held for sale (1Q FY2011: \$63,000); and
5. Interest income of \$25,000 (1Q FY2011: \$39,000).

Administrative expenses

Administrative expenses increased by \$0.5 million mainly attributed to higher manpower costs.

Other operating expenses

Other operating expenses were \$1.0 million lower in 1Q FY2012 mainly due to absence of net foreign exchange loss of \$1.5 million recorded in 1Q FY2011 partially offset by impairment loss on vessels of \$0.4 million incurred in 1Q FY2012.

Finance costs

Finance costs were \$0.4 million higher in 1Q FY2012 mainly due to increased amount of outstanding loans and borrowings. The Group hedges against interest rate fluctuations on its long-term borrowings by way of interest rate swaps.

Share of results of jointly-controlled entity and associate

The Group's share of loss of HKR-ASL Joint Venture Limited amounted to \$38,000 (1Q FY2011: \$34,000 loss). The jointly-controlled entity has been dormant since FY2009.

Profit before tax

The Group recorded a higher profit before tax of \$10.3 million for 1Q FY2012 mainly attributed to higher other operating income partially offset by lower gross profit during the period.

Tax expense

The Group recorded a higher tax expense of \$1.8 million in 1Q FY2012. The Group recorded a higher effective tax rate of 17.5% (1Q FY2011: 11.5%) mainly due to higher tax provision attributed to shipyard operations partially offset by higher tax exempt shipping profit from shipchartering operations.

Non-controlling interests

Non-controlling interests' share of profits declined by \$44,000 mainly due to lower charter earnings recorded by non-wholly owned foreign subsidiaries.

Operating cash flow

The Group recorded a net cash inflow from operating activities in 1Q FY2012 of \$14.2 million as compared to \$55.0 million in 1Q FY2011. The decrease was mainly attributed to higher progressive billings in excess of work-in-progress for shipbuilding projects and lower receipts on trade receivables.

REVIEW OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

Non-current assets

Property, plant and equipment increased by \$8.4 million from \$493.3 million as at 30 June 2011 to \$501.7 million as at 30 September 2011. The increase was mainly due to acquisition of plant and equipment of \$16.5 million (inclusive of \$5.1 million for vessels and \$11.3 million for yard infrastructure development and vessels under construction) and transfer of vessels from assets held for sale of \$1.3 million partially offset by disposal of plant and equipment with aggregate net book value of \$5.1 million, depreciation charge of \$10.4 million, impairment loss of \$0.4 million and foreign exchange differences of \$6.5 million.

The Group's total depreciation charge was \$1.5 million higher as compared to 1Q FY2011 mainly attributed to depreciation of vessel fleet and yard facilities.

Current assets

Current assets increased by \$60.5 million from \$280.8 million as at 30 June 2011 to \$341.3 million as at 30 September 2011.

Inventories on raw materials (mainly steel) were \$1.1 million higher as at 30 September 2011.

Assets held for sale was \$14.3 million lower as at 30 September 2011 mainly due to sale of vessels and reclassification arising from cancellation of vessels held for sale.

Trade receivables increased by \$102.6 million to \$198.2 million whilst other receivables increased by \$1.7 million to \$23.4 million as at 30 September 2011. The increase in trade receivables was mainly due to higher billings for shipbuilding projects in 1Q FY2012.

The amount due from related parties of \$1.9 million was at the same level as at 30 June 2011.

The Group enters into "plain vanilla" forward contracts to hedge for future receipts or payments. The value of these derivative financial instruments assets decreased by \$2.3 million mainly due to lower mark-to-market gain from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables.

Bank balances, deposits and cash of \$64.1 million included balances amounting to \$5.0 million of restricted use as at 30 September 2011 (30 June 2011: \$4.8 million).

Current liabilities

Current liabilities increased by \$63.0 million from \$267.8 million as at 30 June 2011 to \$330.8 million as at 30 September 2011.

Trade and other payables increased by \$5.8 million due to increase in trade payables of \$2.1 million and other payables of \$3.7 million. Other payables comprised mainly payables for expenditure incurred on yard developments, deposits received on sale of vessels and deferred income.

Current portion of interest-bearing loans and borrowings increased by \$5.8 million to \$74.2 million while borrowings under trust receipts decreased by \$8.7 million to \$26.2 million.

Derivative financial instruments liabilities increased by \$5.9 million due to higher mark-to-market losses derived from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables and payables partially offset by lower mark-to-market losses derived from interest rate swaps.

The Group recorded net progress billings in excess of construction work-in-progress of \$35.7 million as at 30 September 2011 as compared to net construction work-in-progress of \$60.9 million as at 30 June 2011 mainly attributed to higher progress billings for shipbuilding projects in 1Q FY2012.

Non-current liabilities

Non-current liabilities increased by \$0.8 million to \$166.7 million as at 30 September 2011 mainly due to higher interest-bearing loans and borrowings.

Total interest-bearing loans and borrowings increased by \$7.3 million to \$231.3 million as at 30 September 2011. The increase was mainly due to new term loans and borrowings of \$18.2 million partially offset by redemption and repayment made of \$10.9 million during the period. The Group's gearing ratio maintained at 0.76 as at 30 September 2011 (30 June 2011: 0.77).

Deferred tax liabilities decreased by \$0.8 million to \$9.6 million as at 30 September 2011.

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

In line with the Group's announcement made on 17 August 2011 with respect to the financial year ended 30 June 2011, the Group had remained profitable in 1Q FY2012.

The Group had on 17 August 2011 announced an outstanding delivery order of 14 vessels worth approximately \$78 million for its shipchartering operations. During 1Q FY2012, the shipchartering operations had taken delivery of 8 vessels worth \$51 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

The Group expects the overall operating environment to remain challenging amidst renewed concerns and uncertainties over the global economy.

Shipbuilding and Shiprepair Operations

Including recent secured orders worth approximately \$267 million for 5 vessels announced on 11 October 2011, the Group has an outstanding shipbuilding order book from external customers of approximately \$542 million for 30 vessels with progressive deliveries up to first quarter of 2014. The order book comprised offshore support vessels, Anchor Handling Towing/ Supply vessels, self-propelled cutter suction dredgers, tugs and barges.

Shipchartering Operations

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 16% of shipchartering revenue in 1Q FY2012 was attributed to long term chartering contracts (meaning contracts with a duration of more than one year). As at 30 September 2011, the Group had an outstanding order book of approximately \$57 million with respect to long term shipchartering contracts.

The Group remains strategically committed to maximizing deployment, enhancing and renewing its fleet to better meet customers' needs. The Group's shipchartering operations currently have an outstanding delivery order of 12 vessels worth approximately \$32 million. These 12 vessels comprising Anchor Handling Tugs and barges are being built internally by the Group.

11. Dividend

(a) Current Financial Period

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been declared for the period ended 30 September 2011.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5).

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group and the Company for the first quarter ended 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ang Kok Tian
Chairman and Managing Director

Ang Ah Nui
Deputy Managing Director

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
10 November 2011