

UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER ENDED 30 JUNE 2014

- 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					
	3 months ended 30 June			12 months ended 30 June		
	4Q	4Q	Inc/	FY2014	FY2013	Inc/
	FY2014	FY2013	(Dec)	FY2014	(Restated)	(Dec)
	(Restated)			(Restated)		
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	26,220	149,461	(82.5)	509,797	465,441	9.5
Cost of sales	(19,842)	(126,132)	(84.3)	(450,969)	(381,833)	18.1
Gross profit	6,378	23,329	(72.7)	58,828	83,608	(29.6)
Other operating income	2,670	12,052	(77.8)	11,072	11,347	(2.4)
Administrative expenses	(9,362)	(8,640)	8.4	(32,538)	(23,441)	38.8
Other operating expenses	(90)	(1,767)	(94.9)	(1,319)	(5,889)	(77.6)
Finance costs	(3,724)	(3,322)	12.1	(13,764)	(10,990)	25.2
Share of results of jointly-controlled entities and associates	1,347	757	77.9	3,860	523	638.0
(Loss)/ profit before tax	(2,781)	22,409	Nm	26,139	55,158	(52.6)
Tax expense						
- current period	(742)	(5,697)	(87.0)	(5,640)	(10,142)	(44.4)
- over/ (under) provision in prior years	96	(1,267)	Nm	264	122	116.4
(Loss)/ profit for the period/ year	(3,427)	15,445	Nm	20,763	45,138	(54.0)
Attributable to:						
Owners of the Company	(3,032)	14,405	Nm	22,118	44,466	(50.3)
Non-controlling interests	(395)	1,040	Nm	(1,355)	672	Nm
	(3,427)	15,445	Nm	20,763	45,138	(54.0)

Nm: Not meaningful

- 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					
	3 months ended 30 June			12 months ended 30 June		
	4Q FY2014	4Q FY2013 (Restated)	Inc/ (Dec)	FY2014	FY2013 (Restated)	Inc/ (Dec)
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss)/ profit for the period/ year	(3,427)	15,445	Nm	20,763	45,138	(54.0)
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(530)	1,489	Nm	(1,739)	48	Nm
Share of other comprehensive income of jointly-controlled entities and associates	(118)	152	Nm	(20)	122	Nm
Net fair value changes to cash flow hedges	544	(1,640)	Nm	1,270	5,833	(78.2)
Realisation of reserves on change of interest in an associate	-	881	Nm	45	881	(94.9)
Remeasurement of defined benefit pension plans	(698)	-	Nm	(698)	-	Nm
Other comprehensive income for the period/ year, net of tax	(802)	882	Nm	(1,142)	6,884	Nm
Total comprehensive income for the period/ year	(4,229)	16,327	Nm	19,621	52,022	(62.3)
Attributable to:						
Owners of the Company	(3,731)	14,618	Nm	21,188	51,005	(58.5)
Non-controlling interests	(498)	1,709	Nm	(1,567)	1,017	Nm
	(4,229)	16,327	Nm	19,621	52,022	(62.3)

Nm: Not meaningful

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

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2014	4Q FY2013 (Restated)	FY2014	FY2013 (Restated)
	\$'000	\$'000	\$'000	\$'000
Allowance for impairment of doubtful trade receivables	(246)	(1,821)	(260)	(6,924)
Allowance for impairment of doubtful non-trade receivables	-	(44)	-	(44)
Allowance for impairment of doubtful trade receivables written back	1,619	312	2,137	1,333
Amortisation of intangible assets	871	(1,046)	(1,265)	(1,046)
Amortisation of lease prepayments	(83)	(64)	(281)	(254)
Bad debts written off (trade)	(8)	(59)	(53)	(79)
Bad debts written off (non-trade)	(11)	(21)	(11)	(21)
Changes in fair value of short term investment	62	(131)	99	(99)
Depreciation of property, plant and equipment	(10,574)	(10,083)	(43,269)	(37,853)
Gain on disposal of assets held for sale	(38)	-	245	496
Gain on disposal of property, plant and equipment	93	981	3,248	2,090
Gain on change of interest in a subsidiary	-	4,758	-	4,758
Gain on change of interest in an associate	-	-	20	-
Gain on foreign exchange (net)*	876	5,739	1,116	2,391
* inclusive of gain on ineffective portion of cash flow hedges on forward currency contracts and interest rate swaps	-	86	-	297
Interest income	69	85	280	347
Property, plant and equipment written off	(65)	(3)	(1,249)	(55)
Reversal/(provision) for warranty	193	(1,403)	2,767	(1,403)
Provision for pension liabilities	(619)	(512)	(768)	(512)
Over/(under) provision of tax in respect of prior years				
- current tax expense	97	274	836	113
- deferred tax expense	(1)	(1,541)	(572)	9

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-Jun-14 \$'000	30-Jun-13 (restated) \$'000	30-Jun-14 \$'000	30-Jun-13 \$'000
Non-current assets				
Property, plant and equipment	542,777	478,656	-	-
Lease prepayments	5,817	4,995	-	-
Subsidiaries	-	-	70,513	69,555
Interest in jointly-controlled entities and associates	13,375	9,493	-	-
Intangible assets	22,190	22,682	-	-
	584,159	515,826	70,513	69,555
Current assets				
Inventories	71,147	24,967	-	-
Assets held for sale	1,508	-	-	-
Short term investment	-	4,901	-	4,901
Construction work-in-progress	199,318	247,786	-	-
Trade and other receivables	287,658	243,033	209,861	245,754
Derivative financial instruments	-	57	-	-
Bank balances, deposits and cash	73,155	88,243	2,663	857
	632,786	608,987	212,524	251,512
Current liabilities				
Trade and other payables	193,916	185,944	82,422	48,916
Provision for warranty	1,224	3,854	-	-
Progress billings in excess of construction work-in-progress	35,012	35,285	-	-
Trust receipts	100,204	100,718	-	-
Interest-bearing loans and borrowings	161,844	149,937	-	71,450
Derivative financial instruments	2	1,552	-	101
Current tax liabilities	4,160	8,722	-	62
Bank overdrafts	6,724	7,225	-	-
	503,086	493,237	82,422	120,529
Net current assets	129,700	115,750	130,102	130,983
Non-current liabilities				
Other liabilities	3,746	2,336	-	-
Interest-bearing loans and borrowings	277,035	212,033	100,000	100,000
Deferred tax liabilities	16,570	12,533	-	-
	297,351	226,902	100,000	100,000
Net assets	416,508	404,674	100,615	100,538
Share capital	83,092	83,092	83,092	83,092
Treasury shares	(923)	(923)	(923)	(923)
Reserves	328,433	315,635	18,446	18,369
	410,602	397,804	100,615	100,538
Non-controlling interests	5,906	6,870	-	-
Total equity	416,508	404,674	100,615	100,538

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

	Group			
	As at 30-Jun-14		As at 30-Jun-13	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	155,525	113,247	140,307	117,573
Amount repayable after one year	176,976	100,059	111,746	100,287
	332,501	213,306	252,053	217,860

Details of any collateral

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

- 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
- Corporate guarantees from the Company and certain 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			
	3 months ended 30 June		12 months ended 30 June	
	4Q	4Q	FY2014	FY2013
	FY2014	FY2013 (Restated)	FY2014	FY2013 (Restated)
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
(Loss)/ profit before tax	(2,781)	22,409	26,139	55,158
Adjustments for:				
Amortisation of intangible assets	(871)	1,046	1,265	1,046
Amortisation of lease prepayments	83	64	281	254
(Write-back of)/ allowance for impairment of doubtful receivables (net)	(1,373)	1,553	(1,877)	5,635
Bad debts written off (trade)	19	80	64	100
Changes in fair value of short term investment	(62)	131	(99)	99
Depreciation of property, plant and equipment	10,574	10,083	43,269	37,853
Gain on ineffective portion of cash flow hedges on forward currency contracts and interest rate swaps	-	(86)	-	(297)
Loss/ (Gain) on disposal of assets held for sale	38	-	(245)	(496)
Gain on disposal of property, plant and equipment	(93)	(981)	(3,248)	(2,090)
Gain on change of interest in a subsidiary	-	(4,758)	-	(4,758)
Gain on change of interest in an associate	-	-	(20)	-
Interest expense	3,724	3,322	13,764	10,990
Interest income	(69)	(85)	(280)	(347)
Property, plant and equipment written off	65	3	1,249	55
(Reversal)/ provision of warranty	(193)	1,403	(2,767)	1,403
Provision/ (reversal) of pension liabilities	619	512	768	512
Share of results of jointly-controlled entities and associates	(1,347)	(757)	(3,860)	(523)
Operating profit before working capital changes	8,333	33,939	74,403	104,594
Changes in working capital:				
Inventories	(57,169)	(3,216)	(46,181)	(13,079)
Construction work-in-progress and progress billings in excess of construction work-in-progress	52,229	(46,658)	53,939	(157,845)
Trade and other receivables	3,103	(18,316)	(67,062)	(44,513)
Trade and other payables	23,298	(9,798)	4,267	4,440
Other liabilities	(37)	(189)	(111)	(189)
Balances with related parties (trade)	(14,375)	997	13,281	1,205
Bank balances, deposits and cash (restricted use)	155	705	1,113	707
Cash generated from/ (used in) operations	15,537	(42,536)	33,649	(104,680)
Tax paid	94	(1,266)	(5,924)	(7,455)
Net cash generated from/ (used in) operating activities	15,631	(43,802)	27,725	(112,135)

	Group			
	3 months ended 30 June		12 months ended 30 June	
	4Q FY2014	4Q FY2013 (Restated)	FY2014	FY2013 (Restated)
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Interest received	69	35	330	241
Acquisition of subsidiaries	-	(1,923)	-	(4,228)
Investment in a jointly-controlled entity	(800)	(100)	(809)	(100)
Purchase of assets held for sale	133	-	(1,808)	-
Purchase of short term investment	-	-	-	(5,000)
Purchase of property, plant and equipment	(46,986)	(10,810)	(113,904)	(89,965)
Proceeds from disposal of assets held for sale	(171)	-	2,053	850
Proceeds from disposal of property, plant and equipment	586	1,486	8,152	26,391
Proceeds from disposal of short term investment	5,000	-	5,000	-
Change of interest in a subsidiary, net of cash disposed	-	(1,974)	-	(1,974)
Contributions from non-controlling interests	603	-	603	-
Lease prepayments	(963)	-	(1,113)	(1,400)
Balances with related parties (non-trade)	12,066	(2,472)	10,084	(2,607)
Net cash used in investing activities	(30,463)	(15,758)	(91,412)	(77,792)
Cash flows from financing activities				
Interest paid	(3,389)	(1,003)	(15,240)	(9,925)
Dividends paid	-	-	(8,390)	(7,342)
Repayment of interest-bearing loans and borrowings	(25,218)	(56,329)	(149,838)	(140,690)
Proceeds from interest-bearing loans and borrowings	82,100	17,326	224,291	268,429
Repayment of loan from non-controlling interests of subsidiaries	-	-	-	(2,393)
Proceeds from loan from non-controlling interests of subsidiaries	-	-	-	1,847
Repayment of trust receipts	(14,206)	(5,246)	(101,572)	(28,748)
Proceeds from trust receipts	8,525	24,152	101,067	95,006
Net cash generated from/ (used in) financing activities	47,812	(21,100)	50,318	176,184
Net increase/ (decrease) in cash and cash equivalents	32,980	(80,660)	(13,369)	(13,743)
Cash and cash equivalents at beginning of period	31,692	158,571	78,077	91,813
Effects of exchange rate changes on opening cash and cash equivalents	(68)	166	(104)	7
Cash and cash equivalents at end of period (Note 1)	64,604	78,077	64,604	78,077

Note 1:

Cash and cash equivalents comprise the followings:

Bank balances, deposits and cash as at June	73,155	88,243
Less: Restricted cash		
1. Cash at banks	(1,827)	(2,308)
2. Fixed deposits with banks	-	(633)
	71,328	85,302
Bank overdrafts	(6,724)	(7,225)
Cash and cash equivalents	64,604	78,077

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 year ended 30-Jun-14							
Group	Attributable to owners of the Company						
	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000
FY2014							
At 1-Jul-13 (Restated)	83,092	(923)	(3,390)	(1,272)	320,297	315,635	397,804
Profit for the year	-	-	-	-	22,118	22,118	22,118
Other comprehensive income for the year, net of tax	-	-	(1,529)	-	-	(1,529)	(1,529)
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	-	-
Share of other comprehensive income of jointly-controlled entities and associates	-	-	(18)	-	-	(18)	(18)
Realisation of reserves on change of interest in an associate	-	-	45	-	-	45	45
Remeasurement of defined benefit pension plans	-	-	1	-	(699)	(698)	(698)
Net fair value changes to cash flow hedges	-	-	-	1,270	-	1,270	1,270
Total comprehensive income for the year	-	-	(1,501)	1,270	(699)	(930)	(930)
Contributions by and distributions to owners	-	-	(1,501)	1,270	21,419	21,188	21,188
Change of interest in a subsidiary	-	-	-	-	-	-	-
Dividends	-	-	-	-	(8,390)	(8,390)	(8,390)
Total distributions to owners	-	-	-	-	(8,390)	(8,390)	(8,390)
At 30-Jun-14	83,092	(923)	(4,891)	(2)	333,326	328,433	410,602
							5,906
							416,508

Statement of Changes in Equity for the year ended 30-Jun-13 (Restated)									
Group	Attributable to owners of the Company								
	Share capital \$'000	Treasury shares \$'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
FY2013 (Restated)									
At 1-Jul-12	83,092	(923)	(4,096)	(7,105)	283,173	271,972	354,141	9,245	363,386
Profit for the year	-	-	-	-	44,466	44,466	44,466	672	45,138
Other comprehensive income for the year, net of tax									
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(175)	-	-	(175)	(175)	223	48
Share of other comprehensive income of jointly-controlled entities and associates	-	-	-	-	-	-	-	122	122
Realisation of reserves on change of interest in subsidiary	-	-	881	-	-	881	881	-	881
Net fair value changes to cash flow hedges	-	-	-	5,833	-	5,833	5,833	-	5,833
Total comprehensive income for the year									
	-	-	706	5,833	-	6,539	6,539	345	6,884
	-	-	706	5,833	44,466	51,005	51,005	1,017	52,022
Distributions to owners									
Change of interest in a subsidiary	-	-	-	-	-	-	-	(3,392)	(3,392)
Dividends	-	-	-	-	(7,342)	(7,342)	(7,342)	-	(7,342)
Total distributions to owners									
	-	-	-	-	(7,342)	(7,342)	(7,342)	(3,392)	(10,734)
At 30-Jun-13									
	83,092	(923)	(3,390)	(1,272)	320,297	315,635	397,804	6,870	404,674

Statement of Changes in Equity for the year ended 30-Jun-14 and 30-Jun-13						
Company	Share capital \$'000	Treasury shares \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Total equity \$'000
FY2014						
At 1-Jul-13	83,092	(923)	(101)	18,470	18,369	100,538
Profit for the year	-	-	-	8,366	8,366	8,366
Other comprehensive income for the year, net of tax	-	-	101	-	101	101
Net fair value changes to cash flow hedges	-	-	101	-	101	101
Total comprehensive income for the year						
	-	-	101	8,366	8,467	8,467
Distributions to owners						
Dividends	-	-	-	(8,390)	(8,390)	(8,390)
Total distributions to owners						
	-	-	-	(8,390)	(8,390)	(8,390)
At 30-Jun-14	83,092	(923)	-	18,446	18,446	100,615
FY2013						
At 1-Jul-12	83,092	(923)	(272)	17,725	17,453	99,622
Profit for the year	-	-	-	8,087	8,087	8,087
Other comprehensive income for the year, net of tax	-	-	171	-	171	171
Net fair value changes to cash flow hedges	-	-	171	-	171	171
Total comprehensive income for the year						
	-	-	171	8,087	8,258	8,258
Distributions to owners						
Dividends	-	-	-	(7,342)	(7,342)	(7,342)
Total distributions to owners						
	-	-	-	(7,342)	(7,342)	(7,342)
At 30-Jun-13	83,092	(923)	(101)	18,470	18,369	100,538

- 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-Jun-14 and 30-Jun-13	419,511,294

There have been no changes in the issued and paid-up capital of the Company since 30 June 2013.

There are no outstanding share options granted under the ESOS as at 30 June 2014 and 30 June 2013.

- 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-Jun-14	As at 30-Jun-13
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 year 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 auditor.

- 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 2013 except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning as of 1 July 2013. 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.

Prior year adjustment in accordance with FRS 103 Business Combinations

The financial statements for FY2013 has been restated to reflect the effects of the retrospective adjustment of the goodwill arising from the finalisation of the fair values of the assets and liabilities, relating to the acquisition of Vosta LMG group, which were acquired during the financial year ended 30 June 2013. In accordance with FRS 103 Business Combinations, the adjustments arising from the finalisation of such provisional purchase price allocation, which are to be made within twelve months from the date of acquisition, are made retrospectively.

Consequential to the finalisation of the purchase price allocation exercise, the results for 4Q FY2013 and FY2013 have been restated to include the amortisation and the corresponding reduction in income tax.

The effects of the adjustments arising from the finalisation of the purchase price allocation exercise which are made retrospectively are as follows:

	Group	
	30-Jun-14	30-Jun-13 (Restated)
	\$'000	\$'000
Increase/ (Decrease) in:		
<u>Income Statement</u>		
Administrative expenses	-	1,046
Tax expense	-	261
	<hr/>	<hr/>
<u>Statement of Comprehensive Income</u>		
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	25
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<u>Statement of Financial Position</u>		
Intangible assets / Provisional goodwill	-	2,458
Deferred tax liabilities	-	3,268
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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.

	Group			
	3 months ended 30 June 4Q FY2014		12 months ended 30 June FY2014	
Earnings per ordinary share:	4Q FY2013 (Restated)		FY2013 (Restated)	
(i) On weighted average no. of ordinary shares in issue	(0.72 cents)	3.43 cents	5.27 cents	10.60 cents
(ii) On a fully diluted basis	(0.72 cents)	3.43 cents	5.27 cents	10.60 cents
Net (loss)/profit attributable to shareholders:	(\$3,032,000)	\$14,405,000	\$22,118,000	\$44,466,000
Number of shares in issue:				
(i) Weighted average no. of shares in issue	419,511,294	419,511,294	419,511,294	419,511,294
(ii) On a fully diluted basis	419,511,294	419,511,294	419,511,294	419,511,294

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-Jun-14	30-Jun-13 (Restated)	30-Jun-14	30-Jun-13
Net Asset Value (NAV) per ordinary share	97.88 cents	94.83 cents	23.98 cents	23.97 cents
NAV has been computed based on the share capital of	419,511,294	419,511,294	419,511,294	419,511,294

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

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.

Aside: On 8 August the Group announced with deep regret that it would make a loss in 4Q2014. The loss was primarily due to:

- a. *The cancellation of one OSV vessel and delayed delivery in the other 2 OSV vessels. We believe that the problem arises from the way the vessels had been designed and how the supplier fulfilled the equipment specification. Needless to say the impact on FY2014, and especially on 4Q2014, has been significant. For example, all the revenues previous booked on the cancelled OSV has had to be reversed resulting in negative revenue in 4Q2014. For example, not only did we have to repay the installments received on the cancelled OSV but we had to pay interest amounting to \$0.9 million as well; and*
- b. *the interaction of accounting policies and timing issues with respect to ship repairs. Unlike shipbuilding, shiprepair is only booked when the jobs are done. This was because historically ship repair jobs were quick. However and increasingly many of our shiprepair jobs are partial conversions and take far longer than historic jobs. As these longer and more complex work provide better margins, they are welcome. However, it is impossible to ensure that one major job completes each quarter. This thus provides fluctuations between quarters.*

Management and the Board believes the outlier that is 4Q2014 is exactly that – an outlier and expects 1Q2015 to revert back to trend.

		Revenue \$'000	Profit \$'000	NPAT \$'000
2012	Q1	83,109	9,592	8,502
	Q2	77,354	13,355	8,252
	Q3	113,785	15,975	7,749
	Q4	116,974	17,952	7,889
			<u>391,222</u>	<u>56,874</u>
2013	Q1	88,978	22,104	9,692
	Q2	82,973	19,381	10,072
	Q3	144,029	18,794	9,929
	Q4	149,461	23,329	15,445
			<u>465,441</u>	<u>83,608</u>
2014	Q1	148,302	23,992	12,082
	Q2	190,436	18,387	7,118
	Q3	144,839	10,071	4,990
	Q4	26,220	6,378	(3,427)
			<u>509,797</u>	<u>58,828</u>

Revenue

Total Group revenue of \$26.2 million for the 3 months ended 30 June 2014 ("4Q FY2014") was \$123.2 million (82.5%) lower compared to the corresponding period in FY2013 ("4Q FY2013").

For the 12 months ended 30 June 2014 ("FY2014"), total Group revenue rose by \$44.4 million (9.5%) to \$509.8 million compared to the corresponding 12 months ended 30 June 2013 ("FY2013").

Details for revenue generated from each segment are as follows:

	Group					
	4Q FY2014	4Q FY2013	Increase/ (Decrease)	FY2014	FY2013	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	(5,309)	98,928	Nm	278,328	289,432	(3.8)
Shiprepair and conversion	4,611	26,780	(82.8)	104,474	72,355	44.4
Shipchartering	15,734	17,229	(8.7)	70,061	84,145	(16.7)
Engineering	11,184	6,524	71.4	56,934	19,509	191.8
	26,220	149,461	(82.5)	509,797	465,441	9.5

Shipbuilding

Recognition of shipbuilding revenue is calculated based on project value multiply by the percentage of completion.

The breakdown of revenue generated from the shipbuilding division is as follows:

	Group				
	4Q FY2014	4Q FY2013	4Q FY2014	4Q FY2013	Increase/ (Decrease)
	No. of vessels		\$'000	\$'000	%
Offshore Support Vessels ("OSV")	21	15	26,114	74,460	(64.9)
Dredgers	1	1	8,552	15,159	(43.6)
Tugs	12	3	12,234	6,422	90.5
Barges and others	4	12	219	2,887	(92.4)
	38	31	47,119	98,928	(52.4)
Cancellation of OSV	(1)	-	(52,428)	-	Nm
	37	31	(5,309)	98,928	Nm

The negative revenue in 4Q FY2014 was solely caused by the cancellation of a shipbuilding contract for a unit of platform supply vessel and as a result of the cancellation total revenue of \$52.4 million recognised since commencement of the construction was reversed in this quarter.

Aside from the cancellation of the shipbuilding contract, revenue in 4Q FY2014 have also declined by \$51.8 million (52.4%) to \$47.1 million due to smaller percentage of completion achieved as most of the OSV and the dredger were near completion, i.e. most of the revenue has been booked in the previous quarters.

	Group				
	FY2014	FY2013	FY2014	FY2013	Increase/ (Decrease)
	No. of vessels		\$'000	\$'000	%
OSV	21	17	155,089	220,890	(29.8)
Dredgers	1	1	115,601	36,942	212.9
Tugs	12	5	58,358	21,622	169.9
Barges and others	4	24	1,708	9,978	(82.9)
	38	47	330,756	289,432	14.3
Cancellation of OSV	(1)	-	(52,428)	-	Nm
	37	47	278,328	289,432	(3.8)

Conversely revenue for FY2014 (before cancellation of OSV) improved by \$41.3 million (14.3%) to \$330.8 million mainly due to the higher revenue recognition from the construction of the dredger which was near completion as at 30 June 2014.

Shiprepair and conversion

The breakdown of revenue generated from the Shiprepair and conversion division is as follows:

	Group					
	4Q FY2014	4Q FY2013	Increase/ (Decrease)	FY2014	FY2013	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shiprepair and conversion	4,394	26,638	(83.5)	103,300	70,907	45.7
Other marine related services	217	142	52.8	1,174	1,448	(18.9)
	4,611	26,780	(82.8)	104,474	72,355	44.4

Shiprepair and conversion revenue decreased by \$22.2 million (82.8%) to \$4.6 million in 4Q FY2014 but increased by \$32.1 million (44.4%) to \$104.5 million in FY2014 compared to corresponding reporting periods.

Unlike shipbuilding projects, revenue from shiprepair and conversion deemed to be short term are recognised only upon completion of the project.

Lower revenue was recorded in 4Q FY2014 as works for several units of service rig has not been completed, meaning that revenue which we had expected to book in 4Q FY2014 will now have to be booked in FY2015.

However with the completion of the rig repair works in 2Q FY2014 and the major conversion works on a crude oil tanker in 3Q FY2014, higher shiprepair and conversion revenue was earned in FY2014. The total revenue of \$104.5 million achieved was a record year for this business segment.

As at 30 June 2014, there are 4 units of rigs repair works which are still ongoing and is expected to be completed in the coming quarters.

Shipchartering

The breakdown of revenue generated from the Shipchartering division is as follows:

	Group					
	4Q FY2014	4Q FY2013	Increase/ (Decrease)	FY2014	FY2013	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Spot charter	10,089	13,663	(26.2)	44,451	49,037	(9.4)
Long term charter	5,234	3,051	71.6	20,684	13,251	56.1
	15,323	16,714	(8.3)	65,135	62,288	4.6
Charter income earned by PT CNI	-	-	Nm	-	17,127	Nm
Total charter income	15,323	16,714	(8.3)	65,135	79,415	(18.0)
Trade sales	411	515	(20.2)	4,926	4,730	4.1
	15,734	17,229	(8.7)	70,061	84,145	(16.7)

Reduction in shipchartering revenue of \$1.5 million (8.7%) to \$15.7 million in 4Q FY2014 and \$14.1 million (16.7%) to \$70.1 million in FY2014 was due to the following: -

1. Decline in utilisation rates for Anchor Handling Tug ("AHT") and tugboats caused the lower demand for high horse power tugs and the off-hire of a AHT;
2. Non-consolidation of shipchartering revenue earned by PT Capitol Nusantara Indonesia ("PT CNI") after the partial disposal of 24% effective interest in the third quarter of financial year ended 30 June 2013.

Engineering

Engineering revenue increased by \$4.7 million (71.4%) to \$11.2 million in 4Q FY2014 and \$37.4 million (191.8%) to \$56.9 million in FY2014 compared to corresponding reporting periods.

The breakdown by revenue generated from the Engineering division is as follows:

	Group					
	4Q FY2014	4Q FY2013	Increase/ (Decrease)	FY2014	FY2013 ¹	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Engineered Dredger Products & Dredgers ("New Buildings")	2,208	2,778	(20.5)	12,939	3,539	265.6
Components & Services ("Components")	8,976	3,746	139.6	43,995	15,970	175.5
	<u>11,184</u>	<u>6,524</u>	<u>71.4</u>	<u>56,934</u>	<u>19,509</u>	<u>191.8</u>

¹ Cover only 6 months period ended 30 June 2013

Similarly to shipbuilding projects, revenue from New Buildings is calculated based on project value multiply by the percentage of completion.

The increase in revenue for New Buildings in FY2014 is solely due to higher percentage of completion achieved as projects awarded in FY2013 were completed during the year.

Robust growth in the revenue from Components was led by the stronger demand/orders received from customers in FY2014.

Gross profit and gross profit margin

Total Group gross profit decreased by \$17.0 million (72.7%) to \$6.4 million in 4Q FY2014 and \$24.8 million (29.6%) to \$58.8 million in FY2014 compared to the respective corresponding periods.

The breakdown of gross profit and gross profit margin for each respective segment are as follows:

	Group							
	4Q FY2014		4Q FY2013		FY2014		FY2013	
	\$'000	GPM	\$'000	GPM	\$'000	GPM	\$'000	GPM
Shipbuilding	(2,443)	Nm	10,689	10.8%	7,100	2.6%	37,589	13.0%
Shiprepair and conversion	311	6.7%	8,397	31.4%	19,715	18.9%	21,279	29.4%
Shipchartering	2,454	15.6%	4,155	24.1%	17,732	25.3%	23,034	27.4%
Engineering	6,056	54.1%	88	1.3%	14,281	25.1%	1,706	8.7%
	<u>6,378</u>	<u>24.3%</u>	<u>23,329</u>	<u>15.6%</u>	<u>58,828</u>	<u>11.5%</u>	<u>83,608</u>	<u>18.0%</u>

Shipbuilding

Gross loss of \$2.4 million in 4Q FY2014 and lower gross profit achieved in FY2014 was due to:

-

1. Reversal of gross profit of \$0.3 million recognised in previous quarters upon the cancellation of the shipbuilding contract;
2. Overrun in subcontractors' costs to rapidly complete the construction of several shipbuilding projects, amongst the remaining 2 units of complicated OSV; and
3. Provision of liquidated damages payable.

Shiprepair and conversion

The exceptionally high gross profit margin of 29.4% achieved in FY2013 was due to write-back of sub-contractor costs for prior year's completed projects. Excluding the write-back, gross profit and gross profit margin for FY2013 would have been \$15.9 million and 22.0% respectively.

Consequent to the higher revenue earned in FY2014, gross profit increased by \$3.8 million (23.8%) when compared to gross profit (excluding write-back of subcontractor costs) of \$15.9 million in FY2013.

Shipchartering

Gross profit declined by \$1.7 million (40.9%) to \$2.5 million in 4Q FY2014 and \$5.3 million (23.0%) to \$17.7 million in FY2014 partly due to the non-consolidation of gross profit generated from vessels held by PT CNI.

Excluding the gross profit of \$4.4 million that were generated from vessels held by PT CNI in FY2014, the gross profit margin for shipchartering would have been as follows:

	Group			
	4Q	4Q	FY2014	FY2013
	FY2014	FY2013	FY2014	FY2013
	%	%	%	%
Gross profit margin as per above	15.6%	24.1%	25.3%	27.4%
Adjusted margin excluding PT CNI	15.6%	25.2%	25.3%	27.9%

Consequential to the lower revenue generated from charter of high horse power tugs as well as the higher maintenance costs incurred on barges, gross profit from vessels held by the Singapore subsidiaries in 4Q FY2014 declined by \$1.7 million (40.9%).

Engineering

With a higher percentage of completion achieved in New Buildings and stronger revenue recorded in Components, gross profit increased by \$12.6 million or \$9.5 million (excluding the write-back of warranty provision of \$3.1 million) in FY2014.

Other operating income

Details for other operating income are as follows:

	Group			
	4Q	4Q	FY2014	FY2013
	FY2014	FY2013		
\$'000	\$'000	\$'000	\$'000	
Changes in fair value of short term investment	62	-	99	-
Gain on change of interest in a subsidiary	-	4,758	-	4,758
Gain on change of interest in an associate	-	-	20	-
Gain on disposal of plant and equipment	93	981	3,248	2,090
Gain on disposal of assets held for sale	(38)	-	245	496
Gain on foreign exchange				
- unrealised	563	5,108	511	2,291
- realised	313	631	605	100
Insurance claim	19	105	2,544	109
Interest income	69	85	280	347
Miscellaneous income	(34)	(114)	715	427
Rental income	250	498	928	729
Write-back of impairment of doubtful trade receivables (net)	1,373	-	1,877	-
	2,670	12,052	11,072	11,347

Operating income in FY2014 was lower due to the absence of the realisation of proportionate interest of unrealised profit of \$4.3 million eliminated on the sale of vessels previously sold to PT CNI (subsidiary then) when the Group partially disposed its interest in PT CNI. The absence of the gain on change of interest in subsidiary was cushioned by the insurance claims totaling \$2.5 million received in FY2014.

Administrative expenses

Administrative expenses in 4Q FY 2014 increased by \$0.7 million (8.4%) to \$9.4 million when compared to 4Q FY2013 mainly due to the depreciation charge of \$0.6 million arising from the Batam shipyard acquired in May 2014.

For FY2014 administrative expenses increased by \$9.1 million (38.8%) to \$32.5 million compared to FY2013. The increase was partly due to the consolidation of 12 months of expenses incurred by Vosta LMG in FY2014 versus 6 months in FY2013 (acquisition of Vosta LMG was completed in December 2012).

Besides the consolidation of additional 6 months' expenses incurred by Vosta LMG, the amortisation of intangible assets of \$1.3 million, rationalisation cost of \$1.5 million, higher depreciation charge of \$0.8 million and interest of \$0.9 million that we had to pay on instalments we collected from the buyer of the cancelled vessel also resulted in the increase in administrative expenses in FY2014.

The administrative expenses for 4Q FY2013 and FY2013 has been increased by \$1.0 million due to a prior year adjustment as highlighted in Note 5 of this announcement.

Other operating expenses

Other operating expenses decreased by \$1.7 million (94.9%) to \$90,000 in 4Q FY2014 and \$4.6 million (77.6%) to \$1.3 million in FY2014.

Other operating expenses comprised the followings:

	Group			
	4Q FY2014	4Q FY2013	FY2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Allowance for impairment of doubtful receivables (net)	-	1,553	-	5,635
Bad debts written off (trade)	19	80	64	100
Changes in fair value of short term Investment	-	131	-	99
Inventory written off	6	-	6	-
Property, plant and equipment written off	65	3	1,249	55
	90	1,767	1,319	5,889

Property, plant and equipment written off in FY2014 pertained to a barge which was grounded with \$1.3 million insurance claim in other operating income.

Finance costs

Finance costs increased by \$0.4 million (12.1%) to \$3.7 million in 4Q FY2014 and \$2.8 million (25.2%) to \$13.8 million in FY2014 due to higher amount of bonds interest (approximately \$1.86 million) incurred following the issuance of a \$100 million bond in March 2013 as well as the additional long-term loans drawdown in FY2014.

The Group hedges against interest rate fluctuations for part of its long-term borrowings by way of 'plain vanilla' interest rate swaps.

Share of results of jointly-controlled entities and associates

The Group's share of results of jointly-controlled entities and associates comprised:

	Group's effective interest	Group			
		4Q FY2014	4Q FY2013	FY2014	FY2013
		\$'000	\$'000	\$'000	\$'000
<u>Jointly-controlled entity</u>					
HKR-ASL Joint Venture Limited	50%	-	-	-	-
Sindo-Econ Pte. Ltd.	50%	(428)	-	(528)	-
<u>Associates</u>					
PT. Hafar Capitol Nusantara ("PT Hafar")	36.75%	1,455	689	4,228	455
PT Capitol Nusantara Indonesia ("PT CNI")	36.0%	320	68	160	68
		1,347	757	3,860	523

PT Hafar derived its profit from charter and operation of its pipe-lay cum accommodation barge. The lower profit in FY2013 was due to there being no income earned from April 2012 to February 2013 as the vessel was undergoing upgrading works to increase its accommodation capacity in the Group's Batam shipyard.

PT CNI recorded a profit of \$320,000 in 4Q FY2014 turning a loss of \$160,000 (due to foreign exchange losses) for the 9 months ended 31 March 2014 into a profit of \$160,000 for FY2014.

Profit before tax

With the decrease in gross profit caused by the ailing shipbuilding and shiprepair and conversion segments and the rise in administrative expenses, the Group recorded its first loss before tax of \$3.4 million in 4Q FY2014.

Tax expense

The Group's current period tax expenses comprised:

	Group			
	4Q FY2014	4Q FY2013	FY2014	FY2013
	\$'000	\$'000	\$'000	\$'000
Income tax	(651)	5,007	2,718	9,748
Deferred tax	1,393	951	2,922	394
	742	5,958	5,640	10,142
Effective tax rate			25.3%	18.6%

The Group recorded a higher effective tax rate in FY2014 mainly due to: -

- additional deferred tax provision of \$2.6 million arising from the operations in; and
- pre-tax loss of \$1.2 million incurred by Vosta LMG group which cannot be offset against profits earned by other subsidiaries within the Group.

The provision of additional deferred tax for our Batam operations arose from the consequential impact of functional currency on deferred taxes. The functional currency of the Group's Indonesia subsidiary is in SGD; whereas its taxable profit is determined in IDR in Indonesia. The changes in the exchange rate during the period gave rise to temporary difference that result in additional deferred tax liability.

Non-controlling interests

Non-controlling interests' share of results increased by \$2.0 million in FY2014 mainly due to higher share of shipbuilding losses from its China operations of \$2.5 million partially offset by higher share of shipchartering profits recorded by the non-wholly owned foreign subsidiaries of \$1.1 million.

Operation cash flow

4Q FY2014

The Group recorded a net cash inflow from operating activities of \$15.6 million mainly attributed to higher deposits received from shiprepair customers and ship charterers that were absent in 4QFY2013.

The net cash used in investing activities in 4QFY2014 almost doubled compared to 4QFY2013. This was mainly due to the amount of S\$25.6 million (equivalent to US\$20.0 million) spent to acquire another Batam shipyard in May 2014.

Proceeds from interest bearing loans rose significantly in 4QFY2014 compared to 4QFY2013. The sharp rise was primarily due to most of the roll over borrowing occurring in 3QFY2013 (meaning that 4QFY2013 was depressed) and the acquisition of the Batam shipyard.

FY2014

The Group's net cash inflow from operating activities of \$27.7 million in FY2014 was mainly attributed to lower work-in-progress incurred for shipbuilding and shiprepair projects and higher receipt from customers including related parties. This was a sharp improvement in the net cash used in FY2013.

In line with the Group's overall strategy to strengthen and expand its shipbuilding and shiprepair capacity, the Group acquired its third shipyard in Batam. Together with the additions to the Group's fleet of vessels, there was a cash outflow position in investing activities.

The net cash inflow from financing activities in FY2014 was mainly due to new bank borrowings utilised to finance the acquisition of new shipyard and vessels.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2014

Non-current assets

Property, plant and equipment ("PPE") increased by \$64.1 million (13.4%) from \$478.7 million as at 30 June 2013 to \$542.8 million as at 30 June 2014.

Movement in PPE during the year under review is as follows:

	\$'000
Balance as at 1 July 2013	478,656
Acquisition of property, plant and equipment	
Inclusive of :	
- \$9.5 million for plant and machinery	
- \$77.1 million for 38 vessels	
- \$25.6 million for acquisition of new shipyard in Batam	
- \$14.2 million for yard infrastructure development and vessels under construction	124,974
Transfer to asset held for sale	(10,123)
Disposal/ write-off of plant and equipment	(6,153)
Depreciation charge	(42,442)
Translation differences	(2,135)
Balance as at 30 June 2014	<u>542,777</u>

The breakdown of the carrying value of the goodwill and intangible assets are as follows:

	30-Jun-14	30-Jun-13
	\$'000	(restated)
		\$'000
Goodwill	9,939	9,613
Technology	7,085	7,360
Customer relationship	4,444	4,481
Brand name	722	897
Order backlog	-	331
Intangible assets	<u>22,190</u>	<u>22,682</u>

Intangible assets were acquired as part of the acquisition of Vosta LMG group.

Group has previously appointed BDO Corporate Finance B.V. to undertake an assessment of the fair value of these intangible assets. During the financial year, assessment for any impairment of intangible assets was conducted using the 5 year cashflow model.

Amortisation of intangible assets has been computed based on the respective useful lives of the intangible assets except for goodwill which has an indefinite useful life.

Current assets

Current assets increased by \$23.8 million (3.9%) from \$609.0 million as at 30 June 2013 to \$632.8 million as at 30 June 2014.

Inventories increased by \$46.2 million (185.0%) to \$71.1 million as at 30 June 2014 mainly due to 6 units of built-to-stock vessels totaling \$55.2 million.

Trade and other receivables comprised the following:

	30-Jun-14 \$'000	30-Jun-13 \$'000	Increase/ (decrease)		Debtors Turnover (days)	
			\$'000	%	FY2014	FY2013
Trade receivables	208,587	144,449	64,138	44.4	155	129
Other receivables and deposits	26,828	25,014	1,814	7.3		
Amounts due from related parties	52,243	73,570	(21,327)	(29.0)		
	287,658	243,033	44,625	18.4		

Of the total trade receivables, \$52.7 million was received subsequent to the period under review.

The higher other receivables balance was mainly attributable to insurance claim of \$1.3 million arising from the damage and total constructive loss of a vessel which was subsequently received in July 2014.

The decrease in amount due from related parties was mainly due to the partial settlement of US\$20.5 million (equivalent to S\$26.1 million) owing by PT Hafar for a vessel previously purchased from the Group.

Current liabilities

Current liabilities increased by \$9.8 million (2.0%) from \$493.2 million as at 30 June 2013 to \$503.1 million as at 30 June 2014.

Trade and other payables comprised the following:

	30-Jun-14 \$'000	30-Jun-13 \$'000	Increase/ (decrease)		Creditors Turnover (days)	
			\$'000	%	FY2014	FY2013
Trade payables	147,447	163,546	(16,099)	(9.8)	119	156
Other payables	39,097	17,061	22,036	129.2		
Amounts due to related parties	7,181	5,143	2,038	39.6		
Loan from non- controlling interests of subsidiaries	191	194	(3)	(1.5)		
	193,916	185,944	7,972	4.3		

Other payables comprised mainly payables for expenditure incurred on yard developments, deferred income and deposits received from customers for shiprepairs and shipchartering services. The increase was mainly due to higher deposit received from customers for shiprepairs and ship charterers.

Non-current liabilities

Non-current liabilities increased by \$70.4 million (31.0%) to \$297.4 million as at 30 June 2014 due to higher deferred tax liabilities and interest-bearing loans and borrowings.

Deferred tax liabilities increased by \$4.0 million (32.2%) to \$16.6 million as at 30 June 2014 mainly due to additional deferred tax provision of \$2.6 million from the Group's Batam operations.

The breakdown of total group borrowings is as follows:

	30-Jun-14	30-Jun-13	Increase/ (decrease)	
	\$'000	\$'000	\$'000	%
Long term loans	210,723	122,004	88,719	72.7
Notes issued under Multicurrency Debt Issuance Programme	100,000	171,450	(71,450)	(41.7)
Finance lease liabilities	25,800	32,860	(7,060)	(21.5)
Short term loans/ invoice financing	102,356	35,656	66,700	187.1
Bank overdraft	6,724	7,225	(501)	(6.9)
Total interest-bearing loans and borrowings	445,603	369,195	76,408	20.7
Trust receipts	100,204	100,718	(514)	(0.5)
Total borrowings	545,807	469,913	75,894	16.2
Total shareholders' funds	410,602	397,804		
Gearing ratio (times)	1.33	1.18		
Net gearing ratio (times)	1.15	0.96		

Interest-bearing loans and borrowings as at 30 June 2014 increased \$76.4 million (20.7%) compared to borrowings as at 30 June 2013 mainly due to additional long-term loans drawdown for the repayment of \$71.5 million to bondholders in March 2014 and additional short-term loans obtained for the financing of current shipbuilding projects.

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

On 8 August 2014, the Group issued a profit warning. The announcement informed investors that the Group would report a loss in the consolidated net results for 4Q FY2014 due to lower shiprepair and conversion revenue recorded and problems with the OSV class of vessels resulting in cost over runs. The actual loss attributable to shareholders of \$3.0 million for 4Q FY2014 was in line with the announcement released.

In line with the Group's announcement made on 28 August 2013 with respect to the financial year ended 30 June 2013, the Group remained profitable for the whole of FY2014.

On 14 May 2014, the Group announced an outstanding delivery order of 18 vessels worth approximately \$49 million for its shipchartering operations. During 4Q FY2014, the shipchartering operations took delivery of 7 vessels with a total worth of \$10 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.

As mentioned in the Group's announcement made on 14 May 2014 with respect to the 9 months period ended 31 March 2014, the Group continues to believe that the current oil prices is conducive to exploration and production (E&P) activities, and is expecting the outlook of the offshore and marine industry in 2014/15 to remain competitive.

The Group is of the view that margins will be the main challenge as they continued to be under pressure due to continued competition, challenging market conditions and tight labour resources.

The Group's strategy includes a conscientious effort to improve productivity so as to minimise project costs over-run and timely delivery of vessels to our customers.

Shipbuilding and Shiprepair Operations

As at 30 June 2014, the Group has an outstanding shipbuilding order book from external customers of approximately \$321 million for 28 vessels. The order book comprised Offshore Support Vessels, AHTS, self-propelled cutter suction dredger, tugs and barges. Barring any unforeseen circumstances, 21% of the order book is expected to be recognised in the first six months of the financial year ending 30 June 2015.

Shipchartering Operations

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 32% of shipchartering revenue in FY2014 was attributed to long-term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2014, the Group had an outstanding order book of approximately \$74 million with respect to long-term shipchartering contracts.

The Group remains strategically committed to maximising deployment, enhancing and renewing its fleet to better meet customers' needs. The Group's shipchartering operations currently have an outstanding delivery order of 14 vessels worth approximately \$42 million, comprising landing crafts, tugs and barges. With the exception of 2 units of barges and 2 units of tugs, a total worth of \$6 million, these vessels are being built internally by the Group.

Engineering Operations

As the Group is of the view that conditions in the dredging market is expected to remain tepid, the Group's strategy is to continue focusing on its component business and simultaneously promote and/or reintroduce more items.

Overall

Barring any unforeseen circumstances, the Group is expected to return to profitability in 1QFY2015 and for the whole of FY2015.

11. Dividend

(a) Current Financial Period

Any dividend recommended for the current financial period reported on?

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.00 cents
Tax Rate	One tier tax-exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.00 cents
Tax Rate	One tier tax-exempt

(c) Date payable

The final dividend, if approved at the Annual General Meeting, will be paid on 12 November 2014.

(d) Books closure date

Notice is hereby given that the share transfer book and register of members of the Company will be closed on 5 November 2014. 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 4 November 2014 will be registered to determine shareholders' entitlements to the proposed 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.

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.

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

14. 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 and conversion \$'000	Shipchartering and rental \$'000	Engineering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
FY2014							
Revenue							
Revenue from external customers	278,328	104,474	70,061	56,934	-	-	509,797
Inter-segment revenue	107,654	52,729	24,686	12,131	10,000	(207,200)	-
Total revenue	385,982	157,203	94,747	69,065	10,000	(207,200)	509,797
Results							
Segment results	3,864	19,716	18,247	(973)	15,831	(18,543)	38,142
Unallocated expenses							(2,099)
Finance costs							(13,764)
Share of results of jointly-controlled entities and associates							3,860
Tax expense							(5,376)
Profit for the year							20,763
Assets							
Segment assets	541,088	188,918	428,817	36,470	8,277	-	1,203,570
Unallocated assets							13,375
Total assets							1,216,945
Liabilities							
Segment liabilities	121,207	58,140	36,681	14,047	3,127	-	233,202
Unallocated liabilities							566,537
Total liabilities							799,739
Capital expenditure	34,477	1,870	88,256	371	-	-	124,974
Depreciation and amortisation	15,212	5,251	22,466	1,886	-	-	44,815
Other non-cash expenses	(552)	(78)	1,192	(1,859)	(99)	-	(1,396)

	Shipbuilding \$'000	Shiprepair and conversion \$'000	Shipchartering and rental \$'000	Engineering \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
FY2013 (Restated)							
Revenue							
Revenue from external customers	289,432	72,355	84,145	19,509	-	-	465,441
Inter-segment revenue	64,674	31,743	28,677	13,826	10,000	(148,920)	-
Total revenue	<u>354,106</u>	<u>104,098</u>	<u>112,822</u>	<u>33,335</u>	<u>10,000</u>	<u>(148,920)</u>	<u>465,441</u>
Results							
Segment results	30,521	18,522	24,273	(7,365)	13,811	(12,234)	67,528
Unallocated expenses							(1,903)
Finance costs							(10,990)
Share of results of jointly-controlled entities and associates							523
Tax expense							(10,020)
Profit for the year							<u>45,138</u>
Assets							
Segment assets	552,566	127,604	375,145	48,032	11,973	-	1,115,320
Unallocated assets							9,493
Total assets							<u>1,124,813</u>
Liabilities							
Segment liabilities	128,746	51,407	16,328	30,740	5,018	-	232,239
Unallocated liabilities							487,900
Total liabilities							<u>720,139</u>
Capital expenditure	<u>31,800</u>	<u>6,462</u>	<u>74,311</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>112,702</u>
Depreciation and amortisation	<u>10,468</u>	<u>2,604</u>	<u>24,536</u>	<u>1,545</u>	<u>-</u>	<u>-</u>	<u>39,153</u>
Other non-cash expenses	<u>3,746</u>	<u>1,405</u>	<u>1,145</u>	<u>680</u>	<u>99</u>	<u>-</u>	<u>7,075</u>

(b) Geographical segments

	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	United States and Other Countries \$'000	Consolidated \$'000
FY2014						
Revenue from external customers	347,241	11,938	8,973	61,176	80,469	509,797
Capital expenditure	93,404	28,870	2,329	371	-	124,974
FY2013						
Revenue from external customers	196,834	64,341	25,092	136,516	42,658	465,441
Capital expenditure	101,808	8,622	2,143	129	-	112,702

Management believes 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 charter services, charterers of the Group's vessels have the discretion to operate within a wide area and are not constrained by a specific sea route.

15. 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.

16. A breakdown of sales.

	Group		
	FY2014	FY2013	Increase/ (Decrease)
	\$'000	\$'000	%
Sales reported for first half year	338,738	171,951	97.0
Operating profit after tax before deducting non-controlling interests reported for first half year	19,200	19,764	(2.9)
Sales reported for second half year	171,145	293,490	(41.7)
Operating profit after tax before deducting non-controlling interests reported for second half year	1,563	25,374	(93.8)

17. 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	4,195	8,390
Preference	-	-
Total	4,195	8,390

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ang Kok Tian	53	<p>Brother of Ang Ah Nui, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2003 as Chairman and Managing Director of ASL Marine.</p> <p>Responsible for the Group business strategy and direction, corporate plans and policies and the general management of the Group.</p>	No change
Ang Ah Nui	51	<p>Brother of Ang Kok Tian, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2003 as Deputy Managing Director of ASL Marine.</p> <p>Responsible for the Group business strategy and direction, corporate plans and policies and the general management of the Group's shipchartering and shiprepair business.</p>	No change
Ang Kok Eng	47	<p>Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2002 as Executive Director of ASL Marine.</p> <p>Responsible for the Group's marketing and business development function for Asia.</p>	No change
Ang Kok Leong	46	<p>Brother of Ang Kok Tian, Ang Ah Nui and Ang Kok Eng, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Son of Ang Sin Liu and brother of Ang Swee Kuan, both of whom are substantial shareholders of ASL Marine.</p>	<p>Appointed in 2002 as Executive Director of ASL Marine.</p> <p>Responsible for the Group's marketing and business development function for Europe, Middle East and other regions.</p>	No change
Ang Sin Liu	79	<p>Father of Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong, all of whom are Directors and substantial shareholders of ASL Marine.</p> <p>Father of Ang Swee Kuan, who is a substantial shareholder of ASL Marine.</p>	<p>Appointed in 2003 as Advisor to ASL Marine.</p> <p>Advising on the setting of Group's business strategy and direction.</p>	No change

Ang Kok Tian, Ang Ah Nui, Ang Kok Eng, Ang Kok Leong, Ang Sin Liu and Ang Swee Kuan are the substantial shareholders of the Company. Ang Kok Tian, Ang Ah Nui, Ang Kok Eng and Ang Kok Leong are brothers, they are sons of Ang Sin Liu and brothers of Ang Swee Kuan. Each of them is deemed to have an interest in the shares held by the other.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
28 August 2014