ASL MARINE HOLDINGS LTD (CO. REG. NO. 200008542N)

Full Year Financial Statement And Dividend Announcement for the Period Ended 30/06/2005

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		
	30-Jun-05	**30-Jun-04**	**Increase / (Decrease)**
	$'000	**$'000**	**%**
Shipbuilding	96,519	57,517	67.8
Shiprepairs and other marine related services	10,062	27,519	(63.4)
Charter and rental income	32,599	33,243	(1.9)
Total Revenue	**139,180**	**118,279**	17.7
Cost of sales	(126,357)	(103,779)	21.8
Gross profit	**12,823**	**14,500**	(11.6)
Other operating income	10,304	4,571	125.4
Administrative expenses	(5,968)	(5,317)	12.2
Other operating expenses	(1,015)	(117)	767.5
Profit from operations	**16,144**	**13,637**	18.4
Finance costs	(1,962)	(1,343)	46.1
Share of profit of jointly-controlled entities	1,923	188	922.9
Profit from ordinary activities before taxation	**16,105**	**12,482**	29.0
Income tax expense	(2,405)	(2,522)	(4.6)
Profit after taxation but before minority interests	**13,700**	**9,960**	37.6
Minority interests	(114)	(16)	612.5
Net profit for the year	**13,586**	**9,944**	36.6

Note:

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

	30-Jun-05	**30-Jun-04**
	$'000	**$'000**
Other income including interest income	715	3,266
Loss on reduction of interest in subsidiary	-	(2)
Profit on disposal of plant and equipment	9,589	1,305
Depreciation of property, plant and equipment	(6,844)	(6,401)
Amortisation of lease prepayments	(134)	(134)
Impairment loss on property, plant and equipment	-	(82)
Allowance made for doubtful trade receivables	(449)	(159)
Provision for liquidated damages made	-	(224)
Allowance for doubtful trade receivables written back	45	827
Loss/(gain) on foreign exchange	(444)	667
Adjustment for (under)/over provision of tax in respect of prior years		
- Current tax expense	(189)	68
- Deferred tax expense	-	2

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-05	30-Jun-04	30-Jun-05	30-Jun-04
	$'000	$'000	$'000	$'000
Non-current assets				
Property, plant and equipment	112,024	64,850	651	291
Lease prepayments	2,577	2,711	-	-
Subsidiaries	-	-	15,406	15,246
Interest in jointly-controlled entities	21,192	13,686	26,540	14,540
Other financial assets	-	50	-	-
	135,793	81,297	42,597	30,077
Current assets				
Inventories	8,335	12,780	-	-
Construction work-in-progress	13,351	12,559	-	-
Trade and other receivables	30,188	31,661	621	21
Amounts due from related parties	5,252	8,042	28,492	17,726
Cash and cash equivalents	31,006	15,270	1,060	102
	88,132	80,312	30,173	17,849
Current liabilities				
Bank overdrafts (unsecured)	-	37	-	-
Trade and other payables	40,057	27,256	328	182
Provision for liquidated damages	-	224	-	-
Progress billings in excess of construction work-in-progress	32,915	17,329	-	-
Amounts due to related parties	124	-	12,967	7,568
Trust receipts	13,937	23,475	-	-
Interest-bearing borrowings	11,414	6,588	3,070	-
Finance lease liabilities	99	1,076	95	50
Current tax payable	2,542	2,835	-	-
	101,088	78,820	16,460	7,800
Net current (liabilities)/assets	**(12,956)**	**1,492**	**13,713**	**10,049**
Non-current liabilities				
Loan from minority shareholder	(877)	-	-	-
Interest-bearing borrowings	(39,077)	(11,018)	(15,830)	-
Finance lease liabilities	(323)	(163)	(323)	(159)
Deferred tax liabilities	(3,899)	(3,352)	-	-
	(44,176)	(14,533)	(16,153)	(159)
Minority interests	(271)	(118)	-	-
Net assets	**78,390**	**68,138**	**40,157**	**39,967**
Capital and reserves				
Share capital	21,808	21,808	21,808	21,808
Reserves	56,582	46,330	18,349	18,159
	78,390	**68,138**	**40,157**	**39,967**

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

Amount repayable in one year or less, or on demand

As at 30/06/05		As at 30/06/04	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'000	**$'000**	**$'000**	**$'000**
11,513	13,937	6,714	24,462

Amount repayable after one year

As at 30/06/05		As at 30/06/04	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'000	**$'000**	**$'000**	**$'000**
39,400	-	11,181	-

Details of any collateral

The Group's borrowings are secured by way of:

- Corporate guarantee from the Company and certain subsidiaries
- Legal mortgage of the Group's leasehold property
- Legal mortgages over certain vessels of subsidiaries
- Legal mortgages over certain plant and machineries of subsidiaries
- Assignment of certain charter income of subsidiaries
- Assignment of 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	
	30-Jun-05	**30-Jun-04**
	$'000	**$'000**
Operating activities		
Profit from ordinary activities before taxation	16,105	12,482
Adjustments for:		
Depreciation of property, plant & equipment	6,844	6,401
Impairment loss on property, plant and equipment	-	82
Amortisation of lease prepayments	134	134
Gain on disposal of plant & equipment	(9,589)	(1,305)
Loss on reduction of interest in subsidiary	-	2
Loss on disposal of financial assets	1	-
Share of profits of jointly-controlled entities	(1,923)	(188)
Provision for liquidated damages made	-	224
Plant and equipment written off	162	-
Bad debts written off	4	33
Dividend income	(2)	(1)
Interest income	(113)	(32)
Interest expenses	1,962	1,343
Operating profit before working capital changes	**13,585**	**19,175**

Changes in working capital:		
Inventories	4,445	(8,589)
Construction work-in-progress and progress billings in excess of construction work-in-progress	15,171	12,090
Trade and other receivables	1,469	(3,969)
Trade and other payables	15,244	4,791
Balances with related parties (trade)	512	(5,630)
Cash generated from operations	**50,426**	**17,868**
Income tax paid	(1,749)	(1,099)
Net cash inflow from operating activities	**48,677**	**16,769**
Investing activities		
Interest received	113	32
Dividend received	2	1
Purchase of plant & equipment	(76,870)	(21,393)
Proceeds from disposal of plant & equipment	35,250	6,990
Proceeds from disposal of financial assets	49	-
Investment in a jointly-controlled entity	-	(14,040)
Loan to a jointly-controlled entity	(12,000)	(500)
Balances with related parties (non trade)	2,402	(2,412)
Net proceeds from reduction of interest in subsidiary	-	91
Net cash outflow from investing activities	**(51,054)**	**(31,231)**
Financing activities		
Interest paid	(1,962)	(1,343)
Dividend paid	(3,053)	(2,772)
Repayment of interest-bearing borrowings	(9,522)	(7,727)
Proceeds from interest-bearing borrowings	42,406	6,225
Repayment of finance lease liabilities	(1,097)	(1,247)
Proceeds from issue of shares	-	10,040
Contributions from minority interests	40	9
Proceeds from issue of warrants	-	1,238
Payment for share issue expenses	-	(578)
Repayment of trust receipts	(67,237)	(12,835)
Proceeds from trust receipts	57,699	28,805
Loan from minority shareholders	877	-
Net cash inflow from financing activities	**18,151**	**19,815**
Net increase in cash & cash equivalents	**15,774**	**5,353**
Net effect of exchange rate changes in consolidating subsidiaries	(1)	-
Cash and cash equivalents at beginning of the year	**15,233**	**9,880**
Cash and cash equivalents at end of the year	**31,006**	**15,233**

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 30/06/04 and 30/06/05

Group	Share capital $'000	Share premium $'000	Capital reserve $'000	Exchange translation reserve $'000	Accumulated profits $'000	Total $'000
Balance at 1-Jul-2003	**19,800**	**4,063**	**-**	-	**26,268**	**50,131**
Renounceable rights issue of warrants	-	-	1,238	-	-	1,238
Issue of ordinary shares	2,008	8,032	-	-	-	10,040
Issue expenses	-	(16)	(578)	-	-	(594)
Net profit for the year	-	-	-	-	9,944	9,944
Dividend paid	-	-	-	-	(2,772)	(2,772)
Exchange differences arising on consolidation	-	-	-	151	-	151
As at 30-Jun-2004	**21,808**	**12,079**	**660**	**151**	**33,440**	**68,138**
Balance at 1-Jul-2004 as previously stated	**21,808**	**12,079**	**660**	**151**	**33,440**	**68,138**
Net profit for the year	-	-	-	-	13,586	13,586
Dividend paid	-	-	-	-	(3,053)	(3,053)
Exchange differences arising on consolidation	-	-	-	(281)	-	(281)
As at 30-Jun-2005	**21,808**	**12,079**	**660**	**(130)**	**43,973**	**78,390**

Statement of Changes in Equity for the year ended 30/06/04 and 30/06/05

Company	Share Capital $'000	Share premium $'000	Capital Reserve $'000	Accumulated profits $'000	Total $'000
Balance at 1-Jul-2003	**19,800**	**4,063**	**-**	**3,600**	**27,463**
Renounceable rights issue of warrants	-	-	1,238	-	1,238
Issue of ordinary shares	2,008	8,032	-	-	10,040
Issue expenses	-	(16)	(578)	-	(594)
Net profit for the year	-	-	-	4,592	4,592
Dividend paid	-	-	-	(2,772)	(2,772)
As at 30-Jun-2004	**21,808**	**12,079**	**660**	**5,420**	**39,967**
Balance at 1-Jul-2004	**21,808**	**12,079**	**660**	**5,420**	**39,967**
Net profit for the year	-	-	-	3,243	3,243
Dividend paid	-	-	-	(3,053)	(3,053)
As at 30-Jun-2005	**21,808**	**12,079**	**660**	**5,610**	**40,157**

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.

On 18 December 2003, the Company offered 5,850,000 options to eligible employees and non-executive directors of the Group (collectively the "Grantees") under the ASL Employee Share Option Scheme (the "Scheme") to subscribe for and be allotted an aggregate of 5,850,000 ordinary shares of $0.10 each in the Company at an exercise price of $0.55 per share. The options are exercisable in accordance with the following vesting schedule:-

- Approximately 40% of options on or after 18 December 2004;
- Approximately 30% of options on or after 18 December 2005; and
- Approximately 30% of options on or after 18 December 2006

Acceptance of the offer of options closed on 17 January 2004 and a total of 5,500,000 options have been accepted by the Grantees and are exercisable as follows:-

- 2,200,000 options on or after 18 December 2004;
- 1,669,000 options on or after 18 December 2005; and
- 1,631,000 options on or after 18 December 2006.

Since the date of grant to the end of the financial year, there were no options exercised and 1,300,000 options were cancelled due to resignation of staff.

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 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.

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements of the current financial period reported as in the last audited annual 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.

The Group adopted new FRS103 Business Combinations. There is no impact on the FY2005 financials as a result of this adoption.

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	
	30-Jun-05	30-Jun-04
(i) Based on weighted average number of ordinary shares in issue	6.23cts	5.02cts
(ii) On a fully diluted basis	6.23cts	5.02cts

Note to item 6 (i):
The calculation of basic earnings per ordinary share of the Group is based on net profit for the year attributable to ordinary shareholders amounting to $13,585,603 (2004: $9,944,390) and the weighted average of 218,080,000 (2004: 198,055,014) ordinary shares in issue during the year.

Note to item 6 (ii):
The calculation of fully diluted earnings per ordinary share of the Group is based on net profit for the year attributable to ordinary shareholders amounting to $13,585,603 (2004: $9,944,390) and the weighted average of 218,080,000 (2004: 198,247,146) ordinary shares in issue during the year.

The basic and diluted earnings per ordinary share of the Group are the same as the Company did not have any outstanding share options and warrants that are dilutive in nature as at 30 June 2005.

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-05	30-Jun-04	30-Jun-05	30-Jun-04
Net asset value per ordinary share based on issued share capital at end of:	35.95cts	31.24cts	18.41cts	18.33cts

Note:
The calculation of net asset value of the Group and of the Company is based on 218,080,000 (2004: 218,080,000) ordinary shares in issue as at end of the respective financial years.

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.

<u>**REVIEW OF OPERATING PERFORMANCE FOR THE FULL YEAR ENDED 30 JUNE 2005**</u>

Revenue
Group revenue increased by 17.7% from $118.3 million in financial year ended 30 June 2004 ("FY2004") to $139.2 million for financial year ended 30 June 2005 ("FY2005"), mainly attributable to the increase in revenue from shipbuilding operations by 67.8% offset by the decrease in revenue from shiprepairs and other marine related services of 63.4%.

Revenue from shipbuilding operations increased by $39.0 million from $57.5 million in FY2004 to $96.5 million in FY2005. The higher revenue was attributable to the recognition of revenue for the construction of 15 tugboats and 21 barges in FY2005, compared to 13 tugboats and 33 barges in FY2004. The average unit revenue recognized in FY2005 for tugboats increased by about 38% owing to the higher contract sum for these vessels. Included in the 21 barges substantially recognised in FY2005, approximately $12.8m of revenue (50% proportionately recognised) were recognized on nine barges and one floating terminal built for its jointly-controlled entity, ASL Energy Pte Ltd ("ASL Energy") as compared to 13 barges of $3.8m proportionately recognised in FY2004.

Revenue from shiprepairs and other marine related services for FY2005 was $10.1 million, a decrease of $17.4 million compared to FY2004. The decrease was mainly due to the decline in ad-hoc trading sales of vessels, cranes, winches and scrap metal from approximately $10.2 million in FY2004 to $0.3 million in FY2005. In addition, there were lesser shiprepairs jobs undertaken during the financial year due to shipyard space limitation resulting from substantial ongoing shipyard development works in Batam.

Revenue from shipchartering and rental operations decreased marginally by $0.6 million from $33.2 million in FY2004 to $32.6 million in FY2005 owing substantially to the Group's discontinuance of the coal shipping contract with ASL Energy in October 2004 after the sale of 11 pairs of tugboats and barges to ASL Energy. However, this decrease in revenue is partially mitigated by revenue generated by the new vessels acquired in FY2005 and the general increase in charter rates. In FY2005, the Group has taken delivery of 11 tugboats and 24 barges worth an aggregate $52.4 million and disposed of 16 tugboats and 24 barges with an aggregate net book value of $22.4 million.

Gross profit and gross profit margin

For FY2005, overall gross profit was $12.8 million, a decrease of 11.6% compared to FY2004. Overall, gross profit margin decreased from 12.3% to 9.2% due to the higher proportion of shipbuilding revenue, which derived the lowest gross profit margin, partially mitigated by the increased gross profit margins achieved from shiprepairs and shipchartering operations.

Gross profit from shipbuilding operations was $3.1 million for FY2005, a decrease of $0.2 million compared to FY2004. The gross profit margin was 3.2% in FY2005 as compared to 5.7% in FY2004. The margin derived in FY2005 was lower than those of FY2004 mainly due to additional cost from changes in owner's specifications and higher subcontractors and transportation costs. The Group subsequently reviewed all its existing projects and revised the budgets accordingly. The Group also reviewed its working relationship with the particular owner and has since declined all future work for the particular owner.

In addition, work progress on majority of the projects secured since last financial year end have been deferred and thus have not reached their recognition threshold as at 30 June 2005. This was partly due to re-allocation of resources to facilitate the expeditious completion of the shipyard development in Batam and delay in certain projects due to owner's request for change in specification.

The gross profit margin from shiprepairs and other marine related services increased from 23.5% in FY2004 to 34.5% in FY2005 despite the decrease in gross profit from $6.4 million to $3.5 million. The better margin was attributed to substantially lower proportion of trading sales of vessels, cranes and ship plates which generally yields a lower gross profit margin. The increase was also partially due to improved margins derived from the conversion works undertaken in FY2005.

Gross profit from shipchartering and rental operations was $6.3 million, an increase of $1.5 million as compared to $4.8 million in FY2004. Gross profit margin for shipchartering and rental operations increased from 14.3% in FY2004 to 19.3% in FY2005. There were more time charter performed during the financial year under review as compared to projects under contract of affreightment which are of longer contracted terms. The former generally yields higher margin compared to the latter. In addition, the lower margin noted in FY2004 was attributed to higher third parties vessels charter costs and one-off mobilization costs incurred in mobilizing the fleet of vessels deployed for the coal transporting business.

Other income

Other income increased by $5.8 million from $4.5 million in FY2004 to $10.3 million in FY2005. This was mainly due to additional gain of $8.3 million on disposal of plant and equipment. During FY2005, the Group disposed of 16 tugboats and 24 barges at a gain of $9.6m, this include the sale of 11 pairs of tugboats and barges to ASL Energy (proportionately recognised at $4.0 million) and five tugboats and 13 barges to third parties. This was part of the Group's continuing effort to renew its fleet.

Other income in FY2005 comprised mainly gain on disposal of plant and equipment of $9.6 million and miscellaneous income of $0.6 million. Miscellaneous income comprised mainly commission and management fee of $0.4 million received from ASL Energy.

Comparatively, other income in FY2004 comprised mainly gain on disposal of plant and equipment of $1.3 million, miscellaneous income of $1.9 million, write back of allowance for doubtful trade receivables of $0.7 million and foreign exchange gain of $0.6 million. Miscellaneous income comprised mainly insurance compensation of $0.4 million, sale of metal scraps of $0.9 million, commission and management fee received from ASL Energy of $0.3 million.

Administrative expenses
Administrative expenses were $6.0 million in FY2005 compared to $5.3 million in FY2004. The increase was mainly attributable to increased headcount and other expenses in line with the increase in business activities.

Other operating expenses
Other operating expenses were $1.0 million in FY2005 compared to $0.1 million in FY2004. The other operating expenses in FY2005 mainly comprised foreign exchange loss of $0.4 million ($0.1 million unrealised exchange loss and $0.3 million realised exchange loss), net allowance for doubtful trade receivables of $0.4 million and write off of fixed assets of $0.2 million. In FY2004, the other operating expenses mainly comprised impairment loss of $82,000.

Finance costs
Finance costs were $2.0 million in FY2005 compared to $1.3 million in FY2004. The increase was due to increased cost of borrowings and increased borrowings in line with the increase in business activities during the financial year under review. To hedge against the general increase in interest rates, the Group undertook interest rate swaps on all of its floating rate interest-bearing liabilities.

Share of profit of jointly-controlled entities
Share of profit of jointly-controlled entities, namely the ASL Energy group of companies, increased 10 fold to $1.9 million in FY2005 from $0.2 million in FY2004. This increase is mainly attributable to the increase in contributing vessels from 12 tugboats and 17 barges in FY2004 to 30 tugboats and 32 barges in FY2005.

Further, profit contribution from the Tabang coal concession after deducting for amortisation expenses also increased from $0.2 million (US$0.1 million) in FY2004 to $1.8m (US$1.1 million) in FY2005. This has been equity accounted for by the Group based on its proportionate interest of 25.1%.

Profit before taxation
The Group achieved a profit before taxation of $16.1 million and $12.5 million for FY2005 and FY2004 respectively. The increase of $3.6 million or 29.0% was due to higher other income and share of profits in jointly-controlled entities partially offset by the decrease in gross profits and higher administrative and other operating expenses.

Income tax expense
The Group's taxation charge in FY2005 was $2.4 million compared to $2.5 million in FY2004, a decrease of $0.1 million. The Group's effective tax rate was 13.2% for FY2005 compared to 19.3% for FY2004 as there was substantially higher proportion of exempt profits in FY2005 as compared to FY2004 and higher other income (gain on disposal of plant and equipment) which is capital in nature and not subject to tax.

Operating cashflow
Net cash inflow from operating activities increased by $31.9 million from $16.8 million in FY2004 to $48.7 million in FY2005. The Group funded its on-going shipyards development, vessel fleet renewal and loan to its jointly-controlled entity through its positive operating cashflows, proceeds from sale of vessels and external borrowings.

REVIEW OF FINANCIAL POSITIONS AS AT 30 JUNE 2005 AND 30 JUNE 2004

Non-current assets
Non-current assets comprised mainly property, plant and equipment which are stated at cost less depreciation and impairment loss, lease prepayments less amortisation and interests in jointly-controlled entities. Property, plant and equipment increased by $47.1 million to $112.0 million as at 30 June 2005 from $64.9 million as at 30 June 2004. The increase was due to acquisition of vessels, plant and equipment of $77.1 million partially offset by disposal of vessels and plant and equipment of net book value totalling $22.5 million, write-off of plant and equipment of $0.2 million and depreciation charge for the year of $7.2 million.

Interest in jointly-controlled entities increased from $13.7 million as at 30 June 2004 to $21.2 million as at 30 June 2005 due substantially to a loan of $12.0 million granted by the Group to ASL Energy and the Group's share of net profit in these jointly-controlled entities, partially offset by the unrealised gain from Group's sale of vessels to these jointly-controlled entities.

Current assets
Current assets comprised inventories, construction work-in-progress, trade and other receivables, amount due from jointly-controlled entities as well as cash and cash equivalents.

Current assets increased by $7.8 million to $88.1 million as at 30 June 2005 from $80.3 million as at 30 June 2004. The increase was mainly due to the increase in cash and cash equivalents partially offset by decrease in inventories, trade receivables and amount due from jointly-controlled entities.

The increase in cash and cash equivalents by $15.7 million to $31.0 million as at 30 June 2005 was due to payments received from customers based on milestones achieved for the increased projects on hand.

Inventories decreased by $4.5 million mainly due to utilisation of steel plates for existing projects. Trade receivables decreased by $6.3 million due to improved collection from customers. Due to tighter credit control implemented and reduction in proportion of shiprepair revenue (generally with longer payment terms), debtors' turnover improved from 100 days in FY2004 to 66 days in FY2005. The decrease in trade receivables was partially offset by the increase in other receivables of $4.8 million, of which $3.8 million was due to downpayment made for the purchase of vessels and machineries for its jointly-controlled entities and its subsidiaries. Amount due from jointly-controlled entities of $5.3 million mainly comprised billings for shipbuilding projects.

Current liabilities
Current liabilities comprised bank overdraft, trade and other payables, progress billings in excess of construction work-in-progress, trust receipts, amount due to jointly-controlled entities, current portions of interest-bearing borrowings and finance lease liabilities and current tax payable.

Current liabilities increased by $22.3 million to $101.1 million as at 30 June 2005 from $78.8 million as at 30 June 2004. Trade and other payables, progress billings in excess of construction work-in-progress and current portions of interest-bearing borrowings increased by $12.8 million, $15.6 million and $4.8 million respectively, the increase was partially mitigated by the reduction of trust receipts of $9.5 million and repayment of finance lease liabilities of $1.0 million.

The increase in trade and other payables was in line with the increased level of business activities. Progress billings in excess of construction work-in-progress increased due to advance billings made in accordance with agreed milestones. As compared to FY2004, there were higher advance billings made for more and higher value projects secured near the financial year end. The increase in current portions of interest-bearing borrowings was mainly due to addition of new term loans amounted to $42.4 million partially offset by the redemption and repayment of loans amounted to $9.5 million in FY2005.

Non-current liabilities
Non-current liabilities comprised interest-bearing borrowings, finance lease liabilities and deferred tax liabilities.

Non-current liabilities increased by $29.7 million to $44.2 million as at 30 June 2005 from $14.5 million as at 30 June 2004. The increase was mainly due to addition of term loans which is inclusive of a transferable loan facility obtained by the Company, 8 vessels financing loans and 3 equipment financing loans by its subsidiaries.

Share capital and reserves
Shareholder's equity, comprising share capital, share premium, capital reserve, exchange translation reserve and accumulated profits, increased by $10.3 million to $78.4 million as at 30 June 2005 from $68.1 million as at 30 June 2004. This was mainly due to net profits of $13.6 million earned by the Group during the year set off against the first and final tax exempt dividend of $3.0 million paid for FY2004 and the movement in translation reserve of $0.3 million.

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

Overall, there is no variance between the actual results for FY2005 and the prospect statement indicated in the announcements made on 26 August 2004 and 3 February 2005.

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.

Industry Outlook
The marine industry is expected to continue its positive industry outlook.

Together with the Group's strong order books and increased shipyard capability and capacity, the Group expects to achieve revenue and profit growth for FY2006, barring the adverse impacts that may be caused by further increases in fuel price and manpower shortages.

Shipyard Operations
As at 30 June 2005, the Group has an outstanding order book for shipbuilding of approximately $231.0 million. These include $208.1 million for the building of 17 tugboats and $22.9 million for the building of eight barges and a floating terminal, out of which $19.7 million of five barges and a floating terminal are newbuildings for ASL Energy group. Approximately 64% of these projects are expected to be recognised within the financial year ending 30 June 2006 ("FY2006"), with the balance to be recognised in the financial year ending 30 June 2007 ("FY2007"). The outstanding order book for shipbuilding excludes order book for the building of two tugboats and four barges worth $5.6 million and $1.2 million respectively for companies within the Group, which revenue and profit will be fully eliminated. Subsequent to 30 June 2005, additional contracts for the construction of four tugboats and five barges worth $41.2 million were secured, of which 38% is expected to be recognised in FY2006 with the balance to be recognised in FY2007.

Revenue and gross profit for the shipyard operations in FY2006 are expected to be higher than FY2005 with the higher contract value projects secured and contribution from the full year operation of the floating dock facility which is capable of drydocking 20,000 dwt vessels and the commencement of operation of the 150,000 dwt graving dry dock in the third quarter of FY2006.

Shipchartering Operations
As at 30 June 2005, the Group has an outstanding order book for shipchartering of approximately $16.3 million. Historically, such long term contract (contract duration more than one year) contributes not more than 30% of total shipchartering revenue. Majority of the Group's shipchartering revenue is short-term and ad-hoc in nature. Subsequent to 30 June 2005, additional long term contracts worth $1.9 million were secured.

In the first half of FY2006, the Group expects to take delivery of 13 tugboats and eight barges worth an aggregate $30.8 million of which two pairs of tugboats and barges amounting to $9.8 million are being built internally. This is in line with the Group's continuing effort to renew its fleet.

Further, the Group is in active discussion with various parties to form strategic alliances/joint ventures to further take advantage of the booming shipchartering market in the region, especially in China, Malaysia and Indonesia.

Jointly-controlled Entities Operations
As at 30 June 2005, ASL Energy has a total of 30 tugboats and 32 barges and is expected to take delivery of another 10 tugboats and nine barges worth an aggregate $28.2 million within FY2006. With the increased fleet size, ASL Energy's chartering operation is expected to be more efficient and profitability is expected to improve further.

On the Indonesian coal concession, the first shipment of coal from our Tabang coal concession left Tabang in July 2005. However, as production of coal would take some time to reach its optimum capacity, the contribution from the coal concession is expected to be limited to the guaranteed minimal operating cashflow for FY2006 of US$3.0 million less the amortisation (over 20 years) of the marketing and mining rights to the coal concession which is valued at $40.0 million. Pending the exercise of the option that is in the process of being extended till 31 December 2005, ASL Energy shall recognise 50.2% of such contribution, in accordance with its equity shareholding.

The 65,000 dwt floating terminal is expected to be completed by the end of the first half of FY2006 and start contributing by the fourth quarter of FY2006, after it is delivered and commissioned in Kalimantan in the third quarter of FY2006. This strategic investment serves to further strengthen our foothold in the Indonesian coal industry and thereby securing continuity to the operations.

Based on the generally positive business environment, the Group's outstanding order books and increased shipyard capacity and capability, the Group is optimistic that the revenue and profit after tax for the Group for FY2006 will be comparatively higher than that of FY2005.

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 Type	Cash
Dividend Amount per Share (in cents)	1.8 cents per ordinary share (Tax-exempt)
Par Value of Shares	$0.10
Tax Rate	0%

(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 Type	Cash
Dividend Amount per Share (in cents)	1.4 cents per ordinary share (Tax-exempt)
Par Value of Shares	$0.10
Tax Rate	0%

(c) Date payable

The first and final dividend, if approved at the Annual General Meeting, will be paid on 10 November 2005.

(d) Books closure date

Notice is hereby given that the share transfer book, register of members and register of warrantholders of the Company will be closed on 21 October 2005. 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 20 October 2005 will be registered to determine shareholders' entitlements to the dividend. All warrantholders who exercise their conversion rights (provided they are entitled to do so by 3.00 p.m. on 20 October 2005) will be registered before entitlements to the dividend are determined. 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

2005	Shipbuilding $'000	Ship repairs and related services $'000	Charter and rental services $'000	Investment holding $'000	Eliminations $'000	Consolidated $'000
Revenue						
Revenue from external customers	96,519	10,062	32,599	-	-	139,180
Inter-segment revenue	32,450	5,087	8,678	3,800	(50,015)	-
Total revenue	128,969	15,149	41,277	3,800	(50,015)	139,180
Results						
Segment results	4,327	3,369	18,073	4,346	(12,604)	17,511
Unallocated expenses						(1,367)
Profit from operations						16,144
Finance costs						(1,962)
Share of profit of jointly-controlled entities						1,923
Income tax expense						(2,405)
Minority interests						(114)
Net profit for the year						13,586
Assets						
Segment assets	87,758	12,957	99,685	2,333	-	202,733
Unallocated assets						21,192
Total assets						223,925
Liabilities						
Segment liabilities	59,849	7,222	6,554	348	-	73,973
Unallocated liabilities						71,291
Total liabilities						145,264
Capital expenditure	12,815	2,621	61,300	414	-	77,150
Depreciation	1,578	165	5,047	54	-	6,844

2004	Shipbuilding $'000	Ship repairs and related Services $'000	Charter and rental services $'000	Investment Holding $'000	Eliminations $'000	Consolidated $'000
Revenue						
Revenue from external customers	57,517	27,519	33,243	-	-	118,279
Inter-segment revenue	15,033	7,844	9,926	5,000	(37,803)	-
Total revenue	72,550	35,363	43,169	5,000	(37,803)	118,279
Results						
Segment results	4,866	6,858	5,560	4,603	(7,235)	14,652
Unallocated expenses						(1,015)
Profit from operations						13,637
Finance costs						(1,343)
Share of profit of jointly-controlled entities						188
Income tax expense						(2,522)
Minority interests						(16)
Net profit for the year						9,944
Assets						
Segment assets	62,584	29,680	55,245	414	-	147,923
Unallocated assets						13,686
Total assets						161,609
Liabilities						
Segment liabilities	25,036	12,414	7,214	182	-	44,846
Unallocated liabilities						48,507
Total liabilities						93,353
Capital expenditure	2,127	1,018	18,248	-	-	21,393
Depreciation	1,187	568	4,613	33	-	6,401

(b) Geographical segments

	Singapore $'000	Indonesia $'000	Rest of Asia $'000	Europe and Other Countries $'000	Consolidated $'000
2005					
Revenue from external customers	58,659	6,747	6,864	66,910	139,180
Capital expenditure	69,679	7,471	-	-	77,150
2004					
Revenue from external customers	58,230	17,108	2,336	40,605	118,279
Capital expenditure	12,751	8,642	-	-	21,393

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 charter services, charterers of the Group's vessels 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.

	Group		
	30-Jun-05	30-Jun-04	Increase / (Decrease)
	$'000		%
Sales reported for first half year	69,088	46,567	48.4
Profit attributable to shareholders reported for first half year	5,876	2,863	105.2
Sales reported for second half year	70,092	71,712	(2.3)
Profit attributable to shareholders reported for second half year	7,710	7,081	2.2

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	3,925	3,053
Preference	-	-
Total:	3,925	3,053

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
25/08/2005