



FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2007

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		Increase/ (Decrease)
	30-Jun-07	30-Jun-06	
	\$'000	\$'000	%
Shipbuilding	202,755	123,312	64.4
Shiprepair and other marine related services	43,480	23,307	86.6
Shipchartering and rental	72,167	51,039	41.4
Total revenue	318,402	197,658	61.1
Cost of sales	(266,237)	(168,499)	58.0
Gross profit	52,165	29,159	78.9
Other operating income	8,839	9,953	(11.2)
Administrative expenses	(9,360)	(7,572)	23.6
Other operating expenses	(2,125)	(1,837)	15.7
Finance costs	(4,615)	(3,420)	34.9
Share of profit of jointly-controlled entities	229	102	124.5
Profit before tax	45,133	26,385	71.1
Tax expense	(4,100)	(2,764)	48.3
Profit for the year	41,033	23,621	73.7
Attributable to:			
Equity holders of the Company	40,248	23,066	74.5
Minority interests	785	555	41.4
	41,033	23,621	73.7

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

	Group	
	30-Jun-07	30-Jun-06
	\$'000	\$'000
Allowance for doubtful trade receivables	(1,219)	(137)
Allowance for doubtful trade receivables written back	205	163
Amortisation of lease prepayments	(201)	(149)
Bad debts written off	-	(677)
Depreciation of property, plant and equipment	(14,581)	(10,375)
Fair value gain/ (loss) on forward currency contracts not qualifying as hedges	21	(21)
Gain on disposal of property, plant and equipment	7,391	8,501
Impairment loss on property, plant and equipment	(117)	(93)
Interest income	589	354
Loss on foreign exchange (net)	(889)	(1,089)
Property, plant and equipment written off	(18)	(4)
Share-based payments expense	(37)	(412)
Adjustment for over/ (under) provision of tax in respect of prior years		
- Current tax expense	600	117
- Deferred tax expense	(59)	34

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-07	30-Jun-06	30-Jun-07	30-Jun-06
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	216,391	161,416	305	573
Lease prepayments	4,458	3,628	-	-
Subsidiaries	-	-	20,370	18,063
Interest in jointly-controlled entities	21,476	21,239	26,540	26,540
Finance lease receivables	235	1,728	-	-
	242,560	188,011	47,215	45,176
Current assets				
Inventories	10,681	8,855	-	-
Construction work-in-progress	36,091	21,031	-	-
Trade and other receivables	94,436	60,125	26	32
Finance lease receivables	2,223	3,843	-	-
Amount due from related parties	10,013	2,262	50,893	38,674
Derivative financial instruments	500	2,395	72	394
Cash and cash equivalents	47,668	28,629	446	1,286
	201,612	127,140	51,437	40,386
Current liabilities				
Trade and other payables	74,685	59,683	371	411
Progress billings in excess of construction work-in-progress	70,813	45,170	-	-
Amount due to related parties	-	226	18,774	5,838
Amount due to minority shareholders of a subsidiary	-	1,262	-	-
Trust receipts	24,151	6,084	-	-
Interest-bearing liabilities	41,294	21,703	5,966	3,966
Finance lease liabilities	243	132	47	99
Derivative financial instruments	2,940	112	-	-
Current tax liabilities	4,301	2,929	29	5
	218,427	137,301	25,187	10,319
Net current (liabilities)/assets	(16,815)	(10,161)	26,250	30,067
Non-current liabilities				
Loan from minority shareholders of subsidiaries	(3,649)	(1,449)	-	-
Interest-bearing liabilities	(59,242)	(49,433)	(5,570)	(11,536)
Finance lease liabilities	(558)	(361)	(125)	(224)
Deferred tax liabilities	(5,551)	(4,920)	-	-
	(69,000)	(56,163)	(5,695)	(11,760)
Net assets	156,745	121,687	67,770	63,483
Share capital	58,430	54,437	58,430	54,437
Reserves	94,484	65,014	9,340	9,046
	152,914	119,451	67,770	63,483
Minority interests	3,831	2,236	-	-
Total equity	156,745	121,687	67,770	63,483

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

Amount repayable in one year or less, or on demand

As at 30-Jun-07		As at 30-Jun-06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
25,837	39,851	17,835	10,084

Amount repayable after one year

As at 30-Jun-07		As at 30-Jun-06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
59,800	-	49,794	-

Details of any collateral

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

- Corporate guarantees from the Company and certain subsidiaries
- Legal mortgages of certain leasehold properties of subsidiaries
- Legal mortgages over certain vessels, plant and equipment of subsidiaries
- Assignment of certain charter income and insurance of 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-07	30-Jun-06
	\$'000	\$'000
Operating activities		
Profit before taxation	45,133	26,385
Adjustments for:		
Depreciation of property, plant and equipment	14,581	10,375
Impairment loss on property, plant and equipment	117	93
Amortisation of lease prepayments	201	149
Allowance for/ (write-back of) doubtful trade receivables	1,014	(26)
Allowance for doubtful trade receivables written off	(215)	(7)
Gain on disposal of property, plant and equipment	(7,391)	(8,501)
Share-based payments expense	37	412
Fair value (gain)/ loss on forward currency contracts not qualifying as hedges	(21)	21
Share of profit of jointly-controlled entities	(229)	(102)
Provision	270	200
Property, plant and equipment written off	18	4
Bad debts written off (trade)	-	677
Loss on dissolution of a subsidiary	85	-
Interest income	(589)	(354)
Interest expense	4,615	3,420
Operating profit before working capital changes	57,626	32,746

Changes in working capital:		
Inventories	(1,826)	(520)
Construction work-in-progress and progress billings in excess of construction work-in-progress	11,689	5,290
Trade and other receivables	(35,110)	(30,909)
Trade and other payables	14,354	18,657
Balances with related parties (trade)	(6,592)	4,512
Cash generated from operations	40,141	29,776
Income tax paid	(1,777)	(1,648)
Net cash inflow from operating activities	38,364	28,128
Investing activities		
Interest received	589	354
Purchase of property, plant and equipment	(105,979)	(96,071)
Lease prepayments	(1,000)	(914)
Proceeds from disposal of property, plant and equipment	42,769	37,384
Return of capital upon dissolution of a subsidiary	(749)	-
Balances with related parties (non trade)	(1,385)	(1,420)
Net cash outflow from investing activities	(65,755)	(60,667)
Financing activities		
Interest paid	(4,531)	(3,294)
Dividend paid	(5,516)	(3,929)
Repayment of interest-bearing borrowings	(55,186)	(16,595)
Proceeds from interest-bearing borrowings	84,586	37,857
Repayment of finance lease liabilities	(235)	(109)
Proceeds from finance lease receivables	3,113	470
Proceeds from issue of shares (net)	3,681	20,426
Contributions from minority interests of subsidiaries	1,587	1,051
Repayment of trust receipts	(36,132)	(59,195)
Proceeds from trust receipts	54,199	51,342
Loan from minority shareholders	2,167	2,202
Repayment of loan to minority shareholders of a subsidiary	(1,262)	-
Net cash inflow from financing activities	46,471	30,226
Net increase/ (decrease) in cash and cash equivalents	19,080	(2,313)
Cash and cash equivalents at beginning of year	28,629	31,006
Effects of exchange rate changes on opening cash and cash equivalents	(41)	(64)
Cash and cash equivalents at end of year	47,668	28,629

- 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-06 and 30-Jun-07

The Group	Attributable to equity holders of the Company							Total reserves \$'000	Minority interests \$'000	Total equity \$'000
	Share capital \$'000	Share premium ¹ \$'000	Capital reserve \$'000	Employee share option reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000			
Balance at 1-Jul-05, as previously reported	21,808	12,079	660	-	(130)	-	43,973	44,503	271	78,661
Effect of adopting FRS 39	-	-	-	-	-	(303)	-	(303)	-	(303)
At 1-Jul-05, as restated	21,808	12,079	660	-	(130)	(303)	43,973	44,200	271	78,358
Net change in hedging reserve	-	-	-	-	-	2,466	-	2,466	481	2,947
Net effect of exchange differences	-	-	-	-	(1,077)	-	-	(1,077)	(75)	(1,152)
Net income and expenses recognised directly in equity	-	-	-	-	(1,077)	2,466	-	1,389	406	1,795
Profit for the year	-	-	-	-	-	-	23,066	23,066	555	23,621
Total recognised income and expenses for the year	-	-	-	-	(1,077)	2,466	23,066	24,455	961	25,416
Dividends on ordinary shares	-	-	-	-	-	-	(3,929)	(3,929)	-	(3,929)
Recognition of equity-settled share options to employees	-	-	-	412	-	-	-	412	-	412
Issue of ordinary shares	19,735	-	-	-	-	-	-	-	1,052	20,787
Issue of shares under ESOS ²	815	-	-	(124)	-	-	-	(124)	-	691
Transfer from share premium reserve to share capital account ¹	12,079	(12,079)	-	-	-	-	-	-	-	-
Contribution from minority interests	-	-	-	-	-	-	-	-	(48)	(48)
At 30-Jun-06	54,437	-	660	288	(1,207)	2,163	63,110	65,014	2,236	121,687

Statement of Changes in Equity for the year ended 30-Jun-06 and 30-Jun-07

The Group	Attributable to equity holders of the Company							Total reserves	Minority interests	Total equity
	Share capital \$'000	Share premium ¹ \$'000	Capital reserve \$'000	Employee share option reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000			
Balance at 1-Jul-06	54,437	-	660	288	(1,207)	2,163	63,110	65,014	2,236	121,687
Net change in hedging reserve	-	-	-	-	-	(4,538)	-	(4,538)	(18)	(4,556)
Net effect of exchange differences	-	-	-	-	(449)	-	-	(449)	(10)	(459)
Net expenses recognised directly in equity	-	-	-	-	(449)	(4,538)	-	(4,987)	(28)	(5,015)
Profit for the year	-	-	-	-	-	-	40,248	40,248	785	41,033
Total recognised income and expenses for the year	-	-	-	-	(449)	(4,538)	40,248	35,261	757	36,018
Dividends on ordinary shares	-	-	-	-	-	-	(5,516)	(5,516)	-	(5,516)
Recognition of equity-settled share options to employees	-	-	-	37	-	-	-	37	-	37
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	-	1,587	1,587
Issue of shares under ESOS ²	1,339	-	-	(247)	-	-	-	(247)	-	1,092
Issue of shares under warrants	2,654	-	(65)	-	-	-	-	(65)	-	2,589
Dissolution of a subsidiary	-	-	-	-	-	-	-	-	(749)	(749)
At 30-Jun-07	58,430	-	595	78	(1,656)	(2,375)	97,842	94,484	3,831	156,745

¹ With effect from 30 January 2006, in accordance with the Companies (Amendment) Act 2005, the concepts of “par value” and “authorised capital” was abolished and on that date, the shares of the Company ceased to have a par value. The amount standing in the share premium reserve had become part of the Company’s share capital.

² ASL Employee Share Option Scheme

Statement of Changes in Equity for the year ended 30-Jun-06 and 30-Jun-07

The Company	Attributable to equity holders of the Company							Total Equity
	Share capital	Share premium ¹	Capital reserve	Employee share option reserve	Hedging reserve	Accumulated profits	Total reserves	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1-Jul-05, as previously reported	21,808	12,079	660	-	-	5,592	6,252	40,139
Effect of adopting FRS 39	-	-	-	-	(5)	-	(5)	(5)
At 1-Jul-05, as restated	21,808	12,079	660	-	(5)	5,592	6,247	40,134
Net change in hedging reserve	-	-	-	-	399	-	399	399
Net income recognised directly in equity	-	-	-	-	399	-	399	399
Profit for the year	-	-	-	-	-	6,041	6,041	6,041
Total recognised income for the year	-	-	-	-	399	6,041	6,440	6,440
Dividends on ordinary shares	-	-	-	-	-	(3,929)	(3,929)	(3,929)
Recognition of equity-settled share options to employees	-	-	-	412	-	-	412	412
Issue of ordinary shares	19,735	-	-	-	-	-	-	19,735
Issue of shares under ESOS ²	815	-	-	(124)	-	-	(124)	691
Transfer from share premium reserve to share capital account ¹	12,079	(12,079)	-	-	-	-	-	-
At 30-Jun-06	54,437	-	660	288	394	7,704	9,046	63,483
Balance at 1-Jul-06	54,437	-	660	288	394	7,704	9,046	63,483
Net change in hedging reserve	-	-	-	-	(322)	-	(322)	(322)
Net expenses recognised directly in equity	-	-	-	-	(322)	-	(322)	(322)
Profit for the year	-	-	-	-	-	6,407	6,407	6,407
Total recognised income and expenses for the year	-	-	-	-	(322)	6,407	6,085	6,085
Dividends on ordinary shares	-	-	-	-	-	(5,516)	(5,516)	(5,516)
Recognition of equity-settled share options to employees	-	-	-	37	-	-	37	37
Issue of shares under ESOS ²	1,339	-	-	(247)	-	-	(247)	1,092
Issue of shares under warrants	2,654	-	(65)	-	-	-	(65)	2,589
At 30-Jun-07	58,430	-	595	78	72	8,595	9,340	67,770

¹ With effect from 30 January 2006, in accordance with the Companies (Amendment) Act 2005, the concepts of “par value” and “authorised capital” was abolished and on that date, the shares of the Company ceased to have a par value. The amount standing in the share premium reserve had become part of the Company’s share capital.

² ASL Employee Share Option Scheme

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

	Number of Ordinary Shares	ASL Employee Share Option Scheme ("ESOS")	Warrants
Balance as at 30-Jun-06	249,336,000	2,944,000	49,500,000
Number of ESOS exercised	1,985,000	(1,985,000)	-
Number of ESOS cancelled	-	(150,000)	-
Number of warrants exercised	4,885,000	-	(4,885,000)
Balance as at 30-Jun-07	<u>256,206,000</u>	<u>809,000</u>	<u>44,615,000</u>

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

Category	Vesting Period	Exercise Period	Exercise Price	ESOS outstanding as at 30-Jun-07	ESOS outstanding as at 30-Jun-06
<u>Employees</u>					
	18-Dec-04	18-Dec-04 to 17-Dec-13	\$0.55	80,000	685,000
	18-Dec-05	18-Dec-05 to 17-Dec-13	\$0.55	67,000	662,000
	18-Dec-06	18-Dec-06 to 17-Dec-13	\$0.55	162,000	1,022,000
				<u>309,000</u>	<u>2,369,000</u>
<u>Independent Directors</u>					
	18-Dec-04	18-Dec-04 to 17-Dec-08	\$0.55	200,000	200,000
	18-Dec-05	18-Dec-05 to 17-Dec-08	\$0.55	150,000	150,000
	18-Dec-06	18-Dec-06 to 17-Dec-08	\$0.55	150,000	225,000
				<u>500,000</u>	<u>575,000</u>
Total				<u>809,000</u>	<u>2,944,000</u>

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

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

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

Not applicable.

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

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

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

Not applicable

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

Earnings per ordinary share based on net profit attributable to shareholders:-	Group	
	30-Jun-07	30-Jun-06
(i) On weighted average number of ordinary shares in issue	16.01 cents	10.02 cents
(ii) On a fully diluted basis	14.66 cents	9.71 cents

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 \$40,248,000 (2006: \$23,066,000) and the weighted average of 251,347,249 (2006: 230,197,899) 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 \$40,248,000 (2006: \$23,066,000) and the weighted average of 274,585,892 (2006: 237,565,907) ordinary shares in issue during the year, adjusted for the effect arising from share options and warrants of 23,238,643 (2006: 7,368,008) shares.

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

	Group		Company	
	30-Jun-07	30-Jun-06	30-Jun-07	30-Jun-06
Net asset value per ordinary share based on issued share capital as at end of financial year	59.68 cents	47.91 cents	26.45 cents	25.46 cents

Note:

The calculation of net asset value of the Group and of the Company is based on 256,206,000 (2006: 249,336,000) ordinary shares in issue as at the 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.**

REVIEW OF OPERATING PERFORMANCE FOR THE FULL YEAR ENDED 30 JUNE 2007

	FY 2007			FY 2006		
	Revenue \$'000	Gross Profit \$'000	Gross Profit Margin	Revenue \$'000	Gross Profit \$'000	Gross Profit Margin
Shipbuilding	202,755	17,072	8.4%	123,312	5,286	4.3%
Shiprepair and other marine related services	43,480	10,686	24.6%	23,307	7,785	33.4%
Shipchartering and rental	72,167	24,407	33.8%	51,039	16,088	31.5%
	318,402	52,165	16.4%	197,658	29,159	14.8%

Revenue

The Group's total revenue increased by 61.1% from \$197.7 million for financial year ended 30 June 2006 ("FY2006") to \$318.4 million for financial year ended 30 June 2007 ("FY2007"). The Group achieved higher revenue in all three segments with revenue from shipbuilding, shiprepair and shipchartering increased by 64.4%, 86.6% and 41.4% respectively.

Revenue from shipbuilding operations increased by \$79.4 million from \$123.3 million in FY2006 to \$202.7 million in FY2007. The higher revenue was primarily attributable to the progressive recognition of revenue from the construction of an increased number of vessels of higher contract values.

There was no contribution from the Group's 60% owned shipyard in Guangdong, China which commenced operations in May 2007 with the building of barges. The China yard will take on other type of vessels once the facilities development are completed.

Revenue from shiprepair and other marine related services for FY2007 increased by \$20.2 million from \$23.3 million in FY2006 to \$43.5 million in FY2007. This was primarily due to more and bigger shiprepair and ship conversion jobs undertaken at the graving dry dock in Batam which commenced operation in FY2007.

Revenue from shipchartering and rental operations increased by \$21.2 million from \$51.0 million in FY2006 to \$72.2 million in FY2007. The higher revenue was mainly attributed to an increase in fleet size. The Group continued to expand and renew its fleet with the acquisition of more vessels. The Group's fleet of vessels increased from 126 (53 tugs and 73 barges) as at 30 June 2006 to 158 (61 tugs and 97 barges) as at 30 June 2007.

Gross profit and gross profit margin

In line with the higher revenue, the Group's total gross profit increased by 78.9% to \$52.2 million in FY2007. The Group's overall gross profit margin has increased from 14.8% for FY2006 to 16.4% for FY2007 attributed to higher gross profit margins recorded by the shipbuilding and shipchartering operations.

Gross profit from shipbuilding operations for FY2007 more than tripled to \$17.1 million, an increase of \$11.8 million as compared to FY2006. The Group's shipbuilding operations recorded higher gross profit margin of 8.4% in FY2007 mainly due to better pricing derived from higher value projects recognised in FY2007 and improved operating efficiency.

Gross profit from shiprepair and other marine related services increased by \$2.9 million to \$10.7 million for FY2007. The Group's shiprepair operations recorded lower gross profit margin of 24.6% for FY2007 mainly attributed to ship conversion jobs undertaken during the financial year which has lower profit margin as compared to shiprepair jobs.

Gross profit from shipchartering and rental operations increased by 51.7% from \$16.1 million to \$24.4 million in FY2007. The Group's shipchartering and rental operations recorded marginally higher gross profit margin of 33.8% for FY2007 mainly attributed to enlarged fleet size and improvement in charter rates.

Other income

Other income decreased by \$1.2 million from \$10.0 million in FY2006 to \$8.8 million in FY2007.

Other income in FY2007 mainly arose from a gain on the disposal of plant and equipment of \$7.4 million (FY2006: \$8.5 million). Other income also included miscellaneous income of \$0.8 million (FY2006: \$1.1 million) and interest income of \$0.6 million (FY2006: \$0.4 million). The gain on disposal of plant and equipment of \$7.4 million included the sale of 33 vessels (FY2006: 35) to third parties and was part of the Group's fleet renewal program.

The miscellaneous income included \$0.7 million (FY2006: \$nil) in commission derived from sale of vessels to third party and \$0.1 million (FY2006: \$0.7 million) in commission and management fee income charged to its jointly-controlled entity, ASL Energy Pte Ltd and its subsidiaries ("ASL Energy Group").

Administrative expenses

Administrative expenses increased by \$1.8 million from \$7.6 million in FY2006 to \$9.4 million in FY2007. The increase was mainly attributed to higher manpower costs (increased by \$0.8million) as well as an increase in certain administrative expenses in line with higher business activities.

Other operating expenses

Other operating expenses increased marginally by \$0.3 million from \$1.8 million in FY2006 to \$2.1 million in FY2007. The increase was mainly due to higher allowance for doubtful trade debts (increased by \$1.0 million) offset by lower bad debts written off (decreased by \$0.6 million) and lower foreign exchange loss (decreased by \$0.2 million) of which \$0.7 million was unrealised exchange differences.

Finance costs

Finance costs increased by \$1.2 million to \$4.6 million in FY2007 comprised mainly of \$4.4 million interest for term loans and \$0.2 million for trust receipts.

Term loan interest increased by \$1.4 million in FY2007 due to increase in borrowings in line with increased level of business activity and fleet expansion of the shipchartering fleet and operations. The Group hedges against interest rate fluctuations.

Share of profit of jointly-controlled entities

Share of profit of jointly-controlled entities, namely the ASL Energy Group and HKR-ASL Joint Venture Ltd, was \$0.2 million in FY2007 (FY2006: \$0.1 million).

The share of net profit from ASL Energy Group decreased from \$0.3 million in FY2006 to \$0.1 million in FY2007. ASL Energy Group recorded lower earnings in FY2007 mainly attributed to the maiden depreciation charge on its 65,000 dwt floating terminal during the initial 3 months charter-free period granted to the charterer, higher bank loan interest and lower share of profit contribution from Tabang coal concession offset by lower foreign exchange loss and allowance of doubtful trade receivables.

ASL Energy Group recorded lower income from its Tabang coal concession due to the termination of guaranteed minimal operating cashflow in December 2006 pursuant to the conditional agreement entered in July 2007 to dispose its entire interests in Tabang coal concession at book value as at 31 December 2006.

Profit before taxation

Due to strong revenue growth and an improvement in gross profit margins, the Group achieved a significant rise in profit before taxation of \$45.1 million for FY2007, an increase of \$18.7 million or 71.1% as compared to \$26.4 million for FY2006.

Income tax expense

Paralleling the increase in earnings, the Group's taxation charge rose by \$1.3 million to \$4.1 million in FY2007. The Group's effective tax rate of 11.8% for FY2007 was higher than the 10.5% recorded for FY2006 mainly attributed to a lower proportion of exempt shipping profits in FY2007 and notwithstanding a 2% reduction in Singapore corporate tax rate to 18% in FY2007.

Operating cashflow

Net cash inflow from operating activities increased by \$10.3 million from \$28.1 million in FY2007 to \$38.4 million in FY2007. During the financial year, the Group funded its vessel fleet expansion and shipyards development mainly through its positive operating cash flows, external borrowings and proceeds from sale of vessels.

REVIEW OF FINANCIAL POSITIONS AS AT 30 JUNE 2007

Non-current assets

Property, plant and equipment increased by \$55.0 million from \$161.4 million as at 30 June 2006 to \$216.4 million as at 30 June 2007. The increase was mainly due to acquisition of plant and equipment of \$106.5 million (inclusive of \$73.7 million for vessels and \$14.3 million for plant and machinery) partially offset by disposal of plant and equipment of net book value totalling \$35.4 million, depreciation charge for the year of \$15.7 million and others of \$0.4 million including write-off of plant and equipment.

The Group recorded a higher depreciation charge in FY2007 (increased by \$4.2 million) mainly attributed to increase in the number of vessels from 126 as at 30 June 2006 to 158 as at 30 June 2007.

Lease prepayments increased by \$0.9 million to \$4.5 million mainly due to acquisition of a new leasehold land at Batam, Indonesia.

In accordance with FRS 17, certain sale of vessels were accounted for as finance lease receivables. The amount decreased by \$1.5 million mainly due to receipts during the year.

Current assets

Current assets increased by \$74.5 million from \$127.1million as at 30 June 2006 to \$201.6 million as at 30 June 2007. The increase was mainly due to higher construction work-in-progress, trade and other receivables, amount due from related parties and cash and cash equivalents.

The increase in trade receivables by \$25.5 million to \$69.3 million as at 30 June 2007 was in line with higher revenue recorded in FY2007. Average debtors turnover increased marginally from 81 days as at 30 June 2006 to 84 days as at 30 June 2007.

Other receivables comprised mainly downpayment made for purchase of vessels and machinery, prepayments and other debtors. Other receivables increased by \$8.8 million to \$25.1 million as at 30 June 2007 mainly due to advance payments made for purchase of vessels and machinery.

Cash and cash equivalents increased by \$19.0 million to \$47.7 million which comprised payments received from customers based on progress billings for the increased projects on hand.

Current liabilities

Current liabilities increased by \$81.1 million from \$137.3 million as at 30 June 2006 to \$218.4 million as at 30 June 2007.

The increase in trade payables and other payables by \$15.0 million was in line with the increased level of business activities.

The increase in trust receipts and current portion of interest-bearing liabilities of \$18.1 million and \$19.6 million respectively was in part due to timing difference in borrowings and an overall increase in acquisition of new vessels for fleet enlargement and renewal.

The liabilities for derivative financial instruments increased mainly due to foreign exchange forward contracts entered during the year to hedge against the foreign exchange rate fluctuations for receivables.

Net current liabilities / assets

The net current liabilities of \$16.8 million as at 30 June 2007 and \$10.2 million as at 30 June 2006 included net progress billings in excess of construction work-in-progress of \$34.7 million and \$24.1 million respectively. The increase in net progress billings in excess of construction work-in-progress were mainly attributed to increased number of shipbuilding projects in progress (45 projects as at 30 June 2007 as compared to 35 projects in progress as at 30 June 2006).

Excluding the construction work-in-progress and progress billings in excess of construction work-in-progress, the Group's net current assets as at 30 June 2007 and 30 June 2006 would be \$17.9 million and \$13.9 million respectively.

Non-current liabilities

Non-current liabilities increased by \$12.8 million from \$56.2 million as at 30 June 2006 to \$69.0 million as at 30 June 2007. The increase was mainly due to draw down of new term loans in FY2007 for acquisition of new vessels and yard facility development.

Total interest-bearing liabilities increased by \$29.4 million to \$100.5 million as at 30 June 2007. The increase was mainly due to new term loans of \$84.6 million partially offset by the redemption and repayment of loans of \$55.2 million in FY2007.

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

In the announcements made on 24 August 2006 and 7 February 2007, the Group was optimistic that the revenue and earnings for FY2007 would be higher than that of FY2006.

The Group recorded higher revenue and profit after tax in FY2007 as compared with FY2006 which is in line with the prospect statement indicated in the announcements previously made.

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

Overall

The outlook remains positive for the industries that the Group operates in, particularly the general marine industry, the offshore oil & gas exploration and production market as well as the offshore/ marine infrastructure development market in the region.

Based on the Group's outstanding shipbuilding order books, improved shiprepair capabilities and enlarged fleet size for shipchartering operations, barring any unforeseen circumstances, the Group is optimistic to achieve revenue and earnings growth in FY2008.

Shipbuilding and Shiprepair Operations

As at 30 June 2007, the Group had an outstanding order book for shipbuilding of approximately \$622 million for the building of 45 vessels including offshore support vessels, offshore construction vessels, tugs, barges and tankers. Barring any unforeseen circumstances, approximately 43% of the order book is expected to be recognised in the financial year ending 30 June 2008 ("FY2008"). Subsequent to 30 June 2007, the Group secured additional shipbuilding contracts for 7 vessels worth \$48 million of which 11% is expected to be recognised in FY2008. In addition, the Group has an outstanding shipbuilding order book of approximately \$31 million for the building of 10 vessels for companies from within the Group.

The Group's cautious optimism of shiprepair business is underwritten by the 20,000 dwt floating dock and a 150,000 dwt graving dry dock in Batam, Indonesia which have been operating near full capacity in FY2007.

Shipchartering Operations

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts, with approximately 16% contribution from long term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2007, the Group had an outstanding order book of approximately \$14 million with respect to long term shipchartering contracts.

The Group plans to further strengthen its shipchartering fleet by taking delivery of 37 vessels worth approximately \$85 million in FY2008 including towing tug, Azimuth Stern Drive tug, Straight Supply vessel, Anchor Handling Towing/ Supply vessel and Anchor Handling tug (of which 10 vessels worth approximately \$31 million are being built internally).

Jointly-controlled Entities Operations

Pursuant to a conditional agreement entered in July 2007, ASL Energy will be disposing its entire 50.2% interests in the Tabang coal concession at its 31 December 2006 book value. Going forward, ASL Energy Group will focus on its shipchartering operations. As at 30 June 2007, ASL Energy has 32 tugs and 32 barges engaged mainly in coal transportation and a 65,000 dwt floating coal terminal.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	First & Final Normal Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	2.5 cents per ordinary share (Tax-exempt)	0.3 cents per ordinary share (Tax-exempt)
Tax Rate	0%	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 Normal Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.8 cents per ordinary share (Tax-exempt)	0.4 cents per ordinary share (Tax-exempt)
Tax Rate	0%	0%

(c) Date payable

The first and final dividend, if approved at the Annual General Meeting, will be paid on 12 November 2007.

(d) Books closure date

Notice is hereby given that the share transfer book, register of members and register of warrant holders of the Company will be closed on 31 October 2007. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited up to the close of business at 5.00 p.m. on 30 October 2007 will be registered to determine shareholders' entitlements to the dividend. All warrant holders who exercise their conversion rights (provided they are entitled to do so by 3.00 p.m. on 30 October 2007) 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

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

	Shipbuilding \$'000	Shiprepair & other marine related services \$'000	Shipchartering and rental \$'000	Investment Holding \$'000	Eliminations \$'000	Consolidated \$'000
2006						
Revenue						
Revenue from external customers	123,312	23,307	51,039	-	-	197,658
Inter-segment revenue	27,745	5,427	16,259	6,600	(56,031)	-
Total revenue	151,057	28,734	67,298	6,600	(56,031)	197,658
Results						
Segment results	3,898	7,427	20,544	7,017	(7,779)	31,107
Unallocated expenses						(1,404)
Finance costs						(3,420)
Share of profit of jointly-controlled entities						102
Income tax expense						(2,764)
Profit for the year						23,621
Assets						
Segment assets	114,917	30,459	146,235	2,301	-	293,912
Unallocated assets						21,239
Total assets						315,151
Liabilities						
Segment liabilities	79,154	17,518	10,819	411	-	107,902
Unallocated liabilities						85,562
Total liabilities						193,464
Capital expenditure	15,435	5,703	75,112	-	-	96,250
Depreciation	2,050	385	7,863	77	-	10,375

(b) Geographical segments

	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe and Other Countries \$'000	Consolidated \$'000
2007					
Revenue from external customers	90,583	25,105	21,584	181,130	318,402
Capital expenditure	88,544	14,001	3,978	-	106,523
2006					
Revenue from external customers	57,786	12,560	24,189	103,123	197,658
Capital expenditure	78,712	17,158	380	-	96,250

The Directors believe it would be inaccurate to analyse the segment assets by geographical segment because certain vessels cannot be meaningfully allocated to the different geographical areas. For the Shipchartering 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.

	30-Jun-07	Group 30-Jun-06	Increase
		\$'000	%
Sales reported for first half year	156,356	105,165	48.7
Profit attributable to shareholders reported for first half year	16,766	12,332	36.0
Sales reported for second half year	162,046	92,493	75.2
Profit attributable to shareholders reported for second half year	23,482	10,734	118.8

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	7,174	5,516
Preference	-	-
Total	7,174	5,516

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
23 August 2007