

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND THE YEAR ENDED 30 JUNE 2010**

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

	Group			Group		
	3 months ended 30 June			12 months ended 30 June		
	4Q FY2010	4Q FY2009	Increase/ (Decrease)	FY2010	FY2009	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	67,138	60,145	11.6	306,316	269,883	13.5
Shiprepair and conversion	19,012	20,565	(7.6)	89,061	69,336	28.4
Shipchartering and rental	18,950	21,497	(11.8)	72,995	96,223	(24.1)
Total revenue	105,100	102,207	2.8	468,372	435,442	7.6
Cost of sales	(90,585)	(83,118)	9.0	(407,622)	(357,405)	14.1
Gross profit	14,515	19,089	(24.0)	60,750	78,037	(22.2)
Other operating income	2,629	1,084	142.5	9,320	30,024	(69.0)
Administrative expenses	(2,210)	(3,234)	(31.7)	(9,840)	(11,539)	(14.7)
Other operating expenses	(2,695)	(3,546)	(24.0)	(3,418)	(7,590)	(55.0)
Finance costs	(2,504)	(1,699)	47.4	(8,072)	(6,475)	24.7
Share of results of jointly-controlled entity and associate	(74)	(22)	236.4	(670)	1,492	Nm
Profit before tax	9,661	11,672	(17.2)	48,070	83,949	(42.7)
Tax expense	(1,621)	(3,400)	(52.3)	(8,806)	(10,137)	(13.1)
Profit for the period/year	8,040	8,272	(2.8)	39,264	73,812	(46.8)
Attributable to:						
Owners of the parent	7,183	7,488	(4.1)	37,286	71,070	(47.5)
Minority interests	857	784	9.3	1,978	2,742	(27.9)
	8,040	8,272	(2.8)	39,264	73,812	(46.8)

Nm: Not meaningful

1(a)(ii) A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 months ended 30 June			12 months ended 30 June		
	4Q FY2010	4Q FY2009	Increase/ (Decrease)	FY2010	FY2009	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period/ year	8,040	8,272	(2.8)	39,264	73,812	(46.8)
Translation differences relating to financial statements of foreign subsidiaries, net of tax	50	(533)	Nm	329	3,604	(90.9)
Share of other comprehensive income of jointly-controlled entity	(8)	(146)	(94.5)	(74)	49	Nm
Net fair value changes to cash flow hedges	(1,897)	7,904	Nm	1,531	(9,990)	Nm
Other comprehensive income for the period/ year, net of tax	(1,855)	7,225	Nm	1,786	(6,337)	Nm
Total comprehensive income for the period/ year	6,185	15,497	(60.1)	41,050	67,475	(39.2)
Attributable to:						
Owners of the parent	5,312	14,712	(63.9)	38,753	64,689	(40.1)
Minority interests	873	785	11.2	2,297	2,786	(17.6)
	6,185	15,497	(60.1)	41,050	67,475	(39.2)

Nm: Not meaningful

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

	Group		Group	
	3 months ended		12 months ended	
	30 June		30 June	
	4Q FY2010	4Q FY2009	FY2010	FY2009
	\$'000	\$'000	\$'000	\$'000
Allowance for doubtful trade receivables	(86)	(331)	(610)	(3,600)
Allowance for doubtful non-trade receivables	-	-	-	(180)
Write back of allowance for doubtful trade receivables	3	3	33	142
Write back of allowance for doubtful non-trade receivables	-	-	-	6
Amortisation of lease prepayments	(50)	(51)	(199)	(200)
Bad debts written off (non-trade)	-	-	(2)	-
Depreciation of property, plant and equipment	(8,415)	(7,107)	(30,475)	(27,006)
Fair value loss on forward currency contracts and interest rate swap	(543)	(149)	(1,126)	(1,092)
Gain on disposal of assets held for sale	1,263	559	2,495	20,044
Gain on disposal of property, plant and equipment	1,303	995	4,216	7,310
Impairment loss on property, plant and equipment	(2,297)	(3,217)	(2,297)	(3,950)
Interest income	70	58	179	516
(Loss)/ Gain on foreign exchange (net)	(314)	(753)	(539)	452
Property, plant and equipment written off	-	-	(3)	(7)
Adjustment for over/ (under) provision of tax in respect of prior years				
- Current tax expense	254	269	(683)	(614)
- Deferred tax expense	(116)	(44)	597	117

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-10 \$'000	30-Jun-09 \$'000	30-Jun-10 \$'000	30-Jun-09 \$'000
Non-current assets				
Property, plant and equipment	437,660	397,305	100	124
Lease prepayments	3,892	4,124	-	-
Subsidiaries	-	-	33,573	31,370
Interest in jointly-controlled entity and associate	1,825	3,350	1,558	1,558
Other receivable	-	-	2,203	2,212
	443,377	404,779	37,434	35,264
Current assets				
Inventories	13,151	12,409	-	-
Assets held for sale	7,269	845	-	-
Construction work-in-progress	67,734	108,375	-	-
Trade and other receivables	113,961	76,433	3,133	2,560
Finance lease receivables	-	1,717	-	-
Amount due from related parties	1,680	638	165,437	130,134
Derivative financial instruments	1,350	1,481	-	-
Bank balances, deposits and cash	90,090	96,012	510	17,984
	295,235	297,910	169,080	150,678
Current liabilities				
Trade and other payables	135,581	128,510	1,166	498
Progress billings in excess of construction work-in-progress	40,548	60,020	-	-
Amount due to related parties	236	117	28,843	35,918
Loan from minority shareholders of subsidiaries	2,080	1,862	-	-
Trust receipts	25,033	32,944	-	-
Interest-bearing loans and borrowings	51,070	76,567	11,025	39,024
Derivative financial instruments	3,564	4,246	368	822
Current tax liabilities	12,007	8,796	-	46
	270,119	313,062	41,402	76,308
Net current assets/ (liabilities)	25,116	(15,152)	127,678	74,370
Non-current liabilities				
Loan from minority shareholders of subsidiaries	1,469	1,475	-	-
Interest-bearing loans and borrowings	133,160	83,801	65,020	11,045
Deferred tax liabilities	9,747	9,308	-	-
	144,376	94,584	65,020	11,045
Net assets	324,117	295,043	100,092	98,589
Share capital	83,061	83,051	83,061	83,051
Treasury shares	(923)	(923)	(923)	(923)
Reserves	233,195	206,428	17,954	16,461
	315,333	288,556	100,092	98,589
Minority interests	8,784	6,487	-	-
Total equity	324,117	295,043	100,092	98,589

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-10		As at 30-Jun-09	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
39,070	37,033	33,567	75,944

Amount repayable after one year

As at 30-Jun-10		As at 30-Jun-09	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
68,160	65,000	72,801	11,000

Details of any collaterals

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

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

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

	Group 3 months ended 30 June		Group 12 months ended 30 June	
	4Q FY2010 \$'000	4Q FY2009 \$'000	FY2010 \$'000	FY2009 \$'000
Cash flows from operating activities				
Profit before tax	9,661	11,672	48,070	83,949
Adjustments for:				
Amortisation of lease prepayments	50	51	199	200
Allowance for doubtful receivables (net)	83	328	577	3,632
Bad debts written off (non-trade)	-	-	2	-
Depreciation of property, plant and equipment	8,415	7,107	30,475	27,006
Fair value loss on forward currency contracts and interest rate swap	543	149	1,126	1,092
Gain on disposal of assets held for sale	(1,263)	(559)	(2,495)	(20,044)
Gain on disposal of property, plant and equipment	(1,303)	(995)	(4,216)	(7,310)
Impairment loss on property, plant and equipment	2,297	3,217	2,297	3,950
Interest expense	2,504	1,699	8,072	6,475
Interest income	(70)	(58)	(179)	(516)
Property, plant and equipment written off	-	-	3	7
Provision for warranty claims	-	(643)	-	(343)
Share of results of jointly-controlled entity and associate	74	22	670	(1,492)
Operating profit before working capital changes	20,991	21,990	84,601	96,606

Changes in working capital:				
Inventories	(438)	2,241	(742)	10,350
Construction work-in-progress and progress billings in excess of construction work-in-progress	2,054	(59,873)	21,459	(90,707)
Trade and other receivables	1,085	(1,170)	(38,107)	20,674
Trade and other payables	(13,701)	34,956	8,635	25,835
Balances with related parties (trade)	(197)	(299)	(924)	2,488
Bank balances, deposits and cash (restricted use)	577	63	(5,551)	(1,237)
Cash generated from/ (used in) operations	10,371	(2,092)	69,371	64,009
Tax paid	(83)	(81)	(5,468)	(7,057)
Net cash generated from/ (used in) operating activities	10,288	(2,173)	63,903	56,952
Cash flows from investing activities				
Interest received	70	58	175	516
Investment in associate	-	-	-	(1,024)
Purchase of assets held for sale	(34)	(74)	(3,231)	(12,028)
Purchase of property, plant and equipment	(19,308)	(48,615)	(83,192)	(178,630)
Proceeds from disposal of assets held for sale	2,000	868	8,985	68,033
Proceeds from disposal of property, plant and equipment	2,761	3,870	10,104	20,675
Balances with related parties (non trade)	-	30	1	3,323
Net cash used in investing activities	(14,511)	(43,863)	(67,158)	(99,135)
Cash flows from financing activities				
Interest paid	(2,494)	(1,684)	(8,029)	(6,415)
Dividends paid	-	-	(11,984)	(11,984)
Repayment of interest-bearing loans and borrowings	(58,907)	(8,013)	(89,999)	(40,227)
Proceeds from interest-bearing loans and borrowings	10,447	12,781	107,803	59,390
Proceeds from finance lease receivables	1,310	168	1,721	893
Proceeds from issue of shares	-	-	8	279
Purchase of treasury shares	-	-	-	(923)
Proceeds from loan from minority shareholders of subsidiaries	-	-	289	-
Repayment of trust receipts	(7,034)	(10,581)	(83,312)	(41,983)
Proceeds from trust receipts	8,592	21,020	75,401	74,927
Net cash (used in)/ generated from financing activities	(48,086)	13,691	(8,102)	33,957
Net decrease in cash and cash equivalents	(52,309)	(32,345)	(11,357)	(8,226)
Cash and cash equivalents at beginning of period/ year	135,618	127,133	94,775	102,995
Effects of exchange rate changes on opening cash and cash equivalents	(7)	(13)	(116)	6
Cash and cash equivalents at end of period/ year	83,302	94,775	83,302	94,775

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 years ended 30-Jun-10 and 30-Jun-09									
Attributable to owners of the parent									
<u>Group</u>	Share capital \$'000	Treasury shares \$'000	Employee share option reserve \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Minority interests \$'000	Total equity \$'000
<u>FY2010</u>									
At 1-Jul-09	83,051	(923)	7	(96)	(2,393)	208,910	206,428	6,487	295,043
Total comprehensive income for the year	-	-	-	41	1,426	37,286	38,753	2,297	41,050
Dividends on ordinary shares	-	-	-	-	-	(11,984)	(11,984)	-	(11,984)
Issue of shares under ESOS ¹	10	-	(2)	-	-	-	(2)	-	8
At 30-Jun-10	83,061	(923)	5	(55)	(967)	234,212	233,195	8,784	324,117
<u>FY2009</u>									
At 1-Jul-08	82,725	-	54	(3,621)	7,513	149,824	153,770	3,701	240,196
Total comprehensive income for the year	-	-	-	3,525	(9,906)	71,070	64,689	2,786	67,475
Dividends on ordinary shares	-	-	-	-	-	(11,984)	(11,984)	-	(11,984)
Issue of shares under ESOS ¹	326	-	(47)	-	-	-	(47)	-	279
Purchase of treasury shares	-	(923)	-	-	-	-	-	-	(923)
At 30-Jun-09	83,051	(923)	7	(96)	(2,393)	208,910	206,428	6,487	295,043

¹ ASL Employee Share Option Scheme

Statement of Changes in Equity for the years ended 30-Jun-10 and 30-Jun-09

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Employee share option reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Total equity \$'000
<u>FY2010</u>							
At 1-Jul-09	83,051	(923)	7	(822)	17,276	16,461	98,589
Total comprehensive income for the year	-	-	-	454	13,025	13,479	13,479
Dividends on ordinary shares	-	-	-	-	(11,984)	(11,984)	(11,984)
Issue of shares under ESOS ¹	10	-	(2)	-	-	(2)	8
At 30-Jun-10	83,061	(923)	5	(368)	18,317	17,954	100,092
<u>FY2009</u>							
At 1-Jul-08	82,725	-	54	(118)	8,378	8,314	91,039
Total comprehensive income for the year	-	-	-	(704)	20,882	20,178	20,178
Dividends on ordinary shares	-	-	-	-	(11,984)	(11,984)	(11,984)
Issue of shares under ESOS ¹	326	-	(47)	-	-	(47)	279
Purchase of treasury shares	-	(923)	-	-	-	-	(923)
At 30-Jun-09	83,051	(923)	7	(822)	17,276	16,461	98,589

¹ ASL Employee Share Option Scheme

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

	Number of Ordinary Shares	ASL Employee Share Option Scheme ("ESOS")
Balance as at 30-Jun-09	299,589,002	62,000
Number of ESOS exercised	15,000	(15,000)
Balance as at 30-Jun-10	299,604,002	47,000

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

Category	Vesting Period	Exercise Period	Exercise Price	ESOS outstanding as at 30-Jun-10	ESOS outstanding as at 30-Jun-09
Employees	18-Dec-06	18-Dec-06 to 17-Dec-13	\$0.55	47,000	62,000

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

	As at 30-Jun-10	As at 30-Jun-09
Total number of issued shares	301,398,002	301,383,002
Total number of treasury shares	(1,794,000)	(1,794,000)
Total number of issued shares excluding treasury shares	299,604,002	299,589,002

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 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 applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared with those of the audited financial statements as at 30 June 2009. The adoption of new and revised FRS and Interpretations of FRS ("INT FRS") that are effective for financial year beginning on or after 1 July 2009 did not have any significant impact on the financial statements of the Group.

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

Not applicable.

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

Earnings per ordinary share based on net profit attributable to owners of the parent:-	Group <u>3 months ended</u> <u>30 June</u>		Group <u>12 months ended</u> <u>30 June</u>	
	4Q FY2010	4Q FY2009	FY2010	FY2009
(i) On weighted average number of ordinary shares in issue	2.40cts	2.50cts	12.45cts	23.68cts
(ii) On a fully diluted basis	2.40cts	2.50cts	12.44cts	23.68cts

Note to item 6 (i):

The calculation of basic earnings per ordinary share of the Group for 4Q FY2010 is based on net profit attributable to owners of the parent amounting to \$7,183,000 (4Q FY2009: \$7,488,000) and the weighted average of 299,604,002 (4Q FY2009: 299,589,002) ordinary shares in issue during the quarter.

The calculation of basic earnings per ordinary share of the Group for FY2010 is based on net profit attributable to owners of the parent amounting to \$37,286,000 (FY2009: \$71,070,000) and the weighted average of 299,601,166 (FY2009: 300,067,254) ordinary shares in issue during the year.

Note to item 6 (ii):

The calculation of fully diluted earnings per ordinary share of the Group for 4Q FY2010 is based on net profit attributable to owners of the parent amounting to \$7,183,000 (4Q FY2009: \$7,488,000) and the weighted average of 299,621,467 (4Q FY2009: 299,604,229) ordinary shares in issue during the quarter.

The calculation of fully diluted earnings per ordinary share of the Group for FY2010 is based on net profit attributable to owners of the parent amounting to \$37,286,000 (FY2009: \$71,070,000) and the weighted average of 299,621,638 (FY2009: 300,094,093) ordinary shares in issue during the year.

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-10	30-Jun-09	30-Jun-10	30-Jun-09
Net asset value per ordinary share based on issued share capital as at the respective reporting dates	105.25 cents	96.32 cents	33.41 cents	32.91 cents

Note:

The calculation of net asset value of the Group and of the Company is based on 299,604,002 (30-Jun-09: 299,589,002) ordinary shares in issue as at the respective reporting dates.

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

REVIEW OF GROUP PERFORMANCE**FY2010 vs FY2009**

Group	FY2010			FY2009			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	306,316	25,612	8.4	269,883	26,353	9.8	36,433	13.5	(741)	(2.8)
Shiprepair and conversion	89,061	18,086	20.3	69,336	21,501	31.0	19,725	28.4	(3,415)	(15.9)
Shipchartering	72,995	17,052	23.4	96,223	30,183	31.4	(23,228)	(24.1)	(13,131)	(43.5)
	468,372	60,750	13.0	435,442	78,037	17.9	32,930	7.6	(17,287)	(22.2)

Revenue

Total Group revenue increased by 7.6% from \$435.4 million for the 12 months ended 30 June 2009 ("FY2009") to \$468.4 million for the 12 months ended 30 June 2010 ("FY2010"). This was due to higher revenue from shipbuilding and shiprepair and conversion operations and despite lower revenue from shipchartering operations.

Shipbuilding revenue was \$36.4 million higher mainly due to progressive recognition of larger projects undertaken including a self-propelled cutter suction dredger, a heavy lift and pipe-lay vessel and a subsea operation vessel.

Shiprepair revenue increased by \$19.7 million to \$89.1 million mainly attributed to increased number of larger shiprepair and conversion jobs undertaken including fabrication and outfitting works to a Heavy Transport Vessel, conversion of a tanker into floating storage and offloading unit as well as conversion of a container feeder ship to Offshore Support & Maintenance Vessel.

Shipchartering revenue declined by \$23.2 million mainly due to lower vessel utilisation rates and reduced charter pricing attributed to weaker market demand during the year. The Group had a fleet size of 177 vessels as at 30 June 2010 as compared to 189 vessels as at 30 June 2009, comprising towing tugs, Anchor Handling Tugs, barges and other vessels.

Gross profit and gross profit margin

The Group gross profit was \$17.3 million lower with decreased earnings recorded by all three segments.

Shipbuilding operations recorded a lower gross profit margin of 8.4% mainly due to technical complexities encountered for certain projects completed during the year.

Shiprepair operations recorded a lower gross profit margin of 20.3% mainly due to pricing pressure and a change in business mix. The Group undertook more large ship conversion jobs which generally has lower profit margin.

Shipchartering operations recorded a lower gross profit margin of 23.4% mainly due to the impact of lower vessel utilisation rate and continued pricing pressure.

Other operating income

Other operating income declined by \$20.7 million to \$9.3 million in FY2010. Other operating income in FY2009 was higher mainly because it included a one-off gain of \$12.2 million on disposal of a jointly-controlled entity, ASL Energy Pte. Ltd. and foreign exchange gain of \$0.5 million.

Other operating income also comprised:

1. Gain on disposal of plant and equipment of \$4.2 million from the sale of 20 vessels (FY2009: \$7.3 million for 24 vessels) to third parties;
2. Gain on disposal of vessels held for sale of \$2.5 million (FY2009: \$7.8 million);
3. Miscellaneous income of \$2.4 million (FY2009: \$1.7 million) mainly due to forfeiture of deposit received during the year; and
4. Interest income of \$0.2 million (FY2009: \$0.5 million).

Administrative expenses

Administrative expenses decreased by \$1.7 million to \$9.8 million mainly attributed to lower manpower costs.

Other operating expenses

Other operating expenses decreased by \$4.2 million to \$3.4 million in FY2010.

Other operating expenses comprised:

1. Net provision for doubtful receivables of \$0.6 million (FY2009: \$3.6 million);
2. Impairment loss on vessels of \$2.3 million (FY2009: \$4.0 million); and
3. Foreign exchange loss of \$0.5 million (FY2009: net foreign exchange gain of \$0.5 million shown under other operating income)

Finance costs

Finance costs of \$8.1 million were \$1.6 million higher due to increased borrowings including bonds issuance during the year. The Group mainly hedges against interest rate fluctuations on its long-term borrowings by way of "plain vanilla" interest rate swaps.

Share of results of jointly-controlled entity and associate

The Group's share of results of jointly-controlled entity and associate comprised of the share of \$0.2 million loss (FY2009: \$1.9 million share of profit) incurred by HKR-ASL Joint Venture Limited and share of \$0.5 million loss (FY2009: \$0.4 million) incurred by associated companies, Fastcoat Industries Pte. Ltd. and its subsidiary.

HKR-ASL Joint Venture Limited has been dormant since the completion of a shipchartering project in FY2009.

Profit before taxation

The Group recorded a lower profit before taxation of \$48.1 million for FY2010 mainly attributed to lower gross profit and other operating income.

Income tax expense

The Group recorded a lower tax expense of \$8.8 million in FY2010. The Group's effective tax rate of 17.9% in FY2010 was however higher than 11.8% in FY2009 mainly due to higher tax provision attributed to the Group's shipyard operations in FY2010 and the absence of the impact attributed to one-off capital gain of \$12.2 million recorded in FY2009 on disposal of a jointly-controlled entity, ASL Energy Pte. Ltd.

Minority interests

Minority shareholders' share of profits declined by \$0.8 million mainly due to lower shipchartering and shipbuilding earnings recorded by non-wholly owned foreign subsidiaries.

Operating cash flow

The Group's net cash inflow from operating activities of \$63.9 million was \$7.0 million higher as compared to FY2009. The increase was mainly attributed to higher progress billings receipts on shipbuilding projects partially offset by lower receipts on trade receivables, higher payments for inventories and trade payables.

The Group funded its working capital, capital expenditure and repayment of borrowings through retained earnings, proceeds from borrowings including bonds issuance, bank loans and trust receipts as well as proceeds from disposal of plant and equipment and assets held for sale.

(b) 4Q FY2010 vs 4Q FY2009

Group	4Q FY2010			4Q FY2009			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	67,138	6,624	9.9	60,145	6,238	10.4	6,993	11.6	386	6.2
Shiprepair and conversion	19,012	3,516	18.5	20,565	6,788	33.0	(1,553)	(7.6)	(3,272)	(48.2)
Shipchartering	18,950	4,375	23.1	21,497	6,063	28.2	(2,547)	(11.8)	(1,688)	(27.8)
	105,100	14,515	13.8	102,207	19,089	18.7	2,893	2.8	(4,574)	(24.0)

The Group's business segments are subject to different degree of seasonality, with the 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 the Group's business or of the results for the whole of the financial year.

Revenue

The Group revenue of \$105.1 million for the 3 months ended 30 June 2010 ("4Q FY2010") was \$2.9 million higher as compared to the corresponding period in FY2009 ("4Q FY2009"). This was attributed to higher revenue recorded by shipbuilding operations partially offset by lower revenue from shiprepair and conversion and shipchartering operations.

Shipbuilding revenue was \$7.0 million higher mainly due to progressive recognition of larger projects undertaken including a self-propelled cutter suction dredger.

Shiprepair revenue was marginally lower by \$1.6 million in 4Q FY2010 primarily due to timing reason.

Shipchartering revenue declined by \$2.5 million mainly due to lower charter pricing experienced in FY2010.

Gross profit and gross profit margin

The Group's gross profit declined by \$4.6 million to \$14.5 million mainly due to lower gross profit margin recorded by shiprepair and conversion and shipchartering operations.

Shipbuilding operations recorded a marginally lower gross profit margin of 9.9% in 4Q FY2010 as compared to 4Q FY2009, however this was better than that achieved in 1Q, 2Q and 3Q of FY2010.

Shiprepair operations recorded a lower gross profit margin of 18.5% mainly due to pricing pressure under competitive market conditions.

Shipchartering operations recorded lower gross profit margin of 23.1% mainly due to lower charter pricing.

Other operating income

Other operating income increased by \$1.5 million mainly due to absence of a net foreign exchange loss of \$0.8 million recorded in 4Q FY2009 and higher gain on disposal of vessels and vessels held for sale of \$1.0 million.

Administrative expenses

Administrative expenses declined by \$1.0 million mainly attributed to lower manpower costs.

Other operating expenses

Other operating expenses declined by \$0.8 million mainly due to lower net allowance for doubtful trade receivables of \$0.2 million and impairment loss on vessels of \$0.9 million partially offset by net foreign exchange loss of \$0.3 million (4Q FY2009: net foreign exchange loss of \$0.8 million was shown under other operating income).

Finance costs

Finance costs were higher by \$0.8 million mainly due to increased borrowings including bonds issuance in 4Q FY2010.

Share of results of jointly-controlled entity and associate

The share of results of jointly-controlled entity and associate comprised of the share of \$0.1 million loss (4Q FY2009: \$0.1 million share of profit) from HKR-ASL Joint Venture Limited and share of \$3,000 loss (4Q FY2009: \$0.1 million) incurred by associated companies, Fastcoat Industries Pte. Ltd. and its subsidiary.

Profit before taxation

The Group recorded a lower profit before taxation of \$9.7 million in 4Q FY2010 mainly due to lower gross profit.

Income tax expense

The Group recorded a lower taxation charge of \$1.6 million in 4Q FY2010 mainly due to lower earnings and lower tax provision attributed to the shipyard operations of foreign subsidiary.

Minority interests

Minority shareholders' share of profits attributed to non-wholly owned foreign subsidiaries increased by \$0.1 million mainly due to higher shipchartering earnings.

Operating cash flow

The Group's net cash inflow from operating activities was \$12.5 million higher mainly attributed to higher progress billings receipts on shipbuilding projects partially offset by higher payments for trade and other payables.

REVIEW OF FINANCIAL POSITION AS AT 30 June 2010

Non-current assets

Property, plant and equipment increased by \$40.4 million from \$397.3 million as at 30 June 2009 to \$437.7 million as at 30 June 2010. The increase was mainly due to acquisition of plant and equipment of \$89.3 million (inclusive of \$12.0 million for vessels, \$69.0 million for yard infrastructure development and vessels under construction as well as \$7.7 million for plant and machinery) partially offset by disposal of plant and equipment with aggregate net book value of \$5.9 million, depreciation charge of \$30.8 million, impairment loss of \$2.3 million, transfer of vessels to assets held for sale of \$9.7 million and others (including write-off of plant and equipment and foreign exchange differences) of \$0.2 million.

The Group's total depreciation charge was \$3.5 million higher as compared to FY2009 mainly attributed to depreciation charges of the Group's fleet of vessels.

Current assets

Current assets decreased by \$2.7 million from \$297.9 million as at 30 June 2009 to \$295.2 million as at 30 June 2010.

Inventories on raw materials (mainly steel) were \$0.7 million higher as at 30 June 2010.

Assets held for sale pertaining to vessels held for sale were \$6.4 million higher as at 30 June 2010.

Trade receivables increased by \$31.9 million to \$95.6 million mainly due to higher progress billings for shipbuilding projects. Average debtors turnover was 76 days as at 30 June 2010 as compared to 55 days as at 30 June 2009. Other receivables increased by \$5.6 million to \$18.4 million mainly due to higher prepayments and insurance claims.

Finance lease receivables decreased by \$1.7 million due to repayments received.

The amount due from related parties increased by \$1.0 million mainly due to higher amount due from its associated company, PT. Fastcoat Industries.

The Group enters into "plain vanilla" forward contracts to hedge for future receipts or payments. The derivative financial instruments assets decreased by \$0.1 million to \$1.4 million which comprised mainly mark-to-market gains derived from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables and trade payables.

Bank balances, deposits and cash of \$90.1 million included balances amounting to \$6.8 million of restricted usage as at 30 June 2010 (\$1.2 million as at 30 June 2009).

Current liabilities

Current liabilities decreased by \$42.9 million from \$313.0 million as at 30 June 2009 to \$270.1 million as at 30 June 2010.

Trade and other payables increased by \$7.1 million due to increase in trade payables of \$3.5 million and other payables of \$3.6 million. Other payables comprised mainly payables for expenditure incurred on yard developments and purchase of vessels as well as deposits received on sale of vessels.

Current portion of interest-bearing loans and borrowings decreased by \$25.5 million to \$51.1 million while borrowings under trust receipts decreased by \$7.9 million to \$25.0 million.

Derivative financial instruments liabilities decreased by \$0.7 million due to lower mark-to-market loss derived from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables and trade payables partially offset by higher mark-to-market loss derived from interest rate swaps.

The net current assets of \$25.1 million as at 30 June 2010 and net current liabilities of \$15.2 million as at 30 June 2009 included net construction work-in-progress of \$27.2 million and \$48.4 million respectively for external shipbuilding projects.

Non-current liabilities

Non-current liabilities increased by \$49.8 million to \$144.4 million as at 30 June 2010.

Total interest-bearing loans and borrowings increased by \$23.8 million to \$184.2 million as at 30 June 2010. The increase was mainly due to bonds issuance of \$65 million and bank loans of \$48.8 million partially offset by redemption and repayment made of \$90.0 million during the year. The Group's gearing ratio was 0.66 as at 30 June 2010.

Deferred tax liabilities increased by \$0.4 million to \$9.7 million as at 30 June 2010.

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

In line with the prospect statement indicated in the full year financial statements announcement made on 19 August 2009 for the financial year ended 30 June 2009 (FY 2009), the Group recorded lower earnings for FY2010 as compared to FY2009 mainly due to lower gross profit and other operating income.

In the 3Q FY2010 financial statements announcement made on 12 May 2010, the Group had announced an outstanding delivery order of 13 vessels worth approximately \$77 million for its shipchartering operation. During 4Q FY2010, the Group has taken delivery of 4 vessels worth \$52 million.

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

Overall

The Group has recently secured new shipbuilding orders worth approximately \$55 million for 30 vessels comprising tugs, pipe-lay barge and other barges scheduled for progressive deliveries up to first quarter of 2012.

Despite this, the Group expects pricing pressure to continue for new shipbuilding and shiprepair orders as competition remains intense within the marine industry.

Shipbuilding and Shiprepair Operations

Including the new orders, the Group currently has a total outstanding shipbuilding order book from external customers of approximately \$327 million for 47 vessels with progressive deliveries up to first quarter of 2012. The order book comprised Anchor Handling Towing/ Supply vessels, tugs, self-propelled cutter suction dredgers, barges and other vessels. Barring any unforeseen circumstances, approximately 78% of the order book is expected to be recognised in the financial year ending 30 June 2011.

The Group remains positive over the long term outlook of the shiprepair segment. The facility expansion at Group's Batam yard with respect to the lengthening of the existing dry dock and a second new medium-sized dry dock have been substantially completed in the last quarter of FY2010 which provides added capacity to the Group's shiprepair operations.

Shipchartering Operations

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately and only 21% of shipchartering revenue in FY2010 was attributed to long term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2010, the Group had an outstanding order book of approximately \$6 million with respect to long term shipchartering contracts.

Besides maximizing deployment of its fleet, the Group remains strategically committed to enhancing and renewing its fleet to better meet customers' needs. Accordingly and despite utilization pressures, the Group's shipchartering operations have a total outstanding delivery order of 12 vessels worth approximately \$84 million as at the end of FY2010 comprising towing tugs, barges, ROV support vessel, Anchor Handling Towing/ Supply vessel and Anchor Handling Tugs. These vessels are being built internally by the Group.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	3.0 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? Yes

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

(c) Date payable

The final dividend, if approved at the Annual General Meeting, will be paid on 10 November 2010.

(d) Books closure date

Notice is hereby given that the share transfer book and register of members of the Company will be closed on 30 October 2010. 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 29 October 2010 will be registered to determine shareholders' entitlements to the dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to the CDP which will in turn distribute entitlements to holder of shares in accordance with its practice.

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

Not applicable.

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

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

(a) Business Segments

	Shipbuilding \$'000	Shiprepair and conversion \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
2010						
Revenue						
Revenue from external customers	306,316	89,061	72,995	-	-	468,372
Inter-segment revenue	70,303	40,430	37,084	14,000	(161,817)	-
Total revenue	<u>376,619</u>	<u>129,491</u>	<u>110,079</u>	<u>14,000</u>	<u>(161,817)</u>	<u>468,372</u>
Results						
Segment results	20,872	16,537	21,514	16,056	(16,422)	58,557
Unallocated expenses						(1,745)
Finance costs						(8,072)
Share of results of jointly-controlled entity and associate						(670)
Income tax expense						(8,806)
Profit for the year						<u>39,264</u>
Assets						
Segment assets	266,620	100,916	365,508	3,743	-	736,787
Unallocated assets						1,825
Total assets						<u>738,612</u>
Liabilities						
Segment liabilities	118,621	39,349	23,978	1,530	-	183,478
Unallocated liabilities						231,017
Total liabilities						<u>414,495</u>
Capital expenditure	<u>21,713</u>	<u>17,675</u>	<u>49,862</u>	<u>-</u>	<u>-</u>	<u>89,250</u>
Depreciation	<u>7,734</u>	<u>2,157</u>	<u>20,560</u>	<u>24</u>	<u>-</u>	<u>30,475</u>

	Shipbuilding \$'000	Shiprepair and conversion \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
2009						
Revenue						
Revenue from external customers	269,883	69,336	96,223	-	-	435,442
Inter-segment revenue	73,411	33,439	39,242	12,000	(158,092)	-
Total revenue	343,294	102,775	135,465	12,000	(158,092)	435,442
Results						
Segment results	22,605	19,811	38,730	23,117	(13,001)	91,262
Unallocated expenses						(2,330)
Finance costs						(6,475)
Share of results of jointly-controlled entities and associate						1,492
Income tax expense						(10,137)
Profit for the year						73,812
Assets						
Segment assets	263,185	74,707	340,779	20,668	-	699,339
Unallocated assets						3,350
Total assets						702,689
Liabilities						
Segment liabilities	140,862	32,486	21,566	1,316	-	196,230
Unallocated liabilities						211,416
Total liabilities						407,646
Capital expenditure	15,344	8,828	159,032	-	-	183,204
Depreciation	7,246	1,770	17,966	24	-	27,006

(b) Geographical segments

	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	United States and Other Countries \$'000	Consolidated \$'000
2010						
Revenue from external customers	107,045	29,054	78,407	235,706	18,160	468,372
Capital expenditure	63,267	25,814	169	-	-	89,250
2009						
Revenue from external customers	135,736	28,074	71,776	150,751	49,105	435,442
Capital expenditure	166,809	15,973	422	-	-	183,204

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

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

Please refer to item 8.

15. A breakdown of sales.

	30-Jun-10	Group 30-Jun-09	Increase/ (Decrease)
	\$'000	\$'000	%
Sales reported for first half year	253,144	226,342	11.8
Operating profit after tax before deducting minority interests reported for first half year	21,409	41,622	(48.6)
Sales reported for second half year	215,228	209,100	2.9
Operating profit after tax before deducting minority interests reported for second half year	17,855	32,190	(44.5)

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	8,988	11,984
Preference	-	-
Total	8,988	11,984

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
18 August 2010