

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FOURTH QUARTER AND THE YEAR ENDED 30 JUNE 2011**

**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 FY2011	4Q FY2010	Increase/ (Decrease)	FY2011	FY2010	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	57,538	67,138	(14.3)	215,683	306,316	(29.6)
Shiprepair and conversion	17,401	19,012	(8.5)	81,900	89,061	(8.0)
Shipchartering and rental	17,687	18,950	(6.7)	65,568	72,995	(10.2)
<b>Total revenue</b>	<b>92,626</b>	<b>105,100</b>	<b>(11.9)</b>	<b>363,151</b>	<b>468,372</b>	<b>(22.5)</b>
Cost of sales	(78,977)	(90,585)	(12.8)	(313,552)	(407,622)	(23.1)
<b>Gross profit</b>	<b>13,649</b>	<b>14,515</b>	<b>(6.0)</b>	<b>49,599</b>	<b>60,750</b>	<b>(18.4)</b>
Other operating income	206	2,629	(92.2)	10,514	9,320	12.8
Administrative expenses	(2,439)	(2,210)	10.4	(9,334)	(9,840)	(5.1)
Other operating expenses	(1,009)	(2,695)	(62.6)	(3,311)	(3,418)	(3.1)
Finance costs	(2,651)	(2,504)	5.9	(8,935)	(8,072)	10.7
Share of results of jointly-controlled entity and associate	(499)	(74)	574.3	(731)	(670)	9.1
<b>Profit before tax</b>	<b>7,257</b>	<b>9,661</b>	<b>(24.9)</b>	<b>37,802</b>	<b>48,070</b>	<b>(21.4)</b>
Tax expense	(977)	(1,621)	(39.7)	(4,603)	(8,806)	(47.7)
<b>Profit for the period/year</b>	<b>6,280</b>	<b>8,040</b>	<b>(21.9)</b>	<b>33,199</b>	<b>39,264</b>	<b>(15.4)</b>
Attributable to:						
<b>Owners of the parent</b>	<b>5,825</b>	<b>7,183</b>	<b>(18.9)</b>	<b>31,916</b>	<b>37,286</b>	<b>(14.4)</b>
Non-controlling interests	455	857	(46.9)	1,283	1,978	(35.1)
	<b>6,280</b>	<b>8,040</b>	<b>(21.9)</b>	<b>33,199</b>	<b>39,264</b>	<b>(15.4)</b>

**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 FY2011	4Q FY2010	Increase/ (Decrease) %	FY2011	FY2010	Increase/ (Decrease) %
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period/ year</b>	<b>6,280</b>	<b>8,040</b>	<b>(21.9)</b>	<b>33,199</b>	<b>39,264</b>	<b>(15.4)</b>
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(911)	50	Nm	(5,384)	329	Nm
Share of other comprehensive income of jointly-controlled entity	(25)	(8)	212.5	(141)	(74)	90.5
Net fair value changes to cash flow hedges	680	(1,897)	Nm	2,359	1,531	54.1
<b>Other comprehensive income for the period/ year, net of tax</b>	<b>(256)</b>	<b>(1,855)</b>	<b>(86.2)</b>	<b>(3,166)</b>	<b>1,786</b>	<b>Nm</b>
<b>Total comprehensive income for the period/ year</b>	<b>6,024</b>	<b>6,185</b>	<b>(2.6)</b>	<b>30,033</b>	<b>41,050</b>	<b>(26.8)</b>
Attributable to:						
<b>Owners of the parent</b>	<b>5,685</b>	<b>5,312</b>	<b>7.0</b>	<b>29,465</b>	<b>38,753</b>	<b>(24.0)</b>
Non-controlling interests	339	873	(61.2)	568	2,297	(75.3)
	<b>6,024</b>	<b>6,185</b>	<b>(2.6)</b>	<b>30,033</b>	<b>41,050</b>	<b>(26.8)</b>

Nm: Not meaningful

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

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>4Q FY2011</b>	<b>4Q FY2010</b>	<b>FY2011</b>	<b>FY2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Allowance for impairment of doubtful trade receivables	(391)	(86)	(666)	(610)
Write back of allowance for impairment of doubtful trade receivables	14	3	466	33
Amortisation of lease prepayments	(52)	(50)	(202)	(199)
Bad debts written off (non-trade)	-	-	-	(2)
Depreciation of property, plant and equipment	(9,574)	(8,415)	(35,942)	(30,475)
Gain/ (Loss) on ineffective portion of cash flow hedges on forward currency contracts and interest rate swaps	69	(543)	840	(1,126)
Gain on disposal of assets held for sale	-	1,263	3,994	2,495
Gain on disposal of property, plant and equipment	120	1,303	6,169	4,216
Impairment loss on property, plant and equipment	-	(2,297)	-	(2,297)
Interest income	39	70	135	179
Foreign exchange loss (net)	(620)	(314)	(3,095)	(539)
Property, plant and equipment written off	(10)	-	(15)	(3)
Overprovision / (Underprovision) of tax in respect of prior years				
- Current tax expense	79	254	788	(683)
- Deferred tax expense	(290)	(116)	(290)	597

**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-11 \$'000	30-Jun-10 \$'000	30-Jun-11 \$'000	30-Jun-10 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	493,278	437,660	-	100
Lease prepayments	3,844	3,892	-	-
Subsidiaries	-	-	69,505	33,573
Interest in jointly-controlled entity and associate	953	1,825	-	1,558
Other receivable	-	-	-	2,203
	<b>498,075</b>	<b>443,377</b>	<b>69,505</b>	<b>37,434</b>
<b>Current assets</b>				
Inventories	12,591	13,151	-	-
Assets held for sale	15,764	7,269	-	-
Construction work-in-progress	80,453	67,734	-	-
Trade and other receivables	117,395	113,961	3,344	3,133
Amount due from related parties	1,881	1,680	178,153	165,437
Derivative financial instruments	3,225	1,350	-	-
Bank balances, deposits and cash	49,536	90,090	177	510
	<b>280,845</b>	<b>295,235</b>	<b>181,674</b>	<b>169,080</b>
<b>Current liabilities</b>				
Trade and other payables	132,652	135,581	1,870	1,166
Progress billings in excess of construction work-in-progress	19,507	40,548	-	-
Amount due to related parties	147	236	34,643	28,843
Loan from non-controlling interests of subsidiaries	2,125	2,080	-	-
Trust receipts	34,865	25,033	-	-
Interest-bearing loans and borrowings	68,411	51,070	22,100	11,025
Derivative financial instruments	1,842	3,564	505	368
Current tax liabilities	8,266	12,007	-	-
	<b>267,815</b>	<b>270,119</b>	<b>59,118</b>	<b>41,402</b>
<b>Net current assets</b>	<b>13,030</b>	<b>25,116</b>	<b>122,556</b>	<b>127,678</b>
<b>Non-current liabilities</b>				
Loan from non-controlling interests of subsidiaries	-	1,469	-	-
Interest-bearing loans and borrowings	155,539	133,160	92,900	65,020
Deferred tax liabilities	10,378	9,747	-	-
	<b>165,917</b>	<b>144,376</b>	<b>92,900</b>	<b>65,020</b>
<b>Net assets</b>	<b>345,188</b>	<b>324,117</b>	<b>99,161</b>	<b>100,092</b>
<b>Share capital</b>	83,092	83,061	83,092	83,061
<b>Treasury shares</b>	(923)	(923)	(923)	(923)
<b>Reserves</b>	253,667	233,195	16,992	17,954
	<b>335,836</b>	<b>315,333</b>	<b>99,161</b>	<b>100,092</b>
<b>Non-controlling interests</b>	9,352	8,784	-	-
<b>Total equity</b>	<b>345,188</b>	<b>324,117</b>	<b>99,161</b>	<b>100,092</b>

**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-11		As at 30-Jun-10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
34,766	68,510	39,070	37,033

**Amount repayable after one year**

As at 30-Jun-11		As at 30-Jun-10	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
60,646	94,893	68,160	65,000

**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 FY2011 \$'000	4Q FY2010 \$'000	FY2011 \$'000	FY2010 \$'000
<b>Cash flows from operating activities</b>				
Profit before tax	7,257	9,661	37,802	48,070
<b>Adjustments for:</b>				
Amortisation of lease prepayments	52	50	202	199
Allowance for impairment of doubtful trade receivables (net)	377	83	200	577
Bad debts written off (non-trade)	-	-	-	2
Depreciation of property, plant and equipment	9,574	8,415	35,942	30,475
(Gain)/ Loss on ineffective portion of cash flow hedges on forward currency contracts and interest rate swaps	(69)	543	(840)	1,126
Gain on disposal of assets held for sale	-	(1,263)	(3,994)	(2,495)
Gain on disposal of property, plant and equipment	(120)	(1,303)	(6,169)	(4,216)
Impairment loss on property, plant and equipment	-	2,297	-	2,297
Interest expense	2,651	2,504	8,935	8,072
Interest income	(39)	(70)	(135)	(179)
Property, plant and equipment written off	10	-	15	3
Share of results of jointly-controlled entity and associate	499	74	731	670
<b>Operating profit before working capital changes</b>	<b>20,192</b>	<b>20,991</b>	<b>72,689</b>	<b>84,601</b>

<b>Changes in working capital:</b>				
Inventories	(368)	(438)	560	(742)
Construction work-in-progress and progress billings in excess of construction work-in-progress	(19,014)	2,054	(33,643)	21,459
Trade and other receivables	(16,097)	1,085	(3,622)	(38,107)
Trade and other payables	14,422	(13,701)	4,797	8,635
Balances with related parties (trade)	(194)	(197)	(460)	(924)
Bank balances, deposits and cash (restricted use)	2,387	577	2,003	(5,551)
<b>Cash generated from operations</b>	<b>1,328</b>	<b>10,371</b>	<b>42,324</b>	<b>69,371</b>
Tax paid	(927)	(83)	(7,933)	(5,468)
<b>Net cash generated from operating activities</b>	<b>401</b>	<b>10,288</b>	<b>34,391</b>	<b>63,903</b>
<b>Cash flows from investing activities</b>				
Interest received	39	70	135	175
Purchase of assets held for sale	-	(34)	-	(3,231)
Purchase of property, plant and equipment	(32,367)	(19,308)	(104,529)	(83,192)
Proceeds from disposal of assets held for sale	-	2,000	9,260	8,985
Proceeds from disposal of property, plant and equipment	1,102	2,761	10,234	10,104
Lease prepayments	-	-	(243)	-
Balances with related parties (non-trade)	179	-	170	1
<b>Net cash used in investing activities</b>	<b>(31,047)</b>	<b>(14,511)</b>	<b>(84,973)</b>	<b>(67,158)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(2,646)	(2,494)	(8,915)	(8,029)
Dividends paid	-	-	(8,988)	(11,984)
Repayment of interest-bearing loans and borrowings	(29,400)	(58,907)	(64,828)	(89,999)
Proceeds from interest-bearing loans and borrowings	30,426	10,447	86,866	107,803
Proceeds from finance lease receivables	-	1,310	-	1,721
Proceeds from issue of shares	-	-	26	8
(Repayment of)/ Proceeds from loan from non-controlling interests of subsidiaries	(1,071)	-	(1,071)	289
Repayment of trust receipts	(1,039)	(7,034)	(17,563)	(83,312)
Proceeds from trust receipts	13,231	8,592	27,395	75,401
<b>Net cash generated from/ (used in) financing activities</b>	<b>9,501</b>	<b>(48,086)</b>	<b>12,922</b>	<b>(8,102)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,145)</b>	<b>(52,309)</b>	<b>(37,660)</b>	<b>(11,357)</b>
<b>Cash and cash equivalents at beginning of period/ year</b>	<b>66,059</b>	<b>135,618</b>	<b>83,302</b>	<b>94,775</b>
Effects of exchange rate changes on opening cash and cash equivalents	(163)	(7)	(891)	(116)
<b>Cash and cash equivalents at end of period/ year</b>	<b>44,751</b>	<b>83,302</b>	<b>44,751</b>	<b>83,302</b>

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-11 and 30-Jun-10

	Attributable to owners of the parent							Non-controlling interests \$'000	Total equity \$'000
	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		
<b><u>FY2011</u></b>									
At 1-Jul-10	83,061	(923)	5	(55)	(967)	234,212	233,195	8,784	324,117
Total comprehensive income for the year	-	-	-	(4,810)	2,359	31,916	29,465	568	30,033
Dividends on ordinary shares	-	-	-	-	-	(8,988)	(8,988)	-	(8,988)
Issue of shares under ESOS <sup>1</sup>	31	-	(5)	-	-	-	(5)	-	26
<b>At 30-Jun-11</b>	<b>83,092</b>	<b>(923)</b>	<b>-</b>	<b>(4,865)</b>	<b>1,392</b>	<b>257,140</b>	<b>253,667</b>	<b>9,352</b>	<b>345,188</b>
<b><u>FY2010</u></b>									
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 <sup>1</sup>	10	-	(2)	-	-	-	(2)	-	8
<b>At 30-Jun-10</b>	<b>83,061</b>	<b>(923)</b>	<b>5</b>	<b>(55)</b>	<b>(967)</b>	<b>234,212</b>	<b>233,195</b>	<b>8,784</b>	<b>324,117</b>

<sup>1</sup> ASL Employee Share Option Scheme

**Statement of Changes in Equity for the years ended 30-Jun-11 and 30-Jun-10**

<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
<b><u>FY2011</u></b>							
<b>At 1-Jul-10</b>	<b>83,061</b>	<b>(923)</b>	<b>5</b>	<b>(368)</b>	<b>18,317</b>	<b>17,954</b>	<b>100,092</b>
Total comprehensive income for the year	-	-	-	(137)	8,168	<b>8,031</b>	<b>8,031</b>
Dividends on ordinary shares	-	-	-	-	(8,988)	<b>(8,988)</b>	<b>(8,988)</b>
Issue of shares under ESOS <sup>1</sup>	31	-	(5)	-	-	<b>(5)</b>	<b>26</b>
<b>At 30-Jun-11</b>	<b>83,092</b>	<b>(923)</b>	<b>-</b>	<b>(505)</b>	<b>17,497</b>	<b>16,992</b>	<b>99,161</b>
<b><u>FY2010</u></b>							
<b>At 1-Jul-09</b>	<b>83,051</b>	<b>(923)</b>	<b>7</b>	<b>(822)</b>	<b>17,276</b>	<b>16,461</b>	<b>98,589</b>
Total comprehensive income for the year	-	-	-	454	13,025	<b>13,479</b>	<b>13,479</b>
Dividends on ordinary shares	-	-	-	-	(11,984)	<b>(11,984)</b>	<b>(11,984)</b>
Issue of shares under ESOS <sup>1</sup>	10	-	(2)	-	-	<b>(2)</b>	<b>8</b>
<b>At 30-Jun-10</b>	<b>83,061</b>	<b>(923)</b>	<b>5</b>	<b>(368)</b>	<b>18,317</b>	<b>17,954</b>	<b>100,092</b>

<sup>1</sup> 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.**

	<b>Number of Ordinary Shares (excluding Treasury Shares)</b>	<b>ASL Employee Share Option Scheme ("ESOS")</b>
Balance as at 30-Jun-10	299,604,002	47,000
Number of ESOS exercised	47,000	(47,000)
Number of bonus shares issued	119,860,292	-
Balance as at 30-Jun-11	<b>419,511,294</b>	<b>-</b>

On 29 December 2010, the Company issued a total of 120,577,892 new ordinary shares (including 717,600 shares for treasury shares), being bonus share issue on the basis of 4 bonus shares for every 10 existing ordinary shares. These bonus shares were listed and quoted on the Singapore Exchange Securities Trading Limited on 31 December 2010.

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

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

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

	<b>As at 30-Jun-11</b>	<b>As at 30-Jun-10</b>
Total number of issued shares	422,022,894	301,398,002
Total number of treasury shares	(2,511,600)	(1,794,000)
Total number of issued shares (excluding treasury shares)	<b>419,511,294</b>	<b>299,604,002</b>

**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.**

	<b>Number of Treasury Shares</b>
Balance as at 30-Jun-10	1,794,000
Number of bonus shares issued	717,600
Balance as at 30-Jun-11	<b>2,511,600</b>

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

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

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

Not applicable.

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

The accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 30 June 2010 except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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

Not applicable.

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

Earnings per ordinary share	<u>Group</u> <u>3 months ended</u> <u>30 June</u>		<u>Group</u> <u>12 months ended</u> <u>30 June</u>	
	4Q FY2011	4Q FY2010 Restated*	FY2011	FY2010 Restated*
(i) On weighted average number of ordinary shares in issue	1.39 cents	1.71 cents	7.61 cents	8.89 cents
(ii) On a fully diluted basis	1.39 cents	1.71 cents	7.61 cents	8.89 cents

\* The earnings per ordinary share (basic and fully diluted basis) for 4Q FY2010 and FY2010 have been restated taking into consideration the bonus share issuance on 29 December 2010.

**Note to item 6 (i):**

The calculation of basic earnings per ordinary share for 4Q FY2011 is based on net profit attributable to shareholders of \$5,825,000 (4Q FY2010: \$7,183,000) and the weighted average of 419,511,294 (4Q FY2010: 419,445,494) ordinary shares in issue during the quarter.

The calculation of basic earnings per ordinary share for FY2011 is based on net profit attributable to shareholders of \$31,916,000 (FY2010: \$37,286,000) and the weighted average of 419,482,630 (FY2010: 419,441,524) ordinary shares in issue during the year.

**Note to item 6 (ii):**

The calculation of fully diluted earnings per ordinary share for 4Q FY2011 is based on net profit attributable to shareholders of \$5,825,000 (4Q FY2010: \$7,183,000) and the weighted average of 419,511,294 (4Q FY2010: 419,462,959) ordinary shares in issue during the quarter.

The calculation of fully diluted earnings per ordinary share for FY2011 is based on net profit attributable to shareholders of \$31,916,000 (FY2010: \$37,286,000) and the weighted average of 419,488,398 (FY2010: 419,462,462) 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-11	30-Jun-10	30-Jun-11	30-Jun-10
Net asset value per ordinary share	80.05 cents	105.25 cents	23.64 cents	33.41 cents

**Note:**

The calculation of net asset value of the Group and of the Company is based on 419,511,294 (30-Jun-10: 299,604,002) ordinary shares in issue.

**8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**REVIEW OF GROUP PERFORMANCE****FY2011 vs FY2010**

Group	FY2011			FY2010			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	215,683	17,769	8.2	306,316	25,612	8.4	(90,633)	(29.6)	(7,843)	(30.6)
Shiprepair and conversion	81,900	16,174	19.7	89,061	18,086	20.3	(7,161)	(8.0)	(1,912)	(10.6)
Shipchartering and rental	65,568	15,656	23.9	72,995	17,052	23.4	(7,427)	(10.2)	(1,396)	(8.2)
	363,151	49,599	13.7	468,372	60,750	13.0	(105,221)	(22.5)	(11,151)	(18.4)

## **Revenue**

Total Group revenue for the 12 months ended 30 June 2011 ("FY2011") of \$363.2 million was 22.5% lower as compared to the corresponding 12 months ended 30 June 2010 ("FY2010").

Shipbuilding revenue declined by \$90.6 million due to a lower order book.

Shiprepair and conversion revenue was \$7.2 million lower mainly due to the absence of larger ship conversion jobs undertaken in FY2010.

Shipchartering revenue declined by \$7.4 million mainly attributed to weaker market demand for towing jobs during the year. The Group's fleet size of 194 vessels as at 30 June 2011 (30 June 2010: 177 vessels) comprised of barges, towing tugs, Anchor Handling Tugs, Anchor Handling Towing/Supply vessels and other vessels.

## **Gross profit and gross profit margin**

Total Group gross profit declined by 18.4% in tandem with lower revenue.

Shipbuilding operations' gross margin of 8.2% and shipchartering operations' gross margin of 23.9% were comparable to FY2010.

Shiprepair and conversion operations recorded a lower gross margin of 19.7% mainly attributed to pricing pressure.

## **Other operating income**

Other operating income increased by \$1.2 million to \$10.5 million in FY2011.

Other operating income comprised:

1. Gain on disposal of plant and equipment of \$6.2 million from the sale of 13 vessels to third parties (FY2010: \$4.2 million for 20 vessels);
2. Gain on disposal of vessels held for sale of \$4.0 million for a floating dock (FY2010: \$2.5 million);
3. Miscellaneous income of \$0.2 million (FY2010: \$2.4 million mainly due to forfeiture of deposit received); and
4. Interest income of \$0.1 million (FY2010: \$0.2 million).

## **Administrative expenses**

Administrative expenses reduced by \$0.5 million to \$9.3 million in FY2011.

## **Other operating expenses**

Other operating expenses decreased by \$0.1 million to \$3.3 million in FY2011 mainly due to absence of impairment loss on vessel (FY2010: \$2.3 million) and lower net allowance for doubtful trade receivables partially offset by higher foreign exchange loss.

Other operating expenses comprised:

1. Foreign exchange loss of \$3.1 million (FY2010: \$0.5 million) mainly attributed to unrealised foreign exchange losses arising from revaluation of foreign currency denominated assets and liabilities; and
2. Net allowance for doubtful trade receivables of \$0.2 million (FY2010: \$0.6 million).

**Finance costs**

Finance costs of \$8.9 million were \$0.9 million higher mainly due to absence of capitalisation of \$0.8 million borrowing costs recorded in FY2010. The Group hedges against interest rate fluctuations on its long-term borrowings by way of interest rate swaps.

**Share of results of jointly-controlled entity and associate**

The Group's share of loss of HKR-ASL Joint Venture Limited amounted to \$0.1 million (FY2010: \$0.2 million).

The Group's share of loss from its associated company, Fastcoat Industries Pte. Ltd. and its subsidiary, amounted to \$0.6 million (FY2010: \$0.5 million).

**Profit before tax**

Profit before tax declined by 21.4% in tandem with lower gross profit.

**Tax expense**

The Group's tax expense was \$4.2 million lower in FY2011. The Group recorded a lower effective tax rate of 13.2% (FY2010: 17.9%) mainly due to lower tax provision attributed to shipyard operations.

**Non-controlling interests**

Non-controlling interests' share of profits declined by \$0.7 million mainly due to lower charter earnings recorded by non-wholly owned foreign subsidiary.

**Operating cash flow**

The Group recorded a net cash inflow of \$34.4 million from operating activities in FY2011 as compared to \$63.9 million in FY2010. The decrease was mainly attributed to lower earnings, higher work-in-progress incurred for shipbuilding projects, lower receipts on trade receivables partially offset by lower payments on trade payables.

**(b) 4Q FY2011 vs 4Q FY2010**

Group	4Q FY2011			4Q FY2010			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	57,538	4,913	8.5	67,138	6,624	9.9	(9,600)	(14.3)	(1,711)	(25.8)
Shiprepair and conversion	17,401	4,127	23.7	19,012	3,516	18.5	(1,611)	(8.5)	611	17.4
Shipchartering and rental	17,687	4,609	26.1	18,950	4,375	23.1	(1,263)	(6.7)	234	5.3
	92,626	13,649	14.7	105,100	14,515	13.8	(12,474)	(11.9)	(866)	(6.0)

**Revenue**

Total Group revenue for the 3 months ended 30 June 2011 ("4Q FY2011") of \$92.6 million was 11.9% lower as compared to the corresponding period in FY2010 ("4Q FY2010").

Shipbuilding revenue declined by \$9.6 million due to a lower order book.

Shiprepair and conversion revenue was \$1.6 million lower due to comparatively lower volume of jobs undertaken.

Shipchartering revenue declined by \$1.3 million due to lower vessel utilisation rate in 4Q FY2011.

**Gross profit and gross profit margin**

Total Group gross profit declined by 6.0% as compared to 4Q FY2010. The decline was mainly due to lower gross margin of 8.5% recorded by the shipbuilding operations whilst both the shiprepair and shipchartering operations recorded higher gross margin of 23.7% and 26.1% respectively.

**Other operating income**

Other operating income declined by \$2.4 million mainly due to absence of gain on disposal of vessels held for sale of \$1.3 million recorded in 4Q FY2010 and lower gain on disposal of plant and equipment of \$1.2 million.

**Administrative expenses**

Administrative expenses were \$0.2 million higher as compared to 4Q FY2010.

**Other operating expenses**

Other operating expenses declined by \$1.7 million mainly due to absence of impairment loss on vessels of \$2.3 million recorded in 4Q FY2010 partially offset by higher net foreign exchange loss of \$0.3 million and higher net allowance for doubtful trade receivables of \$0.3 million.

**Finance costs**

Finance costs increased by \$0.1 million as compared to 4Q FY2010.

**Share of results of jointly-controlled entity and associate**

The Group's share of loss of HKR-ASL Joint Venture Limited amounted to \$31,000 (4Q FY2010: \$0.1 million).

The Group's share of loss from its associated company, Fastcoat Industries Pte. Ltd. and its subsidiary, amounted to \$0.47 million (4Q FY2010: \$3,000).

**Profit before taxation**

The Group's profit before tax of \$7.3 million was 24.9% lower as compared to 4Q FY2010.

**Tax expense**

The Group's tax expense was \$0.6 million lower in 4Q FY2011 mainly due to lower tax provision attributed to shipyard operations as well as higher tax exempt shipping earnings from shipchartering operations.

**Non-controlling interests**

Non-controlling interests' share of profits declined by \$0.4 million mainly due to lower charter earnings recorded by non-wholly owned foreign subsidiaries.

**Operating cash flow**

The Group recorded a net cash inflow of \$0.4 million from operating activities in 4Q FY2011 as compared to the net cash inflow of \$10.3 million in 4Q FY2010. The decrease was mainly due to comparatively higher work-in-progress incurred on shipbuilding projects and higher payments on trade payables and lower receipts on trade receivables.

## **REVIEW OF FINANCIAL POSITION AS AT 30 June 2011**

### **Non-current assets**

Property, plant and equipment increased by \$55.6 million from \$437.7 million as at 30 June 2010 to \$493.3 million as at 30 June 2011. The increase was mainly due to acquisition of plant and equipment of \$122.2 million (inclusive of \$58.7 million for vessels, \$8.2 million for leasehold property and building, \$4.4 million for plant and machinery and \$50.4 million for yard infrastructure development and vessels under construction) partially offset by disposal of plant and equipment with aggregate net book value of \$4.0 million, depreciation charge of \$36.1 million, transfer of vessel to assets held for sale of \$13.8 million and foreign exchange differences of \$12.7 million.

The Group's total depreciation charge was \$5.5 million higher as compared to FY2010 mainly attributed to increased capital expenditure on vessel fleet, yard facilities and leasehold property.

### **Current assets**

Current assets decreased by \$14.4 million from \$295.2 million as at 30 June 2010 to \$280.8 million as at 30 June 2011.

Inventories on raw materials (mainly steel) were \$0.6 million lower as at 30 June 2011.

Assets held for sale of \$15.8 million comprised mainly vessels held for sale as at 30 June 2011.

Trade receivables of \$95.6 million were at the same level whilst other receivables of \$21.8 million were \$3.4 million higher as at 30 June 2011.

The amount due from related parties increased by \$0.2 million mainly due to higher amount due from the Group's associated company, PT. Fastcoat Industries.

The Group enters into "plain vanilla" forward contracts to hedge for future receipts or payments. The value of these derivative financial instruments assets increased by \$1.9 million mainly due to higher mark-to-market gains from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables and payables.

Bank balances, deposits and cash of \$49.5 million included balances amounting to \$4.8 million of restricted use as at 30 June 2011 (30 June 2010: \$6.8 million).

### **Current liabilities**

Current liabilities decreased by \$2.3 million from \$270.1 million as at 30 June 2010 to \$267.8 million as at 30 June 2011.

Trade and other payables decreased by \$2.9 million due to lower trade payables of \$3.7 million partially offset by higher other payables of \$0.8 million. Other payables comprised mainly payables for expenditure incurred on yard developments and purchase of vessels and deposits received on sale of vessels.

Current portion of interest-bearing loans and borrowings increased by \$17.3 million to \$68.4 million. Borrowings under trust receipts increased by \$9.8 million to \$34.9 million.

Derivative financial instruments liabilities decreased by \$1.7 million due to lower mark-to-market losses derived from interest rate swaps and foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables and payables.

The Group's net construction work-in-progress of \$60.9 million was \$33.8 million higher as compared to 30 June 2010 mainly attributed to higher work-in-progress incurred for shipbuilding projects.



### **Non-current liabilities**

Non-current liabilities increased by \$21.5 million to \$165.9 million as at 30 June 2011 mainly due to higher interest-bearing loans and borrowings.

Total interest-bearing loans and borrowings increased by \$39.7 million to \$224 million as at 30 June 2011. The increase was mainly due to borrowing arising from bonds issued of \$50 million in March 2011 and other borrowings of \$54.5 million partially offset by redemptions and repayments made of \$64.8 million during the year. The Group's gearing ratio was 0.77 as at 30 June 2011 (30 June 2010: 0.66).

Deferred tax liabilities increased by \$0.6 million to \$10.4 million as at 30 June 2011.

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

In line with the Group's announcement made on 18 August 2010 with respect to the financial year ended 30 June 2010, the Group experienced continuous pricing pressure across most of its operations but had remained profitable in FY2011.

The Group had on 9 May 2011 announced an outstanding delivery order of 12 vessels worth approximately \$104 million for its shipchartering operations. During 4Q FY2011, the Group took delivery of 3 vessels worth approximately \$34 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**

Demand for new shipbuilding orders is expected to be negatively impacted by the growing concerns about slower global economic growth. Given such economic concerns amongst the developed economies and concerns about inflation in emerging economies, the Group expects the operating environment to remain highly competitive and challenging.

Barring any unforeseen circumstances, the Group expects to remain profitable for the financial year ending 30 June 2012.

#### **Shipbuilding and Shiprepair Operations**

Further to the Group's announcement dated 6 July 2011 about securing a total of S\$131 million worth of new shipbuilding orders for 11 vessels, the Group has also recently secured two new shipbuilding contracts worth approximately \$28 million for one offtake support and supply vessel and one work barge.

As at the announcement date the Group's outstanding shipbuilding order book from external customers amounted to approximately \$310 million for 29 vessels. These 29 vessels are scheduled for progressive deliveries up to the third quarter of 2013. The order book comprised offshore support vessels, diving support vessel, Anchor Handling Towing/Supply vessels, tugs, self-propelled cutter suction dredgers and other vessels. Barring any unforeseen circumstances, approximately 58% of the order book is expected to be recognised in the financial year ending 30 June 2012.

## Shipchartering Operations

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 11% of shipchartering revenue in FY2011 was attributed to long term chartering contracts (meaning contracts with a duration of more than one year). As at 30 June 2011, the Group had an outstanding order book of approximately \$45 million with respect to long term shipchartering contracts.

The Group remains strategically committed to maximizing deployment, enhancing and renewing its fleet to better meet customers' needs. The Group's shipchartering operations currently have outstanding delivery order for 14 new vessels worth approximately \$78 million which are being built internally by the Group. These 14 vessels under construction comprised towing tugs, pipe-lay barge, ROV support vessel, Anchor Handling Tugs and barges of which long term charter contract has been secured for 1 vessel.

## 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)	1.5 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
Dividend Type	Cash
Dividend Amount per Share (in cents)	3.0 cents
Tax Rate	One tier tax-exempt

#### **Note:**

Based on the total number of ordinary shares (excluding treasury shares) as at 30 June 2011 of 419,511,294 (FY2010: 299,604,002), the proposed dividend payout ratio is 19.7% (FY2010: 24.1%).

### **(c) Date payable**

The final dividend, if approved at the Annual General Meeting, will be paid on 16 November 2011.

### **(d) Books closure date**

Notice is hereby given that the share transfer book and register of members of the Company will be closed on 4 November 2011. 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 3 November 2011 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	Shiprepair and conversion	Shipchartering and rental	Investment holding	Eliminations	Consolidated
FY2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
Revenue from external customers	215,683	81,900	65,568	-	-	363,151
Inter-segment revenue	100,387	41,427	33,402	11,000	(186,216)	-
Total revenue	<u>316,070</u>	<u>123,327</u>	<u>98,970</u>	<u>11,000</u>	<u>(186,216)</u>	<u>363,151</u>
<b>Results</b>						
Segment results	16,931	15,583	22,039	12,592	(17,834)	49,311
Unallocated expenses						(1,843)
Finance costs						(8,935)
Share of results of jointly-controlled entity and associate						(731)
Tax expense						(4,603)
Profit for the year						<u>33,199</u>
<b>Assets</b>						
Segment assets	266,062	105,020	403,364	3,521	-	777,967
Unallocated assets						953
Total assets						<u>778,920</u>
<b>Liabilities</b>						
Segment liabilities	94,908	42,075	16,919	2,371	-	156,273
Unallocated liabilities						277,459
Total liabilities						<u>433,732</u>
<b>Capital expenditure</b>						
	<u>18,765</u>	<u>14,466</u>	<u>88,980</u>	<u>-</u>	<u>-</u>	<u>122,211</u>
<b>Depreciation</b>						
	<u>9,621</u>	<u>3,486</u>	<u>22,829</u>	<u>6</u>	<u>-</u>	<u>35,942</u>

	Shipbuilding \$'000	Shiprepair and conversion \$'000	Shipchartering and rental \$'000	Investment holding \$'000	Eliminations \$'000	Consolidated \$'000
<b>FY2010</b>						
<b>Revenue</b>						
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)	-
<b>Total revenue</b>	<b>376,619</b>	<b>129,491</b>	<b>110,079</b>	<b>14,000</b>	<b>(161,817)</b>	<b>468,372</b>
<b>Results</b>						
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)
Tax expense						(8,806)
<b>Profit for the year</b>						<b>39,264</b>
<b>Assets</b>						
Segment assets	266,620	100,916	365,508	3,743	-	736,787
Unallocated assets						1,825
<b>Total assets</b>						<b>738,612</b>
<b>Liabilities</b>						
Segment liabilities	118,621	39,349	23,978	1,530	-	183,478
Unallocated liabilities						231,017
<b>Total liabilities</b>						<b>414,495</b>
<b>Capital expenditure</b>	<b>21,713</b>	<b>17,675</b>	<b>49,862</b>	<b>-</b>	<b>-</b>	<b>89,250</b>
<b>Depreciation</b>	<b>7,734</b>	<b>2,157</b>	<b>20,560</b>	<b>24</b>	<b>-</b>	<b>30,475</b>

**(b) Geographical segments**

	Singapore \$'000	Indonesia \$'000	Rest of Asia \$'000	Europe \$'000	United States and Other Countries \$'000	Consolidated \$'000
<b>FY2011</b>						
Revenue from external customers	69,208	44,794	60,638	168,495	20,016	363,151
Capital expenditure	102,603	19,608	-	-	-	122,211
<b>FY2010</b>						
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

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.**

	<b>FY2011</b>	<b>Group</b>	<b>Increase/ (Decrease)</b>
	<b>\$'000</b>	<b>FY2010</b>	<b>(Decrease)</b>
		<b>\$'000</b>	<b>%</b>
Sales reported for first half year	184,513	253,144	(27.1)
Operating profit after tax before deducting non-controlling interests reported for first half year	18,539	21,409	(13.4)
Sales reported for second half year	178,638	215,228	(17.0)
Operating profit after tax before deducting non-controlling interests reported for second half year	14,660	17,855	(17.9)

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

<b>Total Annual Dividend</b>	<b>Latest full year</b>	<b>Previous full year</b>
	<b>\$'000</b>	<b>\$'000</b>
Ordinary	6,293	8,988
Preference	-	-
Total	6,293	8,988

**BY ORDER OF THE BOARD**

Ang Kok Tian  
Chairman and Managing Director  
17 August 2011