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

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2008

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 3 months ended 31 March			Group 9 months ended 31 March		
	FY2008	FY2007	Increase/ (Decrease)	FY2008	FY2007	Increase/ (Decrease)
	$'000	$'000	%	$'000	$'000	%
Shipbuilding	56,043	51,703	8.4	173,347	152,227	13.9
Shiprepair and other marine related services	14,394	9,592	50.1	46,984	30,907	52.0
Shipchartering and rental	21,252	16,211	31.1	64,731	50,728	27.6
Total revenue	**91,689**	**77,506**	**18.3**	**285,062**	**233,862**	**21.9**
Cost of sales	(74,583)	(66,344)	12.4	(231,839)	(198,382)	16.9
Gross profit	**17,106**	**11,162**	**53.3**	**53,223**	**35,480**	**50.0**
Other operating income	4,029	4,748	(15.1)	9,195	7,451	23.4
Administrative expenses	(2,692)	(2,262)	19.0	(7,420)	(6,461)	14.8
Other operating expenses	88	(642)	(113.7)	(1,402)	(1,784)	(21.4)
Finance costs	(1,355)	(1,315)	3.0	(3,986)	(3,387)	17.7
Share of results of jointly-controlled entities and associate	(217)	81	(367.9)	(110)	131	(184.0)
Profit before tax	**16,959**	**11,772**	**44.1**	**49,500**	**31,430**	**57.5**
Tax expense	(2,642)	(975)	171.0	(7,564)	(3,513)	115.3
Profit for the period	**14,317**	**10,797**	**32.6**	**41,936**	**27,917**	**50.2**
Attributable to:						
Equity holders of the Company	**14,163**	**10,543**	**34.3**	**42,147**	**27,309**	**54.3**
Minority interests	**154**	**254**	**(39.4)**	**(211)**	**608**	**(134.7)**
	14,317	**10,797**	**32.6**	**41,936**	**27,917**	**50.2**

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

	Group 3 months ended 31 March		Group 9 months ended 31 March	
	FY2008	**FY2007**	**FY2008**	**FY2007**
	$'000	**$'000**	**$'000**	**$'000**
Allowance for doubtful trade receivables	-	(119)	(309)	(608)
Allowance for doubtful non-trade receivables	-	-	(35)	-
Write back of allowance for doubtful trade receivables	18	-	1,025	186
Amortisation of lease prepayments	(49)	(72)	(148)	(151)
Bad debts written off	-	-	(1)	-
Depreciation of property, plant and equipment	(4,943)	(2,858)	(15,117)	(10,504)
Fair value gain / (loss) on forward currency contract not qualifying as hedges	699	(7)	699	11
Gain on disposal of property, plant and equipment	1,630	4,395	4,828	6,625
Interest income	310	140	1,313	492
Gain /(loss) on foreign exchange (net)	99	(437)	(1,361)	(1,261)
Property, plant and equipment written off	(29)	-	(669)	(16)
Share-based payments expense	-	-	-	(38)
Adjustment for (under)/over provision of tax in respect of prior years				
- Current tax expense	(32)	463	(301)	421
- Deferred tax expense	-	-	(650)	(59)

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	
	31-Mar-08 $'000	30-Jun-07 $'000	31-Mar-08 $'000	30-Jun-07 $'000
Non-current assets				
Property, plant and equipment	252,994	216,391	154	305
Lease prepayments	4,285	4,458	-	-
Subsidiaries	-	-	20,370	20,370
Interest in jointly-controlled entities and associate	20,965	21,476	27,074	26,540
Finance lease receivables	1,458	235	-	-
	279,702	**242,560**	**47,598**	**47,215**
Current assets				
Inventories	25,718	10,681	-	-
Construction work-in-progress	44,037	36,091	-	-
Trade and other receivables	66,011	94,436	74	26
Finance lease receivables	1,414	2,223	-	-
Amount due from related parties	8,705	10,013	60,901	50,893
Derivative financial instruments	10,920	500	-	72
Cash and cash equivalents	120,900	47,668	2,650	446
	277,705	**201,612**	**63,625**	**51,437**
Current liabilities				
Trade and other payables	93,720	74,685	456	371
Progress billings in excess of construction work-in-progress	118,746	70,813	-	-
Amount due to related parties	-	-	12,199	18,774
Trust receipts	4,765	24,151	-	-
Interest-bearing liabilities	36,329	41,294	7,209	5,966
Finance lease liabilities	573	243	23	47
Derivative financial instruments	4,951	2,940	6	-
Current tax liabilities	5,663	4,301	55	29
	264,747	**218,427**	**19,948**	**25,187**
Net current assets/ (liabilities)	**12,958**	**(16,815)**	**43,677**	**26,250**
Non-current liabilities				
Loan from minority shareholders of subsidiaries	(3,237)	(3,649)	-	-
Interest-bearing liabilities	(61,302)	(59,242)	-	(5,570)
Finance lease liabilities	(1,277)	(558)	(75)	(125)
Deferred tax liabilities	(8,679)	(5,551)	-	-
	(74,495)	**(69,000)**	**(75)**	**(5,695)**
Net assets	**218,165**	**156,745**	**91,200**	**67,770**
Share capital	82,407	58,430	82,407	58,430
Reserves	132,429	94,484	8,793	9,340
	214,836	**152,914**	**91,200**	**67,770**
Minority interests	**3,329**	**3,831**	-	-
Total equity	**218,165**	**156,745**	**91,200**	**67,770**

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

Amount repayable in one year or less, or on demand

As at 31-Mar-08		As at 30-Jun-07	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
34,237	7,430	25,837	39,851

Amount repayable after one year

As at 31-Mar-08		As at 30-Jun-07	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
62,579	-	59,800	-

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 over 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 3 months ended 31 Mar		Group 9 months ended 31 Mar	
	FY2008	FY2007	FY2008	FY2007
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Profit before tax	**16,959**	**11,772**	**49,500**	**31,430**
Adjustments for:				
Amortisation of lease prepayments	49	72	148	151
Allowance for doubtful receivables	(18)	119	(681)	422
Bad debts written off (trade)	-	-	1	-
Depreciation of property, plant & equipment	4,943	2,858	15,117	10,504
Fair value (gain)/ loss on forward currency contracts not qualifying as hedges	(699)	7	(699)	(11)
Gain on disposal of property, plant and equipment	(1,630)	(4,395)	(4,828)	(6,625)
Interest expense	1,355	1,315	3,986	3,387
Interest income	(310)	(140)	(1,313)	(492)
Loss on dissolution of a subsidiary	-	85	52	85
Property, plant and equipment written off	29	-	669	16
Provisions	50	320	100	1,100
Share of results of jointly-controlled entities and associate	217	(81)	110	(131)
Share-based payments expense	-	-	-	38
Operating profit before working capital changes	**20,945**	**11,932**	**62,162**	**39,874**

Changes in working capital:				
Inventories	(4,830)	11	(15,037)	1,081
Construction work-in-progress and progress billings in excess of construction work-in-progress	29,014	(19,397)	40,503	(11,719)
Trade receivables	4,173	15,104	27,028	(2,342)
Other receivables	(9,465)	4,648	2,077	(2,094)
Trade payables	17,796	3,337	22,651	7,249
Other payables	(1,115)	(1,048)	(3,531)	2,017
Balances with related parties (trade)	254	(3,624)	2,120	(6,504)
Cash generated from operations	**56,772**	**10,963**	**137,973**	**27,562**
Tax paid	(1,439)	(644)	(4,271)	(1,751)
Net cash generated from operating activities	**55,333**	**10,319**	**133,702**	**25,811**
Cash flows from investing activities				
Interest received	310	140	1,313	492
Investment in associate	(534)	-	(534)	
Purchase of property, plant & equipment	(11,402)	(26,623)	(74,693)	(79,239)
Proceeds from disposal of property, plant and equipment	10,895	15,402	26,351	37,283
Lease prepayments	-	(1,000)	-	(1,000)
Return of capital upon dissolution of a subsidiary	-	(749)	-	(749)
Balances with related parties (non trade)	2,227	(111)	(812)	(1,767)
Net cash generated from/ (used in) investing activities	**1,496**	**(12,941)**	**(48,375)**	**(44,980)**
Cash flows from financing activities				
Interest paid	(1,335)	(1,246)	(3,924)	(3,165)
Dividends paid	-	-	(8,317)	(5,516)
Repayment of interest-bearing liabilities	(29,044)	(7,502)	(65,199)	(23,245)
Proceeds from interest-bearing liabilities	22,091	11,627	62,294	41,825
Repayment of finance lease liabilities	(175)	(52)	(346)	(149)
Proceeds from finance lease receivables	1,052	597	(415)	1,687
Contributions from minority interests of subsidiaries	-	-	-	553
Proceeds from issue of shares by the Company	1,708	550	23,373	1,436
Loan from minority shareholders of subsidiaries	-	1,953	-	1,953
Repayment of loan from minority shareholders of subsidiaries	2	(1,262)	(117)	(1,262)
Repayment of trust receipts	(10,597)	(6,006)	(54,862)	(25,483)
Proceeds from trust receipts	5,190	9,846	35,476	33,353
Net cash (used in)/ generated from financing activities	**(11,108)**	**8,505**	**(12,037)**	**21,987**
Net increase in cash and cash equivalents	**45,721**	**5,883**	**73,290**	**2,818**
Cash and cash equivalents at beginning of period	**75,156**	**25,524**	**47,668**	**28,629**
Effects of exchange rate changes on opening cash and cash equivalents	**23**	**(12)**	**(58)**	**(52)**
Cash and cash equivalents at end of period	**120,900**	**31,395**	**120,900**	**31,395**

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 period ended 31-Mar-08 and 31-Mar-07

Group	Attributable to equity holders of the Company								
	Share capital $'000	Capital reserve $'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
Balance at 1-Jul-07	**58,430**	**595**	**78**	**(1,656)**	**(2,375)**	**97,842**	**94,484**	**3,831**	**156,745**
Net change in hedging reserve	-	-	-	-	6,422	-	**6,422**	(69)	**6,353**
Net effect of exchange differences	-	-	-	(1,702)	-	-	**(1,702)**	(222)	**(1,924)**
Net income and expenses recognised directly in equity	**-**	**-**	**-**	**(1,702)**	**6,422**	**-**	**4,720**	**(291)**	**4,429**
Profit for the period	-	-	-	-	-	42,147	**42,147**	(211)	**41,936**
Total recognised income and expenses for the period	**-**	**-**	**-**	**(1,702)**	**6,422**	**42,147**	**46,867**	**(502)**	**46,365**
Dividends on ordinary shares	-	-	-	-	-	(8,317)	**(8,317)**	-	**(8,317)**
Issue of shares under ESOS[1]	116	-	(20)	-	-	-	**(20)**	-	**96**
Issue of shares under warrants	23,861	(585)	-	-	-	-	**(585)**	-	**23,276**
Balance at 31-Mar-08	**82,407**	**10**	**58**	**(3,358)**	**4,047**	**131,672**	**132,429**	**3,329**	**218,165**
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	**-**	**-**	-	-	(1,457)	-	**(1,457)**	(23)	**(1,480)**
Net effect of exchange differences	**-**	**-**	-	(812)	-	-	**(812)**	(115)	**(927)**
Net expenses recognised directly in equity	**-**	**-**	**-**	**(812)**	**(1,457)**	**-**	**(2,269)**	**(138)**	**(2,407)**
Profit for the period	-	-	-	-	-	27,309	**27,309**	608	**27,917**
Total recognised income and expenses for the period	**-**	**-**	**-**	**(812)**	**(1,457)**	**27,309**	**25,040**	**470**	**25,510**
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	-	-	-	-	-	-	**-**	554	**554**
Issue of shares under ESOS[1]	1,131	-	(212)	-	-	-	**(212)**	-	**919**
Issue of shares under warrants	530	(13)	-	-	-	-	**(13)**	-	**517**
Effect of dissolution of a subsidiary	-	-	-	-	-	-	**-**	(749)	**(749)**
Balance at 31-Mar-07	**56,098**	**647**	**113**	**(2,019)**	**706**	**84,903**	**84,350**	**2,511**	**142,959**

[1] ASL Employee Share Option Scheme

Statement of Changes in Equity for the period ended 31-Mar-08 and 31-Mar-07

Company	Share capital $'000	Capital reserve $'000	Employee share option reserve $'000	Hedging reserve $'000	Accumulated Profits $'000	Total reserves $'000	Total Equity $'000
	Attributable to equity holders of the Company						
Balance at 1-Jul-07	**58,430**	**595**	**78**	**72**	**8,595**	**9,340**	**67,770**
Net change in hedging reserve	-	-	-	(78)	-	**(78)**	**(78)**
Net expenses recognised directly in equity	**-**	**-**	**-**	**(78)**	**-**	**(78)**	**(78)**
Profit for the period	-	-	-	-	8,453	**8,453**	**8,453**
Total recognised income and expenses for the period	**-**	**-**	**-**	**(78)**	**8,453**	**8,375**	**8,375**
Dividends on ordinary shares	-	-	-	-	(8,317)	**(8,317)**	**(8,317)**
Issue of shares under ESOS[1]	116	-	(20)	-	-	**(20)**	**96**
Issue of shares under warrants	23,861	(585)	-	-	-	**(585)**	**23,276**
Balance at 31-Mar-08	**82,407**	**10**	**58**	**(6)**	**8,731**	**8,793**	**91,200**
Balance at 1-Jul-06	**54,437**	**660**	**288**	**394**	**7,704**	**9,046**	**63,483**
Net change in hedging reserve	-	-	-	(258)	-	**(258)**	**(258)**
Net expenses recognised directly in equity	**-**	**-**	**-**	**(258)**	**-**	**(258)**	**(258)**
Profit for the period	-	-	-	-	6,522	**6,522**	**6,522**
Total recognised income and expenses for the period	**-**	**-**	**-**	**(258)**	**6,522**	**6,264**	**6,264**
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[1]	1,131	-	(212)			**(212)**	**919**
Issue of shares under warrants	530	(13)	-	**-**	-	**(13)**	**517**
Balance at 31-Mar-07	**56,098**	**647**	**113**	**136**	**8,710**	**9,606**	**65,704**

[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 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 1-Jul-07	256,206,000	809,000	44,615,000
Number of ESOS exercised	175,000	(175,000)	-
Number of warrants exercised	43,917,485	-	(43,917,485)
Balance as at 31-Mar-08	300,298,485	634,000	697,515

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 31-Mar-08	ESOS outstanding as at 30-Jun-07	ESOS outstanding as at 31-Mar-07
Employees						
	18-Dec-04	18-Dec-04 to 17-Dec-13	$0.55	-	80,000	140,000
	18-Dec-05	18-Dec-05 to 17-Dec-13	$0.55	23,000	67,000	143,000
	18-Dec-06	18-Dec-06 to 17-Dec-13	$0.55	111,000	162,000	340,000
				134,000	309,000	623,000
Independent Directors						
	18-Dec-04	18-Dec-04 to 17-Dec-08	$0.55	200,000	200,000	200,000
	18-Dec-05	18-Dec-05 to 17-Dec-08	$0.55	150,000	150,000	150,000
	18-Dec-06	18-Dec-06 to 17-Dec-08	$0.55	150,000	150,000	150,000
				500,000	500,000	500,000
Total				**634,000**	**809,000**	**1,123,000**

1(e) Negative Assurance Confirmation on Interim Financial Results under Rule 705(4) of the Listing Manual

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the third quarter ended 31 March 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ang Kok Tian	**Ang Ah Nui**
Chairman and Managing Director	Deputy Managing Director

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 period 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 3 months ended 31 Mar		Group 9 months ended 31 Mar	
	FY2008	**FY2007**	**FY2008**	**FY2007**
(i) Based on weighted average number of ordinary shares in issue	5.18cts	4.21cts	15.00cts	10.90cts
(ii) On a fully diluted basis	5.14cts	3.87cts	14.32cts	10.09cts

Note to item 6 (i):
The calculation of basic earnings per ordinary share of the Group for the third quarter is based on net profit attributable to ordinary shareholders amounting to $14,163,000 (31 Mar 07: $10,543,000) and the weighted average of 273,299,025 (31 Mar 07: 250,395,032) ordinary shares in issue during the quarter.

The calculation of basic earnings per ordinary share of the Group for the 9 months period is based on net profit attributable to ordinary shareholders amounting to $42,147,000 (31 Mar 07: $27,309,000) and the weighted average of 280,988,596 (31 Mar 07: 250,477,491) ordinary shares in issue during the period.

Note to item 6 (ii):
The calculation of fully diluted earnings per ordinary share of the Group for the third quarter is based on net profit attributable to ordinary shareholders amounting to $14,163,000 (31 Mar 07: $10,543,000) and the weighted average of 275,539,157 (31 Mar 07: 272,249,193) ordinary shares in issue during the quarter, adjusted for the effect arising from share options and warrants of 2,240,132 (31 Mar 07: 21,854,161) shares.

The calculation of fully diluted earnings per ordinary share of the Group for the 9 months period is based on net profit attributable to ordinary shareholders amounting to $42,147,000 (31 Mar 07: $27,309,000) and the weighted average of 294,225,032 (31 Mar 07: 270,520,527) ordinary shares in issue during the period, adjusted for the effect arising from share options and warrants of 13,236,436 (31 Mar 07: 20,043,036) 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	
	31-Mar-08	**30-Jun-07**	**31-Mar-07**	**30-Jun-07**
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates	71.54 cents	59.68 cents	30.37 cents	26.45 cents

Note:
The calculation of net asset value of the Group and of the Company is based on 300,298,485 (30 Jun 07: 256,206,000) ordinary shares in issue as at the respective balance sheet 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

(a) 9M FY2008 vs 9M FY2007

	9M FY2008			9M FY2007			Variance			
Group	**Revenue**	**Gross Profit**	**Gross Profit Margin**	**Revenue**	**Gross Profit**	**Gross Profit Margin**	**Revenue**		**Gross Profit**	
	$'000	**$'000**	**%**	**$'000**	**$'000**	**%**	**$'000**	**%**	**$'000**	**%**
Shipbuilding	173,347	18,675	10.8	152,227	11,008	7.2	21,120	13.9	7,667	69.6
Shiprepair and other marine related services	46,984	15,470	32.9	30,907	7,053	22.8	16,077	52.0	8,417	119.3
Shipchartering and rental	64,731	19,078	29.5	50,728	17,419	34.3	14,003	27.6	1,659	9.5
	285,062	**53,223**	**18.7**	**233,862**	**35,480**	**15.2**	**51,200**	**21.9**	**17,743**	**50.0**

Revenue
The Group's revenue increased by 21.9% from $233.9 million for 9 months ended 31 March 2007 ("9M FY2007") to $285.1 million for 9 months ended 31 March 2008 ("9M FY2008"). The Group achieved higher revenue for all three segments.

Shipbuilding operations recorded higher revenue mainly due to the progressive recognition of more and higher value shipbuilding projects undertaken. Progressive recognition of shipbuilding revenue commences when the work-in-progress reaches the 10% recognition threshold.

Shiprepair operations recorded higher revenue mainly due to an increase in the number of higher value shiprepair and ship conversion jobs undertaken.

Shipchartering revenue was higher due to expanded fleet size for the Group's shipchartering operations. The Group's fleet size increased from 151 vessels (57 tugs, 1 anchor handling tug and 93 barges) as at 31 March 2007 to 175 vessels (61 tugs, 3 anchor handling tugs and 111 barges) as at 31 March 2008.

Gross profit and gross profit margin
The Group's gross profit was 50% higher with increased earnings from all three segments. The Group achieved a higher overall gross margin of 18.7% for 9M FY2008 as compared to 15.2% for 9M FY2007.

Shipbuilding operations recorded higher gross profit margin primarily attributed to progressive recognition of higher value projects undertaken.

Shiprepair operations recorded higher gross profit margin due to higher margin shiprepair jobs undertaken during the period and improved operating efficiency.

The Group's shipchartering operations recorded lower gross profit margin of 29.5% for 9M FY2008 mainly due to (i) lower vessel utilisation due to more of the Group's vessels under mandatory repair during the period; and (ii) a higher proportion of charter income under contract of affreightment which generally yields lower margin.

Other operating income
Other operating income increased by $1.7 million to $9.2 million.

Other operating income for 9M FY2008 mainly arose from a gain on disposal of plant and equipment of $4.8 million (9M FY2007: $6.6 million), miscellaneous income of $3.1 million (9M FY2007: $0.4 million) and interest income of $1.3 million (9M FY2007: $0.5 million). The gain on disposal of plant and equipment included the sale of 17 vessels (9M FY2007: 25 vessels) to third parties. The disposals were part of the Group's fleet renewal program. The miscellaneous income mainly comprised insurance claims of $1.3 million and profit from ad-hoc trade sale of vessels of $1.3m. The higher interest income was mainly due to an increase in fixed deposit placements for shipbuilding project accounts.

Administrative expenses
Administrative expenses increased by $1.0 million to $7.4 million. The increase was mainly attributed to higher manpower costs (increased by $0.4 million) as well as an increase in certain administrative expenses in line with higher business activities.

Other operating expenses
Other operating expenses decreased by $0.4 million to $1.4 million. The decrease was mainly due to write-back of allowance of doubtful trade receivables of $0.7 million as compared to allowance made for doubtful trade receivables of $0.4 millon in 9M FY2007 partially offset by plant and equipment written off of $0.7 million (9MFY2007: $16,000).

Finance costs
Finance costs increased by $0.6 million to $4.0 million mainly due to higher borrowings arising from the expansion of the Group's fleet size from 151 vessels as at 31 March 2007 to 175 vessels as at 31 March 2008.

Finance costs comprised mainly $3.8 million interest for term loans and $0.2 million interest for trust receipts and hire purchase obligations. Term loan interest increased by $0.6 million mainly due to increase in borrowings for fleet expansion for the shipchartering operations. The Group hedges against interest rate fluctuations on its long term borrowings by way of interest rate swaps.

Share of results of jointly-controlled entities and associate
Share of results of jointly-controlled entities, namely ASL Energy Pte Ltd and its subsidiaries ("ASL Energy group") and HKR-ASL Joint Venture Limited as well as share of result from an associate, Fastcoat Industries Pte.Ltd., amounted to a net loss of $0.1 million in 9M FY2008 as compared to a net profiit of $0.1 million in 9M FY2007.

The share of results from ASL Energy group was a net loss of $0.3 million in 9M FY2008 as compared to a net loss of $6,000 in 9M FY2007. ASL Energy group recorded higher losses in 9M FY2008 mainly attributed to higher foreign exchange loss and absence of share of profit contribution from Tabang coal concession. In addition, the Tabang coal concession incurred losses due to higher provision of royalties payable for coal sales and increase in coal mining operating costs in 9M FY2008.

Pursuant to the conditional agreement entered into by ASL Energy group in July 2007 to dispose of its entire interests in Tabang coal concession, the disposal has since been completed on 12 May 2008.

The share of results from HKR-ASL Joint Venture Limited was a net profit of $0.2 million in 9M FY2008 as compared to $0.1m in 9M FY2007.

Profit before taxation
In line wiith revenue growth and higher gross profits, the Group's profit before taxation of $49.5 million for 9M FY2008 was $18.1 million or 57.5% higher as compared to 9M FY2007.

Income tax expense
The Group's taxation charge rose by $4.1 million to $7.6 million in 9M FY2008 of which $0.7 million was due to an adjustment for prior year deferred tax expense. The Group's effective tax rate of 13.3% for 9M FY2008 was higher than the 12.4% recorded for 9M FY2007 mainly attributed to lower proportion of exempt shipping profits in 9M FY2008.

Minority interests
Minority shareholders' share of losses amounted to $0.2 million in 9M FY2008, consequently the Group's profit attributable to equity holders for the period was $42.1 million. The reasons for the losses incurred by non-wholly owned foreign subsidiaries were due to higher foreign exchange losses, allowance for doubtful debts and initial start up costs.

Operating cash flow
Net cash inflow from operating activities of $133.7 million in 9M FY2008 was $107.9 million higher as compared to 9M FY2007. The increase was mainly attributed to payments received from customers for initial milestone and progress billings for shipbuilding projects as well as higher earnings recorded in 9M FY2008. The Group funded its vessel fleet expansion mainly through its positive operating cash flows, external borrowings and proceeds from issuance of shares due to conversion of warrants.

(b) 3Q FY 2008 vs 3Q FY 2007

Group	3Q FY2008 Revenue	3Q FY2008 Gross Profit	3Q FY2008 Gross Profit Margin	3Q FY2007 Revenue	3Q FY2007 Gross Profit	3Q FY2007 Gross Profit Margin	Variance Revenue	Variance Revenue	Variance Gross Profit	Variance Gross Profit
	$'000	$'000	%	$'000	$'000	%	$'000	%	$'000	%
Shipbuilding	56,043	6,258	11.2	51,703	4,909	9.5	4,340	8.4	1,349	27.5
Shiprepair and other marine related services	14,394	5,225	36.3	9,592	1,232	12.8	4,802	50.1	3,993	324.1
Shipchartering and rental	21,252	5,623	26.5	16,211	5,021	31.0	5,041	31.1	602	12.0
	91,689	17,106	18.7	77,506	11,162	14.4	14,183	18.3	5,944	53.3

The Group's business segments are subject to different degree of seasonality, with highest impact being experienced by the shipchartering operations. The quarter on quarter results may not be an indicative of overall trend of the results for the financial year.

Revenue
The Group's revenue of $91.7 million for 3 months ended 31 March 2008 ("3Q FY2008") was 18.3% higher as compared to revenue of $77.5 million for 3 months ended 31 March 2007 ("3Q FY2007"). The Group recorded higher revenue for all three segments of shipbuilding, shiprepair and ship conversion as well as shipchartering with an expanded fleet size of 175 vessels as at 31 March 2008 (151 vessels as at 31 March 2007).

Gross profit and gross profit margin
The Group's gross profit was 53.3% higher with increased earnings in all three segments. Both shipbuilding and shiprepair operations recorded higher gross profit margins in 3Q FY2008. The shipchartering operations however recorded lower gross profit margin mainly due to higher charter costs of third party's vessels to meet demand, higher repair and maintainance costs incurred and shorter operating period for Singapore water operations.

Other operating income
Other operating income was $0.7 million lower mainly due to lower gain on disposal of plant and equipment partially offset by higher miscellaneous income and interest income. The increase in miscellaneous income was mainly due to higher insurance claims and profit from ad-hoc trade sale of vessels.

Administrative expenses
Administrative expenses was $0.4 million higher mainly attributed to higher manpower costs and certain administrative expenses.

Other operating expenses
Other operating expenses was $0.7 million lower mainly due to lower foreign exchange loss and allowance made for doubtful trade receivables.

Finance costs
Finance costs of $1.4 million was marginally higher as compared to 3Q FY2007

Share of results of jointly-controlled entities and associate
Share of results of jointly-controlled entities and associate amounted to a loss of $0.2 million in 3Q FY2008 as compared to a net profiit of $0.1 million in 3Q FY2007.

The share of results from ASL Energy group was a net loss of $0.5 million in 3Q FY2008 as compared to a profit of $0.1 million in 3Q FY2007. The losses were mainly attributed to the Tabang coal concession due to increase in the provision of royalties payable for coal sales and higher coal mining operating costs incurred in 3Q FY2008.

The share of results from HKR-ASL Joint Venture Limited was a net profit of $0.3 million in 3Q FY2008 as compared to $22,000 in 3Q FY2007 mainly due to commencement of a new shipchartering project during the period.

Profit before taxation
The Group's profit before taxation of $17.0 million for 3Q FY2008 was $5.2 million or 44.1% higher as compared to 3Q FY2007.

Income tax expense
The Group's taxation charge increased by $1.7 million mainly due to higher earnings made in 9M FY2008. The taxation charge for 3Q FY2007 was lower mainly due to adjustment for overprovisions made mainly with respect of earnings for 1H FY2007.

Operating cash flow
Net cash inflow from operating activities of $55.3 million in 3Q FY2008 was $45.0 million higher as compared to 3Q FY2007. The increase was mainly attributed to higher earnings as well as payments received from customers for initial milestone and progress billings for shipbuilding projects.

REVIEW OF FINANCIAL POSITIONS AS AT 31 MARCH 2008

Non-current assets
Property, plant and equipment increased by $36.6 million from $216.4 million as at 30 June 2007 to $253.0 million as at 31 March 2008. The increase was mainly due to acquisition of plant and equipment of $76.1 million (inclusive of $52.2 million for vessels and $6.6 million for plant and machinery) partially offset by disposal of plant and equipment of net book value totalling $21.5 million, depreciation charge of $15.6 million and others (including the write-off of plant and equipment) of $2.4 million.

The Group's total depreciation charge of $15.1 million in 9M FY2008 was $4.6 million higher as compared to 9M FY2007 mainly attributed to increase in fleet size from 151 vessels as at 31 March 2007 to 175 vessels as at 31 March 2008.

Current assets
Current assets increased by $76.1 million from $201.6 million as at 30 June 2007 to $277.7 million as at 31 March 2008. The increase was mainly due to higher inventories, construction work-in-progress, derivative financial instruments and cash and cash equivalents offset by decrease in trade and other receivables.

Inventories increased by $15.0 million mainly due to raw material (mainly steel) purchased for shipbuilding projects.

The increase in derivative financial instruments assets pertained to mark-to-market gains derived mainly from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables and bank borrowings. The Group entered into "plain vanilla" forward contracts to hedge against foreign currency fluctuations.

Cash and cash equivalents increased by $73.2 million to $120.9 million which comprised payments received from customers for initial milestone and progress billings for shipbuilding projects.

Trade and other receivables of $66.0 million comprised trade receivables of $42.9 million and other receivables of $23.1 million. Average debtors turnover was 45 days as at 31 March 2008 as compared to 84 days as at 30 June 2007.

Current liabilities

Current liabilities increased by $46.3 million from $218.4 million as at 30 June 2007 to $264.7 million as at 31 March 2008.

Trade payables and other payables increased by $19.0 million mainly due to increase in trade payables of $22.5 million offset by decrease in othe payables by $3.5 million. The increase in trade payables was in line with the increased level of business activities.

Trust receipts decreased by $19.4 million due to repayment made during the period.

The decrease in current portion of interest-bearing liabilities of $5.0 million was mainly due to lower short term loan borrowings partially offset by an increase in current portion of long term loan borrowings mainly for acquisition of vessels.

The increase of derivative financial instruments liabilities was mainly due to higher mark-to-market losses derived mainly from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables, trade payables and bank borrowings.

Net current liabilities

The net current assets of $13.0 million as at 31 March 2008 and net current liabilities of $16.8 million as at 30 June 2007 included net progress billings in excess of construction work-in-progress of $74.7 million and $34.7 million respectively. The increase in net progress billings in excess of construction work-in-progress were mainly attributed to initial milestone and progress billings received for shipbuilding projects. There were 50 projects as at 31 March 2008 (30 June 2007 : 45 projects).

Excluding the construction work-in-progress and progress billings in excess of construction work-in-progress, the Group's net current assets as at 31 March 2008 and 30 June 2007 was $87.7 million and $17.9 million respectively.

Non-current liabilities

Non-current liabilities increased by $5.5 million to $74.5 million as at 31 March 2008. The increase was mainly due to higher interest bearing liabilities and deferred tax liabilities.

While non-current interest bearing liabilities rose by $2.1m, total interest-bearing liabilities (including current and non-current interest bearing liabilities) decreased by $2.9 million from $100.5 million to $97.6 million as at 31 March 2008. During the period, the Group draw down new term loans of $62.3 million while redemption and repayment of loans amounted to $65.2 million.

Deferred tax rose by a net $3.1 million to $8.7 million as at 31 March 2008.

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

In the 1H FY2008 half year financial statements announcement made on 4 Februray 2008, the Group was optimistic of achieving higher revenue and earnings in FY2008 as compared to FY2007.

In line with the prospect statement indicated in the announcement made on 4 Februray 2008, the Group recorded higher revenue and profit after tax in 9M FY2008 as compared to 9M FY2007.

In the 1H FY2008 half year financial statements announcement made on 4 February 2008, the Group also announced plans to further strengthen its shipchartering fleet by taking delivery of 15 vessels worth approximately $53 million. During 3Q FY2008, the Group had taken delivery of 7 vessels worth $15 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.

Shipbuilding and Shiprepair Operations

As at 31 March 2008, the Group had an outstanding order book for shipbuilding of approximately $750 million from external customers for the building of 50 vessels including offshore support vessels, tugs, barges, water injection dredger, self-propelled cutter suction dredger and other vessels.

Progressive recognition of shipbuilding revenue commences when the work-in-progress reaches the 10% recognition threshold. The Group expects revenue from shipbuilding operations for the fourth quarter of FY 2008 ("4Q FY2008") to be higher than 3Q FY2008.

The demand for shiprepair and conversion services has been healthy and the Group expects the demand for the 4Q FY2008 to remain healthy.

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 31 March 2008, the Group had an outstanding order book of approximately $14 million with respect to long term shipchartering contracts.

The shipchartering operations are however affected by various short term factors such as mandatory survey of vessels and timing of contracts. The factors affecting the shipchartering operations in the 3Q FY2008 are expected to continue in the 4Q FY2008.

As at 31 March 2008, the Group has plans to increase its shipchartering fleet by taking delivery of 22 vessels worth approximately $48 million including towing tugs, Straight Supply vessel, Anchor Handling Towing/ Supply vessel and Anchor Handling tug (of which 11 vessels worth approximately $23 million are to be built internally).

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been declared for the period ended 31 March 2008.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
12 May 2008