

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2009****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			Group		
	3 months ended 31 March			9 months ended 31 March		
	3Q FY2009	3Q FY2008	Increase/ (Decrease)	9M FY2009	9M FY2008	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Shipbuilding	71,143	56,043	26.9	209,738	173,347	21.0
Shiprepair and other marine related services	12,476	14,394	(13.3)	48,771	46,984	3.8
Shipchartering and rental	23,274	21,252	9.5	74,726	64,731	15.4
Total revenue	106,893	91,689	16.6	333,235	285,062	16.9
Cost of sales	(89,685)	(74,583)	20.2	(274,287)	(231,839)	18.3
Gross profit	17,208	17,106	0.6	58,948	53,223	10.8
Other operating income	14,427	4,029	258.1	28,940	9,195	214.7
Administrative expenses	(2,583)	(2,692)	(4.0)	(8,305)	(7,420)	11.9
Other operating expenses	(3,181)	88	Nm	(4,044)	(1,402)	188.4
Finance costs	(1,701)	(1,355)	25.5	(4,776)	(3,986)	19.8
Share of results of jointly-controlled entities and associate	195	(217)	(189.9)	1,514	(110)	Nm
Profit before tax	24,365	16,959	43.7	72,277	49,500	46.0
Tax expense	(447)	(2,642)	(83.1)	(6,737)	(7,564)	(10.9)
Profit for the period	23,918	14,317	67.1	65,540	41,936	56.3
Attributable to:						
Equity holders of the parent	23,375	14,163	65.0	63,582	42,147	50.9
Minority interests	543	154	252.6	1,958	(211)	Nm
	23,918	14,317	67.1	65,540	41,936	56.3

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

	Group		Group	
	3 months ended		9 months ended	
	31 March		31 March	
	3Q FY2009	3Q FY2008	9M FY2009	9M FY2008
	\$'000	\$'000	\$'000	\$'000
Allowance for doubtful trade receivables	(2,272)	-	(3,269)	(309)
Allowance for doubtful non-trade receivables	(180)	-	(180)	(35)
Write back of allowance for doubtful trade receivables	3	18	139	1,025
Write back of allowance for doubtful non- trade receivables	-	-	6	-
Amortisation of lease prepayments	(50)	(49)	(149)	(148)
Bad debts written off	-	-	-	(1)
Depreciation of property, plant and equipment	(6,416)	(4,943)	(19,899)	(15,117)
Fair value (loss)/gain on forward currency contracts and interest rate swap	(55)	699	(943)	699
Gain on disposal of assets held for sale	12,911	-	19,485	-
Gain on disposal of property, plant and equipment	445	1,630	6,315	4,828
Impairment loss on property, plant and equipment	(733)	-	(733)	-
Interest income	76	310	458	1,313
Gain/ (loss) on foreign exchange (net)	621	99	1,205	(1,361)
Property, plant and equipment written off	-	(29)	(7)	(669)
Adjustment for over/ (under) provision of tax in respect of prior years				
- Current tax expense	17	(32)	(883)	(301)
- Deferred tax expense	9	-	161	(650)

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-09 \$'000	30-Jun-08 \$'000	31-Mar-09 \$'000	30-Jun-08 \$'000
Non-current assets				
Property, plant and equipment	359,929	255,458	130	148
Lease prepayments	4,235	4,246	-	-
Subsidiaries	-	-	29,870	20,370
Interest in jointly-controlled entity and associate	3,794	1,050	1,558	534
Finance lease receivables	-	1,238	-	-
Other receivables	-	-	2,411	2,095
	367,958	261,992	33,969	23,147
Current assets				
Inventories	14,650	22,759	-	-
Assets held for sale	1,412	34,572	-	26,540
Construction work-in-progress	80,977	64,125	-	-
Trade and other receivables	75,591	100,739	143	240
Finance lease receivables	1,885	1,372	-	-
Amount due from related parties	368	6,332	121,493	70,909
Derivative financial instruments	1,704	13,919	-	-
Cash and cash equivalents	128,433	102,995	19,230	26,832
	305,020	346,813	140,866	124,521
Current liabilities				
Trade and other payables	93,940	102,460	1,002	577
Progress billings in excess of construction work-in-progress	92,482	105,601	-	-
Amount due to related parties	116	-	24,040	5,767
Loan from minority shareholders of subsidiaries	2,122	1,899	-	-
Trust receipts	22,505	-	-	-
Interest-bearing loans and borrowings	34,433	26,831	24	23
Derivative financial instruments	12,222	3,844	1,027	118
Current tax liabilities	6,072	7,293	46	75
	263,892	247,928	26,139	6,560
Net current assets	41,128	98,885	114,727	117,961
Non-current liabilities				
Loan from minority shareholders of subsidiaries	1,607	1,397	-	-
Interest-bearing loans and borrowings	119,246	109,800	50,051	50,069
Deferred tax liabilities	8,687	9,484	-	-
	129,540	120,681	50,051	50,069
Net assets	279,546	240,196	98,645	91,039
Share capital	83,051	82,725	83,051	82,725
Treasury shares	(923)	-	(923)	-
Reserves	191,716	153,770	16,517	8,314
	273,844	236,495	98,645	91,039
Minority interests	5,702	3,701	-	-
Total equity	279,546	240,196	98,645	91,039

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-09		As at 30-Jun-08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
31,433	25,505	26,831	-

Amount repayable after one year

As at 31-Mar-09		As at 30-Jun-08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
69,246	50,000	59,800	50,000

Details of any collateral

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

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

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

	Group 3 months ended 31 March		Group 9 months ended 31 March	
	3Q FY2009 \$'000	3Q FY2008 \$'000	9M FY2009 \$'000	9M FY2008 \$'000
Cash flows from operating activities				
Profit before tax	24,365	16,959	72,277	49,500
Adjustments for:				
Amortisation of lease prepayments	50	49	149	148
Allowance for/ (write back of) doubtful receivables	2,449	(18)	3,304	(681)
Bad debts written off (trade)	-	-	-	1
Depreciation of property, plant & equipment	6,416	4,943	19,899	15,117
Fair value loss/ (gain) on forward currency contracts and interest rate swap	55	(699)	943	(699)
Gain on disposal of assets held for sale	(12,911)	-	(19,485)	-
Gain on disposal of property, plant and equipment	(445)	(1,630)	(6,315)	(4,828)
Impairment loss on property, plant and equipment	733	-	733	-
Interest expense	1,701	1,355	4,776	3,986
Interest income	(76)	(310)	(458)	(1,313)
Loss on dissolution of a subsidiary	-	-	-	52
Property, plant and equipment written off	-	29	7	669
Provision for warranty claims	-	50	300	100
Share of results of jointly-controlled entities and associate	(195)	217	(1,514)	110
Operating profit before working capital changes	22,142	20,945	74,616	62,162

Changes in working capital:				
Inventories	9,740	(4,830)	8,109	(15,037)
Construction work-in-progress and progress billings in excess of construction work-in-progress	24,718	29,014	(30,834)	40,503
Trade and other receivables	63	(5,292)	21,844	29,105
Trade and other payables	(11,639)	16,681	(9,121)	19,120
Balances with related parties (trade)	325	254	2,787	2,120
Cash generated from operations	45,349	56,772	67,401	137,973
Tax paid	(2,243)	(1,439)	(6,976)	(4,271)
Net cash generated from operating activities	43,106	55,333	60,425	133,702
Cash flows from investing activities				
Interest received	76	310	458	1,313
Investment in associate	-	(534)	(1,024)	(534)
Purchase of assets held for sale	(3,167)	(5,295)	(12,715)	(5,295)
Purchase of property, plant & equipment	(57,912)	(11,402)	(130,015)	(74,693)
Proceeds from disposal of assets held for sale	31,501	5,295	67,926	5,295
Proceeds from disposal of property, plant and equipment	440	10,895	16,805	26,351
Balances with related parties (non trade)	384	2,227	3,293	(812)
Net cash (used in)/ generated from investing activities	(28,678)	1,496	(55,272)	(48,375)
Cash flows from financing activities				
Interest paid	(1,685)	(1,335)	(4,731)	(3,924)
Dividends paid	-	-	(11,984)	(8,317)
Repayment of interest-bearing loans and borrowings	(11,946)	(29,219)	(32,214)	(65,545)
Proceeds from interest-bearing loans and borrowings	31,383	22,091	46,609	62,294
Proceeds from/ (increase in) finance lease receivables	93	1,052	725	(415)
Proceeds from issue of shares	-	1,708	279	23,373
Purchase of treasury shares	-	-	(923)	-
Repayment of loan from minority shareholders of subsidiaries	-	2	-	(117)
Repayment of trust receipts	(19,426)	(10,597)	(31,402)	(54,862)
Proceeds from trust receipts	21,101	5,190	53,907	35,476
Net cash generated from/ (used in) financing activities	19,520	(11,108)	20,266	(12,037)
Net increase in cash and cash equivalents	33,948	45,721	25,419	73,290
Cash and cash equivalents at beginning of period	94,482	75,156	102,995	47,668
Effects of exchange rate changes on opening cash and cash equivalents	3	23	19	(58)
Cash and cash equivalents at end of period	128,433	120,900	128,433	120,900

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-09 and 31-Mar-08

<u>Group</u>	Attributable to equity holders of the parent									
	Share capital \$'000	Treasury shares \$'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
9M FY2009										
At 1-Jul-08	82,725	-	-	54	(3,621)	7,513	149,824	153,770	3,701	240,196
Net change in hedging reserve	-	-	-	-	-	(17,784)	-	(17,784)	(110)	(17,894)
Net effect of exchange differences	-	-	-	-	4,179	-	-	4,179	153	4,332
Net income and expenses recognised directly in equity	-	-	-	-	4,179	(17,784)	-	(13,605)	43	(13,562)
Profit for the period	-	-	-	-	-	-	63,582	63,582	1,958	65,540
Total recognised income and expenses for the period	-	-	-	-	4,179	(17,784)	63,582	49,977	2,001	51,978
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 31-Mar-09	83,051	(923)	-	7	558	(10,271)	201,422	191,716	5,702	279,546
9M FY2008										
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
At 31-Mar-08	82,407	-	10	58	(3,358)	4,047	131,672	132,429	3,329	218,165

¹ ASL Employee Share Option Scheme

Statement of Changes in Equity for the period ended 31-Mar-09 and 31-Mar-08

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Employee share option reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total reserves \$'000	Total Equity \$'000
9M FY2009								
At 1-Jul-08	82,725	-	-	54	(118)	8,378	8,314	91,039
Net change in hedging reserve	-	-	-	-	(909)	-	(909)	(909)
Net expenses recognised directly in equity	-	-	-	-	(909)	-	(909)	(909)
Profit for the period	-	-	-	-	-	21,143	21,143	21,143
Total recognised income and expenses for the period	-	-	-	-	(909)	21,143	20,234	20,234
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 31-Mar-09	83,051	(923)	-	7	(1,027)	17,537	16,517	98,645
9M FY2008								
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
At 31-Mar-08	82,407	-	10	58	(6)	8,731	8,793	91,200

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-08	300,876,002	594,000
Number of ESOS exercised	507,000	(507,000)
Number of ESOS cancelled	-	(25,000)
Number of treasury shares purchased	(1,794,000)	na
Balance as at 31-Mar-09	299,589,002	62,000

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 31-Mar-09	ESOS outstanding as at 30-Jun-08	ESOS outstanding as at 31-Mar-08
<u>Employees</u>						
	18-Dec-05	18-Dec-05 to 17-Dec-13	\$0.55	-	3,000	23,000
	18-Dec-06	18-Dec-06 to 17-Dec-13	\$0.55	62,000	91,000	111,000
				62,000	94,000	134,000
<u>Independent Directors</u>						
	18-Dec-04	18-Dec-04 to 17-Dec-08	\$0.55	-	200,000	200,000
	18-Dec-05	18-Dec-05 to 17-Dec-08	\$0.55	-	150,000	150,000
	18-Dec-06	18-Dec-06 to 17-Dec-08	\$0.55	-	150,000	150,000
				-	500,000	500,000
Total				62,000	594,000	634,000

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 31 March 2009 and 30 June 2008, the total number of issued shares excluding treasury shares were 299,589,002 and 300,876,002 respectively.

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 period reported on, the Company purchased a total of 1,794,000 treasury shares. There were no sales, transfers, disposal, cancellation and/or use of treasury shares.

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 and nine months ended 31 March 2009 to be false or misleading.

On behalf of the Board of Directors

Ang Kok Tian
Chairman and Managing Director

Ang Ah Nui
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 March		Group 9 months ended 31 March	
	3Q FY2009	3Q FY2008	9M FY2009	9M FY2008
	(i) On weighted average number of ordinary shares in issue	7.80cts	5.18cts	21.18cts
(ii) On a fully diluted basis	7.80cts	5.14cts	21.18cts	14.32cts

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 \$23,375,000 (3Q FY2008: \$14,163,000) and the weighted average of 299,589,002 (3Q FY2008: 273,299,025) ordinary shares in issue during the quarter.

The calculation of basic earnings per ordinary share of the Group for the nine months period is based on net profit attributable to ordinary shareholders amounting to \$63,582,000 (9M FY2008: \$42,147,000) and the weighted average of 300,226,090 (9M FY2008: 280,988,596) 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 \$23,375,000 (3Q FY2008: \$14,163,000) and the weighted average of 299,589,002 (3Q FY2008: 275,539,157) ordinary shares in issue during the quarter.

The calculation of fully diluted earnings per ordinary share of the Group for the nine months period is based on net profit attributable to ordinary shareholders amounting to \$63,582,000 (9M FY2008: \$42,147,000) and the weighted average of 300,254,704 (9M FY2008: 294,225,032) ordinary shares in issue during the period.

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	
	31-Mar-09	30-Jun-08	31-Mar-09	30-Jun-08
Net asset value per ordinary share based on issued share capital as at the respective balance sheet dates	91.41 cents	78.60 cents	32.93 cents	30.26 cents

Note:

The calculation of net asset value of the Group and of the Company is based on 299,589,002 (30-Jun-08: 300,876,002) 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 FY2009 vs 9M FY2008

Group	9M FY2009			9M FY2008			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	209,738	20,115	9.6	173,347	18,675	10.8	36,391	21.0	1,440	7.7
Shiprepair and other marine related services	48,771	14,713	30.2	46,984	15,470	32.9	1,787	3.8	(757)	(4.9)
Shipchartering and rental	74,726	24,120	32.3	64,731	19,078	29.5	9,995	15.4	5,042	26.4
	333,235	58,948	17.7	285,062	53,223	18.7	48,173	16.9	5,725	10.8

Revenue

The Group's revenue increased by 16.9% from \$285.1 million for the 9 months ended 31 March 2008 ("9M FY2008") to \$333.2 million for the 9 months ended 31 March 2009 ("9M FY2009"). The Group recorded higher revenue in all three segments of shipbuilding, shiprepair and ship conversion as well as shipchartering.

Shipbuilding revenue was \$36.4 million higher 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 revenue increased by \$1.8 million mainly due to increased number of shiprepair jobs undertaken.

Shipchartering revenue was \$10.0 million higher mainly attributable to an increase in the Group's fleet size and that a higher proportion of shipchartering revenue came from time charters. The Group had a fleet size of 188 vessels as at 31 March 2009 as compared to 175 vessels as at 31 March 2008, comprising towing tugs, Anchor Handling Tugs, barges and other vessels.

Gross profit and gross profit margin

The Group's gross profit of \$58.9 million was 10.8% higher mainly due to increased earnings recorded by shipbuilding and shipchartering operations.

Shipbuilding operations recorded a lower gross profit margin mainly due to higher cost provisions on select projects during the period.

Shiprepair operations' gross profit margin of 30.2% was marginally lower as compared to 9M FY2008.

Shipchartering operations recorded a higher gross profit margin mainly due to more time charters which generally command better pricing and despite higher upkeep costs and charter hire of third party's vessels to meet customers' demand.

Other operating income

Other operating income increased by \$19.7 million to \$28.9 million in 9M FY2009.

Other operating income comprised:

1. Gain on disposal of plant and equipment of \$6.3 million (9M FY2008: \$4.8 million) from the sale of 16 vessels (9M FY2008: 17 vessels) to third parties. The disposals are part of the Group's fleet renewal program;
2. A net foreign exchange gain of \$1.2 million (9M FY2008: foreign exchange loss of \$1.4 million which was shown under other operating expense) arising from ongoing operations;
3. Gain on disposal of the jointly-controlled entity, ASL Energy Pte. Ltd. ("ASLE") of \$12.2 million and vessels held for sale of \$7.3 million (9M FY2008: profit from ad-hoc trade sale of vessels of \$1.3 million);
4. Miscellaneous income of \$1.4 million (9M FY2008: \$1.8 million) mainly comprised of lower insurance claims; and
5. Interest income of \$0.5 million (9M FY2008: \$1.3 million).

Administrative expenses

Administrative expenses increased by \$0.9 million to \$8.3 million. The increase was mainly attributed to higher manpower costs (increased by \$0.5 million) as well as an increase in select administrative expenses and was not out of line with higher business activities (revenues rose 16.9%).

Other operating expenses

Other operating expenses increased by \$2.6 million to \$4.0 million in 9M FY2009.

Other operating expenses comprised:

1. Net provision for doubtful receivables of \$3.3 million (9M FY2008: net write-back for doubtful receivables of \$0.7 million);
2. Impairment loss on vessels of \$0.7 million (9M FY2008: Nil); and
3. Foreign exchange loss of \$1.4 million and plant and equipment written off of \$0.7 million recorded in 9M FY2008.

Finance costs

Finance costs of \$4.8 million were \$0.8 million higher mainly due to increased borrowings arising from bond issuances in June 2008. 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

The share of results of jointly-controlled entities and of an associate of \$1.5 million was \$1.6 million higher as compared to 9M FY2008.

The increase was mainly attributed to the share of earnings from HKR-ASL Joint Venture Limited of \$1.8 million in 9M FY2009 (9M FY2008: \$0.2 million) due to commencement of a shipchartering project in December 2007, the absence of share of losses from ASLE of \$0.3 million recorded in 9M FY2008, partially offset by the share of \$0.3 million start-up losses incurred by its newly incorporated associated company, Fastcoat Industries Pte. Ltd..

The Group had on 11 June 2008 entered into a conditional share purchase and loan novation agreement to divest its entire 50 per cent. interest in ASLE. Accordingly, the Group reclassified its net investment in ASLE under assets held for sale and ceased to take up its share of results of ASLE since 30 April 2008, the date on which the consideration was determined pursuant to the divestment. The divestment of ASLE was completed on 5 January 2009.

Profit before taxation

The Group's profit before taxation of \$72.3 million for 9M FY2009 was \$22.8 million or 46.0% higher as compared to 9M FY2008 attributed to growth in revenue and other operating income (including disposal of ASLE) despite rising construction costs and provisions.

Income tax expense

The Group recorded a lower taxation charge of \$6.7 million in 9M FY2009 as compared to \$7.6 million in 9M FY2008. There was a net adjustment for under-provision of taxes in respect of prior years of \$0.7 million (9M FY2008: \$1.0 million). The Group's effective tax rate of 8.5% for 9M FY2009 was lower than the 13.3% recorded for 9M FY2008 mainly attributed to capital gain of \$12.2 million on disposal of ASLE and 1% reduction in Singapore corporate tax rate to 17%.

Minority interests

Minority shareholders' share of profits increased by \$2.2 million mainly due to higher charter and shipbuilding earnings recorded by non-wholly owned foreign subsidiaries.

Operating cash flow

The Group recorded a lower net cash inflow from operating activities of \$60.4 million as compared to 9M FY2008. The decrease was mainly attributed to higher work-in-progress incurred and lower progress billings received on shipbuilding projects partially offset by higher earnings recorded in 9M FY2009.

The Group funded its capital expenditure and repayment of loans and borrowings through retained earnings, proceeds from disposal of plant and equipment and assets held for sale (including disposal of ASLE) and proceeds from new borrowings including trust receipts.

(b) 3Q FY2009 vs 3Q FY2008

Group	3Q FY2009			3Q FY2008			Variance			
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue		Gross Profit	
	\$'000	\$'000	%	\$'000	\$'000	%	\$'000	%	\$'000	%
Shipbuilding	71,143	6,573	9.2	56,043	6,258	11.2	15,100	26.9	315	5.0
Shiprepair and other marine related services	12,476	3,093	24.8	14,394	5,225	36.3	(1,918)	(13.3)	(2,132)	(40.8)
Shipchartering and rental	23,274	7,542	32.4	21,252	5,623	26.5	2,022	9.5	1,919	34.1
	106,893	17,208	16.1	91,689	17,106	18.7	15,204	16.6	102	0.6

The Group's business segments are subject to different degree of seasonality, with 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

For the 3 months ended 31 March 2009 ("3Q FY2009"), the Group's revenue of \$106.9 million was 16.6% higher as compared to the corresponding period in FY2008 ("3Q FY2008"). The Group recorded higher revenue in shipbuilding and shipchartering operations.

Shiprepair revenue was \$1.9 million lower mainly due to partial utilisation of dry docking facility for shipbuilding activity during the quarter.

Gross profit and gross profit margin

The Group's gross profit of \$17.2 million was marginally higher than 3Q FY2008.

Shipbuilding operations' gross profit margin of 9.2% was lower mainly due to progressive recognition of higher value projects undertaken partially offset by higher cost provisions on select projects during the quarter.

Shiprepair operations' gross profit margin of 24.8% was lower mainly due to lower volume of shiprepair jobs undertaken during the quarter.

Shipchartering operations recorded higher gross profit margin mainly due to more time charters which generally commands better pricing despite higher charter of third party's vessels to meet customers' demand.

Other operating income

Other operating income increased by \$10.4 million mainly due to gain on disposal of ASLE of \$12.2 million and foreign exchange gain of \$0.6 million recorded in 3Q FY2009 partially offset by lower gain on disposal of plant and equipment (decreased by \$1.2 million), lower interest income (decreased by \$0.2 million) and lower miscellaneous income (decreased by \$1.0 million due to fewer insurance claims and lower profit from ad-hoc trade sale of vessels).

Administrative expenses

Administrative expenses were \$0.1 million lower mainly attributed to lower manpower costs (decreased by \$0.2 million) partially offset by increase in select administrative expenses.

Other operating expenses

Other operating expenses increased by \$3.3 million mainly due to higher impairment loss on vessel (increased by \$0.7 million) and a higher allowance of doubtful receivables (increased by \$2.5 million).

Finance costs

Finance costs were higher by \$0.3 million mainly due to an increase in borrowings arising from bond issuances in June 2008.

Share of results of jointly-controlled entities and associate

The share of results of jointly-controlled entities and associate was a profit of \$0.2 million as compared to \$0.2 million loss recorded in 3Q FY2008.

The profit was mainly attributed to the share of earnings from HKR-ASL Joint Venture Limited of \$0.4 million (3Q FY2008: \$0.3 million), the absence of share of losses from ASLE of \$0.5 million recorded in 9M FY2008 partially offset by the share of \$0.2 million start-up losses incurred by its newly incorporated associated company, Fastcoat Industries Pte. Ltd..

Profit before taxation

The Group's profit before taxation of \$24.4 million for 3Q FY2009 was \$7.4 million higher as compared to 3Q FY2008.

Income tax expense

The Group's taxation charge was \$2.2 million lower in 3Q FY2009 mainly due to lower earnings excluding capital gain of \$12.2 million on disposal of ASLE and adjustment for 1% reduction in Singapore corporate tax rate to 17% in FY2009.

Minority interests

Minority shareholders' share of profits increased by \$0.4 million mainly due to higher charter and shipbuilding earnings recorded by non-wholly owned foreign subsidiaries.

Operating cash flow

The Group recorded a lower net cash inflow from operating activities of \$43.1 million as compared to 3Q FY2008. This decrease was mainly due to higher payments of trade payables.

REVIEW OF FINANCIAL POSITIONS AS AT 31 MARCH 2009

Non-current assets

Property, plant and equipment increased by \$104.5 million from \$255.5 million as at 30 June 2008 to \$359.9 million as at 31 March 2009. The increase was mainly due to acquisition of plant and equipment of \$132.7 million (inclusive of \$63.0 million for vessels, \$65.3 million for vessels and yard infrastructure development under construction and \$3.9 million for plant and machinery) partially offset by disposal of plant and equipment with aggregate net book value of \$10.5 million, depreciation charge of \$19.0 million, impairment loss of \$0.7 million, net transfer of vessels from assets held for sale of \$0.7 million and others (including the write-off of plant and equipment and foreign exchange differences) of \$1.3 million.

The Group's total depreciation charge was \$4.8 million higher as compared to 9M FY2008 mainly attributed to increase in fleet size and acquisition of new plant and machinery.

Current assets

Current assets decreased by \$41.8 million from \$346.8 million as at 30 June 2008 to \$305.0 million as at 31 March 2009. The decrease was mainly due to lower inventories, assets held for sale, trade and other receivables, amount due from related parties and derivative financial instruments partially offset by increase in construction work-in-progress and cash and cash equivalents.

Inventories decreased by \$8.1 million mainly due to usage of raw materials (mainly steel) for shipbuilding and shiprepair projects.

Assets held for sale decreased by \$33.2 million mainly due to disposal of net investment in ASLE, loan repayment from ASLE and lower amount of vessels held for sale.

Trade receivables decreased by \$15.1 million to \$66.9 million. Average debtors turnover was 56 days as at 31 March 2009 as compared to 75 days as at 30 June 2008. Other receivables decreased by \$10.1 million to \$8.6 million mainly due to lower receivables from disposal of vessels, downpayment made for purchase of vessels and insurance claims.

The decrease in the amount due from related parties was mainly due to a repayment from ASLE and HKR-ASL Joint Venture Limited.

Derivative financial instruments assets decreased by \$12.2 million due to lower mark-to-market gains derived mainly from foreign exchange forward contracts entered to hedge against foreign exchange rate fluctuations for trade receivables and trade payables as well as interest rate swaps entered to hedge against interest rate fluctuations for bank borrowings. The Group only enters into "plain vanilla" forward contracts to hedge for future receipts or payments.

Cash and cash equivalents increased by \$25.4 million to \$128.4 million as at 31 March 2009.

Current liabilities

Current liabilities increased by \$16.0 million from \$247.9 million as at 30 June 2008 to \$263.9 million as at 31 March 2009.

Trade and other payables decreased by \$8.5 million mainly due to decrease in trade payables of \$9.8 million while other payables increased by \$1.3 million. Other payables comprised mainly payables for purchase of plant and equipment and deposits received on sale of vessels.

Current portion of interest-bearing loans and borrowings increased by \$7.6 million to \$34.4 million while trust receipts increased by \$22.5 million.

Derivative financial instruments liabilities increased by \$8.4 million due to higher mark-to-market losses derived mainly from interest rate swaps and foreign exchange forward contracts entered to hedge against interest rate and foreign exchange rate fluctuations for bank borrowings, trade receivables and trade payables.

The net current assets of \$41.1 million as at 31 March 2009 and \$98.9 million as at 30 June 2008 included net progress billings in excess of construction work-in-progress of \$11.5 million and \$41.5 million respectively. The decrease in net progress billings in excess of construction work-in-progress was mainly attributed to higher work-in-progress incurred for shipbuilding projects. There were 35 shipbuilding projects as at 31 March 2009 (30 June 2008: 48 projects).

Non-current liabilities

Non-current liabilities increased by \$8.9 million to \$129.5 million as at 31 March 2009 mainly due to higher interest-bearing loans and borrowings.

Total interest-bearing loans and borrowings increased by \$17.1 million to \$153.7 million as at 31 March 2009. The increase was mainly due to new term loans and borrowings of \$49.3 million partially offset by redemption and repayment made of \$32.2 million during the period.

Deferred tax liabilities decreased by \$0.8 million to \$8.7 million as at 31 March 2009.

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

In the half year financial statements announcement made on 11 February 2009, it was stated that the Group was cautiously optimistic of achieving higher earnings in FY2009 as compared to FY2008.

In line with the prospect statement indicated in the announcement made on 11 February 2009, the Group recorded higher revenue and profit after tax in 9M FY2009 as compared to FY2008.

In the half year financial statements announcement made on 11 February 2009, the Group also announced plans to further strengthen its shipchartering fleet by taking delivery of 19 vessels worth approximately \$77 million. During 3Q FY2009, the Group had taken delivery of 12 vessels worth \$22 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 global economy is still in the doldrums and demand for new shipbuilding order remains weak. To ride out the tough economic conditions, the Group will continue its focus on strengthening project execution on existing order book, tightening cost control and cash flow management whilst seeking to make selective investments and exploit strategic opportunities in related businesses.

The Group's net profit for 9M FY2009 of \$63.6 million included a gain of \$12.2 million relating to disposal of ASLE. Barring any unforeseen circumstances and fair value provisions, the Group's earnings for fourth quarter FY2009 (3 months ending 30 June 2009) is not expected to be as high as 3Q FY2009.

Shipbuilding and Shiprepair Operations

Progressive recognition of shipbuilding revenue commences when the work-in-progress reaches the 10% recognition threshold. As at 31 March 2009, the Group's shipbuilding operation had an outstanding order book of approximately \$582 million for external customers. The order book comprised 35 vessels, including offshore support vessels such as heavy lift and pipelay vessels, subsea operation vessels, tugs, self-propelled cutter suction dredgers and other vessels. Order book deliveries are scheduled for execution up to financial year ending 30 June 2011.

As at 31 March 2009, the Group has an outstanding order book of approximately \$22 million for shiprepair and ship conversion projects including fabrication and outfitting works to a Heavy Transport Vessel and conversion of tanker into a floating storage and offloading unit.

The Group continues to diversify its shipbuilding portfolio. The Group is focusing on increasing efficiency and managing costs on existing shipbuilding order book deliveries. The Group remains reasonably optimistic of the longer term outlook of the shiprepair segment with enhanced facility at its Batam yard.

Shipchartering Operations

The Group's shipchartering revenue consists of mainly short-term and ad-hoc contracts. Approximately 26% of shipchartering revenue in 9M FY2009 came from long term chartering contracts (meaning contracts with a duration of more than one year). As at 31 March 2009, the Group had an outstanding order book of approximately \$18 million with respect to long term shipchartering contracts.

The Group is confident of the medium to longer term outlook of the shipchartering segment which is underpinned by the continued activities in the marine infrastructure, harbour and terminal services sectors in Singapore, South East Asia as well as Australia.

The Group remains strategically committed to its fleet renewal and enhancement program and the current market weaknesses provide opportunity for the Group to exploit acquisition at relatively lower prices. The Group current plan is to increase its shipchartering fleet by taking delivery of 8 vessels worth approximately \$89 million including towing tugs, barges, Anchor Handling Towing/ Supply vessel and tankers of which 3 vessels have committed charter. Of the 8 vessels, 6 vessels worth S\$86 million 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? 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 2009.

BY ORDER OF THE BOARD

Ang Kok Tian
Chairman and Managing Director
11 May 2009