

Consolidated profit and loss for the Group (in USD thousands)

	3 months ended 29 th February 2008	3 months ended 28 th February 2007	% Increase/ (Decrease)	6 months ended 29 th February 2008	6 months ended 28 th February 2007	% Increase/ (Decrease)
Revenue	29,597	3,634	714.4%	56,752	5,729	890.6%
Cost of sales	(21,478)	(652)	3,194.2%	(34,392)	(1,279)	2,589.0%
Gross profit	8,119	2,982	172.3%	22,360	4,450	402.5%
Other operating income	93	9	933.3%	94	79	19.0%
Other operating expenses	(117)	(108)	8.3%	(227)	(331)	(31.4%)
Administrative expenses	(2,177)	(540)	303.1%	(3,854)	(833)	362.7%
Profit from operations	5,918	2,343	152.6%	18,373	3,365	446.0%
Financial income	130	107	21.5%	247	107	130.8%
Financial expenses	(1,732)	(254)	581.9%	(4,438)	(511)	768.5%
Profit before income tax	4,316	2,196	96.5%	14,182	2,961	379.0%
Tax expense	(163)	-	n.m	(1,796)	-	n.m
Profit for the financial period	4,153	2,196	89.1%	12,386	2,961	318.3%
Earnings per share (cents)						
Basic and Diluted	3.74	3.72		11.16	5.01	

Information on Financial Performance and Condition

Profit and loss

The discussions below refer to the 3 months period ended 29th February 2008 ("2Q FY2008") and the corresponding figures for 28th February 2007 ("2Q FY2007") for the Group's consolidation financial information.

Revenue

Revenue increased by USD26.0 million from USD3.6 million in 2Q FY2007 to USD29.6 million in 2Q FY2008. The significant increase in revenue was mainly due to the income earned from the Group's two newly delivered vessels namely, *Lewek Chancellor* and *Lewek Champion*, which were delivered to the Group in the second half of financial year ended 31st August 2007. Charter revenue, excluding revenue from construction projects, contributed by the two new vessels in 2Q FY2008 and first half of financial year ended 31st August 2008 ("1H FY2008") amounted to USD4.3 million and USD24.6 million respectively. In addition, revenue from construction projects for 2Q FY2008 and 1H FY2008 amounted to USD18.0 million and USD20.8 million respectively. Charter income in 2Q FY2008 also included amounts earned from third party vessels, which were bareboat chartered to the Group.

Gross profit

The increase in gross profit of the Group from USD3.0 million in 2Q FY2007 to USD8.1 million in 2Q FY2008 was in line with the increase in revenue of the Group. Gross margin of the Group has reduced from 82.1% in 2Q FY2007 to 27.4% in 2Q FY2008. The decrease in gross margin was mainly due to the dilution of margins earned from the construction projects which involved procurements of materials and third party services on behalf of the customers.

Other operating expense/income, net

Other operating expense (net) reduced from USD99,000 in 2Q FY2007 to USD24,000 in 2Q FY2008. There are no significant changes in other operating expense (net) in 2Q FY2008 compared to 2Q FY2007.

Administrative expenses

Administrative expenses increased from USD0.5 million in 2Q FY2007 to USD2.2 million in 2Q FY2008. The increase in administrative expenses was mainly due to the expansion of the Group's operations, as well as an increase in headcount for the Group. Staff related costs amounted to approximately USD1.4 million in 2Q FY2008, an increase of USD1.0 million compared to 2Q FY2007.

Financial income

Financial income arose as a result of placing cash in banks and fixed deposit accounts. There are no significant changes in the financial income in 2Q FY2008 compared to 2Q FY2007.

Financial expense

The increase in financial expenses from USD0.3million in 2Q FY2007 to USD1.7million in 2Q FY2008 was mainly due to the drawdown of additional bank loans as well as loans from a related party. Interest bearing debts increased from USD40.1 million as at 28th February 2007 to USD223.0 million as at 29th February 2008.

Tax expense

Tax expense in 2Q FY2008 pertained to the amount expected to be paid to the respective taxation authorities. The Group has exposure to income taxes in numerous jurisdictions. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting periods.

Balance sheet

The discussions below refer to the financial condition of the Group as at 29th February 2008 and 31st August 2007.

Total assets

Total assets for the Group as at 29th February 2008 and 31st August 2007 amounted to USD367.5 million and USD288.1 million respectively. The increase in total assets was mainly due to the increase in vessel under construction by USD60.1 million, from USD62.5 million as at 31st August 2007 to USD122.6 million as at 29th February 2008.

In addition, fixed deposits and cash and bank balances increased from USD15.1 million as at 31st August 2007 to USD29.0 million as at 29th February 2008. The increase in cash and bank balances was mainly due to the increase in fixed deposits and bank balances charged or pledged as security for the banks for credit facility granted.

Consolidated Balance Sheet for the Group (in USD thousands)

	As at 29 th February 2008	As at 31 st August 2007	% Increase / (Decrease)
Non-current asset			
Property, plant and equipment	286,486	229,875	24.6%
Current assets			
Trade receivables	20,628	20,244	1.9%
Other receivables and prepayments	1,410	658	114.3%
Inventories – bunker stock	1,259	17	7,305.9%
Amounts due from related companies (trade)	-	792	(100.0%)
Amounts due from related companies (non-trade)	-	21,176	(100.0%)
Amounts due from related parties (non-trade)	28,687	-	n.m
Derivative financial instruments	53	251	(78.9%)
Fixed deposits	13,053	12,000	8.8%
Cash and bank balances	15,899	3,130	408.0%
Total current assets	80,989	58,268	39.0%
Total assets	367,475	288,143	27.5%
Current liabilities			
Trade payables	5,953	5,045	18.0%
Other payables and accruals	21,512	18,390	17.0%
Premium payable	152	164	(7.3%)
Amounts due to holding company (non- trade)	-	5,763	(100.0%)
Amounts due to related companies (non-trade)	-	13,069	(100.0%)
Amounts due to related parties (trade)	1,345	-	n.m
Amounts due to related parties (non-trade)	13,831	-	n.m
Bank term loans	13,481	5,356	151.7%
Deferred income	1,761	2,037	(13.5%)
Provision for taxation	2,474	1,400	76.7%
Total current liabilities	60,509	51,224	18.1%
Non- current liabilities			
Premium payable	301	364	(17.3%)
Bank term loans	176,292	115,950	52.0%
Amounts due to holding company (non-trade)	-	32,800	(100.0%)
Amounts due to a related party (non-trade)	32,800	-	n.m
Deferred tax liabilities	-	234	(100.0%)
Total non-current liabilities	209,393	149,348	40.2%
Equity attributable to equity holders			
Share capital	94,578	94,578	-
Hedging reserve	1	122	(99.2%)
Restructuring deficit	(31,191)	(31,191)	-
Accumulated profits	34,185	24,062	42.1%
Total equity	97,573	87,571	11.4%
Total liabilities and equity	367,475	288,143	27.5%

n.m – Not meaningful