

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

**UNAUDITED 2<sup>ND</sup> QUARTER FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2007****PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Q2 2008	Q2 2007	Increase/ (decrease)	1H 2008	1H 2007	Increase/ (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3,242	6,322	(48.7)	6,523	12,957	(49.7)
Other operating income	98	444	(77.9)	183	923	(80.2)
Depreciation expense on property, plant and equipment, and investment properties	(443)	(625)	(29.1)	(891)	(1,202)	(25.9)
Vessel operation and crew management costs	(708)	(873)	(18.9)	(1,497)	(1,857)	(19.4)
Staff costs	(1,467)	(4,288)	(65.8)	(2,806)	(8,602)	(67.4)
Other operating expenses	(337)	(351)	( 4.0)	(576)	(697)	(17.4)
Operating profit before other gains	385	629	(38.8)	936	1,522	(38.5)
Negative goodwill on acquisition of a subsidiary	-	-	-	-	244	NM
Results from operating activities	385	629	(38.8)	936	1,766	(47.0)
Finance income (ii)	(143)	2,190	(106.5)	2,802	4,081	(31.3)
Exchange differences (iii)	2,225	(983)	(326.3)	826	(1,119)	(173.8)
Share of results of associated companies	289	21	1,276.2	581	352	65.1
Profit before taxation	2,756	1,857	48.4	5,145	5,080	1.3
Taxation (iv)	1	(64)	(101.6)	(198)	(173)	14.5
Profit for the period	2,757	1,793	53.8	4,947	4,907	0.8
Attributable to:						
Equity holders of the Company				4,947	4,907	0.8
Earnings per share, cents						
Basic				1.1	1.1	
Diluted				1.1	1.1	

Q2: 2<sup>nd</sup> Quarter1H: 1<sup>st</sup> Half

NM: Not meaningful

Note (i)

The decrease in vessel operation and crew management costs, staff and other operating expenses for Q2 and 1H 2008 were mainly attributable to cessation of manning service from January 2007 for third party vessels.

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**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)**Note (ii) Finance income

	Q2 2008 \$'000	Q2 2007 \$'000	1H 2008 \$'000	1H 2007 \$'000
Interest income on deposits with banks	694	1,323	1,679	2,864
Interest income on security notes and structured deposits	30	30	56	104
Interest income on equity linked notes	876	490	1,534	958
Premium income on foreign exchange options	-	51	-	51
Dividend income from quoted equity securities	42	33	192	33
Net gain on disposal of quoted equity securities	442	71	1,002	122
Net change in fair value of financial assets held-for-trading	(2,227)	192	(1,661)	(51)
	<u>( 143)</u>	<u>2,190</u>	<u>2,802</u>	<u>4,081</u>

Note (iii) Exchange differences

	Q2 2008 \$'000	Q2 2007 \$'000	1H 2008 \$'000	1H 2007 \$'000
Net exchange gain / (loss)	1,369	(578)	1,248	(568)
Net change in fair value of foreign exchange options	856	(405)	(422)	(551)
	<u>2,225</u>	<u>( 983)</u>	<u>826</u>	<u>(1,119)</u>

Note (iv) Taxation

The income tax expense on the results of the Group for the financial period varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation, due to the following factors:

	Q2 2008 \$'000	Q2 2007 \$'000	1H 2008 \$'000	1H 2007 \$'000
Profit before taxation	<u>2,756</u>	<u>1,857</u>	<u>5,145</u>	<u>5,080</u>
Tax calculated using Singapore tax rate of 18% (2007:20%)	496	371	926	1,016
Singapore statutory stepped income exemption	(3)	-	(31)	(21)
Income not subject to tax	(225)	(412)	(761)	(934)
Expenses not deductible for tax purposes	(280)	105	76	174
Utilisation of previously unrecognised tax losses	(1)	(21)	(7)	(29)
Under / (over) provision in prior years	12	-	8	(23)
Others	-	21	(13)	(10)
	<u>(1)</u>	<u>64</u>	<u>198</u>	<u>173</u>

**SINGAPORE SHIPPING CORPORATION LIMITED**

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**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.**

	<u>The Group</u>		<u>The Company</u>	
	30.9.2007 \$'000	31.3.2007 \$'000	30.9.2007 \$'000	31.3.2007 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	16,859	18,018	-	-
Investment properties	406	428	-	-
Investments in subsidiaries	-	-	42,686	42,686
Investments in associated companies	1,887	1,307	-	-
Financial assets available-for-sale	11	9	-	-
Other assets	331	318	-	-
	<u>19,494</u>	<u>20,080</u>	<u>42,686</u>	<u>42,686</u>
<b>Current assets</b>				
Inventories	154	123	-	-
Trade and other receivables	1,443	918	78,193	109,288
Financial assets held-for-trading	38,452	36,544	-	-
Cash and cash equivalents	81,524	131,926	19,584	36,282
	<u>121,573</u>	<u>169,511</u>	<u>97,777</u>	<u>145,570</u>
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	3,841	4,814	46,391	44,460
Current tax payable	175	108	20	58
	<u>4,016</u>	<u>4,922</u>	<u>46,411</u>	<u>44,518</u>
<b>Net current assets</b>	117,557	164,589	51,366	101,052
<b>Non-current liability</b>				
Deferred tax liability	726	625	-	-
<b>Net assets</b>	<u>136,325</u>	<u>184,044</u>	<u>94,052</u>	<u>143,738</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	44,347	44,347	44,347	44,347
Other reserves	(2,992)	(2,648)	-	-
Retained earnings	94,970	142,345	49,705	99,391
<b>Total equity</b>	<u>136,325</u>	<u>184,044</u>	<u>94,052</u>	<u>143,738</u>

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

**Amount repayable in one year or less, or on demand**

As at 30/9/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Amount repayable after one year**

As at 30/9/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral :** Not applicable

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

	1H 2008 \$'000	1H 2007 \$'000
<b>Operating activities</b>		
Profit before taxation	5,145	5,080
Adjustments for:		
Depreciation expense on property, plant and equipment, and investment properties	891	1,202
Loss on disposal of property, plant and equipment	16	1
Negative goodwill on acquisition of a subsidiary	-	(244)
Interest and premium income	(3,269)	(3,977)
Dividend income	(192)	(33)
Net gain on disposal of quoted equity securities	(1,002)	(122)
Net change in fair value of financial assets held-for-trading	1,661	51
Net change in fair value of foreign exchange options	422	551
Share of results of associated companies	(581)	(352)
	<u>3,091</u>	<u>2,157</u>
Changes in working capital:		
Inventories	(33)	(5)
Trade and other receivables	(447)	(1,911)
Trade and other payables	(1,068)	1,264
Cash generated from operations	1,543	1,505
Income taxes discharged	(37)	(2,649)
<b>Cash flows from operating activities</b>	<u>1,506</u>	<u>(1,144)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(24)	(1,149)
Payments for drydocking expenditure	-	(1,027)
Purchase of financial assets held-for-trading	(12,763)	(789)
Investment in associated companies	-	(4,769)
Loan to an associated company	-	(4,305)
Repayment by an associated company	-	485
Interest and premium received	3,206	3,921
Dividends received from quoted equity securities	187	33
Net cash inflow on acquisition of a subsidiary (i)	-	507
Proceeds from sale of financial assets held-for-trading	10,011	2,062
Proceeds from sale of property, plant and equipment	2	-
<b>Cash flows from investing activities</b>	<u>619</u>	<u>(5,031)</u>
<b>Financing activities</b>		
Dividends paid	(52,322)	(52,322)
<b>Cash flows from financing activities</b>	<u>(52,322)</u>	<u>(52,322)</u>
<b>Change in cash and cash equivalents</b>	(50,197)	(58,497)
Cash and cash equivalents at beginning of the year	131,926	184,219
Effects of exchange rate fluctuations on cash and cash equivalents	(205)	(955)
<b>Cash and cash equivalents at end of the period</b>	<u>81,524</u>	<u>124,767</u>

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**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)**Note (i) Net cash inflow on acquisition of a subsidiary

In the previous financial year, the Group acquired an additional 50% interest in Seatrade Ship Management Pte Ltd for a consideration of approximately \$6,000. The effect of the acquisition in 1H 2007 is set out below:

	Carrying amounts \$'000	Fair value adjustments* \$'000	Recognised values \$'000
Trade and other receivables	(3,658)	-	(3,658)
Trade and other payables	3,671	-	3,671
Net identifiable assets and liabilities	13	-	13
Recognition of negative goodwill			244
Amount relating to the equity interest previously held by the Group			250
			<u>507</u>
Total cash consideration paid			(6)
Cash and cash equivalents in subsidiary acquired			<u>513</u>
Net cash inflow			<u>507</u>

\* *The carrying amounts of the identifiable assets acquired and liabilities assumed approximate their fair values.*

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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.

<u>The Group</u>	Share capital	Fair value reserve	Currency translation reserve	Retained earnings	Total attributable to equity holders of the Company
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2006</b>	<b>44,347</b>	<b>6</b>	<b>(1,044)</b>	<b>181,560</b>	<b>224,869</b>
Currency translation differences of foreign operations	-	-	(1,182)	-	(1,182)
Net losses recognised directly in equity	-	-	(1,182)	-	(1,182)
Profit for the period	-	-	-	4,907	4,907
Total recognised income and expense for the period	-	-	(1,182)	4,907	3,725
Dividends	-	-	-	(52,322)	(52,322)
<b>Balance at 30 September 2006</b>	<b>44,347</b>	<b>6</b>	<b>(2,226)</b>	<b>134,145</b>	<b>176,272</b>
Currency translation differences of foreign operations	-	-	(429)	-	(429)
Net change in fair value of financial assets available-for-sale	-	1	-	-	1
Net gains / (losses) recognised directly in equity	-	1	(429)	-	(428)
Profit for the period	-	-	-	8,200	8,200
Total recognised income and expense for the period	-	1	(429)	8,200	7,772
<b>Balance at 31 March 2007</b>	<b>44,347</b>	<b>7</b>	<b>(2,655)</b>	<b>142,345</b>	<b>184,044</b>
Currency translation differences of foreign operations	-	-	(345)	-	(345)
Net change in fair value of financial assets available-for-sale	-	1	-	-	1
Net gains / (losses) recognised directly in equity	-	1	(345)	-	(344)
Profit for the period	-	-	-	4,947	4,947
Total recognised income and expense for the period	-	1	(345)	4,947	4,603
Dividends	-	-	-	(52,322)	(52,322)
<b>Balance at 30 September 2007</b>	<b>44,347</b>	<b>8</b>	<b>(3,000)</b>	<b>94,970</b>	<b>136,325</b>

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- 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. (continued)**

**The Company**

	Share capital	Retained earnings	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 April 2006</b>	<b>44,347</b>	<b>143,329</b>	<b>187,676</b>
Loss for the period	-	(581)	(581)
Dividends	-	(52,322)	(52,322)
<b>Balance at 30 September 2006</b>	<b>44,347</b>	<b>90,426</b>	<b>134,773</b>
Profit for the period	-	8,965	8,965
<b>Balance at 31 March 2007</b>	<b>44,347</b>	<b>99,391</b>	<b>143,738</b>
Profit for the period	-	2,636	2,636
Dividends	-	(52,322)	(52,322)
<b>Balance at 30 September 2007</b>	<b>44,347</b>	<b>49,705</b>	<b>94,052</b>

- 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 current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Nil

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

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable

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

The Group has applied the same accounting policies and methods of computation in the current reporting period's financial statements as compared with the audited financial statements for the financial year ended 31 March 2007 except as disclosed in item 5 below.

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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.**

The Group has adopted new / revised Singapore Financial Reporting Standards (FRS) that have become effective for the financial year beginning 1 April 2007.

In particular, FRS 40 Investment Property, which becomes mandatory for the Group from 1 April 2007, permits investment property to be stated at either fair value or cost less accumulated depreciation and accumulated impairment losses. The Group continues to state its investment properties, which comprise freehold land and building and leasehold building, at cost less accumulated depreciation and accumulated impairment losses.

The adoption of the new / revised FRS does not have any material impact on the financial statements.

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.**

	The Group	
	1H 2008 Cents	1H 2007 Cents
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	1.1	1.1
(ii) fully diluted basis	1.1	1.1

The weighted average number of ordinary shares in issue and on a fully diluted basis for both periods are 436,016,591 ordinary shares as there were no new issues or outstanding share options.

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 year**

	The Group		The Company	
	30.9.2007	31.3.2007	30.9.2007	31.3.2007
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	\$0.31	\$0.42	\$0.22	\$0.33

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### 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business.

#### REVENUE

	Q2 2008	Q2 2007	Unfavourable variance	1H 2008	1H 2007	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	3,242	6,322	(48.7)	6,523	12,957	(49.7)

The Group's turnover for Q2 2008 and 1H 2008 decreased by approximately \$3.1 million (48.7%) and \$6.4 million (49.7%) respectively when compared to Q2 2007 and 1H 2007. The unfavourable variance was due to cessation of manning service from January 2007 for third party vessels.

#### PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q2 2008	Q2 2007	Favourable / (unfavourable) variance	1H 2008	1H 2007	Favourable / (unfavourable) variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	674	650	3.7	1,517	1,874	(19.1)
Unallocated items	2,083	1,143	82.2	3,430	2,789	23.0
Net profit before other gains	2,757	1,793	53.8	4,947	4,663	6.1
Negative goodwill on acquisition of a subsidiary	-	-	-	-	244	NM
	2,757	1,793	53.8	4,947	4,907	0.8

*NM: Not meaningful*

The Group's net profit before other gains for Q2 2008 and 1H 2008 increased by approximately \$1.0 million (53.8%) and \$0.3 million (6.1%) respectively when compared to Q2 2007 and 1H 2007. Unallocated items refer to finance income, exchange differences and taxation.

The favourable variance for 1H 2008's net profit before other gains compared to 1H 2007 may be summarised as follows:

	Favourable / (unfavourable) variance \$'m
• Lower income from ship owning and management was due to higher vessel operating costs and cessation of manning service for third party vessels.	(0.3)
• Lower finance income was due to unrealised fair value loss on financial assets held-for-trading of approximately \$1.6 million.	(1.3)
• Favourable exchange differences was mainly due to exchange gain in 1H 2008.	1.9
	<u>0.3</u>

The Group is naturally long in USD as shipping income is predominantly denominated in USD. The Group had converted part of its cash reserve into Yen, in anticipation of potential ship acquisitions and new buildings from the Japanese market. As at 30 September 2007, the currency composition of the Group's cash and cash equivalents and financial assets held-for-trading was approximately 48% in Singapore dollars, 18% in USD and 34% in Yen.

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

Not applicable

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.**

The Group expects the performance for the second half of the current financial year to remain profitable and will continue to source for suitable vessels to expand its current fleet and operations.

11. **Dividends**

**(a) Current Financial Period Reported On**

Any dividend declared 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 dividend has been declared or recommended.

## PART II ADDITIONAL INFORMATION

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

The Group is principally engaged in ship owning and ship management. The assets, liabilities and capital expenditure of the Group are employed in this sole business segment.

b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the country of domicile of the customers.

	1H 2008 \$'000	1H 2007 \$'000
Revenue		
Singapore	56	6,551
Japan	6,467	6,406
	<u>6,523</u>	<u>12,957</u>

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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.

See comments under item 8.

15. A breakdown of sales and operating profit.

	2008 \$'000	2007 \$'000	Increase/ (decrease) %
(a) Sales reported for first quarter	3,281	6,635	(50.6)
(b) Operating profit after taxation before deducting minority interest reported for first quarter:			
Before other gains	2,190	2,870	(23.7)
After other gains	2,190	3,114	(29.7)
(c) Sales reported for second quarter	3,242	6,322	(48.7)
(d) Operating profit after taxation before deducting minority interests reported for second quarter:			
Before other gains	2,757	1,793	53.8
After other gains	2,757	1,793	53.8
(e) Sales reported for first half	6,523	12,957	(49.7)
(f) Operating profit after taxation before deducting minority interests reported for first half:			
Before other gains	4,947	4,663	6.1
After other gains	4,947	4,907	0.8

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

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	-	-
Preference	-	-
Total:	-	-

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**17. Interested person transactions (IPT)**

Name of interested person	1H 2008 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	1H 2007 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)
Paid to a subsidiary of Stamford Land Corporation Ltd - Rental expense	\$122,000	\$235,000

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000) is nil for both 1H 2008 and 1H 2007.

**BY ORDER OF THE BOARD**

Rebecca Marie Stephanie Tai-Yeo Hsiu Erh  
Company Secretary

6 November 2007

**SINGAPORE SHIPPING CORPORATION LIMITED**

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**Statement by Directors**  
**Pursuant to SGX Listing Rule 705 (4)**

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six months ended 30 September 2007 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat  
Director

Ow Cheo Guan  
Director

6 November 2007