

SINGAPORE SHIPPING CORPORATION LIMITED
(Company Registration Number: 198801332G)

**UNAUDITED 1ST QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008**

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.

	Q1 2009	Q1 2008	Increase/ (decrease)
	\$'000	\$'000	%
Revenue	2,543	3,281	(22.5)
Other operating income	61	85	(28.2)
Depreciation expense on property, plant and equipment	(331)	(447)	(26.0)
Depreciation expense on investment properties	(1)	(1)	-
Vessel operation and crew management costs	(828)	(789)	4.9
Staff costs	(1,371)	(1,339)	2.4
Other operating expenses	(299)	(239)	25.1
Results from operating activities	(226)	551	(141.0)
Finance income (i)	1,744	2,945	(40.8)
Exchange differences (ii)	(333)	(1,399)	(76.2)
Share of results of associated companies	257	292	(12.0)
Profit before taxation	1,442	2,389	(39.6)
Taxation (iii)	39	(199)	(119.6)
Profit for the period	1,481	2,190	(32.4)
Attributable to:			
Equity holders of the Company	1,481	2,190	(32.4)
Earnings per share, cents			
Basic	0.3	0.5	
Diluted	0.3	0.5	

Q1: 1st Quarter

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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 (i) Finance income

	Q1 2009	Q1 2008
	\$'000	\$'000
Interest income on deposits with banks	143	985
Interest income on security notes	-	26
Interest income on equity linked notes	85	658
Dividend income from quoted equity securities	255	150
Net (loss) / gain on disposal of quoted equity securities	(282)	560
Net change in fair value of financial assets held-for-trading	1,543	566
	<u>1,744</u>	<u>2,945</u>

Note (ii) Exchange differences

	Q1 2009	Q1 2008
	\$'000	\$'000
Net exchange loss	(1,142)	(121)
Net change in fair value of foreign exchange options	809	(1,278)
	<u>(333)</u>	<u>(1,399)</u>

Note (iii) 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:

	Q1 2009	Q1 2008
	\$'000	\$'000
Profit before taxation	<u>1,442</u>	<u>2,389</u>
Tax calculated using Singapore tax rate of 18% (2008: 18%)	259	430
Singapore statutory stepped income exemption	(12)	(28)
Income not subject to tax	(418)	(536)
Expenses not deductible for tax purposes	182	356
Utilisation of previously unrecognised tax losses	(2)	(6)
Over provision in prior years	(48)	(4)
Tax benefits recognised	-	(13)
	<u>(39)</u>	<u>199</u>

SINGAPORE SHIPPING CORPORATION LIMITED
(Company Registration Number: 198801332G)

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.

	The Group		The Company	
	30.6.2008	31.3.2008	30.6.2008	31.3.2008
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	18,477	15,263	-	-
Investment properties	421	422	-	-
Subsidiaries	-	-	34,165	34,165
Associated companies	2,728	2,475	-	-
Available-for-sale financial assets	11	11	-	-
Other assets	339	339	-	-
	21,976	18,510	34,165	34,165
Current assets				
Inventories	96	143	-	-
Trade and other receivables	566	640	47,949	39,509
Financial assets held-for-trading	19,875	24,457	-	-
Cash and cash equivalents	46,665	40,547	4,534	12,104
	67,202	65,787	52,483	51,613
Less:				
Current liabilities				
Trade and other payables	6,192	2,643	28,131	27,672
Current tax payable	-	9	-	2
	6,192	2,652	28,131	27,674
Net current assets	61,010	63,135	24,352	23,939
Non-current liability				
Deferred tax liability	10	-	-	-
Net assets	82,976	81,645	58,517	58,104
Equity attributable to equity holders of the Company				
Share capital	44,347	44,347	44,347	44,347
Other reserves	(4,304)	(4,154)	-	-
Retained earnings	42,933	41,452	14,170	13,757
Total equity	82,976	81,645	58,517	58,104

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

Amount repayable in one year or less, or on demand

As at 30/6/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/6/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral : Not applicable

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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

	Q1 2009	Q1 2008
	\$'000	\$'000
Operating activities		
Profit before taxation	1,442	2,389
Adjustments for:		
Depreciation expense on property, plant and equipment	331	447
Depreciation expense on investment properties	1	1
Loss on disposal of property, plant and equipment	38	-
Interest and premium income	(228)	(1,669)
Dividend income	(255)	(150)
Net loss / (gain) on disposal of quoted equity securities	282	(560)
Net change in fair value of financial assets held-for-trading	(1,543)	(566)
Net change in fair value of foreign exchange options	(809)	1,278
Share of results of associated companies	(257)	(292)
	(998)	878
Changes in working capital:		
Inventories	45	(106)
Trade and other receivables	118	274
Trade and other payables	754	(303)
Cash generated from operations	(81)	743
Income taxes discharged	39	1
Cash flows from operating activities	(42)	744
Investing activities		
Purchase of property, plant and equipment	(1,030)	(19)
Payments for drydocking expenditure	(2,775)	-
Trade payables relating to purchase of property, plant and equipment and drydocking expenditure	3,761	-
Net proceeds from maturity / (purchase) of financial assets held-for-trading	2,431	(12,475)
Interest and premium received	177	1,605
Dividends received from quoted equity securities	255	145
Proceeds from sale of financial assets held-for-trading	3,343	6,684
Proceeds from sale of property, plant and equipment	-	2
Cash flows from investing activities	6,162	(4,058)
Change in cash and cash equivalents	6,120	(3,314)
Cash and cash equivalents at beginning of the year	40,547	131,926
Effects of exchange rate fluctuations on cash and cash equivalents	(2)	(681)
Cash and cash equivalents at end of the period	46,665	127,931

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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.

The Group	Share capital	Fair value reserve	Currency translation reserve	Retained earnings	Total attributable to equity holders of the Company
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2007	44,347	7	(2,655)	142,345	184,044
Currency translation differences of foreign operations	-	-	176	-	176
Net change in fair value of available-for-sale financial assets	-	1	-	-	1
Net gains recognised directly in equity	-	1	176	-	177
Profit for the period	-	-	-	2,190	2,190
Total recognised income and expense for the period	-	1	176	2,190	2,367
Balance at 30 June 2007	44,347	8	(2,479)	144,535	186,411
Currency translation differences of foreign operations	-	-	(1,682)	-	(1,682)
Net change in fair value of available-for-sale financial assets	-	(1)	-	-	(1)
Net losses recognised directly in equity	-	(1)	(1,682)	-	(1,683)
Profit for the period	-	-	-	1,561	1,561
Total recognised income and expense for the period	-	(1)	(1,682)	1,561	(122)
Dividends	-	-	-	(104,644)	(104,644)
Balance at 31 March 2008	44,347	7	(4,161)	41,452	81,645
Currency translation differences of foreign operations	-	-	(150)	-	(150)
Net losses recognised directly in equity	-	-	(150)	-	(150)
Profit for the period	-	-	-	1,481	1,481
Total recognised income and expense for the period	-	-	(150)	1,481	1,331
Balance at 30 June 2008	44,347	7	(4,311)	42,933	82,976

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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)**

<u>The Company</u>	Share capital \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 April 2007	44,347	99,391	143,738
Loss for the period	-	(702)	(702)
Balance at 30 June 2007	44,347	98,689	143,036
Profit for the period	-	19,712	19,712
Dividends	-	(104,644)	(104,644)
Balance at 31 March 2008	44,347	13,757	58,104
Profit for the period	-	413	413
Balance at 30 June 2008	44,347	14,170	58,517

- 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 2008.

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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.**

	The Group	
	Q1 2009	Q1 2008
	Cents	Cents
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	0.3	0.5
(ii) fully diluted basis	0.3	0.5

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	
	30.6.2008	31.3.2008	30.6.2008	31.3.2008
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	\$0.19	\$0.19	\$0.13	\$0.13

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

REVENUE

	Q1 2009	Q1 2008	Unfavourable variance
	\$'000	\$'000	%
Ship owning & management	2,543	3,281	(22.5)

The Group's turnover for Q1 2009 decreased by approximately \$0.7 million (22.5%) when compared to Q1 2008. The unfavourable variance was due to off-hire of a vessel for drydocking in June 2008 and the weakening of the United States (US) dollar against the Singapore dollar (the Group's charter income are denominated in US dollar).

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (continued)PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q1 2009	Q1 2008	Favourable / (unfavourable) variance
	\$'000	\$'000	%
Ship owning & management	31	843	(96.3)
Unallocated items ^(a)	1,450	1,347	7.6
Net profit for the period	1,481	2,190	(32.4)

^(a) Unallocated items refer to finance income, exchange differences and taxation.

The unfavourable variance of approximately \$0.7 million in net profit for the period may be summarised as follows:

	Favourable / (unfavourable) variance
	\$'m
• Lower income from ship owning due to the weakening of the US dollar against the Singapore dollar, off-hire of a vessel for drydocking and higher vessel operating costs	(0.8)
• Lower finance income due to falling interest rates and decrease in cash resources (cash dividends of \$104.6 million were paid in 2007), was partially offset by favourable net change in fair value of financial assets held-for-trading	(1.2)
• Lower exchange loss	1.1
• Lower tax	0.2
	<u>(0.7)</u>

BALANCE SHEET

The increase in property, plant and equipment is mainly due to the drydocking expenditure and purchase of replacement parts to extend the economic useful life of a vessel, incurred in June 2008. These also account for the corresponding increase in trade and other payables as at 30 June 2008 as compared to 31 March 2008.

CASH FLOW STATEMENT

The decrease in cash flows from operating activities is mainly due to the weakening of the US dollar against the Singapore dollar and higher vessel operating costs.

The positive cash flows from investing activities is due to proceeds received from sale and maturity of the financial assets held-for-trading. No new financial assets held-for-trading were purchased during the 3 months ended 30 June 2008.

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

Not applicable

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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.**

As a tonnage supplier, we continue to view current ship prices to be at a high level due to the high costs of raw materials. Further, the delivery of new-buildings coming on stream amidst the credit crunch will likely result in an uncertain market situation. Under those circumstances, the Group which has no borrowings and has sufficient cash resources, will be well poised to seize the opportunities when ship prices fall, to expand its current fleet.

The Group expects its financial results for the subsequent quarters to remain stable, as its vessels are on long-term charter.

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.

	Q1 2009	Q1 2008
	\$'000	\$'000
Revenue		
Singapore	34	28
Japan	2,509	3,253
	<u>2,543</u>	<u>3,281</u>

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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.**

Not applicable

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:	-	-

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

Name of interested person	Q1 2009 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	Q1 2008 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)
	*	*

* Rental expense paid to a subsidiary of Stamford Land Corporation Ltd for Q1 2009 and Q1 2008 were below \$100,000

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000) is nil for both Q1 2009 and Q1 2008.

18. **Subsequent event**

On 29 July 2008, the Group announced that it had entered into an agreement to sell its investment property at 15 Enggor Street, Realty Centre #10-04, Singapore 079716 for a gross sale consideration of \$1,447,200. The proposed disposal is expected to be completed no later than 15 October 2008. In the event the proposed disposal proceeds to completion, the Group will recognise a net gain on disposal of approximately \$1.3 million.

BY ORDER OF THE BOARD

Christina Chew Heng Siang / Claire Nazar
Joint Company Secretaries

30 July 2008

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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 three months ended 30 June 2008 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

30 July 2008