

**UNAUDITED 2ND QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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.

	Q2 2009	Q2 2008	Favourable/ (unfavourable)	1H 2009	1H 2008	Favourable/ (unfavourable)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	2,733	3,242	(15.7)	5,276	6,523	(19.1)
Other operating income	62	98	(36.7)	123	183	(32.8)
Depreciation expense on property, plant and equipment	(561)	(441)	(27.2)	(892)	(888)	(0.5)
Depreciation expense on investment properties	(2)	(2)	-	(3)	(3)	-
Vessel operation and crew management costs	(814)	(708)	(15.0)	(1,642)	(1,497)	(9.7)
Staff costs	(1,542)	(1,467)	(5.1)	(2,913)	(2,806)	(3.8)
Other operating expenses	(325)	(337)	3.6	(624)	(576)	(8.3)
Results from operating activities	(449)	385	(216.6)	(675)	936	(172.1)
Net finance (expense) / income (i)	(3,103)	(143)	(2,069.9)	(1,359)	2,802	(148.5)
Exchange differences (ii)	384	2,225	(82.7)	51	826	(93.8)
Share of results of associated companies	82	289	(71.6)	339	581	(41.7)
(Loss) / profit before taxation	(3,086)	2,756	(212.0)	(1,644)	5,145	(132.0)
Taxation (iii)	7	1	600.0	46	(198)	123.2
(Loss) / profit for the period	(3,079)	2,757	(211.7)	(1,598)	4,947	(132.3)
Attributable to:						
Equity holders of the Company				(1,598)	4,947	(132.3)
(Loss) / earnings per share, cents						
Basic				(0.4)	1.1	
Diluted				(0.4)	1.1	

Q2: 2nd Quarter

1H: 1st Half

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) Net finance (expense) / income

	Q2 2009	Q2 2008	1H 2009	1H 2008
	\$'000	\$'000	\$'000	\$'000
Interest income on deposits with banks	122	694	265	1,679
Interest income on security notes	-	30	-	56
Interest income on equity linked notes	9	876	94	1,534
Dividend income from quoted equity securities	158	42	413	192
Net (loss)/gain on disposal of quoted equity securities	(5)	442	(287)	1,002
Net change in fair value of financial assets held-for-trading	(3,387)	(2,227)	(1,844)	(1,661)
	(3,103)	(143)	(1,359)	2,802

Note (ii) Exchange differences

	Q2 2009	Q2 2008	1H 2009	1H 2008
	\$'000	\$'000	\$'000	\$'000
Net exchange gain/(loss)	384	1,369	(758)	1,248
Net change in fair value of foreign exchange options	-	856	809	(422)
	384	2,225	51	826

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:

	Q2 2009	Q2 2008	1H 2009	1H 2008
	\$'000	\$'000	\$'000	\$'000
(Loss) / profit before taxation	(3,086)	2,756	(1,644)	5,145
Tax calculated using Singapore tax rate of 18% (2008:18%)	(555)	496	(296)	926
Singapore statutory stepped income exemption	8	(3)	(4)	(31)
Income not subject to tax	(208)	(225)	(626)	(761)
Expenses not deductible for tax purposes	(10)	(280)	172	76
Utilisation of previously unrecognised tax losses	(13)	(1)	(15)	(7)
(Over) / under provision in prior years	(1)	12	(49)	8
Tax benefits not recognised / (recognised)	772	-	772	(13)
	(7)	(1)	(46)	198

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.

	The Group		The Company	
	30.9.2008	31.3.2008	30.9.2008	31.3.2008
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	18,623	15,263	-	-
Investment properties	297	422	-	-
Subsidiaries	-	-	34,165	34,165
Associated companies	2,698	2,475	-	-
Available-for-sale financial assets	9	11	-	-
Other assets	333	339	-	-
	<u>21,960</u>	<u>18,510</u>	<u>34,165</u>	<u>34,165</u>
Current assets				
Inventories	230	143	-	-
Trade and other receivables	2,995	640	36,792	39,509
Financial assets held-for-trading	16,668	24,457	-	-
Cash and cash equivalents	35,174	40,547	8,501	12,104
Assets classified as held for sale (i)	123	-	-	-
	<u>55,190</u>	<u>65,787</u>	<u>45,293</u>	<u>51,613</u>
Less:				
Current liabilities				
Trade and other payables	5,429	2,643	28,145	27,672
Current tax payable	3	9	-	2
	<u>5,432</u>	<u>2,652</u>	<u>28,145</u>	<u>27,674</u>
Net current assets	49,758	63,135	17,148	23,939
Non-current liability				
Deferred tax liability	-	-	-	-
Net assets	<u>71,718</u>	<u>81,645</u>	<u>51,313</u>	<u>58,104</u>
Equity attributable to equity holders of the Company				
Share capital	44,347	44,347	44,347	44,347
Other reserves	(3,763)	(4,154)	-	-
Retained earnings	31,134	41,452	6,966	13,757
Total equity	<u>71,718</u>	<u>81,645</u>	<u>51,313</u>	<u>58,104</u>

Note (i) Assets classified as held for sale

On 29 July 2008, the Group announced that it had entered into an agreement to sell its property situated at 15 Enggor Street, Realty Centre #10-04, Singapore 079716 for a gross consideration of \$1,447,200. The sale was completed on 15 October 2008. As such, the Group has reclassified the above mentioned property as "Assets classified as held for sale".

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

Amount repayable in one year or less, or on demand

As at 30/9/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/9/2008		As at 31/03/2008	
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 2009	1H 2008
	\$'000	\$'000
Operating activities		
(Loss) / profit before taxation	(1,644)	5,145
Adjustments for:		
Depreciation expense on property, plant and equipment	892	888
Depreciation expense on investment properties	3	3
Loss on disposal of property, plant and equipment	30	16
Interest income	(359)	(3,269)
Dividend income	(413)	(192)
Net loss / (gain) on disposal of quoted equity securities	287	(1,002)
Net change in fair value of financial assets held-for-trading	1,844	1,661
Net change in fair value of foreign exchange options	(809)	422
Share of results of associated companies	(339)	(581)
	(508)	3,091
Changes in working capital:		
Inventories	(82)	(33)
Trade and other receivables	(2,359)	(447)
Trade and other payables	2,192	(1,068)
Cash generated from operations	(757)	1,543
Income taxes discharged / (paid)	48	(37)
Cash flows from operating activities	(709)	1,506
Investing activities		
Purchase of property, plant and equipment	(782)	(24)
Payments for drydocking expenditure	(3,016)	-
Trade payables relating to purchase of property, plant and equipment and drydocking expenditure	1,568	-
Net proceeds from maturity / (purchase) of financial assets held-for-trading	2,126	(12,763)
Interest received	374	3,206
Dividends received from quoted equity securities	413	187
Proceeds from sale of financial assets held-for-trading	3,369	10,011
Proceeds from sale of property, plant and equipment	-	2
Cash flows from investing activities	4,052	619
Financing activities		
Dividends paid	(8,720)	(52,322)
Cash flows from financing activities	(8,720)	(52,322)
Change in cash and cash equivalents	(5,377)	(50,197)
Cash and cash equivalents at beginning of the year	40,547	131,926
Effects of exchange rate fluctuations on cash and cash equivalents	4	(205)
Cash and cash equivalents at end of the period	35,174	81,524

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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.

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	-	-	(345)	-	(345)
Net change in fair value of available-for-sale financial assets	-	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)
Balance at 30 Sep 2007	44,347	8	(3,000)	94,970	136,325
Currency translation differences of foreign operations	-	-	(1,161)	-	(1,161)
Net change in fair value of available-for-sale financial assets	-	(1)	-	-	(1)
Net losses recognised directly in equity	-	(1)	(1,161)	-	(1,162)
Loss for the period	-	-	-	(1,196)	(1,196)
Total recognised income and expense for the period	-	(1)	(1,161)	(1,196)	(2,358)
Dividends	-	-	-	(52,322)	(52,322)
Balance at 31 March 2008	44,347	7	(4,161)	41,452	81,645
Currency translation differences of foreign operations	-	-	394	-	394
Net change in fair value of available-for-sale financial assets	-	(3)	-	-	(3)
Net (losses) / gains recognised directly in equity	-	(3)	394	-	391
Loss for the period	-	-	-	(1,598)	(1,598)
Total recognised income and expense for the period	-	(3)	394	(1,598)	(1,207)
Dividends	-	-	-	(8,720)	(8,720)
Balance at 30 Sep 2008	44,347	4	(3,767)	31,134	71,718

SINGAPORE SHIPPING CORPORATION LIMITED

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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)

<u>The Company</u>	Share capital \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 April 2007	44,347	99,391	143,738
Profit for the period	-	2,636	2,636
Dividends	-	(52,322)	(52,322)
Balance at 30 September 2007	44,347	49,705	94,052
Profit for the period	-	16,374	16,374
Dividends	-	(52,322)	(52,322)
Balance at 31 March 2008	44,347	13,757	58,104
Profit for the period	-	1,929	1,929
Dividends	-	(8,720)	(8,720)
Balance at 30 September 2008	44,347	6,966	51,313

- 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

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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.**

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	
	1H 2009	1H 2008
	Cents	Cents
(Loss) / earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	(0.4)	1.1
(ii) fully diluted basis	(0.4)	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	
	30.9.2008	31.3.2008	30.9.2008	31.3.2008
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	\$0.16	\$0.19	\$0.12	\$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

	Q2 2009	Q2 2008	Unfavourable variance	1H 2009	1H 2008	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	2,733	3,242	(15.7)	5,276	6,523	(19.1)

The Group's turnover for Q2 2009 and 1H 2009 decreased by approximately \$0.5 million (15.7%) and \$1.2 million (19.1%) respectively when compared to Q2 2008 and 1H 2008. The unfavourable variance was due to;

- off-hire of a vessel for drydocking and repair
- the weakening of the United States (US) dollar against the Singapore dollar during the six months ended 30 September 2008 as compared to the six months ended 30 September 2007.

SINGAPORE SHIPPING CORPORATION LIMITED

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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. (continued)PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q2 2009	Q2 2008	Unfavourable variance	1H 2009	1H 2008	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	(367)	674	(154.5)	(336)	1,517	(122.1)
Unallocated items ^(a)	(2,712)	2,083	(230.2)	(1,262)	3,430	(136.8)
Net (loss) / profit for the period	(3,079)	2,757	(211.7)	(1,598)	4,947	(132.3)

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

The Group recorded a loss of approximately \$3.1 million and \$1.6 million for Q2 2009 and 1H 2009 respectively. The unfavourable variance of approximately \$6.5 million compared to 1H 2008 may be summarised as follows:

	<u>Unfavourable variance</u>
	\$'m
• Lower income from ship owning due to the weakening of the US dollar against the Singapore dollar and higher vessel operating costs	(1.1)
• Lower income from ship owning due to the off-hire of a vessel for drydocking and repair	(0.7)
• Lower finance income due to falling interest rates and decrease in cash resources, and negative change in fair value of the Group's outstanding investments in equity and equity linked notes	(4.2)
• Lower exchange gain	(0.8)
• Lower taxation	0.3
	<u>(6.5)</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 1H 2009. These also accounted for the corresponding increase in trade and other payables as at 30 September 2008 as compared to 31 March 2008.

The increase in trade and other receivables is mainly due to insurance recoverable relating to repair of a vessel in Q2 2009.

The reduction in cash and cash equivalents is due to dividend payments of \$8.7 million in August 2008.

CASH FLOW STATEMENT

The decrease in cash flows from operating activities is mainly due to the lower revenue 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 6 months ended 30 September 2008.

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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 current financial crisis, the over-tonnaging of new vessels together with the slowdown in global trade has drastically dampened the shipping industry as a whole.

The Group however has no borrowings and with its sufficient cash resources will be well poised to seize the opportunities when ship prices fall further, to expand its current fleet.

The Group expects its ship-owning income to remain stable as its vessels are on long term charter. However the fair value of its investments in equity and equity linked notes may be further impaired if the global financial and economic uncertainty deteriorates further.

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.

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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 2009	1H 2008
	\$'000	\$'000
<u>Revenue</u>		
Singapore	68	56
Japan	5,208	6,467
	<u>5,276</u>	<u>6,523</u>

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.**

	2009	2008	Unfavourable
	\$'000	\$'000	%
(a) Sales reported for first quarter	2,543	3,281	(22.5)
(b) Operating profit after taxation before deducting minority interest reported for first quarter	1,481	2,190	(32.4)
(c) Sales reported for second quarter	2,733	3,242	(15.7)
(d) Operating (loss) / profit after taxation before deducting minority interests reported for second quarter	(3,079)	2,757	(211.7)
(e) Sales reported for first half	5,276	6,523	(19.1)
(f) Operating (loss) / profit after taxation before deducting minority interests reported for first half	(1,598)	4,947	(132.3)

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16. Interested person transactions (IPT)

Name of interested person	1H 2009 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	1H 2008 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	\$122,000

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000) is nil for both 1H 2009 and 1H 2008.

17. Subsequent event

The sale of the Group's property at 15 Enggor Street, Realty Centre #10-04, Singapore 079716 was completed on 15 October 2008. The gain on disposal of approximately \$1.3 million will be recognised in the Group's third quarter results.

BY ORDER OF THE BOARD

Christina Chew Heng Siang / Claire Nazar
Joint Company Secretaries

7 November 2008

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 2008 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

7 November 2008