

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

**UNAUDITED 3RD QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 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.

	Q3 2008	Q3 2007	Increase/ (decrease)	YTD 2008	YTD 2007	Increase/ (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3,139	6,551	(52.1)	9,662	19,508	(50.5)
Other operating income	52	453	(88.5)	235	1,376	(82.9)
Depreciation expense on property, plant and equipment, and investment properties	(423)	(609)	(30.5)	(1,314)	(1,811)	(27.4)
Vessel operation and crew management costs	(739)	(1,191)	(38.0)	(2,236)	(3,048)	(26.6)
Staff costs	(1,373)	(4,129)	(66.7)	(4,179)	(12,731)	(67.2)
Other operating expenses	(275)	(290)	(5.2)	(851)	(987)	(13.8)
Operating profit before other gains	381	785	(51.5)	1,317	2,307	(42.9)
Other gains (i)	-	5,338	NM	-	5,582	NM
Results from operating activities	381	6,123	(93.8)	1,317	7,889	(83.3)
Finance income (ii)	(298)	2,232	(113.4)	2,504	6,313	(60.3)
Exchange differences (iii)	(63)	(2,608)	(97.6)	763	(3,727)	(120.5)
Share of results of associated companies	277	(8)	3,562.5	858	344	149.4
Profit before taxation	297	5,739	(94.8)	5,442	10,819	(49.7)
Taxation (iv)	200	(173)	(215.6)	2	(346)	(100.6)
Profit for the period	497	5,566	(91.1)	5,444	10,473	(48.0)
Attributable to:						
Equity holders of the Company				5,444	10,473	(48.0)
Earnings per share, cents						
Basic				1.2	2.4	
Diluted				1.2	2.4	

Q3: 3rd Quarter

YTD: Year to date

NM: Not meaningful

Note (i) Other gains

	Q3 2008 \$'000	Q3 2007 \$'000	YTD 2008 \$'000	YTD 2007 \$'000
Recognition of negative goodwill on acquisition of a subsidiary	-	-	-	244
Gain on disposal of associated companies	-	5,338	-	5,338
	-	5,338	-	5,582

SINGAPORE SHIPPING CORPORATION LIMITED

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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

	Q3 2008 \$'000	Q3 2007 \$'000	YTD 2008 \$'000	YTD 2007 \$'000
Interest income on deposits with banks	445	1,190	2,124	4,054
Interest income on security notes and structured deposits	26	30	82	134
Interest income on equity linked notes	485	321	2,019	1,279
Premium income on foreign exchange options	-	-	-	51
Dividend income from quoted equity securities	317	285	509	318
Net gain on disposal of quoted equity securities	765	173	1,767	295
Net change in fair value of financial assets held-for-trading	(2,336)	233	(3,997)	182
	<u>(298)</u>	<u>2,232</u>	<u>2,504</u>	<u>6,313</u>

Note (iii) Exchange differences

	Q3 2008 \$'000	Q3 2007 \$'000	YTD 2008 \$'000	YTD 2007 \$'000
Net exchange loss	(1,470)	(2,843)	(222)	(3,411)
Net change in fair value of foreign exchange options	1,407	235	985	(316)
	<u>(63)</u>	<u>(2,608)</u>	<u>763</u>	<u>(3,727)</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:

	Q3 2008 \$'000	Q3 2007 \$'000	YTD 2008 \$'000	YTD 2007 \$'000
Profit before taxation	297	5,739	5,442	10,819
Tax calculated using Singapore tax rate of 18% (2007:20%)	53	1,148	979	2,164
Singapore statutory stepped income exemption	24	(4)	(7)	(25)
Income not subject to tax	(240)	(1,435)	(1,001)	(2,369)
Expenses not deductible for tax purposes	(35)	526	41	700
Utilisation of previously unrecognised tax losses	1	1	(6)	(28)
(Over) / under provision in prior years	(3)	(64)	5	(87)
Others	-	1	(13)	(9)
	<u>(200)</u>	<u>173</u>	<u>(2)</u>	<u>346</u>

Note (v)

The decrease in vessel operation and crew management costs, staff and other operating expenses for Q3 and YTD 2008 were mainly attributable to cessation of manning service from January 2007 for third party vessels.

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>	
	31.12.2007 \$'000	31.3.2007 \$'000	31.12.2007 \$'000	31.3.2007 \$'000
Non-current assets				
Property, plant and equipment	15,880	18,018	-	-
Investment properties	394	428	-	-
Investments in subsidiaries	-	-	37,524	42,686
Investments in associated companies	2,166	1,307	-	-
Financial assets available-for-sale	11	9	-	-
Other assets	331	318	-	-
	<u>18,782</u>	<u>20,080</u>	<u>37,524</u>	<u>42,686</u>
Current assets				
Inventories	165	123	-	-
Trade and other receivables	1,087	918	32,407	109,288
Financial assets held-for-trading	30,051	36,544	-	-
Cash and cash equivalents	38,107	131,926	18,147	36,282
	<u>69,410</u>	<u>169,511</u>	<u>50,554</u>	<u>145,570</u>
Less:				
Current liabilities				
Trade and other payables	3,607	4,814	33,706	44,460
Current tax payable	48	108	-	58
	<u>3,655</u>	<u>4,922</u>	<u>33,706</u>	<u>44,518</u>
Net current assets	65,755	164,589	16,848	101,052
Non-current liability				
Deferred tax liability	625	625	-	-
Net assets	<u>83,912</u>	<u>184,044</u>	<u>54,372</u>	<u>143,738</u>
Equity attributable to equity holders of the Company				
Share capital	44,347	44,347	44,347	44,347
Other reserves	(3,580)	(2,648)	-	-
Retained earnings	43,145	142,345	10,025	99,391
Total equity	<u>83,912</u>	<u>184,044</u>	<u>54,372</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 31/12/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/12/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral : Not applicable

SINGAPORE SHIPPING CORPORATION LIMITED

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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.

	YTD 2008 \$'000	YTD 2007 \$'000
Operating activities		
Profit before taxation	5,442	10,819
Adjustments for:		
Depreciation expense on property, plant and equipment, and investment properties	1,314	1,811
Loss on disposal of property, plant and equipment	17	1
Gain on disposal of associated companies	-	(5,338)
Negative goodwill on acquisition of a subsidiary	-	(244)
Interest and premium income	(4,225)	(5,518)
Dividend income	(509)	(318)
Net gain on disposal of quoted equity securities	(1,767)	(295)
Net change in fair value of financial assets held-for-trading	3,997	(182)
Net change in fair value of foreign exchange options	(985)	316
Share of results of associated companies	(858)	(344)
	<u>2,426</u>	<u>708</u>
Changes in working capital:		
Inventories	(49)	10
Trade and other receivables	(274)	4,664
Trade and other payables	733	(3,788)
Cash generated from operations	<u>2,836</u>	<u>1,594</u>
Income taxes discharged	(61)	(3,916)
Cash flows from operating activities	<u>2,775</u>	<u>(2,322)</u>
Investing activities		
Purchase of property, plant and equipment	(47)	(1,070)
Payments for drydocking expenditure	-	(1,044)
Purchase of financial assets held-for-trading	(21,332)	(8,860)
Investment in associated companies	-	(4,769)
Repayment by an associated company	-	485
Interest and premium received	4,339	5,622
Dividends received from quoted equity securities	500	318
Net cash inflow on acquisition of a subsidiary (i)	-	507
Proceeds from disposal of associated companies	-	20,897
Proceeds from sale of financial assets held-for-trading	25,450	3,483
Proceeds from sale of property, plant and equipment	2	-
Cash flows from investing activities	<u>8,912</u>	<u>15,569</u>
Financing activities		
Dividends paid	(104,644)	(52,322)
Cash flows from financing activities	<u>(104,644)</u>	<u>(52,322)</u>
Change in cash and cash equivalents	<u>(92,957)</u>	<u>(39,075)</u>
Cash and cash equivalents at beginning of the year	131,926	184,219
Effects of exchange rate fluctuations on cash and cash equivalents	(862)	(2,976)
Cash and cash equivalents at end of the period	<u>38,107</u>	<u>142,168</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 YTD 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
Balance at 1 April 2006	44,347	6	(1,044)	181,560	224,869
Currency translation differences of foreign operations	-	-	(1,394)	-	(1,394)
Net losses recognised directly in equity	-	-	(1,394)	-	(1,394)
Profit for the period	-	-	-	10,473	10,473
Total recognised income and expense for the period	-	-	(1,394)	10,473	9,079
Dividends	-	-	-	(52,322)	(52,322)
Balance at 31 December 2006	44,347	6	(2,438)	139,711	181,626
Currency translation differences of foreign operations	-	-	(217)	-	(217)
Net change in fair value of financial assets available-for-sale	-	1	-	-	1
Net gains / (losses) recognised directly in equity	-	1	(217)	-	(216)
Profit for the period	-	-	-	2,634	2,634
Total recognised income and expense for the period	-	1	(217)	2,634	2,418
Balance at 31 March 2007	44,347	7	(2,655)	142,345	184,044
Currency translation differences of foreign operations	-	-	(932)	-	(932)
Net losses recognised directly in equity	-	-	(932)	-	(932)
Profit for the period	-	-	-	5,444	5,444
Total recognised income and expense for the period	-	-	(932)	5,444	4,512
Dividends	-	-	-	(104,644)	(104,644)
Balance at 31 December 2007	44,347	7	(3,587)	43,145	83,912

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)

The Company

	Share capital	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2006	44,347	143,329	187,676
Profit for the period	-	5,910	5,910
Dividends	-	(52,322)	(52,322)
Balance at 31 December 2006	44,347	96,917	141,264
Profit for the period	-	2,474	2,474
Balance at 31 March 2007	44,347	99,391	143,738
Profit for the period	-	15,278	15,278
Dividends	-	(104,644)	(104,644)
Balance at 31 December 2007	44,347	10,025	54,372

- 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.

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.**

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.**

	<u>The Group</u>	
	YTD 2008 Cents	YTD 2007 Cents
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	1.2	2.4
(ii) fully diluted basis	1.2	2.4

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

	<u>The Group</u>		<u>The Company</u>	
	31.12.2007	31.3.2007	31.12.2007	31.3.2007
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	\$0.19	\$0.42	\$0.12	\$0.33

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.

REVENUE

	Q3 2008	Q3 2007	Unfavourable variance	YTD 2008	YTD 2007	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	3,139	6,551	(52.1)	9,662	19,508	(50.5)

The Group's turnover for Q3 2008 and YTD 2008 decreased by approximately \$3.4 million (52.1%) and \$9.8 million (50.5%) respectively when compared to Q3 2007 and YTD 2007. The unfavourable variance was due to cessation of manning service from January 2007 for third party vessels.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q3 2008	Q3 2007	Favourable / (unfavourable) variance	YTD 2008	YTD 2007	Favourable / (unfavourable) variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	658	777	(15.3)	2,175	2,651	(18.0)
Unallocated items ^(a)	(161)	(549)	70.7	3,269	2,240	45.9
Net profit before other gains	497	228	118.0	5,444	4,891	11.3
Other gains ^(b)	-	5,338	NM	-	5,582	NM
	497	5,566	(91.1)	5,444	10,473	(48.0)

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

^(b) Refer to item 1(a), note (i) for details.

NM: Not meaningful

Whilst it may appear that there is a 48% decrease in net profit for YTD 2008, it must be noted that YTD 2007 had an exceptional gain of approximately \$5.3 million from disposal of two associated companies. In effect there is a favourable variance of approximately \$0.6 million in net profit before other gains which may be summarised as follows:

	Favourable / (unfavourable) variance \$'m
• Lower income from ship owning and management caused by higher vessel operating costs and cessation of manning service for third party vessels.	(0.4)
• Lower finance income owing to marked to market loss (unrealised) on financial assets held-for-trading of approximately \$4.0 million.	(3.8)
• Favourable exchange differences was mainly due to lower exchange loss in YTD 2008 and favourable net change in fair value of foreign exchange options	4.5
• Lower tax	0.3
	<u>0.6</u>

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)

The Group's cash and cash equivalents had decreased due to the payment of FY2007's final and special dividends of approximately \$52.3 million and FY2008's special interim dividend of approximately \$52.3 million, on 21 August 2007 and 26 December 2007 respectively.

As at 31 December 2007, the currency composition of the Group's cash and cash equivalents and financial assets held-for-trading was approximately 42% in Singapore dollars, 24% in USD and 34% in Yen. The average rate of return on the cash and cash equivalents and financial assets held-for-trading for the nine months ended 31 December 2007 was approximately 3% per annum.

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 FY2008 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?

A one-tier tax exempt special interim dividend of 12 cents per share totaling approximately \$52.3 million was paid on 26 December 2007.

(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.

	YTD 2008 \$'000	YTD 2007 \$'000
<u>Revenue</u>		
Singapore	84	9,771
Japan	9,578	9,737
	<u>9,662</u>	<u>19,508</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.**

	2008 \$'000	2007 \$'000	Increase/ (decrease) %
(a) Sales reported for first half	6,523	12,957	(49.7)
(b) Operating profit after taxation before deducting minority interest reported for first half:			
Before other gains	4,947	4,663	6.1
After other gains	4,947	4,907	0.8
(c) Sales reported for third quarter	3,139	6,551	(52.1)
(d) Operating profit after taxation before deducting minority interests reported for third quarter:			
Before other gains	497	228	118.0
After other gains	497	5,566	(91.1)
(e) Sales reported for year-to-date	9,662	19,508	(50.5)
(f) Operating profit after taxation before deducting minority interests reported for year-to-date:			
Before other gains	5,444	4,891	11.3
After other gains	5,444	10,473	(48.0)

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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	YTD 2008 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	YTD 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	\$184,000	\$353,000

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

BY ORDER OF THE BOARDChristina Chew Heng Siang
Company Secretary

12 February 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 nine months ended 31 December 2007 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

12 February 2008