

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2008**
PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q4 2008	Q4 2007	Increase/ (decrease)	YTD 2008	YTD 2007	Increase/ (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3,001	3,335	(10.0)	12,663	22,843	(44.6)
Other operating income	248	134	85.1	483	1,510	(68.0)
Depreciation expense on property, plant and equipment	54	(547)	(109.9)	(1,255)	(2,353)	(46.7)
Depreciation expense on investment properties	(1)	(1)	-	(6)	(6)	-
Vessel operation and crew management costs	(937)	(559)	67.6	(3,173)	(3,607)	(12.0)
Staff costs	(1,304)	(1,460)	(10.7)	(5,483)	(14,191)	(61.4)
Other operating expenses	(311)	(349)	(10.9)	(1,162)	(1,336)	(13.0)
Operating profit before other gains	750	553	35.6	2,067	2,860	(27.7)
Other gains (i)	-	92	NM	-	5,674	NM
Results from operating activities	750	645	16.3	2,067	8,534	(75.8)
Net finance (expense) / income (ii)	(3,536)	1,905	(285.6)	(1,032)	8,218	(112.6)
Exchange differences (iii)	99	(813)	(112.2)	862	(4,540)	(119.0)
Share of results of associated companies	322	952	(66.2)	1,180	1,296	(9.0)
(Loss) / profit before taxation	(2,365)	2,689	(188.0)	3,077	13,508	(77.2)
Taxation (iv)	672	(55)	(1321.8)	674	(401)	(268.1)
(Loss) / profit for the year	(1,693)	2,634	(164.3)	3,751	13,107	(71.4)
Attributable to:						
Equity holders of the Company				3,751	13,107	(71.4)
Earnings per share, cents						
Basic				0.9	3.0	
Diluted				0.9	3.0	

 Q4: 4th Quarter

YTD: Year to date

NM: Not meaningful

Note (i) Other gains

	Q4 2008 \$'000	Q4 2007 \$'000	YTD 2008 \$'000	YTD 2007 \$'000
Recognition of negative goodwill on acquisition of a subsidiary	-	-	-	244
Gain on disposal of associated companies	-	92	-	5,430
	-	92	-	5,674

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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) Net finance (expense) / income

	Q4 2008	Q4 2007	YTD 2008	YTD 2007
	\$'000	\$'000	\$'000	\$'000
Interest income on deposits with banks	214	1,153	2,338	5,207
Interest income on security notes and structured deposits	7	28	89	162
Interest income on equity linked notes	81	541	2,100	1,820
Premium income on foreign exchange options	-	42	-	93
Dividend income from quoted equity securities	17	16	526	334
Net (loss)/gain on disposal of quoted equity securities	(353)	242	1,414	537
Net change in fair value of financial assets held-for-trading	(3,502)	(117)	(7,499)	65
	(3,536)	1,905	(1,032)	8,218

Note (iii) Exchange differences

	Q4 2008	Q4 2007	YTD 2008	YTD 2007
	\$'000	\$'000	\$'000	\$'000
Net exchange gain/(loss)	908	(192)	686	(3,603)
Net change in fair value of foreign exchange options	(809)	(621)	176	(937)
	99	(813)	862	(4,540)

Note (iv) Taxation

The income tax expense on the results of the Group for the financial year 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:

	Q4 2008	Q4 2007	YTD 2008	YTD 2007
	\$'000	\$'000	\$'000	\$'000
(Loss) / profit before taxation	(2,365)	2,689	3,077	13,508
Tax calculated using Singapore tax rate of 18% (2007:18%)	(425)	484	554	2,431
Singapore statutory stepped income exemption	(4)	(7)	(11)	(32)
Income not subject to tax	(201)	(173)	(1,202)	(2,542)
Expenses not deductible for tax purposes	5	(31)	46	669
Utilisation of previously unrecognised tax losses	3	(2)	(3)	(30)
(Over) / under provision in prior years	(50)	1	(45)	(86)
Tax benefits recognised	-	-	(13)	-
Others	-	(217)	-	(9)
	(672)	55	(674)	401

Note (v)

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

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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>	
	31.3.2008 \$'000	31.3.2007 \$'000	31.3.2008 \$'000	31.3.2007 \$'000
Non-current assets				
Property, plant and equipment	15,263	18,018	-	-
Investment properties	422	428	-	-
Subsidiaries	-	-	34,165	42,686
Associated companies	2,475	1,307	-	-
Available-for-sale financial assets	11	9	-	-
Other assets	339	318	-	-
	<u>18,510</u>	<u>20,080</u>	<u>34,165</u>	<u>42,686</u>
Current assets				
Inventories	143	123	-	-
Trade and other receivables	640	918	39,509	109,288
Financial assets held-for-trading	24,457	36,544	-	-
Cash and cash equivalents	40,547	131,926	12,104	36,282
	<u>65,787</u>	<u>169,511</u>	<u>51,613</u>	<u>145,570</u>
Less:				
Current liabilities				
Trade and other payables	2,643	4,814	27,672	44,460
Current tax payable	9	108	2	58
	<u>2,652</u>	<u>4,922</u>	<u>27,674</u>	<u>44,518</u>
Net current assets	63,135	164,589	23,939	101,052
Non-current liability				
Deferred tax liability	-	625	-	-
Net assets	<u>81,645</u>	<u>184,044</u>	<u>58,104</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	(4,154)	(2,648)	-	-
Retained earnings	41,452	142,345	13,757	99,391
Total equity	<u>81,645</u>	<u>184,044</u>	<u>58,104</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 31/3/2008		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/3/2008		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.

	YTD 2008 \$'000	YTD 2007 \$'000
Operating activities		
Profit before taxation	3,077	13,508
Adjustments for:		
Depreciation expense on property, plant and equipment	1,255	2,353
Depreciation expense on investment properties	6	6
Loss on disposal of property, plant and equipment	18	5
Gain on disposal of associated companies	-	(5,430)
Negative goodwill on acquisition of a subsidiary	-	(244)
Interest and premium income	(4,527)	(7,282)
Dividend income	(526)	(334)
Net gain on disposal of quoted equity securities	(1,414)	(537)
Net change in fair value of financial assets held-for-trading	7,499	(65)
Net change in fair value of foreign exchange options	(176)	937
Share of results of associated companies	(1,180)	(1,296)
	<u>4,032</u>	<u>1,621</u>
Changes in working capital:		
Inventories	(31)	26
Trade and other receivables	7	1,710
Trade and other payables	(1,781)	(4,526)
Cash generated from operations	<u>2,227</u>	<u>(1,169)</u>
Income taxes paid	<u>(63)</u>	<u>(3,911)</u>
Cash flows from operating activities	<u>2,164</u>	<u>(5,080)</u>
Investing activities		
Purchase of property, plant and equipment	(47)	(1,124)
Payments for drydocking expenditure	-	(733)
Purchase of financial assets held-for-trading	(20,934)	(20,741)
Investment in associated companies	-	(4,769)
Repayment of loan by an associated company	-	485
Interest and premium received	4,810	7,093
Dividends received from quoted equity securities	518	329
Net cash inflow on acquisition of a subsidiary (i)	-	507
Proceeds from disposal of associated companies	-	21,165
Proceeds from sale of financial assets held-for-trading	26,805	5,434
Proceeds from sale of property, plant and equipment	2	-
Cash flows from investing activities	<u>11,154</u>	<u>7,646</u>
Financing activities		
Dividends paid	<u>(104,644)</u>	<u>(52,322)</u>
Cash flows from financing activities	<u>(104,644)</u>	<u>(52,322)</u>
Change in cash and cash equivalents	<u>(91,326)</u>	<u>(49,756)</u>
Cash and cash equivalents at beginning of the year	131,926	184,219
Effects of exchange rate fluctuations on cash and cash equivalents	(53)	(2,537)
Cash and cash equivalents at end of the year	<u>40,547</u>	<u>131,926</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	-	-	(1,611)	-	(1,611)
Net change in fair value of available-for-sale financial assets	-	1	-	-	1
Net gains / (losses) recognised directly in equity	-	1	(1,611)	-	(1,610)
Profit for the year	-	-	-	13,107	13,107
Total recognised income and expense for the year	-	1	(1,611)	13,107	11,497
Dividends	-	-	-	(52,322)	(52,322)
Balance at 31 March 2007	44,347	7	(2,655)	142,345	184,044
Currency translation differences of foreign operations	-	-	(1,506)	-	(1,506)
Net losses recognised directly in equity	-	-	(1,506)	-	(1,506)
Profit for the year	-	-	-	3,751	3,751
Total recognised income and expense for the year	-	-	(1,506)	3,751	2,245
Dividends	-	-	-	(104,644)	(104,644)
Balance at 31 March 2008	44,347	7	(4,161)	41,452	81,645

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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 \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 April 2006	44,347	143,329	187,676
Profit for the year	-	8,384	8,384
Dividends	-	(52,322)	(52,322)
Balance at 31 March 2007	44,347	99,391	143,738
Profit for the year	-	19,010	19,010
Dividends	-	(104,644)	(104,644)
Balance at 31 March 2008	44,347	13,757	58,104

- 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 year'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 properties and leasehold properties, 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	0.9	3.0
(ii) fully diluted basis	0.9	3.0

The weighted average number of ordinary shares in issue and on a fully diluted basis for both years 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>	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
Net asset value per ordinary share based on issued share capital as at the end of the year reported on	\$0.19	\$0.42	\$0.13	\$0.33

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

REVENUE

	Q4 2008	Q4 2007	Unfavourable variance	YTD 2008	YTD 2007	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	3,001	3,335	(10.0)	12,663	22,843	(44.6)

The weakening of US dollar against the Singapore dollar contributed to Q4 2008's unfavourable variance of approximately \$0.3 million, as the Group's charter income are denominated in US dollar.

The Group's turnover for YTD 2008 decreased by approximately \$10.2 million (44.6%) when compared to YTD 2007. The unfavourable variance was mainly due to cessation of manning service from January 2007 for third party vessels.

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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

	Q4 2008	Q4 2007	Unfavourable variance	YTD 2008	YTD 2007	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	1,072	1,505	(28.8)	3,247	4,156	(21.9)
Unallocated items ^(a)	(2,765)	1,037	(366.6)	504	3,277	(84.6)
Net profit before other gains	(1,693)	2,542	(166.6)	3,751	7,433	(49.5)
Other gains ^(b)	-	92	NM	-	5,674	NM
	(1,693)	2,634	(164.3)	3,751	13,107	(71.4)

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

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

NM: Not meaningful

Whilst it may appear that net profit for YTD 2008 decreased by approximately \$9.4 million, it must be noted that YTD 2007 had an exceptional gain of approximately \$5.7 million from disposal of three associated companies. The unfavourable variance of approximately \$3.7 million in net profit before other gains 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	(0.9)
• Unrealised marked to market loss on financial assets held-for-trading of approximately \$7.5 million	(7.5)
• Lower finance income due to decrease in cash resources, resulting from the total dividends pay-out of \$104.6 million	(1.7)
• Favourable exchange differences was mainly due to exchange gain in YTD 2008 and favourable net change in fair value of foreign exchange options	5.4
• Lower tax	1.0
	<u>(3.7)</u>

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

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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 view current ship prices to be at a high level due to the strong demand and 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. The Group which has no borrowings and has sufficient cash resources, is well poised to seize the opportunities when ship prices fall, to expand its current fleet.

Net earnings from charter hire of the Group's two wholly owned car carriers will remain stable. Due to current tonnage shortage for car carriers, we expect future contributions from MV Cougar Ace (in which the Group has 30% interests), to increase when its current time-charter expires in October 2008.

Going forward the Group expects positive returns from its investment in financial assets held-for-trading. As at 26 May 2008, we have crawled back approximately \$2 million from the mark-to-market loss at the year just ended 31 March 2008.

11. Dividends**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of dividend	Special interim dividend paid on 26 December 2007	Proposed final dividend
Dividend type	Cash	Cash
Dividend amount per ordinary share	12.0 cents	2.0 cents
Tax rate	One-tier tax exempt	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Final	Special
Dividend type	Cash	Cash
Dividend amount per ordinary share	3.0 cents	9.0 cents
Tax rate	One-tier tax exempt	One-tier tax exempt

(c) Date payable

Date payable for the proposed final dividend of 2 cents per share will be announced at a later date.

(d) Books closure date

Books closure date for the proposed final dividend of 2 cents per share will be announced at a later date.

12. If no dividend has been declared / recommended, a statement to that effect.

Not applicable

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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	112	9,908
Japan	12,551	12,935
	<u>12,663</u>	<u>22,843</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 second half	6,140	9,886	(37.9)
(d) Operating profit after taxation before deducting minority interests reported for second half:			
Before other gains	(1,196)	2,770	(143.2)
After other gains	(1,196)	8,200	(114.6)
(e) Sales reported for year-to-date	12,663	22,843	(44.6)
(f) Operating profit after taxation before deducting minority interests reported for year-to-date:			
Before other gains	3,751	7,433	(49.5)
After other gains	3,751	13,107	(71.4)

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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

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary – Interim special dividend	52,322	-
Ordinary – Final dividend	8,720	-
Ordinary – Final and special dividends	-	52,322
Preference	-	-
Total	61,042	52,322

17. Interested person transactions (IPT)

Name of interested person	YTD 2008 Aggregate value of all IPT during the financial year under review (excluding transactions less than \$100,000)	YTD 2007 Aggregate value of all IPT during the financial year under review (excluding transactions less than \$100,000)
Paid to a subsidiary of Stamford Land Corporation Ltd		
- Rental expense	\$245,000	\$470,000
- Management fee	*	\$108,000

* Management fee paid for YTD 2008 is 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 YTD 2008 and YTD 2007.

BY ORDER OF THE BOARDChristina Chew Heng Siang
Company Secretary

27 May 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 year ended 31 March 2008 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

27 May 2008