

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

**UNAUDITED 1ST QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

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

	Q1 2010	Q1 2009	Favourable/ (unfavourable)
	\$'000	\$'000	%
Revenue	3,075	2,543	20.9
Other operating income	46	61	(24.6)
Depreciation expense on property, plant and equipment	(576)	(331)	(74.0)
Depreciation expense on investment properties	(1)	(1)	-
Vessel operation and crew management costs	(636)	(828)	23.2
Staff costs	(1,466)	(1,371)	(6.9)
Other operating expenses	(239)	(299)	20.1
Results from operating activities	203	(226)	189.8
Finance income (i)	1,029	1,744	(41.0)
Exchange differences	(165)	(333)	50.5
Share of results of associated companies	262	257	1.9
Profit before taxation	1,329	1,442	(7.8)
Taxation (ii)	(5)	39	(112.8)
Profit for the period	1,324	1,481	(10.6)
Attributable to:			
Equity holders of the Company	1,324	1,481	(10.6)
Earnings per share, cents			
Basic	0.3	0.3	
Diluted	0.3	0.3	

Q1: 1st Quarter

SINGAPORE SHIPPING CORPORATION LIMITED

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1. 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 2010	Q1 2009
	\$'000	\$'000
Interest income on deposits with banks	157	143
Interest income on equity linked notes	-	85
Dividend income from quoted equity securities	36	255
Net change in fair value of disposed / outstanding financial assets held-for-trading	836	1,261
	<u>1,029</u>	<u>1,744</u>

Note (ii) 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 2010	Q1 2009
	\$'000	\$'000
Profit before taxation	<u>1,329</u>	<u>1,442</u>
Tax calculated using Singapore tax rate of 17% (2009: 18%)	226	259
Singapore statutory stepped income exemption	(1)	(12)
Income not subject to tax	(250)	(418)
Expenses not deductible for tax purposes	45	182
Utilisation of previously unrecognised tax losses	(15)	(2)
Over provision in prior years	-	(48)
	<u>5</u>	<u>(39)</u>

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2(a). 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	
	30.6.2009	31.3.2009	30.6.2009	31.3.2009
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	16,742	18,030	-	-
Investment properties	294	295	-	-
Subsidiaries	-	-	31,996	33,165
Associated company	3,542	3,446	-	-
Available-for-sale financial assets	8	6	-	-
Other assets	329	329	-	-
	20,915	22,106	31,996	33,165
Current assets				
Inventories	153	244	-	-
Trade and other receivables	1,090	1,209	25,544	22,237
Financial assets held-for-trading	1,261	1,997	-	-
Cash and cash equivalents	49,139	46,547	23,367	25,075
	51,643	49,997	48,911	47,312
Less:				
Current liabilities				
Trade and other payables	2,012	1,837	28,337	27,712
Current tax payable	-	6	-	2
	2,012	1,843	28,337	27,714
Net current assets	49,631	48,154	20,574	19,598
Non-current liability				
Deferred tax liability	11	6	11	6
Net assets	70,535	70,254	52,559	52,757
Equity attributable to equity holders of the Company				
Share capital	44,347	44,347	44,347	44,347
Other reserves	(4,369)	(3,326)	-	-
Retained earnings	30,557	29,233	8,212	8,410
Total equity	70,535	70,254	52,559	52,757

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

Amount repayable in one year or less, or on demand

As at 30.6.2009		As at 31.3.2009	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.6.2009		As at 31.3.2009	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral : Not applicable

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

	Q1 2010	Q1 2009
	\$'000	\$'000
Operating activities		
Profit before taxation	1,329	1,442
Adjustments for:		
Depreciation expense on property, plant and equipment	576	331
Depreciation expense on investment properties	1	1
Loss on disposal of property, plant and equipment	-	38
Interest income	(157)	(228)
Dividend income	(36)	(255)
Net change in fair value of disposed / outstanding financial assets held-for-trading	(836)	(1,261)
Net change in fair value of foreign exchange options	-	(809)
Share of results of associated company	(262)	(257)
	615	(998)
Changes in working capital:		
Inventories	79	45
Trade and other receivables	148	118
Trade and other payables	345	1,160
Cash generated from operations	1,187	325
Income taxes (paid) / refunded	(6)	39
Cash flows from operating activities	1,181	364
Investing activities		
Purchase of property, plant and equipment	(146)	(1,030)
Payments for drydocking expenditure	-	(2,775)
Trade payables relating to purchase of property, plant and equipment and drydocking expenditure	-	3,761
Purchase of financial assets held-for-trading	(1)	-
Interest received	79	177
Dividends received from quoted equity securities	31	255
Proceeds from expiry of an equity linked note	-	2,025
Proceeds from sale of financial assets held-for-trading	1,521	3,343
Cash flows from investing activities	1,484	5,756
Change in cash and cash equivalents	2,665	6,120
Cash and cash equivalents at beginning of the year	46,547	40,547
Effects of exchange rate fluctuations on cash and cash equivalents	(73)	(2)
Cash and cash equivalents at end of the period	49,139	46,665

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- 4(a). 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.

4(a)(i). The Group

Consolidated Statement of Comprehensive Income for the 1st quarter ended 30 June 2009

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the revised Financial Reporting Standard (FRS) 1 (effective from 1 April 2009).

	Q1 2010	Q1 2009
	\$'000	\$'000
Net profit for the quarter	1,324	1,481
Other comprehensive income, net of tax		
Currency translation differences of foreign operations	(1,045)	(150)
Net change in fair value of available-for-sale financial assets	2	-
	(1,043)	(150)
Total comprehensive income	281	1,331
Total comprehensive income attributable to:		
Equity holders of the Company	281	1,331

Consolidated Statement of Changes in Equity for the 1st quarter ended 30 June 2009

	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 2008	44,347	7	(4,161)	41,452	81,645
Total comprehensive income	-	-	(150)	1,481	1,331
Balance at 30 June 2008	44,347	7	(4,311)	42,933	82,976
Balance at 1 April 2009	44,347	2	(3,328)	29,233	70,254
Total comprehensive income	-	2	(1,045)	1,324	281
Balance at 30 June 2009	44,347	4	(4,373)	30,557	70,535

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- 4(a). 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)

4(a)(ii). The Company**Statement of Comprehensive Income for the 1st quarter ended 30 June 2009**

	Q1 2010	Q1 2009
	\$'000	\$'000
Net (loss) / profit for the quarter	(198)	413
Other comprehensive income, net of tax	-	-
Total comprehensive income attributable to equity holders of the Company	(198)	413

Statement of Changes in Equity for the 1st quarter ended 30 June 2009

	Share capital	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2008	44,347	13,757	58,104
Total comprehensive income	-	413	413
Balance at 30 June 2008	44,347	14,170	58,517
Balance at 1 April 2009	44,347	8,410	52,757
Total comprehensive income	-	(198)	(198)
Balance at 30 June 2009	44,347	8,212	52,559

- 4(b). 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Nil

- 4(c). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30.6.2009	As at 31.3.2009
Total number of issued shares (excluding treasury shares)	436,016,591	436,016,591

There were no shares held as treasury shares as at 30 June 2009 and 31 March 2009.

- 4(d). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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5. 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.

6. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

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

Except as disclosed in item 8 below, 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 2009.

8. 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 adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 1 (revised 2008)	<i>Presentation of Financial Statements</i>
FRS 23 (revised 2007)	<i>Borrowing Costs</i>
FRS 108	<i>Operating Segments</i>

FRS 1 (revised 2008) requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The Group is presenting the statement of comprehensive income in two statements.

FRS 23 (revised 2007) removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the costs of that asset. The Group's current policy to capitalise borrowing costs is consistent with the requirement in the revised FRS 23.

FRS 108 replaces FRS 14 Segment Reporting. It requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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9. **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 2010	Q1 2009
	Cents	Cents
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	0.3	0.3
(ii) fully diluted basis	0.3	0.3

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.

10. **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	
	30.6.2009	31.3.2009	30.6.2009	31.3.2009
Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on	\$0.16	\$0.16	\$0.12	\$0.12

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

REVENUE

	Q1 2010	Q1 2009	Favourable variance
	\$'000	\$'000	%
Ship owning & management	3,075	2,543	20.9

The Group's revenue for Q1 2010 increased by approximately \$0.5 million (20.9%) when compared to Q1 2009. The favourable variance was mainly due to off-hire of a vessel for drydocking in Q1 2009.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q1 2010	Q1 2009	Favourable / (unfavourable) variance
	\$'000	\$'000	%
Ship owning & management	465	31	1,400.0
Unallocated items ^(a)	859	1,450	(40.8)
Net profit for the period	1,324	1,481	(10.6)

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

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11. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (continued)

Ship owning and management's favourable variance of approximately \$0.4 million in net profit compared to Q1 2009 may be summarised as follows:

	Favourable / (unfavourable) variance
	\$'m
• Higher revenue	0.5
• Lower vessel operation costs	0.1
• Higher depreciation charge due to the fall in market scrap value of vessels	(0.2)
	<u>0.4</u>

Unallocated items' unfavourable variance of approximately \$0.6 million in net profit compared to Q1 2009 may be summarised as follows:

	Favourable / (unfavourable) variance
	\$'m
• Lower dividend and interest income due to decrease in short-term investments compared to Q1 2009	(0.3)
• Lower net fair value gain on short-term investments	(0.4)
• Lower exchange loss	0.1
	<u>(0.6)</u>

BALANCE SHEET

The decrease in property, plant and equipment was due to the translation differences of certain property, plant and equipment that are denominated in US dollar functional currency and depreciation charge for the quarter.

The increase in cash and cash equivalents was mainly due to cash inflow from operating activities and proceeds from sale of short-term investments.

CASH FLOW STATEMENT

The increase in cash flows from operating activities compared to Q1 2009 was mainly due to higher ship owning revenue and lower vessel operating costs.

The decrease in cash flows from investing activities compared to Q1 2009 was because most of the short-term investments have been disposed of in the last financial year and placed in deposits with banks.

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

Not applicable

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13. **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's principal ship-owning business is profitable as our vessels which are fully paid for, are on long term charters.

The Group had further reduced its short-term investments portfolio during the financial period under review and as at 30 June 2009, had clawed back approximately \$0.8 million of the impairment loss on the short-term investments.

14. **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

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

No dividend has been declared or recommended.

PART II ADDITIONAL INFORMATION

16. **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) Operating segments

The Group is principally engaged in ship owning and ship management. Its assets, liabilities and capital expenditure are employed in this sole operating 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 2010	Q1 2009
	\$'000	\$'000
Revenue		
Singapore	67	34
Japan	3,008	2,509
	<u>3,075</u>	<u>2,543</u>

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17. **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 11.

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

Name of interested person	Q1 2010 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	Q1 2009 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 2010 and Q1 2009 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 2010 and Q1 2009.

BY ORDER OF THE BOARD

Christina Chew Heng Siang
Company Secretary

30 July 2009

SINGAPORE SHIPPING CORPORATION LIMITED
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Statement by Directors
Pursuant to SGX Listing Rule 705 (5)

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 2009 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

30 July 2009