

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

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

	Q3 2009	Q3 2008	Favourable/ (unfavourable)	YTD 2009	YTD 2008	Favourable/ (unfavourable)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3,179	3,139	1.3	8,455	9,662	(12.5)
Other operating income	76	52	46.2	199	235	(15.3)
Depreciation expense on property, plant and equipment	(513)	(422)	(21.6)	(1,405)	(1,310)	(7.3)
Depreciation expense on investment properties	(1)	(1)	-	(4)	(4)	-
Vessel operation and crew management costs	(905)	(739)	(22.5)	(2,547)	(2,236)	(13.9)
Staff costs	(1,412)	(1,373)	(2.8)	(4,325)	(4,179)	(3.5)
Other operating expenses	(321)	(275)	(16.7)	(945)	(851)	(11.0)
Operating profit before other gains	103	381	(73.0)	(572)	1,317	(143.4)
Gain on disposal of an investment property	1,307	-	NM	1,307	-	NM
Results from operating activities	1,410	381	270.1	735	1,317	(44.2)
Net finance (expense)/ income (i)	(5,307)	(298)	(1,680.9)	(6,666)	2,504	(366.2)
Exchange differences (ii)	656	(63)	1,141.3	707	763	(7.3)
Share of results of associated companies	187	277	(32.5)	526	858	(38.7)
(Loss) / profit before taxation	(3,054)	297	(1,128.3)	(4,698)	5,442	(186.3)
Taxation (iii)	(1)	200	(100.5)	45	2	2,150.0
(Loss) / profit for the period	(3,055)	497	(714.7)	(4,653)	5,444	(185.5)
Attributable to:						
Equity holders of the Company				(4,653)	5,444	(185.5)
(Loss) / earnings per share, cents						
Basic				(1.1)	1.2	
Diluted				(1.1)	1.2	

Q3: 3rd Quarter

YTD: Year to date

NM: Not meaningful

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 (i) Net finance (expense) / income

	Q3 2009	Q3 2008	YTD 2009	YTD 2008
	\$'000	\$'000	\$'000	\$'000
Interest income on deposits with banks	115	445	380	2,124
Interest income on security notes	-	26	-	82
Interest income on equity linked notes	-	485	94	2,019
Dividend income from quoted equity securities	58	317	471	509
Net (loss)/gain on disposal of quoted equity securities	(5,411)	765	(5,698)	1,767
Net change in fair value of financial assets held-for-trading	(69)	(2,336)	(1,913)	(3,997)
	(5,307)	(298)	(6,666)	2,504

Note (ii) Exchange differences

	Q3 2009	Q3 2008	YTD 2009	YTD 2008
	\$'000	\$'000	\$'000	\$'000
Net exchange gain/(loss)	656	(1,470)	(102)	(222)
Net change in fair value of foreign exchange options	-	1,407	809	985
	656	(63)	707	763

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:

	Q3 2009	Q3 2008	YTD 2009	YTD 2008
	\$'000	\$'000	\$'000	\$'000
(Loss) / profit before taxation	(3,054)	297	(4,698)	5,442
Tax calculated using Singapore tax rate of 17% (2008:18%)	(503)	53	(799)	979
Singapore statutory stepped income exemption	(1)	24	(5)	(7)
Income not subject to tax	(547)	(240)	(1,173)	(1,001)
Expenses not deductible for tax purposes	181	(35)	353	41
Utilisation of previously unrecognised tax losses	14	1	(1)	(6)
(Over) / under provision in prior years	-	(3)	(49)	5
Tax benefits not recognised / (recognised)	857	-	1,629	(13)
	1	(200)	(45)	(2)

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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	
	31.12.2008	31.3.2008	31.12.2008	31.3.2008
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	18,259	15,263	-	-
Investment properties	296	422	-	-
Subsidiaries	-	-	34,165	34,165
Associated companies	2,900	2,475	-	-
Available-for-sale financial assets	6	11	-	-
Other assets	330	339	-	-
	<u>21,791</u>	<u>18,510</u>	<u>34,165</u>	<u>34,165</u>
Current assets				
Inventories	196	143	-	-
Trade and other receivables	4,239	640	31,287	39,509
Financial assets held-for-trading	5,279	24,457	-	-
Cash and cash equivalents	39,643	40,547	14,594	12,104
	<u>49,357</u>	<u>65,787</u>	<u>45,881</u>	<u>51,613</u>
Less:				
Current liabilities				
Trade and other payables	2,560	2,643	28,415	27,672
Current tax payable	4	9	-	2
	<u>2,564</u>	<u>2,652</u>	<u>28,415</u>	<u>27,674</u>
Net current assets	46,793	63,135	17,466	23,939
Non-current liability				
Deferred tax liability	-	-	-	-
Net assets	<u>68,584</u>	<u>81,645</u>	<u>51,631</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	(3,842)	(4,154)	-	-
Retained earnings	28,079	41,452	7,284	13,757
Total equity	<u>68,584</u>	<u>81,645</u>	<u>51,631</u>	<u>58,104</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 31/12/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/12/2008		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.

	YTD 2009 \$'000	YTD 2008 \$'000
Operating activities		
(Loss) / profit before taxation	(4,698)	5,442
Adjustments for:		
Depreciation expense on property, plant and equipment	1,405	1,310
Depreciation expense on investment properties	4	4
Loss on disposal of property, plant and equipment	31	17
Gain on disposal of an investment property	(1,307)	-
Interest income	(474)	(4,225)
Dividend income	(471)	(509)
Net loss / (gain) on disposal of quoted equity securities	5,698	(1,767)
Net change in fair value of financial assets held-for-trading	1,913	3,997
Net change in fair value of foreign exchange options	(809)	(985)
Share of results of associated companies	(526)	(858)
	766	2,426
Changes in working capital:		
Inventories	(47)	(49)
Trade and other receivables	(1,426)	(274)
Trade and other payables	222	733
Cash generated from operations	(485)	2,836
Income taxes discharged / (paid)	49	(61)
Cash flows from operating activities	(436)	2,775
Investing activities		
Purchase of property, plant and equipment	(869)	(47)
Payments for drydocking expenditure	(2,948)	-
Net proceeds from maturity / (purchase) of financial assets held-for-trading	2,143	(21,332)
Interest received	467	4,339
Dividends received from quoted equity securities	471	500
Proceeds from sale of financial assets held-for-trading	9,664	25,450
Other receivables relating to sale of financial assets held-for-trading	(2,148)	-
Proceeds from sale of an investment property	1,430	-
Proceeds from sale of property, plant and equipment	-	2
Cash flows from investing activities	8,210	8,912
Financing activities		
Dividends paid	(8,720)	(104,644)
Cash flows from financing activities	(8,720)	(104,644)
Change in cash and cash equivalents	(946)	(92,957)
Cash and cash equivalents at beginning of the year	40,547	131,926
Effects of exchange rate fluctuations on cash and cash equivalents	42	(862)
Cash and cash equivalents at end of the period	39,643	38,107

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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 \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total attributable to equity holders of the Company \$'000
Balance at 1 April 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 Dec 2007	44,347	7	(3,587)	43,145	83,912
Currency translation differences of foreign operations	-	-	(574)	-	(574)
Net losses recognised directly in equity	-	-	(574)	-	(574)
Loss for the period	-	-	-	(1,693)	(1,693)
Total recognised income and expense for the period	-	-	(574)	(1,693)	(2,267)
Balance at 31 March 2008	44,347	7	(4,161)	41,452	81,645
Currency translation differences of foreign operations	-	-	317	-	317
Net change in fair value of available-for-sale financial assets	-	(5)	-	-	(5)
Net (losses) / gains recognised directly in equity	-	(5)	317	-	312
Loss for the period	-	-	-	(4,653)	(4,653)
Total recognised income and expense for the period	-	(5)	317	(4,653)	(4,341)
Dividends	-	-	-	(8,720)	(8,720)
Balance at 31 Dec 2008	44,347	2	(3,844)	28,079	68,584

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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	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 April 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
Profit for the period	-	3,732	3,732
Balance at 31 March 2008	44,347	13,757	58,104
Profit for the period	-	2,247	2,247
Dividends	-	(8,720)	(8,720)
Balance at 31 December 2008	44,347	7,284	51,631

- 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

- 1(d)(iii) 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 31.12.2008	As at 31.3.2008
Total number of issued shares (excluding treasury shares)	436,016,591	436,016,591

There were no shares held as treasury shares as at 31 December 2008 and 31 March 2008.

- 1(d)(iv) 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.

- 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

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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.

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	
	YTD 2009	YTD 2008
	Cents	Cents
(Loss) / earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	(1.1)	1.2
(ii) fully diluted basis	(1.1)	1.2

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	
	31.12.2008	31.3.2008	31.12.2008	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

	Q3 2009	Q3 2008	Favourable variance	YTD 2009	YTD 2008	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	3,179	3,139	1.3	8,455	9,662	(12.5)

The Group's revenue for YTD 2009 decreased by approximately \$1.2 million (12.5%) when compared to YTD 2008. The unfavourable variance was due to;

- off-hire of a vessel for drydocking and repair amounting to approximately \$0.7 million, and
- weakening of the United States (US) dollar against the Singapore dollar during the nine months ended 31 December 2008 as compared to the nine months ended 31 December 2007, amounting to approximately \$0.5 million.

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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)(LOSS) / PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q3 2009	Q3 2008	Unfavourable variance	YTD 2009	YTD 2008	Unfavourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	290	658	(55.9)	(46)	2,175	(102.1)
Unallocated items ^(a)	(4,652)	(161)	(2,789.4)	(5,914)	3,269	(280.9)
Net (loss) / profit before other gains	(4,362)	497	(977.7)	(5,960)	5,444	(209.5)
Gain on disposal of an investment property	1,307	-	NM	1,307	-	NM
Net (loss) / profit for the period	(3,055)	497	(714.7)	(4,653)	5,444	(185.5)

NM: Not meaningful^(a) *Unallocated items refer to finance (expense) / income, exchange differences and taxation.*

The Group's ship owning and management business' year-to-date unfavourable variance of approximately \$2.2 million was due to:

	Unfavourable variance
	\$'m
• Off-hire of a vessel for drydocking and repair of its main engine	0.7
• Lower income due to the weakening of the US dollar against the Singapore dollar	0.5
• Higher amortization of dry-docking expenditure	0.4
• Higher vessel operating costs and repair costs for a vessel's main engine	0.6
	2.2

Unallocated items' year-to-date unfavorable variance of approximately \$9.2 million was due to additional losses of approximately \$7.6 million on the Group's investments in equity and equity linked notes and lower interest income.

BALANCE SHEET

The increase in property, plant and equipment was mainly due to the expenditure incurred for drydocking and purchase of replacement parts to extend the economic useful life of a vessel.

The increase in trade and other receivables was mainly due to insurance recoverable relating to repair of a vessel in Q2 2009 and sales proceeds from divestments of equity shares in December 2008 which was received in January 2009.

The decrease in financial assets held-for-trading was due to divestments and further decrease in its fair value.

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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)**

CASH FLOW STATEMENT

The decrease in cash flows from operating activities was mainly due to the lower revenue and higher vessel operating costs.

The positive cash flows from investing activities contributed by the proceeds for sale and maturity of the financial assets held-for-trading, was partially offset by payments for new vessel equipment and drydocking expenditure. No new financial assets held-for-trading were purchased during the 9 months ended 31 December 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

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.**

Whilst the global shipping industry is in a crisis mode, the Group's principal ship-owning business is sound as our vessels which are fully paid for, are on long term charters and the Group still has a healthy cash hoard.

The reported losses caused by crystallising the losses from the investments in equity and equity linked notes; off-hire of a vessel for dry-docking and repair; and repair costs for the breakdown of a vessel's main engine are exceptional in nature and unlikely to be recurring.

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?

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

(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 2009	YTD 2008
	\$'000	\$'000
<u>Revenue</u>		
Singapore	85	84
Japan	8,370	9,578
	<u>8,455</u>	<u>9,662</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	Favourable / (unfavourable)
	\$'000	\$'000	%
(a) Sales reported for first half	5,276	6,523	(19.1)
(b) Operating profit after taxation before deducting minority interest reported for first half:			
Before other gains	(1,598)	4,947	(132.3)
After other gains	(1,598)	4,947	(132.3)
(c) Sales reported for third quarter	3,179	3,139	1.3
(d) Operating (loss) / profit after taxation before deducting minority interests reported for third quarter:			
Before other gains	(4,362)	497	(977.7)
After other gains	(3,055)	497	(714.7)
(e) Sales reported for year-to-date	8,455	9,662	(12.5)
(f) Operating (loss) / profit after taxation before deducting minority interests reported for year-to-date:			
Before other gains	(5,960)	5,444	(209.5)
After other gains	(4,653)	5,444	(185.5)

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16. Interested person transactions (IPT)

Name of interested person	YTD 2009 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	YTD 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	\$184,000	\$184,000

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

BY ORDER OF THE BOARD

Christina Chew Heng Siang / Claire Nazar
Joint Company Secretaries

11 February 2009

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 2008 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

11 February 2009