

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

**UNAUDITED 1<sup>ST</sup> QUARTER FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2010**

**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 2011	Q1 2010	Favourable/ (unfavourable)
	\$'000	\$'000	%
Revenue	4,658	3,075	51.5
Other operating income	45	46	( 2.2)
Depreciation expense on property, plant and equipment	(1,239)	(576)	(115.1)
Depreciation expense on investment properties	(2)	(1)	(100.0)
Vessel operation and crew management costs	(911)	(636)	(43.2)
Staff costs	(1,250)	(1,466)	14.7
Other operating expenses	(263)	(239)	(10.0)
Results from operating activities	1,038	203	411.3
Finance income (i)	6	1,029	(99.4)
Interest expense on bank borrowing	(188)	-	NM
Up-front fee on bank borrowing	(292)	-	NM
Exchange differences	(378)	(165)	(129.1)
Share of results of associated company, net of tax	262	262	-
Profit before taxation	448	1,329	(66.3)
Taxation (ii)	2	(5)	140.0
Profit for the period	450	1,324	(66.0)
Attributable to:			
Owners of the Company	450	1,324	(66.0)
Earnings per share, cents			
Basic	0.1	0.3	
Diluted	0.1	0.3	

*Q1: 1<sup>st</sup> Quarter*

*NM : Not meaningful*

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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 2011	Q1 2010
	\$'000	\$'000
Interest income on deposits with banks	37	157
Dividend income from quoted equity securities	26	36
Net change in fair value of disposed / outstanding financial assets held-for-trading	(57)	836
	<u>6</u>	<u>1,029</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 2011	Q1 2010
	\$'000	\$'000
Profit before taxation	448	1,329
Tax calculated using Singapore tax rate of 17% (2010: 17%)	(76)	(226)
Singapore statutory stepped income exemption	2	1
Income not subject to tax	252	250
Expenses not deductible for tax purposes	(81)	(45)
Over provision in prior year	2	-
Utilisation of previously unrecognised tax losses	11	15
Tax benefit on tax losses not recognised	(108)	-
	<u>2</u>	<u>(5)</u>

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**2. Consolidated Statement of Comprehensive Income for the period ended 30 June 2010**

	Q1 2011	Q1 2010
	\$'000	\$'000
<b>Profit for the period</b>	450	1,324
Net change in currency translation reserve	545	(1,045)
Net change in fair value of available-for-sale financial assets	-	2
Net change in fair value of cash flow hedges	(429)	-
Tax effect on other comprehensive income	-	-
<b>Other comprehensive income / (loss) for the period, net of tax</b>	116	(1,043)
<b>Total comprehensive income</b>	<b>566</b>	<b>281</b>
<b>Attributable to:</b>		
Owners of the Company	566	281

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**3(a). A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>The Group</b>		<b>The Company</b>	
	30.6.2010	31.3.2010	30.6.2010	31.3.2010
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	78,392	8,706	-	-
Investment properties	157	159	-	-
Subsidiaries	-	-	31,796	31,796
Associated company	4,252	3,993	-	-
Available-for-sale financial assets	9	9	-	-
Other assets	297	298	-	-
	<b>83,107</b>	<b>13,165</b>	<b>31,796</b>	<b>31,796</b>
<b>Current assets</b>				
Inventories	146	55	-	-
Trade and other receivables	1,080	1,153	30,753	36,342
Financial assets held-for-trading	1,302	1,361	-	-
Cash and cash equivalents	21,018	54,039	917	17,700
	<b>23,546</b>	<b>56,608</b>	<b>31,670</b>	<b>54,042</b>
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	2,892	1,524	5,761	28,901
Bank borrowing	4,371	-	-	-
Current tax payable	1	19	1	13
	<b>7,264</b>	<b>1,543</b>	<b>5,762</b>	<b>28,914</b>
<b>Net current assets</b>	<b>16,282</b>	<b>55,065</b>	<b>25,908</b>	<b>25,128</b>
<b>Non-current liability</b>				
Bank borrowing	30,594	-	-	-
Deferred tax liability	-	1	-	1
	<b>30,594</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Net assets</b>	<b>68,795</b>	<b>68,229</b>	<b>57,704</b>	<b>56,923</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	44,347	44,347	44,347	44,347
Other reserves	(4,956)	(5,072)	-	-
Retained earnings	29,404	28,954	13,357	12,576
<b>Total equity</b>	<b>68,795</b>	<b>68,229</b>	<b>57,704</b>	<b>56,923</b>

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**3(b). Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30.6.2010		As at 31.3.2010	
Secured	Unsecured	Secured	Unsecured
\$4,371,000	-	-	-

**Amount repayable after one year**

As at 30.6.2010		As at 31.3.2010	
Secured	Unsecured	Secured	Unsecured
\$30,594,000	-	-	-

**Details of any collateral :**

The credit facilities from the bank is secured by a corporate guarantee from the Company and mortgage of a vessel. The net book value of the vessel mortgaged is \$70,231,000.

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

	Q1 2011	Q1 2010
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	448	1,329
Adjustments for:		
Depreciation expense on property, plant and equipment	1,239	576
Depreciation expense on investment properties	2	1
Interest income	(37)	(157)
Interest expense on bank borrowing	188	-
Up-front fee on bank borrowing	292	-
Dividend income	(26)	(36)
Net change in fair value of disposed / outstanding financial assets held-for-trading	57	(836)
Share of results of associated company, net of tax	(262)	(262)
	<hr/> 1,901	<hr/> 615
Changes in working capital:		
Inventories	(91)	79
Trade and other receivables	38	148
Trade and other payables	1,332	345
	<hr/> 3,180	<hr/> 1,187
Cash generated from operations	3,180	1,187
Income taxes paid	(18)	(6)
	<hr/> 3,162	<hr/> 1,181
<b>Cash flows from operating activities</b>		
<b>Investing activities</b>		
Purchase of property, plant and equipment	(70,947)	(146)
Purchase of financial assets held-for-trading	-	(1)
Interest received	73	79
Dividends received from quoted equity securities	26	31
Proceeds from sale of financial assets held-for-trading	-	1,521
	<hr/> (70,848)	<hr/> 1,484
<b>Cash flows from investing activities</b>		
<b>Financing activities</b>		
Drawdown of bank borrowing	34,965	-
Interest paid	(8)	-
Up-front fee paid	(292)	-
	<hr/> 34,665	<hr/> -
<b>Cash flows from financing activities</b>		
<b>Change in cash and cash equivalents</b>	<hr/> (33,021)	<hr/> 2,665
Cash and cash equivalents at beginning of the year	54,039	46,547
Effects of exchange rate fluctuations on cash and cash equivalents	-	(73)
	<hr/> 21,018	<hr/> 49,139
<b>Cash and cash equivalents at end of the period</b>	<hr/> <hr/> 21,018	<hr/> <hr/> 49,139

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- 5(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.

5(a)(i). The Group**Consolidated Statement of Changes in Equity for the 1<sup>st</sup> quarter ended 30 June 2010**

	Share capital	Fair value reserve	Hedging reserve	Currency translation reserve	Retained earnings	Total attributable to owners of the Company
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2010</b>	<b>44,347</b>	<b>5</b>	<b>-</b>	<b>(5,077)</b>	<b>28,954</b>	<b>68,229</b>
Total comprehensive (loss) / income	-	-	(429)	545	450	566
<b>Balance at 30 June 2010</b>	<b>44,347</b>	<b>5</b>	<b>(429)</b>	<b>(4,532)</b>	<b>29,404</b>	<b>68,795</b>
<b>Balance at 1 April 2009</b>	<b>44,347</b>	<b>2</b>	<b>-</b>	<b>(3,328)</b>	<b>29,233</b>	<b>70,254</b>
Total comprehensive income / (loss)	-	2	-	(1,045)	1,324	281
<b>Balance at 30 June 2009</b>	<b>44,347</b>	<b>4</b>	<b>-</b>	<b>(4,373)</b>	<b>30,557</b>	<b>70,535</b>

5(a)(ii). The Company**Statement of Changes in Equity for the 1<sup>st</sup> quarter ended 30 June 2010**

	Share capital	Retained earnings	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 April 2010</b>	<b>44,347</b>	<b>12,576</b>	<b>56,923</b>
Total comprehensive income	-	781	781
<b>Balance at 30 June 2010</b>	<b>44,347</b>	<b>13,357</b>	<b>57,704</b>
<b>Balance at 1 April 2009</b>	<b>44,347</b>	<b>8,410</b>	<b>52,757</b>
Total comprehensive loss	-	(198)	(198)
<b>Balance at 30 June 2009</b>	<b>44,347</b>	<b>8,212</b>	<b>52,559</b>

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- 5(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

- 5(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 30.6.2010	As at 31.3.2010
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 2010 and 31 March 2010.

- 5(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.

- 6. 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.

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

Not applicable

- 8. 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 9 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 2010.

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9. **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.**

With effect from 1 April 2010, the Group has adopted the following new / revised Financial Reporting Standards (FRSs) which are relevant to the Group's operations:

FRS 27 (revised)	<i>Consolidated and Separate Financial Statements</i>
Amendments to FRS 39	<i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
FRS 103 (revised 2009)	<i>Business Combinations</i>
Improvements to FRSs 2009	

The adoption of the above FRSs did not have any significant impact on the financial statements of the Group.

10. **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.**

	<b>The Group</b>	
	Q1 2011 Cents	Q1 2010 Cents
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	0.1	0.3
(ii) fully diluted basis	0.1	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.

11. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding year**

	<b>The Group</b>		<b>The Company</b>	
	30.6.2010	31.3.2010	30.6.2010	31.3.2010
Net asset value per ordinary share based on the total number of issued shares as at the end of the period / year reported on	\$0.16	\$0.16	\$0.13	\$0.13

## SINGAPORE SHIPPING CORPORATION LIMITED

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

#### REVENUE

	Q1 2011	Q1 2010	Favourable variance
	\$'000	\$'000	%
Ship owning & management	4,658	3,075	51.5

The Group's revenue for Q1 2011 increased by approximately \$1.6 million (51.5%) when compared to Q1 2010. The revenue contributed by the vessel purchased in April 2010 was partially off-set by loss of revenue from vessel disposed of in December 2009.

#### PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q1 2011	Q1 2010	Favourable / (unfavourable) variance
	\$'000	\$'000	%
Ship owning & management	1,300	465	179.6
Unallocated items <sup>(a)</sup>	(850)	859	(199.0)
Net profit for the period	450	1,324	(66.0)

<sup>(a)</sup> *Unallocated items refer to finance income, interest expense and fees, exchange differences and taxation.*

Ship owning and management's favourable variance in net profit of approximately \$0.8 million (179.6%) in Q1 2011 compared to Q1 2010 was mainly due to the net income contributed by the vessel purchased in April 2010 and lower staff costs.

Unallocated items' unfavourable variance in net profit of approximately \$1.7 million compared to Q1 2010 may be summarised as follows:

	Unfavourable variance
	\$'m
• The Group's reduction of its short-term investment portfolio since Q1 2010 accounted for the negative variance in net change in fair value on short-term investments	(0.9)
• Up-front fee incurred to finance the purchase of a vessel	(0.3)
• Interest expense incurred to finance the purchase of a vessel	(0.2)
• Higher exchange loss	(0.2)
• Lower dividend and interest income as funds placed on short-term investments and bank deposits were lower than Q1 2010	(0.1)
	(1.7)

#### BALANCE SHEET

The purchase of a vessel in April 2010 accounted for the current period's bank borrowing, the increase in property, plant and equipment and trade and other payables, and the corresponding decrease in cash and cash equivalents.

#### CASH FLOW STATEMENT

The increase in cash flows from operating activities compared to Q1 2010 was mainly due to higher income from chartering of vessels.

The purchase of a vessel in April 2010 accounted for the variances in cash flows from investing activities and cash flows from financing activities, compared to Q1 2010.

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

Not applicable

14. **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 will continue to perform well as our vessels are on long-term charters to blue chip operators. Moreover the up-front fee on bank borrowing, of approximately \$0.3 million, incurred in Q1 2011 will not be a recurring expense in the subsequent quarters.

The Group's results will also be boosted by the estimated gain on disposal of \$0.6 million, when the gain is recognised upon completion of the sale of the investment properties in October 2010 (see note 20 on "Subsequent event").

We are also evaluating the acquisition of additional vessels to expand the business of the Group.

15. **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

16. **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****17. 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. The assets, liabilities and capital expenditure of the Group 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 2011	Q1 2010
	\$'000	\$'000
<u>Revenue</u>		
Singapore	63	67
Japan	1,859	3,008
Sweden	2,736	-
	<u>4,658</u>	<u>3,075</u>

c) Information about major customers

Revenue from two major customers amounted to \$1,859,000 (Q1 2010: \$3,008,000) and \$2,736,000 (Q1 2010: Nil) respectively arising from chartering of vessels.

**18. 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 12.

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

<u>Name of interested person</u>	Q1 2011 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	Q1 2010 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 2011 and Q1 2010 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 2011 and Q1 2010.

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**20. Subsequent event**

On 28 July 2010, the Company announced that a wholly-owned subsidiary has entered into an option to sell its properties at 190 Clemenceau Avenue, #05-11/12, Singapore Shopping Centre, Singapore 239924 for a cash consideration of approximately \$0.8 million. The transaction is expected to be completed on or before 28 October 2010. The estimated gain on disposal of \$0.6 million will be recognised upon completion of the transaction.

**BY ORDER OF THE BOARD**

Christina Chew Heng Siang  
Company Secretary

29 July 2010

**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 2010 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat  
Director

Ow Cheo Guan  
Director

29 July 2010