

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

**UNAUDITED 2ND QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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.

	Q2 2010	Q2 2009	Favourable/ (unfavourable)	1H 2010	1H 2009	Favourable/ (unfavourable)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3,073	2,733	12.4	6,148	5,276	16.5
Other operating income	50	62	(19.4)	96	123	(22.0)
Depreciation expense on property, plant and equipment	(568)	(561)	(1.2)	(1,144)	(892)	(28.3)
Depreciation expense on investment properties	(1)	(2)	50.0	(2)	(3)	33.3
Vessel operation and crew management costs	(642)	(814)	21.1	(1,278)	(1,642)	22.2
Staff costs	(1,429)	(1,542)	7.3	(2,895)	(2,913)	0.6
Other operating expenses	(263)	(325)	19.1	(502)	(624)	19.6
Results from operating activities	220	(449)	149.0	423	(675)	162.7
Net finance income / (expense) (i)	483	(3,103)	115.6	1,512	(1,359)	211.3
Exchange differences	(91)	384	(123.7)	(256)	51	(602.0)
Share of results of associated company	258	82	214.6	520	339	53.4
Profit / (loss) before taxation	870	(3,086)	128.2	2,199	(1,644)	233.8
Taxation (ii)	-	7	(100.0)	(5)	46	(110.9)
Profit / (loss) for the period	870	(3,079)	128.3	2,194	(1,598)	237.3
Attributable to:						
Equity holders of the Company				2,194	(1,598)	237.3
Earnings / (loss) per share, cents						
Basic				0.5	(0.4)	
Diluted				0.5	(0.4)	

Q2: 2nd Quarter

1H: 1st Half

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) Net finance income / (expense)

	Q2 2010	Q2 2009	1H 2010	1H 2009
	\$'000	\$'000	\$'000	\$'000
Interest income on deposits with banks	139	122	296	265
Interest income on equity linked notes	-	9	-	94
Dividend income from quoted equity securities	31	158	67	413
Net change in fair value of disposed / outstanding financial assets held-for-trading	313	(3,392)	1,149	(2,131)
	483	(3,103)	1,512	(1,359)

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:

	Q2 2010	Q2 2009	1H 2010	1H 2009
	\$'000	\$'000	\$'000	\$'000
Profit / (loss) before taxation	870	(3,086)	2,199	(1,644)
Tax calculated using Singapore tax rate of 17% (2009: 18%)	148	(555)	374	(296)
Singapore statutory stepped income exemption	(11)	8	(12)	(4)
Income not subject to tax	(206)	(208)	(456)	(626)
Expenses not deductible for tax purposes	29	(10)	74	172
Utilisation of previously unrecognised tax losses	12	(13)	(3)	(15)
Over provision in prior years	(2)	(1)	(2)	(49)
Tax benefits not recognised	30	772	30	772
	-	(7)	5	(46)

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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	
	30.9.2009	31.3.2009	30.9.2009	31.3.2009
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	15,873	18,030	-	-
Investment properties	161	295	-	-
Subsidiaries	-	-	31,996	33,165
Associated company	3,719	3,446	-	-
Available-for-sale financial assets	8	6	-	-
Other assets	329	329	-	-
	20,090	22,106	31,996	33,165
Current assets				
Inventories	162	244	-	-
Trade and other receivables	1,328	1,209	36,223	22,237
Financial assets held-for-trading	1,654	1,997	-	-
Cash and cash equivalents	45,111	46,547	8,978	25,075
Assets classified as held for sale (i)	132	-	-	-
	48,387	49,997	45,201	47,312
Less:				
Current liabilities				
Trade and other payables	1,933	1,837	27,680	27,712
Current tax payable	10	6	10	2
	1,943	1,843	27,690	27,714
Net current assets	46,444	48,154	17,511	19,598
Non-current liability				
Deferred tax liability	3	6	3	6
Net assets	66,531	70,254	49,504	52,757
Equity attributable to equity holders of the Company				
Share capital	44,347	44,347	44,347	44,347
Other reserves	(4,883)	(3,326)	-	-
Retained earnings	27,067	29,233	5,157	8,410
Total equity	66,531	70,254	49,504	52,757

Note (i) Assets classified as held for sale

On 21 August 2009, the Group announced that it had entered into an agreement to sell its property situated at 15 Enggor Street, Realty Centre #10-03, Singapore 079716 for a gross consideration of \$1,200,000. The sale was completed on 7 October 2009. As such, the Group has reclassified the above mentioned property as "Assets classified as held for sale".

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

As at 30.9.2009		As at 31.3.2009	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2009		As at 31.3.2009	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral : Not applicable

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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

	1H 2010	1H 2009
	\$'000	\$'000
Operating activities		
Profit / (loss) before taxation	2,199	(1,644)
Adjustments for:		
Depreciation expense on property, plant and equipment	1,144	892
Depreciation expense on investment properties	2	3
Loss on disposal of property, plant and equipment	-	30
Interest income	(296)	(359)
Dividend income	(67)	(413)
Net change in fair value of disposed / outstanding financial assets held-for-trading	(1,149)	2,131
Net change in fair value of foreign exchange options	-	(809)
Share of results of associated company	(520)	(339)
	<u>1,313</u>	<u>(508)</u>
Changes in working capital:		
Inventories	65	(82)
Trade and other receivables	(148)	(2,359)
Trade and other payables	282	2,192
	<u>1,512</u>	<u>(757)</u>
Cash generated from operations	1,512	(757)
Income taxes (paid) / refunded	(4)	48
	<u>1,508</u>	<u>(709)</u>
Cash flows from operating activities		
Investing activities		
Purchase of property, plant and equipment	(144)	(782)
Payments for drydocking expenditure	(69)	(3,016)
Trade payables relating to purchase of property, plant and equipment and drydocking expenditure	-	1,568
Purchase of financial assets held-for-trading	(251)	-
Interest received	252	374
Dividends received from quoted equity securities	62	413
Proceeds from expiry of an equity linked note	-	2,126
Proceeds from sale of financial assets held-for-trading	1,670	3,369
	<u>1,520</u>	<u>4,052</u>
Cash flows from investing activities		
Financing activity		
Dividends paid	(4,360)	(8,720)
	<u>(4,360)</u>	<u>(8,720)</u>
Cash flows from financing activity		
Change in cash and cash equivalents	(1,332)	(5,377)
Cash and cash equivalents at beginning of the year	46,547	40,547
Effects of exchange rate fluctuations on cash and cash equivalents	(104)	4
	<u>45,111</u>	<u>35,174</u>
Cash and cash equivalents at end of the period	45,111	35,174

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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 period ended 30 Sep 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).

	1H 2010	1H 2009
	\$'000	\$'000
Net profit / (loss) for the period	2,194	(1,598)
Other comprehensive income, net of tax		
Currency translation differences of foreign operations	(1,560)	394
Net change in fair value of available-for-sale financial assets	3	(3)
	(1,557)	391
Total comprehensive income / (loss)	637	(1,207)
Total comprehensive income / (loss) attributable to:		
Equity holders of the Company	637	(1,207)

Consolidated Statement of Changes in Equity for the period ended 30 Sep 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 / (loss)	-	(3)	394	(1,598)	(1,207)
Dividends	-	-	-	(8,720)	(8,720)
Balance at 30 Sep 2008	44,347	4	(3,767)	31,134	71,718
Balance at 1 April 2009	44,347	2	(3,328)	29,233	70,254
Total comprehensive income / (loss)	-	3	(1,560)	2,194	637
Dividends	-	-	-	(4,360)	(4,360)
Balance at 30 Sep 2009	44,347	5	(4,888)	27,067	66,531

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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 period ended 30 September 2009**

	1H 2010	1H 2009
	\$'000	\$'000
Net profit for the period	1,107	1,929
Other comprehensive income, net of tax	-	-
Total comprehensive income attributable to equity holders of the Company	1,107	1,929

Statement of Changes in Equity for the period ended 30 September 2009

	Share capital	Retained earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 April 2008	44,347	13,757	58,104
Total comprehensive income	-	1,929	1,929
Dividends	-	(8,720)	(8,720)
Balance at 30 September 2008	44,347	6,966	51,313
Balance at 1 April 2009	44,347	8,410	52,757
Total comprehensive income	-	1,107	1,107
Dividends	-	(4,360)	(4,360)
Balance at 30 September 2009	44,347	5,157	49,504

- 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 30.9.2009	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 September 2009 and 31 March 2009.

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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.

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.

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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	
	1H 2010	1H 2009
	Cents	Cents
Earnings / (loss) per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	0.5	(0.4)
(ii) fully diluted basis	0.5	(0.4)

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 are no new issues or outstanding share options.

10. **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

	The Group		The Company	
	30.9.2009	31.3.2009	30.9.2009	31.3.2009
Net asset value per ordinary share based on the total number of issued shares as at the end of the period / year reported on	\$0.15	\$0.16	\$0.11	\$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

	Q2 2010	Q2 2009	Favourable variance	1H 2010	1H 2009	Favourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	3,073	2,733	12.4	6,148	5,276	16.5

The Group's revenue for Q2 2010 and 1H 2010 increased by approximately \$0.3 million (12.4%) and \$0.9 million (16.5%) respectively when compared to Q2 2009 and 1H 2009. The favourable variance was mainly due to off-hire of a vessel for drydocking and repair of main engine in 1H 2009.

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

11. 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

	Q2 2010	Q2 2009	Favourable variance	1H 2010	1H 2009	Favourable variance
	\$'000	\$'000	%	\$'000	\$'000	%
Ship owning & management	478	(367)	230.2	943	(336)	380.7
Unallocated items ^(a)	392	(2,712)	114.5	1,251	(1,262)	199.1
Net profit/(loss) for the period	870	(3,079)	128.3	2,194	(1,598)	237.3

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

Ship owning and management's favourable variance of approximately \$1.3 million in net profit compared to 1H 2009 may be summarised as follows:

	Favourable / (unfavourable) variance
	\$'m
• Higher revenue	0.9
• Lower vessel operating costs	0.5
• Higher depreciation charge due to the fall in market scrap value of vessels	(0.1)
	<u>1.3</u>

Unallocated items' favourable variance of approximately \$2.5 million in net profit compared to 1H 2009 may be summarised as follows:

	Favourable / (unfavourable) variance
	\$'m
• Positive change in fair value of short-term investments	3.2
• Lower dividend and interest income due to decrease in cash resources to place on deposits and short-term investments compared to 1H 2009	(0.4)
• Exchange loss due to weakening of the United States dollar against Singapore dollar	(0.3)
	<u>2.5</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 period.

The decrease in cash and cash equivalents was mainly due to dividend payment in August 2009. This was partially offset by cash inflow from operating activities and proceeds from sale of short-term investments.

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

11. **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 increase in cash flows from operating activities compared to 1H 2009 was mainly due to higher ship owning revenue and lower vessel operating costs.

The decrease in cash flows from investing activities compared to 1H 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

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 its 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 September 2009, had clawed back approximately \$1.1 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.

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(Company Registration Number: 198801332G)

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.

	1H 2010	1H 2009
	\$'000	\$'000
<u>Revenue</u>		
Singapore	131	68
Japan	6,017	5,208
	<u>6,148</u>	<u>5,276</u>

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. A breakdown of sales and operating profit.

	2010	2009	Favourable / (unfavourable)
	\$'000	\$'000	%
(a) Sales reported for first quarter	3,075	2,543	20.9
(b) Operating profit after taxation before deducting minority interests reported for first quarter	1,324	1,481	(10.6)
(c) Sales reported for second quarter	3,073	2,733	12.4
(d) Operating profit / (loss) after taxation before deducting minority interests reported for second quarter	870	(3,079)	128.3
(e) Sales reported for first half	6,148	5,276	16.5
(f) Operating profit / (loss) after taxation before deducting minority interests reported for first half	2,194	(1,598)	237.3

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(Company Registration Number: 198801332G)

19. Interested person transactions (IPT)

Name of interested person	1H 2010 Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000)	1H 2009 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	119,000	122,000

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000) is nil for both 1H 2010 and 1H 2009.

20. Subsequent event

The sale of the Group's property at 15 Enggor Street, Realty Centre #10-03, Singapore 079716 was completed on 7 October 2009. The gain on disposal of approximately \$1.1 million will be recognised in the Group's third quarter results.

BY ORDER OF THE BOARD
Christina Chew Heng Siang
Company Secretary

10 November 2009

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(Company Registration Number: 198801332G)

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 six months ended 30 September 2009 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

10 November 2009