

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

**UNAUDITED 2ND QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

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

	Q2 2012	Q2 2011	Favourable/ (unfavourable)	1H 2012	1H 2011	Favourable/ (unfavourable)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	5,034	4,090	23.1	9,766	7,445	31.2
Other operating income	60	33	81.8	94	65	44.6
Depreciation expense on property, plant and equipment	(1,039)	(1,073)	3.2	(2,078)	(1,966)	(5.7)
Depreciation expense on investment properties *	-	-	-	-	(1)	NM
Vessel operation and crew management costs	(795)	(541)	(47.0)	(1,729)	(1,196)	(44.6)
Staff costs	(1,391)	(1,102)	(26.2)	(2,704)	(2,002)	(35.1)
Other operating expenses	(231)	(204)	(13.2)	(402)	(394)	(2.0)
Results from operating activities	1,638	1,203	36.2	2,947	1,951	51.1
Finance (expense) / income (i)	(55)	91	(160.4)	(83)	94	(188.3)
Finance costs on bank borrowing	(228)	(209)	(9.1)	(459)	(350)	(31.1)
Exchange differences (ii)	(476)	588	(181.0)	(297)	345	(186.1)
Share of results of associated company, net of tax	8	81	(90.1)	14	270	(94.8)
Profit before taxation	887	1,754	(49.4)	2,122	2,310	(8.1)
Taxation (iii)	1	-	NM	1	2	(50.0)
Profit for the period	888	1,754	(49.4)	2,123	2,312	(8.2)
Attributable to:						
Owners of the Company				2,123	2,312	(8.2)
Earnings per share, US cents						
Basic				0.5	0.5	
Diluted				0.5	0.5	

Q2: 2nd Quarter

1H: 1st Half

NM: Not meaningful

* The investment properties were sold in FY 2011

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1. An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)Note (i) Finance (expense) / income

	Q2 2012	Q2 2011	1H 2012	1H 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income on deposits with banks	12	20	23	47
Interest income on security notes	1	1	2	1
Dividend income from quoted equity securities	12	19	24	38
Net change in fair value of financial assets held-for-trading	(80)	51	(132)	8
	(55)	91	(83)	94

Note (ii) Exchange differences

	Q2 2012	Q2 2011	1H 2012	1H 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Net change in fair value of foreign exchange options	(426)	-	(439)	-
Net exchange gain / (loss)	(50)	588	142	345
	(476)	588	(297)	345

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:

	Q2 2012	Q2 2011	1H 2012	1H 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Profit before taxation	887	1,754	2,122	2,310
Less: Share of results of associated company, net of tax	(8)	(81)	(14)	(270)
	879	1,673	2,108	2,040
Tax calculated using Singapore tax rate of 17% (2011: 17%)	(149)	(285)	(358)	(347)
Singapore statutory stepped income exemption	-	-	-	1
Income not subject to tax	317	550	687	736
Expenses not deductible for tax purposes	(64)	(184)	(131)	(238)
Over provision in prior year	1	1	1	2
Utilisation of previously unrecognised tax losses	1	4	2	12
Tax benefit on tax losses not recognised	(105)	(86)	(200)	(164)
	1	-	1	2

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2. Consolidated Statement of Comprehensive Income for the period ended 30 September 2011

	1H 2012 US\$'000	1H 2011 US\$'000
Profit for the period	2,123	2,312
Cash flow hedges:		
- Effective portion of changes in fair value of cash flow hedges	(522)	(640)
- Realised and transferred to income statement	138	-
	(384)	(640)
Net change in fair value of available-for-sale financial assets	(1)	-
Net change in currency translation reserve	(119)	630
Other comprehensive income for the period, net of tax	(504)	(10)
Total comprehensive income for the period	1,619	2,302
Attributable to:		
Owners of the Company	1,619	2,302

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

	The Group		The Company	
	30.9.2011	31.3.2011	30.9.2011	31.3.2011
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	67,860	69,488	-	-
Subsidiaries	-	-	37,141	37,762
Associated company	3,029	3,016	-	-
Available-for-sale financial assets	6	7	-	-
Other assets	227	235	-	-
	71,122	72,746	37,141	37,762
Current assets				
Inventories	272	206	-	-
Trade and other receivables	1,100	852	4,996	11,041
Financial assets held-for-trading	580	735	-	-
Cash and cash equivalents	10,163	11,942	5,122	1,002
	12,115	13,735	10,118	12,043
Less:				
Current liabilities				
Trade and other payables	2,376	1,865	5,877	7,785
Bank borrowing	4,520	4,404	-	-
	6,896	6,269	5,877	7,785
Net current assets	5,219	7,466	4,241	4,258
Non-current liabilities				
Bank borrowing	25,992	28,252	-	-
Derivative financial liability	668	284	-	-
	26,660	28,536	-	-
Net assets	49,681	51,676	41,382	42,020
Equity attributable to owners of the Company				
Share capital	31,665	31,665	31,665	31,665
Other reserves	(667)	(163)	-	-
Retained earnings	18,683	20,174	9,717	10,355
Total equity	49,681	51,676	41,382	42,020

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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 30.9.2011		As at 31.3.2011	
Secured	Unsecured	Secured	Unsecured
US\$4,520,000	-	US\$4,404,000	-

Amount repayable after one year

As at 30.9.2011		As at 31.3.2011	
Secured	Unsecured	Secured	Unsecured
US\$25,992,000	-	US\$28,252,000	-

Details of any collateral :

The credit facilities obtained by a wholly-owned subsidiary is secured by a corporate guarantee from the Company, mortgage of a vessel and assignment of insurances and earnings on the said vessel. The net book value of the vessel mortgaged is US\$46.6 million (FY2011: US\$48.0 million).

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

	1H 2012 US\$'000	1H 2011 US\$'000
Operating activities		
Profit before taxation	2,122	2,310
Adjustments for:		
Depreciation expense on property, plant and equipment	2,078	1,966
Depreciation expense on investment properties	-	1
Gain on disposal of property, plant and equipment	-	(1)
Interest income	(25)	(48)
Dividend income	(24)	(38)
Net change in fair value of financial assets held-for-trading	132	(8)
Finance costs on bank borrowing	459	350
Net change in fair value of foreign exchange options	439	-
Share of results of associated company, net of tax	(14)	(270)
	5,167	4,262
Changes in working capital:		
Inventories	(66)	(63)
Trade and other receivables	(258)	(88)
Trade and other payables	75	458
Cash generated from operations	4,918	4,569
Income taxes refunded / (paid)	1	(13)
Cash flows from operating activities	4,919	4,556
Investing activities		
Purchase of property, plant and equipment	(19)	(50,744)
Payments for drydocking expenditure	(431)	-
Purchase of financial assets held-for-trading	(1,000)	(1,000)
Interest received	25	65
Dividends received from quoted equity securities	24	38
Proceeds from maturity of financial assets held-for-trading	1,000	-
Proceeds from sale of property, plant and equipment	-	2
Cash flows from investing activities	(401)	(51,639)
Financing activities		
Drawdown of bank borrowing	-	25,000
Repayment of bank borrowing	(2,144)	(781)
Payment of finance costs on bank borrowing	(440)	(387)
Dividends paid	(3,614)	(3,203)
Cash flows from financing activities	(6,198)	20,629
Change in cash and cash equivalents	(1,680)	(26,454)
Cash and cash equivalents at beginning of the year	11,942	38,591
Effects of exchange rate fluctuations on cash and cash equivalents	(99)	673
Cash and cash equivalents at end of the period	10,163	12,810

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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 period ended 30 September 2011

	Share capital	Fair value reserve	Hedging reserve	Currency translation reserve	Retained earnings	Total attributable to owners of the Company
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 April 2011	31,665	4	(284)	117	20,174	51,676
Total comprehensive income	-	(1)	(384)	(119)	2,123	1,619
Distributions to owners						
Dividends paid	-	-	-	-	(3,614)	(3,614)
Balance at 30 September 2011	31,665	3	(668)	(2)	18,683	49,681
Balance at 1 April 2010 as re-presented	31,665	4	-	(723)	17,776	48,722
Total comprehensive income	-	-	(640)	630	2,312	2,302
Distributions to owners						
Dividends paid	-	-	-	-	(3,203)	(3,203)
Balance at 30 September 2010	31,665	4	(640)	(93)	16,885	47,821

5(a)(ii). The Company

Statement of Changes in Equity for the period ended 30 September 2011

	Share capital	Retained earnings	Total
	US\$'000	US\$'000	US\$'000
Balance at 1 April 2011	31,665	10,355	42,020
Total comprehensive income	-	2,976	2,976
Distributions to owners			
Dividends paid	-	(3,614)	(3,614)
Balance at 30 September 2011	31,665	9,717	41,382
Balance at 1 April 2010 as re-presented	31,665	8,979	40,644
Total comprehensive income	-	1,999	1,999
Distributions to owners			
Dividends paid	-	(3,203)	(3,203)
Balance at 30 September 2010	31,665	7,775	39,440

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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 30.9.2011	As at 31.3.2011
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 2011 and 31 March 2011.

- 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 2011.

- 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 2011, the Group has adopted the following new / revised Singapore Financial Reporting Standards (FRSs) and Interpretations of FRS (INT FRS) which are relevant to the Group's operations:

FRS 24 (revised 2010)	<i>Related Party Disclosures</i>
Amendments to INT FRS 114	<i>Prepayments of a Minimum Funding Requirement</i>
INT FRS 119	<i>Extinguishing Financial Liabilities with Equity Instruments</i>
Improvements to FRSs 2010	

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

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- 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.**

	The Group	
	1H 2012	1H 2011
	US Cents	US Cents
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	0.5	0.5
(ii) fully diluted basis	0.5	0.5

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.

- 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 financial year

	The Group		The Company	
	30.9.2011	31.3.2011	30.9.2011	31.3.2011
Net asset value per ordinary share based on the total number of issued shares as at the end of the period / year reported on	US\$0.11	US\$0.12	US\$0.09	US\$0.10

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

REVENUE

	Q2 2012	Q2 2011	Favourable variance	1H 2012	1H 2011	Favourable variance
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning & management	5,034	4,090	23.1	9,766	7,445	31.2

The Group's revenue for Q2 2012 and 1H 2012 increased by approximately US\$0.9 million (23.1%) and US\$2.3 million (31.2%) respectively when compared to Q2 2011 and 1H 2011. The additional revenue contributed by the two vessels bought towards end April 2010 and early March 2011, was partially off-set by loss of revenue due to off-hire of a vessel for drydocking in April 2011.

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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. (continued)PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Q2 2012	Q2 2011	Favourable/ (unfavourable) variance	1H 2012	1H 2011	Favourable/ (unfavourable) variance
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning & management	1,646	1,284	28.2	2,961	2,221	33.3
Unallocated items ^(a)	(758)	470	(261.3)	(838)	91	(1,020.9)
Net profit for the period	888	1,754	(49.4)	2,123	2,312	(8.2)

^(a) Unallocated items refer to finance (expense) / income, finance costs on bank borrowing, exchange differences and taxation.

Whilst ship owning and management's operating profit has improved, net profit after unallocated items was affected by the abrupt recovery of the USD/SGD exchange rate.

Ship owning and management's favourable variance in net profit of approximately US\$0.4 million (28.2%) in Q2 2012 compared to Q2 2011 and approximately US\$0.7 million (33.3%) in 1H 2012 compared to 1H 2011 was mainly due to the net income contributed by the two vessels purchased in late April 2010 and early March 2011.

Unallocated items' unfavourable variance in net profit of approximately US\$0.9 million compared to 1H 2011 may be summarised as follows:

	Unfavourable variance
	US\$'m
• Unfavourable net change in fair value on short-term investments	(0.2)
• Higher finance costs due to higher bank borrowing compared to 1H 2011 as the bank borrowing was drawn down in two tranches namely, April 2010 and March 2011	(0.1)
• Lower exchange gain in 1H 2012 and unfavourable net change in fair value of foreign exchange options to sell United States dollars. This was due to the abrupt recovery of the USD/SGD exchange rate from 1.2036 @ 31 August 2011 to 1.2966 @ 30 September 2011.	(0.6)
	(0.9)

BALANCE SHEET

The decrease in the cash and cash equivalents due to the payment of dividends in August 2011 was partially offset by positive cash flows from operating activities.

The reduction in bank borrowing is due to the monthly instalment repayments.

CASH FLOW STATEMENT

The increase in cash flows from operating activities compared to 1H 2011 was mainly due to the charter income received from the vessels purchased in April 2010 and March 2011.

The lower cash outflow from investing activities in 1H 2012 compared to 1H 2011, was due to the purchase of a vessel in April 2010.

The negative variance in cash flows from financing activities compared to 1H 2011 was due to drawdown of bank borrowing in April 2010 to finance the purchase of a vessel.

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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 is stable as our vessels are already locked in, on long-term charters to blue chip operators.

In addition, we are on the lookout to acquire additional vessels with long-term charters to expand the business of the Group.

- 15. Dividends**

(a) Current Financial Period Reported On

Any dividend declared / recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared / recommended 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 mainly employed in this sole reportable 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 2012 US\$'000	1H 2011 US\$'000
<u>Revenue</u>		
Japan	4,391	2,715
Singapore	76	91
Sweden	5,299	4,639
	<u>9,766</u>	<u>7,445</u>

c) Information about major customers

Revenue of approximately US\$5,299,000, US\$2,196,000 and US\$2,195,000 (1H 2011: US\$4,639,000 and US\$2,715,000) are derived from three (1H 2011: two) external customers, 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)

Name of interested person	1H 2012 Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)	1H 2011 Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)
Paid to a subsidiary of Stamford Land Corporation Ltd - Rental expense	*	*

** Rental expense paid to a subsidiary of Stamford Land Corporation Ltd for 1H 2012 and 1H 2011 was below S\$100,000*

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below S\$100,000) is nil for both 1H 2012 and 1H 2011.

BY ORDER OF THE BOARD

Christina Chew Heng Siang
Company Secretary

9 November 2011

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 six months ended 30 September 2011 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

9 November 2011