

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

**UNAUDITED 1ST QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2012**

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 FY2013	Q1 FY2012	Favourable/ (unfavourable)
	US\$'000	US\$'000	%
Revenue	4,985	4,732	5.3
Other operating income	36	34	5.9
Depreciation expense on property, plant and equipment	(1,016)	(1,039)	2.2
Vessel operation and crew management costs	(1,077)	(934)	(15.3)
Staff and crew costs	(1,269)	(1,313)	3.4
Other operating expenses	(142)	(171)	17.0
Results from operating activities	1,517	1,309	15.9
Finance income / (expense) (i)	30	(28)	207.1
Finance costs on bank borrowing	(210)	(231)	9.1
Exchange differences (ii)	(89)	179	(149.7)
Share of results of associated company, net of tax	6	6	-
Profit before taxation	1,254	1,235	1.5
Taxation (iii)	-	-	-
Profit for the period	1,254	1,235	1.5
Attributable to:			
Owners of the Company	1,254	1,235	1.5
Earnings per share, US cents			
Basic	0.3	0.3	
Diluted	0.3	0.3	

Q1: 1st Quarter

FY: Financial Year ending 31 March

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

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 / (expense)

	Q1 FY2013 US\$'000	Q1 FY2012 US\$'000
Interest income on deposits with banks	20	11
Interest income on interest-bearing financial assets	4	1
Dividend income from quoted equity securities	14	12
Net change in fair value of financial assets held-for-trading	(8)	(52)
	<u>30</u>	<u>(28)</u>

Note (ii) Exchange differences

	Q1 FY2013 US\$'000	Q1 FY2012 US\$'000
Net change in fair value of foreign exchange options	2	(13)
Net exchange (loss) / gain	(91)	192
	<u>(89)</u>	<u>179</u>

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:

	Q1 FY2013 US\$'000	Q1 FY2012 US\$'000
Profit before taxation	1,254	1,235
Less: Share of results of associated company, net of tax	(6)	(6)
	<u>1,248</u>	<u>1,229</u>
Tax using Singapore tax rate of 17% (2012: 17%)	(212)	(209)
Income not subject to tax	327	370
Non-deductible expenses	(48)	(67)
Utilisation of previously unrecognised tax losses	2	1
Tax benefit on tax losses not recognised	(69)	(95)
	<u>-</u>	<u>-</u>

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2. Consolidated Statement of Comprehensive Income for the period ended 30 June 2012

	Q1 FY2013 US\$'000	Q1 FY2012 US\$'000
Profit for the period	1,254	1,235
Cash flow hedges:		
- Effective portion of changes in fair value of cash flow hedges	(51)	(288)
- Realised and transferred to income statement	64	70
	13	(218)
Net change in currency translation reserve	(47)	109
Other comprehensive income for the period, net of tax	(34)	(109)
Total comprehensive income for the period	1,220	1,126
Attributable to:		
Owners of the Company	1,220	1,126

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

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	
	30.6.2012	31.3.2012	30.6.2012	31.3.2012
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	65,004	66,018	-	-
Subsidiaries	-	-	36,895	36,895
Associated company	3,049	3,043	-	-
Other assets	229	231	-	-
	68,282	69,292	36,895	36,895
Current assets				
Inventories	226	201	-	-
Trade and other receivables	1,063	779	4,065	4,274
Financial assets held-for-trading	1,886	1,916	-	-
Cash and cash equivalents	13,640	12,380	5,208	4,940
	16,815	15,276	9,273	9,214
Less:				
Current liabilities				
Trade and other payables	2,349	1,897	4,169	3,843
Bank borrowing	4,520	4,520	-	-
	6,869	6,417	4,169	3,843
Net current assets	9,946	8,859	5,104	5,371
Non-current liabilities				
Bank borrowing	22,602	23,732	-	-
Derivative financial liabilities	577	590	-	-
	23,179	24,322	-	-
Net assets	55,049	53,829	41,999	42,266
Equity attributable to owners of the Company				
Share capital	31,665	31,665	31,665	31,665
Other reserves	(496)	(462)	-	-
Retained earnings	23,880	22,626	10,334	10,601
Total equity	55,049	53,829	41,999	42,266

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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

As at 30.6.2012		As at 31.3.2012	
Secured	Unsecured	Secured	Unsecured
US\$4,520,000	-	US\$4,520,000	-

Amount repayable after one year

As at 30.6.2012		As at 31.3.2012	
Secured	Unsecured	Secured	Unsecured
US\$22,602,000	-	US\$23,732,000	-

Details of any collaterals:

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\$44.4 million (FY2012: US\$45.1 million).

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

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

	Q1 FY2013 US\$'000	Q1 FY2012 US\$'000
Cash flows from operating activities		
Profit before taxation	1,254	1,235
Adjustments for:		
Depreciation expense on property, plant and equipment	1,016	1,039
Interest income	(24)	(12)
Dividend income	(14)	(12)
Net change in fair value of financial assets held-for-trading	8	52
Finance costs on bank borrowing	210	231
Net change in fair value of derivative financial assets / liabilities	(2)	13
Share of results of associated company, net of tax	(6)	(6)
	2,442	2,540
Changes in working capital:		
Inventories	(25)	(19)
Trade and other receivables	(280)	(256)
Trade and other payables	557	272
Cash generated from operations	2,694	2,537
Tax paid	-	-
Net cash from operating activities	2,694	2,537
Cash flows from investing activities		
Purchase of property, plant and equipment	(2)	-
Payments for drydocking expenditure	-	(431)
Purchase of financial assets held-for-trading	-	(1,000)
Interest received	13	10
Dividends received from quoted equity securities	14	12
Proceeds from maturity of financial assets held-for-trading	-	500
Net cash from / (used in) investing activities	25	(909)
Cash flows from financing activities		
Repayment of bank borrowing	(1,130)	(1,014)
Payment of finance costs on bank borrowing	(205)	(220)
Net cash used in financing activities	(1,335)	(1,234)
Change in cash and cash equivalents	1,384	394
Cash and cash equivalents at beginning of the year	12,380	11,942
Effects of exchange rate fluctuations on cash and cash equivalents	(124)	254
Cash and cash equivalents at end of the period	13,640	12,590

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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 1st quarter ended 30 June 2012

	Share capital US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to owners of the Company US\$'000
Balance at 1 April 2012	31,665	-	(590)	128	22,626	53,829
Total comprehensive income for the period	-	-	13	(47)	1,254	1,220
Balance at 30 June 2012	31,665	-	(577)	81	23,880	55,049

Balance at 1 April 2011	31,665	4	(284)	117	20,174	51,676
Total comprehensive income for the period	-	-	(218)	109	1,235	1,126
Balance at 30 June 2011	31,665	4	(502)	226	21,409	52,802

5(a)(ii). The Company
Statement of Changes in Equity for the 1st quarter ended 30 June 2012

	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 April 2012	31,665	10,601	42,266
Total comprehensive income for the period	-	(267)	(267)
Balance at 30 June 2012	31,665	10,334	41,999

Balance at 1 April 2011	31,665	10,355	42,020
Total comprehensive income for the period	-	339	339
Balance at 30 June 2011	31,665	10,694	42,359

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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 30.6.2012	As at 31.3.2012
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 2012 and 31 March 2012.

- 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 2012.

- 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 2012, the Group has adopted the following new / revised Singapore Financial Reporting Standard (FRS) which is relevant to the Group's operations:

Amendments to FRS 107

Disclosures – Transfers of Financial Assets

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

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

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	
	Q1 FY2013	Q1 FY2012
	US Cents	US 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 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 year

	The Group		The Company	
	30.6.2012	31.3.2012	30.6.2012	31.3.2012
Net asset value per ordinary share based on the total number of issued shares as at the end of the period / preceding year reported on	US\$0.13	US\$0.12	US\$0.10	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

	Q1 FY2013	Q1 FY2012	Favourable variance
	US\$'000	US\$'000	%
Ship owning & management	4,985	4,732	5.3

The Group's revenue for Q1 FY2013 increased by approximately US\$0.3 million (5.3%) when compared to Q1 FY2012. Favourable variance is due to off-hire of a vessel for drydocking in Q1 FY2012.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

	Q1 FY2013	Q1 FY2012	Favourable / (unfavourable) variance
	US\$'000	US\$'000	%
Ship owning & management	1,523	1,315	15.8
Unallocated items	(269)	(80)	(236.3)
Net profit for the period	1,254	1,235	1.5

Ship owning and management's favourable variance in net profit of approximately US\$0.2 million (15.8%) in Q1 FY2013 compared to Q1 FY2012 was mainly due to the favourable variance in revenue.

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

SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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 EQUITY HOLDERS (continued)

The unallocated items' unfavourable variance in net profit of approximately US\$0.2 million compared to Q1 FY2012 was mainly due to exchange loss of US\$89,000 in Q1 FY2013 compared to exchange gain of US\$179,000 in Q1 FY2012.

The strengthening of US\$ against S\$ resulted in the translation loss on the Group's S\$ denominated net assets in Q1 FY2013. The Group's net exposure to S\$ as at 30 June 2012 amounted to approximately S\$17 million (31 March 2012: S\$17 million).

BALANCE SHEET

The decrease in property, plant and equipment is due to the depreciation charge for Q1 FY2013.

The increase in cash and cash equivalents is due to the positive net cash flow from operating activities.

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

CASH FLOW STATEMENT

The higher net change in cash and cash equivalents compared to Q1 FY2012 was because there were no major investing activities in Q1 FY2013.

- 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 business model of being a tonnage supplier to blue chip operators on long-term charters has effectively sheltered us from the negative effects of the globally depressed shipping industry and the on-going financial volatility.

We will continue to look out for opportunities to acquire vessels under such a business model. In addition, we will be looking at acquiring viable related shipping business.

- 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

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(Company Registration Number: 198801332G)

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

No dividend has been declared or recommended.

17. Interested person transactions (IPT)

Name of interested person	Q1 FY2013	Q1 FY2012
	Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)	Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)

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*

** Rental expense paid to a subsidiary of Stamford Land Corporation Ltd for Q1 FY2013 and Q1 FY2012 were 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 Q1 FY2013 and Q1 FY2012.

BY ORDER OF THE BOARD

Christina Chew Heng Siang
Company Secretary

26 July 2012

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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 2012 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

26 July 2012