

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

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

PART I – INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENTS

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

	The Group Third Quarter			The Group Nine Months		
	FY2017	FY2016	Change	FY2017	FY2016	Change
	US\$'000	US\$'000 (Restated)*	%	US\$'000	US\$'000 (Restated)*	%
Revenue	10,760	11,856	(9.2)	33,170	33,976	(2.4)
Other operating income	413	385	7.3	1,044	959	8.9
Depreciation expense on property, plant and equipment	(1,762)	(1,664)	5.9	(5,307)	(4,975)	6.7
Vessel operation costs	(1,117)	(1,181)	(5.4)	(3,769)	(3,849)	(2.1)
Transportation, warehouse and terminal operating costs	(1,575)	(2,402)	(34.4)	(5,691)	(6,341)	(10.3)
Staff and crew costs	(2,855)	(2,731)	4.5	(9,074)	(8,346)	8.7
Other operating expenses	(515)	(303)	70.0	(1,619)	(1,078)	50.2
Results from operating activities	3,349	3,960	(15.4)	8,754	10,346	(15.4)
Finance income	50	21	138.1	123	39	215.4
Finance costs on bank borrowings	(759)	(797)	(4.8)	(2,229)	(2,205)	1.1
Exchange differences	529	(10)	NM	544	258	110.9
Share of results of associated company and joint venture, net of tax	(81)	(47)	72.3	(204)	(111)	83.8
Profit before taxation	3,088	3,127	(1.2)	6,988	8,327	(16.1)
Taxation	(2)	(6)	(66.7)	(47)	(2)	NM
Profit for the period	3,086	3,121	(1.1)	6,941	8,325	(16.6)
Attributable to:						
Owners of the Company	3,086	3,121	(1.1)	6,941	8,325	(16.6)
Earnings per share (US cents)						
Basic	0.7	0.7	-	1.6	1.9	(15.8)
Diluted	0.7	0.7	-	1.6	1.9	(15.8)

Q3: Third Quarter 9M: Nine Months FY: Financial Year Ending 31 March 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).

For the income statement, Singapore Dollar ("SGD") was translated at average rate as prescribed below:

	<u>Dec 2016</u>	<u>Dec 2015</u>	<u>% Change</u>
SGD	1.3800	1.3836	(0.3)

* The figures for Q3 FY2016 and 9M FY2016 have been restated due to the adoption of "straight line" revenue recognition over the entire charter period for ship owning revenue. Please refer to Note 3(z) in the audited financial statements for the year ended 31 March 2016 as set out in the Annual Report for more details.

2. A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group Third Quarter		The Group Nine Months	
	FY2017	FY2016	FY2017	FY2016
	US\$'000	US\$'000 (Restated)	US\$'000	US\$'000 (Restated)
Profit for the period	3,086	3,121	6,941	8,325
Other comprehensive income/(loss)				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Cash flow hedges:				
- Effective portion of changes in fair value of cash flow hedges	3,739	667	2,624	(241)
- Realised and transferred to income statement	251	346	658	743
	3,990	1,013	3,282	502
Net change in currency translation reserve	(691)	90	(873)	(360)
Other comprehensive income for the period, net of tax	3,299	1,103	2,409	142
Total comprehensive income for the period	6,385	4,224	9,350	8,467
Attributable to:				
Owners of the Company	6,385	4,224	9,350	8,467

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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	
	31.12.2016	31.3.2016	31.12.2016	31.3.2016
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	153,445	157,026	-	-
Goodwill	572	702	-	-
Investment in subsidiaries	-	-	32,625	32,625
Amount due from subsidiaries	-	-	10,450	11,714
Associated company and joint venture	3,747	4,000	1,208	1,208
Derivative financial assets	1,267	-	-	-
Other assets	142	151	-	-
	159,173	161,879	44,283	45,547
Current assets				
Inventories	417	447	-	-
Trade and other receivables	4,247	5,411	19	26
Amount due from subsidiaries	-	-	6,568	51
Financial assets held for trading	130	92	-	-
Cash and cash equivalents	7,206	13,160	4,677	11,064
	12,000	19,110	11,264	11,141
Less:				
Current liabilities				
Trade and other payables	5,919	7,233	163	251
Amount due to subsidiaries	-	-	5,930	3,509
Derivative financial liabilities	520	910	-	-
Bank borrowings	7,667	12,188	-	-
	14,106	20,331	6,093	3,760
Net current (liabilities)/assets	(2,106)	(1,221)	5,171	7,381
Non-current liabilities				
Bank borrowings	71,825	83,226	-	-
Derivative financial liabilities	-	1,625	-	-
Deferred income	7,785	4,564	-	-
	79,610	89,415	-	-
Net assets	77,457	71,243	49,454	52,928
Equity attributable to owners of the Company				
Share capital	31,812	31,747	31,812	31,747
Other reserves	(1,146)	(3,555)	-	-
Retained earnings	46,791	43,051	17,642	21,181
Total equity	77,457	71,243	49,454	52,928

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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 (continued).

For the statement of financial position, the following closing rates were used to translate Singapore Dollar:

	<u>Dec 2016</u>	<u>Mar 2016</u>	<u>% Change</u>
SGD	1.4467	1.3494	7.2

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

As at 31.12.2016		As at 31.3.2016	
Secured	Unsecured	Secured	Unsecured
US\$7,667,000	-	US\$12,188,000	-

Amount repayable after one year

As at 31.12.2016		As at 31.3.2016	
Secured	Unsecured	Secured	Unsecured
US\$71,825,000	-	US\$83,226,000	-

Details of any collaterals

The bank borrowings of the Group are generally secured by a corporate guarantee from the Company, first priority mortgage of vessels and assignment of vessels' insurances. The carrying amount of the vessels mortgaged as security for the bank borrowings is approximately US\$88.4 million as at 31 December 2016 (31 March 2016: US\$126.8 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.

	The Group Third Quarter		The Group Nine Months	
	FY2017	FY2016	FY2017	FY2016
	US\$'000	US\$'000 (Restated)	US\$'000	US\$'000 (Restated)
Cash flows from operating activities				
Profit before taxation	3,088	3,127	6,988	8,327
Adjustments for:				
Depreciation expense on property, plant and equipment	1,762	1,664	5,307	4,975
Share-based payment expense	-	-	65	82
Interest income	(24)	(17)	(85)	(39)
Net change in fair value of financial assets held for trading	(26)	(4)	(38)	-
Finance costs on bank borrowings	759	797	2,229	2,205
(Gain)/loss on foreign exchange	(505)	60	(543)	(250)
Share of results of associated company and joint venture, net of tax	81	47	204	111
Changes in working capital	5,135	5,674	14,127	15,411
Inventories	(1)	(85)	30	(36)
Trade and other receivables	3	1,053	1,160	1,650
Trade and other payables	(1,170)	(114)	(1,258)	97
Deferred income	1,078	1,044	3,221	3,118
Cash generated from operations	5,045	7,572	17,280	20,240
Tax paid	(2)	(5)	(47)	(15)
Net cash from operating activities	5,043	7,567	17,233	20,225
Cash flows from investing activities				
Purchase of property, plant and equipment	(47)	(1)	(1,051)	(516)
Payment for dry-docking expenditure	-	-	(724)	(763)
Purchase of other assets	-	(45)	-	(45)
Interest received	28	14	89	33
Net cash used in investing activities	(19)	(32)	(1,686)	(1,291)
Cash flows from financing activities				
Repayment of bank borrowings	(9,828)	(3,047)	(15,922)	(9,141)
Payment of finance costs on bank borrowings	(793)	(820)	(2,285)	(2,129)
Dividends paid	-	-	(3,201)	(3,110)
Net cash used in financing activities	(10,621)	(3,867)	(21,408)	(14,380)
Change in cash and cash equivalents	(5,597)	3,668	(5,861)	4,554
Cash and cash equivalents at beginning of the period	12,878	8,101	13,160	7,297
Effects of foreign exchange rate fluctuation on cash and cash equivalents	(75)	16	(93)	(66)
Cash and cash equivalents at end of the period	7,206	11,785	7,206	11,785

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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 31 December 2016

	Share capital	Hedging reserve	Currency translation reserve	Share-based payment 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 2016	31,747	(2,535)	(1,020)	-	43,051	71,243
Total comprehensive income/(loss) for the period						
Profit for the period	-	-	-	-	6,941	6,941
Other comprehensive income/(loss) for the period	-	3,282	(873)	-	-	2,409
Total	-	3,282	(873)	-	6,941	9,350
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Employee share-based compensation scheme						
- Value of employee services	-	-	-	65	-	65
- Issue of new shares	65	-	-	(65)	-	-
Dividends paid	-	-	-	-	(3,201)	(3,201)
Total	65	-	-	-	(3,201)	(3,136)
Balance at 31 December 2016	31,812	747	(1,893)	-	46,791	77,457
Balance at 1 April 2015	31,665	(605)	(1,253)	-	36,573	66,380
Total comprehensive income/(loss) for the period						
Profit for the period (restated)	-	-	-	-	8,325	8,325
Other comprehensive income/(loss) for the period	-	502	(360)	-	-	142
Total	-	502	(360)	-	8,325	8,467
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Employee share-based compensation scheme						
- Value of employee services	-	-	-	82	-	82
- Issue of new shares	82	-	-	(82)	-	-
Dividends paid	-	-	-	-	(3,110)	(3,110)
Total	82	-	-	-	(3,110)	(3,028)
Balance at 31 December 2015	31,747	(103)	(1,613)	-	41,788	71,819

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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 (continued).

5(a)(ii). The Company
Statement of changes in equity for the period ended 31 December 2016

	Share capital US\$'000	Share- based payment reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 April 2016	31,747	-	21,181	52,928
Total comprehensive loss for the period				
Loss for the period	-	-	(338)	(338)
Total	-	-	(338)	(338)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Employee share-based compensation scheme				
- Value of employee services	-	65	-	65
- Issue of new shares	65	(65)	-	-
Dividends paid	-	-	(3,201)	(3,201)
Total	65	-	(3,201)	(3,136)
Balance at 31 December 2016	31,812	-	17,642	49,454
Balance at 1 April 2015	31,665	-	19,259	50,924
Total comprehensive loss for the period				
Loss for the period	-	-	(393)	(393)
Total	-	-	(393)	(393)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Employee share-based compensation scheme				
- Value of employee services	-	82	-	82
- Issue of new shares	82	(82)	-	-
Dividends paid	-	-	(3,110)	(3,110)
Total	82	-	(3,110)	(3,028)
Balance at 31 December 2015	31,747	-	15,756	47,503

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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.

Issued and fully paid ordinary shares

As at 30 September 2016 and 31 December 2016

No. of ordinary shares
436,656,591

There are no outstanding share options as at 31 December 2016 and 31 December 2015.

- 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 31.12.2016	As at 31.3.2016
Total number of issued shares (excluding treasury shares)	436,656,591	436,348,591

There were no shares held as treasury shares as at 31 December 2016 and 31 March 2016.

- 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 or 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.

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8. **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 preparation of the financial statements for the current financial period compared with the audited financial statements as at 31 March 2016.

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.**

There is no change in the accounting policies and methods of computation adopted.

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.**

Earnings per ordinary share is calculated by dividing net profit attributable to owners of the Company by weighted average number of ordinary shares outstanding during the financial period.

	The Group Third Quarter		The Group Nine Months	
	FY2017	FY2016	FY2017	FY2016
		(Restated)		(Restated)
Net profit attributable to owners of the Company (US\$'000)	3,086	3,121	6,941	8,325
(i) Based on weighted average number of ordinary shares in issue (US cents)	0.7	0.7	1.6	1.9
(ii) On a fully diluted basis (US cents)	0.7	0.7	1.6	1.9
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	436,657	436,349	436,520	436,203
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	436,657	436,349	436,520	436,203

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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	
	31.12.2016	31.3.2016	31.12.2016	31.3.2016
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share based on the total number of issued shares as at the end of the period/year	17.7	16.3	11.3	12.1

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

REVENUE

	The Group Third Quarter			The Group Nine Months		
	FY2017	FY2016	Change	FY2017	FY2016	Change
	US\$'000	US\$'000 (Restated)	%	US\$'000	US\$'000 (Restated)	%
Ship owning	8,131	8,165	(0.4)	23,832	24,230	(1.6)
Agency & logistics	2,629	3,691	(28.8)	9,338	9,746	(4.2)
	10,760	11,856	(9.2)	33,170	33,976	(2.4)

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	The Group Third Quarter			The Group Nine Months		
	FY2017	FY2016	Change	FY2017	FY2016	Change
	US\$'000	US\$'000 (Restated)	%	US\$'000	US\$'000 (Restated)	%
Ship owning	2,812	2,914	(3.5)	7,005	7,910	(11.4)
Agency & logistics	456	837	(45.5)	1,575	1,583	(0.5)
Unallocated items ^(a)	(711)	(620)	14.7	(2,183)	(1,426)	53.1
Exchange differences	529	(10)	NM	544	258	110.9
Profit for the period	3,086	3,121	(1.1)	6,941	8,325	(16.6)

^(a) Unallocated items refer to corporate costs, finance income and taxation.

- The off-hire due to dry-docking resulted in lower income/operating profit for 9M FY2017;
- Agency & logistics segment suffered lower revenue/operating profits in Q3 FY2017. However, 9M FY2017 results are consistent with the corresponding period last year;
- Higher unallocated items due mainly higher corporate expenses accrued and incurred; and
- Exchange differences in Q3 FY2017 & 9M FY2017 relate to unrealised gain on translation of deposits and receivables.

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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).**

STATEMENT OF FINANCIAL POSITION

Reduced value of property, plant and equipment was due to depreciation of vessels, partially offset by capitalisation of dry-docking expenses and purchase of vessel equipment.

Reduced bank borrowings due to early full repayment of one bank loan and progressive repayments made during the financial period.

The Group's current liabilities exceed current assets by US\$2.1 million. However, the Group maintains positive operating cash flows of US\$17.2 million for 9M FY2017.

STATEMENT OF CASH FLOWS

Overall decrease of US\$5.8 million in cash and cash equivalents for 9M FY2017 mainly due to utilisation of operating cash inflows for:

- Repayment of bank borrowings; and
- Dividends paid to the shareholders.

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

No forecast was previously reported.

- 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.**

- By virtue of its long-term contracts, the Group continues to be profitable for Q3 FY2017.
- Agency & logistics business continues to face challenges due to compression of rates and cargo volume. However, it remains profitable.
- Given its surplus cash position, the Group continues to evaluate acquisition opportunities.
- Barring any unforeseen circumstances, the Group expects to remain profitable for FY2017.

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15. Dividends

(a) Current financial period reported on

Any dividend declared/recommended for the current financial period reported on? No

(b) Corresponding period of the immediately preceding financial year

Any dividend declared/recommended for the corresponding period of the immediately preceding financial year? No

(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 in the current reporting period.

17. Interested person transactions ("IPTs")

The Company has not obtained a general mandate from shareholders for any IPTs.

18. Statement by directors pursuant to Rule 705(5) of the Listing Manual

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 financial period ended 31 December 2016 to be false or misleading in any material aspect.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Ow Chio Kiat
Executive Chairman

Ow Yew Heng
Chief Executive Officer

BY ORDER OF THE BOARD

Lee Li Huang
Company Secretary

13 February 2017