

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

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

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 First Quarter | | |
|--|----------------------------|--------------|-------------|
| | FY2018 | FY2017 | Change |
| | US\$'000 | US\$'000 | % |
| Revenue | 11,758 | 10,805 | 8.8 |
| Other operating income | 316 | 306 | 3.3 |
| Depreciation expense on property, plant and equipment | (1,881) | (1,779) | 5.7 |
| Vessel operation costs | (1,308) | (1,389) | (5.8) |
| Transportation, warehouse and terminal operating costs | (2,470) | (1,954) | 26.4 |
| Staff and crew costs | (2,484) | (3,022) | (17.8) |
| Other operating expenses | (579) | (605) | (4.3) |
| Results from operating activities | 3,352 | 2,362 | 41.9 |
| Finance and investment income | 61 | 28 | 117.9 |
| Finance costs on bank borrowings | (617) | (742) | (16.8) |
| Exchange differences | (160) | 11 | NM |
| Share of results of associated company and joint venture, net of tax | (71) | (55) | 29.1 |
| Profit before taxation | 2,565 | 1,604 | 59.9 |
| Taxation | (3) | (3) | - |
| Profit for the period | 2,562 | 1,601 | 60.0 |
| Attributable to: | | | |
| Owners of the Company | 2,562 | 1,601 | 60.0 |
| Earnings per share (US cents): | | | |
| Basic | 0.6 | 0.4 | 50.0 |
| Diluted | 0.6 | 0.4 | 50.0 |

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

| | <u>Jun 2017</u> | <u>Jun 2016</u> | <u>% Change</u> |
|-----|-----------------|-----------------|-----------------|
| SGD | 1.3856 | 1.3581 | 2.0 |

Q1: First Quarter

FY: Financial Year Ending 31 March

NM: Not Meaningful

SINGAPORE SHIPPING CORPORATION LIMITED

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

| | The Group First Quarter | |
|---|------------------------------------|-----------------|
| | FY2018 | FY2017 |
| | US\$'000 | US\$'000 |
| Profit for the period | 2,562 | 1,601 |
| Other comprehensive income | | |
| <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 | (512) | (1,419) |
| - Realised and transferred to income statement | (118) | 295 |
| | (630) | (1,124) |
| Net change in currency translation reserve | 179 | (3) |
| Other comprehensive income for the period, net of tax | (451) | (1,127) |
| Total comprehensive income for the period | 2,111 | 474 |
| Attributable to: | | |
| Owners of the Company | 2,111 | 474 |

SINGAPORE SHIPPING CORPORATION LIMITED

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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.

| | The Group | | The Company | |
|---|-----------|-----------|-------------|-----------|
| | 30.6.2017 | 31.3.2017 | 30.6.2017 | 31.3.2017 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 151,266 | 152,267 | - | - |
| Goodwill | 599 | 587 | - | - |
| Investment in subsidiaries | - | - | 32,625 | 32,625 |
| Amount due from subsidiaries | - | - | 9,558 | 10,341 |
| Associated company and joint venture | 3,293 | 3,355 | 662 | 662 |
| Derivative financial assets | 659 | 1,325 | - | - |
| Other assets | 128 | 130 | - | - |
| | 155,945 | 157,664 | 42,845 | 43,628 |
| Current assets | | | | |
| Inventories | 389 | 369 | - | - |
| Trade and other receivables | 5,233 | 3,655 | 26 | 15 |
| Amount due from subsidiaries | - | - | 9,867 | 9,041 |
| Financial assets held for trading | 147 | 131 | - | - |
| Cash and cash equivalents | 14,246 | 11,447 | 7,353 | 5,923 |
| | 20,015 | 15,602 | 17,246 | 14,979 |
| Less: | | | | |
| Current liabilities | | | | |
| Trade and other payables | 8,524 | 6,815 | 265 | 222 |
| Amount due to subsidiaries | - | - | 6,785 | 5,262 |
| Derivative financial liabilities | 367 | 403 | - | - |
| Bank borrowings | 7,667 | 7,667 | - | - |
| | 16,558 | 14,885 | 7,050 | 5,484 |
| Net current assets | 3,457 | 717 | 10,196 | 9,495 |
| Non-current liabilities | | | | |
| Bank borrowings | 67,991 | 69,908 | - | - |
| Deferred income | 9,674 | 8,847 | - | - |
| | 77,665 | 78,755 | - | - |
| Net assets | 81,737 | 79,626 | 53,041 | 53,123 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 31,812 | 31,812 | 31,812 | 31,812 |
| Other reserves | (1,037) | (586) | - | - |
| Retained earnings | 50,962 | 48,400 | 21,229 | 21,311 |
| Total equity | 81,737 | 79,626 | 53,041 | 53,123 |

SINGAPORE SHIPPING CORPORATION LIMITED

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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 (continued).

For the balance sheet, the following closing rates were used to translate Singapore Dollar:

| | <u>Jun 2017</u> | <u>Mar 2017</u> | <u>% Change</u> |
|-----|-----------------|-----------------|-----------------|
| SGD | 1.3769 | 1.3973 | (1.5) |

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

| As at 30.6.2017 | | As at 31.3.2017 | |
|------------------------|------------------|------------------------|------------------|
| Secured | Unsecured | Secured | Unsecured |
| US\$7,667,000 | - | US\$7,667,000 | - |

Amount repayable after one year

| As at 30.6.2017 | | As at 31.3.2017 | |
|------------------------|------------------|------------------------|------------------|
| Secured | Unsecured | Secured | Unsecured |
| US\$67,991,000 | - | US\$69,908,000 | - |

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\$86.9 million as at 30 June 2017 (31 March 2017: US\$87.6 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 First Quarter | |
|--|------------------------------------|-----------------|
| | FY2018 | FY2017 |
| | US\$'000 | US\$'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 2,565 | 1,604 |
| Adjustments for: | | |
| Depreciation expense on property, plant and equipment | 1,881 | 1,779 |
| Interest income | (45) | (27) |
| Net change in fair value of financial assets held for trading | (16) | (1) |
| Finance costs on bank borrowings | 617 | 742 |
| Loss/(gain) on foreign exchange | 136 | (2) |
| Share of results of associated company and joint venture, net of tax | 71 | 55 |
| Operating cash flows before changes in working capital | 5,209 | 4,150 |
| Changes in working capital: | | |
| Inventories | (20) | 114 |
| Trade and other receivables | (1,566) | 587 |
| Trade and other payables | 1,721 | 52 |
| Deferred income | 827 | 1,065 |
| Cash flows from operations | 6,171 | 5,968 |
| Tax paid | (3) | (3) |
| Net cash flows from operating activities | 6,168 | 5,965 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (15) | (991) |
| Payment for drydocking expenditure | (855) | (724) |
| Interest received | 33 | 24 |
| Net cash flows used in investing activities | (837) | (1,691) |
| Cash flows from financing activities | | |
| Repayment of bank borrowings | (1,917) | (3,047) |
| Payment of finance costs on bank borrowings | (629) | (756) |
| Net cash flows used in financing activities | (2,546) | (3,803) |
| Net increase in cash and cash equivalents | 2,785 | 471 |
| Cash and cash equivalents at beginning of the period | 11,447 | 13,160 |
| Effects of exchange rate changes on cash and cash equivalents | 14 | (2) |
| Cash and cash equivalents at end of the period | 14,246 | 13,629 |

SINGAPORE SHIPPING CORPORATION LIMITED

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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 June 2017

| | Share capital | Hedging reserve | Currency translation reserve | Retained earnings | Equity attributable to owners of the Company |
|--|------------------|--------------------|------------------------------------|----------------------|--|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 1 April 2017 | 31,812 | 922 | (1,508) | 48,400 | 79,626 |
| Total comprehensive income for the period | | | | | |
| Profit for the period | - | - | - | 2,562 | 2,562 |
| Other comprehensive income for the period | - | (630) | 179 | - | (451) |
| Total | - | (630) | 179 | 2,562 | 2,111 |
| Balance at 30 June 2017 | 31,812 | 292 | (1,329) | 50,962 | 81,737 |
| Balance at 1 April 2016 | 31,747 | (2,535) | (1,020) | 43,051 | 71,243 |
| Total comprehensive income for the period | | | | | |
| Profit for the period | - | - | - | 1,601 | 1,601 |
| Other comprehensive income for the period | - | (1,124) | (3) | - | (1,127) |
| Total | - | (1,124) | (3) | 1,601 | 474 |
| Balance at 30 June 2016 | 31,747 | (3,659) | (1,023) | 44,652 | 71,717 |

5(a)(ii). The Company

Statement of changes in equity for the period ended 30 June 2017

| | Share capital | Retained earnings | Equity attributable to owners of the Company |
|--|------------------|----------------------|---|
| | US\$'000 | US\$'000 | US\$'000 |
| Balance at 1 April 2017 | 31,812 | 21,311 | 53,123 |
| Total comprehensive income for the period | | | |
| Loss for the period | - | (82) | (82) |
| Total | - | (82) | (82) |
| Balance at 30 June 2017 | 31,812 | 21,229 | 53,041 |
| Balance at 1 April 2016 | 31,747 | 21,181 | 52,928 |
| Total comprehensive income for the period | | | |
| Loss for the period | - | (58) | (58) |
| Total | - | (58) | (58) |
| Balance at 30 June 2016 | 31,747 | 21,123 | 52,870 |

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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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 June 2017 and 31 March 2017

| No. of ordinary shares |
|------------------------|
| 436,656,591 |

There were are no outstanding share options, treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2016.

- 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.**

Total number of issued shares
(excluding treasury shares)

| As at 30.6.2017 | As at 31.3.2017 |
|--------------------|--------------------|
| 436,656,591 | 436,656,591 |

There were no shares held as treasury shares as at 30 June 2017 and 31 March 2017.

- 5(d). **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 5(e). **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2017.

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.**

| | The Group First Quarter | |
|--|------------------------------------|---------------|
| | FY2018 | FY2017 |
| Profit for the period attributable to owners of the Company (US\$'000) | 2,562 | 1,601 |
| Weighted average number of ordinary shares for basic and diluted earnings per share calculation ('000) | 436,657 | 436,349 |
| Earnings per share: | | |
| (i) Basis (US cents) | 0.6 | 0.4 |
| (ii) Diluted (US cents) | 0.6 | 0.4 |

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 | |
|--|------------------|------------------|--------------------|------------------|
| | 30.6.2017 | 31.3.2017 | 30.6.2017 | 31.3.2017 |
| | 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 | 18.7 | 18.2 | 12.2 | 12.2 |

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.

INCOME STATEMENT

REVENUE

| | The Group First Quarter | | |
|----------------------|----------------------------|----------|--------|
| | FY2018 | FY2017 | Change |
| | US\$'000 | US\$'000 | % |
| Ship owning | 8,025 | 7,576 | 5.9 |
| Agency and logistics | 3,733 | 3,229 | 15.6 |
| | 11,758 | 10,805 | 8.8 |

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

| | The Group First Quarter | | |
|----------------------------------|----------------------------|----------|--------|
| | FY2018 | FY2017 | Change |
| | US\$'000 | US\$'000 | % |
| Ship owning | 2,594 | 1,691 | 53.4 |
| Agency and logistics | 808 | 598 | 35.1 |
| Unallocated items ^(a) | (680) | (699) | (2.7) |
| Exchange differences | (160) | 11 | NM |
| Profit for the period | 2,562 | 1,601 | 60.0 |

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

- The off-hire due to drydocking resulted in lower revenue/operating profit in Q1 FY2017.
- Higher revenue from agency and logistics segment due to increase volume. Special projects contributed to most of the increase in profitability.
- The exchange differences in Q1 FY2018 relate to unrealised loss on translation of deposits and receivables.

BALANCE SHEET

Reduced value of property, plant and equipment was due to depreciation of vessels, partially offset by capitalisation of drydocking expenses.

Reduced bank borrowings due to progressive repayments made during the period.

STATEMENT OF CASH FLOWS

Overall increase of US\$2.8 million in cash and cash equivalents due to operating cash inflows. This is in spite:

- 1) Repayment of bank borrowings; and
- 2) Drydocking expenses.

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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.**

No forecast was previously provided.

- 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 continues to be profitable.
- Under agency and logistics segment, we performed well due to increase in revenue and contributions from special projects.
- With its increasing accumulated cash flows, the Group continues to evaluate acquisition opportunities, alternatively early repayment of loans.
- Barring unforeseen circumstances, the Group expects to remain profitable in FY2018.

- 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 30 June 2017 to be false or misleading in any material aspect.

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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

28 July 2017