

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

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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 Second Quarter			The Group First Half		
	FY2018	FY2017	Change	FY2018	FY2017	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	11,236	11,605	(3.2)	22,994	22,410	2.6
Other operating income	392	325	20.6	708	631	12.2
Depreciation expense on property, plant and equipment	(1,934)	(1,766)	9.5	(3,815)	(3,545)	7.6
Vessel operation costs	(1,132)	(1,263)	(10.4)	(2,440)	(2,652)	(8.0)
Transportation, warehouse and terminal operating costs	(1,887)	(2,162)	(12.7)	(4,357)	(4,116)	5.9
Staff and crew costs	(3,057)	(3,197)	(4.4)	(5,541)	(6,219)	(10.9)
Other operating expenses	(520)	(499)	4.2	(1,099)	(1,104)	(0.5)
Results from operating activities	3,098	3,043	1.8	6,450	5,405	19.3
Finance and investment income	59	45	31.1	120	73	64.4
Finance costs on bank borrowings	(608)	(728)	(16.5)	(1,225)	(1,470)	(16.7)
Exchange differences	(150)	4	NM	(310)	15	NM
Share of results of associated company and joint venture, net of tax	(49)	(68)	(27.9)	(120)	(123)	(2.4)
Profit before taxation	2,350	2,296	2.4	4,915	3,900	26.0
Taxation	(3)	(42)	NM	(6)	(45)	NM
Profit for the period	2,347	2,254	4.1	4,909	3,855	27.3
Attributable to:						
Owners of the Company	2,347	2,254	4.1	4,909	3,855	27.3
Earnings per share (US cents)						
Basic	0.5	0.5	-	1.1	0.9	22.2
Diluted	0.5	0.5	-	1.1	0.9	22.2

Q2: Second Quarter 1H: First Half 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>Sep 2017</u>	<u>Sep 2016</u>	<u>% Change</u>
SGD	1.3717	1.3593	0.9

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 Second Quarter		The Group First Half	
	FY2018	FY2017	FY2018	FY2017
	US\$'000	US\$'000	US\$'000	US\$'000
Profit for the period	2,347	2,254	4,909	3,855
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	229	304	(283)	(1,115)
- Realised and transferred to income statement	(89)	112	(207)	407
	140	416	(490)	(708)
Net change in currency translation reserve	188	(179)	367	(182)
Other comprehensive income for the period, net of tax	328	237	(123)	(890)
Total comprehensive income for the period	2,675	2,491	4,786	2,965
Attributable to:				
Owners of the Company	2,675	2,491	4,786	2,965

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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	
	30.9.2017	31.3.2017	30.9.2017	31.3.2017
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	149,827	152,267	-	-
Goodwill	609	587	-	-
Investment in subsidiaries	-	-	32,625	32,625
Amount due from subsidiaries	-	-	9,809	10,341
Associated company and joint venture	3,254	3,355	662	662
Derivative financial assets	715	1,325	-	-
Other assets	125	130	-	-
	154,530	157,664	43,096	43,628
Current assets				
Inventories	388	369	-	-
Trade and other receivables	4,598	3,655	29	15
Amount due from subsidiaries	-	-	8,720	9,041
Financial assets held for trading	159	131	-	-
Cash and cash equivalents	13,022	11,447	5,257	5,923
	18,167	15,602	14,006	14,979
Less:				
Current liabilities				
Trade and other payables	7,394	6,815	98	222
Amount due to subsidiaries	-	-	7,264	5,262
Derivative financial liabilities	283	403	-	-
Bank borrowings	7,667	7,667	-	-
	15,344	14,885	7,362	5,484
Net current assets	2,823	717	6,644	9,495
Non-current liabilities				
Bank borrowings	66,075	69,908	-	-
Deferred income	10,007	8,847	-	-
	76,082	78,755	-	-
Net assets	81,271	79,626	49,740	53,123
Equity attributable to owners of the Company				
Share capital	31,886	31,812	31,886	31,812
Other reserves	(709)	(586)	-	-
Retained earnings	50,094	48,400	17,854	21,311
Total equity	81,271	79,626	49,740	53,123

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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>Sep 2017</u>	<u>Mar 2017</u>	<u>% Change</u>
SGD	1.3576	1.3973	(2.8)

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

As at 30.9.2017		As at 31.3.2017	
Secured	Unsecured	Secured	Unsecured
US\$7,667,000	-	US\$7,667,000	-

Amount repayable after one year

As at 30.9.2017		As at 31.3.2017	
Secured	Unsecured	Secured	Unsecured
US\$66,075,000	-	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\$86.2 million as at 30 September 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 Second Quarter		The Group First Half	
	FY2018	FY2017	FY2018	FY2017
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before taxation	2,350	2,296	4,915	3,900
Adjustments for:				
Depreciation expense on property, plant and equipment	1,934	1,766	3,815	3,545
Share-based compensation expense	74	65	74	65
Interest income	(47)	(34)	(92)	(61)
Net change in fair value of financial assets held for trading	(12)	(11)	(28)	(12)
Finance costs on bank borrowings	608	728	1,225	1,470
Loss/(gain) on foreign exchange	148	(36)	284	(38)
Share of results of associated company and joint venture, net of tax	49	68	120	123
Operating cash flows before changes in working capital	5,104	4,842	10,313	8,992
Changes in working capital:				
Inventories	1	(83)	(19)	31
Trade and other receivables	623	570	(943)	1,157
Trade and other payables	(1,125)	(140)	596	(88)
Deferred income	333	1,078	1,160	2,143
Cash generated from operations	4,936	6,267	11,107	12,235
Tax paid	(3)	(42)	(6)	(45)
Net cash flows from operating activities	4,933	6,225	11,101	12,190
Cash flows from investing activities				
Purchase of property, plant and equipment	(1)	(13)	(16)	(1,004)
Payment for drydocking expenditure	(485)	-	(1,340)	(724)
Interest received	59	37	92	61
Net cash flows (used in)/from investing activities	(427)	24	(1,264)	(1,667)
Cash flows from financing activities				
Repayment of bank borrowings	(1,916)	(3,047)	(3,833)	(6,094)
Payment of finance costs on bank borrowings	(613)	(736)	(1,242)	(1,492)
Dividends paid	(3,215)	(3,201)	(3,215)	(3,201)
Net cash flows used in financing activities	(5,744)	(6,984)	(8,290)	(10,787)
Net (decrease)/increase in cash and cash equivalents	(1,238)	(735)	1,547	(264)
Cash and cash equivalents at beginning of the period	14,246	13,629	11,447	13,160
Effects of exchange rate changes on cash and cash equivalents	14	(16)	28	(18)
Cash and cash equivalents at end of the period	13,022	12,878	13,022	12,878

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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 2017

	Share capital	Hedging reserve	Currency translation reserve	Share-based payment reserve	Retained earnings	Equity attributable to owners of the Company
	US\$'000	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	-	-	-	-	4,909	4,909
Other comprehensive income for the period	-	(490)	367	-	-	(123)
Total	-	(490)	367	-	4,909	4,786
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Employee share-based compensation scheme						
- Value of employee services	-	-	-	74	-	74
Issue of new shares	74	-	-	(74)	-	-
Dividends paid	-	-	-	-	(3,215)	(3,215)
Total	74	-	-	-	(3,215)	(3,141)
Balance at 30 September 2017	31,886	432	(1,141)	-	50,094	81,271
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	-	-	-	-	3,855	3,855
Other comprehensive income for the period	-	(708)	(182)	-	-	(890)
Total	-	(708)	(182)	-	3,855	2,965
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 30 September 2016	31,812	(3,243)	(1,202)	-	43,705	71,072

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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 30 September 2017**

	Share capital US\$'000	Share- based payment reserve US\$'000	Retained earnings US\$'000	Equity attributable to owners of the Company US\$'000
Balance at 1 April 2017	31,812	-	21,311	53,123
Total comprehensive income for the period				
Loss for the period	-	-	(242)	(242)
Total	-	-	(242)	(242)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Employee share-based compensation scheme				
- Value of employee services	-	74	-	74
Issue of new shares	74	(74)	-	-
Dividends paid	-	-	(3,215)	(3,215)
Total	74	-	(3,215)	(3,141)
Balance at 30 September 2017	31,886	-	17,854	49,740
Balance at 1 April 2016	31,747	-	21,181	52,928
Total comprehensive income for the period				
Loss for the period	-	-	(222)	(222)
Total	-	-	(222)	(222)
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 30 September 2016	31,812	-	17,758	49,570

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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

	No. of ordinary shares
As at 1 July 2017	436,656,591
Issued during the period	
- Pursuant to the grant of performance shares under employee share-based compensation scheme	363,200
As at 30 September 2017	437,019,791

On 2 August 2017, the Company issued 363,200 ordinary shares for fulfilling the grant of performance shares that were fully vested under the Singapore Shipping Corporation Limited Performance Share Plan 2015.

There were no outstanding share options, treasury shares and subsidiary holdings as at 30 September 2017 and 30 September 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.**

	As at 30.9.2017	As at 31.3.2017
Total number of issued shares (excluding treasury shares)	437,019,791	436,656,591

There were no shares held as treasury shares as at 30 September 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.

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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.**

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 Second Quarter		The Group First Half	
	FY2018	FY2017	FY2018	FY2017
Profit for the period attributable to owners of the Company (US\$'000)	2,347	2,254	4,909	3,855
Weighted average number of ordinary shares for basic and diluted earnings per share calculation ('000)	436,893	436,553	436,776	436,451
Earnings per share:				
(i) Basic (US cents)	0.5	0.5	1.1	0.9
(ii) Diluted (US cents)	0.5	0.5	1.1	0.9

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	
	30.9.2017	31.3.2017	30.9.2017	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	18.6	18.2	11.4	12.2

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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 STATEMENTREVENUE

	The Group Second Quarter			The Group First Half		
	FY2018	FY2017	Change	FY2018	FY2017	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning	8,086	8,125	(0.5)	16,111	15,701	2.6
Agency and logistics	3,150	3,480	(9.5)	6,883	6,709	2.6
	11,236	11,605	(3.2)	22,994	22,410	2.6

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	The Group Second Quarter			The Group First Half		
	FY2018	FY2017	Change	FY2018	FY2017	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning	2,588	2,502	3.4	5,182	4,193	23.6
Agency and logistics	527	521	1.2	1,335	1,119	19.3
Unallocated items ^(a)	(618)	(773)	(20.1)	(1,298)	(1,472)	(11.8)
Exchange differences	(150)	4	NM	(310)	15	NM
Profit for the period	2,347	2,254	4.1	4,909	3,855	27.3

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

- Lower off-hire (drydocking) in 1H FY2018 resulted in higher revenue/operating profit.
- Agency and logistics segment enjoyed higher cargo volume/profitability.
- Our S\$ functional currency entities registered a translation loss on US\$ 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\$1.5 million in cash and cash equivalents during the period due to operating cash inflows. This is in spite:

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

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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 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.**

- Every segment of the Group performed profitably.
- Given the Group's liquidity, we are cautiously optimistic of investment opportunities in the near term and we expect 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/recommendeded, 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 September 2017 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.

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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

9 November 2017