

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

**UNAUDITED 3RD QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 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.**

	Q3 FY2013	Q3 FY2012	Favourable/ (unfavourable)	YTD FY2013	YTD FY2012	Favourable/ (unfavourable)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	5,034	4,988	0.9	15,052	14,754	2.0
Other operating income (i)	29	52	(44.2)	1,118	146	665.8
Depreciation expense on property, plant and equipment	(1,069)	(1,039)	(2.9)	(3,205)	(3,117)	(2.8)
Vessel operation and crew management costs	(895)	(799)	(12.0)	(2,906)	(2,528)	(15.0)
Staff and crew costs	(1,280)	(1,134)	(12.9)	(3,896)	(3,838)	(1.5)
Other operating expenses	(139)	(165)	15.8	(425)	(567)	25.0
Results from operating activities	1,680	1,903	(11.7)	5,738	4,850	18.3
Finance income / (expense) (ii)	79	58	36.2	231	(25)	1,024.0
Finance costs on bank borrowing	(201)	(224)	10.3	(619)	(683)	9.4
Exchange differences (iii)	17	57	(70.2)	228	(240)	195.0
Share of results of associated company, net of tax	7	6	16.7	20	20	-
Profit before taxation	1,582	1,800	(12.1)	5,598	3,922	42.7
Taxation (iv)	-	10	NM	-	11	NM
Profit for the period	1,582	1,810	(12.6)	5,598	3,933	42.3
Attributable to:						
Owners of the Company				5,598	3,933	42.3
Earnings per share, US cents						
Basic				1.3	0.9	
Diluted				1.3	0.9	

Q3: 3rd Quarter

YTD: Year to date

FY: Financial Year ending 31 March

NM: Not meaningful

Note (i) Other operating income

The year to date increase in other operating income of approximately US\$1 million is due to recovery from an insurance related claim.

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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)Note (ii) Finance income / (expense)

	Q3 FY2013	Q3 FY2012	YTD FY2013	YTD FY2012
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income on deposits with banks	19	14	59	37
Interest income on interest-bearing financial assets	13	-	22	2
Dividend income from quoted equity securities	-	-	26	24
Net change in fair value of financial assets held-for-trading	47	44	124	(88)
	79	58	231	(25)

Note (iii) Exchange differences

	Q3 FY2013	Q3 FY2012	YTD FY2013	YTD FY2012
	US\$'000	US\$'000	US\$'000	US\$'000
Net change in fair value of foreign exchange options	-	220	2	(219)
Net change in fair value of foreign exchange forward contracts	-	-	(4)	-
Net exchange gain / (loss)	17	(163)	230	(21)
	17	57	228	(240)

Note (iv) 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:

	Q3 FY2013	Q3 FY2012	YTD FY2013	YTD FY2012
	US\$'000	US\$'000	US\$'000	US\$'000
Profit before taxation	1,582	1,800	5,598	3,922
Less: Share of results of associated company, net of tax	(7)	(6)	(20)	(20)
	1,575	1,794	5,578	3,902
Tax using the Singapore tax rate of 17% (2012: 17%)	(267)	(305)	(948)	(663)
Singapore statutory stepped income exemption	-	1	-	1
Income not subject to tax	345	331	1,022	1,018
Non-deductible expenses	(40)	15	(44)	(116)
Adjustment for prior year	-	10	-	11
Utilisation of previously unrecognised tax losses	4	2	12	4
Tax benefit on tax losses not recognised	(42)	(44)	(42)	(244)
	-	10	-	11

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2. Consolidated Statement of Comprehensive Income together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q3 FY2013	Q3 FY2012	YTD FY2013	YTD FY2012
	US\$'000	US\$'000	US\$'000	US\$'000
Profit for the period	1,582	1,810	5,598	3,933
Cash flow hedges:				
- Effective portion of changes in fair value of cash flow hedges	3	32	(103)	(490)
- Realised and transferred to income statement	63	63	192	201
	66	95	89	(289)
Net change in fair value of available-for-sale financial assets	-	-	-	(1)
Net change in currency translation reserve	8	(9)	121	(128)
Other comprehensive income for the period, net of tax	74	86	210	(418)
Total comprehensive income for the period	1,656	1,896	5,808	3,515
Attributable to:				
Owners of the Company	1,656	1,896	5,808	3,515

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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	
	31.12.2012	31.3.2012	31.12.2012	31.3.2012
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	62,833	66,018	-	-
Subsidiaries	-	-	34,427	36,895
Associated company	3,063	3,043	-	-
Other assets	237	231	-	-
	<u>66,133</u>	<u>69,292</u>	<u>34,427</u>	<u>36,895</u>
Current assets				
Inventories	303	201	-	-
Trade and other receivables	734	779	5,645	4,274
Financial assets held-for-trading	1,280	1,916	-	-
Cash and cash equivalents	17,163	12,380	10,971	4,940
	<u>19,480</u>	<u>15,276</u>	<u>16,616</u>	<u>9,214</u>
Less:				
Current liabilities				
Trade and other payables	4,150	1,897	8,189	3,843
Bank borrowing	4,520	4,520	-	-
	<u>8,670</u>	<u>6,417</u>	<u>8,189</u>	<u>3,843</u>
Net current assets	10,810	8,859	8,427	5,371
Non-current liabilities				
Bank borrowing	20,342	23,732	-	-
Derivative financial liabilities	467	590	-	-
	<u>20,809</u>	<u>24,322</u>	<u>-</u>	<u>-</u>
Net assets	<u>56,134</u>	<u>53,829</u>	<u>42,854</u>	<u>42,266</u>
Equity attributable to owners of the Company				
Share capital	31,665	31,665	31,665	31,665
Other reserves	(252)	(462)	-	-
Retained earnings	24,721	22,626	11,189	10,601
Total equity	<u>56,134</u>	<u>53,829</u>	<u>42,854</u>	<u>42,266</u>

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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 31.12.2012		As at 31.3.2012	
Secured	Unsecured	Secured	Unsecured
US\$4,520,000	-	US\$4,520,000	-

Amount repayable after one year

As at 31.12.2012		As at 31.3.2012	
Secured	Unsecured	Secured	Unsecured
US\$20,342,000	-	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\$43.0 million (FY2012: US\$45.1 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.

	YTD FY2013 US\$'000	YTD FY2012 US\$'000
Cash flows from operating activities		
Profit before taxation	5,598	3,922
Adjustments for:		
Depreciation expense on property, plant and equipment	3,205	3,117
Interest income	(81)	(39)
Dividend income	(26)	(24)
Net change in fair value of financial assets held-for-trading	(124)	88
Finance costs on bank borrowing	619	683
Net change in fair value of derivative financial assets / liabilities	2	219
Share of results of associated company, net of tax	(20)	(20)
	<u>9,173</u>	<u>7,946</u>
Changes in working capital:		
Inventories	(102)	(47)
Trade and other receivables	29	55
Trade and other payables	2,116	102
	<u>11,216</u>	<u>8,056</u>
Cash generated from operations	11,216	8,056
Tax refunded	-	11
	<u>11,216</u>	<u>8,067</u>
Net cash from operating activities	11,216	8,067
Cash flows from investing activities		
Purchase of property, plant and equipment	(21)	(25)
Payments for drydocking expenditure	-	(431)
Purchase of financial assets held-for-trading	(1,684)	(1,000)
Interest received	74	37
Dividends received from quoted equity securities	26	24
Proceeds from maturity of financial assets held-for-trading	2,504	1,000
	<u>899</u>	<u>(395)</u>
Net cash from / (used in) investing activities	899	(395)
Cash flows from financing activities		
Repayment of bank borrowing	(3,390)	(3,274)
Payment of finance costs on bank borrowing	(601)	(661)
Dividends paid	(3,503)	(3,614)
	<u>(7,494)</u>	<u>(7,549)</u>
Net cash used in financing activities	(7,494)	(7,549)
Change in cash and cash equivalents	4,621	123
Cash and cash equivalents at beginning of the year	12,380	11,942
Effects of exchange rate fluctuations on cash and cash equivalents	162	(172)
	<u>17,163</u>	<u>11,893</u>
Cash and cash equivalents at end of the period	17,163	11,893

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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 2012

	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 2012	31,665	-	(590)	128	22,626	53,829
Total comprehensive income for the period	-	-	89	121	5,598	5,808
Distributions to owners						
Dividends paid	-	-	-	-	(3,503)	(3,503)
Balance at 31 December 2012	31,665	-	(501)	249	24,721	56,134
Balance at 1 April 2011	31,665	4	(284)	117	20,174	51,676
Total comprehensive income for the period	-	(1)	(289)	(128)	3,933	3,515
Distributions to owners						
Dividends paid	-	-	-	-	(3,614)	(3,614)
Balance at 31 December 2011	31,665	3	(573)	(11)	20,493	51,577

5(a)(ii). The Company

Statement of Changes in Equity for the period ended 31 December 2012

	Share capital	Retained earnings	Total
	US\$'000	US\$'000	US\$'000
Balance at 1 April 2012	31,665	10,601	42,266
Total comprehensive income for the period	-	4,091	4,091
Distributions to owners			
Dividends paid	-	(3,503)	(3,503)
Balance at 31 December 2012	31,665	11,189	42,854
Balance at 1 April 2011	31,665	10,355	42,020
Total comprehensive income for the period	-	2,839	2,839
Distributions to owners			
Dividends paid	-	(3,614)	(3,614)
Balance at 31 December 2011	31,665	9,580	41,245

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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 31.12.2012	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 31 December 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.

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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	
	YTD	YTD
	FY2013	FY2012
	US Cents	US Cents
Earnings per ordinary share based on:-		
(i) the weighted average number of ordinary shares in issue	1.3	0.9
(ii) fully diluted basis	1.3	0.9

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	
	31.12.2012	31.3.2012	31.12.2012	31.3.2012
	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 / preceding year reported on	12.9	12.3	9.8	9.7

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

REVENUE

	Q3	Q3	Favourable variance	YTD	YTD	Favourable variance
	FY2013	FY2012		FY2013	FY2012	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning & management	5,034	4,988	0.9	15,052	14,754	2.0

The Group's revenue for YTD FY2013 increased by approximately US\$0.3 million (2.0%) when compared to YTD FY2012. Favourable variance is 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

	Q3 FY2013	Q3 FY2012	Unfavourable variance	YTD FY2013	YTD FY2012	Favourable variance
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning & management	1,687	1,909	(11.6)	5,758	4,870	18.2
Unallocated items ^(a)	(105)	(99)	(6.1)	(160)	(937)	82.9
Net profit for the period	1,582	1,810	(12.6)	5,598	3,933	42.3

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

Ship owning and management's unfavourable variance in net profit in Q3 FY2013 compared to Q3 FY2012, was mainly due to higher operating costs.

Ship owning and management's favourable variance in net profit in YTD FY2013 compared to YTD FY2012, was mainly due to an approximate US\$1.0 million recovery from an insurance related claim.

Unallocated items' favourable variance in net profit of approximately US\$0.8 million compared to YTD FY2012 may be summarised as follows:

	Favourable variance
	US\$m
• Favourable net change in fair value of short-term investments	0.2
• Lower finance costs due to lower outstanding bank borrowing compared to YTD FY2012	0.1
• Higher exchange gain	0.3
• Unfavourable net change in fair value of foreign exchange options in YTD FY2012	0.2
	0.8

BALANCE SHEET

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

The increase in cash and cash equivalents due to the positive net cash flow from operating and investing activities is partly offset by repayment of bank borrowing, and payment of finance costs and dividends.

The increase in trade and other payables is mainly due to the receipts for advance charter hire of vessels and the amount payable to a third party for their share of the recovery from the insurance related claim.

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

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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)**

CASH FLOW STATEMENT

The higher net cash from operating activities compared to YTD FY2012 is mainly due to higher profit and increase in trade and other payables.

The positive net cash from investing activities is mainly due to proceeds from maturity of financial assets held-for-trading.

The higher net change in cash and cash equivalents compared to YTD FY2012 was mainly due to higher net cash flow from operating and investing activities in YTD 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 maintain this successful strategy while looking to increase the fleet when there are attractive opportunities.

The Company has on the 8th January 2013 entered into a sale and purchase agreement to acquire the shareholding interests of four companies whose activities are in the provision of shipping agency and logistics businesses for an aggregate cash consideration of S\$15 million (please refer to item 18 : Subsequent event, for details of the proposed acquisition). The unaudited net tangible asset value of the interests in the four companies as at 30th September 2012, amounts to approximately S\$11.3 million. The completion of the proposed acquisition is expected to increase the Group's revenue streams in the next financial year.

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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17. Interested person transactions (IPT)

<u>Name of interested person</u>	<u>YTD FY2013 Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)</u>	<u>YTD FY2012 Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)</u>
Paid to a subsidiary of Stamford Land Corporation Ltd - Rental expense	S\$145,000	S\$145,000

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below S\$100,000) is nil for both YTD FY2013 and YTD FY2012.

18. Subsequent event

On the 8th January 2013, the Company has entered into a sale and purchase agreement with MYP Ltd. (the "Vendor") to acquire all of the Vendor's shareholdings in the following companies:

- (i) 50,000 shares in Hai Poh Terminals Pte Ltd ("HPTL"), representing 50% of HPTL's total issued and paid up share capital of S\$100,000;
- (ii) 400,000 shares in Island Line Pte Ltd ("ISPL"), representing 100% of ISPL's total issued and paid up share capital of S\$400,000;
- (iii) 245,000 shares in Nanyang Maritime (S'pore) Pte Ltd ("NYML"), representing 49% of NYML's total issued and paid up share capital of S\$500,000; and
- (iv) 10,000,000 shares in SSC Shipping Agencies Pte Ltd ("SSPL"), representing 100% of SSPL's total issued and paid up share capital of S\$5,000,500

for an aggregate cash consideration of S\$15,000,000 (the "Proposed Acquisition").

The Proposed Acquisition is conditional upon obtaining the approval of the shareholders of the Company and the Vendor and such other approvals and consents from the relevant regulatory authorities and third parties on conditions acceptable to the Company and the Vendor.

BY ORDER OF THE BOARD

Christina Chew Heng Siang
Company Secretary

4 February 2013

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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 nine months ended 31 December 2012 to be false or misleading.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

4 February 2013