

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

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**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		
	FY2019	FY2018	Change	FY2019	FY2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	11,725	11,879	(1.3)	36,025	34,873	3.3
Other operating income	217	460	(52.8)	999	1,168	(14.5)
Depreciation expense on property, plant and equipment	(2,029)	(1,961)	3.5	(6,013)	(5,776)	4.1
Vessel operation costs	(987)	(932)	5.9	(3,423)	(3,372)	1.5
Transportation, warehouse and terminal operating costs	(2,710)	(2,268)	19.5	(7,861)	(6,625)	18.7
Staff and crew costs	(3,144)	(2,876)	9.3	(9,374)	(8,417)	11.4
Other operating expenses	(488)	(608)	(19.7)	(1,395)	(1,707)	(18.3)
Results from operating activities	2,584	3,694	(30.0)	8,958	10,144	(11.7)
Finance and investment income	87	45	93.3	315	165	90.9
Finance costs on bank borrowings	(533)	(593)	(10.1)	(1,639)	(1,818)	(9.8)
Exchange differences	(220)	(126)	74.6	(10)	(436)	(97.7)
Share of results of associated company and joint venture, net of tax	4	(57)	NM	(85)	(177)	(52.0)
Profit before taxation	1,922	2,963	(35.1)	7,539	7,878	(4.3)
Taxation	(10)	(3)	NM	(14)	(9)	55.6
<b>Profit for the period</b>	<b>1,912</b>	<b>2,960</b>	<b>(35.4)</b>	<b>7,525</b>	<b>7,869</b>	<b>(4.4)</b>
<b>Attributable to:</b>						
Owners of the Company	1,912	2,960	(35.4)	7,525	7,869	(4.4)
<b>Earnings per share (US cents):</b>						
Basic	0.4	0.7	(42.9)	1.7	1.8	(5.6)
Diluted	0.4	0.7	(42.9)	1.7	1.8	(5.6)

Q3: Third Quarter 9M: Nine Months FY: Financial Year Ending 31 March NM: Not Meaningful

**SINGAPORE SHIPPING CORPORATION LIMITED**

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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 2018</u>	<u>Dec 2017</u>	<u>% Change</u>
SGD	1.3603	1.3640	(0.3)

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

	<b>The Group Third Quarter</b>		<b>The Group Nine Months</b>	
	<b>FY2019</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Profit for the period</b>				
<b>Other comprehensive income</b>	1,912	2,960	7,525	7,869
<b><i>Items that are or may be reclassified subsequently to profit or loss:</i></b>				
Cash flow hedges:				
- Effective portion of changes in fair value of cash flow hedges	(973)	746	(491)	463
- Realised and transferred to income statement	124	(79)	202	(286)
	(849)	667	(289)	177
Foreign currency translation	24	185	(465)	552
<b>Other comprehensive income for the period, net of tax</b>	(825)	852	(754)	729
<b>Total comprehensive income for the period</b>	<b>1,087</b>	<b>3,812</b>	<b>6,771</b>	<b>8,598</b>
<b>Attributable to:</b>				
Owners of the Company	1,087	3,812	6,771	8,598

**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	
	31.12.2018	31.3.2018	31.12.2018	31.3.2018
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	141,924	145,922	-	-
Goodwill	771	802	-	-
Investment in subsidiaries	-	-	32,625	32,625
Amount due from subsidiaries	-	-	12,354	13,534
Investments in associated company and joint venture	2,518	2,602	91	90
Derivative financial assets	1,622	2,103	-	-
Long-term deposits	5,000	5,000	-	-
Other assets	96	121	-	-
	151,931	156,550	45,070	46,249
<b>Current assets</b>				
Inventories	328	387	-	-
Trade and other receivables	4,111	4,553	55	209
Amount due from subsidiaries	-	-	19,861	10,201
Financial assets held for trading	2,036	2,116	-	-
Derivative financial assets	448	256	-	-
Cash and cash equivalents	18,276	13,936	2,944	5,361
	25,199	21,248	22,860	15,771
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	6,292	6,628	139	146
Amount due to subsidiaries	-	-	9,933	8,589
Derivative financial liabilities	81	-	-	-
Bank borrowings	7,667	7,667	-	-
	14,040	14,295	10,072	8,735
<b>Net current assets</b>	11,159	6,953	12,788	7,036
<b>Non-current liabilities</b>				
Bank borrowings	56,490	62,241	-	-
Deferred income	15,282	12,107	-	-
	71,772	74,348	-	-
<b>Net assets</b>	91,318	89,155	57,858	53,285
<b>Equity attributable to owners of the Company</b>				
Share capital	31,886	31,886	31,886	31,886
Treasury shares	(1,424)	-	(1,424)	-
Other reserves	895	1,649	-	-
Retained earnings	59,961	55,620	27,396	21,399
<b>Total equity</b>	91,318	89,155	57,858	53,285

**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>Dec 2018</u>	<u>Mar 2018</u>	<u>% Change</u>
SGD	1.3643	1.3120	4.0

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

<b>As at 31.12.2018</b>		<b>As at 31.3.2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
US\$7,667,000	-	US\$7,667,000	-

**Amount repayable after one year**

<b>As at 31.12.2018</b>		<b>As at 31.3.2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
US\$56,490,000	-	US\$62,241,000	-

**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\$82.5 million as at 31 December 2018 (31 March 2018: US\$84.7 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	
	FY2019	FY2018	FY2019	FY2018
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit before taxation	1,922	2,963	7,539	7,878
Adjustments for:				
Depreciation expense on property, plant and equipment	2,029	1,961	6,013	5,776
Share-based compensation expense	-	-	-	74
Interest income	(119)	(41)	(337)	(133)
Dividend income	(19)	(7)	(58)	(7)
Net change in fair value of financial assets held for trading	51	3	80	(25)
Finance costs on bank borrowings	533	593	1,639	1,818
Loss/(gain) on foreign exchange	100	146	(200)	430
Share of results of associated company and joint venture, net of tax	(4)	57	85	177
Operating cash flows before changes in working capital	4,493	5,675	14,761	15,988
Changes in working capital:				
Inventories	139	(87)	59	(106)
Trade and other receivables	819	(488)	630	(1,431)
Trade and other payables	(754)	(585)	(325)	(76)
Deferred income	1,062	1,062	3,175	2,222
<b>Cash flows from operations</b>	5,759	5,577	18,300	16,597
Tax paid	(6)	(3)	(10)	(9)
<b>Net cash flows from operating activities</b>	5,753	5,574	18,290	16,588
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(106)	(14)	(214)	(30)
Payment for drydocking expenditure	(660)	-	(1,820)	(1,253)
Purchase of financial assets held for trading	-	(2,000)	-	(2,000)
Interest received	58	14	149	106
Dividend income	19	7	58	7
<b>Net cash flows used in investing activities</b>	(689)	(1,993)	(1,827)	(3,170)
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings	(1,917)	(1,917)	(5,751)	(5,750)
Payment of finance costs on bank borrowings	(532)	(592)	(1,654)	(1,834)
Dividends paid	-	-	(3,184)	(3,215)
Purchase of treasury shares	(858)	-	(1,424)	-
<b>Net cash flows used in financing activities</b>	(3,307)	(2,509)	(12,013)	(10,799)
<b>Net increase in cash and cash equivalents</b>	1,757	1,072	4,450	2,619
Cash and cash equivalents at beginning of the period	16,513	13,022	13,936	11,447
Effect of exchange rate changes on cash and cash equivalents	6	17	(110)	45
<b>Cash and cash equivalents at end of the period</b>	18,276	14,111	18,276	14,111

**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 financial period ended 31 December 2018***

	Share capital	Treasury shares	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	US\$'000
<b>Balance at 1 April 2018</b>	31,886	-	2,359	(710)	-	55,620	89,155
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	7,525	7,525
Other comprehensive income for the period	-	-	(289)	(465)	-	-	(754)
<b>Total</b>	-	-	(289)	(465)	-	7,525	6,771
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Dividends paid	-	-	-	-	-	(3,184)	(3,184)
Purchase of treasury shares	-	(1,424)	-	-	-	-	(1,424)
<b>Total</b>	-	(1,424)	-	-	-	(3,184)	(4,608)
<b>Balance at 31 December 2018</b>	31,886	(1,424)	2,070	(1,175)	-	59,961	91,318
<b>Balance at 1 April 2017</b>	31,812	-	922	(1,508)	-	48,400	79,626
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	7,869	7,869
Other comprehensive income for the period	-	-	177	552	-	-	729
<b>Total</b>	-	-	177	552	-	7,869	8,598
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Dividends paid	-	-	-	-	-	(3,215)	(3,215)
Employee share-based compensation scheme							
- Value of employee services	-	-	-	-	74	-	74
Issue of new shares	74	-	-	-	(74)	-	-
<b>Total</b>	74	-	-	-	-	(3,215)	(3,141)
<b>Balance at 31 December 2017</b>	31,886	-	1,099	(956)	-	53,054	85,083

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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 financial period ended 31 December 2018***

	Share capital	Treasury shares	Share- based payment reserve	Retained earnings	Equity attributable to owners of the Company
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 April 2018</b>	31,886	-	-	21,399	53,285
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	9,181	9,181
Total	-	-	-	9,181	9,181
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividends paid	-	-	-	(3,184)	(3,184)
Purchase of treasury shares	-	(1,424)	-	-	(1,424)
Total	-	(1,424)	-	(3,184)	(4,608)
<b>Balance at 31 December 2018</b>	31,886	(1,424)	-	27,396	57,858
<b>Balance at 1 April 2017</b>	31,812	-	-	21,311	53,123
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	5,725	5,725
Total	-	-	-	5,725	5,725
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividends paid	-	-	-	(3,215)	(3,215)
Employee share-based compensation scheme					
- Value of employee services	-	-	74	-	74
Issue of new shares	74	-	(74)	-	-
Total	74	-	-	(3,215)	(3,141)
<b>Balance at 31 December 2017</b>	31,886	-	-	23,821	55,707

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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**

	Number of ordinary shares	
	Issued Share Capital	Treasury Shares
As at 1 October 2018	437,019,791	2,731,200
Treasury shares purchased	-	3,965,500
As at 31 December 2018	437,019,791	6,696,700

**Treasury shares**

As at 31 December 2018, the number of treasury shares held by the Company represented 1.53% (31 December 2017: Nil) of the total number of issued ordinary shares (excluding treasury shares).

**Share options and subsidiary holdings**

There were no outstanding share options and subsidiary holdings as at 31 December 2018 and 31 December 2017.

- 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 31.12.2018	As at 31.3.2018
Total number of issued shares (excluding treasury shares)	430,323,091	437,019,791

- 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.

No treasury shares were sold, transferred, cancelled and/or used during the current financial period.

- 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 2018.

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.**

In December 2017, the Accounting Standards Council issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards as issued by the International Accounting Standards Board at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing equity or debt instruments for trading in a public market in Singapore, will have to apply SFRS(I) for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I) on 1 April 2018 and the adoption of SFRS(I) did not have any effect on the financial performance or position of the Group and the Company.

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 Third Quarter		The Group Nine Months	
	FY2019	FY2018	FY2019	FY2018
Profit for the period attributable to owners of the Company (US\$'000)	1,912	2,960	7,525	7,869
Weighted average number of ordinary shares for basic and diluted earnings per share calculation* ('000)	432,281	437,020	435,048	436,857
Earnings per share:				
(i) Basic (US cents)	0.4	0.7	1.7	1.8
(ii) Diluted (US cents)	0.4	0.7	1.7	1.8

\* The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares transactions during the financial period.

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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	
	31.12.2018	31.3.2018	31.12.2018	31.3.2018
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period/year	21.2	20.4	13.4	12.2

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 Third Quarter			The Group Nine Months		
	FY2019	FY2018	Change	FY2019	FY2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning	7,675	8,250	(7.0)	23,679	24,361	(2.8)
Agency and logistics	4,050	3,629	11.6	12,346	10,512	17.4
	11,725	11,879	(1.3)	36,025	34,873	3.3

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	The Group Third Quarter			The Group Nine Months		
	FY2019	FY2018	Change	FY2019	FY2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning	2,267	2,954	(23.3)	7,145	8,136	(12.2)
Agency and logistics	497	843	(41.0)	2,154	2,178	(1.1)
Unallocated items <sup>(a)</sup>	(632)	(711)	(11.1)	(1,764)	(2,009)	(12.2)
Exchange differences	(220)	(126)	74.6	(10)	(436)	(97.7)
Profit for the period	1,912	2,960	(35.4)	7,525	7,869	(4.4)

<sup>(a)</sup> *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 9M FY2019.
- Despite the increase in revenue, agency and logistics segment reported lower operating profits in the absence of special projects.
- Exchange differences in Q3FY2019 mainly related to exchange differences on forward exchange contracts.

## 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 (continued).**

### 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 financial period.

### STATEMENT OF CASH FLOWS

Overall increase of US\$4.5 million in cash and cash equivalents during the financial period due to operating cash inflows. This is in spite of:

- Repayment of bank borrowings;
- Payment of dividends to shareholders;
- Purchase of treasury shares; and
- Drydocking expenses.

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 performed consistently in line with previous quarters.
- Interest payable is reduced on a net basis as a result of interest accruing on our surplus cash.
- Barring unforeseen circumstances, the Group expects to remain profitable in FY2019.

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

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**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 2018 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 2019