

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

**UNAUDITED 2ND QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

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.**

	Second Quarter			First Half		
	Q2 FY2015	Q2 FY2014	Change	1H FY2015	1H FY2014	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue (i)	8,212	8,675	(5.3)	15,496	17,790	(12.9)
Other operating income (i)	268	475	(43.6)	628	833	(24.6)
Depreciation expense on property, plant and equipment	(832)	(893)	(6.8)	(1,646)	(1,737)	(5.2)
Vessel operation and crew management costs (i)	(560)	(898)	(37.6)	(1,402)	(2,015)	(30.4)
Transportation, warehouse and terminal operating costs (i)	(2,787)	(2,439)	14.3	(5,081)	(5,447)	(6.7)
Staff and crew costs (i)	(2,172)	(2,143)	1.4	(3,865)	(4,096)	(5.6)
Other operating expenses (i)	(440)	(316)	39.2	(712)	(765)	(6.9)
Results from operating activities	1,689	2,461	(31.4)	3,418	4,563	(25.1)
Finance income (ii)	83	87	(4.6)	353	107	229.9
Finance costs on bank borrowing	(151)	(171)	(11.7)	(304)	(366)	(16.9)
Exchange differences (iii)	201	(29)	NM	147	33	345.5
Share of results of associated companies, net of tax	(33)	(70)	(52.9)	(9)	(102)	(91.2)
Profit before taxation	1,789	2,278	(21.5)	3,605	4,235	(14.9)
Taxation	2	(53)	NM	(7)	(57)	(87.7)
Profit for the period	1,791	2,225	(19.5)	3,598	4,178	(13.9)
Attributable to:						
Owners of the Company				3,598	4,178	(13.9)
Earnings per share, US cents						
Basic				0.8	1.0	
Diluted				0.8	1.0	

Q2: 2ND Quarter 1H: 1ST 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)

Note (i) The variances in revenue, other operating income, vessel operation and crew management costs, transportation, warehouse and terminal operating costs, staff and crew costs and other operating expenses were due mainly to the sale of m.v. Singa Ace upon expiry of its 30-year charter hire in February 2014, and lower agency and logistics business.

Note (ii) Finance income

	Second Quarter		First Half	
	Q2 FY2015	Q2 FY2014	1H FY2015	1H FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income on deposits with banks	19	17	56	29
Interest income on interest-bearing financial assets	7	3	14	5
Net change in fair value of financial assets held-for-trading	10	55	17	46
Gain on disposal of financial assets held-for-trading	40	-	249	-
Others	7	12	17	27
	<u>83</u>	<u>87</u>	<u>353</u>	<u>107</u>

Note (iii) Exchange differences

	Second Quarter		First Half	
	Q2 FY2015	Q2 FY2014	1H FY2015	1H FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Net change in fair value of foreign exchange options	-	43	-	(2)
Net exchange gain / (loss)	201	(72)	147	35
	<u>201</u>	<u>(72)</u>	<u>147</u>	<u>33</u>

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

	Second Quarter		First Half	
	Q2	Q2	1H	1H
	FY2015	FY2014	FY2015	FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Profit for the period	1,791	2,225	3,598	4,178
Cash flow hedges:				
- Effective portion of changes in fair value of cash flow hedges	16	(38)	(36)	16
- Realised and transferred to income statement	61	57	121	133
	77	19	85	149
Net change in currency translation reserve	(272)	79	(103)	(197)
Other comprehensive income for the period, net of tax	(195)	98	(18)	(48)
Total comprehensive income for the period	1,596	2,323	3,580	4,130
Attributable to:				
Owners of the Company	1,596	2,323	3,580	4,130

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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	
	30.9.2014 US\$'000	31.3.2014 US\$'000	30.9.2014 US\$'000	31.3.2014 US\$'000
Non-current assets				
Property, plant and equipment	70,651	55,715	-	-
Goodwill	766	757	-	-
Subsidiaries	-	-	56,943	42,136
Associated companies	4,190	4,207	1,208	1,208
Other assets	112	219	-	-
	75,719	60,898	58,151	43,344
Current assets				
Inventories	253	146	-	-
Trade and other receivables	5,016	4,868	24	1,763
Financial assets held-for-trading	911	2,117	-	-
Cash and cash equivalents	3,197	17,959	77	12,192
Asset held-for-sale	-	899	-	1,000
	9,377	25,989	101	14,955
Less:				
Current liabilities				
Trade and other payables	5,332	4,871	11,563	8,088
Current taxation	30	57	-	-
Bank borrowing	4,520	4,520	-	-
	9,882	9,448	11,563	8,088
Net current (liabilities)/assets	(505)	16,541	(11,462)	6,867
Non-current liabilities				
Bank borrowing	12,431	14,691	-	-
Derivative financial liabilities	107	192	-	-
Deferred taxation	24	24	-	-
	12,562	14,907	-	-
Net assets	62,652	62,532	46,689	50,211
Equity attributable to owners of the Company				
Share capital	31,665	31,665	31,665	31,665
Other reserves	(288)	(270)	-	-
Retained earnings	31,275	31,137	15,024	18,546
Total equity	62,652	62,532	46,689	50,211

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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 30.9.2014		As at 31.3.2014	
Secured	Unsecured	Secured	Unsecured
US\$4,520,000	-	US\$4,520,000	-

Amount repayable after one year

As at 30.9.2014		As at 31.3.2014	
Secured	Unsecured	Secured	Unsecured
US\$12,431,000	-	US\$14,691,000	-

Details of any collaterals:

The credit facilities obtained by a wholly-owned subsidiary is secured by a corporate guarantee from the Company, first priority mortgage of a vessel and first priority assignment of the said vessel's charter earnings and insurances. The carrying amount of the vessel mortgaged is approximately US\$39.9 million as at 30 September 2014 (FY2014: US\$40.3 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.

	Second Quarter		First Half	
	Q2 FY2015	Q2 FY2014	1H FY2015	1H FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before taxation	1,789	2,278	3,605	4,235
Adjustments for:				
Depreciation expense on property, plant and equipment	832	893	1,646	1,737
Loss on disposal of property, plant and equipment	-	2	-	2
Interest income	(26)	(20)	(70)	(34)
Dividend income	(6)	(12)	(23)	(27)
Net change in fair value of financial assets held-for-trading	(10)	(55)	(17)	(46)
Gain on disposal of financial assets held-for-trading	(40)	-	(249)	-
Gain on disposal of asset held-for-sales	-	-	(84)	-
Finance costs on bank borrowing	151	171	304	366
Net change in fair value of derivative financial assets / liabilities	-	(43)	-	2
Share of results of associated companies, net of tax	33	70	9	102
Changes in working capital	2,723	3,284	5,121	6,337
Inventories	(109)	(12)	(107)	10
Trade and other receivables	(619)	(1,544)	(192)	(488)
Trade and other payables	689	(522)	440	115
Cash generated from operations	2,684	1,206	5,262	5,974
Tax paid	(27)	(172)	(27)	(285)
Net cash from operating activities	2,657	1,034	5,235	5,689
Cash flows from investing activities				
Purchase of property, plant and equipment	(16,500)	(1)	(16,533)	(17)
Payments for drydocking expenditure	(31)	(33)	(31)	(605)
Purchase of financial assets held-for-trading	-	(403)	-	(403)
Net cash outflow on acquisition of subsidiaries	-	-	-	(2,622)
Payment for acquisition of associated companies	-	-	-	(2,416)
Interest received	88	9	114	26
Dividends received from quoted equity securities	6	12	23	27
Dividend received from an associated company	-	19	-	19
Proceed from sale of asset held-for-sale	-	-	1,004	-
Proceed from sale of other assets	107	-	107	-
Proceeds from sale of financial assets held-for-trading	1,070	-	1,466	452
Proceeds from sale of property, plant and equipment	-	1	-	1
Net cash used in investing activities	(15,260)	(396)	(13,850)	(5,538)

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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.

	Second Quarter		First Half	
	Q2	Q2	1H	1H
	FY2015	FY2014	FY2015	FY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flow from financing activities				
Repayment of bank borrowing	(1,129)	(1,129)	(2,260)	(2,260)
Payment of finance costs on bank borrowing	(145)	(204)	(290)	(381)
Dividends paid	(3,460)	(3,404)	(3,460)	(3,404)
Net cash used in financing activities	(4,734)	(4,737)	(6,010)	(6,045)
Change in cash and cash equivalents	(17,337)	(4,099)	(14,625)	(5,894)
Cash and cash equivalents at beginning of the year	20,763	15,259	17,959	17,240
Effects of foreign exchange rate change on consolidation	(229)	158	(137)	(28)
Cash and cash equivalents at end of the period	3,197	11,318	3,197	11,318

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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 2014***

	Share capital US\$'000	Hedging reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Total attributable to owners of the Company US\$'000
Balance at 1 April 2014	31,665	(192)	(78)	31,137	62,532
Total comprehensive income for 1st Quarter 2015	-	8	169	1,807	1,984
Balance at 30 June 2014	31,665	(184)	91	32,944	64,516
Total comprehensive income for 2nd Quarter 2015	-	77	(272)	1,791	1,596
Dividends paid	-	-	-	(3,460)	(3,460)
Balance at 30 September 2014	31,665	(107)	(181)	31,275	62,652
Balance at 1 April 2013	31,665	(446)	180	25,949	57,348
Total comprehensive income for 1st Quarter 2014	-	130	(276)	1,953	1,807
Balance at 30 June 2013	31,665	(316)	(96)	27,902	59,155
Total comprehensive income for 2nd Quarter 2014	-	19	79	2,225	2,323
Dividends paid	-	-	-	(3,404)	(3,404)
Balance at 30 September 2013	31,665	(297)	(17)	26,723	58,074

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5(a)(ii). The Company

Statement of changes in equity for the period ended 30 September 2014

	Share capital	Retained earnings	Total
	US\$'000	US\$'000	US\$'000
Balance at 1 April 2014	31,665	18,546	50,211
Total comprehensive income for 1st Quarter FY2015	-	(4)	(4)
Balance at 30 June 2014	31,665	18,542	50,207
Total comprehensive income for 2nd Quarter FY2015	-	(58)	(58)
Dividends paid	-	(3,460)	(3,460)
Balance at 30 September 2014	31,665	15,024	46,689
Balance at 1 April 2013	31,665	13,644	45,309
Total comprehensive income for 1st Quarter FY2014	-	(179)	(179)
Balance at 30 June 2013	31,665	13,465	45,130
Total comprehensive income for 2nd Quarter FY2014	-	3,332	3,332
Dividends paid	-	(3,404)	(3,404)
Balance at 30 September 2013	31,665	13,393	45,058

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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.**

	Second Quarter		First Half	
	Q2 FY2015	Q2 FY2014	1H FY2015	1H FY2014
Total number of issued shares (excluding treasury shares)	436,016,591	436,016,591	436,016,591	436,016,591

There were no shares held as treasury shares in current and previous periods.

- 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 2014.

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.**

The Group adopted the following new/revised Singapore Financial Reporting Standards (FRSs) relevant to the Group's operations with effect from 1 April 2014:

FRS 32 : Offsetting Financial Assets and Financial Liabilities
 FRS 39 : Novation of Derivatives and Continuation of Hedge Accounting
 FRS 110 and FRS 27 : Consolidated Financial Statements and Separate Financial Statements
 FRS 111 and FRS 28 : Joint Arrangement and Investment in Associates and Joint Ventures
 FRS 112 : Disclosure of Interests in Other Entities
 Amendments to FRS36 : Recoverable Amount Disclosures for Non-financial Assets

The adoption of the above FRSs did not have any significant impact on the financial statements of the Group.

SINGAPORE SHIPPING CORPORATION LIMITED

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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.**

	Second Quarter		First Half	
	Q2 FY2015	Q2 FY2014	1H FY2015	1H FY2014
Earnings per ordinary share based on:-				
(i) the weighted average number of ordinary shares in issue	0.4	0.6	0.8	1.0
(ii) fully diluted basis	0.4	0.6	0.8	1.0

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	
	30.9.2014 US Cents	31.3.2014 US Cents	30.9.2014 US Cents	31.3.2014 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	14.4	14.3	10.7	11.5
Net tangible asset per ordinary share based on the total number of issued shares as at the end of the period / preceding year reported on	14.2	14.2	10.7	11.5

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.REVENUE

	Second Quarter			First Half		
	Q2	Q2	Change	1H	1H	Change
	FY2015	FY2014		FY2015	FY2014	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning	4,016	4,765	(15.7)	7,747	9,326	(16.9)
Agency & logistics	4,196	3,910	7.3	7,749	8,464	(8.4)
	8,212	8,675	(5.3)	15,496	17,790	(12.9)

Revenue for the ship owning segment was lower in Q2 FY2015 and 1H FY2015 due mainly to:-

- (i) The sale of m.v. Singa Ace in February 2014 following its 30 years charter expiry; and
- (ii) m.v. Capricornus Leader being delivered only in mid of September 2014.

Agency and logistics segment performed better in Q2 FY2015 as a result of higher tonnage handled at the terminals. Despite better performance in Q2 FY2015, lower business activities in Q1 FY2015 has resulted in overall decrease in revenue in 1H FY2015.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Second Quarter			First Half		
	Q2	Q2	Change	1H	1H	Change
	FY2015	FY2014		FY2015	FY2014	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Ship owning	1,562	1,864	(16.2)	2,980	3,404	(12.5)
Agency & logistics	908	1,015	(10.5)	1,628	1,954	(16.7)
Unallocated items ^(a)	(679)	(654)	3.8	(1,010)	(1,180)	(14.4)
Net profit for the period	1,791	2,225	(19.5)	3,598	4,178	(13.9)

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

The Group registered lower net profit for both Q2 FY2015 and 1H FY2015.

Ship owning segment's net profit was affected by the sale of m.v. Singa Ace in February 2014 following its 30-years charter expiry.

Despite higher agency revenue in Q2 FY2015, downward pressure on profit margins and a seasonal drop in specialized projects contributed to lower net profit in agency and logistics segment.

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)

STATEMENT OF FINANCIAL POSITION

The increase in property, plant and equipment was due mainly to the acquisition of a vessel in Q2 FY2015 using internal funds. Accordingly, the cash and cash equivalents decrease.

Financial assets held-for-trading decreased due to disposal of a blue-chip counter with a gain on disposal of approximately US\$249,000.

Nanyang Maritime (S'pore) Pte Ltd, which was classified as asset held-for-sale, was sold on 22 April 2014 with a gain on disposal of approximately US\$84,000.

Bank borrowing was lower due to monthly instalment repayments.

STATEMENT OF CASH FLOWS

Operating cash flow was lower as a resulting of lower income from ship owning and agency & logistic segments for 1H FY2015.

Higher cash outflow in investing activities was due mainly to acquisition of US\$16.5 million vessel delivered in September 2014. This was partially offset by:

- (i) proceeds from sale of asset held-for-sales of US\$1 million; and
- (ii) proceeds from sale of financial asset held-for-trading US\$1.2 million.

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

The Group's financial results for 1H FY2015 are in line with the prospect statement made in Q1 FY2015 results announcement.

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 creditably for Q2 FY2015 and 1H FY2015.

Agency and logistic business remains profitable despite downward pressure on rates and a seasonal drop in specialized logistics projects.

The Group took delivery of m.v. Capricornus Leader in September 2014. With two more vessels scheduled for delivery between November 2014 and March 2015, the ship owning segment is expected to perform better over the next 12 months.

Through these latest acquisitions, the Group has accelerated its fleet renewal and expansion program. It continues to identify opportunities to build a younger fleet with quality long-term charters.

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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.

17. Interested person transactions (IPT)

Name of interested person	1H FY2015 Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)	1H FY2014 Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)
Paid to a subsidiary of Stamford Land Corporation Ltd - Rental expense	US\$152,000	US\$144,000
Transaction with directors of the Company - Purchase of goods and services	US\$133,000	US\$135,000

Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below S\$100,000) is nil for both 1H FY2015 and 1H FY2014.

18. 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 six months ended 30 September 2014 to be false or misleading.

SINGAPORE SHIPPING CORPORATION LIMITED
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On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

BY ORDER OF THE BOARD

Chua Siew Hwi
Company Secretary

5 November 2014