

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

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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		
	FY2020	FY2019	Change	FY2020	FY2019	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
		(Restated)			(Restated)	
Revenue	11,685	12,072	(3.2)	22,775	24,090	(5.5)
Other operating income	195	526	(62.9)	391	782	(50.0)
Depreciation expense	(2,103)	(1,996)	5.4	(4,158)	(3,984)	4.4
Vessel operation costs	(1,070)	(1,123)	(4.7)	(2,337)	(2,436)	(4.1)
Transportation, warehouse and terminal operating costs	(2,232)	(2,635)	(15.3)	(4,008)	(5,151)	(22.2)
Staff and crew costs	(3,310)	(3,179)	4.1	(6,361)	(6,230)	2.1
Other operating expenses	(447)	(443)	0.9	(898)	(907)	(1.0)
Results from operating activities	2,718	3,222	(15.6)	5,404	6,164	(12.3)
Finance and investment income	173	139	24.5	406	228	78.1
Finance costs	(492)	(549)	(10.4)	(992)	(1,106)	(10.3)
Exchange differences	116	(85)	NM	119	210	(43.3)
Share of results of associated company and joint venture, net of tax	24	(45)	NM	46	(89)	NM
Profit before taxation	2,539	2,682	(5.3)	4,983	5,407	(7.8)
Taxation	-	(1)	NM	(3)	(4)	(25.0)
Profit for the period	2,539	2,681	(5.3)	4,980	5,403	(7.8)
Attributable to:						
Owners of the Company	2,539	2,681	(5.3)	4,980	5,403	(7.8)
Earnings per share (US cents):						
Basic	0.6	0.6	-	1.2	1.2	-
Diluted	0.6	0.6	-	1.2	1.2	-

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 2019</u>	<u>Sep 2018</u>	<u>% Change</u>
SGD	1.3719	1.3538	1.3

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

	The Group Second Quarter		The Group First Half	
	FY2020	FY2019	FY2020	FY2019
	US\$'000	US\$'000 (Restated)	US\$'000	US\$'000 (Restated)
Profit for the period				
Other comprehensive income	2,539	2,681	4,980	5,403
<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	(847)	411	(2,269)	482
- Realised and transferred to income statement	104	73	171	78
	(743)	484	(2,098)	560
Foreign currency translation	(248)	(48)	(231)	(489)
Other comprehensive income for the period, net of tax	(991)	436	(2,329)	71
Total comprehensive income for the period	1,548	3,117	2,651	5,474
Attributable to:				
Owners of the Company	1,548	3,117	2,651	5,474

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	
	30.9.2019 US\$'000	31.3.2019 US\$'000 (Restated)	30.9.2019 US\$'000	31.3.2019 US\$'000
Non-current assets				
Property, plant and equipment	138,175	139,849	-	-
Right-of-use asset	485	-	-	-
Goodwill	761	779	-	-
Investment in subsidiaries	-	-	32,625	32,625
Amount due from subsidiaries	-	-	8,355	11,140
Investments in associated company and joint venture	2,665	2,618	90	90
Derivative financial assets	-	592	-	-
Other assets	79	89	-	-
	142,165	143,927	41,070	43,855
Current assets				
Inventories	285	333	-	-
Trade and other receivables	4,148	4,190	78	85
Amount due from subsidiaries	-	-	19,306	15,797
Investment securities	2,143	2,109	-	-
Derivative financial assets	-	303	-	-
Cash and cash equivalents	26,313	26,059	7,069	5,654
	32,889	32,994	26,453	21,536
Less:				
Current liabilities				
Trade and other payables	6,763	6,084	428	126
Amount due to subsidiaries	-	-	17,630	10,790
Lease liability	289	-	-	-
Derivatives financial liabilities	92	-	-	-
Bank borrowings	7,667	7,667	-	-
	14,811	13,751	18,058	10,916
Net current assets	18,078	19,243	8,395	10,620
Non-current liabilities				
Lease liability	194	-	-	-
Bank borrowings	50,740	54,574	-	-
Derivatives financial liabilities	1,149	-	-	-
Deferred income	19,316	17,499	-	-
	71,399	72,073	-	-
Net assets	88,844	91,097	49,465	54,475

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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).

	The Group		The Company	
	30.9.2019	31.3.2019	30.9.2019	31.3.2019
	US\$'000	US\$'000 (Restated)	US\$'000	US\$'000
Equity attributable to owners of the Company				
Share capital	31,886	31,886	31,886	31,886
Treasury shares	(4,284)	(2,432)	(4,284)	(2,432)
Other reserves	(2,528)	(199)	-	-
Retained earnings	63,770	61,842	21,863	25,021
Total equity	88,844	91,097	49,465	54,475

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

	Sep 2019	Mar 2019	% Change
SGD	1.3820	1.3551	2.0

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

As at 30.9.2019		As at 31.3.2019	
Secured	Unsecured	Secured	Unsecured
US\$7,667,000	-	US\$7,667,000	-

Amount repayable after one year

As at 30.9.2019		As at 31.3.2019	
Secured	Unsecured	Secured	Unsecured
US\$50,740,000	-	US\$54,574,000	-

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\$80.4 million as at 30 September 2019 (31 March 2019: US\$81.8 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	
	FY2020 US\$'000	FY2019 US\$'000 (Restated)	FY2020 US\$'000	FY2019 US\$'000 (Restated)
Cash flows from operating activities				
Profit before taxation	2,539	2,682	4,983	5,407
Adjustments for:				
Depreciation expense	2,103	1,996	4,158	3,984
Interest income	(170)	(118)	(333)	(218)
Dividend income	(20)	(19)	(39)	(39)
Net fair value loss/(gain) on investment securities	17	(2)	(34)	29
Finance costs	492	549	992	1,106
(Gain)/loss on foreign exchange	(58)	12	(47)	(300)
Share of results of associated company and joint venture, net of tax	(24)	45	(46)	89
Operating cash flows before changes in working capital	4,879	5,145	9,634	10,058
Changes in working capital:				
Inventories	141	(22)	48	(80)
Trade and other receivables	71	755	87	(189)
Trade and other payables	(171)	41	689	429
Deferred income	919	1,176	1,817	2,323
Cash flows from operations	5,839	7,095	12,275	12,541
Tax paid	-	(1)	(3)	(4)
Net cash flows from operating activities	5,839	7,094	12,272	12,537
Cash flows from investing activities				
Purchase of property, plant and equipment	(493)	(93)	(511)	(108)
Payment for drydocking expenditure	(906)	(37)	(1,855)	(1,160)
Interest received	126	37	288	91
Dividend income	20	19	39	39
Net cash flows used in investing activities	(1,253)	(74)	(2,039)	(1,138)
Cash flows from financing activities				
Repayment of bank borrowings	(1,916)	(1,916)	(3,834)	(3,834)
Repayment of lease liability	(83)	-	(134)	-
Payment of finance costs	(487)	(554)	(994)	(1,122)
Dividends paid	(3,052)	(3,184)	(3,052)	(3,184)
Purchase of treasury shares	(1,612)	(566)	(1,852)	(566)
Net cash flows used in financing activities	(7,150)	(6,220)	(9,866)	(8,706)
Net (decrease)/increase in cash and cash equivalents	(2,564)	800	367	2,693
Cash and cash equivalents at beginning of the period	28,999	15,720	26,059	13,936
Effect of exchange rate changes on cash and cash equivalents	(122)	(7)	(113)	(116)
Cash and cash equivalents at end of the period	26,313	16,513	26,313	16,513

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 30 September 2019

	Share capital	Treasury shares	Hedging reserve	Currency translation 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 2019 (as previously reported)	31,886	(2,432)	895	(1,094)	63,020	92,275
Effect of adopting SFRS(I) 16	-	-	-	-	(1,178)	(1,178)
Balance at 1 April 2019 (restated)	31,886	(2,432)	895	(1,094)	61,842	91,097
Total comprehensive income for the period						
Profit for the period	-	-	-	-	4,980	4,980
Other comprehensive income for the period	-	-	(2,098)	(231)	-	(2,329)
Total	-	-	(2,098)	(231)	4,980	2,651
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	-	-	(3,052)	(3,052)
Purchase of treasury shares	-	(1,852)	-	-	-	(1,852)
Total	-	(1,852)	-	-	(3,052)	(4,904)
Balance at 30 September 2019	31,886	(4,284)	(1,203)	(1,325)	63,770	88,844
Balance at 1 April 2018 (as previously reported)	31,886	-	2,359	(710)	55,620	89,155
Effect of adopting SFRS(I) 16	-	-	-	-	(877)	(877)
Balance at 1 April 2018 (restated)	31,886	-	2,359	(710)	54,743	88,278
Total comprehensive income for the period						
Profit for the period (restated)	-	-	-	-	5,403	5,403
Other comprehensive income for the period	-	-	560	(489)	-	71
Total	-	-	560	(489)	5,403	5,474
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	-	-	(3,184)	(3,184)
Purchase of treasury shares	-	(566)	-	-	-	(566)
Total	-	(566)	-	-	(3,184)	(3,750)
Balance at 30 September 2018	31,886	(566)	2,919	(1,199)	56,962	90,002

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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 30 September 2019**

	Share capital	Treasury shares	Retained earnings	Equity attributable to owners of the Company
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 April 2019	31,886	(2,432)	25,021	54,475
Total comprehensive income for the period				
Loss for the period	-	-	(106)	(106)
Total	-	-	(106)	(106)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends paid	-	-	(3,052)	(3,052)
Purchase of treasury shares	-	(1,852)	-	(1,852)
Total	-	(1,852)	(3,052)	(4,904)
Balance at 30 September 2019	31,886	(4,284)	21,863	49,465
Balance at 1 April 2018	31,886	-	21,399	53,285
Total comprehensive income for the period				
Loss for the period	-	-	(205)	(205)
Total	-	-	(205)	(205)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends paid	-	-	(3,184)	(3,184)
Purchase of treasury shares	-	(566)	-	(566)
Total	-	(566)	(3,184)	(3,750)
Balance at 30 September 2018	31,886	(566)	18,010	49,330

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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 July 2019	437,019,791	12,520,200
Treasury shares purchased	-	7,687,500
As at 30 September 2019	437,019,791	20,207,700

Treasury shares

As at 30 September 2019, the number of treasury shares held by the Company represented 4.85% (30 September 2018: 0.63%) 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 30 September 2019 and 30 September 2018.

- 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 30.9.2019	As at 31.3.2019
Total number of issued shares (excluding treasury shares)	416,812,091	425,632,191

- 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.

SINGAPORE SHIPPING CORPORATION LIMITED

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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.**

Except as disclosed in note 9 below, 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 2019.

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 has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* which is effective for annual periods beginning on or after 1 January 2019. The Group has adopted SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

As Lessor

The Group's time charter contracts consist of a lease component which is accounted under SFRS(I) 16, and a non-lease component for the service elements which is accounted under SFRS(I) 15 *Revenue from Contracts with Customers*. The contract consideration is allocated to both lease and non-lease components based on the relative stand-alone prices using the expected cost plus margin approach in accordance with SFRS(I) 15.

The effect on adoption of SFRS(I) 16 resulted in an increase in deferred income and corresponding decrease in retained earnings of US\$1,178,000 as at 1 April 2019 and US\$877,000 as at 1 April 2018.

As Lessee

The Group has committed to lease a warehouse under non-cancellable lease.

On adoption of SFRS(I) 16, the Group has measured the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments related to that lease recognised in the balance sheet immediately before 1 April 2019. The Group has also elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On adoption of SFRS(I) 16, the Group recognised a right-of-use asset and a lease liability of US\$621,000 for its lease previously classified as operating lease as at 1 April 2019.

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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 Second Quarter		The Group First Half	
	FY2020	FY2019 (Restated)	FY2020	FY2019 (Restated)
Profit for the period attributable to owners of the Company (US\$'000)	2,539	2,681	4,980	5,403
Weighted average number of ordinary shares for basic and diluted earnings per share calculation* ('000)	421,607	435,863	423,393	436,438
Earnings per share:				
(i) Basic (US cents)	0.6	0.6	1.2	1.2
(ii) Diluted (US cents)	0.6	0.6	1.2	1.2

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	
	30.9.2019	31.3.2019	30.9.2019	31.3.2019
	US Cents	US Cents (Restated)	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	21.3	21.4	11.9	12.8

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 Second Quarter			The Group First Half		
	FY2020	FY2019	Change	FY2020	FY2019	Change
	US\$'000	US\$'000 (Restated)	%	US\$'000	US\$'000 (Restated)	%
Ship owning	8,054	8,027	0.3	16,047	15,794	1.6
Agency and logistics	3,631	4,045	(10.2)	6,728	8,296	(18.9)
	11,685	12,072	(3.2)	22,775	24,090	(5.5)

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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

	The Group Second Quarter			The Group First Half		
	FY2020	FY2019	Change	FY2020	FY2019	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	(Restated)			(Restated)		
Ship owning	2,663	2,508	6.2	5,257	4,668	12.6
Agency and logistics	294	787	(62.6)	589	1,657	(64.5)
Unallocated items ^(a)	(534)	(529)	0.9	(985)	(1,132)	(13.0)
Exchange differences	116	(85)	NM	119	210	(43.3)
Profit for the period	2,539	2,681	(5.3)	4,980	5,403	(7.8)

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

- Off-hire (dry-docking) resulted in lower revenue/operating profit in 1H FY2019.
- Agency and logistics segment recorded lower revenue and operating profit due to lower business volume.

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\$367,000 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.

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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 record stable results. Agency and logistics segment suffered some decline due to the ongoing economic uncertainties.
- Barring unforeseen circumstances, the Group expects to remain profitable in the financial year ending 31 March 2020.

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 2019 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

8 November 2019