

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

**UNAUDITED HALF YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

PART I – INFORMATION REQUIRED FOR HALF YEAR 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 First Half		Change
	FY2021	FY2020	
	US\$'000	US\$'000	%
Revenue	20,897	22,775	(8.2)
Other operating income	394	391	0.8
Depreciation expense	(4,158)	(4,158)	-
Vessel operation costs	(2,240)	(2,337)	(4.2)
Transportation, warehouse and terminal operating costs	(2,888)	(4,008)	(27.9)
Staff and crew costs	(5,125)	(6,361)	(19.4)
Other operating expenses	(681)	(898)	(24.2)
Results from operating activities	6,199	5,404	14.7
Finance and investment income	395	406	(2.7)
Finance costs	(868)	(992)	(12.5)
Exchange differences	626	119	NM
Share of results of associated company, net of tax	(127)	46	NM
Profit before taxation	6,225	4,983	24.9
Taxation	-	(3)	NM
Profit for the period	6,225	4,980	25.0
Attributable to:			
Owners of the Company	6,225	4,980	25.0
Earnings per share (US cents):			
Basic	1.6	1.2	33.3
Diluted	1.6	1.2	33.3

For the income statement, Singapore Dollar ("SGD") was translated at average rate as prescribed below:

	Sep 2020	Sep 2019	% Change
SGD	1.3874	1.3719	1.1

1H: First Half

FY: Financial Year Ending 31 March

NM: Not Meaningful

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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 First Half	
	FY2021	FY2020
	US\$'000	US\$'000
Profit for the period	6,225	4,980
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	109	(2,269)
- Realised and transferred to income statement	(135)	171
Foreign currency translation	(26)	(2,098)
	430	(231)
Other comprehensive income for the period, net of tax	404	(2,329)
Total comprehensive income for the period	6,629	2,651
Attributable to:		
Owners of the Company	6,629	2,651

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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	
	30.9.2020	31.3.2020	30.9.2020	31.3.2020
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	131,719	135,092	-	-
Right-of-use asset	183	323	-	-
Goodwill	768	738	-	-
Investment in subsidiaries	-	-	32,625	32,625
Amount due from subsidiaries	-	-	5,248	7,248
Investment in associated company	1,616	1,743	*	*
Other assets	62	68	-	-
	134,348	137,964	37,873	39,873
Current assets				
Inventories	316	281	-	-
Trade and other receivables	3,351	3,929	126	122
Amount due from subsidiaries	-	-	13,642	15,671
Investment securities	2,083	1,924	-	-
Cash and cash equivalents	33,453	30,524	17,115	10,691
	39,203	36,658	30,883	26,484
Less:				
Current liabilities				
Trade and other payables	6,245	7,276	77	106
Amount due to subsidiaries	-	-	18,965	13,563
Lease liability	196	312	-	-
Derivative financial liabilities	841	1,483	-	-
Bank borrowings	7,667	7,667	-	-
	14,949	16,738	19,042	13,669
Net current assets	24,254	19,920	11,841	12,815
Non-current liabilities				
Lease liability	-	31	-	-
Bank borrowings	43,073	46,907	-	-
Derivatives financial liabilities	2,687	2,893	-	-
Deferred income	22,190	20,890	-	-
	67,950	70,721	-	-
Net assets	90,652	87,163	49,714	52,688

* Less than US\$1,000

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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	
	30.9.2020	31.3.2020	30.9.2020	31.3.2020
	US\$'000	US\$'000	US\$'000	US\$'000
Equity attributable to owners of the Company				
Share capital	31,886	31,886	31,886	31,886
Treasury shares	(210)	(7,688)	(210)	(7,688)
Other reserves	(4,611)	(5,015)	-	-
Retained earnings	63,587	67,980	18,038	28,490
Total equity	90,652	87,163	49,714	52,688

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

	Sep 2020	Mar 2020	% Change
SGD	1.3691	1.4243	(3.9)

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

As at 30.9.2020		As at 31.3.2020	
Secured	Unsecured	Secured	Unsecured
US\$7,667,000	-	US\$7,667,000	-

Amount repayable after one year

As at 30.9.2020		As at 31.3.2020	
Secured	Unsecured	Secured	Unsecured
US\$43,073,000	-	US\$46,907,000	-

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\$77.5 million as at 30 September 2020 (31 March 2020: US\$78.9 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	
	First Half	
	FY2021	FY2020
	US\$'000	US\$'000
Cash flows from operating activities	6,225	4,983
Profit before taxation		
Adjustments for:		
Depreciation expense	4,158	4,158
Interest income	(197)	(333)
Dividend income	(39)	(39)
Net fair value gain on investment securities	(159)	(34)
Finance costs	868	992
Gain on foreign exchange	(609)	(47)
Share of results of associated company, net of tax	127	(46)
Operating cash flows before changes in working capital	10,374	9,634
Changes in working capital:		
Inventories	(35)	48
Trade and other receivables	473	87
Trade and other payables	(1,025)	689
Deferred income	1,300	1,817
Cash flows from operations	11,087	12,275
Tax paid	-	(3)
Net cash flows from operating activities	11,087	12,272
Cash flows from investing activities		
Purchase of property, plant and equipment	(170)	(511)
Payment for drydocking expenditure	(459)	(1,855)
Interest received	302	288
Dividend income from investment securities	39	39
Net cash flows used in investing activities	(288)	(2,039)
Cash flows from financing activities		
Repayment of bank borrowings	(3,834)	(3,834)
Repayment of lease liability	(152)	(134)
Payment of finance costs	(869)	(994)
Dividends paid	(2,930)	(3,052)
Purchase of treasury shares	(210)	(1,852)
Net cash flows used in financing activities	(7,995)	(9,866)
Net increase in cash and cash equivalents	2,804	367
Cash and cash equivalents at beginning of the period	30,524	26,059
Effect of exchange rate changes on cash and cash equivalents	125	(113)
Cash and cash equivalents at end of the period	33,453	26,313

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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 2020

	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 2020	31,886	(7,688)	(3,429)	(1,586)	67,980	87,163
Total comprehensive income for the period						
Profit for the period	-	-	-	-	6,225	6,225
Other comprehensive income for the period	-	-	(26)	430	-	404
Total	-	-	(26)	430	6,225	6,629
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	-	-	(2,930)	(2,930)
Purchase of treasury shares	-	(210)	-	-	-	(210)
Cancellation of treasury shares	-	7,688	-	-	(7,688)	-
Total	-	7,478	-	-	(10,618)	(3,140)
Balance at 30 September 2020	31,886	(210)	(3,455)	(1,156)	63,587	90,652
Balance at 1 April 2019	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 2020	31,886	(4,284)	(1,203)	(1,325)	63,770	88,844

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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 2020**

	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 2020	31,886	(7,688)	28,490	52,688
Total comprehensive income for the period				
Profit for the period	-	-	166	166
Total	-	-	166	166
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends paid	-	-	(2,930)	(2,930)
Purchase of treasury shares	-	(210)	-	(210)
Cancellation of treasury shares	-	7,688	(7,688)	-
Total	-	7,478	(10,618)	(3,140)
Balance at 30 September 2020	31,886	(210)	18,038	49,714
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

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- 5(b). Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 April 2020	437,019,791	37,029,500
Treasury shares purchased	-	1,099,400
Cancellation of treasury shares	(37,029,500)	(37,029,500)
As at 30 September 2020	399,990,291	1,099,400

Treasury shares

As at 30 September 2020, the number of treasury shares held by the Company represented 0.28% (30 September 2019: 4.85%) 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 2020 and 30 September 2019.

- 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 30.9.2020	As at 31.3.2020
Total number of issued shares (excluding treasury shares)	398,890,891	399,990,291

- 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.

Please refer to paragraph 5(b) for movements in treasury shares.

- 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 modifications or emphasis of a matter).**

Not applicable.

8. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

- (b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

9. **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 2020.

10. **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.

11. **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 First Half	
	FY2021	FY2020
Profit for the period attributable to owners of the Company (US\$'000)	6,225	4,980
Weighted average number of ordinary shares for basic and diluted earnings per share calculation ('000)	399,532	423,393
Earnings per share:		
(i) Basic (US cents)	1.6	1.2
(ii) Diluted (US cents)	1.6	1.2

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12. **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	
	30.9.2020	31.3.2020	30.9.2020	31.3.2020
	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	22.7	21.8	12.5	13.2

13. **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 First Half		
	FY2021	FY2020	Change
	US\$'000	US\$'000	%
Ship owning	15,836	16,047	(1.3)
Agency and logistics	5,061	6,728	(24.8)
	20,897	22,775	(8.2)

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	The Group First Half		
	FY2021	FY2020	Change
	US\$'000	US\$'000	%
Ship owning	5,466	5,257	4.0
Agency and logistics	991	589	68.3
Unallocated items ^(a)	(858)	(985)	(12.9)
Exchange differences	626	119	NM
Profit for the period	6,225	4,980	25.0

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

- Off-hire (drydocking) resulted in lower ship owning revenue in 1H FY2021.
- Lower tonnages handled resulted in lower agency and logistics revenue.
- Higher operating profit for both segments was due to one-off cost saving measures implemented during the financial period.

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13. **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 period.

STATEMENT OF CASH FLOWS

Overall increase of US\$2.8 million in cash and cash equivalents 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.

14. **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.

15. **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 in its ship owning segment.
- Agency and logistics segment recorded a decline in revenue due to the disruptions in the global supply chain arising from COVID-19.
- The Group expects to remain profitable in the financial year ending 31 March 2021 barring unforeseen circumstances.

16. **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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17. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended in the current reporting period.

18. Interested person transactions (“IPTs”)

The Company has not obtained a general mandate from shareholders for any IPTs.

19. 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 2020 to be false or misleading in any material aspect.

20. 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

12 November 2020