

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

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2016**

**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 First Quarter		Change
	FY2017	FY2016	
	US\$'000	US\$'000 (Restated)*	%
Revenue	10,805	10,675	1.2
Other operating income	306	256	19.5
Depreciation expense on property, plant and equipment	(1,779)	(1,645)	8.1
Vessel operation costs	(1,389)	(1,411)	(1.6)
Transportation, warehouse and terminal operating costs	(1,954)	(1,838)	6.3
Staff and crew costs	(3,022)	(2,771)	9.1
Other operating expenses	(605)	(442)	36.9
Results from operating activities	2,362	2,824	(16.4)
Finance income	28	18	55.6
Finance costs on bank borrowings	(742)	(590)	25.8
Exchange differences	11	(207)	NM
Share of results of associated company and joint venture, net of tax	(55)	(31)	77.4
Profit before taxation	1,604	2,014	(20.4)
Taxation	(3)	(9)	(66.7)
<b>Profit for the period</b>	<b>1,601</b>	<b>2,005</b>	<b>(20.1)</b>
<b>Attributable to:</b>			
Owners of the Company	1,601	2,005	(20.1)
<b>Earnings per share (US cents)</b>			
Basic	0.4	0.5	(20.0)
Diluted	0.4	0.5	(20.0)

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

	Jun 2016	Jun 2015	Change
SGD	1.3581	1.3389	1.4%

\* The figures for Q1 FY2016 have been restated due to the adoption of "straight line" revenue recognition over the entire charter period for ship owning revenue. Please refer to Note 3(z) in the audited financial statements for the year ended 31 March 2016 as set out in the Annual Report for more details.

Q1: 1st Quarter FY: Financial year ending 31 March

NM: Not meaningful

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

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 Quarter	
	FY2017	FY2016
	US\$'000	US\$'000 (Restated)
<b>Profit for the period</b>	1,601	2,005
<b>Other comprehensive (loss)/income</b>		
<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	(1,419)	1,263
- Realised and transferred to income statement	295	26
	(1,124)	1,289
Net change in currency translation reserve	(3)	283
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	(1,127)	1,572
<b>Total comprehensive income for the period</b>	<b>474</b>	<b>3,577</b>
<b>Attributable to:</b>		
Owners of the Company	474	3,577

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

**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	
	30.6.2016	31.3.2016	30.6.2016	31.3.2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	156,963	157,026	-	-
Goodwill	702	702	-	-
Investment in subsidiaries	-	-	32,625	32,625
Amount due from subsidiaries	-	-	12,236	11,714
Associated company and joint venture	3,945	4,000	1,208	1,208
Other assets	151	151	-	-
	161,761	161,879	46,069	45,547
<b>Current assets</b>				
Inventories	333	447	-	-
Trade and other receivables	4,827	5,411	31	26
Amount due from subsidiaries	-	-	1,013	51
Financial assets held for trading	93	92	-	-
Cash and cash equivalents	13,629	13,160	11,353	11,064
	18,882	19,110	12,397	11,141
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	7,271	7,233	298	251
Amount due to subsidiaries	-	-	5,298	3,509
Derivative financial liabilities	949	910	-	-
Bank borrowings	12,188	12,188	-	-
	20,408	20,331	5,596	3,760
<b>Net current (liabilities)/assets</b>	(1,526)	(1,221)	6,801	7,381
<b>Non-current liabilities</b>				
Bank borrowings	80,179	83,226	-	-
Derivative financial liabilities	2,710	1,625	-	-
Deferred income	5,629	4,564	-	-
	88,518	89,415	-	-
<b>Net assets</b>	71,717	71,243	52,870	52,928
<b>Equity attributable to owners of the Company</b>				
Share capital	31,747	31,747	31,747	31,747
Other reserves	(4,682)	(3,555)	-	-
Retained earnings	44,652	43,051	21,123	21,181
<b>Total equity</b>	71,717	71,243	52,870	52,928

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

**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 30.6.2016</b>		<b>As at 31.3.2016</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
US\$12,188,000	-	US\$12,188,000	-

**Amount repayable after one year**

<b>As at 30.6.2016</b>		<b>As at 31.3.2016</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
US\$80,179,000	-	US\$83,226,000	-

**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\$126.5 million as at 30 June 2016 (31 March 2016: US\$126.8 million).

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

**4. A statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>The Group</b>	
	<b>First Quarter</b>	
	<b>FY2017</b>	<b>FY2016</b>
	<b>US\$'000</b>	<b>US\$'000</b> <b>(Restated)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	1,604	2,014
Adjustments for:		
Depreciation expense on property, plant and equipment	1,779	1,645
Interest income	(27)	(9)
Net change in fair value of financial assets held for trading	(1)	(9)
Finance costs on bank borrowings	742	590
(Profit)/loss on foreign exchange	(2)	200
Share of results of associated company and joint venture, net of tax	55	31
Changes in working capital:	4,150	4,462
Inventories	114	42
Trade and other receivables	587	894
Trade and other payables	52	1,030
Deferred income	1,065	1,031
Cash generated from operations	5,968	7,459
Tax paid	(3)	(9)
<b>Net cash from operating activities</b>	<b>5,965</b>	<b>7,450</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(991)	(16)
Payment for dry-docking expenditure	(724)	(912)
Interest received	24	10
<b>Net cash used in investing activities</b>	<b>(1,691)</b>	<b>(918)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(3,047)	(3,047)
Payment of finance costs on bank borrowings	(756)	(492)
<b>Net cash used in financing activities</b>	<b>(3,803)</b>	<b>(3,539)</b>
Change in cash and cash equivalents	471	2,993
Cash and cash equivalents at beginning of the period	13,160	7,297
Effects of exchange rate fluctuations on cash and cash equivalents	(2)	42
<b>Cash and cash equivalents at end of the period</b>	<b>13,629</b>	<b>10,332</b>

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

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 1<sup>st</sup> quarter ended 30 June 2016***

	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total attributable to owners of the Company
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 April 2016</b>	31,747	(2,535)	(1,020)	43,051	71,243
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	1,601	1,601
Other comprehensive loss for the period		(1,124)	(3)	-	(1,127)
Total	-	(1,124)	(3)	1,601	474
<b>Balance at 30 June 2016</b>	31,747	(3,659)	(1,023)	44,652	71,717
<b>Balance at 1 April 2015</b>	31,665	(605)	(1,253)	36,573	66,380
<b>Total comprehensive income for the period</b>					
Profit for the period (Restated)	-	-	-	2,005	2,005
Other comprehensive income for the period	-	1,289	283	-	1,572
Total	-	1,289	283	2,005	3,577
<b>Balance at 30 June 2015</b>	31,665	684	(970)	38,578	69,957

5(a)(ii). **The Company**

***Statement of changes in equity for 1<sup>st</sup> quarter ended 30 June 2016***

	Share capital	Retained earnings	Total
	US\$'000	US\$'000	US\$'000
<b>Balance at 1 April 2016</b>	31,747	21,181	52,928
Total comprehensive loss for the period			
Loss for the period	-	(58)	(58)
Total	-	(58)	(58)
<b>Balance at 30 June 2016</b>	31,747	21,123	52,870
<b>Balance at 1 April 2015</b>	31,665	19,259	50,924
Total comprehensive income for the period			
Profit for the period	-	3	3
Total	-	3	3
<b>Balance at 30 June 2015</b>	31,665	19,262	50,927

## SINGAPORE SHIPPING CORPORATION LIMITED

(Company Registration Number: 198801332G)

- 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.**

There have been no changes in the issued share capital of the Company since 31 March 2016.

There are no outstanding share options as at 30 June 2016 and 30 June 2015.

- 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.**

	<b>As at 30 June 2016</b>	<b>As at 31 March 2016</b>
Total number of issued shares (excluding treasury shares)	436,348,591	436,348,591

There were no shares held as treasury shares as at 30 June 2016 and 31 March 2016.

- 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 or 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.**

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 2016.

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.**

There is no change in the accounting policies and methods of computation adopted.

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

**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.**

Earnings per ordinary share is calculated by dividing net profit attributable to owners of the Company by weighted average number of ordinary shares outstanding during the financial period.

	<b>The Group First Quarter</b>	
	<b>FY2017</b>	<b>FY2016 (Restated)</b>
Net profit attributable to owners of the Company (US\$'000)	1,601	2,005
(i) Based on weighted average number of ordinary shares in issue (US cents)	0.4	0.5
(ii) On a fully diluted basis (US cents)	0.4	0.5
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	436,349	436,017
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	436,349	436,017

**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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>30.6.2016</b>	<b>31.3.2016</b>	<b>30.6.2016</b>	<b>31.3.2016</b>
	<b>US Cents</b>	<b>US Cents</b>	<b>US Cents</b>	<b>US Cents</b>
Net asset value per ordinary share based on the total number of issued shares as at the end of the period/year	16.4	16.3	12.1	12.1

**SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

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

REVENUE

	The Group First Quarter		
	FY2017 US\$'000	FY2016 US\$'000 (Restated)	Change %
Ship owning	7,576	7,899	(4.1)
Agency & logistics	3,229	2,776	16.3
	10,805	10,675	1.2

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

	The Group First Quarter		
	FY2017 US\$'000	FY2016 US\$'000 (Restated)	Change %
Ship owning	1,691	2,333	(27.5)
Agency & logistics	598	307	94.8
Unallocated items <sup>(a)</sup>	(699)	(428)	63.3
Exchange differences	11	(207)	NM
Profit for the period	1,601	2,005	(20.1)

<sup>(a)</sup> Unallocated items refer to corporate costs, finance income and taxation.

- Lower results from ship owning segment due mainly to off-hire of a vessel for dry-docking;
- Better performance from agency & logistics segment due to higher margins achieved on special projects; and
- Higher unallocated items due mainly to higher corporate expenses.

## **SINGAPORE SHIPPING CORPORATION LIMITED**

(Company Registration Number: 198801332G)

### **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

Lower total value of property, plant and equipment was mainly due to depreciation of vessels. This was partially offset by capitalisation of dry-docking expenses and purchase of vessel equipment.

Bank borrowings were lower due to instalment repayments made during the quarter.

The Group's current liabilities exceeded current assets by US\$1.5 million. This shortfall will be made good from fixed operating cash flows.

#### STATEMENT OF CASH FLOWS

Overall increase of US\$0.5 million was achieved. This was despite:

- Lower revenue due to off-hire of a vessel;
- Incurrence of dry-docking expenses; and
- Acquisition of vessel equipment.

### **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 continues to be profitable for Q1 FY2017.

The dry-docking of one vessel and crew changes affected Q1 FY2017 profits. Two more vessels are due for dry-docking in FY2017.

Under agency & logistics segment, we performed well owing to contributions from special projects handled.

The Group continues to evaluate selective acquisition opportunities.

Barring any unforeseen circumstances, the Group expects to remain profitable for FY2017.

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(Company Registration Number: 198801332G)

**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/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 3 months ended 30 June 2016 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**

Ow Yew Heng  
Chief Executive Officer

28 July 2016