FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2015

**PART I INFORMATION REQUIRED FOR SECOND QUARTER / HALF YEAR ANNOUNCEMENT**

**1.(a) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**(i) Consolidated Statement of Comprehensive Income**

For the Second Quarter / Half year ended September 30, 2015 (in US$'000s)

| | Group Quarter Ended September 30 | | | Group Half Year Ended September 30 | | |
|---|---|---|---|---|---|---|
| | **2015** | **2014** | **%** | **2015** | **2014** | **%** |
| **Revenue** | **8,654** | **14,325** | **-40%** | **17,199** | **30,874** | **-44%** |
| Vessel related costs | (9,047) | (10,208) | -11% | (18,369) | (22,735) | -19% |
| Depreciation expense | (6,766) | (8,504) | -20% | (13,745) | (17,716) | -22% |
| Employee costs and administrative expenses | (510) | (766) | -33% | (1,092) | (1,469) | -26% |
| (Loss) Gain on derivative financial instruments | - | 368 | N/M | - | 672 | N/M |
| Finance cost | (2,525) | (1,510) | 67% | (4,081) | (3,045) | 34% |
| Other expenses | (1,677) | - | N/M | (1,677) | - | N/M |
| **Loss before income tax** | **(11,871)** | **(6,295)** | **89%** | **(21,765)** | **(13,419)** | **62%** |
| Income tax | - | - | 0% | - | - | 0% |
| **Total comprehensive loss for the second quarter /half year ended September 30,2015** | **(11,871)** | **(6,295)** | **89%** | **(21,765)** | **(13,419)** | **62%** |

**N/M : Not meaningful**

1.(a)(ii) **Notes to the Consolidated Statement of Comprehensive Income (in US$'000s)**

| | | Group Quarter Ended September 30 | | | Group Half Year Ended September 30 | | |
|---|---|---|---|---|---|---|---|
| | | 2015 | 2014 | % | 2015 | 2014 | % |
| | (Loss) / Profit before income tax is arrived at after (charging) / crediting the following: | | | | | | |
| (A) | Valuation gain/(loss) on derivatives (including FFAs), net * | - | 368 | N/M | - | 672 | N/M |
| (B) | Reversal of provision for onerous contract | 237 | - | N/M | 477 | - | N/M |
| (C) | Provision for onerous contracts | - | (237) | N/M | - | (477) | N/M |
| (D) | Interest on borrowings | (2,525) | (1,510) | 67% | (4,081) | (3,045) | 34% |
| (E) | Depreciation | (6,766) | (8,504) | -20% | (13,745) | (17,716) | -22% |

**N/M : Not meaningful**

1.(b)(i) **Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (in US$'000s)**

| | Group | | Company | |
|---|---|---|---|---|
| | As at Sep 30 2015 | As at March 31 2015 | As at Sep 30 2015 | As at March 31 2015 |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 1,938 | 8,434 | 1,026 | 4,592 |
| Trade and other receivables | 8,194 | 11,584 | 7,237 | 10,002 |
| Inventories | 550 | 1,514 | 452 | 1,416 |
| | 10,682 | 21,532 | 8,715 | 16,010 |
| Asset classified as held for sale | - | 8,000 | - | 8,000 |
| Total current assets | 10,682 | 29,532 | 8,715 | 24,010 |
| **Non-current assets** | | | | |
| Trade and other receivables | 3,587 | 4,064 | 3,587 | 4,064 |
| Subsidiaries | - | - | 53,508 | 53,062 |
| Available-for-sale investments | 691 | 691 | 691 | 691 |
| Property and equipment | 363,462 | 374,937 | 259,154 | 267,728 |
| Derivative financial instruments | 1,346 | 1,346 | 1,346 | 1,346 |
| Total non-current assets | 369,086 | 381,038 | 318,286 | 326,891 |
| **Total assets** | **379,768** | **410,570** | **327,001** | **350,901** |
| **LIABILITIES AND EQUITY** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 22,639 | 21,931 | 18,424 | 17,657 |
| Provision for onerous contract | 3,878 | 1,916 | 3,878 | 1,916 |
| Borrowings | 176,400 | 37,372 | 120,816 | 32,246 |
| Income tax payable | 4 | 4 | 4 | 4 |
| | 202,921 | 61,223 | 143,122 | 51,823 |
| Liability directly associated with asset classified as held for sale | - | 8,000 | - | 8,000 |
| Total current liabilities | 202,921 | 69,223 | 143,122 | 59,823 |
| **Non-current liabilities** | | | | |
| Borrowings | - | 140,296 | - | 87,192 |
| Provision for onerous contract | 19,516 | 21,955 | 19,516 | 21,955 |
| Total non-current liabilities | 19,516 | 162,251 | 19,516 | 109,147 |
| **Capital, reserves and non-controlling interest** | | | | |
| Share capital | 213,694 | 213,694 | 213,694 | 213,694 |
| Capital reserve | 2,634 | 2,634 | 2,634 | 2,634 |
| Equity option reserve | 1,855 | 1,855 | 1,855 | 1,855 |
| Fair value adjustment reserve | 69 | 69 | 69 | 69 |
| Accumulated profits | (60,921) | (39,156) | (53,889) | (36,321) |
| Equity attributable to owners of the company | 157,331 | 179,096 | 164,363 | 181,931 |
| **Total liabilities and equity** | **379,768** | **410,570** | **327,001** | **350,901** |

**1.(b)(ii) Aggregate amount of the group's borrowings and debt securities**

**(in US$ '000s)**

| | Group As at Sep 30, 2015 | | Group As at March 31, 2015 | |
|---|---|---|---|---|
| | **Secured** | **Unsecured** | **Secured** | **Unsecured** |
| Amount repayable in one year or less | 176,400 | - | 33,872 | 11,500 |
| Amount repayable after one year | - | - | 140,296 | - |
| | 176,400 | - | 174,168 | 11,500 |

Details of securities:
-Mortgage of vessels

1.(c) **Consolidated Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**(in US$'000s)**

| | Group | |
|---|---|---|
| | **Half Year Ended Sep 30, 2015** | **Half Year Ended Sep 30, 2014** |
| **Operating activities** | | |
| Loss before income tax | **(21,765)** | **(13,419)** |
| Adjustments for : | | |
| Depreciation expense | 13,745 | 17,716 |
| Interest income | - | (7) |
| Finance cost | 4,081 | 3,045 |
| Reversal of provision for onerous contracts | (477) | (477) |
| (Reversal of) Allowance for doubtful receivables | 1,677 | - |
| Gain on fair value changes of derivative financial instrument | - | (672) |
| Operating cash flows before movements in working capital | (2,739) | 6,186 |
| Trade and other receivables | 2,190 | 3,624 |
| Inventories | 964 | (1,392) |
| Trade and other payables | (1,909) | (2,900) |
| Cash generated from operations | (1,494) | 5,518 |
| Tax received (paid) | - | - |
| Net cash from operating activities | (1,494) | 5,518 |
| **Investing activities** | | |
| Additions to property and equipment | (2,288) | (1,002) |
| Disposal of property and equipment | 8,018 | (15) |
| Net cash (used in) from investing activities | 5,730 | (1,017) |
| **Financing activities** | | |
| Interest expenses paid | (480) | (2,848) |
| Interest received | - | 7 |
| Proceeds from bank loans | - | 4,000 |
| Repayment of bank loans | (11,902) | (5,988) |
| Proceeds of loan from immediate holding company | 1,650 | |
| Proceeds from other borrowings | - | 5,000 |
| Restricted deposits with a bank | - | (2,000) |
| Release of restricted deposits with a bank | 2,000 | - |
| **Net cash used in financing activities** | (8,732) | (1,829) |
| Net (decrease) increase in cash and cash equivalents | (4,496) | 2,672 |
| Cash and cash equivalents at beginning of year | 6,434 | 7,829 |
| **Cash and cash equivalents at end of the year (Note A)** | **1,938** | **10,501** |

**Note A**

Cash and cash equivalents at the end of the period is determined as follows:

| | | |
|---|---|---|
| Cash and bank balances | 1,938 | 12,501 |
| Less: Pledged deposits | - | (2,000) |
| | **1,938** | **10,501** |

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (in US$'000s)

| | Group | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Capital reserve | Equity option reserve | Fair value adjustment reserve | Accumulated profits | Attributable to owners of the Company | Non-controlling interest | Total |
| **Balance at April 1, 2014** | **213,694** | **2,634** | **1,855** | **(739)** | **86,210** | **303,654** | **-** | **303,654** |
| **Total comprehensive loss for the period** | | | | | | | | |
| Loss for the period | - | - | - | - | (13,419) | (13,419) | - | (13,419) |
| **Transactions with owners, recognised directly in equity** | | | | | | | | |
| **Balance at September 30, 2014** | **213,694** | **2,634** | **1,855** | **(739)** | **72,791** | **290,235** | **-** | **290,235** |
| **Balance at April 1, 2015** | **213,694** | **2,634** | **1,855** | **69** | **(39,156)** | **179,096** | **-** | **179,096** |
| **Total comprehensive loss for the period** | | | | | | | | |
| Loss for the period | - | - | - | - | (21,765) | (21,765) | - | (21,765) |
| **Balance at September 30, 2015** | **213,694** | **2,634** | **1,855** | **69** | **(60,921)** | **157,331** | **-** | **157,331** |

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (in US$'000s)

| | Company | | | | | |
|---|---|---|---|---|---|---|
| | Share capital | Capital reserve | Equity option reserve | Fair value adjustment reserve | Accumulated profits | Total |
| **Balance at April 1, 2014** | **213,694** | **2,634** | **1,855** | **(739)** | **81,868** | **299,312** |
| **Total comprehensive loss for the period** | | | | | | |
| Loss for the period | - | - | - | - | (12,047) | (12,047) |
| **Transactions with owners, recognised directly in equity** | | | | | | |
| **Balance at September 30, 2014** | **213,694** | **2,634** | **1,855** | **(739)** | **69,821** | **287,265** |
| **Balance at April 1, 2015** | **213,694** | **2,634** | **1,855** | **69** | **(36,321)** | **181,931** |
| **Total comprehensive loss for the period** | | | | | | |
| Loss for the period | - | - | - | - | (17,568) | (17,568) |
| **Balance at September 30, 2015** | **213,694** | **2,634** | **1,855** | **69** | **(53,889)** | **164,363** |

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share option 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 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

| Date | Description | Number of ordinary shares | Share proceeds |
|---|---|---|---|
| | | | US$'000 |
| 1-Apr-14 | At the beginning of the year | 1,361,435,003 | 213,694 |
| 30-Sep-15 | At the end of the period | 1,361,435,003 | 213,694 |
| 1-Apr-15 | At the beginning of the year | 1,361,435,003 | 213,694 |
| 30-Sep-15 | At the end of the period | 1,361,435,003 | 213,694 |

Based on the terms of Bond Agreement, the price fixed for conversion of Bond is 16.337 (2014 : 16.337) Singapore cents per share . If the Bond holders decide to exercise their option to convert all bonds into ordinary equity shares of the company, the total number of shares to be issued on conversion will be 144,177,633 shares (At September 30, 2014 : 144,177,633 shares).

**1 (d) (iii)** 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 Sep 30, 2015 - 1,361,435,003 shares**
**As at March 31, 2015 - 1,361,435,003 shares**

**1 (d) (iv)** 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.

**The Company does not have any treasury shares.**

**2. Whether the figures have been audited or reviewed, in accordance with which auditing standard practice.**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.)** -Not applicable.

**4. 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 financial statements for the half year ended September 30, 2015 as compared with the audited financial statements for the year ended March 31, 2015.

**5. 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.**

Not applicable

**6. 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 :-**

| | Group | | | |
|---|---|---|---|---|
| | **Quarter Ended September 30 2015** | **Quarter Ended September 30 2014** | **Half Year Ended September 30 2015** | **Half Year Ended September 30 2014** |
| Earnings per ordinary share of the group, after deducting any provision for preference dividends: | | | | |
| (a) Based on weighted average number of ordinary shares on issue; and Exchange rate 1 SG$=US$ | **US$ = (0.009) i.e.SG$ = (0.013)**<br>1SG$=US$0.6994 | **US$ = (0.005) i.e.SG$ = (0.006)**<br>1SG$=US$0.7844 | **US$ = (0.016) i.e.SG$ = (0.023)**<br>1SG$=US$0.6994 | **US$ = (0.010) i.e. SG$ = (0.013)**<br>1SG$=US$0.7844 |
| (b) On a fully diluted basis * | * | * | * | * |

*There is no dilutive potential ordinary shares and no corresponding diluted earnings per share.

**7. 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.**

| | Group | | Company | |
|---|---|---|---|---|
| | **As at September 30, 2015** | **As at March 31, 2015** | **As at September 30, 2015** | **As at March 31, 2015** |
| Net asset value per ordinary share based on total number of issued shares at the end of the year equivalent to : | **US$0.12 i.e. S$0.16** | **US$0.13 i.e. S$0.18** | **US$0.12 i.e S$0.17** | **US$0.13 i.e. S$0.18** |
| Exchange rate | 1SG$= 0.6994US$ | 1SG$= 0.727US$ | 1SG$=0.6994US$ | 1SG$=0.727US$ |

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

***Revenues***

Revenue for the quarter ended September 30, 2015 decreased to US$8.7 million as compared to US$14.3million for the quarter ended September 30, 2014.

Revenue for the half year ended September 30, 2015 registered a decrease of 44% to US$17.2million as compared to US$30.9million for the half year ended September 30, 2014.

The decrease in revenue for the quarter and half year is mainly due to fall in spot / contract rates and sale of a vessel in the first quarter of the current year.

***Vessel related costs***

The Group's vessel related cost for the quarter ended September 30, 2015 decreased by 11% to US$9.0million from US$10.2 million for the quarter ended September 30, 2014.

The Group's vessel related cost for the half year ended September 30, 2015 decreased by 19% to US$18.4million from US$22.7million for the half year ended September 30, 2014.

The decrease for the quarter and half year is mainly due to reduction in number of voyage charters resulting in lower voyage expenses which is offset by an increase in direct vessel operating expense. The increased operating expenses is due to uncertainty on account of the restructuring process which has impacted business adversely in terms of higher operating costs.

***Depreciation***

Depreciation expense decreased by 20% to US$6.8million for the quarter ended September 30, 2015 as compared to US$8.5million for the quarter ended September 30, 2014.

Depreciation expense decreased by 22% to US$13.7million for the half year ended September 30, 2015 as compared to US$17.7million for the half year ended September 30, 2014.

During the last quarter of the previous financial year ended March 31, 2015 the Group had made a provision for impairment in value of vessels which resulted in lower carrying value of the Property and equipment. The reduction in depreciation is due to the resultant impact of this provision for impairment and also on account of sale of a vessel during the first quarter of the current period.

***Employee costs and other expenses***

Employee cost and other expenses for the quarter ended September 30, 2015 has decreased by 33% to US$ 0.5million as compared to US$0.8million in the corresponding period in 2014.

Employee cost and other expenses for the half year ended September 30, 2015 has decreased by 26% to US$1.1million as compared to US$1.5million in the corresponding period in 2014.

***Derivative Financial Instruments***

The derivative financial instruments comprised Freight Forward Agreements (FFAs).

There are no derivative financial instrument transaction during the quarter / half year ended September 30, 2015.

During the quarter / half year ended September 30, 2014 the Group recorded a gain of US$0.4million / US$0.7 million respectively on non-cash changes in market value of FFA.

***Finance costs***

Finance costs for the quarter ended September 30, 2015 has increased by 67% to US$2.5million from US$1.5million.

Finance costs for the half year ended September 30, 2015 has increased by 34% to US$4.1million from US$ 3.0 million.

The Group, along with its Independent Financial Advisor (IFA) and legal advisors, is in discussions with all lenders and certain creditors for standstill, refinancing, recapitalisation and restructuring plan ("Restructuring Plan"). Pending finalisation of same the entire loan outstanding has been classified as current liabilities.

On account of reclassification of the borrowings, the Group has expensed out the unamortised portion of the borrowing cost of US$0.9million in the current quarter / half year ended September 30, 2015.

***Other expenses***

Other expenses of US$1.7million mainly relates to the allowance of doubtful receivables during the current quarter and half year ended September 30, 2015.

***Profit / Loss***

Loss attributable to the equity holders of the Company of US$11.9million and US$21.8 million for the quarter and half year ended 30 September 2015 respectively has arisen due to various factors mentioned above.

***Balance Sheet and Cash Flow***

***Current Assets***

Current assets of the Group as at September 30, 2015 decreased to US$10.7million from US$29.5million as at March 31, 2015 due to sale of vessel with a carrying amount of US$8million which was reclassified as asset held for sale in the financial year ended March 31, 2015 and lower trade and other receivables due to the decrease in revenue.



***Non-Current Assets***

Non-current assets of the Group includes advance charter hire, available -for- sale investment, property and equipment and fair value of option on convertible bond.

Non-current assets of the Group as at September 30, 2015 decreased to US$369.1 million from US$381.0million as at March 31, 2015. The decrease of US$12million is depreciation charge for the half year (US$13.7million) and reduction in advance charter hire (US$0.5million) offset by capitalization of dry dock cost.

***Current Liabilities***

Current liabilities of the Group as at September 30, 2015 increased to US$202.9million from US$69.2million as at March 31, 2015. This is mainly on account of reclassification of long term loans during the quarter to Current liabilities due to the Group's non-fulfilment of covenants and payments under the loan agreements. The Group, along with its Independent Financial Advisor (IFA) and legal advisors, is in discussions with all lenders and certain creditors for standstill, refinancing, recapitalisation and restructuring plan ("Restructuring Plan"). Pending finalisation of same the entire loan outstanding has been reclassified as current liabilities.

***Non-Current Liabilities***

Non-current liabilities of the Group as at September 30, 2015 decreased to US$19.5 million from US$162.3million as at March 31, 2015. As explained above this is mainly due to reclassification of borrowings to Current Liabilities.

***Equity***

Equity of the group as at September 30, 2015 decreased to US$157.3 million from US$179.1 million as at March 31, 2015.

This is primarily due to loss of US$21.8million for the half year ended September 30, 2015.

***Debt to Equity***

The debt to equity ratio of the group stands at 1.12 as at September 30, 2015 compared to 1.04 as at March 31, 2015.

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

Not applicable.

**10. A commentary at the date of 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 dry bulk shipping industry continues to witness challenging times with the Baltic Dry Index (BDI) closing at 900 points as on 30 September 2015 after reaching 1,222 points in August 2015. The market freight rate for Panamax vessels closed at a rate of USD 5,706 per day as on 30 September 2015 as compared to USD 4,762 as on 01 April 2015. The average market rate for Panamax vessels for H1 FY 2016 was USD 6,438 per day as against USD 6,078 in the corresponding period in the previous year. The freight market has been volatile due to a combination of demand weakness and capacity abundance.

As per market reports, the current order book of dry bulk ships stands at a reduced level of 17.3% as against 23.7% in the previous year. Demolition of vessels for 24.6 mn dwt has been recorded till the start of October 2015 as compared to 11.9 mn dwt over the same period last year. The total dry bulk fleet is expected to grow by about 3% in CY 2016 and on the other hand, the dry bulk seaborne trade growth is expected to be around 3.7% in CY 2016. However, fundamentally the market remains oversupplied with vessels as scrapping activity slows and concerns over reduced economic activity and slower demand from China. (Market reports: Clarksons)

The cash flows and financials of the Group have been substantially impacted due to the fall in earnings and historically low dry bulk markets. The Group along with the Independent Financial Advisor (IFA) and its legal advisors are in discussions with all lenders and certain creditors in relation to a standstill, refinancing, recapitalization and restructuring plan ("Restructuring Plan"). The Group filed an application for leave to convene a meeting of scheme creditors to consider a Scheme of Arrangement while HSH Nordbank AG Singapore Branch filed a Judicial Management application in September 2015 (refer to announcements dated 14 September 2015, 17 September 2015, 29 September 2015 and 27 October 2015) and the hearing for both applications has been fixed for 20 November 2015.

The uncertainty due to the restructuring process may impact business adversely in terms of higher operating costs and contracts for the ships including the possible idling of some of the ships. Shareholders should refer to the announcement dated 17 September 2015 in relation to the bases and assumptions underlying whether the Group can continue as a going concern and the risks associated with dealing in the Group's securities, including the risk that the Group's securities may be suspended. The Group would make further announcements on developments in this matter.

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and -**

**(b) (i) Amount per share :** Nil

**(ii) Previous corresponding period:** Nil

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.) –**

Not applicable

**(d) The date the dividend is payable –** Not applicable

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared during the period being reported.

## 13. Interested Persons Transactions

| Name of interested person and nature of transaction | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) | |
|---|---|---|---|---|
| | Half year ended September 30 2015 | Half year ended September 30 2014 | Half year ended September 30 2015 | Half year ended September 30 2014 |
| | | | | |
| **Mercator Limited** | | | | |
| Net proceeds from sale of vessel. | US$8.2 million | - | - | - |
| **Mercator International Pte Ltd (MIPL** | | | | |
| Interest payable on bonds | - | - | (US$0.7million) | (US$0.7million) |
| Interest payable on short term loan | - | - | (US$0.1million) | - |
| **Target Ship Management Pte Ltd** | | | | |
| Ship Management fee | - | - | (US$0.9million) | - |
| Reimbursable expenses | - | - | (US$11.8million) | - |
| | | | | |

**14. Negative Assurance**

The Board of Directors of Mercator Lines (Singapore) Limited, do hereby confirm that, to the best of its knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the second quarter / half year ended September 30, 2015 to be materially false or misleading.

**On behalf of the Board of Directors**

**Name : Shalabh Mittal**
**Designation : Managing Director & CEO**
**Dated: 30th October 2015**

**Name : Huang Yuan Chiang**
**Designation : Director**