Singapore Shipping Corporation Limited

MOVING FORWARD

Continuously Charting For Growth

Annual Report 2014/2015

m.v. Taurus Leader's maiden voyage at Pasir Panjang Automobile Terminal, Singapore 25 Mar 2015

CONTENTS

TO BE A **GLOBAL LEADER**

In Shipping And Total Logistics Service

m.v. Singa Ace
Pure Car Carrier
Built 1984

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

As many of you would have witnessed, from our humble beginnings, SSC Group has evolved over the past eight decades into a diversified shipping group with a business model that is not only consistently profitable but unrivalled within the industry. That said, we are not resting on our laurels.

"SSC Group is committed to producing value to its Shareholders. Since 2005 the Group has returned S$250million to Shareholders through dividends."

For YE2015, our two core business segments in logistics/agency and ship owning generated a profit of US$9.31million. This is slightly higher than YE2014. More importantly, in the second half of YE2015, we have started laying necessary groundwork which we believe would benefit us in the coming years with a steady growth trajectory.

PROSPECTS

While our business remains profitable, we anticipate that the logistics segment, in particular its agency division, will continue to face sustained earnings pressure in the current environment. Notwithstanding this, we are confident in navigating the choppy waters given the low risk profile of the logistics segment, synonymous with SSC Group's time-tested strategy.

In my last annual report, I foreshadowed the acquisition of two additional specialised Ro-Ro vessels. I am pleased to inform you that the planned acquisition has since materialised.

In addition, I am delighted to inform you that we have also acquired a New Panamax Ro-Ro vessel named "Taurus Leader". Largest in its generation of eco-friendly and fuel efficient Pure Car Truck Carrier, "Taurus Leader" has secured an exceptionally long term charter with a blue-chip operator. Our pride and joy, we are confident that

"Taurus Leader", like our previous Ro-Ro vessel Singa Ace (which was scrapped last year after a 30 years charter), will anchor the Group's earnings in the coming decades.

FORWARD LOOKING

The acquisitions of three vessels and their long-term charters to a reputable shipping major in the second half of 2015 are no mean feats. This is testament to the Group's good reputation, financial prudence and foresight. I should add that the good work is made possible because of the dynamism of a team of key managers who stepped up to the challenge. At the beginning of the new financial year, the Group announced the appointments of Ow Yew Heng as CEO and Chua Siew Hwi as Deputy CEO. I take this opportunity to congratulate both on their appointments. With an average age of 37 years, the team is strongly committed to our mission to expand our current fleet over the next two to three years.

Personally, as I attained my threescore years and ten, I am confident that our succession plan has produced a young team poised to take our Group's 80-year legacy forward.

APPRECIATION

Finally, my team and I have been deeply encouraged by the confidence placed in us by a group of dedicated principals, most of whom are blue-chip international ship owners/operators. The principals expect nothing less than integrity and professionalism, the very hallmarks that solidified our lead amidst the highly competitive world of logistics and ship owning.

I would also like to take this opportunity to thank my Board of Directors and colleagues, on shore and at sea, who have helped propel us to today's enviable position. Special thanks go to Mr Jones Christopher Adrian, who is retiring as Director, for his contributions to the Board. My profound gratitude goes to all for their continued support as we scale to greater heights.

C. K. Ow
Executive Chairman

m.v. Sirius Leader - NYK Car Carrier of the Year Award FY2014
She is among the top 10 vessels that achieved excellence in safety and efficient operations.

m.v. Centaurus Leader
Pure Car Truck Carrier
Built 2004

BOARD OF DIRECTORS

OW CHIO KIAT AO *Executive Chairman*

1962	Joined Hai Sun Hup Co.
1966	Managing Partner, Hai Sun Hup Co.
1971-73	Member, Free Trade Zone Advisory Committee (MOF)
1977-07	Chairman, Mitsui O.S.K Lines (Singapore) Pte. Ltd.
1977-07	Singapore Representative, Federal State of Bremen
1989-present	Chairman, Stamford Land Corporation Ltd (Formerly known as Hai Sun Hup Group Ltd)
2000	Gran Oficial, Order of Bernardo O'Higgins by the President of Chile
2000-present	Chairman, Singapore Shipping Corporation Limited
2001-07	Honorary Consul-General, Slovak Republic to Singapore
2007-15	Singapore's Ambassador to Argentina
2009-11	Committee Member, National Arts Council
2011	Honorary Officer, Order of Australia by the Prime Minister of Australia
2015-present	Singapore's Ambassador to Italy

OW CHEO GUAN *Deputy Executive Chairman*

1972	Joined Hai Sun Hup Co. Pte. Limited
1973	Executive Vice President, Hai Sun Hup Co. Pte. Limited
1991-present	Deputy Executive Chairman, Stamford Land Corporation Ltd (Formerly known as Hai Sun Hup Group Ltd)
2000-present	Deputy Executive Chairman, Singapore Shipping Corporation Limited
2008-present	Honorary Consul of the Slovak Republic

OW YEW HENG *Chief Executive Officer & Executive Director*

2010	Joined the Group as Assistant to Chief Operating Officer
2010-present	Executive Director, Singapore Shipping Corporation Limited
2010-present	Executive Director, Stamford Land Corporation Ltd
2015-present	Chief Executive Officer, Singapore Shipping Corporation Limited
2015-present	Chief Executive Officer, Stamford Land Corporation Ltd

BOARD OF DIRECTORS

TAN GUONG CHING *Independent Non-Executive Director*

1972-81	Joined Ministry of the Environment
1981-84	Joined Ministry of Home Affairs
1984-87	Principal Private Secretary to the Prime Minister
1987-93	Permanent Secretary of the Ministry of Communications and Information
1987-93	Director of the Port of Singapore Authority
1992-95	Permanent Secretary of the Ministry of the Environment (holding concurrent positions in 1992)
1995-00	CEO of the Housing and Development Board
2000-05	Permanent Secretary of the Ministry of Home Affairs
2005	Retired from Government Service
2008-present	**Independent Director, Singapore Shipping Corporation Limited**

Significant Concurrent Positions

Chairman	Singapore Technologies Telemedia Pte Ltd
Chairman	StarHub Ltd.
Chairman	Singapore Technologies Aerospace Ltd
Independent Director	Frasers Centrepoint Asset Management (Commercial) Ltd.
Independent Director	Cambridge Industrial Trust Management Limited

JONES CHRISTOPHER ADRIAN *Independent Non-Executive Director*

1971-76	H. Clarkson & Co. Ltd., London
1976-82	Simpson Spence Young, London
1979	Director, Simpson Spence Young, London
1982-86	Wallem Shipping (Singapore) Pte Limited
1986-91	Stewarlond Sea Services Pte Ltd
1988-91	Director, Austen Maritime Services Pte Ltd
1991-05	Simpson Spence Young, Singapore
2000	Partner, Simpson Spence Young, Singapore
2006-13	Director Sales and Purchase Department, Island Shipbrokers Pte Ltd
2007-13	Independent Director, Pacific Shipping Trust
2012-present	**Independent Director, Singapore Shipping Corporation Limited**
2014-present	Director, Asia Pacific, The Baltic Exchange (Asia) Pte. Ltd.

Significant Concurrent Positions

Director	M3 Marine Group Pte. Ltd.
Director	Energy Support Management Pte. Ltd.

BOARD OF DIRECTORS

NG JUI PING *Independent Non-Executive Director*

Selected Appointments in the Singapore Armed Forces (SAF)

1966	Enrolled in the SAF
1967	Commissioned Officer, SAF
1984	Chief of Staff (General Staff)
1990	Chief of Army
1992	Chief of Defence Force
1995-present	Retired from the SAF; chose to establish own businesses in the private sector

Selected Appointments from 1995

1995-01	Deputy Chairman, Central Provident Fund Board
1995-98	Chairman, Chartered Industries of Singapore (Pte.) Limited
1995-09	Chairman, Sun Yuan Holdings Pte Ltd
1996-05	Director, NTUC Income
1998-99	Corporate Advisor, Singapore Technologies Holdings Pte Ltd
1998-00	Director, Singapore Technologies Kinetics Ltd
1999-07	Director, Suntec Real Estate Consultants Pte. Ltd.
2000-01	Chairman, Singapore Technologies Automotive Ltd
2000-08	Independent Director, Unisteel Technology Limited
2000-04	Chairman, Horizon.com Limited (Founder and controlling shareholder)
2004-08	Director, PSA International Pte Ltd and Chairman of its China and North East Asia Group
2006-08	Advisor, Aldar Properties PJSC (Abu Dhabi)
2007-10	Chairman (controlling shareholder), Nanyang Institute of Management Pte Ltd
2010-present	**Independent Director, Singapore Shipping Corporation Limited**

Significant Concurrent Positions

Chairman	August Asia Consulting Pte. Ltd.
Independent Director	Yanlord Land Group Limited
Lead Independent Director	Pacific Andes Resources Development Limited
Director	August Nanyang Holdings Pte. Ltd.
Consultant	Sumitomo Mitsui Banking Corporation

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ow Chio Kiat (Executive Chairman)
Ow Cheo Guan (Executive Deputy Chairman)
Ow Yew Heng (Chief Executive Officer)
Tan Guong Ching (Independent Non-Executive Director)
Ng Jui Ping (Independent Non-Executive Director)
Jones Christopher Adrian (Independent Non-Executive Director)

AUDIT & RISK MANAGEMENT COMMITTEE

Tan Guong Ching (Chairman)
Ng Jui Ping
Jones Christopher Adrian

NOMINATING COMMITTEE

Ng Jui Ping (Chairman)
Tan Guong Ching
Ow Chio Kiat

REMUNERATION COMMITTEE

Jones Christopher Adrian (Chairman)
Tan Guong Ching
Ng Jui Ping

COMPANY SECRETARY

Chua Siew Hwi

REGISTERED OFFICE

200 Cantonment Road
#09-01 Southpoint
Singapore 089763

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

AUDITORS

KPMG LLP
Public Accountants and
Certified Public Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Partner-in-charge: Chiu Sok Hua
Date of Appointment: 15 October 2010

PRINCIPAL BANKERS

Development Bank of Japan Inc.
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation

MILESTONES

1935 Hai Sun Hup Co. began lighterage business along the Singapore River.

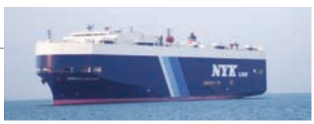
1966 Chairman, Mr. Ow Chio Kiat took over and diversified the business into all aspects of shipping.

1989 Hai Sun Hup Group Ltd was listed and ranked second largest shipping group in Singapore.

2000 Singapore Shipping Corporation Limited ("SSC") was listed on the main board of the Singapore Exchange Securities Trading Ltd.

2006 Demerger of SSC. Warehousing, logistics, agency and terminal operations were subsumed under Cougar Logistics Ltd. which was listed in the same year.

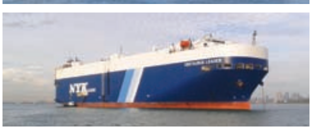
2010 m.v. Boheme, a pure car truck carrier, with capacity for 7,200 CEU, was acquired.



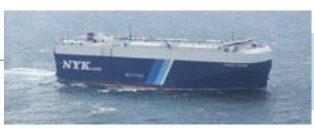
2011 m.v. Sirius Leader, a pure car truck carrier, with capacity for 5,190 CEU, was acquired.

2013 The shipping agency and logistics business of Cougar Logistics Corporation Ltd., was acquired.

2014 m.v. Capricornus Leader, a pure car truck carrier, with capacity for 6,500 CEU, was acquired.



m.v. Centaurus Leader, a pure car truck carrier, with capacity for 6,500 CEU, was acquired.



2015 m.v. Taurus Leader, a pure car truck carrier, with capacity for 7,020 CEU, was acquired.

VESSEL FLEET

COUGAR ACE

% Owned	30
IMO No	9051375
Registry	Singapore
Vessel Type	PCTC (Capacity 5,540)
Year Built	OCT 1993
Charter Commences	1993
Charter Duration	Extended to 2016
Charterer	MITSUI O.S.K. LINES, LTD

BOHEME

% Owned	100
IMO No	9176565
Registry	Singapore
Vessel Type	PCTC (Capacity 7,200)
Year Built	MAY 1999
Charter Commences	2010
Charter Duration	Long Term
Charterer	WALLENIUS LINES AB

SIRIUS LEADER

% Owned	100
IMO No	9213806
Registry	Singapore
Vessel Type	PCTC (Capacity 5,190)
Year Built	JUL 2000
Charter Commences	2011
Charter Duration	Long Term
Charterer	NIPPON YUSEN KABUSHIKI KAISHA

Above vessel capacity is based on RT 43 standard.

CAPRICORNUS LEADER

% Owned	100
IMO No	9283863
Registry	Singapore
Vessel Type	PCTC (Capacity 6,500)
Year Built	AUG 2004
Charter Commences	2014
Charter Duration	Long Term
Charterer	NIPPON YUSEN KABUSHIKI KAISHA

CENTAURUS LEADER

% Owned	100
IMO No	9284740
Registry	Singapore
Vessel Type	PCTC (Capacity 6,500)
Year Built	NOV 2004
Charter Commences	2015
Charter Duration	Long Term
Charterer	NIPPON YUSEN KABUSHIKI KAISHA

TAURUS LEADER

% Owned	100
IMO No	9700550
Registry	Singapore
Vessel Type	PCTC (Capacity 7,020)
Year Built	MAR 2015
Charter Commences	2015
Charter Duration	Long Term
Charterer	NIPPON YUSEN KABUSHIKI KAISHA

Above vessel capacity is based on RT 43 standard.

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

For the Financial Year ended 31 March	2011	2012	2013	2014	2015
Revenue (US$'000)	15,669	19,711	19,914	34,446	35,126
Net Profit (US$'000)	5,601	6,066	6,807	8,558	9,310
Earnings per Share (US cents)	1.28	1.39	1.56	1.96	2.10
Dividend per Share (Singapore cent)	1.00	1.00	1.00	1.00	1.00
Return on Equity (%)	10.84	11.27	11.87	13.69	13.94

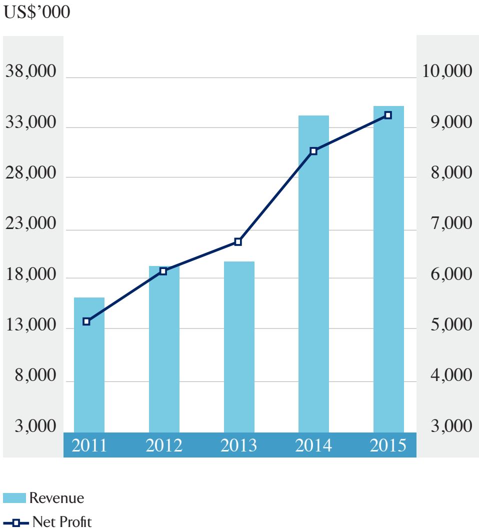
FINANCIAL POSITION

All Figures in US$'000

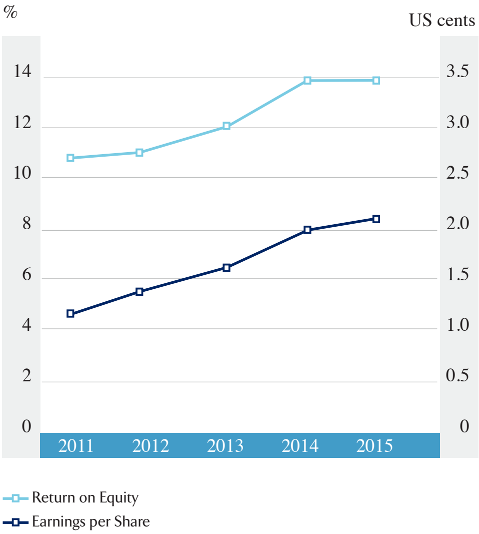
As at 31 March	2011	2012	2013	2014	2015
Current Assets	13,735	15,276	19,432	25,989	13,938
Financial and Other Assets	242	231	233	976	1,242
Associated Company and Joint Venture	3,016	3,043	3,069	4,207	4,110
Property, Plant and Equipment	69,488	66,018	61,797	55,715	162,280
Total Assets	**86,481**	**84,568**	**84,531**	**86,887**	**181,570**
Trade and Other Liabilities	2,149	2,487	3,451	5,144	7,174
Bank Borrowing	32,656	28,252	23,732	19,211	107,602
Total Liabilities	**34,805**	**30,739**	**27,183**	**24,355**	**114,776**
Shareholders' Equity	**51,676**	**53,829**	**57,348**	**62,532**	**66,794**
Net Asset Value per Share (US cents)	**11.85**	**12.35**	**13.15**	**14.34**	**15.32**

FINANCIAL HIGHLIGHTS

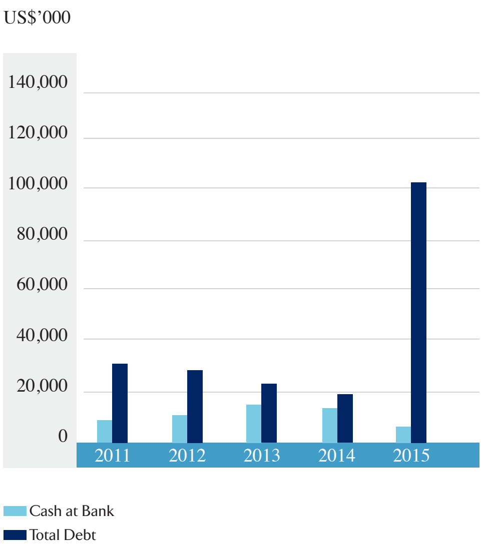
Revenue vs Net Profit



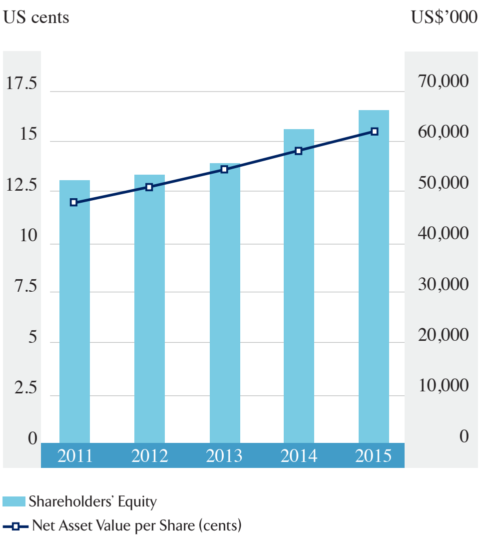
Return on Equity vs Earnings per Share



Cash at Bank vs Total Debt



Net Asset Value per Share vs Shareholders' Equity



AN INTERVIEW WITH SENIOR MANAGEMENT

CHIEF EXECUTIVE OFFICER ("CEO")

MR OW YEW HENG

Chief Executive Officer
& Executive Director
BBus Accounting & Management
(University of Technology, Sydney)

Q1 As the newly appointed CEO, what are your priorities?

A1 My late grandfather started out with a lighterage business which my father, the current Chairman, built into what it is today – a thriving shipping group.

While the first two generations accomplished much with little resources, I am fortunate to inherit the rich legacy and a talented team with varied experiences.

Building on the institution of knowledge, experience, resources and the goodwill generated with our principals, my role as the CEO is to orchestrate further growth and pursue the trajectory that we have charted.

As we do so, the team and I take comfort that the previous generation continues to have oversight on our progress and provide the guidance when necessary.

Q2 Why do you not look at other vessel types beyond car carriers?

A2 In our previous business model, we owned different types of vessels. With the benefit of understanding the characteristics and dynamics, we are more certain that car carriers are the preferred way forward. Compared to the other segments, car carriers have stable patterns of trade.

The car carrier segment is a niche market with high barriers to entry. This has helped ensure that there is a balanced supply and demand. We have secured long term charters with blue chip shipping majors which positioned us well.

If there are any other types of carriers that can offer the company the same level of return as car carriers, we will be most happy to consider it.

Q3 What is your company's dividend policy? You are doing well this year. Why do you not pay more dividends?

A3 Historically, we have been one of the more consistent and higher paying dividend counters within the sector. On average, our shareholders have received S$25million a year or 5.5 cents per share. This attests to the Group's earning capabilities and quality of income stream.

Having said that, any more dividends will come at the expense of growth. We should be prudent not to run short of funds to seize on opportunities.

Q4 How would higher or lower oil prices affect the Group's net earnings?

A4 Charterers pay for fuel costs, hence there are no impact to SSC Group on the fuel price fluctuations. To a lesser extent, a lower oil price will mean reduced lubricant costs for the shipboard running machineries as this is for the account of the Owners.

Q5 Shipping is generally perceived as a capital intensive and high risk business. Can you share how you insulate yourself from such risk exposure and global downturns?

A5 When global trade declines, the reduced volume could erode the profit margin of charterers and/or operators.

However, in our business model, long term charters inherently have a smaller profit margin and this insulates us from freight rate fluctuations. Our risks are exposure to counterparties. This explains why we have been selective in our choice of charterers, preferring only to deal with majors. Besides ship owning, our other business segment is predominantly service-related, hence we have minimal risk exposure.

Q6 Where did you see the Group in the near future?

A6 Since the large return of capital resulting from the downsizing of our fleet in 2008, we continue to be fundamentally robust. Our gearing is low by industry standards and we are still able to continue leveraging off our sound financial fundamentals.

With an average age of 37 years, the current management team is strongly committed to our mission to accelerate our fleet expansion plans.

DEPUTY CHIEF EXECUTIVE OFFICER, ("DY CEO") AND CHIEF FINANCIAL OFFICER ("CFO")

Q7 As the newly appointed DY CEO, what are your key priorities and how do you envisage supporting the CEO deliver the Group's vision?

A7 Two key priorities I envisage in supporting the CEO:

(i) It is critical to ensure we continue to build up our infrastructure to support

MS CHUA SIEW HWI

Deputy Chief Executive Officer
& Chief Financial Officer
CA (Singapore),
MBA (University of Southern Queensland),
BAcc (Nanyang Technological Unversity, Singapore)

business growth. Beyond system and hardware enhancements, we place significant emphasis on upgrading the “software” e.g. continual learning program for staff, improvements to work processes, putting in place risk management and controls as well as adoption of best practices.

(ii) In addition, we continue to identify talented professionals, both from within the organisation and externally, to groom them for key positions in tandem with business growth.

Given my concurrent role as CFO, I seek to ensure that the Group’s assets and shareholders’ interests remain safeguarded as we gear up for expansion. We will continue to strengthen existing relationships and forge new ones with global financial institutions to ensure optimal financing arrangements, in line with the Group’s expansion plans and shareholders’ interests.

We will further strengthen the Group’s financial position with predictable cash flow from quality assets and charters.

Q8 Do you consider your current stock price attractive?

A8 The stock price is a function of the market place. SSC is a stock that has no comparable counterpart. Our ship owning income stream, coupled with the low risk profile of the agency / logistics segment and our track records should speak for itself.

Q9 How does the strong USD affect the earnings of the Group?

A9 USD is the reporting currency of the Group, and the common denominator for global shipping trade. The stronger the USD, the more the Group stands to benefit.

However, a small portion of the Group’s revenue is derived in SGD, therefore a stronger USD could give some misperception that the Group is earning less in the agency/logistics segment.

Q10 How does management deal with the volatility of interest rates?

A10 The Group is insulated from interest rate hikes as we have matched our interest repayments with charter income.

Q11 What are your views on the current Group's net gearing ratio?

A11 Ship owning is a capital intensive business. Notwithstanding, SSC Group's gearing is significantly below that of many other ship owner/ operators.

As repayment of debt is matched with fixed receivables, the Group's risk exposures are confined to counterparties.

CHIEF OPERATING OFFICER ("COO")

MS PANSY LIM
Chief Operating Officer
BA Economics
(University of Toronto)

Q12 How do you view your role as COO?

A12 Over its illustrious history, the Group has cemented a fairly impressive list of ship owner/operator partners. Strong relationship with our partners is key. It is my duty to build on the close ties with our partners.

Besides external engagements with principals and service providers etc, a good team of competent, committed staff is equally important. As the COO, I will continue to provide the training and guidance to our operatives, both shore-based and shipboard, so that they live up to the fine tradition of the Group.

Q13 What services does SSC offer and how competitive are our services?

A13 We provide a one-stop service to our principals and customers through our ship owning, agency, terminal operations, warehousing and freight-forwarding activities. Having acquired a reputation for reliability and our comprehensive suite of services, we strive to provide quality service and live by our vision "To be a Global Leader in Shipping & Total Logistics Service".

Q14 In a world where most shipping companies are losing money, let alone making a decent return, what made you such a success?

A14 Fortunately, having owned different types of vessels over the years, we realised the right niche market is the car carrier. Since 1978, the Group has accumulated specialised know-how in this particular tonnage.

We have also been conservative, forsaking short term gains for long term stability.

With a long term view on the business, we have established at least 50 years of relationship with global ship owners/operators. Through the process, we have built up a name for credibility and reliable services.

AN INTERVIEW WITH SENIOR MANAGEMENT

Apologies for not being able to share further or we risk revealing too much of our trade secret.

Q15 From the ship management point of view, how would you do better?

A15 To do even better, we seek to leverage on information technology to raise operational productivity and keep abreast with the best practices in the industry.

DIRECTOR, CORPORATE PLANNING

MR ANDREW LIN

Director, Corporate Planning
MSc Civil Engineering (University College London),
BEng Civil & Environmental (University College London)

Q16 What is your role and how do you value add to the organisation?

A16 Having come from a structured Government background, I can see that the Group has immense potential. One of the key strengths of the Group is its ability to reinvent and transform, an important facet in today's dynamic environment.

From its humble beginnings, we have since evolved into a major shipping group and further diversified into the property sector. Today, each Group is well established, regional brand in its own business realm.

In the role of corporate planning, we seek to learn from and institutionalise best practices, both from within the organisation and external sources. In addition, we will continue to tap on the Group's strengths to examine how best to redeploy resources, and explore opportunities beyond our core competencies as we strive to stay relevant in the years and decades ahead.

GENERAL MANAGER, SHIP MANAGEMENT

MR LEONG WENG CHOY

General Manager, Ship Management
Dip Marine Eng (Singapore Polytechnic)

Q17 As the Engineering Superintendent of SSC who first joined 30 years ago as the shipboard Engineer on the Company's then biggest PCTC, you obviously have a wealth of experience and seen many developments in this type of specialized vessel. Can you share with us how this knowledge has helped the Company get to where it is today?

A17 Fortuitously, working as a shipboard engineer and subsequently as ship manager ashore allowed me to understand and appreciate the compliance requirements with regard to IMO conventions on Safety of Life at Sea (SOLAS) and Safe Carriage of Cargo by Sea. Through these experiences, we went on to develop in-house and adopt preventive measures and clear safety shipboard procedures. This allowed our vessels to operate reliably, thus avoiding breakdowns and unnecessary costs.

Q18 Being overall in charge of the ship management division, can you tell us what are the attributes that make the Company stand out from other specialized PCTC owner/managers?

A18 Our technical staff had a head start in operating PCTCs, especially in the area of ship and cargo safety systems.

Training and skills upgrading program were rolled out early on, enabling the technical department to develop and adopt best practices in ship management. Our crew take pride in the high safety and reliability standards on board, as evident in the high crew retention rate for our fleet.

GENERAL MANAGER, TERMINAL AND AGENCY

CAPTAIN JEYA BALAN S/O N. KANAGASABAI

General Manager, Terminal and Agency
Master Class 1 (Australia)

Q19 Being a qualified foreign-going Master Mariner and taking charge of the Company's terminal operations, does that not make you over qualified for the job?

A19 26 years of shore experience, including 10 years as a supercargo, has given me an edge in handling our principals' vessels well in port. As a Master Mariner, my sailing experience has exposed me to a range of situations concerning safety of life at sea. This certainly helped us make informed decisions in cargo handling, for instance, the safe and proper lashing of cargo and optimal cargo stowage. With the experience and good working knowledge, we are able to provide quality service with a quick turnaround port stay even for challenging operations.

Q20 The Group has evolved significantly in the area of logistics/ cargo operations more than half a century ago. It was among the first to have leased three 'Appropriate Berths' from the Port and handled the biggest throughput then. How does such background distinguish your Group from the rest of the competition? What distinct advantage do you bring to your Principals?

A20 Given the scale of our operations, we have the experience in handling a wide variety of cargo and can provide quick and effective solutions to complex requirements. Over the years, we have also forged strong relationships with local shippers and the authorities. Further, we have a team of dedicated staff, averaging over 10 years of experience in terminal operations.

All these allow us to provide our quality service and create value for our Principals. To name a few, our Principals appreciate the value-add such as the quick turnaround of vessels, good connectivity and flexibility of cargo, which helped avoid cargo shut-out and unnecessary charges.

OTHER KEY EXECUTIVES

CAPTAIN LIM TUN CHING
General Manager, Hai Poh Terminal
Class 1 Master Mariner (Singapore)
Dip Nautical Studies (Singapore Polytechnic)

MS IRENE TAN
Assistant General Manager, Warehouse & Logistics
Dip Import/Export & International Trade
(Elim World Trade Research & Training Resources)

MR TAN CHUE CHIN
Senior Finance Manager
CA (Singapore)
CPA (Australia)
BBusCom (Monash University, Australia)

MS YILING OW
Manager, Treasury
BSocSc (Singapore Management University)

MS SARAH ANNE LAW
Legal Counsel
LLB & BSc Geography (University of Canterbury, NZ)

MS HELEN MIAO
Human Resource Director
BBA (Ottawa University, USA)
GRP (WorldatWork Society of Certified Professionals, USA)
Dip HRM (Singapore Human Resources Institute)

MR PETER LIM
Manager, IT
BSc Computing/Software Eng
(Oxford Brookes University, UK)

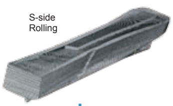
ENVIRONMENTAL FEATURES

Taurus Leader is the 3rd vessel of the 'next generation type' of PCTC built by Shin Kurushima Dockyard in co-ordination with NYK's concept for future PCTC operations.

The vessel is a New Panamax, with a beam built to take advantage of the expanded Panama Canal.

With a wider beam, the vessel has a car carriage capacity of 7,020 RT 43 CEU over 12 car decks with an optimal length of 199.8 metres.

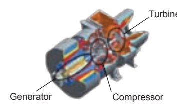
Racking Constraining Structure



An improved hull, which enhances cargo spaces, allows for flexiblity in loading different cargo mixes (eg. cars, trucks and heavy machineries).

Aero Dynamic Wind Screen At Bow

Mitsubishi Hybrid Turbo Charger MET 66MAG



Besides turbocharging, the device also taps on waste heat to generate and supply electric power for the vessel. This reduces overall energy consumption.

New Energy Saving Environmental Technology

The patented Mitsubishi Air Lubrication System (MALS), generates air bubbles to reduces friction between the ship's flat bottom hull and seawater. This in turn saves energy required for passage.

Energy Saving Hybrid Inverter Cooling Sea Water Pump

The hybrid inverter pump regulates pump speed in tandem with cooling requirements, thereby saving energy.

VESSEL GENERAL PARTICULARS

Length Overall	199.80 m
Breadth	35.80 m
Depth	37.00 m
Car Capacity	7,020 CEU (RT 43)
Ramp Capacity	Stern ramp at 150 t Center ramp at 20 t
Main Engine	Mitsui MAN B&W 7S60ME-C8.2 x 11, 688 KW (99 RPM)
Service Speed	20 KT
GRT	69,331
Deadweight	44,690 t

GLOSSARY

Terms appearing from pages 2 to 24

TERM	DESCRIPTION
BEAM	The width of a ship. Also called breadth.
BOW	The forward part of the hull of a ship
BREADTH	The width of a ship
CEU	Car Equivalent Unit
DEADWEIGHT	A common measure of ship carrying capacity, equalling the tonnage of cargo, stores and bunkers that the ship can transport.
DEPTH	The vertical height of the ship between the keel and the weather deck.
DRAFT	The depth of a ship in the water. The vertical distance between the waterline and the keel.
GRT	Gross Registered Tonnage - a formulated unit of measurement that show the volume capacity of the vessel's enclosed spaces
HULL	Shell or body of a ship
IMO	International Maritime Organisation
KEEL	The backbone structure of a ship located at the flat bottom part of the ship's hull.
KT	KT stands for Knot which is the ship speed - nautical miles per hour
MAIN ENGINE	The propulsion machinery of the vessel that powers the propeller to move the vessel through waters.
PANAMAX and NEW PANAMAX	Panamax and New Panamax are terms for the size limits for ships travelling through the Panama Canal. Panamax is determined principally by the dimensions of the canal's lock chambers. New Panamax refers to dimensions catered for the new Panama locks.

COMPARSION OF PANAMA LOCKS

	PANAMAX	NEW PANAMAX
Length	294.13m (965 ft)	366m (1,200 ft)
Width	32.31m (106 ft)	49m (160.7 ft)
Draft	12.04m (41.2 ft)	15.2m (49.9 ft)
TEU	5,000	13,000

PCTC	Pure Car Truck Carrier

GLOSSARY

TERM	DESCRIPTION
RAMP	A ship structure that connects to the shore for transport of cargo between ship and shore.
RO-RO	Ro-Ro stands for Roll On - Roll Off. Cargoes are driven onboard and ashore by means of own machinery or by prime movers. There are 3 main types of Ro-Ro ships. A Pure Car Truck Carrier (PCTC) transports vehicles and other rolling machineries. A Ro-Ro liner ship carries containers, flat, pallets or general cargoes. A Ro-Ro ferry carries a combination of trucks, lorries, cars and passengers.
RT 43	A volume space representative of a vehicle of Length/4125 mm, Width/1550 mm and Height/1420mm
SHIPBOARD	An adjective describing things, items, equipment or crew that belong onboard a vessel.
STERN	The stern is the back or aft-most part of a ship

m.v. Taurus Leader's maiden voyage in Singapore

MAJOR EVENTS

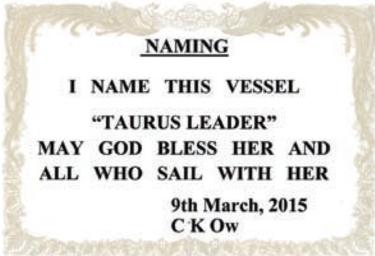
TAURUS LEADER
NAMING & DELIVERY CEREMONY AT SHIN KURUSHIMA DOCKYARD
9th AND 10th MARCH 2015

Ship naming ceremony and delivery held at Shin Kurushima Dockyard on 9th and 10th March for new Pure Car Truck Carrier, m.v. Taurus Leader was delivered.

This state-of-the-art vessel, with 7,020 car equivalent units is equipped with fuel efficient and eco-friendly features with a 35.8 metres extended beam thus known as 'New Panamax' class of vessels.

From left: C.K. Ow (Sponsor), Katherine Ow (Lady Sponsor), Mrs Itsuko Chikaraishi & Mr Koichi Chikaraishi (Guests of Honor)

Chairman of SSC C.K. Ow naming the vessel



NAMING

I NAME THIS VESSEL

"TAURUS LEADER"

MAY GOD BLESS HER AND ALL WHO SAIL WITH HER

9th March, 2015

C K Ow

Certificate of Naming Ceremony

Lady Sponsor Katherine Ow

Lady Sponsor cutting the rope with the traditional silver axe

CELEBRATION PARTY OF NAMING AND DELIVERY M.V. TAURUS LEADER AT SHIN KURUSHIMA DOCKYARD 10th MARCH 2015

VIP guests at Shin Kurushima Dockyard

Traditional sake breaking ceremony by senior officials from shipyard, bankers, owners and charterers

Sake cup to commemorate the ceremonies

Ow Yew Heng receiving a memento from Mr Koichi Chikaraishi of NYK on behalf of the Master of Taurus Leader

POST NAMING PARTY ON BOARD 'LADY CRYSTAL' 11th MARCH 2015

SSC hosted a "thank you" dinner and cruise on board 'Lady Crystal'.

From the left: Hiroyuki Okamoto (Corporate Officer of Automotive Transportation Headquarters), Koichi Chikaraishi (Chief Executive of Automotive Transportation Headquarters), C.K. Ow & Mr Koji Miyahara (Chairman of NYK Group)

From the left: Ambassador Takaaki Kojima, C. K. Ow, Mr Koji Miyahara (Chairman of NYK Group) & Mr Masanori Yanagi (Then Deputy, now President of the Development Bank of Japan)

SHAREHOLDER CALENDAR

July 2015	Annual General Meeting for financial year ended 31 March 2015 (FY2015) Announcement of financial year ending 31 March 2016 (FY2016) first quarter results
August 2015	Scheduled payment of final dividend for FY2015
November 2015	Announcement of FY2016 second quarter results
February 2016	Announcement of FY2016 third quarter results
May 2016	Announcement of FY2016 full year results

CORPORATE GOVERNANCE STATEMENT

Singapore Shipping Corporation Limited (the "Company") is committed to achieve a high standard of corporate governance, promote corporate transparency and protect shareholders' interests.

The Company is pleased to confirm that the Company has adopted corporate governance practices which are in line with the principles and guidelines of the revised Code of Corporate Governance 2012 (the "2012 Code").

This statement sets out the Company's main corporate governance practices with reference to the 2012 Code.

1. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The current Board comprises six directors and their principal functions are to:

- Formulate corporate strategies, financial objectives and directions for the Group
- Ensure effective management leadership of the highest quality and integrity
- Provide oversight in the proper conduct of the Group's businesses
- Oversee and/or evaluate the adequacy of the internal audit, risk management, financial reporting and compliance processes
- Oversee and ensure high standards of corporate governance for the Group

The Board also deliberates and makes decisions on material acquisitions and disposals of assets, corporate restructuring, dividend payments and other returns to shareholders and on matters that may involve a conflict of interest for any director.

All new directors are given an orientation of the Group's business and governance practices, and all directors have appropriate access to information. The Company is responsible for arranging regular training programmes for the Company's directors from time to time to keep them up to date on the current developments, particularly on changes to the relevant new laws and regulations, and changing commercial risks to enable them to make informed decisions and to ensure that the directors are competent in carrying out their expected roles and responsibilities.

To efficiently discharge its responsibilities, the Board has established several board committees, namely, the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee. These committees are given specific responsibilities and empowered by the Board to deal with matters within the limits of authority set out in their respective terms of reference. They assist the Board operationally without the Board losing authority over major issues.

The Board currently holds at least four scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, financial performance and to endorse the release of the quarterly and annual results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

CORPORATE GOVERNANCE STATEMENT

1. BOARD MATTERS (CONTINUED)

Principle 1: The Board's Conduct of Affairs (continued)

The frequency of Board, Audit and Risk Management Committee, Nominating Committee and Remuneration Committee meetings held during the financial year and the attendance at those meetings are set out below:

	Number of meetings attended during the financial year ended 31 March 2015			
Name of Director	**Board of Directors**	**Audit and Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Ow Chio Kiat *(Executive Chairman and Executive Director)*	4	#4	1	NA
Ow Cheo Guan *(Executive Deputy Chairman and Executive Director)*	4	#4	NA	NA
Ow Yew Heng* *(Chief Executive Officer and Executive Director)*	4	#4	NA	NA
Tan Guong Ching *(Lead Independent and Non-executive Director)*	4	4	1	2
Ng Jui Ping *(Independent and Non-executive Director)*	4	4	1	2
Jones Christopher Adrian *(Independent and Non-executive Director)*	4	4	NA	2
Number of meetings held	4	4	1	2

By Invitation

NA Not applicable

* Appointed as Chief Executive Officer on 19 May 2015

1. BOARD MATTERS (CONTINUED)

Principle 1: The Board's Conduct of Affairs (continued)

Matters requiring Board's approval

The following is a list of key matters that require Board's approval:-

- quarterly and full year results announcements;
- annual report and accounts;
- declaration of dividends;
- strategic plans; and
- major acquisitions / disposals.

Principle 2: Board Composition and Guidance

In keeping up with the recommendations of the 2012 Code that at least half of the Board should be made up of Independent Directors, the Board of Directors consists of six members, three of whom are Independent and Non-executive Directors.

Executive Directors

Ow Chio Kiat *(Executive Chairman and Executive Director)*
Ow Cheo Guan *(Executive Deputy Chairman and Executive Director)*
Ow Yew Heng *(Chief Executive Officer and Executive Director)*

Independent and Non-executive Directors

Tan Guong Ching *(Lead Independent and Non-executive Director)*
Ng Jui Ping *(Independent and Non-executive Director)*
Jones Christopher Adrian *(Independent and Non-executive Director)*

The above composition complies with the 2012 Code's requirement. The appointment and retirement of directors is recommended by the Nominating Committee to the Board. In addition, the Nominating Committee also reviews annually the independence of each director and board succession planning. To date, none of the Independent and Non-executive Directors have served on the Board for more than nine years. The Board is of the view that the current Board comprises persons who as a group, provide core competencies necessary to meet the Company's requirements and that the current board size is adequate, taking into account the nature and scope of the Company's operations.

The Board encourages the Independent and Non-executive Directors to meet without the presence of Management.

1. BOARD MATTERS (CONTINUED)

Principle 2: Board Composition and Guidance (continued)

Our directors' profiles are set out on pages 5 to 7 of this Annual Report. Our Board members have the appropriate breadth and depth of industry expertise and experience in the areas of accounting, finance, business, management and strategic planning.

During the year, the Independent and Non-executive Directors participate actively in reviewing proposals on strategy and performance of the Company.

Principle 3: Role of Executive Chairman (the "Chairman") and Chief Executive Officer (the "CEO")

Ow Chio Kiat is the Chairman and CEO. The role of the Chairman is not separate from that of the CEO as the Board believes that there is adequate accountability and transparency. Major decisions are made in consultation with the Board, half of which comprises are Independent and Non-executive Directors. The Board believes that there are adequate measures in place against any uneven concentration of power and authority in one individual.

Ow Yew Heng was subsequently appointed as CEO on 19 May 2015.

With the appointment, Ow Chio Kiat continues to lead the Board and ensures its smooth and effective function.

Ow Cheo Guan is the Executive Deputy Chairman of the Company. The Chairman and the Executive Deputy Chairman are brothers. Ow Yew Heng is the son of Ow Chio Kiat and nephew of Ow Cheo Guan.

The Chairman is assisted by the management team in the daily operations and administration of the Group's business activities and in the effective implementation of the Group's business strategies.

The Chairman also oversees the workings of the Board, ensuring that the Board is able to perform its duties and that there is an adequate flow of information between the Board and the Management. The Chairman reviews the board papers before they are presented to the Board. The management staff who have prepared the papers, or who may provide additional insights, are invited to present the papers or attend the board meetings.

Tan Guong Ching, as the Lead Independent Director shall be available to shareholders where they have concerns for which contact through the normal channels of the Chairman and CEO has failed to resolve or for which such contact is inappropriate. The Lead Independent Director may call for meetings of Independent Directors from time to time without the presence of other directors and provide feedback to the Chairman after such meetings.

1. BOARD MATTERS (CONTINUED)

Principle 4: Board Membership

We believe that board renewal must be an on-going process to ensure good governance and maintain relevance to the changing needs of the Group's businesses.

Nominating Committee ("NC")

To achieve a formal and transparent process for the appointment of directors to the Board, the Company has established the NC to make recommendations to the Board on all board appointments. The NC is responsible for identifying and selecting new directors. The NC is also responsible for evaluating the eligibility of potential appointees based on several criteria such as his/her experience, ability to exercise independence in decision-making and his/her level of commitment prior to recommending them to the Board. In compliance with the 2012 Code, the Chairman of the NC is an Independent and Non-executive Director and is not associated with a substantial shareholder, and the majority of the NC members, including its chairman, is independent. It comprises two Independent and Non-executive Directors and one Executive Director, namely:

Ng Jui Ping	*Chairman*
Tan Guong Ching	*Member*
Ow Chio Kiat	*Member*

The NC's principal functions are to:

- Decide on and propose to the Board, for approval and implementation, the assessment process including determining a set of objective performance criteria for evaluating the Board's performance from year to year
- Evaluate the Board's performance and the contributions of each director to the effectiveness of the Board in accordance with the assessment process and performance criteria mentioned above
- Identify, review and recommend Board appointments for approval by the Board, taking into account the experience, expertise, knowledge and skills of the candidate and the needs of the Board
- Review and recommend to the Board re-appointment of directors having regard to their performance, commitment, skill sets and ability to contribute to the Board
- Review the appropriate size of the Board
- Determine annually whether or not a director is independent in accordance with the guidelines on independence as set out in the 2012 Code

1. BOARD MATTERS (CONTINUED)

Principle 4: Board Membership (continued)

Nominating Committee ("NC") (continued)

Internal guidelines have been established to address the competing time commitments faced by directors due to multiple board representations. All directors are required to declare their board representations. The NC has reviewed the abilities of each Director and is satisfied that each director is able to devote adequate time and attention to fulfil his duties as a director of the Company. The NC conducts a review of the time commitment of each director on an ongoing basis. The Board believes that each Director should personally determine the demands of his competing directorships and obligations and assess how much time is available to serve on the Board effectively. Accordingly, the Board has reviewed and is satisfied with the time commitment of the directors and has not made a determination of the maximum number of board representations a director may hold.

All the directors are subject to the provisions of the Company's Articles of Association whereby one-third of the directors are required to retire and subject themselves to re-election ("one-third rotation rule") by the shareholders at every annual general meeting ("AGM").

A newly appointed director will have to submit himself for re-election at the AGM immediately following his appointment and, thereafter, he is subject to the one-third rotation rule.

The NC was satisfied that in FY2015, where a director had other listed company board representation and/or other principal commitments, the director was independent and was able to adequately carry out his duties as a director of the Company.

Principle 5: Board Performance

The Company holds the belief that the Group's performance and that of the Board are directly related. The Company assesses the Board's performance through its ability to steer the Group in the right direction and the support it renders to Management. For the purpose of evaluating directors' performance, the NC takes into consideration a number of factors including the directors' attendance, participation and level of participation and contributions at the board and board committee meetings and other Company activities.

The NC puts in its best efforts to ensure that directors appointed to the Board possess the necessary background, experience, skills and knowledge in management, business and finance, critical to the Group's business; and that each director is able to contribute his perspective, thus allowing effective decisions to be made. The NC conducts reviews of the Board's performance taking into account inputs from the other Board members.

1. BOARD MATTERS (CONTINUED)

Principle 6: Access to Information

To enable the Board to fulfil its responsibilities, it is provided with adequate information for Board meetings on a timely and an ongoing basis. Directors are given separate and independent access to the Company's key management personnel and Company Secretaries to address any enquiries. The appointment and removal of Company Secretaries is a matter for the Board as a whole.

The Company Secretaries or their representatives attend all Board meetings and are responsible for ensuring that proper procedures at such meetings are followed. Together with the Company's Management, they are responsible for ensuring that the Company complies with the requirements of the Companies Act, Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and other rules and regulations that are applicable to the Company.

A director or as a group, may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

2. REMUNERATION MATTERS

We believe in adopting a formal and transparent procedure for fixing the remuneration packages of the directors and key management personnel so as to ensure that the level of remuneration is appropriate to attract, retain and motivate the directors and key management personnel needed to run the Group's business successfully.

Remuneration Committee ("RC")

Principle 7: Procedures for Developing Remuneration Policies

The RC was formed to achieve this formal and transparent process to evaluate the remuneration packages of the directors and key management personnel. It comprises three Independent and Non-executive Directors, namely:

Jones Christopher Adrian	*Chairman*
Tan Guong Ching	*Member*
Ng Jui Ping	*Member*

2. REMUNERATION MATTERS (CONTINUED)

Principle 7: Procedures for Developing Remuneration Policies (continued)

The RC is responsible for:

- Reviewing and determining appropriate adjustments as well as approving the remuneration of the Independent and Non-executive Directors, Executive Directors and key management personnel
- Administering any share incentive scheme implemented by the Company, and delegating the day-to-day administration of such plan or scheme to such persons the RC deems fit
- Assuming other duties (if any) that may be required of the RC under the 2012 Code, and by the Listing Manual
- Considering the disclosure requirements for directors' and key management personnel remuneration as required by the 2012 Code
- Reviewing the Company's obligations arising in the event of termination of the Executive Directors and key management personnel

The RC meets at least once a year. In setting remuneration packages, the RC takes into account the pay and employment conditions within the industry and in comparable companies, as well as the profitability of the Group as a whole, and individual performance. The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services will be borne by the Company.

No director is involved in any discussion relating to his own remuneration, terms and conditions of service and the review of his own performance.

All directors are paid a fixed board fee and additional fees are payable to a director for appointment as a chairman or member of a particular committee. The recommendations made by the RC in relation to such board fees are subject to approval by the shareholders at the AGM.

Principle 8: Level and Mix of Remuneration

The level and structure of the Group's remuneration policy are aligned with its long-term interest and risk policies, as are appropriate to attract, retain and motivate directors to provide good stewardship, as well as to retain and motivate key management personnel to successfully manage the Group.

Remuneration of non-executive and independent directors is set at a level commensurate with the level of responsibility and after taking into account industry benchmarks. The Group believes that the current remuneration of non-executive and independent directors is at a level that will not compromise the independence of the directors.

2. REMUNERATION MATTERS (CONTINUED)

Principle 9: Disclosure on Remuneration

The directors' fees and remuneration paid/payable by the Group are as follows:

	2015 US$'000	2014 US$'000
Directors' fees		
– Directors of the Company	**139**	157
Directors' remuneration		
– Directors of the Company	**1,657**	1,471
	1,796	1,628

The Board is of the view that given the highly competitive industry conditions coupled with the sensitivity and confidentiality of remuneration matters, the disclosure of the remuneration packages of directors and key management, including those who are immediate family members of the directors and the disclosure of remuneration of key management personnel on a named basis, as recommended by the Code would be prejudicial to the Company's interests.

The following table shows a breakdown (in percentage terms) of the remuneration of directors for the financial year ended 31 March 2015:

Remuneration bands	Salaries %	Bonuses %	Directors' fees[1] %	Others %	Total remuneration %
S$1,000,000 to below S$1,250,000					
Ow Chio Kiat	69	15	3	13	100
S$500,000 to S$750,000					
Ow Cheo Guan[2]	75	19	2	4	100
Below S$250,000					
Ow Yew Heng[3]	60	15	14	11	100
Tan Guong Ching	–	–	100	–	100
Ng Jui Ping	–	–	100	–	100
Jones Christopher Adrian	–	–	100	–	100

(1) Directors' fee are subject to shareholders' approval at the annual general meeting.

(2) Ow Cheo Guan is the brother of the Chairman, Ow Chio Kiat.

(3) Ow Yew Heng is son of the Chairman, Ow Chio Kiat.

2. REMUNERATION MATTERS (CONTINUED)

Principle 9: Disclosure on Remuneration (continued)

The remuneration bands and the composition of the remuneration of the top five key management personnel (excluding Executive Directors of the Company) of the Group for the financial year ended 31 March 2015 are as follows:

Remuneration bands	Salary %	Bonuses %	Others %	Total %
S$250,000 to S$500,000				
– Lim Bee Lan	51	40	9	100
– Leong Weng Choy	81	14	5	100
Below S$250,000				
– Chua Siew Hwi	54	38	8	100
– Jeya Balan s/o N. Kanagasabai	74	15	11	100
– Lim Tun Ching	71	14	15	100

The aggregate amount of the total remuneration paid to the key management personnel (who are not directors or CEO of the Company) is approximately US$955,000.

There are no termination, retirement and post-employment benefits granted to the directors, the CEO or the top five key management personnel.

Remuneration of immediate family members of director or the CEO

During the financial year ended 31 March 2015, save for those disclosed above, remuneration of Ms Kiersten Ow YiLing, who is the daughter of the Chairman, Ow Chio Kiat, exceeded S$50,000.

3. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board provides shareholders with financial statements for the first three quarters and full financial year in accordance with the Listing Manual. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's performance, financial position and prospects.

Management provides the Board with management accounts, operations review and related explanations and any other information as the Board may require together with the financial statements on a quarterly basis. The Audit and Risk Management Committee reviews the financial statements and reports to the Board for approval. The Board authorises the release of the results to the SGX-ST and the public via SGXNET. The quarterly and full year financial results are also uploaded on the Group's own website at www.singaporeshipping.com.sg

The Board also provides negative assurance confirmation to shareholders for the quarterly financial statements in accordance with the Listing Manual.

Principle 11: Risk Management and Internal Controls
Principle 12: Audit and Risk Management Committee ("ARMC")

The ARMC comprises three Independent and Non-executive Directors, namely:

Tan Guong Ching	*Chairman*
Ng Jui Ping	*Member*
Jones Christopher Adrian	*Member*

The Board is of the view that the ARMC members have adequate accounting or related financial management expertise and accounting experience to discharge the ARMC's functions.

The ARMC meets at least four times a year and as and when deemed appropriate, to carry out its functions.

The ARMC performs the functions as set out in the 2012 Code, inter alia:

- Nominates the external auditors for appointment or re-appointment and reviews the level of audit fees, cost effectiveness of the audit and the independence and objectivity of the external auditors
- Reviews the audit plans and scope of work of the internal and external auditors
- Reviews the findings of the internal and external auditors and the response from Management
- Reviews the internal auditors' evaluation of the adequacy of the Group's system of accounting and internal controls

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

Principle 11: Risk Management and Internal Controls (continued)
Principle 12: Audit and Risk Management Committee ("ARMC") (continued)

- Oversees management in the formulation, updating and maintenance of the Group's Enterprise Risk Management ("ERM") framework and policies
- Reviews risk reports on the Group and reviews and monitors Management's responses to the findings
- Reviews any interested person transactions
- Reviews the Group's quarterly and annual results announcements and the financial statements of the Group and of the Company as well as the auditors' report thereon before they are submitted to the Board for approval
- Reviews legal and regulatory matters that may have a material impact on the financial statements
- Reports actions and minutes of the ARMC to the Board

The Board, supported by the ARMC, ensures that the Company has a robust risk management system to safeguard shareholders' interest. The Group adopts an ERM framework which sets out the required environmental and organisational components for managing risk in an integrated, systematic and consistent manner. The ERM framework and related policies are reviewed at least annually.

Internal and external auditors, where applicable conduct audits that involve testing the effectiveness of the material internal controls in the Group addressing operational risk, compliance and legal risk, financial risk, information technology controls risk and investment risk, including testing, where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors are reported to and reviewed by the ARMC. The adequacy and effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors is also reviewed by the ARMC.

The Board has received assurances from the CEO and the CFO

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) regarding the effectiveness of the Group's risk management and internal control systems.

The CEO and the CFO have obtained similar assurance from the respective business and corporate executive heads in the Group.

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

Principle 11: Risk Management and Internal Controls (continued)
Principle 12: Audit and Risk Management Committee ("ARMC") (continued)

In addition, in the year under review, the Board has also received quarterly certification by Management on the integrity of financial reporting and the Board has provided a negative assurance confirmation to shareholders, as required by the Listing Manual of SGX-ST.

The Board notes that the system of risk management and internal controls established by the Group provides reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material error, poor judgment in decision-making, human error, fraud or other irregularities.

The ARMC is given full access to, and receives full cooperation from the Management. The ARMC has full discretion to invite any director or management staff to attend its meetings. It is empowered to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices that are brought to its attention; and has full access to records, resources and personnel to enable it to discharge its functions properly and effectively.

Formal procedures are in place for the internal and external auditors to report their findings and recommendations to the Management and ARMC. The internal and external auditors also have unrestricted access to the ARMC. In addition, the ARMC also meets with the internal and external auditors separately, at least once a year, without the presence of the Management, in order to have free and unfiltered access to information that it may require.

The Group has in place the Whistle-Blower Policy and Procedures, pursuant to which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. This helps to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action. All employees may address their report to the Whistle-Blower Panel (comprising the Head of Internal Audit, Director of Human Resources and the General Counsel) and/or the Chairman of the ARMC. Direct contact details of the Whistle-Blower Panel and the Chairman of the ARMC are available to all staff.

Dealings in Company's Securities

The Group has complied with the best practices in dealings in securities, as set out in the Listing Manual. In this regard, the Group has issued and implemented internal guidelines, to provide appropriate guidance to directors and staff on dealings in the Company's securities. All directors and staff of the Group are not allowed to trade in the Company's securities during the two weeks before the release of the Company's first three quarters' results and during the one month before the release of the full year results. To facilitate compliance, quarterly reminders are issued to all directors and staff prior to the applicable trading black-outs periods. Our directors and staff, who are expected to observe insider trading laws at all times, are also reminded not to deal in the Company's securities on short-term considerations, or whilst in possession of unpublished material price-sensitive information.

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

Principle 11: Risk Management and Internal Controls (continued)
Principle 12: Audit and Risk Management Committee ("ARMC") (continued)

External Auditors

Details of the aggregate amount of fees paid to the external auditors for the financial year, are set out in note 5 of the Notes to the Financial Statements, found on Page 75 of the Annual Report.

There were no non-audit services provided by the external auditors during the financial year ended 31 March 2015.

The Group has complied with Rules 712 and 715 of the Listing Manual in relation to the appointment of external auditors for the Company and its subsidiaries. KPMG LLP has been engaged to audit the accounts of all companies within the Group for local statutory purpose, except for Hai Poh Terminals Pte Ltd, Singapore Ship Technologies Ltd and Zetline Services Sdn Bhd.

Principle 13: Internal Audit

The Group is supported by a compliance and internal audit department. The Internal Auditor (the "IA") reports to the Chairman of the ARMC on audit matters and to the CFO on administrative matters.

The IA plans the internal audit program which includes a review of the Group's risks assessments and the effectiveness of the Group's material internal controls to address the identified risks. This is done, in consultation with, but independent of the Management.

The ARMC is satisfied that the IA function is adequately resourced and has the appropriate standing within the Company to undertake its activities independently and objectively.

The IA performs detailed work to assist the ARMC in the evaluation of the Group's operational, compliance and legal, financial, investment and information technology controls based on an internal audit plan approved by the ARMC. Any material non-compliance or weakness noted in internal controls, including recommendations for improvements, are reported to the ARMC. The ARMC also reviews the effectiveness of actions taken by Management in response to recommendations made by the IA.

Based on the internal controls set out by the Group, work performed by the Internal and External Auditors, and reviews conducted by Management, the Board and its Committees, the Board with the concurrence of the ARMC, is of the opinion that the internal controls in place are adequate in addressing the Group's operational, compliance and legal, financial, investment and information technology risks in its current business environment.

4. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders

The Company places great emphasis on regular, effective and open communication with our shareholders. The announcements of the Group's results and material developments are released through SGXNET to the SGX's website in a timely manner to ensure fair disclosure of information.

All shareholders receive the annual report and the notices of shareholders' meetings. The notices for such meetings are also advertised in local newspaper and made available on SGXNET. Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated. The chairpersons of the various board committees and the external auditors are invited to be present at the general meetings, to address queries from shareholders.

In considering the level of dividend payments, the Board takes into account various factors including:

- The level of available cash for its working capital;
- The return on equity and retained earnings; and
- Projected levels of capital expenditure and other investment plans.

Principle 16: Conduct of Shareholder Meetings

General meetings are held in Singapore. At such meetings, shareholders of the Company are given the opportunity to air their views and ask the directors questions regarding the Company.

For each substantially separate issue, the Company adopts separate resolution instead of "bundling" resolutions unless the issues are interdependent and linked.

All directors are present at general meetings to address any questions that shareholders may have.

Minutes of general meeting are prepared accordingly and made available to shareholders upon their request.

The Company has adopted voting by poll for all resolutions this year.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has established a procedure for recording and reporting interested person transactions. Details of significant interested person transactions for the financial year ended 31 March 2015 are set out below:

Name of interested person	Aggregate value of all IPT during the financial year ended 31 March 2015 (excluding transactions below S$100,000)	Aggregate value of all IPT conducted under shareholders mandate pursuant to Rule 920 (excluding transactions below S$100,000)
Paid to a subsidiary of Stamford Land Corporation Ltd: – Rental expense	US$296,000	–
Received from subsidiary of Stamford Land Corporation Ltd – Service rendered	US$160,000	–
Transactions with directors of the Company: Purchase of goods and services	US$260,000	–

All the above IPT were concluded on normal commercial terms.

There were no other material contracts or loan entered into by the Company and its subsidiaries involving the interests of the CEO, directors or controlling shareholder, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL STATEMENTS

m.v. Cougar Ace
Pure Car Truck Carrier
Built 1993

DIRECTORS' REPORT

for the financial year ended 31 March 2015

The directors present their report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2015.

DIRECTORS

The directors in office at the date of this report are as follows:

Ow Chio Kiat	(Executive Chairman)
Ow Cheo Guan	(Executive Deputy Chairman)
Ow Yew Heng	(Executive Director)
Tan Guong Ching	
Ng Jui Ping	
Jones Christopher Adrian	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company are as follows:

	Holdings at beginning of the year	**Holdings at end of the year**
Singapore Shipping Corporation Limited		
Ordinary shares		
Ow Chio Kiat		
Interests held	153,532,500	**153,704,500**
Deemed interests	7,340,000	**7,340,000**
Ow Cheo Guan		
Deemed interests	13,200,000	**13,200,000**

By virtue of Section 7 of the Act, Mr Ow Chio Kiat is deemed to have an interest in all the subsidiaries of the Company at the beginning and at the end of the financial year.

There were no changes in any of the abovementioned interests in the Company between the end of the financial year and 21 April 2015.

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS (CONTINUED)

Except for salaries, bonuses and fees and those benefits that are disclosed in note 28 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company, or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

The members of the ARMC during the financial year and at the date of this report are:

Tan Guong Ching (Chairman)
Ng Jui Ping
Jones Christopher Adrian

All members of the ARMC are non-executive and independent directors.

The ARMC performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The ARMC has held four meetings since the last directors' report. In performing its functions, the ARMC met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The ARMC also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The ARMC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The ARMC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The ARMC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

DIRECTORS' REPORT
for the financial year ended 31 March 2015

INTERNAL CONTROLS

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board; the ARMC and the Board are of the opinion that the Group's internal controls addressing financial, operational and compliance risks, were adequate as at 31 March 2015.

AUDITORS

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ow Chio Kiat
Director

Ow Cheo Guan
Director

Singapore

11 June 2015

STATEMENT BY DIRECTORS

for the financial year ended 31 March 2015

In our opinion:

(a) the financial statements set out on pages 50 to 111 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Ow Chio Kiat	**Ow Cheo Guan**
Director	Director

Singapore

11 June 2015

INDEPENDENT AUDITORS' REPORT

Members of the Company
Singapore Shipping Corporation Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Singapore Shipping Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 March 2015, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 111.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Singapore Shipping Corporation Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

11 June 2015

CONSOLIDATED INCOME STATEMENT

for the financial year ended 31 March 2015

	Note	2015 US$'000	2014 US$'000
Revenue	4	35,126	34,446
Other operating income		1,324	1,483
Depreciation expense on property, plant and equipment	11	(3,778)	(3,425)
Vessel operation and crew management costs		(3,150)	(3,600)
Transportation, warehouse and terminal operating costs		(10,182)	(10,845)
Staff and crew costs		(8,835)	(7,939)
Other operating expenses		(1,781)	(1,733)
Operating profit before other gain		8,724	8,387
Gain on disposal of a vessel		–	936
Results from operating activities	5	8,724	9,323
Finance income	6	360	182
Finance costs on bank borrowings	7	(700)	(690)
Exchange differences	8	968	69
Share of results of associated company and joint venture, net of tax		(38)	(326)
Profit before taxation		9,314	8,558
Taxation	9	(4)	–
Profit for the year		9,310	8,558
Attributable to:			
Owners of the Company		9,310	8,558
Earnings per share (US cents):	10		
Basic		2.1	2.0
Diluted		2.1	2.0

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2015

	2015 US$'000	2014 US$'000
Profit for the year	9,310	8,558
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Cash flow hedges:		
– Effective portion of changes in fair value of cash flow hedges	(648)	11
– Realised and transferred to income statement	235	243
	(413)	254
Net change in currency translation reserve	(1,175)	(258)
Other comprehensive income for the year, net of tax	(1,588)	(4)
Total comprehensive income for the year	7,722	8,554
Attributable to:		
Owners of the Company	7,722	8,554

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2015

		The Group		The Company	
	Note	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Non-current assets					
Property, plant and equipment	11	162,280	55,715	–	–
Goodwill	12	687	757	–	–
Investment in subsidiaries	13	–	–	32,625	32,575
Amount due from subsidiaries	13	–	–	14,608	9,561
Associated company and joint venture	14	4,110	4,207	1,208	1,208
Derivative financial assets	22	452	–	–	–
Other assets	15	103	219	–	–
		167,632	60,898	48,441	43,344
Current assets					
Inventories		448	146	–	–
Trade and other receivables	16	6,080	4,868	264	1,763
Financial assets held-for-trading	17	113	2,117	–	–
Cash and cash equivalents	18	7,297	17,959	3,863	12,192
Asset held for sale	19	–	899	–	1,000
		13,938	25,989	4,127	14,955
Less:					
Current liabilities					
Trade and other payables	20	6,083	4,871	1,644	8,088
Derivative financial liabilities	22	1,057	–	–	–
Current taxation		14	57	–	–
Bank borrowings	21	12,188	4,520	–	–
		19,342	9,448	1,644	8,088
Net current (liabilities)/assets		(5,404)	16,541	2,483	6,867
Non-current liabilities					
Bank borrowings	21	95,414	14,691	–	–
Derivative financial liabilities	22	–	192	–	–
Deferred taxation		20	24	–	–
		95,434	14,907	–	–
Net assets		66,794	62,532	50,924	50,211

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2015

		The Group		The Company	
	Note	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Equity attributable to owners of the Company					
Share capital	23	31,665	31,665	31,665	31,665
Other reserves	24	(1,858)	(270)	–	–
Retained earnings		36,987	31,137	19,259	18,546
Total equity		66,794	62,532	50,924	50,211

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2015

	Note	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
Balance at 1 April 2014		31,665	(192)	(78)	31,137	62,532
Total comprehensive income for the year		–	(413)	(1,175)	9,310	7,722
Distributions to owners						
Dividends paid	25	–	–	–	(3,460)	(3,460)
Balance at 31 March 2015		31,665	(605)	(1,253)	36,987	66,794
Balance at 1 April 2013		31,665	(446)	180	25,949	57,348
Total comprehensive income for the year		–	254	(258)	8,558	8,554
Distributions to owners						
Dividends paid	25	–	–	–	(3,370)	(3,370)
Balance at 31 March 2014		31,665	(192)	(78)	31,137	62,532

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2015

	Note	2015 US$'000	2014 US$'000
Cash flows from operating activities			
Profit before taxation		9,314	8,558
Adjustments for:			
Depreciation expense on property, plant and equipment	11	3,778	3,425
Property, plant and equipment written off		30	–
Gain on disposal of property, plant and equipment		–	(934)
Interest income	6	(78)	(102)
Dividend income		(23)	(27)
Net change in fair value of financial assets held-for-trading	6	(6)	(22)
Gain on disposal of financial assets held-for-training	6	(259)	(31)
Gain on disposal of asset held-for-sale		(84)	–
Finance costs on bank borrowings	7	700	690
(Gain)/loss on foreign exchange		(657)	141
Share of results of associated company and joint venture, net of tax		38	326
		12,753	12,024
Changes in working capital:			
Inventories		(302)	105
Trade and other receivables		(1,265)	569
Trade and other payables		1,105	(709)
Cash generated from operations		12,291	11,989
Tax paid		(45)	(417)
Net cash from operating activities		12,246	11,572

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2015

	Note	2015 US$'000	2014 US$'000
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(110,383)	(168)
Payments for drydocking expenditure	11	–	(1,339)
Purchase of financial assets held-for-trading		–	(1,205)
Net cash outflow on acquisition of subsidiaries		–	(2,622)
Payment for acquisition of associated company and joint venture		–	(2,416)
Interest received		132	56
Dividends received from quoted equity securities		23	27
Dividends received from associated company		–	19
Proceed from sale of asset held-for-sale		1,004	–
Proceed from sale of other assets		105	–
Proceeds from sale/maturity of financial assets held-for-trading		2,269	452
Proceeds from sale of property, plant and equipment		–	5,148
Net cash used in investing activities		(106,850)	(2,048)
Cash flows from financing activities			
Repayment of bank borrowings		(5,109)	(4,521)
Drawdown of bank borrowings		93,500	–
Payment of finance costs on bank borrowings		(595)	(699)
Dividends paid	25	(3,460)	(3,370)
Net cash from/(used in) financing activities		84,336	(8,590)
Change in cash and cash equivalents		(10,268)	934
Cash and cash equivalents at beginning of the year		17,959	17,240
Effects of exchange rate fluctuations on cash and cash equivalents		(394)	(215)
Cash and cash equivalents at end of the year	18	7,297	17,959

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 11 June 2015.

1. DOMICILE AND ACTIVITIES

Singapore Shipping Corporation Limited (the Company) is incorporated in Singapore and listed on the Singapore Exchange. Its registered office is at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763.

The principal activity of the Company is that of investment holding. The principal activities of the Group consist of:

- investment holding;
- ship owning and ship management;
- shipping agency and terminal operations;
- warehousing and logistics services.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associated company and joint venture.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRSs).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments which are stated at the fair values as disclosed in the accounting policies set out in note 3.

The financial statements have been prepared on a going concern basis. As at 31 March 2015, the Group's current liabilities exceeded current assets by US$5,404,000. Based on estimated cash flows from the Group's portfolio of vessels, management believes that the repayment of its bank borrowings will occur as required and that the shortfall in net current liabilities will be met from cash flows from operating activities.

2. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency).

The financial statements are presented in United States dollars (US$), which is the Company's functional currency. All financial information presented in US$ has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements or risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 11 – Impairment assessment, depreciation, useful lives and residual values of vessels
Note 12 – Impairment assessment on goodwill
Note 13 – Impairment assessment on investments in subsidiaries
Note 14 – Impairment assessment on investment in associated company and joint venture
Note 16 – Impairment assessment on receivables
Note 27 – Valuation of financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 27 – financial instruments.

(e) Changes in accounting policies

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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associated companies and joint ventures

Associated companies are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associated companies and joint ventures are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, where the amounts involved are considered significant to the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries, associated company and joint venture in the separate financial statements

Investments in subsidiaries, associated company and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated into the functional currency at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

Foreign currency transactions and balances (continued)

Foreign exchange differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation and which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition of the foreign operations, are translated to US$ at exchange rates prevailing at the end of the reporting period. Income and expenses of foreign operations are translated to US$ at the exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the end of the reporting period. For acquisitions prior to 1 January 2005 the exchange rates at the date of acquisition were used.

Foreign currency differences arising on translation are recognised in other comprehensive income and presented as currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount in the currency translation reserve is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associated company or joint venture, that includes a foreign operation, while retaining significant influence, the relevant proportion of the cumulative amount in the currency translation reserve is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented as currency translation reserve in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue

Revenue comprises charter hire and other shipping income. Provided it is probable that the economic benefits will flow to the Group, and that the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss in the following manners:

- Charter hire income is recognised daily in accordance with the terms of the charter hire agreement.
- Agency fees and terminal services, freight, clearance and transportation services, labour and other warehouse operation charges are recognised when the services are rendered.

(d) Government grants

Cash grants received from the government in relation to the Small and Medium-Size Enterprise cash grant, cash payout from the Productivity and Innovation Credit (PIC) Scheme and PIC Bonus are recognised in profit or loss as other income upon receipt. Cash payout from the Wage Credit Scheme and Special Employment Credit Scheme are offset against staff cost in profit or loss upon receipt.

(e) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(f) Finance income

Finance income comprises interest income on deposits and debt securities, dividend income and changes in the fair value of financial assets at fair value through profit or loss.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities, is normally the ex-dividend date.

(g) Finance costs on bank borrowings

Finance costs comprise fees and interest expense on bank borrowings and interest rate swaps.

Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Exchange differences

Exchange differences comprise net foreign exchange gains or losses and net change in fair value of foreign exchange options and forward contracts recognised in profit or loss.

The foreign exchange gains and losses are, however, reported separately if they are material.

(i) Taxation

Tax expense which comprises current and deferred tax, is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associated companies and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Taxation (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share, is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

(k) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, finance costs, exchange differences, corporate assets and liabilities, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

(l) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Property, plant and equipment (continued)

Recognition and measurement (continued)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income or other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, from the date that the property, plant and equipment are installed and are ready for use.

Drydocking expenditure is capitalised when incurred and depreciated on a straight-line basis over the period to the next anticipated drydocking date.

The estimated useful lives for the current and comparative periods are as follows:

Vessels	20 to 30 years
Drydocking expenditure	2 to 3 years
Renovations, furniture and fittings	5 years
Equipment	3 to 5 years
Computers	3 years
Motor vehicle	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Goodwill

For the measurement of goodwill at initial recognition, see note 3 (a).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of the equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(n) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. Financial assets classified as held-for-trading and available-for-sale investments are recognised by the Group on the settlement date of the investments.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, and loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss include equity and debt securities that otherwise would have been classified as available-for-sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents comprise cash at bank and in hand, and fixed deposits.

(o) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% - 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value and the attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, the derivatives are measured at fair value, and changes therein are accounted for as described below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Derivative financial instruments (continued)

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

(p) Impairment of non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor; restructuring of an amount due to the Group on terms that the Group would not consider otherwise; or indications that a debtor or issuer will enter bankruptcy.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment in groups that share similar risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Impairment of non-derivative financial assets (continued)

Loans and receivables (continued)

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of loans and receivables measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(q) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then, to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro-rata* basis.

An impairment loss recognised for goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associated company is not recognised separately, and therefore is not tested for impairment separately. Instead the entire amount of the investment in an associated company is tested for impairment as a single asset when there is objective evidence that the investment in an associated company may be impaired.

(r) Inventories

Inventories, which comprise consumable stores, are valued at cost of purchase (including cost incurred in bringing the inventories to their present location and condition) on a first-in first-out basis less any applicable allowance for obsolescence. When inventories are consumed, the carrying amount of these consumable stores is recognised as an expense in the period in which the consumption occurs.

(s) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Non-derivative financial liabilities (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into other financial liabilities which comprise bank borrowings, and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

(t) Asset held for sale

Asset that is expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the asset is remeasured in accordance with the Group's accounting policies. Thereafter, the asset is generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Equity accounting of associated companies ceases once classified as held for sale.

(u) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(v) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or employees' entitlements to annual leave when they accrue to employees, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee benefits (continued)

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(w) Intra-group financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, a provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

(x) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(y) Key management personnel

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors of the Group and the senior management team are considered as key management personnel of the Group.

(z) New accounting standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the financial year ended 31 March 2015 have not been applied in preparing these financial statements. The Group is still in the process of assessing the impact of application of these new accounting standards and interpretations.

4. REVENUE

	The Group	
	2015 US$'000	2014 US$'000
Charter hire income	19,527	17,849
Terminal income and agency fees	8,799	9,529
Freight, clearance and transportation	6,800	7,068
	35,126	34,446

5. RESULTS FROM OPERATING ACTIVITIES

The following items have been included in arriving at results from operating activities:

	The Group	
	2015 US$'000	2014 US$'000
Audit fees paid to auditors of the Company	(102)	(103)
Contributions to defined contribution plans, included in staff and crew costs	(382)	(359)
Operating lease expense	(327)	(335)

6. FINANCE INCOME

	The Group	
	2015 US$'000	2014 US$'000
Interest income on deposits with banks	61	78
Interest income on interest-bearing financial assets	17	24
Gain on disposal of financial assets held-for-trading	259	31
Net change in fair value of financial assets held-for-trading	6	22
Others	17	27
	360	182

7. FINANCE COSTS ON BANK BORROWINGS

	The Group	
	2015 US$'000	**2014 US$'000**
Amortisation of upfront fee on a bank borrowing	26	26
Interest expense:		
– Interest rate swaps	243	256
– Bank borrowings	431	408
	700	690

8. EXCHANGE DIFFERENCES

	The Group	
	2015 US$'000	**2014 US$'000**
Net exchange gain	968	69

9. TAXATION

	The Group	
	2015 US$'000	**2014 US$'000**
Tax recognised in profit or loss		
Current tax expense		
– Current year	(2)	(69)
– Adjustment for prior years	(5)	87
	(7)	18
Deferred tax expense		
– Origination and reversal of temporary differences	3	(24)
– Recognition of tax effect of previously unrecognised tax losses	–	6
	3	(18)
	(4)	–

9. TAXATION (CONTINUED)

	The Group	
	2015 US$'000	**2014 US$'000**
Reconciliation of effective tax rate:		
Profit before taxation	9,314	8,558
Add: Share of results of associated company and joint venture, net of tax	38	326
	9,352	8,884
Tax using the Singapore tax rate of 17% (2014: 17%)	(1,590)	(1,510)
Income not subject to tax	1,674	1,328
Non-deductible expenses	(115)	(49)
Adjustment for prior years	(5)	87
Utilisation of previously unrecognised tax losses	23	6
Tax incentives and rebates	17	145
Others	(8)	(7)
	(4)	–

Profits from qualifying shipping activities of the Group are exempted from income tax under the provision of Section 13A of the Singapore Income Tax Act, Chapter 134.

As at 31 March 2015, certain subsidiaries of the Group have unutilised tax losses of approximately US$19,172,000 (2014: US$18,635,000). The unutilised tax losses are available for carry forward and set off against future taxable profits subject to agreement by the Comptroller of Income Tax and compliance with the relevant provisions of the Income Tax Act. Of these unutilised tax losses, deferred tax asset amounting to approximately US$3,259,000 (2014: US$3,168,000) have not been recognised in the financial statements because it is uncertain whether future taxable profits will be available against which the aforementioned subsidiaries can utilise the benefits arising therefrom.

10. EARNINGS PER SHARE

	The Group	
	2015 US$'000	2014 US$'000
Basic and diluted earnings per share is based on:		
Profit attributable to owners of the Company	9,310	8,558
Weighted average number of ordinary shares in issue for basic and diluted earnings per share ('000)	436,017	436,017

Basic and diluted earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Vessels	Drydocking expenditure	Renovations, furniture and fittings	Equipment and computers	Motor vehicle	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost						
At 1 April 2013	109,795	515	181	568	–	111,059
Additions	–	1,339	1	167	–	1,507
Acquisition of subsidiaries	–	–	8	23	20	51
Currency translation differences	–	–	–	(1)	–	(1)
Disposals	(43,008)	(449)	(3)	(318)	–	(43,778)
At 31 March 2014	66,787	1,405	187	439	20	68,838
Additions	110,324	–	27	32	–	110,383
Disposals	–	(30)	–	(2)	–	(32)
Currency translation differences	–	–	(1)	(14)	(2)	(17)
At 31 March 2015	177,111	1,375	213	455	18	179,172

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group	Vessels	Drydocking expenditure	Renovations, furniture and fittings	Equipment and computers	Motor vehicle	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Accumulated depreciation						
At 1 April 2013	48,284	359	129	490	–	49,262
Depreciation for the year	2,924	431	6	59	5	3,425
Disposals	(38,797)	(449)	–	(318)	–	(39,564)
Currency translation differences	–	–	*	*	*	*
At 31 March 2014	12,411	341	135	231	5	13,123
Depreciation for the year	3,081	592	9	91	5	3,778
Disposals	–	–	–	(2)	–	(2)
Currency translation differences	–	–	*	(6)	(1)	(7)
At 31 March 2015	15,492	933	144	314	9	16,892
Carrying amounts						
At 1 April 2013	61,511	156	52	78	–	61,797
At 31 March 2014	54,376	1,064	52	208	15	55,715
At 31 March 2015	161,619	442	69	141	9	162,280

** Less than US$1,000*

Impairment assessment on vessels

Each of the Group's vessels is a separate cash-generating unit. Under the Group's formal impairment assessment of its vessels, the recoverable amount for each vessel is determined based on the higher of fair value less costs to sell and value-in-use calculation.

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation, useful lives and residual values of vessels

Where the recoverable amounts were derived from value-in-use calculations, discounted cash flow projections are used which are based on contractual cash flows arising from charter of the vessels over the lease term. These cash flows take into account contractual charter rates, management's assessment of projected off-hire periods and expectations for market development which are supported by the Group's historical experience and past observable data. The cash flows are then discounted at rates determined using the appropriate weighted average cost of capital which approximates the specific risks relating to the vessels.

Based on management's assessment, no impairment loss has been identified.

The Group reviews the estimated useful lives of the vessels regularly in order to determine the amount of depreciation expense to be recorded for each financial year. Changes in the expected level of use of the vessels could impact the economic useful lives and the residual values of the vessels. Any changes in the economic useful lives and the residual values could impact the depreciation charges and consequently affect the Group's results. The residual values are reviewed at each financial year-end, with any changes in estimates accounted for as a change in estimate and therefore prospectively.

The residual values of the vessels for the purpose of calculating the annual depreciation expense for the financial year is estimated using up to five years average scrap steel price per light displacement ton less estimated costs of disposal of a complete vessel with all normal machinery and equipment on board.

Drydocking costs are amortised on a straight-line basis over the period to the next anticipated drydocking date. The Group determines the next anticipated drydocking date of each individual vessel by reviewing the condition of each vessel and taking into consideration the Group's historical experience with similar vessels and the relevant regulations governing such vessels. Any changes to the next anticipated drydocking date could impact the amortisation and consequently affect the Group's results. The next anticipated drydocking date is reviewed at each reporting date.

As the economic useful lives and the residual values of the vessels are reviewed at each financial year-end, any changes in estimates are accounted for prospectively.

Security

At 31 March 2015, the vessels of the Group with carrying amount of US$131.8 million (2014: US$40.3 million) has been mortgaged as security to secure a bank borrowings (see note 21).

12. GOODWILL

	The Group	
	2015 US$'000	**2014 US$'000**
As at 1 April	757	–
Acquisition through business combination	–	770
Effects of movements in exchange rates	(70)	(13)
As at 31 March	687	757

Impairment test on Goodwill

The goodwill arose from the acquisition of Singapore Shipping Agencies Pte Ltd and Island Line Pte Ltd by the Company in April 2013.

For the purpose of impairment testing, goodwill is allocated to the individual entity acquired during the year. The aggregate carrying amounts of goodwill allocated to each CGU are as follows.

	2015 US$'000	**2014 US$'000**
Singapore Shipping Agencies Pte Ltd	348	388
Island Line Pte Ltd	339	369
	687	757

The recoverable amounts are determined based on the value in use calculation. Value in use was determined by discounting the future cash flows generated from the business and was based on the following key assumptions:

(i) cash flows were projected based on the five-year business plan, covering the period from FY2016 to FY2020;

(ii) the anticipated annual revenue growth included in the cash flow projections was 1.0% with no significant changes to the customer base;

(iii) a pre-tax discount rate of 5.31% (2014: 6.20%) was applied in determining the recoverable amount of the business. The discount rate was estimated based on past experience and computed based on cost of debt assuming debt leveraging of 30% (2014: 30%) of a market interest rate of 3.2% (2014: 3.2%).

At the balance sheet date, based on the above key assumptions, management believes that the recoverable amounts exceed their respective carrying amounts.

13. INVESTMENT IN SUBSIDIARIES / AMOUNT DUE FROM SUBSIDIARIES

	The Company	
	2015 US$'000	2014 US$'000
Unquoted equity shares, at cost	33,274	33,224
Less: Impairment loss	(649)	(649)
	32,625	32,575
Due from subsidiaries (non-trade)	14,608	9,561

The investments in subsidiaries are tested for impairment when a subsidiary is in a net liabilities position or has suffered continual operating losses or has any other known impairment indicators. This test requires significant judgement.

Based on this assessment, an impairment loss has been recognised in respect of the investment in one of the subsidiaries.

The impairment loss in respect of the investment in a subsidiary is as follows:

	The Company	
	2015 US$'000	2014 US$'000
Balance at beginning of the year	649	589
Movement during the year	–	60
Balance at end of the year	649	649

The net assets of the subsidiary, which comprise mainly current monetary assets and liabilities, approximate the fair value less costs to sell.

The non-trade amount due from subsidiaries are unsecured and interest free. The full settlement of the loan is neither planned nor likely to occur in the foreseeable future. As this loan is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment losses, if any.

13. INVESTMENT IN SUBSIDIARIES / AMOUNT DUE FROM SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group	
		2015 %	2014 %
Island Line Pte Ltd	Singapore	100	100
Ow Brothers Pte. Ltd.	Singapore	100	100
SSC Centaurus Leader Pte Ltd (formerly known as Seatrade Ship Management Pte Ltd)	Singapore	100	100
Singapore Ship Technologies Ltd [(a)]	British Virgin Islands	100	100
SSC Sirius Leader Pte. Ltd.	Singapore	100	100
SSC Investments (Pte) Limited	Singapore	100	100
SSC Boheme Pte. Ltd.	Singapore	100	100
SSC Ship Management Pte Ltd	Singapore	100	100
Singapore Shipping Agencies Pte Ltd (formerly known as SSC Shipping Agencies Pte Ltd)	Singapore	100	100
SSC Taurus 2015 (7000) Pte Ltd	Singapore	100	–
Zetline Services Sdn Bhd	Malaysia	*	*

All the subsidiaries incorporated in Singapore are audited by KPMG LLP.

(a) Not required to be audited by the laws of the country of incorporation.

* Zetline Services Sdn Bhd is controlled by Singapore Shipping Agencies Pte Ltd.

14. ASSOCIATED COMPANY AND JOINT VENTURE

	The Group		The Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Investment in associated company	2,991	3,091	*	*
Investment in joint venture	1,119	1,116	1,208	1,208
	4,110	4,207	1,208	1,208

** Less than US$1,000*

Disposal of associated companies

The 49% equity interest in Nanyang Maritime (S'pore) Pte Ltd was sold on 22 April 2014 (see note 19).

Impairment test on associated company and joint venture

Investment in associated company and joint venture are tested for impairment when the associated company and joint venture are in a net liabilities position or has suffered continual operating losses or has any other known impairment indicators. This test requires significant judgement.

Based on the assessment, no impairment has been recognised on the Company's investment in associated company and joint venture as at 31 March 2015 and 31 March 2014.

Details of the associated company and joint venture are as follows:

Name of associated company and joint venture	Country of incorporation	Effective equity held by the Group	
		2015 %	2014 %
MOB Cougar Pte Ltd [(a)]	Singapore	30	30
Hai Poh Terminals Pte Ltd [(b)]	Singapore	50	50

(a) Associated company, audited by KPMG LLP

(b) Joint venture, audited by UHY Lee Seng Chan & Co.

14. ASSOCIATED COMPANY AND JOINT VENTURE (CONTINUED)

Summary financial information relating to the associated company and joint venture, not adjusted for the percentage of ownership held by the Group, are as follows:

	2015 US$'000	2014 US$'000
Results		
Revenue	4,431	6,361
Profit after taxation	(210)	(85)
Assets and liabilities		
Total assets	12,020	13,725
Total liabilities	(497)	(1,874)

The contingent liability of an associated company is set out in note 30(a).

15. OTHER ASSETS

	The Group	
	2015 US$'000	2014 US$'000
Club memberships	103	219

16. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Trade receivables	5,638	4,258	–	–
Due from subsidiaries (non-trade)	–	–	14,977	15,981
Less: Impairment loss	–	–	(14,728)	(14,264)
	–	–	249	1,717
Due from joint venture (trade)	–	87	–	–
Deposits	92	139	1	1
Accrued interest receivable	2	55	1	34
Sundry debtors	12	22	–	–
	5,744	4,561	251	1,752
Advances	89	19	2	2
Prepayments	247	288	11	9
	6,080	4,868	264	1,763

The Group

The aging of the receivables at the reporting date is:

	2015 US$'000	2014 US$'000
Not past due	3,518	3,157
Past due 0 – 30 days	1,109	1,157
Past due 31 – 60 days	706	46
More than 60 days	411	201
	5,744	4,561

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Company

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The non-trade amounts due from subsidiaries are tested for impairment when a subsidiary records a net liabilities position or has suffered continual operating losses. This test requires significant judgement.

Based on this assessment, an impairment loss has been recognised in respect of a non-trade amount due from a subsidiary.

The change in impairment loss in respect of the non-trade receivables during the year is as follows:

	2015 US$'000	2014 US$'000
Balance at beginning of the year	14,264	13,224
Addition during the year	464	1,040
Balance at end of the year	14,728	14,264

17. FINANCIAL ASSETS HELD-FOR-TRADING

	The Group	
	2015 US$'000	2014 US$'000
Quoted equity securities	113	919
Debt security notes	–	1,198
	113	2,117

The debt security notes carry fixed interest rates and their weighted average effective interest rates per annum at the reporting dates are as follows:

	The Group	
	2015 %	2014 %
Debt security notes	–	3.66

18. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Cash at bank and in hand	2,944	1,815	58	75
Fixed deposits	4,353	16,144	3,805	12,117
	7,297	17,959	3,863	12,192

The weighted average effective interest rates per annum at the reporting dates are as follows:

	The Group		The Company	
	2015 %	2014 %	2015 %	2014 %
Fixed deposits	0.92	1.06	0.72	1.06

Interest rates are repriced at intervals of one to eleven months.

19. ASSET HELD FOR SALE

In 2014, the associated company, Nanyang Maritime (S'pore) Pte Ltd was presented as an asset held for sale. The sale was completed on 22 April 2014.

20. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Trade payables	1,148	1,026	–	–
Due to subsidiaries (non-trade)	–	–	1,419	7,818
Sundry creditors	1,120	973	5	21
Accrued interest payable	213	132	–	–
Accrued operating expenses	3,010	2,656	220	249
	5,491	4,787	1,644	8,088
Advance receipts from customers	592	84	–	–
	6,083	4,871	1,644	8,088

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

21. BANK BORROWINGS

	The Group	
	2015 **US$'000**	**2014** **US$'000**
Current		
Current portion of long-term bank borrowings	12,188	4,520
Non-Current		
Long-term bank borrowings	95,414	14,691

The bank borrowings are generally secured by corporate guarantee from the Company, first priority mortgage over subsidiaries' vessel, and first priority assignment of the said vessel's charter earnings and insurances. The carrying amount of the vessels mortgaged as security for the bank borrowings are approximately US$131.8 million as at 31 March 2015 (2014: US$40.3 million).

As part of its interest rate risk management, the subsidiaries had entered into interest rate swaps to swap floating interest rates on US$119.4 million (2014: US$22.9 million) of the bank borrowings to fixed interest rates. The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values at the reporting date are disclosed in note 22.

The interest rates for the bank borrowings (after taking into consideration the interest rate swaps), range from approximately 1.21% to 1.91% per annum (2014: 1.80% to 4.27%), and the weighted average effective interest rate per annum at the reporting date is approximately 2.20% (2014: 3.40%).

22. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	The Group			
	2015		**2014**	
	Notional amount	**Fair value**	**Notional amount**	**Fair value**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Current				
Interest rate swaps	16,668	(1,057)	–	–
Non-current				
Interest rate swaps	102,753	452	22,938	(192)

The interest rate swaps are designated as cash flow hedge for the Group's bank borrowings. See note 21 for further details.

23. SHARE CAPITAL

Ordinary shares

	The Company '000
Number of shares at 1 April 2013 and 31 March 2014	436,017
Number of shares at 1 April 2014 and 31 March 2015	436,017

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

24. OTHER RESERVES

		The Group	
	Note	2015 US$'000	2014 US$'000
Hedging reserve	(a)	(605)	(192)
Currency translation reserve	(b)	(1,253)	(78)
		(1,858)	(270)

(a) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

(b) Currency translation reserve

The currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

25. DIVIDENDS

	The Company	
	2015 US$'000	**2014 US$'000**
Dividends paid		
In respect of financial year ended 31 March 2013		
– Final one-tier tax exempt dividend of 1 Singapore cent per share	–	3,370
In respect of financial year ended 31 March 2014		
– Final one-tier tax exempt dividend of 1 Singapore cent per share	3,460	–
	3,460	3,370

For the financial year ended 31 March 2015, the directors have proposed a final one-tier tax exempt dividend of 1 Singapore cent per share amounting to approximately S$4,360,000. The financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of the retained earnings in the financial year ending 31 March 2016.

26. SEGMENT INFORMATION

(a) Operating segments

The Group has two reportable segments, namely: ship owning; agency and logistics.

The chief decision maker monitors the results of each of these operating segments for the purpose of making decisions about resource allocation and performance assessments.

26. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

For financial year ended 31 March 2015

	Ship owning	Agency and logistics	Unallocated items*	Inter-segment elimination	Group
	US$'000	US$'000	US$'000	US$'000	US$'000
Group's external revenue	19,527	15,599	–	–	35,126
Segment results	7,562	3,062	–	–	10,624
Share of results of associated company and joint venture, net of tax	(100)	62	–	–	(38)
Profit before unallocated items	7,462	3,124	–	–	10,586
Corporate costs	–	–	(1,900)	–	(1,900)
Finance income	–	–	360	–	360
Finance costs	(700)	–	–	–	(700)
Exchange differences	–	–	968	–	968
Profit before taxation	6,762	3,124	(572)	–	9,314
Taxation	–	–	(4)	–	(4)
Profit for the year	6,762	3,124	(576)	–	9,310
Segment assets	169,513	10,873	–	(2,926)	177,460
Associated company and joint venture	2,991	1,119	–	–	4,110
Total assets	172,504	11,992	–	(2,926)	181,570
Total liabilities	115,347	2,355	–	(2,926)	114,776
Capital expenditure	110,336	47	–	–	110,383
Depreciation	3,708	70	–	–	3,778

* *Unallocated items refer to corporate costs, finance income, exchange differences, taxation and their related balance sheet items.*

26. SEGMENT INFORMATION (CONTINUED)

(a) Operating segments (continued)

For financial year ended 31 March 2014

	Ship owning	Agency and logistics	Unallocated items*	Inter-segment elimination	Group
	US$'000	US$'000	US$'000	US$'000	US$'000
Group's external revenue	17,849	16,597	–	–	34,446
Segment results	7,381	3,594	–	–	10,975
Share of results of associated company and joint venture, net of tax	22	(348)	–	–	(326)
Profit before unallocated items	7,403	3,246	–	–	10,649
Corporate costs	–	–	(1,652)	–	(1,652)
Finance income	–	–	182	–	182
Finance costs	(690)	–	–	–	(690)
Exchange differences	–	–	69	–	69
Profit before taxation	6,713	3,246	(1,401)	–	8,558
Taxation	–	–	–	–	–
Profit for the year	6,713	3,246	(1,401)	–	8,558
Segment assets	76,322	8,782	–	(2,424)	82,680
Associated company and joint venture	3,091	1,116	–	–	4,207
Total assets	79,413	9,898	–	(2,424)	86,887
Total liabilities	24,419	2,360	–	(2,424)	24,355
Capital expenditure	1,356	151	–	–	1,507
Depreciation	3,394	31	–	–	3,425

* *Unallocated items refer to corporate costs, finance income, exchange differences, taxation and their related balance sheet items.*

26. SEGMENT INFORMATION (CONTINUED)

(b) Geographical segments

Revenue by geographical segments

In presenting information on the basis of geographical segments, revenue from ship owning is based on the country of domicile of the customers as the vessels are deployed by the customers to various parts of the world. However agency and logistics operations are mainly located in Singapore.

	The Group	
	2015 US$'000	**2014 US$'000**
Revenue		
Japan	8,943	7,730
Malaysia	95	104
Singapore	15,503	16,493
Sweden	10,585	10,119
	35,126	34,446

Assets and capital expenditure by geographical segments

As the Group's vessels are deployed by the customers to various parts of the world, the Directors do not consider it meaningful to allocate the assets and capital expenditure of the ship owning segment to specific geographical segments. The agency and logistics operations are mainly located in Singapore.

(c) Information about major customers

	The Group			
	2015		**2014**	
Revenue from	**Ship owning**	**Agency and logistics**	**Ship owning**	**Agency and logistics**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Customer 1	10,585	–	10,119	–
Customer 2	8,943	–	4,280	–
Customer 3	–	4,514	3,450	4,163

For the purpose of this disclosure, a major customer is defined as one in which revenue from transactions with a single customer amounts to ten per cent or more of the Group's revenue.

27. FINANCIAL INSTRUMENTS

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing these risks and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit and Risk Management Committee (ARMC) oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARMC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARMC.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, cash and cash equivalents, financial assets held-for-trading and derivative instruments.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position.

Trade and other receivables

The Group has in place policies to ensure that services are rendered to customers with an appropriate credit history and rating.

Cash and cash equivalents

The Group places its cash and fixed deposits with banks and financial institutions which are regulated, to limit its credit exposure.

Financial assets held-for-trading and derivative instruments

The Group limits its credit risk by investing in securities and debt security notes of well established companies, banks and financial institutions; entering into interest rate swaps and dealing in foreign exchange options with banks and financial institutions which are regulated and have sound credit rating.

Intra-group financial guarantees

The principal risk to which the Company is exposed is the credit risk in connection with the guarantee contract it has issued on behalf of subsidiaries in respect of bank borrowings. The bank borrowings amounting to US$107,602,000 (2014: US$19,211,000) will mature within 3 to 15 years. There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

The credit risk represents the loss that would be recognised upon a default by the party to which the guarantee was given on behalf of. To mitigate this risk, management continually monitors the risk and has established processes including performing credit evaluation of the party it is providing the guarantee on behalf of.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is achieved through monitoring the cash flow requirements closely and optimising its cash return on investments.

The Group and the Company's contractual maturities of non-derivative financial liabilities and derivative financial instruments, including estimated interest payments are as follows:

The Group	**Carrying amount**	**Contractual cash flows**	**1 year or less**	**More than 1 year to 2 years**	**More than 2 years**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2015					
Non-derivative financial liabilities					
Trade payables and sundry creditors	2,268	2,268	2,268	–	–
Accrued operating expenses	3,010	3,010	3,010	–	–
Bank borrowings cum accrued interest	107,815	127,721	14,960	14,955	97,806
	113,093	132,999	20,238	14,955	97,806
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	605	605	1,057	757	(1,209)
	113,698	133,604	21,295	15,712	96,597

27. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk (continued)

The Group	Carrying amount	Contractual cash flows	1 year or less	More than 1 year to 2 years	More than 2 years
	US$'000	US$'000	US$'000	US$'000	US$'000
2014					
Non-derivative financial liabilities					
Trade payables and sundry creditors	1,999	1,999	1,999	–	–
Accrued operating expenses	2,656	2,656	2,656	–	–
Bank borrowings cum accrued interest	19,343	20,382	4,908	4,814	10,660
	23,998	25,037	9,563	4,814	10,660
Derivative financial instruments					
Interest rate swaps used for hedging (net-settled)	192	191	181	73	(63)
	24,190	25,228	9,744	4,887	10,597

The Company	Carrying amount	Contractual cash flows	1 year or less
	US$'000	US$'000	US$'000
2015			
Sundry creditors	1,424	1,424	1,424
Accrued operating expenses	220	220	220
Non-derivative financial liabilities	1,644	1,644	1,644
Intra-group financial guarantee	107,815	127,721	127,721
	109,459	129,365	129,365
2014			
Sundry creditors	7,839	7,839	7,839
Accrued operating expenses	249	249	249
Non-derivative financial liabilities	8,088	8,088	8,088
Intra-group financial guarantee	19,343	20,382	20,382
	27,431	28,470	28,470

27. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk (continued)

The maturity analyses show the undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

For derivative financial instruments, the cash (inflows)/outflows represent the contractual undiscounted cash flows relating to these instruments. The amounts are compiled on a net basis for derivatives that are net-settled. Gross inflows and outflows are included for derivatives that are gross-settled on a simultaneous basis.

Except for these financial liabilities and the cash flow arising from the intra-group financial guarantee, it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group is exposed to market risk and the risk of changes in the fair value of the investments held. The Group manages the risk by evaluating the investment opportunities, continuously monitoring the performance of the investments held and assessing the market risk relevant to which the investment operates.

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions denominated in foreign currencies arising from normal trading and investment activities.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group's assets. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

The Group also regularly reviews its exposure to foreign currency risk and manages it by entering into foreign exchange options and/or forward exchange contracts where applicable.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Market risk (continued)

(i) Foreign currency risk (continued)

The currency giving rise to foreign currency risk is primarily the Singapore dollars (S$). The Group and the Company's exposures to the S$ are as follows:

	The Group		The Company	
	2015 US$'000	**2014 US$'000**	**2015 US$'000**	**2014 US$'000**
Other assets	103	219	–	–
Trade and other receivables	3,636	3,532	(5,059)	8,210
Financial assets held-for-trading	–	2,013	–	–
Cash and cash equivalents	1,931	4,585	1,165	1,048
Trade and other payables	(3,193)	(1,905)	(714)	(6,263)
Net exposure	2,477	8,444	(4,608)	2,995

Sensitivity analysis

A 5% strengthening of the functional currency against the S$ as at the reporting date would decrease the currency translation reserve and earnings by the amounts shown below.

	The Group		The Company	
	2015 US$'000	**2014 US$'000**	**2015 US$'000**	**2014 US$'000**
Currency translation reserve	8	307	–	–
Earnings	116	115	(230)	150

A 5% weakening of the functional currency against the S$ as at the reporting date would have had the equal but opposite effect by the amounts shown above.

The above analyses assume all other variables, in particular interest rates, remain constant.

Management is of the view that the above sensitivity analysis may not be representative of the inherent foreign currency risk as year-end exposure may not reflect the actual exposure and circumstances during the year.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Market risk (continued)

(ii) Interest rate risk

The Group's variable rate financial instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its exposure to changes in interest rates on bank borrowings by entering into interest rate swaps to convert the floating rates of part of the bank borrowings to fixed rates. As at 31 March 2015, the Group has interest rate swaps with a total notional contract amount of US$119.4 million (2014: US$22.9 million), whereby it pays fixed interest rates and receives variable rates pegged to the US$ London Interbank Offer Rate. The Group classifies these interest rate swaps as cash flow hedges. The interest rate swaps will mature over the next 3 to 15 years.

Sensitivity analysis

If interest rates on variable rate financial instruments and the interest rate swaps accounted for as a cash flow hedge, had been 50 basis points higher at the reporting date, with all other variables held constant, it would increase/(decrease) the earnings and equity on a per annum basis by the amounts shown below.

	The Group		The Company	
	2015 US$'000	**2014 US$'000**	**2015 US$'000**	**2014 US$'000**
Earnings				
Fixed deposits	22	81	19	61
Bank borrowings	(538)	(96)	–	–
Interest rate swaps	69	69	–	–
	(447)	54	19	61
Equity				
Hedging reserve	597	114	–	–

If interest rates on variable rate financial instruments and the interest rate swaps accounted for as a cash flow hedge, had been 50 basis points lower at the reporting date, with all other variables held constant, it would increase/(decrease) the earnings and equity on a per annum basis by the amounts shown below.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group		The Company	
	2015 US$'000	**2014 US$'000**	**2015 US$'000**	**2014 US$'000**
Earnings				
Fixed deposits	(20)	(78)	(19)	(61)
Bank borrowings	268	42	–	–
Interest rate swaps	(36)	(34)	–	–
	212	(70)	(19)	(61)
Equity				
Hedging reserve	(342)	(108)	–	–

Management is of the view that the above sensitivity analysis may not be representative of the inherent interest rate risk as year-end exposure may not reflect the actual exposure and circumstances during the year.

(iii) Equity security price risk

Equity security price risk is the risk of changes in cash flows and fair value of the Group's investments due to changes in the underlying equity security prices. The risk is concentrated in the Group's investments in equity securities.

Sensitivity analysis

A 10% increase in the price of equity securities at the reporting date would increase the Group's earnings by approximately US$11,000 (2014: US$92,000). A 10% decrease in the price of equity securities would have an equal but opposite effect.

The above analyses assume all other variables remain constant.

Management is of the view that the above sensitivity analyses may not be representative of the inherent equity security price risk as year-end exposure may not reflect the actual exposure and circumstances during the year.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Capital management

The Board's policy is to have a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group defines capital to include funds raised through the issuance of ordinary share capital and all components of equity. The Group manages its capital to ensure entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The Group actively reviews its capital structure and considers the cost of capital and the risks associated with each class of capital. As at 31 March 2015, the Group had an outstanding debt exposure of US$107,602,000 (2014: US$19,211,000). The Group balances its overall capital structure through the payment of dividends, return of capital to shareholders, new share issues as well as the issue of new debt or the redemption of existing debt.

There were no changes in the Group's approach to capital management during the year.

The Group's ship-owning subsidiaries are subject to externally imposed capital requirements as required under Regulation 7 of the Merchant Shipping Act (Chapter 179). These companies have complied with the requirements during the financial year.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(g) *Accounting classification and fair values*

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount					Fair value			
The Group	**Note**	**Held-for-trading**	**Fair value – hedging instruments**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2015										
Financial assets measured at fair value										
Financial assets held-for-trading	17	113	–	–	–	113	113	–	–	113
Derivative financial assets	22	–	452	–	–	452	–	452	–	452
		113	452	–	–	565				
Financial assets not measured at fair value										
Trade and other receivables	16	–	–	5,744	–	5,744				
Cash and cash equivalents	18	–	–	7,297	–	7,297				
		–	–	13,041	–	13,041				

27. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Accounting classification and fair values (continued)

		Carrying amount					Fair value			
The Group	**Note**	**Held-for-trading**	**Fair value – hedging instruments**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
		US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2015										
Financial liabilities measured at fair value										
Derivative financial liabilities	22	–	(1,057)	–	–	(1,057)	–	(1,057)	–	(1,057)
		–	(1,057)	–	–	(1,057)				
Financial liabilities not measured at fair value										
Trade and other payables	20	–	–	–	(5,491)	(5,491)				
Bank borrowings	21	–	–	–	(107,602)	(107,602)				
		–	–	–	(113,093)	(113,093)				

27. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Accounting classification and fair values (continued)

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Group	Note	Carrying amount					Fair value			
		Held-for-trading	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014										
Financial assets measured at fair value										
Financial assets held-for-trading	17	2,117	–	–	–	2,117	919	1,198	–	2,117
		2,117	–	–	–	2,117				
Financial assets not measured at fair value										
Trade and other receivables	16	–	–	4,561	–	4,561				
Cash and cash equivalents	18	–	–	17,959	–	17,959				
		–	–	22,520	–	22,520				

27. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Accounting classification and fair values (continued)

The Group	Note	Carrying amount					Fair value			
		Held-for-trading	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014										
Financial liabilities measured at fair value										
Derivative financial liabilities	22	–	(192)	–	–	(192)	–	(192)	–	(192)
		–	(192)	–	–	(192)				
Financial liabilities not measured at fair value										
Trade and other payables	20	–	–	–	(4,787)	(4,787)				
Bank borrowings	21	–	–	–	(19,211)	(19,211)				
		–	–	–	(23,998)	(23,998)				

27. FINANCIAL INSTRUMENTS (CONTINUED)

(g) Accounting classification and fair values (continued)

The Company	Note	Loans and receivables	Liabilities at amortised cost	Total
		US$'000	US$'000	US$'000
2015				
Trade and other receivables	16	251	–	251
Cash and cash equivalents	18	3,863	–	3,863
		4,114	–	4,114
Trade and other payables	20	–	(1,644)	(1,644)
2014				
Trade and other receivables	16	1,752	–	1,752
Cash and cash equivalents	18	12,192	–	12,192
		13,944	–	13,944
Trade and other payables	20	–	(8,088)	(8,088)

(h) Measurement of fair values

Valuation techniques

The following shows the valuation techniques:

Type	Valuation technique
Derivative financial assets and liabilities	The fair value of interest rate swaps is based on broker's quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contact and using market interest rates for a similar instrument at the measurement date.
Financial assets held-for-trading	The fair value of quoted equity securities is determined by reference to their quoted bid prices at the reporting date without any deduction for transaction costs.

27. FINANCIAL INSTRUMENTS (CONTINUED)

(h) Measurement of fair values (continued)

Valuation techniques (countinued)

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. The fair value of the bank borrowing approximates its carrying value as they are repriced every one to three months.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Compensation paid and payable to the key management personnel are as follows:

	The Group	
	2015 US$'000	**2014 US$'000**
Directors of the Company		
Directors fees	139	157
Short-term employee benefits	1,637	1,454
Post-employment benefits – contributions to defined contribution plans	20	17
	1,796	1,628
Senior management team		
Fees paid to other directors of subsidiaries	4	6
Short-term employee benefits	909	857
Post-employment benefits – contributions to defined contribution plans	42	38
	955	901
Total	2,751	2,529

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Other significant related party transactions

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Management and <-----service fees----->		Rental	Purchase of goods and services
	Received and receivable	**Paid and payable**	**Paid and payable**	**Paid and payable**
	US$'000	**US$'000**	**US$'000**	**US$'000**
2015				
A director of the Company	–	–	–	(260)
Associated company and joint venture	602	–	–	–
Others	160	(80)	(296)	(14)
2014				
A director of the Company	–	–	–	(404)
Associated company and joint venture	464	–	–	–
Others	17	(81)	(304)	–

Others refer to companies and their subsidiaries with a substantial shareholder in common with the Company.

29. COMMITMENTS

(a) Operating leases

As lessor

The future minimum lease payments to be received under non-cancellable lease agreements for vessels are as follows:

	The Group	
	2015 US$'000	**2014 US$'000**
Within 1 year	36,637	14,965
After 1 year but within 5 years	145,933	59,901
More than 5 years	268,262	94,602
	450,832	169,468

The Group leases out its vessels under operating leases. The leases typically run for initial periods of fifteen years.

(b) Capital commitment

As at 31 March 2014, the Group had committed to buy 2 vessels for a total consideration of US$33,000,000. The vessels were delivered in September 2014 and January 2015. There were no such commitments as at 31 March 2015.

30. CONTINGENT LIABILITIES

(a) The Group

The Company has given a counter indemnity of Nil (2014: US$870,000) to a shareholder of an associated company who had given undertaking to issue letter of guarantee in respect of an uncommitted short-term loan facility granted to the associated company. At 31 March 2015, the Company's share of the facility utilised was Nil (2014: US$300,000).

(b) The Company

The Company had provided performance guarantees to third party with respect to charter party agreements for the charter of vessels by subsidiaries to the third party.

SHAREHOLDING STATISTICS

as at 19 June 2015

Number of Shares in Issue	:	436,016,591
Number of Shareholders	:	8,494
Class of Shares	:	Ordinary Shares
Treasury Shares	:	Nil
Voting Rights	:	One vote per share

BREAKDOWN OF SHAREHOLDINGS BY RANGE

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 – 99	10	0.12	305	0.01
100 – 1,000	569	6.70	487,027	0.11
1,001 – 10,000	4,832	56.88	27,380,995	6.28
10,001 – 1,000,000	3,057	35.99	153,626,927	35.24
1,000,001 and above	26	0.31	254,521,337	58.36
TOTAL	**8,494**	**100.00**	**436,016,591**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	OW CHIO KIAT	153,704,500	35.25
2	CHU SIEW HOONG CHRISTOPHER	13,589,000	3.12
3	TAN GIM TEE HOLDINGS PTE LTD	13,200,000	3.03
4	DBS NOMINEES PTE LTD	11,150,150	2.56
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	10,971,100	2.52
6	HT OFFSHORE PTE. LTD.	8,000,000	1.83
7	HAI SUN HUP GROUP PTE LTD	6,200,000	1.42
8	OCBC NOMINEES SINGAPORE PTE LTD	5,134,800	1.18
9	KIERSTEN OW YILING (OU YILING)	4,415,000	1.01
10	MAYBANK KIM ENG SECURITIES PTE LTD	2,669,036	0.61
11	PHILLIP SECURITIES PTE LTD	2,527,300	0.58
12	CITIBANK NOMINEES SINGAPORE PTE LTD	2,330,850	0.53
13	UOB KAY HIAN PTE LTD	2,299,300	0.53
14	OCBC SECURITIES PRIVATE LTD	1,940,148	0.44
15	RAFFLES NOMINEES (PTE) LTD	1,785,850	0.41
16	CIMB SECURITIES (SINGAPORE) PTE LTD	1,730,285	0.40
17	NG KEE SENG	1,583,000	0.36
18	WONG KIM SOON	1,460,000	0.33
19	ANG JWEE HERNG	1,452,000	0.33
20	OW WEIWEN	1,434,000	0.33
	TOTAL	**247,576,319**	**56.78**

SHAREHOLDING STATISTICS
as at 19 June 2015

SUBSTANTIAL SHAREHOLDER

	Direct Interest		Deemed Interest		Total	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Ow Chio Kiat	153,704,500	35.25	7,340,000*	1.68	160,872,500	36.93

* *Mr Ow Chio Kiat is deemed to have an interest in the shares owned by (a) his spouse, Madam Lim Siew Feng (1,015,000 shares); (b) Hai Sun Hup Group Pte Ltd (6,200,000 shares); and (c) Maritime Properties Pte Ltd (125,000 shares).*

PUBLIC FLOAT

Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited requires that at least 10% of the total number of issued shares (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. Based on information available to the Company as at 19 June 2015, approximately 58.56 % of the issued ordinary shares of the Company was held by the public and therefore, Rule 723 of the Listing Manual has been complied with.

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE

Singapore Shipping Corporation Limited
Company Registration No. 198801332G (Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of Singapore Shipping Corporation Limited (the "Company") will be held at Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 30 July 2015 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2015 and the Directors' Report and Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend (one-tier tax exempt) of Singapore 1 cent per ordinary share for the financial year ended 31 March 2015. **(Resolution 2)**

3. To approve the payment of Directors' Fees of S$175,000 for the financial year ended 31 March 2015. **(Resolution 3)**

4. To re-elect Ow Yew Heng, who is retiring in accordance with Article 91 of the Articles of Association of the Company, as a Director. **(Resolution 4)**

5. To note that Jones Christopher Adrian, who is retiring in accordance with Article 91 of the Articles of Association of the Company, will not be offering himself for re-election.

   Note: Jones Christopher Adrian will retire as Director of the Company at the conclusion of the Annual General Meeting. Upon Mr Jones' retirement, he will cease to be Chairman of the Remuneration Committee, and member of Audit and Risk Management Committee. The appointment of his replacement for each Committee will be announced in due course.

6. To re-appoint Ow Chio Kiat as a Director retiring pursuant to Section 153(6) of the Companies Act, Cap. 50, to hold office until the next Annual General Meeting of the Company.

   Note: Ow Chio Kiat will, upon his re-appointment as Director of the Company, remain as Chairman of the Board, and member of the the Nominating Committee. **(Resolution 5)**

7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolution as ordinary resolution:

8. That authority be and is hereby given to the Directors to:

(a) (i) issue new shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), does not exceed 50% of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time this Resolution is passed, and adjusting for: (1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (2) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(iv) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE

Singapore Shipping Corporation Limited

Company Registration No. 198801332G (Incorporated in the Republic of Singapore)

Note: This Resolution, if passed, authorises the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares in the capital of the Company, with a sub-limit of 20% for issues other than on a pro rata basis to shareholders **(Resolution 7)**

OTHER BUSINESS

To transact any other business that may be transacted at an Annual General Meeting of the Company.

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books, Register of Members of the Company will be closed on 12 August 2015 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Registrar, M & C Services Private Limited of 112 Robinson Road, #05-01, Singapore 068902, up to the close of business at 5:00 p.m. on 11 August 2015 will be registered to determine the shareholders' entitlement to the proposed dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to such holders of shares in accordance with its practice.

If approved, the proposed dividend will be paid on 21 August 2015.

BY ORDER OF THE BOARD

CHUA SIEW HWI
COMPANY SECRETARY

Singapore
14 July 2015

Notes:

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

The instrument appointing a proxy must be deposited at the registered office of the Company at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763 not less than 48 hours before the time appointed for holding the Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

Singapore Shipping Corporation Limited
Company Registration No. 198801332G
(Incorporated in the Republic of Singapore)

IMPORTANT: FOR CPF INVESTORS ONLY

1. This Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the meeting as Observers have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company's Registrar (please see Note No. 7 on the reverse).

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 July 2015.

I/We ____

of ____

being a member/members of the abovementioned Company, hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (please delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies, to vote for me/us and on my/our behalf and, at the 27th Annual General Meeting of the Company to be held at Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 30 July 2015 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated below. In the absence of specific directions, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

Resolution No.	Ordinary Resolutions	For*	Against*
1.	Adoption of Directors' Report and Audited Financial Statements		
2.	Declaration of Dividend		
3.	Approval of Directors' Fees of S$175,000		
4.	Re-election of Ow Yew Heng as Director		
5.	Re-appointment of Ow Chio Kiat as Director		
6.	Re-appointment of KPMG LLP as Auditors		
7.	Authority to issue shares		

** Please indicate your vote "For" or "Against" with a tick "✓" in the box provided.*

Dated this ____________ day of __________________ 2015

____
Signature(s) or Common Seal of Member(s)

Important: Please read the notes on the overleaf.

Total Number of Shares held	

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Affix
Postage
Stamp

The Company Secretary
Singapore Shipping Corporation Limited
200 Cantonment Road
#09-01 Southpoint
Singapore 089763

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NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. To be effective, the instrument appointing a proxy or proxies must be completed and deposited at the registered office of the Company at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763 not less than 48 hours before the time appointed for the meeting.
5. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
7. Agent Banks acting on the request of the CPF Investors who wish to attend the meeting as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company's Registrar at least 48 hours before the time fixed for holding the meeting.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged, if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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