



Singapore Shipping Corporation Limited

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**ANNUAL REPORT 2021/2022**

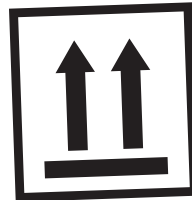
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# **ANCHORED TRUSTED**

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Please Scan QR Code to Visit Our Website





m.v. Taurus Leader

### **ANCHORED • TRUSTED**

Underpinned by our core competencies and vast experience in the shipping industry, we have delivered profits and dividends to our stakeholders even during times of market disruptions. We are anchored by reliability and trusted by customers and shareholders alike for always delivering results.

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# CORPORATE PROFILE

Singapore Shipping Corporation Limited ("**SSC**" or the "**Group**") is a well-established shipping group in Asia with businesses in ship owning, ship management, ship agency and terminal operations, and logistics services.

The Group's heritage in the shipping industry dates back to 1935 in the lighterage business under Hai Sun Hup Co. Following a spin-off of its shipping and logistics businesses from Hai Sun Hup Group Ltd (now known as Stamford Land Corporation Ltd), SSC was listed on the Mainboard of the Singapore Exchange in 2000.

For more information, visit <http://www.singaporeshipping.com.sg/>

## VISION

To be a global leader in shipping and total logistics service

## MISSION



### Our People

Our people are our greatest asset. We develop, reward and retain passionate and success-oriented professionals at all levels. We adhere to our values and keep our word, engendering trust and mutual respect.



### Our Customers

Our priority is our customers. We deliver reliable and responsive service on all fronts. We pursue excellence in our work and constantly endeavour to improve.



### Our Shareholders

We are committed to maximising value of shareholder returns, enabling appropriate reinvestments to the Group and in our people.

## VALUES

### Reliability

- Be unwavering in our commitments to stakeholders
- Uphold safety at all times

### Responsiveness

- Always be ready to deliver
- Be prompt and precise in communications
- Adapt as necessary to the everchanging environment

### Integrity

- Demonstrate consistent values and ethics
- Stand guard against corruption and fraud

### Excellence

- Aspire to high quality of service
- Pursue continuous improvement



02

SINGAPORE SHIPPING  
CORPORATION LIMITED

# CHAIRMAN'S MESSAGE



**C K OW**  
Executive Chairman

Dear Shareholders,

## FINANCIAL YEAR UNDER REVIEW

### Ship owning

Tonnage suppliers in the global transportation of Roll-On Roll-Off (“**RO-RO**”) cargo continue to face a multitude of challenges, shortages of skilled labour, disrupted supply of equipment and semiconductor parts, port congestions, perennial hikes in insurance premiums, escalation of wages, slow growth in transportation of vehicular traffic, and paradoxically, higher replacement value of new tonnages caused by soaring steel prices and a backlog of shipyard orders. This trend will likely continue as the world gravitates towards clean energy such as liquified natural gas propulsion vessels.

While charterers and operators of RO-RO vessels currently enjoy a spike in freight rates due to the volatility and uncertainty of global supply chains, this benefit unfortunately does not extend to tonnage suppliers as in the case of Singapore Shipping Corporation Limited (“**SSC**”) due to the long-term fixed rate nature of its charter business.

### Agency and logistics

The agency and logistics segment similarly faced wage escalations and shortages of skilled port workers to handle the loading and unloading operations of its principals’ vessels alongside the wharves. Inevitably, the pandemic has caused disruptions to work scheduling and sourcing of labour. Accordingly, revenue from the agency and logistics segment has also been affected by the chronic shortage of freight space and hence volume of cargo handled.

## FINANCIAL PERFORMANCE

In the face of such a difficult operating environment, I am pleased to report a net profit of US\$9.8 million for the financial year ended 31 March 2022. This profit, as well as our existing free cash of US\$44.6 million, places the Group in an enviable position to capitalise on any attractive investment opportunities in a looming rising interest rate environment.

## DIVIDENDS

Meantime, I am pleased to announce that the Board of Directors (the “**Board**”) has recommended a final dividend of 1 Singapore cent per ordinary share payable either in cash or scrip at the shareholders’ option.

## APPRECIATION

This satisfactory result would not have been possible without the hard work and dedication of our stable team of professionals soldiering on round the clock – in the office, at the terminals and onboard our vessels sailing to the far reaches of the global marketplace. This, despite the trepidations of the raging pandemic and other challenges mentioned. The Board and I are grateful for all contributions.

Finally, I wish to thank our principals, charterers and of course the Board for their unwavering faith in supporting the senior management to keep SSC not just on an even keel, but to continue steaming ahead with every confidence.

**CKOW**  
Executive Chairman  
26 May 2022

# OUR BUSINESSES



## SHIP OWNING



The Group owns a fleet of five PCTC<sup>1</sup> with a total capacity of over 32,000 CEU<sup>1</sup>. These vessels are on long-term charters.



## SHIP MANAGEMENT



The Group offers ship management services. We have a team of experienced master mariners and marine engineering superintendents who are committed to delivering reliable, efficient and cost effective services to our customers.

Our range of services include:

- Technical management;
- Procurement;
- Crew procurement and management;
- ISO<sup>1</sup>/ISM<sup>1</sup> certification and audits; and
- Ship inspection and new construction consultation.

<sup>1</sup> See Glossary



## AGENCY



The Group offers agency and terminal operations. Our highly experienced team of professionals, consisting of port captains and on-site managers, provides one-stop, value-added agency and terminal services to our customers.

Our range of services include:

- Shipping agency, which comprises dedicated vessel support services, marketing support services and documentation support services;
- Terminal operations, which involve handling all types of vessels, and stevedoring services; and
- Handling of special cargos.



## LOGISTICS



The Group has total supply chain capabilities that include transportation, warehousing, distribution, and transshipment. We also have a proven track record in providing specialist solutions for niche markets including hazardous, classified and military cargoes.

Our range of services include:

- Logistics and warehousing; and
- Providing solutions for handling of specialised cargoes and strategic projects.



# CORPORATE MILESTONES

**1935**

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

**1966**

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

**1978**

m.v. Singa Satu, a PCTC<sup>1</sup> with capacity for 2,000 CEU<sup>1</sup>, was built at Oshima Shipyard and co-owned with Nihonkai Kisen Kasha.

**2014**

m.v. Capricornus Leader, a PCTC<sup>1</sup> with capacity for 6,500 CEU<sup>1</sup>, was acquired.

**2013**

The shipping agency and logistics business of MYP Ltd. (formerly known as Cougar Logistics Corporation Ltd.) was acquired.

**2011**

m.v. Sirius Leader, a PCTC<sup>1</sup> with capacity for 5,190 CEU<sup>1</sup>, was acquired.

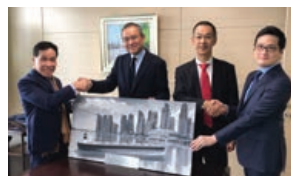
**2015**

m.v. Centaurus Leader, a PCTC<sup>1</sup> with capacity for 6,500 CEU<sup>1</sup>, was acquired.

m.v. Taurus Leader, a PCTC<sup>1</sup> with capacity for 7,020 CEU<sup>1</sup>, was also acquired in the same year.

**2021**

Celebrated 50 years of relationship with our customer, Daiichi Chuo Kisen Kaisha.



<sup>1</sup> See Glossary



1984

m.v. Singa Ace, a PCTC<sup>1</sup> with capacity for 4,889 CEU<sup>1</sup>, was built at Tsuneishi Shipyard and was chartered to Mitsui O.S.K. Lines Ltd.

1989

Hai Sun Hup Group Ltd was listed on the Singapore Stock Exchange and was ranked the second largest shipping group in Singapore.

1990

m.v. Envoyager, a heavy lift with lifting capacity of 400 tonnes, was acquired and chartered to Mitsui O.S.K Lines Ltd.

2010

m.v. Boheme, a PCTC<sup>1</sup> with capacity for 7,200 CEU<sup>1</sup>, was acquired.



2006

A demerger of SSC's warehousing, logistics, agency and terminal operations that was subsequently subsumed under Cougar Logistics Corporation Ltd., which was listed in the same year.

2000

Singapore Shipping Corporation Limited ("**SSC**") was listed on the Mainboard of the Singapore Exchange Securities Trading Limited.



# VESSEL FLEET



	BOHEME	SIRIUS LEADER
Percentage Owned	100	100
IMO <sup>1</sup> No	9176565	9213806
Registry	Singapore	Singapore
Vessel Type	PCTC <sup>1</sup>	PCTC <sup>1</sup>
Capacity <sup>2</sup> (CEU <sup>1</sup> )	7,200	5,190
Year Built	May 1999	July 2000
Charterer	Wall RO/RO AB	Nippon Yusen Kabushiki Kaisha

<sup>1</sup> See Glossary

<sup>2</sup> Vessel capacity based on RT43<sup>1</sup> standard



CAPRICORNUS LEADER	CENTAURUS LEADER	TAURUS LEADER
100	100	100
9283863	9284740	9700550
Singapore	Singapore	Singapore
PCTC <sup>1</sup>	PCTC <sup>1</sup>	PCTC <sup>1</sup>
6,500	6,500	7,020
August 2004	November 2004	March 2015
Nippon Yusen Kabushiki Kaisha	Nippon Yusen Kabushiki Kaisha	Nippon Yusen Kabushiki Kaisha



# FINANCIAL HIGHLIGHTS

## FINANCIAL RESULTS

For the Financial Year Ended 31 March	2018	2019	2020	2021	2022
Revenue (US\$'000)	45,842	48,172	46,671	42,169	<b>45,808</b>
Net Profit (US\$'000)	10,043	10,283	9,190	10,273	<b>9,834</b>
Earnings per Share (US cent)	2.30	2.37	2.21	2.57	<b>2.48</b>
Dividend per Share (Singapore cent)	1.00	1.00	1.00	0.50	<b>1.00</b>
Return on Equity (%)	11.38	11.29	10.54	10.63	<b>9.29</b>

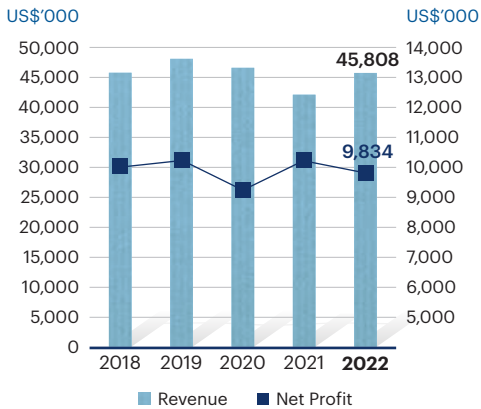
## FINANCIAL POSITION

All Figures in US\$'000

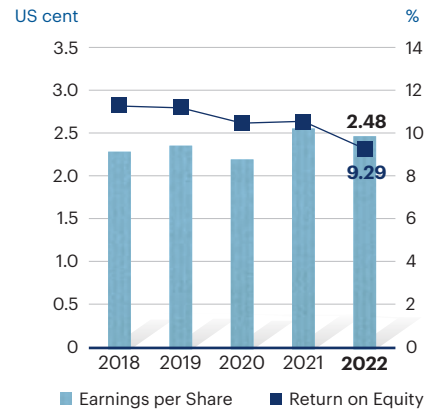
As at 31 March	2018	2019	2020	2021	2022
Current Assets	21,248	32,994	36,658	44,413	<b>54,239</b>
Financial and Other Assets	8,026	1,460	1,129	866	<b>1,482</b>
Investments in Associated Company and Joint Venture	2,602	2,618	1,743	1,637	<b>1,638</b>
Property, Plant and Equipment	145,922	139,849	135,092	128,469	<b>121,485</b>
<b>Total Assets</b>	<b>177,798</b>	<b>176,921</b>	<b>174,622</b>	<b>175,385</b>	<b>178,844</b>
Trade and Other Liabilities	19,612	23,583	32,885	31,873	<b>33,114</b>
Bank Borrowings	69,908	62,241	54,574	46,907	<b>39,827</b>
<b>Total Liabilities</b>	<b>89,520</b>	<b>85,824</b>	<b>87,459</b>	<b>78,780</b>	<b>72,941</b>
Equity	88,278	91,097	87,163	96,605	<b>105,903</b>
<b>Net Asset Value per Share (US cent)</b>	<b>20.20</b>	<b>21.40</b>	<b>21.79</b>	<b>24.22</b>	<b>26.98</b>



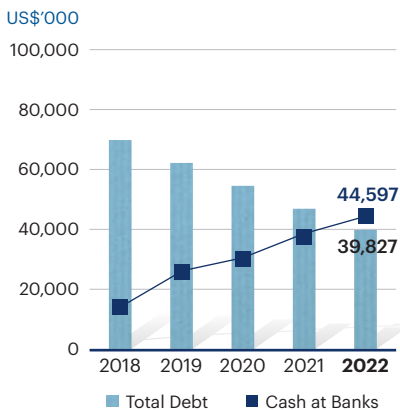
## REVENUE VS NET PROFIT



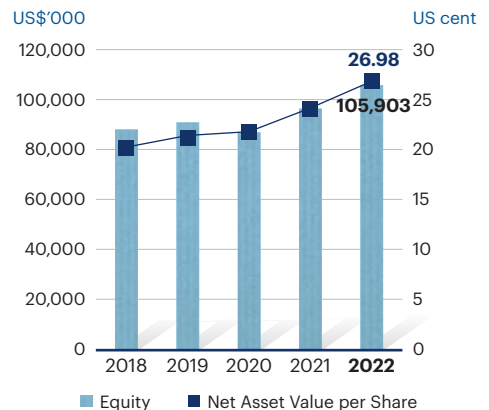
## RETURN ON EQUITY VS EARNINGS PER SHARE



## CASH AT BANKS VS TOTAL DEBT



## NET ASSET VALUE PER SHARE VS EQUITY



# BOARD OF DIRECTORS



1 OW CHIO KIAT

2 OW CHEO GUAN

3 OW YEW HENG

4 PEBBLE SIA HUEI-CHIEH

5 HUONG WEI BENG

6 A SELVERAJAH

**1**

## OW CHIO KIAT

Executive Chairman

**NC**

Date of Appointment: **15 May 2000**

Date of Last Re-election: **26 July 2019**

Fellow, Institute of Chartered Shipbrokers

1962	Joined Hai Sun Hup Co.
1966	Managing Partner, Hai Sun Hup Co.
1970	Joined Hai Sun Hup Co. (Pte.) Limited
1971 - 1973	Member, Free Trade Zone Advisory Committee
1977 - 2007	Chairman, Mitsui O.S.K Lines (Singapore) Pte. Ltd.
1977 - 2007	Singapore Representative, Federal State of Bremen
1989 - present	Executive Chairman, Stamford Land Corporation Ltd (formerly known as Hai Sun Hup Group Ltd)
1999	The Singapore Australia Business Council President's Medal
2000	Gran Oficial, Order of Bernardo O'Higgins by the President of Chile
2000 - present	Executive Chairman, Singapore Shipping Corporation Limited
2001 - 2007	Honorary Consul-General, Slovak Republic to Singapore
2005 - 2012	Chairman, Cougar Logistics Corporation Ltd.
2007 - 2015	Singapore's Ambassador to Argentina
2007	Gold Medal of The Ministry of Foreign Affairs of The Slovak Republic
2008	Businessman of the Year 2008, Singapore Business Awards
2009 - 2011	Committee Member, National Arts Council
2011	Honorary Officer, Order of Australia by the Prime Minister of Australia
2015	SG50 Outstanding Chinese Business Pioneers Awards
2015 - present	Singapore's Ambassador to Italy
2017	Public Service Star Award by the President of Singapore

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## OW CHEO GUAN

Deputy Executive Chairman

Date of Appointment: **19 November 1994**

Date of Last Re-election: **28 July 2020**

Fellow, Institute of Chartered Shipbrokers

1970	Joined Hai Sun Hup Co. (Pte.) Limited
1973	Executive Vice President, Hai Sun Hup Co. (Pte.) Limited
1991 - 2020	Deputy Executive Chairman, Stamford Land Corporation Ltd
2000 - present	Deputy Executive Chairman, Singapore Shipping Corporation Limited
2008 - 2019	Honorary Consul of the Slovak Republic

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## OW YEW HENG

Executive Director and  
Chief Executive Officer

Date of Appointment: **10 August 2010**

Date of Last Re-election: **28 July 2021**

Bachelor of Business, Accounting & Management, University of Technology, Sydney

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

## 4 PEBBLE SIA HUEI-CHIEH

Independent Non-Executive Director

**NC** **ARMC** **RC**

Date of Appointment: **28 July 2017**  
Date of Last Re-election: **28 July 2021**

Bachelor of Laws (Hons), King's College,  
University of London, UK

Barrister at Law, Middle Temple

Advocate & Solicitor, Supreme Court of  
Singapore

1997 - 1999	Legal Associate, David Lim & Partners
1999 - 2002	Legal Associate/Partner, John Koh & Co
2002 - present	Founding Director, Esquire Law Corporation
2013 - present	Independent Director, GDS Global Limited
2015 - 2018	Independent Director, Choo Chiang Holdings Ltd
2017 - present	Independent Director, Singapore Shipping Corporation Limited

Significant Concurrent Position:  
Director, GDS Global Limited

## 5 HUONG WEI BENG

Independent Non-Executive Director

**ARMC** **RC**

Date of Appointment: **27 July 2018**  
Date of Last Re-election: **28 July 2021**

Bachelor of Business (Banking) (Hons),  
Nanyang Technological University, Singapore

1996 - 2000	Senior Officer (Corporate Finance), Financial Supervision Group, Monetary Authority of Singapore
2000 - 2002	Manager (Mergers & Acquisitions Advisory), Investment Banking Group, DBS Bank Ltd
2002 - 2004	Assistant Vice President (Corporate Finance), Hong Leong Finance Limited
2004 - 2005	Associate Director, Corporate Bridge Private Limited
2005 - 2016	Partner (Corporate Finance), SAC Capital Private Limited
2017	Senior Director (Investment), OMG Venture Pte. Ltd. and Director (Corporate Development), Gowild Singapore Pte. Ltd.
2018	Director, 3 Peaks Capital Private Limited
2018 - present	Independent Director, Singapore Shipping Corporation Limited
2018 - present	Director, Novus Corporate Finance Pte. Ltd.
2019 - present	Independent Director, Stamford Land Corporation Ltd

Significant Concurrent Position:  
Director, Stamford Land Corporation Ltd

### Board Committees

**NC** Nominating Committee

**RC** Remuneration Committee

**ARMC** Audit and Risk Management Committee

**■** Denotes Chairman of the Committee



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## A SELVERAJAH

Independent Non-Executive Director

RC ARMC NC

Date of Appointment: **1 November 2020**

Date of Last Re-election: **28 July 2021**

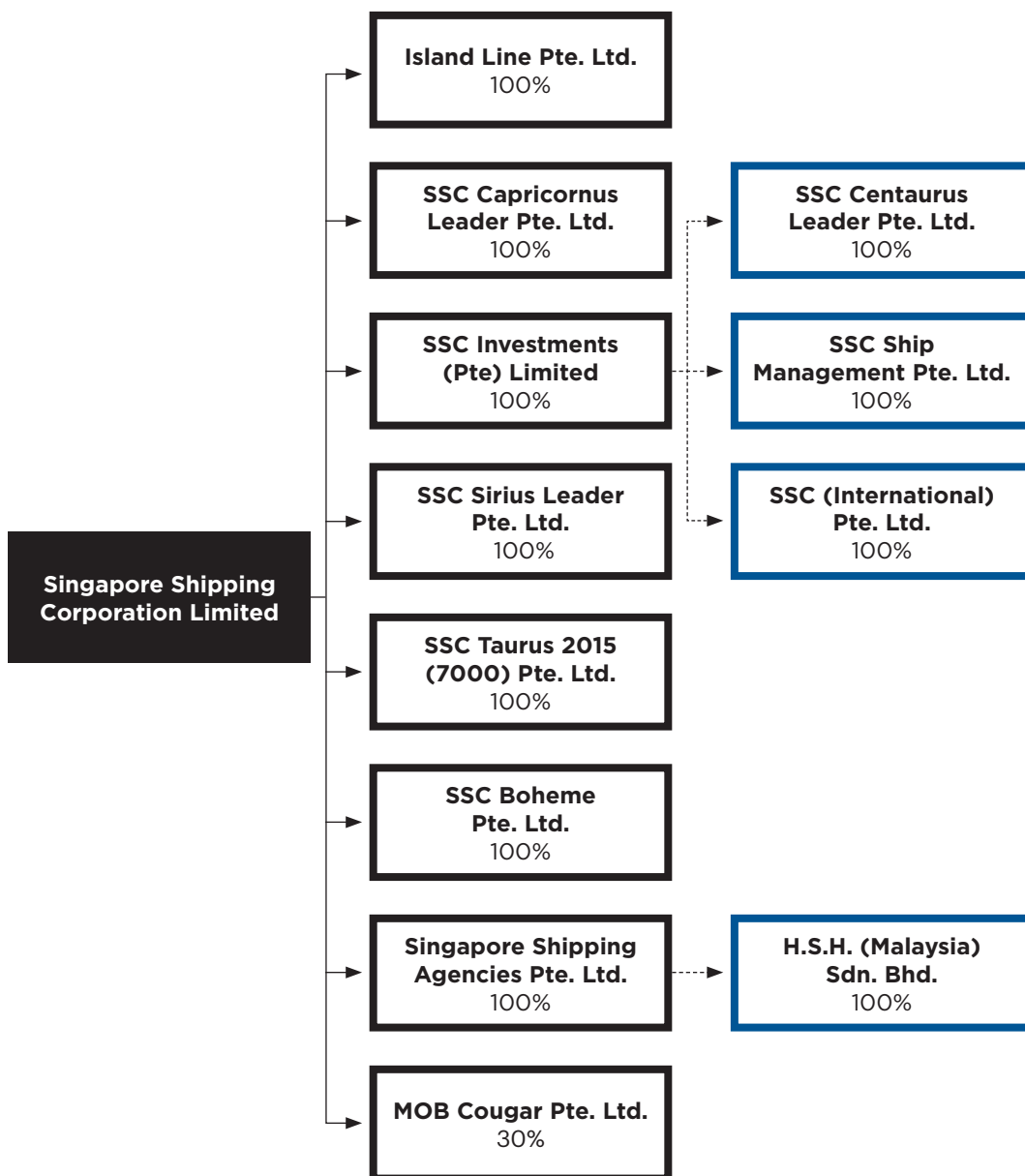
Bachelor of Arts (Hons), National University of Singapore, Singapore

Master of International Affairs, Columbia University, United States

1979	Joined the Ministry of Foreign Affairs
1999 - 2003	Singapore's Ambassador to Belgium (with concurrent accreditation to the European Union, the Netherlands, Luxembourg and the Holy See)
2000	Public Administration (Silver) Medal
2002	Grand Cross of the Order of Saint Gregory by Pope John Paul II
2003 - 2008	Singapore's Ambassador to Germany (with concurrent accreditation to Greece)
2008 - 2012	Singapore's Ambassador to the Philippines
2012	Order of Sikatuna with the rank of Datu (Gold Distinction) by the President of Philippines
2012 - 2015	Singapore's Ambassador to Denmark
2012 - 2015	Dean of MFA Diplomatic Academy
2015	Special Envoy for Arctic Affairs
2015 - 2019	Singapore's Ambassador to Turkey
2020 - present	Independent Director, Singapore Shipping Corporation Limited
2021 - present	Singapore's Ambassador (Designate) to Ethiopia and the African Union



# CORPORATE STRUCTURE



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Ow Chio Kiat**  
Executive Chairman

**Ow Cheo Guan**  
Deputy Executive  
Chairman

**Ow Yew Heng**  
Executive Director and  
Chief Executive Officer

**Pebble Sia Huei-Chieh**  
Independent  
Non-Executive Director

**Huong Wei Beng**  
Independent  
Non-Executive Director

**A Selverajah**  
Independent  
Non-Executive Director

## AUDIT AND RISK MANAGEMENT COMMITTEE

**Huong Wei Beng**  
Chairman

**Pebble Sia Huei-Chieh**  
**A Selverajah**

## NOMINATING COMMITTEE

**Pebble Sia Huei-Chieh**  
Chairman

**Ow Chio Kiat**  
**A Selverajah**

## REMUNERATION COMMITTEE

**A Selverajah**  
Chairman

**Pebble Sia Huei-Chieh**  
**Huong Wei Beng**

## COMPANY SECRETARIES

**Lee Li Huang**  
**Cheok Hui Yee**  
**Kong Wei Fung**

## REGISTERED OFFICE

200 Cantonment Road  
#09-01 Southpoint  
Singapore 089763

## SHARE REGISTRAR

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

## AUDITOR

**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants  
1 Raffles Quay  
North Tower, Level 18  
Singapore 048583

Partner-in-charge:  
**Tan Seng Choon**  
Year of Appointment:  
Financial Year Ended  
31 March 2022

## INTERNAL AUDITOR

**Nexia TS Risk Advisory  
Pte. Ltd.**  
80 Robinson Road  
#25-00  
Singapore 068898

## PRINCIPAL BANKERS

**Development Bank of Japan  
Inc.**

**Maybank Singapore Limited**  
**Deutsche Bank AG**

# GLOSSARY

TERM	DESCRIPTION
CEU	Car Equivalent Units
IMO	International Maritime Organisation
ISM	International Safety Management
ISO	International Organisation for Standardisation
PCTC	Pure Car and Truck Carrier
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 and Truck Carrier transports vehicles and other rolling machineries. A Ro-Ro liner ship carries containers, flat racks, pallets or general cargoes. A Ro-Ro ferry carries a combination of trucks, lorries, cars and passengers.
RT43	Revenue Ton – A measure of cargo earning space for carriage of a vehicle being equivalent to a volume span of length/4125 mm, width/1550 mm and height/1420 mm (which is usually the size of a 1968 Toyota Corona).



m.v. Taurus Leader at Pasir Panjang Auto Terminal



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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

Singapore Shipping Corporation Limited (the “Company”) and its subsidiaries (the “Group”) are committed to maintaining a high standard of corporate governance. The Group complies with the principles and provisions of the 2018 Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the “2018 Code”).

Where the Company’s practices vary from any provisions of the 2018 Code, it has explicitly stated the provision from which it has varied, explained the reason for variation, and explained how the practices it had adopted are consistent with the intent of the relevant principle.

The Company has elected to describe its corporate governance practices with specific reference to the principles and provisions of the 2018 Code and complies with Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Listing Manual”).

This report describes the Group’s corporate governance practices that were in place within financial year ended 31 March 2022 (“FY2022”).

## BOARD MATTERS

### Principle 1: The Board’s Conduct of Affairs

The Company is headed by an effective Board of Directors (the “Board”) which is responsible for and works with the management for the long-term success of the Company. The primary function of the Board is to provide effective leadership and to review and approve strategic plans to improve the long-term value of the Group to its shareholders and other stakeholders. The Board also oversees the business affairs of the Group. Besides carrying out its statutory duties and responsibilities, the Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans, key operating initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.

In addition, the principal duties of the Board include:

- Setting the Group’s strategic objectives and ensuring that the Group has sufficient resources to meet its objectives;
- Overseeing the process for evaluating the adequacy and effectiveness of internal control systems, risk management framework, financial reporting and compliance;
- Reviewing and monitoring the management’s performance and overseeing succession planning for management;
- Setting the Group’s values and standards (including ethical standards) and ensuring the obligations to shareholders and other stakeholders are understood and met; and
- Examining sustainability issues as part of the strategic formulation.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

## Independent Judgement

The Directors exercise due diligence and independent judgement and make decisions objectively as fiduciaries in the best interests of the Group and hold management accountable for performance.

For FY2022, the members of the Board and their membership on the board committees of the Company are as follows:

Name of Director	Board Appointments	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
Ow Chio Kiat	Executive Chairman and Executive Director	–	Member	–
Ow Cheo Guan	Deputy Executive Chairman and Executive Director	–	–	–
Ow Yew Heng	Chief Executive Officer and Executive Director	–	–	–
Pebble Sia Huei-Chieh	Lead Independent and Non-Executive Director	Member	Chairman	Member
Huong Wei Beng	Independent and Non-Executive Director	Chairman	–	Member
A Selverajah	Independent and Non-Executive Director	Member	Member	Chairman

Detailed background of the Directors is disclosed in pages 12 to 15 of the annual report.

## Delegation by the Board

The Board has delegated certain functions to various board committees, namely the Audit and Risk Management Committee (“ARMC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”). Each board committee has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these board committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

## Key Features of Board Processes

The dates of Board and board committee meetings as well as annual general meeting (“AGM”) are scheduled one year in advance. Each year, the Company Secretary consults every Director before fixing the dates of the Board and board committee meetings. Following the adoption of the risk-based approach to quarterly reporting by SGX-ST, the Board meets at least twice a year, and as and when required. Ad hoc meetings are convened to deliberate on urgent substantive matters. Telephone attendance and conference via audio and visual communication at Board and board committee meetings are allowed under the Company’s Constitution. The details of the number of Board and board committee meetings held in the financial year as well as the attendance of each board member at those meetings are disclosed below.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

## Directors' Attendance at Board and Board Committee Meetings and General Meetings in FY2022

Name of Director	Board		Audit and Risk Management Committee		Nominating Committee		Remuneration Committee		AGM
	No. of Meetings Held <sup>(1)</sup>	No. of Meetings Attended	No. of Meetings Held <sup>(1)</sup>	No. of Meetings Attended	No. of Meetings Held <sup>(1)</sup>	No. of Meetings Attended	No. of Meetings Held <sup>(1)</sup>	No. of Meetings Attended	
Ow Chio Kiat	2	2	–	2 <sup>(2)</sup>	1	1	–	1 <sup>(2)</sup>	1
Ow Cheo Guan	2	2	–	2 <sup>(2)</sup>	–	1 <sup>(2)</sup>	–	1 <sup>(2)</sup>	1
Ow Yew Heng	2	2	–	2 <sup>(2)</sup>	–	1 <sup>(2)</sup>	–	1 <sup>(2)</sup>	1
Pebble Sia Huei- Chieh	2	2	2	2	1	1	1	1	1
Huong Wei Beng	2	2	2	2	–	1 <sup>(2)</sup>	1	1	1
A Selverajah	2	2	2	2	1	1	1	1	1

<sup>(1)</sup> Represents the number of meetings held as applicable to each individual Director.

<sup>(2)</sup> Attendance at meetings on a "By Invitation" basis.

## Board's Approval

The following is a list of key matters reserved for the Board's approval:

- Policies, strategies and objectives of the Group;
- Announcement of half yearly and full year financial results and release of annual reports;
- Issuance of shares;
- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders' meetings;
- Major investments, divestments or capital expenditure;
- Commitments to term loans and lines of credits from banks and financial institutions; and
- Interested person transactions.

Clear written directions have been imposed on and communicated to management that the above matters must be approved by the Board.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The Company has established policy on conflicts of interest to guide Directors in their dealings with any conflict of interest and fulfilling their disclosure obligations. A conflicted Director is required to disclose his position, or potential position, of conflict, to recuse himself and will not participate in the discussion and decision on any conflict related matter.

## Induction and Training of Directors

The Board ensures that incoming new Directors are provided guidance and orientation (including onsite visits, if necessary) to familiarise them with the Group's business and corporate governance practices upon their appointment, to facilitate the effective discharge of their duties. Newly appointed Directors will be provided with formal letters setting out their duties and obligations and detailed orientation briefing packs containing information on the Group's business and operations. Briefings are conducted, and all questions from new Directors are answered.

Directors are encouraged to keep abreast of the business of the Group, the markets that the Group operates in, and developments in regulatory, legal and accounting frameworks that are of relevance to the Group. Briefings are conducted by management or professionals, the costs of which are borne by the Group.

## Briefings, Updates and Trainings Provided for Directors in FY2022

The NC reviews and makes recommendations on the training and professional development programs to the Board. The Chairman and the senior management update the Board at each meeting on the business and strategic developments of the Group.

The Board is also briefed on any recent changes to the accounting standards and regulatory framework.

Relevant courses, conferences, seminars, workshops or training programs are recommended to the Directors to equip them with the necessary skills so that they can effectively discharge their duties. The Company will bear the costs of such attendances if so recommended and approved by the Board.

Periodical updates of changes in law and accounting standards are arranged by the Company. Board articles, reports and press releases relevant to the Group's business are circulated to the Board by the Company Secretary to keep Directors updated on current industry trends and issues. News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are also circulated to the Board as part of the Company's effort to facilitate the continuing education of Directors. Pursuant to Rule 720(7) of the Listing Manual, all Directors will be required to attend a one-time training on sustainability matters as prescribed by the SGX-ST for the financial year commencing on 1 April 2022.

## Code of Conduct and Ethics

The Board has put in place a Code of Conduct and Ethics for Directors, senior management, key personnel and staff of the Group to lead the Group and set desired organisational culture. The Board ensures proper accountability within the Company.



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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The Board considers sustainability to be an important part of the Company's responsibility and requires management to implement policies and practices in its business and operational activities to fulfil the Board's responsibility to the communities that the Group operates in. A full standalone sustainability report for FY2022 ("FY2022 Sustainability Report") has been circulated to shareholders together with the annual report. The FY2022 Sustainability Report contains (i) the material environmental, social and governance ("ESG") factors, (ii) policies, practices and performance, (iii) targets, (iv) sustainability reporting framework, and (v) board statement, as required under Rule 711B of the Listing Manual.

A detailed discussion of the sustainability risks and opportunities are discussed with the Company's business risks and strategy in the FY2022 Sustainability Report. As the FY2022 Sustainability Report is released to shareholders on the same date as the annual report, the Company does not see a requirement to provide a summary in the annual report.

Based on a materiality assessment conducted in FY2022, the ten material ESG factors are (i) Anti-Corruption, (ii) Regulatory Compliance, (iii) Occupational Health and Safety, (iv) Quality of Assets and Services, (v) Employee Wellbeing and Engagement, (vi) Training and Career Development, (vii) Data Security and Customer Privacy, (viii) Effluents and Waste Management, (ix) Energy Consumption and Associated Green House Gas Emissions, and (x) Local Community Investment and Development, in no particular order of importance. Details of each ESG factor may be found in the FY2022 Sustainability Report.

## Complete, Adequate and Timely Information

Management provides complete, adequate and timely information to the Directors prior to meetings and on an ongoing basis to enable the Directors to make informed decisions to discharge their duties and responsibilities. To allow the Directors sufficient time to prepare for the meetings, all Board and board committee papers are distributed to the Directors no less than one week in advance of the meetings. Any additional material or information requested by the Directors is promptly furnished.

Management's proposals to the Board for approval contain background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. During the meetings, employees who are able to provide additional insight into matters to be discussed will be present. Directors are also updated on initiatives and developments as soon as practicable so that the Directors are kept abreast of the Group's business and operations.

The Directors have separate and independent access to management. The names and contact details of the management team are provided to the Directors.

## Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary ensures that the Board's procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001, Companies Act 1967 (the "Companies Act") and the SGX-ST Listing Manual (the "Listing Manual"), are complied with. She also assists the Chairman in ensuring information flows within the Board and its board committees and between management and the Non-Executive Directors.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The Company Secretary is also responsible for, among other things, supporting the Chairman and the Board in enforcing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

As primary compliance officer for the Group's compliance with the listing rules, the Company Secretary is responsible for designing and implementing a framework for management's compliance with the listing rules, including advising management to ensure that material information is disclosed promptly.

The Company Secretary attends and prepares minutes for all Board meetings. As secretary for all board committees, the Company Secretary assists in ensuring coordination and liaison between the Board, board committees and management. The Company Secretary assists the Chairman of the Board, the Chairman of board committees and management in the development of the agendas for the various Board and board committee meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

## Independent Professional Advice

The Board has a process for Directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Group's expense.

## **Principle 2: Board Composition and Guidance**

### Board Size and Composition

The Board comprises six Directors, comprising three Independent Non-Executive Directors (the "Independent Non-Executive Directors" or the "Independent Directors" or each the "Independent Non-Executive Director" or the "Independent Director"), and three Executive Directors.

Provision 2.2 of the 2018 Code recommends that independent directors make up a majority of the Board where the Chairman is not independent. Provision 2.3 of the 2018 Code recommends that non-executive directors make up a majority of the Board. For FY2022, the Chairman was not an Independent Director, and the Independent Directors did not make up a majority of the Board. For FY2022, the Non-Executive Directors did not make up a majority of the Board. These are variations from Provisions 2.2 and 2.3 of the 2018 Code. Principle 2 of the 2018 Code recommends that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company. Notwithstanding the variation from Provisions 2.2 and 2.3 of the 2018 Code, the Company is of the view that the intent of Principle 2 is met as there are three (3) Independent Non-Executive Directors as at the date of this report.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The Company has a Board Diversity Policy to achieve diversity on the Board. Each year, the NC reviews the size and composition of the Board and board committees and the skills and core competencies of its members to ensure an appropriate balance and mix of skills and experience, and other aspects of diversity such as age. These competencies include accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management. The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively. The Directors' academic and professional qualifications are disclosed in pages 12 to 15 of this annual report.

Taking into account the nature and scope of the Group's business and the number of board committees, the Board believes that the current size and composition of the Board and board committees provide sufficient diversity and is not so large as to be unwieldy or would interfere with efficient decision making. No individual or group dominates the Board's decision-making process.

The Company seeks to have a Board with diversity in various aspects, including gender, age, professional experience, background, skills, core competencies and knowledge. There are also regular assessments of the performance and effectiveness of the Board, board committees and individual directors. From time to time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

Nevertheless, the Board recognises the importance and value of diversity and will take this into consideration for any future Board appointments. New directors will continue to be selected based on objective criteria set as part of the process for appointment of new directors and Board succession planning.

## Directors' Independence Review

Rule 210(5)(d)(i) of the Listing Manual provides circumstances for which a director will not be independent, including if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years. Under the 2018 Code, a Director who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company ("Associated Relationships"), is considered to be independent.

The NC is tasked to determine on an annual basis and as and when the circumstances requires whether or not a Director is independent, bearing in mind the guidelines set forth in the 2018 Code. Each of the Independent Directors has provided a declaration of his independence to the NC. The NC has reviewed, determined and confirmed the independence of the Independent Directors in respect of FY2022.

## Role of the Non-Executive Directors

The Board and management fully appreciate that an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by management to achieve set objectives. For this to happen, the Board and Non-Executive Directors, in particular, must be kept well informed of the Group's business and be knowledgeable about the industry the Group operates in.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

To ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, they must have unrestricted access to management.

The Group has adopted initiatives to implement processes to ensure that the Non-Executive Directors have sufficient time and resources to discharge their oversight function effectively. These initiatives include:

- Holding of regular informal meetings to brief the Non-Executive Directors on prospective deals and potential developments at an early stage before formal Board's approval is sought, when needed.
- An office is made available for use on the Company's premises at any time for the Non-Executive Directors to meet regularly without the presence of management.

During FY2022, the Independent Non-Executive Directors (led by the Lead Independent Director) met without the presence of management, as and when the need arose and the Lead Independent Director would provide feedback to the Board and/or Chairman as appropriate after such meetings.

## **Principle 3: Chairman and Chief Executive Officer ("CEO")**

There is a clear division of responsibilities between the leadership of the Board and management, and no one individual has unfettered powers of decision-making.

Ow Chio Kiat is the Executive Chairman ("Chairman") of the Board and is assisted by Ow Cheo Guan who is the Deputy Executive Chairman ("Deputy Chairman") of the Company. Ow Yew Heng is the CEO of the Company.

The Board has established a clear division of responsibilities between the Chairman and the CEO, which are set out below.

The Chairman:

- Is responsible for leadership of the Board and is pivotal in creating the conditions for overall effectiveness of the Board, board committees and individual Director.
- Takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and management.
- Approves the agendas for Board meetings and ensures sufficient allocation of time for thorough discussions of agenda items.
- Promotes an open environment for debates and ensures the Non-Executive Directors are able to speak freely and contribute effectively.
- Exercise control over the quality, quantity and timeliness of information flow between the Board and management.
- Provides close oversight, guidance, advice and leadership to the CEO and management.
- Plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management at AGMs and other shareholder meetings.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The CEO is responsible for:

- Running the day-to-day business of the Group within the authorities delegated to him by the Board.
- Ensuring implementation of policies and strategy across the Group as set by the Board.
- Day-to-day management of the management team.
- Leading the development of management within the Group with the aim of assisting the training and development of suitable individuals for future roles.
- Ensuring that the Chairman is kept apprised in a timely manner of issues faced by the Group and of any important events and developments.
- Leading the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing business.

The Chairman and the Deputy Chairman are brothers and the CEO is the son of the Chairman and the nephew of the Deputy Chairman. The Board is of the view that there is a sufficiently strong independent element on the Board to enable independent exercise of objective judgement on affairs and operations of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board as well as the contributions made by each member at meetings which relate to the affairs and operations of the Group.

All the board committees are chaired by Independent Directors and half of the Board consists of Independent Directors.

## Principle 4: Board Membership

### NC Composition

The NC consists of two Independent Non-Executive Directors and one Executive Director, the majority of whom, including the NC Chairman, are independent:

Pebble Sia Huei-Chieh	Chairman
Ow Chio Kiat	Member
A Selverajah	Member



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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The NC, guided by written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments. The key terms of reference of the NC include the following:

- Reviewing and recommending to the Board on the appointment and re-appointment of Directors (including alternate Directors, if applicable) and board committee members.
- Reviewing regularly the Board structure, size and composition of the Board in compliance with the principles and guidelines set out in the 2018 Code and to make recommendation to the Board with regard to any adjustments that are deemed necessary.
- Determining the process for the search, selection, appointment and re-appointment of the Directors.
- Reviewing the succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel.
- Developing a process and criteria for evaluating the performance of the Board, its board committees and Directors and implementing such process for assessing the effectiveness of the Board as a whole and the contribution of the Chairman and each individual Director.
- Evaluating whether a Director is able to and has been adequately carrying out his duties and responsibilities as a Director of the Company when he has multiple board representations.
- Reviewing the training and professional development programs for the Board.
- Determining and make recommendation to the Board, on an annual basis, as to whether a Director is considered independent.

The NC has carried out its responsibilities as set out above during FY2022, including but not limited to, carrying out the following activities summarised below:

- Reviewed the structure, size and composition of the Board and board committees.
- Facilitated the annual evaluation of the performance of the Board, board committees and individual Director and reviewed with the Board the results of such evaluation.
- Reviewed the training and professional development programs for the Board.
- Reviewed and determined the independence of each Director and recommended to the Board their independence.
- Nominated retiring Directors for re-elections at the forthcoming AGM and recommended to the Board their re-elections.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

## Directors' Independence Review

The task of assessing the independence of the Directors is delegated to the NC. The NC evaluates the independence of each Independent Director annually, and as and when circumstances require based on the definitions and guidelines on independence set out in the 2018 Code.

Annually, each Independent Director is required to complete a Director's Independence Confirmation (the "Confirmation") to confirm his independence. The Confirmation is drawn up based on the guidelines provided in the 2018 Code. Thereafter, the NC reviews the Confirmation completed by each Independent Director, assess the independence of the Independent Directors and recommends its assessment to the Board. There are no Directors who are determined to be independent by the Board, notwithstanding the existence of a relationship as stated in the 2018 Code that would otherwise deem him not to be independent.

After taking into account the views of the NC, the Board determined that the current Independent Directors, namely Pebble Sia Huei-Chieh, Huong Wei Beng and A Selverajah are independent in light of the provisions of the 2018 Code and Rule 210(5)(d) of the Listing Manual.

## Appointment of Alternate Director

Currently, the Company does not have any Alternate Directors. If an Alternate Director is appointed, such Alternate Director should be appropriately qualified and familiar with the Group's affairs. The NC and Directors will review and confirm the independence of that person before approving his appointment as an Alternate Director to an independent Director.

## Directors' Time Commitments and Multiple Directorships

Annually, the NC determines whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of the Company. Each director is required to disclose any other principal commitment(s), appointment(s) and directorship(s) which he or she currently serves as board member or executive officer. The Board's and NC's reasoned assessment of the ability of the Directors to diligently discharge their duties takes into account, amongst others (i) the contributions by the Directors during meetings of the Board and board committees; (ii) the results of the Board evaluation of its performance; and (iii) the directorships and/or principal commitments of the individual Directors.

For FY2022, the NC and the Board have reviewed and are of the view that a cap on the number of listed company board representation on each of the Director is not required. The NC and the Board are also satisfied that directors with multiple board representation had devoted sufficient time and attention to the affairs of the Company to adequately discharge their duties and are not hindered by such directorships and commitments.

## Succession Planning for the Board and Management

Succession planning is an important part of the corporate governance process. The NC seeks to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

Currently, there is an informal succession plan for the management which was put in place by the Chairman. Moving forward and at the relevant time, the NC will look into such plans in close consultation with the Chairman.

## Process for Selection and Appointment of New Directors

The Board has put in place a formal, transparent and written procedures on the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board. When considering making a new Board appointment, either to enhance the core competency of the Board or for progressive renewal of the Board, such procedures would be strictly followed. The Company maintains a very strong and independent element on the Board with three (3) Independent Directors making up half of the Board.

In identifying suitable candidates, the NC may:

1. Advertise or seek services of external consultants to facilitate a search.
2. Approach alternative sources such as the Singapore Institute of Directors.
3. Consider candidates from a wide range of backgrounds from internal or external sources.

After short listing the candidates, the NC shall:

- (a) consider and interview the candidates to assess their suitability taking into account the existing Board composition and strives to ensure that the Board has an appropriate balance of Independent Directors as well as qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives and to ensure that the candidates are aware of the expectations and level of commitment required of them; and
- (b) evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

## Process for Re-appointment of Directors

The NC is also responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance such as his attendance, preparedness, participation and candour.

The Company's Constitution provides that at least one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) with a minimum of one, shall retire from office by rotation. All Directors are required to retire from office at least once every three years. Regulation 89(B) of the Company's Constitution further provides that to the extent that any of the Directors not due for retirement at an AGM pursuant to Regulation 89(A) is an Independent Director, such Independent Director shall nonetheless retire at that AGM. All Independent Directors shall retire at the AGM each year. A retiring Director shall be eligible for re-election. In addition, any newly appointed Director by the Board during the year (whether as an additional Director or to fill a casual vacancy) shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at the AGM.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

Pursuant to Regulations 89(A) and 89(B), Ow Chio Kiat, Pebble Sia Huei-Chieh, A Selverajah and Huong Wei Beng (“Retiring Directors”) are retiring at the forthcoming AGM.

All Retiring Directors have consented to seek for re-election as Directors. The NC is satisfied that all Retiring Directors, being eligible, are properly qualified for re-election by virtue of their skills, experience and contribution of guidance and time to the Board’s deliberations. The Board recommends to the shareholders to approve the re-election of the Retiring Directors. The details of the proposed resolution are stipulated in the Notice of AGM set out in this annual report.

The NC members abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations in respect of matters in which he has an interest in.

## **Principle 5: Board Performance**

The Board has implemented and undertaken a formal annual assessment to ascertain its effectiveness as a whole and the Board committees and the contribution by each individual Director to the effectiveness of the Board.

### Evaluation Process

The Company Secretary sends out the Board Performance Evaluation Questionnaire (the “Questionnaire”) and the Individual Director Assessment Checklist (the “Checklist”) to each Director for completion. The Questionnaire is customised to seek the Directors’ views on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. The Board performance criteria includes board size and composition, board information, board process, board risk management and internal controls, board accountability, standards of conduct and board committees’ performance in relation to discharging their responsibilities set out in their respective terms of reference. The Checklist is a self-assessment evaluation to assess the contribution by each individual Director to the effectiveness of the Board. The individual Director’s performance criteria include independence and integrity, preparedness, participation and commitment, and responsibility and accountability.

The completed Questionnaires and Checklists are submitted to the Company Secretary for collation. The consolidated responses are presented to the NC for review before submitting to the Board for discussion. The Board then decides the relevant areas for improving and enhancing the effectiveness of the Board. For the financial year under review, the Board has performed the evaluation and is of the view that the Board as a whole operates effectively and the contribution by each individual Director is satisfactory.

The Board has not engaged any external facilitator to assess the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. Where relevant, the NC will consider such an engagement.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

#### RC Composition

At the end of FY2022, the RC consists of three members, all of whom are Independent Non-Executive Directors:

A Selverajah	Chairman
Pebble Sia Huei-Chieh	Member
Huong Wei Beng	Member

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

The members of the RC carried out their duties in accordance with the terms of reference approved by the RC and the Board. The principal functions of the RC include:

- Review and recommend to the Board for endorsement, a framework of remuneration for the Board and key management personnel. The framework covers all aspect of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind.
- Review and recommend to the Board the specific remuneration packages and terms of employment for each Director, key management personnel and employees related to Directors, CEO or substantial shareholders of the Company.
- Review the level and structure of remuneration to align with the long-term interest of the Company in order to attract, retain and motivate the Directors and key management personnel.
- Review the Group's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.
- Administer the Singapore Shipping Corporation Limited Share Option Plan 2015 ("SSC SOP") and Singapore Shipping Corporation Limited Performance Share Plan 2015 ("SSC PSP") and any other option scheme or share plan established from time to time by the Company.

The principal activities of the RC during FY2022 are summarised below:

- Reviewed the remuneration of the Chairman of the Board, Deputy Chairman and the CEO; and
- Reviewed and recommended to the Board the directors' fees for FY2022.



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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The RC members from time to time and where necessary, seeks advice from external remuneration consultant from in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. These independent external human resource consultants do not have any connection with the Group or any of its Directors which could affect their independence and objectivity.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him or someone related to him.

## **Principle 7: Level and Mix of Remuneration**

## **Principle 8: Disclosure on Remuneration**

In reviewing the level and mix of remuneration, the RC seeks to establish a framework to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. A significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance, based on an annual appraisal of employees. Performance-related remuneration is aligned with the interest of shareholders and other stakeholders and promotes the long-term success of the Company.

### Remuneration of the Executive Directors and Key Management Personnel

The remuneration structure for the Executive Directors and key management personnel consists of the following components:

1. Fixed remuneration which comprises basic salary, statutory employer's contributions to the Central Provident Fund and fixed allowances. In determining remuneration packages, the Group takes into account employment and pay conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual Director and key management personnel.
2. Variable bonus which is an annual remuneration component that varies according to the Group's and the individual's performance objectives. The performance objective of the Group is profit before tax as the RC believes that this best reflects the financial health and performance of the Group's business and is also a key performance measure used by other companies in similar industry.
3. Other benefits which include car and housing allowances, medical benefits, club memberships. Eligibility for these benefits will depend on the individual salary grade.
4. Share-based compensation under the SSC SOP and the SSC PSP, both of which were approved by the shareholders at the AGM held on 30 July 2015. Some details of the SSC SOP and SSC PSP are set out in the Directors' Statement set out in this annual report.

The Executive Directors also receive Directors' fees which are subject to the approval of the shareholders at the AGM.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

## Use of Contractual Provisions for the Executive Directors and Key Management Personnel

The RC considers that there is no need to institute contractual provisions to allow the Company to reclaim incentive components in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss or fraud by the Executive Directors and key management personnel, having reviewed and considered the variable components of the remuneration packages for the Executive Directors and key management personnel.

## Remuneration of the Non-Executive Directors

The RC ensures that the remuneration for Non-Executive Directors commensurate their level of contribution by assessing factors such as efforts and time spent, and the associated responsibilities. The RC also ensures that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised.

The Non-Executive Directors receive a basic retainer fee and additional fees for serving on board committees. The Chairman of each board committee is also paid a higher fee compared with the members of the respective board committees in view of the greater responsibility carried by that office. The Directors' fees are subject to the approval of the shareholders at the AGM.

## Remuneration of the Directors and CEO

Provision 8.1(a) of the 2018 Code recommends that the company discloses the names, amounts and breakdown of remuneration of each individual director and the CEO. For FY2022, the Company wishes to disclose the fees payable to each of the Directors and the CEO in bands of S\$100,000. This is a variation from Provision 8.1(a) of the 2018 Code. Principle 8 of the 2018 Code recommends that the company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Board is of the view that full disclosure of the exact details of the remuneration of each of the Directors is not in the best interests of the Company or its shareholders. The Board had taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Group in attracting and retaining talent for the Company on a long-term basis in concluding its decision.

Notwithstanding its deviation from Provision 8.1(a) of the Code, the Board is of the view that the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, procedure for setting remuneration and the relationship between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs. As such, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director will not be prejudicial to the interest of shareholders.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

A breakdown of remuneration of each individual Director and the CEO in bands of S\$100,000 for FY2022 is as follows:

Remuneration Bands and Name of Director	Salary %	Bonus %	Fees <sup>(1)</sup> %	Other Benefits <sup>(2)</sup> %	Total %
<b>S\$1,700,000 to below S\$1,800,000</b>					
Ow Chio Kiat <sup>(3)</sup>	69	28	2	1	100
<b>S\$700,000 to below S\$800,000</b>					
Ow Cheo Guan <sup>(4)</sup>	78	18	3	1	100
Ow Yew Heng <sup>(5)</sup>	55	41	3	1	100
<b>Below S\$100,000</b>					
Pebble Sia Huei-Chieh	–	–	100	–	100
Huong Wei Beng	–	–	100	–	100
A Selverajah	–	–	100	–	100

<sup>(1)</sup> Directors' fees were approved by shareholders at the AGM held on 28 July 2021.

<sup>(2)</sup> Other benefits refer to benefits-in-kind such as car allowance, club memberships etc. made available to Directors as appropriate.

<sup>(3)</sup> Ow Chio Kiat is the brother of the Deputy Chairman, Ow Cheo Guan, and the father of the CEO, Ow Yew Heng.

<sup>(4)</sup> Ow Cheo Guan is the brother of the Chairman, Ow Chio Kiat, and the uncle of the CEO, Ow Yew Heng.

<sup>(5)</sup> Ow Yew Heng is the son of the Chairman, Ow Chio Kiat, and the nephew of the Deputy Chairman, Ow Cheo Guan.

## Remuneration of the Top Five Key Management Personnel

Provision 8.1(b) of the 2018 Code recommends that the company discloses the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000. In addition, Provision 8.1(b) of the 2018 Code also recommends that the company discloses the aggregate of the total remuneration paid to the top five key management personnel (who are not Directors or the CEO).

Similarly, the Board considers that full disclosure of the exact details of the remuneration of each of the key managers is not in the best interests of the Company or its shareholders. In arriving at its decision, the Board had taken into consideration, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Group in attracting and retaining talent for the Company on a long-term basis.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

In any event, the 2018 Code defines “key management personnel” to mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board takes the view that in FY2022, the key persons who have the authority and responsibility for planning, directing and controlling the activities of the Company are Ow Chio Kiat, Chairman of the Board, and Ow Yew Heng, CEO. Notwithstanding, the authority and responsibility of the Chairman of the Board and the CEO are exercised after consultation with other members of management. There is no person in the Company, who are not Directors of the Company, that have the authority and responsibility for planning, directing and controlling the activities of the Company.

## Remuneration of Employees who are Substantial Shareholders of the Company or Immediate Family Members of a Director, the CEO or Substantial Shareholder

Provision 8.2 of the 2018 Code recommends the Company to disclose remuneration of employees whose remuneration exceeds S\$100,000 per annum and who are substantial shareholders or are immediate family members of a director, the CEO or a substantial shareholder. The disclosure should be in bands no wider than S\$100,000.

During FY2022, Ow Chio Kiat was a substantial shareholder of the Company. The remuneration package of Ow Chio Kiat, his brother, Ow Cheo Guan, and his son, Ow Yew Heng, have been disclosed above.

Kiersten Ow Yiling, the daughter of Ow Chio Kiat, the sister of Ow Yew Heng, and the niece of Ow Cheo Guan, is an employee of the Group and she drew a remuneration between S\$150,000 to S\$200,000 during FY2022.

Saved as disclosed above, there is no other employee whose remuneration exceeded S\$100,000 in FY2022, and who is a substantial shareholder of the Company, or who is an immediate family member of a director or the CEO or a substantial shareholder of the Company.

## Aggregate Amount of Termination, Retirement and Post-employment Benefits Granted to the Directors, the CEO and the Top Five Key Management Personnel (who are not Directors or the CEO)

There were no termination, retirement and post-employment benefits granted or paid to the Directors and the CEO, or any top five key management personnel (who are not Directors or the CEO) in FY2022.

## ACCOUNTABILITY AND AUDIT

### Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that management maintains sound, adequate and effective systems of internal controls and risk management to safeguard the interests of the Company and its shareholders and the Group's assets with the assistance from the ARMC.

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The ARMC makes the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management systems and internal controls of the Group can be made by the Board in the annual report of the Company according to the requirements in the Listing Manual and the 2018 Code.

The Company has engaged an independent accounting firm, Nexia TS Risk Advisory Pte. Ltd. (“Nexia”), as the internal auditors of the Group. The ARMC was satisfied that the internal audit function was independent, effective and adequately resourced.

The Company has also engaged Nexia to assist the Company with its Enterprise Risk Management (“ERM”) system. Nexia assists the ARMC and the Board in their review of the Group’s risk management systems and internal controls focusing on financial, operational, compliance and information technology controls.

Management regularly reviews the Group’s business and operational activities in respect of key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the ARMC and the Board for further discussion. The ARMC and the Board also work with the internal auditors, external auditors and management on their recommendations to institute and execute relevant controls with a view to managing such risks.

With assistance from the internal auditors, key risk areas which have been identified are analysed, monitored and reported. In this connection, the Group has conducted the enterprise risk assessment and has established the risk reporting dashboard with a view to develop a detailed risk register and to develop a structured ERM to ensure that the Group’s risk management systems and internal controls are adequate and effective.

## Accountability

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. To enable the Board to make a holistic and informed assessment of the Group’s performance, financial position and prospects, management provides detailed management accounts of the Group’s performance to the Board on a half yearly basis. As and when circumstances arise, the Board can request management to provide any necessary explanation and/or information on the management accounts of the Group.

The Board reviews and approves the financial results as well as any announcements before its release. The Board provides shareholders with semi-annual and annual financial statements. Results for the first half year are released to shareholders within 45 days from the end of the relevant financial period. Annual results are released within 60 days from the financial year-end. In presenting the semi-annual and annual financial statements to shareholders, the Company gives its shareholders a balanced and understandable assessment of the Group’s performance, financial position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual, where appropriate. The Independent Directors in consultation with management and request for management’s consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.



# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

For FY2022, the CEO and the Chief Financial Officer (“CFO”) have provided written assurance to the ARMC and the Board on the integrity of the financial statements of the Company and the Group.

## Assurance from the CEO, the CFO and Other Senior Management Personnel who are Responsible

The Board has received written assurance that:

- a) (from the CEO and the CFO) the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 March 2022 give a true and fair view of the Group’s operations and finances; and
- b) (from the CEO and other senior management personnel who are responsible) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

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

## Opinion on the Adequacy and Effectiveness of the Risk Management Systems and Internal Controls

The ARMC engaged external auditors and sought their advice in assessing the internal controls over financial reporting matters. In addition, based on the internal controls established and maintained by the Group, the work performed by the internal auditors and external auditors, as well as the assurance received from the CEO and the CFO, the Board is satisfied that the Group’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems were sufficient and effective as at 31 March 2022. The ARMC concurs with the Board’s comment and no material weaknesses of the internal controls and risks management systems were identified.

The system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

## **Principle 10: Audit and Risk Management Committee**

### ARMC Composition

The ARMC consists of three members, all of whom are Independent Non-Executive Directors:

Huong Wei Beng	Chairman
Pebble Sia Huei-Chieh	Member
A Selverajah	Member

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

Members of the ARMC have relevant accounting or related financial management expertise or experience from their professional education and experiences.

The main responsibilities of the ARMC are to assist the Board in discharging its statutory and other responsibilities relating to four main areas:

- Overseeing financial reporting;
- Overseeing the maintenance of internal control and risk management systems;
- Overseeing internal and external audit processes; and
- Overseeing interested person transactions.

The members of the ARMC carried out their duties in accordance with the terms of reference approved by the ARMC and the Board. The principal functions of the ARMC include:

- a) Review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board.
- b) Review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems, including financial, operational, compliance and information technology controls to safeguard shareholders' interests.
- c) Review the adequacy and effectiveness of the Group's internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and the results of the internal audit procedures.
- d) Review the scope and results of the external audit, independence and objectivity of the external auditors.
- e) Recommend to the Board on the proposals to the shareholders relating to the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors.
- f) Review and approve processes to regulate interested person transactions to ensure compliance with the requirements of the Listing Manual.
- g) Review the assurance from the CEO and the CFO on the financial records and financial statements.
- h) Review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The principal activities of the ARMC during FY2022 are summarised below:

- With the assistance of the external auditors, reviewed the semi-annual and annual financial results of the Group.
- Reviewed and considered the audit reports of the internal and external auditors.
- Reviewed and considered the risk management reports of risk consultants.
- Reviewed and recommended the appointment of the external auditors, including their fees, performance, independence and objectivity.

## Financial Reporting

The ARMC met on a half yearly basis and reviewed the semi-annual and full year financial results announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the ARMC also reviewed the audit plan and audit report presented by the external auditors.

The ARMC reviewed the annual financial statements and also discussed the significant accounting policies, judgements and estimates applied with management, the CFO and the external auditors in preparing the annual financial statements. The ARMC focused particularly on:

- Significant adjustments resulting from the audit;
- The appropriateness of the going concern assumption in the preparation of the financial statements;
- Significant matters impacting the annual financial statements that have been included in the Independent Auditor's Report to the Members under "Key Audit Matters"; and
- Significant deficiencies in internal controls over financial reporting matters that came to the external auditors' attention during their audit together with their recommendations.

Following the review and discussions, the ARMC then proceeds to recommend to the Board for approval of the audited annual financial statements.

In addition to its duties relating to financial reporting, the ARMC has explicit authority to investigate any matter within its terms of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any Director, executive officer or external consultants whom it believes can provide information it needs to attend its meetings.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The ARMC's terms of reference restricts any former partners or directors of the Company's existing auditing firm or auditing corporation from acting as a member of the Company's ARMC: (a) within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as he has any financial interest in the auditing firm or auditing corporation. Currently, no former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARMC.

During FY2022, the ARMC met no less than two times during the financial year under review. Details of members and their attendance at meetings are provided in page 21. The CFO, Company Secretary, internal auditors and external auditors are invited to these meetings. Other members of management are also invited to attend as appropriate to present reports.

The ARMC also had one meeting with internal auditors and external auditors separately, without the presence of management. These meetings enable the internal auditors and external auditors to raise issues encountered in the course of their work directly to the ARMC.

## External Audit Processes

On behalf of the board, the ARMC manages the relationship with the Group's external auditors. The ARMC is of the view that the external auditors demonstrated appropriate qualifications and expertise. It is also satisfied with the adequacy of the scope and quality of the external audits being conducted by Ernst & Young LLP. Thus, the ARMC recommended to the Board the re-appointment of Ernst & Young LLP as the external auditors. The Board has accepted this recommendation and has proposed a resolution to shareholders for the re-appointment of Ernst & Young LLP at the forthcoming AGM.

Pursuant to the requirement in the Listing Manual, an audit partner must only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current Ernst & Young LLP's audit engagement partner for the Company was appointed on 28 July 2021. In appointing Ernst & Young LLP, an auditing firm registered with the Accounting and Corporate Regulatory Authority, as auditors for the Company and its subsidiaries, the Group has complied with Rules 712 and 715 of the Listing Manual.

## Auditors' Independence

In order to maintain the independence of the external auditors, the Group has a specific policy which governs the conduct of non-audit work performed by the external auditors. This policy prohibits the external auditors from:

- Performing services which would result in the auditing of their own work;
- Participating in activities normally undertaken by management;
- Acting as advocate for the Group; or
- Creating a mutuality of interest between the external auditors and the Group, for example being remunerated through a success fee structure.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The ARMC undertook a review of the scope and results of the audit by Ernst & Young LLP, adequacy of the resources, experience and competence of the engagement partner and key team members in handling the audit and their cost effectiveness, the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them. The ARMC received a yearly report setting out the non-audit services provided by Ernst & Young LLP and the fees charged. An analysis of fees paid in respect of audit and non-audit services provided by breakdown for the past 2 years is disclosed in Note 5 to the financial statements. There were no non-audit services provided by Ernst & Young LLP in FY2022 and FY2021.

After reviewing the services provided during the financial year, the ARMC is satisfied that the objectivity and independence of the external auditors are not in any way impaired.

## Internal Audit

During the financial year, the ARMC has reviewed and assessed the adequacy of the Group's system of internal controls and regulatory compliance through discussion with management, internal auditors and external auditors.

The ARMC considered and reviewed with management and internal auditors on the following:

- Annual internal audit plans to ensure that the plans covered sufficiently a review of the internal controls of the Group; and
- Significant internal audit observations and management's response thereto.

The ARMC has reviewed the adequacy, independence and effectiveness of the internal audit function.

The ARMC approves the appointment, removal, evaluation and compensation of internal auditors. The Company has engaged an independent accounting firm, Nexia, as the internal auditors of the Group. The internal auditors' primary line of reporting is to the ARMC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. Administratively, the internal auditors report to the CEO. The selection of Nexia as the internal auditors, its fee proposal and the internal audit proposal was reviewed and approved by the ARMC. The internal auditors carry out their function in accordance to the standards set by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The primary purpose of the internal audit function is to assist the Board and management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The internal audit approach focuses on key financial, operational, compliance and information technology risks. The annual internal audit plan is established in consultation with, but independent of, management. The internal audit plan is reviewed and approved by the ARMC. All internal audit findings, recommendations and status of remediation, are circulated to the ARMC, the CEO, the external auditors and relevant management.



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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The ARMC ensures that management provides good support to the internal auditors and provides them with unfettered access to documents, records, properties and personnel, including the ARMC, when requested in order for the internal auditors to carry out their function accordingly. The internal audit function has appropriate standing within the Company. The ARMC meets with the internal auditors once a year, without the presence of management.

## Interested Person Transactions

The ARMC reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company or its non-controlling shareholders. On half yearly basis, management reports to the ARMC the interested person transactions.

The ARMC is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of interested person transactions were effective.

## Whistle-blowing

Upon receipt of any complaints, independent investigations are carried out by a panel which comprises of one or more of the CEO, the CFO, the Chief Legal Officer and the Director of Human Resource, who reports to the ARMC. All concerns and identity of whistleblowers will be treated as confidential and the Company is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The ARMC oversees the administration of the Policy and ensures that all concerns or compliants raised are independently investigated and appropriate follow-up actions are carried out. Should the ARMC receive reports relating to serious offences and/or criminal activities in the Group, the ARMC and the Board have access to the appropriate external advice where necessary. All whistleblowing cases (if any) will be consolidated and submitted to the ARMC for review at every meeting.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Principle 11: Shareholder Rights and Conduct of General Meetings

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated fairly and equitably in order to enable them to exercise of shareholders' rights and the rights of all investors, including non-controlling shareholders, are protected.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group encourages shareholders' participation at general meetings. Shareholders will be well informed of the general meetings and voting procedures. Relevant information is disseminated through notices in the annual reports or circulars. The notices are also released via SGXNET and published in local newspapers, as well as posted on the Company's website.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

## Conduct of Shareholder Meetings

Shareholders are encouraged to attend the AGM which is the principal forum for discussion with the directors and management of the Company. Our AGM in 2021 was held electronically in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “Order”).

The 2022 AGM will be convened and held by electronic means in accordance with the Order. Details of the meetings and voting procedures for this year’s AGM will be communicated to shareholders. Alternative arrangements such as attendance by electronic means, submission of questions in advance of the meeting, addressing of substantial and relevant questions prior to the meeting and/or during the meeting and proxy voting by appointing Chairman of the meeting, will be in place. Shareholders will continue to be able to proactively engage the Board and management on the Group’s business activities, financial performance and other business-related matters.

Provision 11.4 of the 2018 Code recommends that the company’s constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders. The Company’s Constitution does not contain provisions to allow for absentia voting at general meetings of shareholders, but it allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. This is a variation from Provision 11.4 of the 2018 Code. Principle 11 of the 2018 Code recommends that the company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects. Notwithstanding the variation from Provision 11.4 of the 2018 Code, the Company is of the view that the intent of Principle 11 is still met as the existing arrangement whereby shareholders have the right to appoint proxies to attend general meetings and vote on their behalf enables shareholders to exercise their rights and have the opportunity to vote even if they are unable to attend in person. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Separate resolutions on each substantially separate issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate, unless the issues are interdependent and linked so as to form one significant proposal. All Directors including the Chairman of the Board and the respective Chairman of the ARMC, NC and RC, management attend general meetings of shareholders, and the external auditors are also present to address any queries of the shareholders about the conduct of audit and the preparation and content of the auditors’ report.

Provision 11.5 of the 2018 Code recommends that the company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. For FY2022, the Company intends to record in the minutes of general meetings relevant and substantial comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and management. The Company maintains minutes of general meetings. The Company publishes these minutes on its corporate website as soon as practicable after the relevant general meeting.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

Principle 11 of the 2018 Code recommends that the company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects. The Company is of the view that the intent of Principle 11 is met as the publication of the minutes treats all shareholders fairly and equitably and gives shareholders a balanced and understandable assessment of its performance, position and prospects. Also, as attendance at the Company's general meetings is generally limited to shareholders, the Company is of the view that the current practice is sufficient to address the needs of shareholders.

The Company will continue to put all resolutions to vote by poll in the presence of independent scrutineers. Explanation on polling procedures will be provided to shareholders before the poll voting is conducted. The total numbers and percentage of valid votes cast for or against each resolution will be announced at the general meetings and also released via SGXNET after the general meetings.

## Dividend Policy

The Company has a written dividend policy. The Company's dividend policy is to distribute a dividend of no less than half Singapore cent per share for each financial year, subject to and taking into account various factors outlined below as well as other factors deemed necessary by the Board:

- The financial performance of the Group;
- The level of available cash for the Group's working capital;
- The return on equity and retained earnings;
- The Group's projected levels of capital expenditure and other investment plans;
- Short-term and long-term interest of the Group;
- Business expansion plans within and outside the Group;
- Any corporate exercise, including but not limited to share buy-back exercise, dividend investment plans;
- Current market conditions;
- Forecast of market and economic conditions; and
- Exceptional earnings (if any).

The declaration and payment of any dividends will be recommended by the Directors and will be subject to applicable laws and the Constitution of the Company. Any final dividends will be subject to the approval of the shareholders.

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# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

## Principle 12: Engagement with Shareholders

### Disclosure of Information on a Timely Basis

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its shareholders and believes in hearing shareholders' views on matters affecting the Company and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET, press release and corporate website. To ensure a level playing field and provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNET.

The Group's corporate website is the key resource of information for shareholders. In addition to the semi-annual financial results materials, it contains a suite of investor related information on the Group, including annual reports, shares and dividend information and factsheets.

### Interaction with Shareholders

The Company has an internal investor relations function which emphasizes on facilitating regular communications with shareholders and analysts, attending to their queries or concerns and keeping them apprised of the Group's corporate developments and financial performance. The Company has provided a dedicated email address for such communication and shareholders and analysts' queries are attended to promptly.

## MANAGING STAKEHOLDERS' RELATIONSHIPS

### Principle 13: Engagement with Stakeholders

Principle 13 of the 2018 Code requires the Board to adopt an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company has arrangements in place to identify and engage with its material stakeholder groups through various channels and to manage its relationships with such groups.

In this connection, the Company has considered and sought to balance the needs and interests of material stakeholders. The details of the Company's engagement with stakeholders are set out in the Company's Sustainability Report.

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# **CORPORATE GOVERNANCE REPORT**

**For the financial year ended 31 March 2022**

## **DEALING IN THE COMPANY'S SECURITIES**

The Group has adopted an internal compliance code which provides guidance to its Directors and all employees of the Group with regard to dealings in the Company's securities. The code prohibits dealing in the Company's securities by the Directors and employees of the Group while in possession of unpublished price sensitive information. Directors and employees are not allowed to deal in the Company's securities on short-term considerations and during the one month before the release of the Company's semi-annual and full year financial results. The Directors and employees are also required to adhere to the provisions of the Securities and Futures Act 2001, Companies Act 1967, the Listing Manual and any other relevant regulations with regard to their securities transactions. They are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Reminders are issued to the Group's Directors, officers and employees on the restrictions in dealings in the Company's securities during the above stated period. Directors are also required to report their dealings in the Company's securities within two business days.

## **MATERIAL CONTRACTS**

There were no material contracts entered into by the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders 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.

## **INTERESTED PERSON TRANSACTIONS ("IPTs")**

The Company has established procedures to ensure that IPTs are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies and on terms which are generally no more favourable to those extended to unrelated third parties.

# CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2022

The Company maintains a register of all IPTs and details of significant IPTs in FY2022 are set out below:

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Stamford Land Corporation Ltd ("SLC") and Subsidiaries	Ow Chio Kiat is the controlling shareholder of SLC. The named interested person is its associate.	(US\$893,000) <sup>(1)</sup>	–

<sup>(1)</sup> Payment of rental expense and services received.

The above IPTs are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies and on terms which are generally no more favourable to those extended to unrelated third parties.



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# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Singapore Shipping Corporation Limited (the “Company”) and its subsidiaries (collectively, the “Group”), and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2022.

## Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) 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.

## Directors

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

Ow Chio Kiat	(Executive Chairman)
Ow Cheo Guan	(Deputy Executive Chairman)
Ow Yew Heng	(Executive Director and Chief Executive Officer)
Pebble Sia Huei-Chieh	
Huong Wei Beng	
A Selverajah	

## Arrangements to enable directors to acquire shares and debentures

Except as described below, 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 or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

## Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<i>Ordinary shares of the Company</i>				
Ow Chio Kiat	153,704,500	153,704,500	10,640,000	10,640,000
Ow Cheo Guan	–	–	13,200,000	13,200,000
Ow Yew Heng	2,096,200	2,096,200	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

## Singapore Shipping Corporation Limited Share Option Plan and Performance Share Plan

The Company has in place the Singapore Shipping Corporation Limited Share Option Plan 2015 ("SSC SOP") and the Singapore Shipping Corporation Limited Performance Share Plan 2015 ("SSC PSP").

The SSC SOP and the SSC PSP were approved by the shareholders of the Company at the Annual General Meeting held on 30 July 2015. The SSC SOP and the SSC PSP are administered by the Remuneration Committee ("RC") which comprises the following independent and non-executive directors who do not participate in either the SSC SOP or the SSC PSP:

A Selverajah (Chairman)  
Huong Wei Beng  
Pebble Sia Huei-Chieh

## DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

### Singapore Shipping Corporation Limited Share Option Plan and Performance Share Plan (cont'd)

#### SSC SOP

- The persons eligible to participate in the SSC SOP are selected employees (which may include executive directors) of the Group of such rank as the RC may determine, and other participants selected by the RC, but shall exclude non-executive directors of the Group, independent directors of the Company and controlling shareholders. As at the date of this statement, no associate of any controlling shareholder is a participant in the SSC SOP.
- SSC SOP shall continue in force at the absolute discretion of the RC, subject to a maximum period of 10 years from 30 July 2015 (unless extended with the approval of the shareholders and any relevant authorities).
- The RC has the full discretion to grant options at an exercise price of either market price or at a discount to market price (provided that such discount shall not exceed 20% of the market price). Market price shall be determined based on an average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three consecutive market days immediately preceding the date of the grant of the relevant option.
- Options granted at market price may be exercised after the expiry of one year from the date of the grant, whereas options granted at a discount to market price may only be exercised after the expiry of two years from the date of the grant.
- At the end of the financial year, there were no outstanding options granted under the SSC SOP.

#### SSC PSP

- The persons eligible to participate in the SSC PSP are either selected employees of the Group of such rank as the RC may determine, or other participants as selected by the RC at its discretion, but shall exclude the independent directors of the Company, controlling shareholders and the associates of such controlling shareholders.
- SSC PSP shall continue in force at the absolute discretion of the RC, subject to a maximum period of 10 years from 30 July 2015 (unless extended with the approval of the shareholders and any relevant authorities).
- An award granted under the SSC PSP represents the right to receive fully paid shares, free of charge, provided that certain pre-determined performance conditions (if applicable) are satisfied within the performance period (if applicable) during which such performance conditions are to be satisfied.
- During the financial year, no awards under the SSC PSP have been granted to controlling shareholders or their associates, and directors, and no employee has received 5% or more of the total number of shares available/delivered pursuant to the grants under the SSC PSP.
- During the financial year, there were no awards granted under the SSC PSP.



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# DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

## **Singapore Shipping Corporation Limited Share Option Plan and Performance Share Plan (cont'd)**

### Size of SSC SOP and the SSC PSP

The aggregate number of shares which may be issued or delivered pursuant to options granted under the SSC SOP and awards granted under the SSC PSP, together with shares, options or awards granted under any other share scheme of the Company then in force (if any), shall not exceed 15% of the issued share capital of the Company, excluding treasury shares.

### **Audit and Risk Management Committee (“ARMC”)**

The members of the ARMC at the date of this statement are as follows:

Huong Wei Beng (Chairman)  
Pebble Sia Huei-Chieh  
A Selverajah

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

The ARMC held two meetings since the date of last directors' statement. In performing its functions, the ARMC met with the Group's external and internal auditors to discuss the scope of their work, the results of their work and the internal auditor's examination and evaluation of the Group's internal accounting control system.

The ARMC carried out its functions in accordance with Section 201B of the Act and the Listing Manual of the SGX-ST (“Listing Manual”), and is guided by the Code of Corporate Governance. The ARMC's functions include (but not limited to) reviewing the following:

- assistance provided by the Group's officers to the internal and external auditors;
- half yearly financial statements and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the Listing Manual); and
- the amount of audit and non-audit fees paid to the external auditor of the Group.

Further details on the ARMC are disclosed in the Corporate Governance Report.

# **DIRECTORS' STATEMENT**

**For the financial year ended 31 March 2022**

## **Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Ow Chio Kiat  
Director

Ow Yew Heng  
Director

Singapore  
8 July 2022



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# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2022

## Independent Auditor's Report to the Members of Singapore Shipping Corporation Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Singapore Shipping Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2022, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2022

## Key Audit Matters (cont'd)

### Carrying Amount of Vessels

As at 31 March 2022, the carrying amount of the Group's vessels amounted to US\$119.2 million, representing 67% of the Group's total assets. They relate to key assets held by the Group and drive its significant cash flows from the time-charter of vessels. The Group reviews the carrying amount of its vessels on an annual basis or more frequently if impairment indicators are present.

The impairment assessment requires management to consider both internal and external sources of information, in determining whether there is any indication that any vessel may have been impaired, which include but are not limited to significant decline in expected financial performance of each vessel and evidence of obsolescence or physical damage of the vessels. Significant audit effort was involved in the review of management's assessment and assumptions surrounding indicators of impairment. As such, we determined this as a key audit matter.

We obtained an understanding of management's impairment assessment process including their considerations of the impacts of COVID-19 pandemic on the Group's operations. We reviewed management's assessment of whether indicators of impairment were present at the balance sheet date and assessed the reasonableness of significant judgment used in the assessment. Our audit procedures included, amongst others, the review of vessels' profitability analysis taking into account contractual charter rates, projected off-hire periods and operating expenses with consideration of external industry factors and current market conditions such as risk of lessee default and average scrap steel prices which may have a bearing on the valuation of vessels.

Further, we assessed the adequacy of the disclosures on the carrying amount of vessels in Notes 3 and 10 to the financial statements.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2022

## **Responsibilities of Management and Directors 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 Act and SFRS(I), 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2022

## Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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# **INDEPENDENT AUDITOR'S REPORT**

**For the financial year ended 31 March 2022**

## **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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Seng Choon.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

8 July 2022

# CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2022

	Note	Group	
		2022	2021
		US\$'000	US\$'000
Revenue	4	45,808	42,169
Other operating income		1,247	698
Depreciation expense	10, 11	(7,991)	(8,309)
Vessel operation costs		(4,354)	(4,549)
Transportation, warehouse and terminal operating costs		(9,352)	(5,768)
Staff and crew costs		(12,867)	(12,037)
Other operating expenses		(1,603)	(1,454)
Results from operating activities	5	10,888	10,750
Finance and investment income	6	145	649
Finance costs	7	(1,423)	(1,669)
Exchange differences		225	650
Share of results of associated company, net of tax		1	(106)
<b>Profit before taxation</b>		9,836	10,274
Taxation	8	(2)	(1)
<b>Profit for the year</b>		9,834	10,273
<b>Attributable to:</b>			
Owners of the Company		9,834	10,273
<b>Earnings per share (US cents):</b>			
Basic	9	2.5	2.6
Diluted	9	2.5	2.6

The accompanying accounting policies and explanatory notes form an integral part of the financial statements



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

**Profit for the year**

**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
- Realised and transferred to income statement

Foreign currency translation

**Other comprehensive income for the year, net of tax**

**Total comprehensive income for the year**

**Attributable to:**

Owners of the Company

<b>Group</b>	
<b>2022</b>	<b>2021</b>
<b>US\$'000</b>	<b>US\$'000</b>
9,834	10,273
3,061	2,239
(714)	(538)
2,347	1,701
(63)	608
2,284	2,309
12,118	12,582
12,118	12,582

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

# BALANCE SHEETS

As at 31 March 2022

	Note	Group		Company	
		2022	2021	2022	2021
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>					
Property, plant and equipment	10	121,485	128,469	–	–
Right-of-use asset	11	–	30	–	–
Goodwill	12	777	782	–	–
Investment in subsidiaries	13	–	–	32,625	32,625
Amount due from subsidiaries	13	–	–	1,346	5,715
Investment in associated company	15	1,638	1,637	*	*
Derivative financial assets	24	705	–	–	–
Other assets	16	–	54	–	–
		124,605	130,972	33,971	38,340
<b>Current assets</b>					
Inventories	17	530	272	–	–
Trade and other receivables	18	3,556	3,206	29	36
Amount due from subsidiaries	14	–	–	35,119	19,405
Investment securities	19	5,556	2,209	–	–
Cash and cash equivalents	20	44,597	38,726	9,894	15,438
		54,239	44,413	45,042	34,879
<b>Less:</b>					
<b>Current liabilities</b>					
Trade and other payables	21	6,874	6,563	124	117
Amount due to subsidiaries	22	–	–	9,874	15,134
Lease liability	11	–	33	–	–
Bank borrowings	23	5,310	7,078	–	–
Derivative financial liabilities	24	213	780	–	–
		12,397	14,454	9,998	15,251
<b>Net current assets</b>		41,842	29,959	35,044	19,628

\* Less than US\$1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

# BALANCE SHEETS

As at 31 March 2022

	Note	Group		Company	
		2022	2021	2022	2021
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current liabilities</b>					
Bank borrowings	23	34,517	39,829	–	–
Derivative financial liabilities	24	–	1,014	–	–
Deferred income	25	26,027	23,483	–	–
		60,544	64,326	–	–
<b>Net assets</b>		105,903	96,605	69,015	57,968
<b>Equity attributable to owners of the Company</b>					
Share capital	26	31,886	31,886	31,886	31,886
Treasury shares	27	(1,546)	(210)	(1,546)	(210)
Other reserves	28	(422)	(2,706)	–	–
Retained earnings		75,985	67,635	38,675	26,292
<b>Total equity</b>		105,903	96,605	69,015	57,968

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Group	Note	Share capital US\$'000	Treasury shares US\$'000	Hedging reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Equity attributable to owners of the Company US\$'000
<b>Balance at 1 April 2021</b>		31,886	(210)	(1,728)	(978)	67,635	96,605
<b>Total comprehensive income for the year</b>							
Profit for the year		-	-	-	-	9,834	9,834
Other comprehensive income for the year		-	-	2,347	(63)	-	2,284
Total		-	-	2,347	(63)	9,834	12,118
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Dividends paid	29	-	-	-	-	(1,484)	(1,484)
Purchase of treasury shares	27	-	(1,336)	-	-	-	(1,336)
Total		-	(1,336)	-	-	(1,484)	(2,820)
<b>Balance at 31 March 2022</b>		31,886	(1,546)	619	(1,041)	75,985	105,903
<b>Balance at 1 April 2020</b>		31,886	(7,688)	(3,429)	(1,586)	67,980	87,163
<b>Total comprehensive income for the year</b>							
Profit for the year		-	-	-	-	10,273	10,273
Other comprehensive income for the year		-	-	1,701	608	-	2,309
Total		-	-	1,701	608	10,273	12,582
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Dividends paid	29	-	-	-	-	(2,930)	(2,930)
Purchase of treasury shares	27	-	(210)	-	-	-	(210)
Cancellation of treasury shares	27	-	7,688	-	-	(7,688)	-
Total		-	7,478	-	-	(10,618)	(3,140)
<b>Balance at 31 March 2021</b>		31,886	(210)	(1,728)	(978)	67,635	96,605

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Company	Note	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Equity attributable to owners of the Company US\$'000
<b>Balance at 1 April 2021</b>		31,886	(210)	26,292	57,968
<b>Total comprehensive income for the year</b>					
Profit for the year		–	–	13,867	13,867
Total		–	–	13,867	13,867
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividends paid	29	–	–	(1,484)	(1,484)
Purchase of treasury shares	27	–	(1,336)	–	(1,336)
Total		–	(1,336)	(1,484)	(2,820)
<b>Balance at 31 March 2022</b>		31,886	(1,546)	38,675	69,015
<b>Balance at 1 April 2020</b>		31,886	(7,688)	28,490	52,688
<b>Total comprehensive income for the year</b>					
Profit for the year		–	–	8,420	8,420
Total		–	–	8,420	8,420
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividends paid	29	–	–	(2,930)	(2,930)
Purchase of treasury shares	27	–	(210)	–	(210)
Cancellation of treasury shares	27	–	7,688	(7,688)	–
Total		–	7,478	(10,618)	(3,140)
<b>Balance at 31 March 2021</b>		31,886	(210)	26,292	57,968

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	Group	
		2022 US\$'000	2021 US\$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		9,836	10,274
Adjustments for:			
Depreciation expense	10, 11	7,991	8,309
Interest income	6	(181)	(286)
Dividend income	6	(78)	(78)
Net fair value loss/(gain) on investment securities	6	114	(285)
Gain on disposal of other assets		(274)	-
Finance costs	7	1,423	1,669
Gain on foreign exchange		(23)	(505)
Share of results of associated company, net of tax		(1)	106
Operating cash flows before changes in working capital		18,807	19,204
Changes in working capital:			
Inventories		(258)	9
Trade and other receivables		(348)	560
Trade and other payables		339	(696)
Deferred income		2,544	2,593
Derivative financial liabilities		61	-
<b>Cash flows from operations</b>		21,145	21,670
Tax paid		(2)	(1)
<b>Net cash flows from operating activities</b>		21,143	21,669
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(88)	(322)
Payment for drydocking expenditure	10	(888)	(1,050)
Purchase of investment securities		(3,461)	-
Interest received		179	449
Dividend income from investment securities		78	78
Proceeds from disposal of other assets		328	-
<b>Net cash flows used in investing activities</b>		(3,852)	(845)
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings		(7,080)	(7,667)
Repayment of lease liability	11	(33)	(317)
Payment of finance costs		(1,451)	(1,679)
Dividends paid	29	(1,484)	(2,930)
Purchase of treasury shares	27	(1,336)	(210)
<b>Net cash flows used in financing activities</b>		(11,384)	(12,803)
<b>Net increase in cash and cash equivalents</b>		5,907	8,021
Cash and cash equivalents at beginning of the year		38,726	30,524
Effect of exchange rate changes on cash and cash equivalents		(36)	181
<b>Cash and cash equivalents at end of the year</b>	20	44,597	38,726

The accompanying accounting policies and explanatory notes form an integral part of the financial statements



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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 1. Corporate information

Singapore Shipping Corporation Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office and principal place of business of the Company is located at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (“US\$” or “USD”) and all values in the tables are rounded to the nearest thousand (“US\$’000”), except when otherwise indicated.

### 2.2 Adoption of new and amended standards and interpretations

The Group has applied the following amendments to SFRS(I)s for the first time for the current period beginning on 1 April 2021:

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16 *Interest Rate Benchmark Reform - Phase 2*

The adoption of the above amendments to SFRS(I)s did not have any material impact on the financial performance or position of the Group and the Company for the financial year ended 31 March 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.5 Foreign currency

The financial statements are presented in United States Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into United States Dollars at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

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

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.6 Property, plant and equipment (cont'd)

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is de-recognised.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

### 2.7 Club memberships

Club memberships are measured initially at cost. Following initial acquisition, club memberships are carried at cost less any accumulated amortisation and any accumulated impairment losses. Club memberships are amortised on a straight-line basis over estimated economic useful lives (ranging from 5 to 25 years) and assessed for impairment whenever there is an indication that the asset may be impaired.

### 2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investment in subsidiaries is accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.10 Associated company

An associated company is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associated company using the equity method from the date on which it becomes an associated company.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associated company's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associated company is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associated company. The profit or loss reflects the share of results of the operations of the associated company. Distributions received from associated company reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associated company, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associated company are eliminated to the extent of the interest in the associated company.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associated company. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognises the amount in profit or loss.

Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.11 Financial instruments

#### (a) Financial assets

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### *Subsequent measurement*

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

##### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.11 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

##### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

##### *De-recognition*

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

#### (b) Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

##### *De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and bank deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.14 Inventories

Inventories, which comprise consumables, are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.16 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are expensed in the period they occur.

### 2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit and loss by deducting against the related costs on a systematic basis over the periods that these related costs, for which it is intended to compensate, are expensed.

### 2.18 Employee benefits

#### (a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) Share-based compensation

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.18 Employee benefits (cont'd)

#### (b) Share-based compensation (cont'd)

The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the awards at the date on which the awards are granted. In valuing the share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company.

This cost is recognised in the profit and loss account as share-based compensation expense, with a corresponding increase in the share-based payment reserve. When the new shares are issued to the employees, the proceeds received (net of transaction costs) and the related balance previously recognised in the share-based payment reserve are credited to share capital.

#### (c) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

### 2.19 Leases

#### (a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Warehouse      -      2 years

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.19 Leases (cont'd)

#### (a) As lessee (cont'd)

##### (ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects that Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

##### (iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption in leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### (b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as charter hire income. The accounting policy for charter hire income is set out in Note 2.20.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Charter hire contracts are segregated into a lease component (lease of vessels) and a non-lease component (provision of other ancillary services). Other ancillary services include provision of crew and other services under the time charter contracts. The Group accounts for the lease of vessels for time charter under SFRS(I) 16 *Leases* as lease revenue and accounts for the provision of other ancillary services under SFRS(I) 15 *Revenue from Contracts with Customers* as service income.

Lease revenue is recognised on a straight-line basis over the lease term. Whereas the service income is recognised over time on a straight-line basis over the charter period based on the relative stand-alone prices using the expected cost plus margin approach.

Agency fees and terminal services, freight, clearance and transportation services, labour and other warehouse operation charges are recognised when the performance obligations under the contracts are satisfied.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the Group's right to receive payment is established.

### 2.21 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.21 Taxes (cont'd)

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associated company, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associated company, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.



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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.21 Taxes (cont'd)

#### (b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### (c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

### 2.22 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.23 Hedge accounting

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

#### *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in profit or loss.

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk exposures.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

When a cash flow hedge is discontinued, the cumulative gain or loss previously recognised in other comprehensive income will remain in the hedging reserve until the future cash flows occur if the hedged future cash flows are still expected to occur or reclassified to profit or loss immediately if the hedged future cash flows are no longer expected to occur.

### 2.24 Share capital and treasury shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

The Group's own ordinary shares, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 2. Summary of significant accounting policies (cont'd)

### 2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgment made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgment which has the most significant effect on the amounts recognised in the consolidated financial statements:

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 3. Significant accounting judgements and estimates (cont'd)

### 3.1 Judgment made in applying accounting policies (cont'd)

#### Determination of lease classification

The Group has entered into time charter lease agreements for its vessels. The Group evaluated the terms and conditions of the arrangements and assessed that the lease arrangements do not transfer ownership of the vessels to the lessees at the end of the lease terms. The Group determined it does not transfer substantially all the risks and rewards of ownership of these vessels to the lessees and had accounted for the agreements as operating leases.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### Depreciation, useful lives and residual values of vessels

The Group reviews the estimated useful lives and residual values 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 usage and technological developments 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 expense and consequently affect the Group's financial results. The economic useful lives and residual values of the vessels are reviewed at each reporting date, 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 the 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.

As at 31 March 2022, the carrying amount of vessels is US\$119,235,000 (2021: US\$125,442,000) (Note 10).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 4. Revenue

### Disaggregation of revenue

#### Types of services

#### Revenue recognition – Over time

	2022 US\$'000	2021 US\$'000
Lease revenue	25,520	26,299
Service income	5,694	5,450
	31,214	31,749

#### Revenue recognition – At a point in time

Agency and logistics	14,594	10,420
	45,808	42,169

## 5. Results from operating activities

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

	2022 US\$'000	2021 US\$'000
Fees paid to auditor of the Company:		
- Audit fees	62	62
Contributions to defined contribution plans, included in staff and crew costs	573	550
Short-term operating lease expense	893	487

Government grants recognised as deduction against staff and crew costs amounted to US\$350,000 (2021: US\$628,000) during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 6. Finance and investment income

Interest income on deposits with banks  
Net fair value (loss)/gain on investment securities  
Dividend income

Group	
2022	2021
US\$'000	US\$'000
181	286
(114)	285
78	78
145	649

## 7. Finance costs

Interest expense on bank borrowings  
Interest expense on lease liability

Group	
2022	2021
US\$'000	US\$'000
1,423	1,662
–	7
1,423	1,669

## 8. Taxation

Major components of income tax expense

### **Consolidated income statement:**

Current income tax expense recognised in profit or loss

Group	
2022	2021
US\$'000	US\$'000
2	1

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 8. Taxation (cont'd)

### Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2022 and 2021 is as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Profit before taxation	9,836	10,274
Add: Share of results of associated company, net of tax	(1)	106
	<b>9,835</b>	<b>10,380</b>
Tax at Singapore statutory tax rate of 17% (2021: 17%)	1,672	1,765
Adjustments:		
Non-deductible expenses	70	103
Income not subject to taxation	(2,126)	(2,272)
Deferred tax assets not recognised	386	424
Utilisation of previously unrecognised tax losses	-	(19)
Income tax expense recognised in profit or loss	<b>2</b>	<b>1</b>

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.

### Unrecognised tax losses

As at 31 March 2022, certain subsidiaries of the Group have unutilised tax losses of US\$27,994,000 (2021: US\$25,715,000) that are available for offset against future taxable profits subject to agreement by the Comptroller of Income Tax and compliance with the relevant provisions of the Singapore Income Tax Act. Deferred tax assets amounting to US\$4,759,000 (2021: US\$4,371,000) 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.

### Tax consequences of proposed dividends

There are no income tax consequences (2021: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 9. Earnings per share

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 March:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Profit for the year attributable to owners of the Company	9,834	10,273
	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>No. of shares '000</b>	<b>No. of shares '000</b>
Weighted average number of ordinary shares for basic and diluted earnings per share computation	396,689	399,213

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. There are no dilutive potential ordinary shares outstanding during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 10. Property, plant and equipment

Group	Renovations, Equipment and Drydocking furniture and expenditure fittings and computers					Motor vehicles	Total
	Vessels						
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
<b>Cost</b>							
At 1 April 2020	178,093	4,671	862	1,397	18		185,041
Additions	–	1,050	–	322	–		1,372
Disposals	–	(1,126)	–	(12)	–		(1,138)
Exchange differences	–	–	45	20	1		66
At 31 March 2021 and 1 April 2021	178,093	4,595	907	1,727	19		185,341
Additions	–	888	–	88	–		976
Disposals	–	(724)	–	(3)	–		(727)
Exchange differences	–	–	(5)	(2)	–		(7)
At 31 March 2022	178,093	4,759	902	1,810	19		185,583
<b>Accumulated depreciation</b>							
At 1 April 2020	46,450	1,944	754	783	18		49,949
Depreciation for the year	6,201	1,485	103	210	–		7,999
Disposals	–	(1,126)	–	(12)	–		(1,138)
Exchange differences	–	–	42	19	1		62
At 31 March 2021 and 1 April 2021	52,651	2,303	899	1,000	19		56,872
Depreciation for the year	6,207	1,519	8	227	–		7,961
Disposals	–	(724)	–	(3)	–		(727)
Exchange differences	–	–	(5)	(3)	–		(8)
At 31 March 2022	58,858	3,098	902	1,221	19		64,098
<b>Net carrying amount</b>							
At 31 March 2021	125,442	2,292	8	727	–		128,469
At 31 March 2022	119,235	1,661	–	589	–		121,485

### Assets pledged as security

As at 31 March 2022, the Group's vessels with a carrying amount of US\$60,511,000 (2021: US\$75,992,000) are mortgaged to secure bank borrowings (Note 23).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 11. Right-of-use asset and lease liability

### Group as a lessee

The Group has a lease contract for warehouse with a lease term of 2 years. The Group's obligations under its lease are secured by the lessor's title to the leased asset.

The Group also has certain leases with lease terms of 12 months or less and leases of assets with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amount of the right-of-use asset recognised and the movements during the financial year:

<b>Group</b>	<b>Warehouse US\$'000</b>
At 1 April 2020	323
Depreciation expense	(310)
Exchange differences	17
At 31 March 2021	30
Depreciation expense	(30)
At 31 March 2022	–

Set out below are the carrying amount of lease liability and the movements during the financial year:

	<b>Group</b>	
	<b>2022 US\$'000</b>	<b>2021 US\$'000</b>
At 1 April	33	343
Payments	(33)	(317)
Accretion of interest	–	7
At 31 March	–	33
<b>Presented as:</b>		
Current	–	33

The maturity analysis of lease liability is disclosed in Note 31(b).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 11. Right-of-use asset and lease liability (cont'd)

The following are the amounts recognised in profit or loss:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Depreciation expense of right-of-use asset	30	310
Interest expense on lease liability	–	7
Expense relating to short-term leases	893	487
Total amount recognised in profit or loss	923	804

During the financial year, the Group has cash outflows for leases of US\$33,000 (2021: US\$317,000).

## 12. Goodwill

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Goodwill	777	782

The movement in goodwill relates to translation differences.

### *Impairment assessment on goodwill*

For the purpose of impairment assessment, goodwill have been allocated to two cash generating units as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Agency business	432	435
Logistic business	345	347
	777	782

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 12. Goodwill (cont'd)

### *Impairment assessment on goodwill (cont'd)*

The recoverable amounts of the cash generating units have been determined based on value in use calculations using cash flow projections from financial budgets covering a five-year period. The following key assumptions are used in the value in use calculations:

- (i) the anticipated annual revenue growth included in the cash flow projections was 1.5% (2021: 1.2%) with no significant changes to the customer base; and
- (ii) pre-tax discount rate of 4.0% (2021: 3.5%) was applied in determining the recoverable amount of the businesses. The discount rate was estimated based on past experience and computed based on cost of debt assuming debt leveraging of 27% (2021: 33%) at a market interest rate of 3.2% (2021: 3.2%).

### Sensitivity to changes in assumptions

With regards to the value in use calculations, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amounts of goodwill to materially exceed their recoverable amounts.

## 13. Investment in subsidiaries and amount due from subsidiaries

	Company	
	2022 US\$'000	2021 US\$'000
Unquoted equity shares, at cost	33,274	33,274
Impairment losses	(649)	(649)
	32,625	32,625
Amount due from subsidiaries	1,346	5,715

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 13. Investment in subsidiaries and amount due from subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2022 %	2021 %
Island Line Pte. Ltd.	Singapore	Shipping and transport services	100	100
SSC Capricornus Leader Pte. Ltd.	Singapore	Owning and chartering of a vessel	100	100
SSC Sirius Leader Pte. Ltd.	Singapore	Owning and chartering of a vessel	100	100
SSC Boheme Pte. Ltd.	Singapore	Owning and chartering of a vessel	100	100
Singapore Shipping Agencies Pte. Ltd.	Singapore	Shipping agency, terminal operations, ancillary marine services and other related services	100	100
SSC Taurus 2015 (7000) Pte. Ltd.	Singapore	Owning and chartering of a vessel	100	100
SSC Investments (Pte) Limited	Singapore	Investment holding	100	100
<i>Held through SSC Investments (Pte) Limited:</i>				
SSC Ship Management Pte. Ltd.	Singapore	Ship management	100	100
SSC (International) Pte. Ltd.	Singapore	Dormant	100	100
SSC Centaurus Leader Pte. Ltd.	Singapore	Owning and chartering of a vessel	100	100
<i>Held through Singapore Shipping Agencies Pte. Ltd.:</i>				
H.S.H. (Malaysia) Sdn. Bhd. <sup>(a)</sup>	Malaysia	Shipping agency and related services	100	100

All the subsidiaries incorporated in Singapore are audited by Ernst & Young LLP.

<sup>(a)</sup> Audited by P.S. Yap, ISMA & Associates, Malaysia

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 14. Amount due from subsidiaries (current)

	Company	
	2022	2021
	US\$'000	US\$'000
Amount due from subsidiaries	65,647	45,617
Less: Allowance for impairment	(30,528)	(26,212)
	35,119	19,405

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

Movements in allowance for impairment are as follows:

	Company	
	2022	2021
	US\$'000	US\$'000
At beginning of the year	26,212	25,695
Impairment during the year	4,316	517
At end of the year	30,528	26,212

## 15. Investment in associated company

	Group		Company	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Investment in associated company	1,638	1,637	*	*

\* Less than US\$1,000

Details of the associated company are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2022	2021
			%	%
MOB Cougar Pte Ltd	Singapore	Dormant	30	30

The associated company is audited by Ernst & Young LLP.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 15. Investment in associated company (cont'd)

The summarised financial information in respect of the associated company and a reconciliation with the carrying amount of investment in the consolidated financial statements are as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Associated company:</b>		
<b>Results</b>		
Revenue	–	1,300
Profit/(loss) after taxation	2	(352)
<b>Assets and liabilities</b>		
Total assets	5,462	5,467
Total liabilities	(3)	(10)
Net assets	5,459	5,457
Proportion of the Group's ownership	30%	30%
Group's share of net assets and carrying amount of the investment in associated company	1,638	1,637

## 16. Other assets

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Club memberships	–	54

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 17. Inventories

### Balance sheet:

Consumables

### Income statement:

Inventories recognised as an expense in vessel operation costs

Group	
2022	2021
US\$'000	US\$'000
530	272
882	754

## 18. Trade and other receivables

### Financial assets

Trade receivables

Deposits

Accrued interest receivable

Sundry debtors

Group		Company	
2022	2021	2022	2021
US\$'000	US\$'000	US\$'000	US\$'000
2,489	2,192	–	–
139	145	–	–
52	50	8	20
76	90	–	–
2,756	2,477	8	20

### Non-financial assets

Advances

Prepayments

**Total trade and other receivables**

44	116	–	–
756	613	21	16
3,556	3,206	29	36

Trade receivables are non-interest bearing and are generally on 30 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 18. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to US\$569,000 (2021: US\$602,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Trade receivables past due but not impaired:		
Lesser than 30 days	419	478
30 – 60 days	18	38
More than 60 days	132	86
	<b>569</b>	<b>602</b>

## 19. Investment securities

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Financial assets at fair value through profit or loss		
- Quoted equity securities	2,052	2,209
- Other investment securities	3,504	–
	<b>5,556</b>	<b>2,209</b>

## 20. Cash and cash equivalents

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Cash at banks and on hand	5,919	5,486	502	134
Deposits	38,678	33,240	9,392	15,304
Cash and cash equivalents	<b>44,597</b>	<b>38,726</b>	<b>9,894</b>	<b>15,438</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 20. Cash and cash equivalents (cont'd)

The weighted average effective interest rates per annum at the end of the reporting period are as follows:

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
Deposits	0.5	0.6	0.2	0.5

## 21. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial liabilities</b>				
Trade payables	1,011	800	–	–
Sundry payables	251	238	6	5
Amount due to related parties	125	57	–	–
Accrued interest payable	115	143	–	–
Accrued operating expenses	3,956	3,249	118	112
	5,458	4,487	124	117
<b>Non-financial liabilities</b>				
Advance receipts from customers	1,416	1,726	–	–
Deferred grant income	–	350	–	–
<b>Total trade and other payables</b>	6,874	6,563	124	117

Trade payables are non-interest bearing and are normally settled on 30 - 60 days terms.

The amount due to related parties is non-trade, unsecured, interest-free and repayable on demand.

## 22. Amount due to subsidiaries (current)

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 23. Bank borrowings

	Group	
	2022 US\$'000	2021 US\$'000
Current bank borrowings	5,310	7,078
Non-current bank borrowings	34,517	39,829
	<b>39,827</b>	<b>46,907</b>

As at 31 March 2022, the carrying amount of the vessels mortgaged as security for the bank borrowings is US\$60,511,000 (2021: US\$75,992,000) (Note 10).

As part of its interest rate risk management, the Group had entered into interest rate swaps to swap floating interest rates on US\$39,827,000 (2021: US\$46,907,000) of the bank borrowings to fixed interest rates. The notional principal amounts of the outstanding interest rate swaps and their corresponding fair values are disclosed in Note 24.

The weighted average effective interest rate per annum (after taking into consideration the interest rate swaps) at the end of the reporting period is 3.2% (2021: 3.2%).

## 24. Derivative financial assets/(liabilities)

	Group			
	2022		2021	
	Notional amount US\$'000	Fair value US\$'000	Notional amount US\$'000	Fair value US\$'000
<b>Current</b>				
Interest rate swaps	5,310	(86)	7,078	(714)
Foreign exchange forwards contracts	36,800	(127)	11,000	(66)
	<b>42,110</b>	<b>(213)</b>	<b>18,078</b>	<b>(780)</b>
<b>Non-current</b>				
Interest rate swaps	34,517	705	39,829	(1,014)

The interest rate swaps are designated as cash flow hedges for the Group's bank borrowings. See Note 23 for further details.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 25. Deferred income

Deferred income arises from the adoption of straight-line basis for the recognition of lease revenue component for the Group's time charter contracts.

## 26. Share capital

	Group and Company			
	2022		2021	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
<b>Issued and fully paid ordinary shares</b>				
At beginning of the year	399,990	31,886	437,020	31,886
Cancellation of treasury shares	–	–	(37,030)	–
At end of the year	399,990	31,886	399,990	31,886

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

### Singapore Shipping Corporation Limited Performance Share Plan 2015 ("SSC PSP")

Under the SSC PSP, an award granted represents the right to receive fully paid shares, free of charge, provided that certain pre-determined performance conditions (if applicable) are satisfied within the performance period (if applicable) during which such performance conditions are to be satisfied. Performance conditions are intended to be based on short to medium term corporate critical targets based on criteria such as total shareholders' returns, market share, market ranking, return on sales and gross operating profits being met over a short period of one to three years.

The persons eligible to participate in the SSC PSP are either selected employees of the Group of such rank as the Remuneration Committee may determine, or other participants as selected by the Remuneration Committee at its discretion, but shall exclude the independent directors of the Company, controlling shareholders and the associates of such controlling shareholders.

During the financial year, there were no awards granted under the SSC PSP.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 27. Treasury shares

	Group and Company			
	2022		2021	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
At beginning of the year	1,099	210	37,030	7,688
Acquired during the year	6,392	1,336	1,099	210
Cancelled during the year	–	–	(37,030)	(7,688)
At end of the year	7,491	1,546	1,099	210

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the financial year, the Company acquired 6,392,000 (2021: 1,099,000) ordinary shares in the Company through purchases on the SGX-ST. The total amount paid to acquire the shares was US\$1,336,000 (2021: US\$210,000) and this was presented as a component within shareholders' equity.

During the financial year ended 31 March 2021, the Company cancelled 37,030,000 treasury shares. As the treasury shares were purchased out of the earnings of the Company, the cancellation of treasury shares was deducted against retained earnings.

## 28. Other reserves

	Group	
	2022 US\$'000	2021 US\$'000
Hedging reserve	619	(1,728)
Currency translation reserve	(1,041)	(978)
	(422)	(2,706)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 29. Dividends

*Declared and paid during the financial year:*

Dividends on ordinary shares:

- Final tax exempt (one-tier) dividend for 2021 of 0.5 Singapore cent (2020: 1.0 Singapore cent) per share

Group and Company	
2022	2021
US\$'000	US\$'000
1,484	2,930

*Proposed but not recognised as a liability as at 31 March:*

Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:

- Final tax exempt (one-tier) dividend for 2022 of 1.0 Singapore cent (2021: 0.5 Singapore cent) per share

2,900	1,482
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## 30. Segment information

### (a) Operating segments

The Group has two reportable segments, namely ship owning and agency and logistics as follows:

- (i) Ship owning segment: Includes ship owning and ship management.
- (ii) Agency and logistics segment: Includes shipping agency, terminal operations, warehousing and logistics services.

Management monitors the operating results of each of these operating segments for the purpose of making decisions about resources allocation and performance assessment.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 30. Segment information (cont'd)

### (a) Operating segments (cont'd)

For financial year ended 31 March 2022

	Ship owning US\$'000	Agency and logistics US\$'000	Unallocated items* US\$'000	Inter- segment elimination US\$'000	Group US\$'000
<b>Group's external revenue</b>	31,214	14,594	–	–	45,808
Segment results	11,626	1,915	–	–	13,541
Finance costs	(1,423)	–	–	–	(1,423)
Share of results of associated company, net of tax	1	–	–	–	1
Profit before unallocated items	10,204	1,915	–	–	12,119
Corporate costs	–	–	(2,653)	–	(2,653)
Finance and investment income	–	–	145	–	145
Exchange differences	–	–	225	–	225
Profit before taxation	10,204	1,915	(2,283)	–	9,836
Taxation	–	(2)	–	–	(2)
<b>Profit for the year</b>	10,204	1,913	(2,283)	–	9,834
Segment assets	171,495	8,540	–	(2,829)	177,206
Investment in associated company	1,638	–	–	–	1,638
<b>Total assets</b>	173,133	8,540	–	(2,829)	178,844
<b>Total liabilities</b>	73,314	2,456	–	(2,829)	72,941
<b>Capital expenditure</b>	948	28	–	–	976
<b>Depreciation</b>	7,939	52	–	–	7,991

\* Unallocated items refer to corporate costs, finance and investment income, exchange differences and taxation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 30. Segment information (cont'd)

### (a) Operating segments (cont'd)

For financial year ended 31 March 2021

	Ship owning US\$'000	Agency and logistics US\$'000	Unallocated items* US\$'000	Inter- segment elimination US\$'000	Group US\$'000
<b>Group's external revenue</b>	31,749	10,420	–	–	42,169
Segment results	12,261	1,200	–	–	13,461
Finance costs	(1,662)	(7)	–	–	(1,669)
Share of results of associated company, net of tax	(106)	–	–	–	(106)
Profit before unallocated items	10,493	1,193	–	–	11,686
Corporate costs	–	–	(2,711)	–	(2,711)
Finance and investment income	–	–	649	–	649
Exchange differences	–	–	650	–	650
Profit before taxation	10,493	1,193	(1,412)	–	10,274
Taxation	–	(1)	–	–	(1)
<b>Profit for the year</b>	10,493	1,192	(1,412)	–	10,273
Segment assets	168,812	8,930	–	(3,994)	173,748
Investment in associated company	1,637	–	–	–	1,637
<b>Total assets</b>	170,449	8,930	–	(3,994)	175,385
<b>Total liabilities</b>	80,483	2,291	–	(3,994)	78,780
<b>Capital expenditure</b>	1,366	6	–	–	1,372
<b>Depreciation</b>	7,873	436	–	–	8,309

\* Unallocated items refer to corporate costs, finance and investment income, exchange differences and taxation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 30. Segment information (cont'd)

### (b) Geographical segments

#### *Revenue by geographical segments*

The following table provides an analysis of the Group's revenue by geographical segments:

	Group	
	2022	2021
	US\$'000	US\$'000
<b>Revenue</b>		
Japan	21,504	21,164
Singapore	14,443	10,253
Others	9,861	10,752
	45,808	42,169

#### *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

	Group	
	2022	2021
	% of total revenue	% of total revenue
Revenue from:		
Customer 1	47	50
Customer 2	24	28
Customer 3	9	8

There are 3 major customers identified by the management.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The board of directors reviews and agrees on policies and procedures for the management of these risks. The Audit and Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents, investment securities and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 365 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

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# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies (cont'd)

### (a) Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than one year past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

#### (i) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables based on simplified approach. The provision rates are determined based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The expected credit losses of trade receivables at the end of the financial year were determined to be immaterial.

#### (ii) Amount due from subsidiaries at amortised cost

The Company computes ECL for non-trade amounts due from subsidiaries using the probability of default approach. In determining this ECL, the Company considers events such as significant adverse changes in financial condition and operating results of the subsidiaries and determines that significant increase in credit risk occurs when there are changes in the risk that the specific subsidiary will default on the payment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies (cont'd)

### (a) Credit risk (cont'd)

#### (ii) Amount due from subsidiaries at amortised cost (cont'd)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

#### Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets and corporate guarantees of US\$39,827,000 (2021: US\$46,907,000) provided by the Company to banks on the bank borrowings of certain subsidiaries.

#### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### Credit risk concentration profile

As at 31 March 2022, 47% (2021: 54%) of the Group's trade receivables were due from 3 (2021: 3) major customers. These customers are of good standing and have no history of default payments.

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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 the cash return on investments.

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	←----- Contractual cash flows -----→				
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	More than 5 years
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>2022</b>					
Trade and sundry payables	1,262	1,262	1,262	–	–
Amount due to related parties	125	125	125	–	–
Accrued operating expenses	3,956	3,956	3,956	–	–
Bank borrowings and accrued interest	39,942	44,938	6,563	24,495	13,880
	45,285	50,281	11,906	24,495	13,880
<b>Derivative financial instruments</b>					
Interest rate swaps used for hedging	(619)	(619)	85	(663)	(41)
Foreign exchange forward contracts	127	127	127	–	–
	44,793	49,789	12,118	23,832	13,839

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group	Contractual cash flows				
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	More than 5 years
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>2021</b>					
Trade and sundry payables	1,038	1,038	1,038	–	–
Amount due to related parties	57	57	57	–	–
Accrued operating expenses	3,249	3,249	3,249	–	–
Bank borrowings and accrued interest	47,050	53,460	8,521	25,199	19,740
Lease liability	33	33	33	–	–
	51,427	57,837	12,898	25,199	19,740
<b>Derivative financial instruments</b>					
Interest rate swaps used for hedging	1,728	1,728	714	1,157	(143)
Foreign exchange forward contracts	66	66	66	–	–
	53,221	59,631	13,678	26,356	19,597
Company	Contractual cash flows				
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	More than 5 years
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>2022</b>					
Sundry payables	6	6	6	–	–
Amount due to subsidiaries	9,874	9,874	9,874	–	–
Accrued operating expenses	118	118	118	–	–
	9,998	9,998	9,998	–	–
<b>Non-derivative financial liabilities</b>					
Financial guarantees	39,827	39,827	5,310	21,241	13,276
	49,825	49,825	15,308	21,241	13,276



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

Company	←-----Contractual cash flows-----→				
	Carrying amount	Total	Not later than 1 year	Between 1 and 5 years	More than 5 years
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>2021</b>					
Sundry payables	5	5	5	–	–
Amount due to subsidiaries	15,134	15,134	15,134	–	–
Accrued operating expenses	112	112	112	–	–
	15,251	15,251	15,251	–	–
<b><i>Non-derivative financial liabilities</i></b>					
Financial guarantees	46,907	46,907	7,078	21,241	18,588
	62,158	62,158	22,329	21,241	18,588

### (c) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Singapore Dollar.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies (cont'd)

### (c) Foreign currency risk (cont'd)

The currency giving rise to foreign currency risk is primarily the Singapore Dollar. The Group's and the Company's exposures to the Singapore Dollar are as follows:

	Group		Company	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	64	75	–	1
Cash and cash equivalents	1,867	1,699	285	1,317
Trade and other payables	(666)	(680)	(124)	(118)
Net exposure	1,265	1,094	161	1,200

#### *Sensitivity analysis*

A 5% strengthening of the functional currency against the Singapore Dollar at the end of the reporting period would decrease the profit before taxation by the amounts shown below.

	Group		Company	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Profit before taxation	63	55	8	60

A 5% weakening of the functional currency against the Singapore Dollar at the end of the reporting period would have equal but opposite effect to the amounts shown above.

The above analysis assumes all other variables 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 financial year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 31. Financial risk management objectives and policies (cont'd)

### (d) 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's and the Company's exposure to interest rate risk arises primarily from bank borrowings and deposits.

The Group manages its exposure to changes in interest rates on bank borrowings by entering into interest rate swaps to convert the floating rate part of the bank borrowings to fixed rates. As at 31 March 2022, the Group has interest rate swaps with a total notional contract amount of US\$39,827,000 (2021: US\$46,907,000), whereby it pays fixed interest rates and receives variable rates pegged to the 3 months USD LIBOR. The Group classifies these interest rate swaps as cash flow hedges. The interest rate swaps will mature over the next 8 (2021: 1 to 9) years.

### (e) Financial assets and liabilities by category

	Group		Company	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	2,756	2,477	8	20
Amount due from subsidiaries	–	–	35,119	19,405
Cash and cash equivalents	44,597	38,726	9,894	15,438
<b>Financial assets carried at amortised cost</b>	<b>47,353</b>	<b>41,203</b>	<b>45,021</b>	<b>34,863</b>
Investment securities	5,556	2,209	–	–
<b>Financial assets at fair value through profit or loss</b>	<b>5,556</b>	<b>2,209</b>	<b>–</b>	<b>–</b>
<b>Derivative financial assets/ (liabilities) used for hedging</b>	<b>619</b>	<b>(1,728)</b>	<b>–</b>	<b>–</b>
<b>Derivative financial liabilities not designated as hedging instruments</b>	<b>(127)</b>	<b>(66)</b>	<b>–</b>	<b>–</b>
Trade and other payables	(5,458)	(4,487)	(124)	(117)
Amount due to subsidiaries	–	–	(9,874)	(15,134)
Bank borrowings	(39,827)	(46,907)	–	–
Lease liability	–	(33)	–	–
<b>Financial liabilities measured at amortised cost</b>	<b>(45,285)</b>	<b>(51,427)</b>	<b>(9,998)</b>	<b>(15,251)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 32. Fair value of assets and liabilities

### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

### (b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Fair value measurements at the end of the reporting period using			Total US\$'000
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
<b>2022</b>				
<b>Financial assets:</b>				
Investment securities at fair value through profit or loss	2,052	3,504	–	5,556
Derivative financial assets	–	492	–	492

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 32. Fair value of assets and liabilities (cont'd)

### (b) Assets and liabilities measured at fair value (cont'd)

Group	Fair value measurements at the end of the reporting period using			Total US\$'000
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
<b>2021</b>				
<b>Financial assets:</b>				
Investment securities at fair value through profit or loss	2,209	–	–	2,209
<b>Financial liabilities:</b>				
Derivative financial liabilities	–	(1,794)	–	(1,794)

### (c) Level 2 fair value measurements

Interest rate swap contracts and certain investment securities are valued using a valuation technique with market observable inputs.

## 33. 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 2022, the Group had an outstanding debt exposure of US\$39,827,000 (2021: US\$46,907,000). 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 33. Capital management (cont'd)

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

## 34. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

### (a) Compensation of key management personnel

	Group	
	2022	2021
	US\$'000	US\$'000
<b>Directors of the Company</b>		
Directors' fees	163	140
Short-term employee benefits	2,362	2,280
Contributions to defined contribution plans	24	24
	<u>2,549</u>	<u>2,444</u>

SFRS(I) 1-24 *Related Parties* defines "key management personnel" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The board of directors ("Board") takes the view that the key persons who have the authority and responsibility for planning, directing and controlling the activities of the Company are the Chairman of the Board, and the Chief Executive Officer ("CEO"). Notwithstanding, the authority and responsibility of the Chairman of the Board and the CEO are exercised after consultation with other members of management. There is no person in the Company, who are not directors of the Company, that have the authority and responsibility for planning, directing and controlling the activities of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

## 34. Related party transactions (cont'd)

### (b) Other related party transactions

Companies related to a director:

- Management fee expenses
- Rental expenses

Group	
2022	2021
US\$'000	US\$'000
392	390
501	424

## 35. Commitments

### *Group as a lessor*

The Group leases out its vessels under time charter agreements. The future contractual payments to be received under non-cancellable time charter agreements for vessels are as follows:

Group	
2022	2021
US\$'000	US\$'000
Within 1 year	34,711
Between 1 and 5 years	111,801
More than 5 years	140,443
	286,955

## 36. Contingent liabilities

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

## 37. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 8 July 2022.

# SHAREHOLDING STATISTICS

As at 15 June 2022

Issued and Paid-up Share Capital	: S\$44,649,448
Number of Issued and Paid-up Shares	: 399,990,291
Number of Issued and Paid-up Shares (excluding treasury shares)	: 392,049,991
Class of Shares	: Ordinary Shares
Voting Rights (excluding Treasury Shares)	: One Vote per Ordinary Share
Number and Percentage of Treasury Shares against the Total	: 7,940,300 (2.03%)
Number of Issued Ordinary Shares excluding Treasury Shares	
Number and Percentage of Subsidiary Holdings Held	: Nil

## BREAKDOWN OF SHAREHOLDINGS BY RANGE

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital*
1 - 99	14	0.20	584	0.00
100 - 1,000	515	7.74	431,011	0.11
1,001 - 10,000	3,907	58.68	21,451,131	5.47
10,001 - 1,000,000	2,197	33.00	107,141,082	27.33
1,000,001 and above	25	0.38	263,026,183	67.09
Total	6,658	100.00	392,049,991	100.00

## TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital*
1	Ow Chio Kiat	153,704,500	39.21
2	Kiersten Ow Yiling	15,360,400	3.92
3	Chu Siew Hoong Christopher	14,744,600	3.76
4	DBS Nominees Pte Ltd	13,680,175	3.49
5	Tan Gim Tee Holdings Pte Ltd	13,200,000	3.37
6	United Overseas Bank Nominees Pte Ltd	8,772,100	2.24
7	Hai Sun Hup Group Pte Ltd	6,200,000	1.58
8	Citibank Nominees Singapore Pte Ltd	4,902,450	1.25
9	Lim Siew Feng Katherine	4,315,000	1.10
10	OCBC Nominees Singapore Pte Ltd	3,858,000	0.98
11	BPSS Nominees Singapore (Pte.) Ltd.	2,956,200	0.75
12	Phillip Securities Pte Ltd	2,116,200	0.54
13	Ow Yew Heng	2,096,200	0.53
14	Ho Juat Keng	2,060,800	0.52
15	Ng Kee Seng	2,010,000	0.51
16	ABN Amro Clearing Bank N.V.	1,870,100	0.48
17	Ang Shao Wen	1,552,000	0.40
18	Ow Weiwen	1,434,000	0.37
19	Raffles Nominees (Pte) Limited	1,321,458	0.34
20	Tang Houi Miang	1,300,000	0.33
	Total	257,454,183	65.67

\* The shareholding percentage is calculated based on the number of issued ordinary shares of the Company excluding treasury shares.



# SHAREHOLDING STATISTICS

As at 15 June 2022

## SUBSTANTIAL SHAREHOLDER

(As recorded in the Register of Substantial Shareholders as at 15 June 2022)

Name	Direct Interest		Deemed Interest		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ow Chio Kiat	153,704,500	39.21	10,640,000	2.71	164,344,500	41.92

Notes:

Mr Ow Chio Kiat is deemed interested in the following shares:

- (1) 4,315,000 shares held by his spouse, Madam Lim Siew Feng Katherine;
- (2) 6,200,000 shares held by Hai Sun Hup Group Pte Ltd by virtue of his controlling interests in Hai Sun Hup Group Pte Ltd; and
- (3) 125,000 shares held by Victoria Park (1976) Pte. Ltd. by virtue of his controlling interests in Victoria Park (1976) Pte. Ltd.

## SHAREHOLDING HELD IN THE HANDS OF PUBLIC

To the best knowledge of the Company and based on information provided to the Company as at 15 June 2022, approximately 49.61% of the issued and paid-up shares of the Company are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

# NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE SHIPPING CORPORATION LIMITED

Company Registration No. 198801332G

(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that the 34<sup>th</sup> Annual General Meeting of Singapore Shipping Corporation Limited (the “Company”) will be held by way of electronic means on Thursday, 28 July 2022 at 10.00 a.m. (Singapore time) to transact the following business:

## ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2022 and the Directors’ Statement and Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final tax exempt (one-tier) dividend of 1 Singapore cent per ordinary share for the financial year ended 31 March 2022. **(Resolution 2)**
3. To approve Directors’ Fees of up to S\$220,000 payable by the Company quarterly in arrears for the financial year ending 31 March 2023 (2022: S\$220,000). **(Resolution 3)**
4. To re-elect Ow Chio Kiat, a Director who is retiring by rotation in accordance with Regulation 89(A) of the Company’s Constitution, and being eligible, offers himself for re-election. **(Resolution 4)**

*Note: Ow Chio Kiat will, upon his re-election as Director, remain as Executive Chairman and member of the Nominating Committee.*

5. To re-elect Huong Wei Beng, a Director who is retiring by rotation in accordance with Regulation 89(A) of the Company’s Constitution, and being eligible, offers himself for re-election. **(Resolution 5)**

*Note: Huong Wei Beng will, upon his re-election as Director, remain as Chairman of the Audit and Risk Management Committee and member of the Remuneration Committee. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).*

6. To re-elect Pebble Sia Huei-Chieh, a Director who is retiring in accordance with Regulation 89(B) of the Company’s Constitution, and being eligible, offers herself for re-election. **(Resolution 6)**

*Note: Pebble Sia Huei-Chieh will, upon her re-election as Director, remain as Chairman of the Nominating Committee and member of the Audit and Risk Management and Remuneration Committees. She is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.*

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# NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE SHIPPING CORPORATION LIMITED  
Company Registration No. 198801332G  
(Incorporated in the Republic of Singapore)

7. To re-elect A Selverajah, a Director who is retiring in accordance with Regulation 89(B) of the Company's Constitution, and being eligible, offers himself for re-election. **(Resolution 7)**

*Note: A Selverajah will, upon his re-election as Director, remain as Chairman of the Remuneration Committee and member of the Audit and Risk Management and Nominating Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.*

8. To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

## SPECIAL BUSINESS

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

9. "That authority be and is hereby given to the Directors to allot and issue from time to time such number of new ordinary shares of the Company as may be required to be allotted and issued pursuant to the Singapore Shipping Corporation Limited Scrip Dividend Scheme." **(Resolution 9)**

*Note: This Resolution 9, if passed, will empower the Directors, should they choose to apply the Singapore Shipping Corporation Limited Scrip Dividend Scheme (the "Scrip Dividend Scheme") to a qualifying dividend, to issue such number of new ordinary shares of the Company as may be required pursuant to the Scrip Dividend Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.*

*The Company announced the adoption of the Scrip Dividend Scheme on 8 July 2022. The terms and conditions of the Scrip Dividend Scheme are set out in the Scrip Dividend Scheme Statement appended to the Company's announcement titled "Adoption of Scrip Dividend Scheme", which is available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.*

*The Company will in compliance with Rule 863 of the Listing Manual of the SGX-ST, announce whether the Scrip Dividend Scheme is to apply to a particular dividend promptly after the decision is taken and in any event, no later than the market day following the record date for that particular dividend.*

10. "That authority be and is hereby given to the Directors to: **(Resolution 10)**
- (a) (i) allot and issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

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- (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 that 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), shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (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) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (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 (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for: (1) new Shares arising from the conversion or exercise of any convertible securities; (2) new Shares arising from exercising share options or vesting of share awards, provided the share options or awards were granted in compliance with the Listing Manual of the SGX-ST; and (3) any subsequent bonus issue, consolidation or sub-division of Shares, provided further that adjustment in accordance with (1) and (2) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;
- (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), all applicable requirements under the Companies Act 1967 (the “Companies Act”) and the Constitution of the Company for the time being; and

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- (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 earlier.”

*Note: This Resolution 10, if passed, will authorise the Directors, from the date of this Annual General Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares, to make or grant Instruments convertible into Shares, and to allot and issue Shares in pursuance of such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), with a sub-limit of 20% for issues other than on a pro rata basis to shareholders.*

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

**(Resolution 11)**

- (a) offer and grant options in accordance with the provisions of the Singapore Shipping Corporation Limited Share Option Plan 2015 and/or grant awards in accordance with the provisions of the Singapore Shipping Corporation Limited Performance Share Plan 2015 (together the “Share Plans”); and
- (b) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Singapore Shipping Corporation Limited Share Option Plan 2015 and/or such number of fully paid Shares as may be required to be issued pursuant to the vesting of awards under the Singapore Shipping Corporation Limited Performance Share Plan 2015,

provided always that the aggregate number of Shares to be issued pursuant to the Share Plans shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company’s next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

*Note: This Resolution 11, if passed, will empower the Directors, from the date of this Annual General Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in a general meeting, whichever is earlier, to offer and grant options and/or awards, and to allot and issue new Shares, pursuant to the Share Plans, provided that the aggregate number of Shares to be issued pursuant to the Share Plans shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.*

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12. “That:

**(Resolution 12)**

- (a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire the ordinary Shares not exceeding in aggregate the Maximum Limit (defined below), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (defined below), whether by way of:
  - (i) on-market purchases transacted on the SGX-ST through the SGX-ST trading system or as the case may be, any other securities exchange on which the ordinary Shares may, for the time being, be listed and quoted (“Market Purchases”); and/or
  - (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all conditions prescribed by the Companies Act and the Listing Manual (“Off -Market Purchases”);

and otherwise in accordance with the Company’s Constitution and all laws and regulations, including but not limited to, the provisions of the Companies Act and the Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buy-Back Mandate”);

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution relating to the Share Buy-Back Mandate and expiring on:
  - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is the earlier;
  - (ii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by Shareholders in a general meeting; or
  - (iii) the date on which the Share Buy-Backs are carried out to the full extent mandated,

whichever is the earliest;

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- (c) in this Resolution relating to the Share Buy-Back Mandate:

**“Average Closing Price”** means the average of the closing market prices of the ordinary Shares over the last five (5) Market Days, on which transactions in the ordinary Shares were recorded, immediately preceding the day on which the purchase or acquisition of ordinary Shares was made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchase or acquisition of ordinary Shares was made or, as the case may be, the day of the making of the offer pursuant to the Off -Market Purchase;

**“day of the making of the offer”** means the day on which the Company makes an offer for the purchase of ordinary Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each ordinary Share and the relevant terms of the equal access scheme for effecting the Off -Market Purchase;

**“Market Day”** means a day on which the SGX-ST is open for trading of securities;

**“Maximum Limit”** means that number of ordinary Shares representing not more than ten per cent. (10.0%) of the total number of issued ordinary Shares (excluding treasury shares and subsidiary holdings) in each class as at the date of the Resolution passed in relation to the Share Buy-Back Mandate, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued ordinary Shares shall be taken to be the total number of issued ordinary Shares as altered after such capital reduction (excluding any treasury shares and subsidiary holdings as may be held by the Company from time to time);

**“Maximum Price”** in relation to an ordinary Share to be purchased, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price;

**“Relevant Period”** means the period commencing from the date of the Resolution passed in relation to the Share Buy-Back Mandate and expiring on the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is the earlier;

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- (d) any ordinary Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and
- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution relating to the Share Buy-Back Mandate.”

*Note: This Resolution 12, if passed, will empower the Directors, from the date of this Annual General Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier, unless such authority is varied or revoked by the Company in general meeting to purchase or acquire ordinary Shares up to the Maximum Limit, at prices up to but not exceeding the Maximum Price, as at the date of the passing of this Resolution 12. The source of funds to be used for the purchase or acquisition of ordinary Shares including the amount of financing and its impact on the Company's financial position are set out in the Paragraphs 2.7 and 2.8 of the Addendum relating to the proposed renewal of the Share Buy-Back Mandate dated 12 July 2022 (the “Addendum”).*

## OTHER BUSINESS

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

BY ORDER OF THE BOARD

LEE LI HUANG  
COMPANY SECRETARY

Singapore  
12 July 2022



# NOTICE OF ANNUAL GENERAL MEETING

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## Notes:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at the URL [www.singaporeshipping.com.sg](http://www.singaporeshipping.com.sg) and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-visual webcast ("Live Webcast") or "live" audio-only stream ("Live Audio Stream")), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 12 July 2022 ("AGM Alternative Arrangements Announcement"). The AGM Alternative Arrangements Announcement, this Notice of AGM, the Annual Report, the Addendum and the proxy form may be accessed on the Company's website at the URL [www.singaporeshipping.com.sg](http://www.singaporeshipping.com.sg), as well as on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. The proceedings of the AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Members and investors holding shares in the Company through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to follow the proceedings through a Live Webcast via their smart phones, tablets or laptops/computers or listen to the proceedings through a Live Audio Stream via telephone must pre-register at the URL <https://complete-corp.com/ssc-agm/> no later than 10.00 a.m. on 25 July 2022 ("Registration Cut-Off Time"). Following verification, an email containing a unique link and password to access the Live Webcast as well as a toll-free telephone number to access the Live Audio Stream of the proceedings of the AGM will be sent to authenticated members and CPF/SRS investors by 12.00 p.m. on 27 July 2022. Members and CPF/SRS investors who do not receive any email by 12.00 p.m. on 27 July 2022, but have registered by the Registration Cut-Off Time, should contact Complete Corporate Services Pte Ltd at +65 6329 2745 on 27 July 2022 during office hours or between 8.00 a.m. and 9.00 a.m. on 28 July 2022 or via email to [ssc-agm@complete-corp.com](mailto:ssc-agm@complete-corp.com) for assistance.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will not be able to pre-register at the URL <https://complete-corp.com/ssc-agm/> for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) via email to the Company's Polling Agent at [ssc-agm@complete-corp.com](mailto:ssc-agm@complete-corp.com) no later than 10.00 a.m. on 25 July 2022.

4. **A member will not be able to attend the AGM physically. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. Instead, a member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

The instrument appointing the Chairman of the AGM as proxy ("proxy form") may be accessed at the Company's website, the pre-registration website and the SGX website. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

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5. The Chairman of the AGM, as proxy, needs not be a member of the Company.
6. The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 18 July 2022, being seven (7) working days before the date of the AGM.
7. The proxy form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company's Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
  - (b) if submitted electronically, be submitted via email to the Company's Polling Agent at [ssc-agm@complete-corp.com](mailto:ssc-agm@complete-corp.com),

in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or sending it by email to the email address provided above.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

8. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.
9. Where the proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.
10. A depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the depositor to be entitled to attend, speak and vote at the AGM.
11. **Members and Investors will not be able to ask questions "live" during the broadcast of the AGM. All members and CPF/SRS investors may submit questions relating to the business of the AGM no later than 5.00 p.m. on 19 July 2022:**
  - (a) via the pre-registration website at the URL <https://complete-corp.com/ssc-agm/>;
  - (b) by email to [ssc-agm@complete-corp.com](mailto:ssc-agm@complete-corp.com); or
  - (c) by post to the registered office of the Company at 200 Cantonment Road, #09-01 Southpoint, Singapore 089763, attention to Company Secretary.

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# NOTICE OF ANNUAL GENERAL MEETING

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**To ensure that questions are received by the Company by the stipulated deadline, members and CPF/SRS investors are strongly encouraged to submit questions via the pre-registration website or by email. The Company will endeavour to address all substantial and relevant questions by 22 July 2022. This is to allow Members sufficient time and opportunity to consider the Company's responses before the deadline for the submission of proxy form.**

Investors (other than CPF/SRS investors) will not be able to submit questions relating to the business of the AGM via the above means. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

12. All documents (including the Annual Report, this Notice of AGM, the Addendum and the proxy form) or information relating to the business of the AGM have been, or will be, published on the Company's website and the SGX website. **Printed copies of the documents will not be despatched to members.** Members and Investors are advised to check the Company's website or SGX website regularly for updates.

**Personal data privacy:** By (a) submitting a proxy form appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, (b) submitting any questions prior to the AGM, or (c) submitting the pre-registration form in accordance with this Notice, 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof); processing the pre-registration forms for purposes of granting access to members for the Live Webcast or Live Audio Stream and providing viewers with any technical assistance, when necessary; addressing substantial and relevant questions from members received in advance of the AGM; the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) 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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## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ow Chio Kiat	
Age	77	
Country of principal residence	Singapore	
The Board's comments on this re-appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	The re-election of Mr Ow Chio Kiat was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his contributions and performance.	
Whether appointment is executive, and if so, the area of responsibility	Executive. Overall management of the Group.	
Job title	Executive Chairman and Member of Nominating Committee	
Professional qualification	Refer to section on Board of Directors at pages 12 to 15 of this annual report for details.	
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother of Mr Ow Cheo Guan, the Deputy Executive Chairman Father of Mr Ow Yew Heng, the Executive Director and Chief Executive Officer	
Conflict of interests (including any competing business)	No	
Working experience and occupation(s) during the past 10 years	Refer to section on Board of Directors at pages 12 to 15 of this annual report for details.	
Undertaking (in the form set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	

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## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Pebble Sia Huei-Chieh	Huong Wei Beng	A Selverajah
	48	49	68
	Singapore	Singapore	Singapore
	The re-election of Ms Pebble Sia Huei-Chieh was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration her independence status, contributions and performance.	The re-election of Mr Huong Wei Beng was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence status, contributions and performance.	The re-election of Mr A Selverajah was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence status, contributions and performance.
	Non-Executive	Non-Executive	Non-Executive
	Independent Non-Executive Director and Lead Independent Director Chairman of Nominating Committee Member of Audit and Risk Management Committee Member of Remuneration Committee	Independent Non-Executive Director Chairman of Audit and Risk Management Committee Member of Remuneration Committee	Independent Non-Executive Director Chairman of Remuneration Committee Member of Audit and Risk Management Committee Member of Nominating Committee
	Refer to section on Board of Directors at pages 12 to 15 of this annual report for details.		
	None	None	None
	No	No	No
	Refer to section on Board of Directors at pages 12 to 15 of this annual report for details.		
	Yes	Yes	Yes

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## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ow Chio Kiat	
Shareholding interest in the listed issuer and its subsidiaries	<p><u>Singapore Shipping Corporation Limited</u></p> <p>Direct Interest: 153,704,500 ordinary shares in Singapore Shipping Corporation Limited.</p> <p>Deemed Interest: 10,640,000 ordinary shares in Singapore Shipping Corporation Limited</p>	
Other Principal Commitments including Directorships:		
Past (for the last 5 years)	<p><u>Directorships:</u></p> <ul style="list-style-type: none"> <li>● Stamford Holdings (Australia) Pte. Ltd. (formerly known as Stamford Hotels &amp; Resorts Pte. Ltd.)</li> <li>● Sir Stamford Hotels &amp; Resorts Pte Ltd</li> <li>● Voyager Travel Pte Ltd</li> <li>● Dickensian Holdings Ltd</li> <li>● Stamford Auckland (1996) Limited</li> <li>● North Ryde Investments Limited</li> <li>● Stamford Mayfair Limited</li> <li>● SGA (1994) Pty Ltd as Trustee for SGA (1994) Trust</li> <li>● SPM (1994) Pty Ltd</li> <li>● Stamford Hotels And Resorts Pty Limited</li> <li>● Stamford Hotels Pty Ltd</li> <li>● SPA (1995) Pty Ltd</li> <li>● HSH Tanker Inc</li> <li>● SPAK (1996) Limited</li> <li>● Sir Stamford Hotel (Australia) Pty Limited</li> <li>● Rainbow Aviation Pte. Ltd.</li> <li>● Rock Assets Limited</li> <li>● Goldgates Management Pte. Ltd.</li> </ul>	

# NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Pebble Sia Huei-Chieh	Huong Wei Beng	A Selverajah
	Nil	Nil	Nil
	<p><u>Directorships:</u></p> <ul style="list-style-type: none"> <li>• Aracari Verlag Asia Pte. Ltd. (Struck Off)</li> <li>• Choo Chiang Holdings Ltd.</li> <li>• Chrysses Limited</li> <li>• Prudential Advisory Services Pte. Ltd. (Struck Off)</li> <li>• Jade Palace Trading Limited</li> <li>• Found8 Pte Ltd</li> <li>• Tamariki Pte. Ltd.</li> </ul>	<p><u>Directorships:</u></p> <p>Nil</p>	<p><u>Directorships:</u></p> <p>Nil</p>

# NOTICE OF ANNUAL GENERAL MEETING

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Ow Chio Kiat	
Present	<u>Directorships:</u> <sup>*</sup> <ul style="list-style-type: none"> <li>Stamford Land Corporation Ltd</li> <li>SSC Boheme Pte. Ltd.</li> <li>SSC Investments (Pte) Limited</li> <li>SSC Capricornus Leader Pte. Ltd.</li> <li>Seven NR (1993) Pte. Ltd.</li> <li>Victoria Park 1976 Pte. Ltd.</li> <li>Bishopsgate (2004) Pte. Ltd.</li> <li>Botanic Lodge (1987) Pte. Ltd.</li> <li>Hai Sun Hup Group Pte Ltd</li> <li>Rainbow Finance Corporation</li> <li>Luscombe International Limited</li> <li>OW FC (40) Pte. Ltd.</li> <li>Goldwaters Capital Ltd.</li> </ul>	

\* Refer to Section on Board of Directors at pages 12 to 15 of this annual report for details on other principal commitments.



# NOTICE OF ANNUAL GENERAL MEETING

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pebble Sia Huei-Chieh	Huong Wei Beng	A Selverajah
<p><u>Directorships:</u>*</p> <ul style="list-style-type: none"> <li>GDS Global Limited</li> <li>Hexagon Residences Pte. Ltd.</li> <li>Lacho Calad Pte. Ltd.</li> <li>Maria Grachvogel Pte. Ltd.</li> <li>Jade Mountain Group Limited</li> <li>City Gallery Investments Limited</li> <li>Volari Investments Limited</li> </ul>	<p><u>Directorships:</u>*</p> <ul style="list-style-type: none"> <li>Stamford Land Corporation Ltd</li> </ul>	<p><u>Directorships:</u>*</p> <p>Nil</p>

\* Refer to Section on Board of Directors at page 12 to 15 of this annual report for details on other principal commitments

# NOTICE OF ANNUAL GENERAL MEETING

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>Ow Chio Kiat</b> <b>Pebble Sia Huei-Chieh</b> <b>Huong Wei Beng</b> <b>A Selverajah</b>	
<b>Name of Person</b>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

# NOTICE OF ANNUAL GENERAL MEETING

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person		Ow Chio Kiat Pebble Sia Huei-Chieh Huong Wei Beng A Selverajah
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

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# PROXY FORM

## SINGAPORE SHIPPING CORPORATION LIMITED

Company Registration No. 198801332G

(Incorporated in the Republic of Singapore)

### IMPORTANT :

- The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-and-visual webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and/or during the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the Notice of AGM and the accompanying Company's announcement dated 12 July 2022 ("AGM Alternative Arrangements Announcement").
- The AGM Alternative Arrangements Announcement, the Notice of AGM and this proxy form have been made available on the Company's website at the URL [www.singaporeshipping.com.sg](http://www.singaporeshipping.com.sg) and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. **Printed copies of the Notice of AGM and this proxy form will not be sent to members.**
- A member will not be able to attend the AGM physically. A member will also not be able to vote "live" on the Resolutions to be tabled for approval at the AGM. Instead, a member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.**
- This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions by 5.00 p.m. on 18 July 2022, being seven (7) working days before the AGM.

### PERSONAL DATA PRIVACY

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 July 2022.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration No.)

of \_\_\_\_\_ (Address)

being a member/members of Singapore Shipping Corporation Limited (the "Company"), hereby appoint the Chairman of the AGM, as my/our proxy, to vote for me/us and on my/our behalf at the AGM of the Company to be held by way of electronic means on Thursday, 28 July 2022 at 10.00 a.m. (Singapore time) and at any adjournment thereof. I/We direct the Chairman of the AGM, being my/our proxy to vote for or against, or abstain from voting on the Resolutions proposed at the AGM as indicated hereunder.

No	Resolutions relating to:	For*	Against*	Abstain*
<b>Ordinary Business</b>				
1.	Adoption of the Audited Financial Statements and the Directors' Statement and Auditor's Report thereon			
2.	Declaration of Final Tax Exempt (One-Tier) Dividend			
3.	Approval of Directors' Fees for financial year ending 31 March 2023			
4.	Re-election of Ow Chio Kiat as Director			
5.	Re-election of Huang Wei Beng as Director			
6.	Re-election of Pebble Sia Huei-Chieh as Director			
7.	Re-election of A Selverajah as Director			
8.	Re-appointment of Auditors			
<b>Special Business</b>				
9.	Authority to allot and issue Shares pursuant to the Singapore Shipping Corporation Limited Scrip Dividend Scheme			
10.	Authority to allot and issue Shares, to make or grant Instruments convertible into Shares, and to allot and issue Shares in pursuance of such Instruments			
11.	Authority to offer and grant options and/or awards, and to issue new Shares in accordance with the provisions of the Share Plans			
12.	Proposed Renewal of the Share Buy-Back Mandate			

\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick "✓" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each Resolution. If you mark "✓" in the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution. In the absence of specific directions in respect of a Resolution, the appointment of the Chairman as your proxy for that Resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

**Total Number of  
Shares Held  
(Note 1)**

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

**Important: Please read the notes on the overleaf.**

## NOTES

1. Please insert the total number of shares in the share capital of the Company ("Shares") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), 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 the Chairman of the AGM as proxy ("proxy form") shall be deemed to relate to all the Shares held by you.
2. **A member will not be able to attend the AGM physically. A member will also not be able to vote "live" on the Resolutions to be tabled for approval at the AGM. Instead, a member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** This proxy form may be accessed from the Company's website at the URL [www.singaporeshipping.com.sg](http://www.singaporeshipping.com.sg), the pre-registration website at the URL <https://complete-corp.com/ssc-agm/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.

3. The Chairman of the AGM, as proxy, needs not be a member of the Company.
4. The proxy form must be submitted in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company's Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
  - (b) if submitted electronically, be submitted via email to the Company's Polling Agent at [ssc-agm@complete-corp.com](mailto:ssc-agm@complete-corp.com),

in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

A member who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or sending it by email to the email address provided above. **Members are strongly encouraged to submit completed proxy forms electronically via email.**

5. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act 1967 as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.
6. Where the proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.
7. For Investors (including CPF/SRS investors), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions by 5.00 p.m. on 18 July 2022, being seven (7) working days before the AGM.

## GENERAL

The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the proxy form. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.



**Singapore Shipping Corporation Limited**

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Singapore 089763

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**[www.singaporeshipping.com.sg](http://www.singaporeshipping.com.sg)**

Company Registration No. 198801332G