

SINGAPORE SHIPPING CORPORATION LIMITED

(the “Company”)

(Company Registration No. 198801332G)

(Incorporated in the Republic of Singapore)

Minutes of the 32nd Annual General Meeting (“AGM” or Meeting”)

Date : Tuesday, 28 July 2020
Time : 10.00 a.m.
Place : By way of electronic means
Present : As per the webcast attendees report
(due to the restriction on the use of personal data pursuant to the provision of the Personal Data Protection Act 2012, the names of the attendees of this Meeting will not be published in this minutes)
Chairman : Mr Ow Chio Kiat

1. WELCOMING ADDRESS

1.1. The Executive Chairman of the Board of Directors (the “Board”), Mr Ow Chio Kiat (the “Chairman”), welcomed the attendees who had joined the virtual AGM.

2. QUORUM

2.1. The Chairman acknowledged and thanked the shareholders who had registered and attended the virtual AGM by either observing or listening to the AGM proceedings through a “live” audio-visual webcast or a “live” audio only stream of the AGM.

2.2. There being a quorum, the Chairman called the AGM to order.

2.3. The Chairman then invited the Chief Executive Officer (“CEO”), Mr Ow Yew Heng, to move to the routine business of the AGM.

2.4. CEO introduced his fellow Board members (Mr Ow Chio Kiat, Mr Ow Cheo Guan, Ms Pebble Sia Huei-Chieh (“Ms Pebble Sia”) and Mr Huong Wei Beng (“Mr Huong”) who attended the Meeting remotely by electronic means. He added that the Company’s key management, auditor (Messrs Ernst & Young LLP) (“EY”), polling agent and scrutineer had also joined the Meeting electronically.

3. NOTICE OF MEETING

3.1. With the concurrence of the Meeting, the notice of the AGM dated 13 July 2020 (“Notice of AGM”) published on the SGXNet and the Company’s corporate website on 13 July 2020, was taken as read.

3.2. CEO informed that the Board had withdrawn Ordinary Resolution 10 relating to the Proposed Renewal of the Share Buy-Back Mandate.

3.3. The CEO explained that (a) shareholders would not be able to vote online on the resolutions tabled for approval at the AGM but could exercise their voting rights at the AGM by appointing the Chairman of the Meeting as their proxy. As shareholders had appointed Chairman as their proxy to vote on their behalf, the Chairman shall be voting in accordance with their instructions; and (b) pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and Regulation 58(A) of the Company’s Constitution, all proposed resolutions as set out in the Notice of AGM, except for Ordinary Resolution 10 which had been withdrawn, would be decided by way of poll.

3.4. The Meeting was further informed that (a) Complete Corporate Services Pte Ltd. and Tricor Evatthouse Corporate Services were appointed as Polling Agent and Scrutineer respectively; and (b) the Polling Agent had counted the proxy votes received as at the cut-off date and the Scrutineer had verified the results of the proxy voting and prepared a report on the poll results. The poll results would be announced immediately after each motion had been formally proposed.

4. **ADVANCED QUESTIONS AND ANSWERS**

4.1. The CEO informed that the Company's responses to the questions from shareholders received prior to this AGM had been uploaded on the SGXNet on 28 July 2020 and made available on the Company's corporate website as well. As invited by CEO, Ms Lee Li Huang ("**Ms Lee**"), the Chief Financial Officer and Company Secretary, read out the following substantial and relevant questions and the Company's responses:

4.1.1. **Looking at the cash built up, which management has done a great job in accumulating, what is the plan for the cash? Any new fleet acquisition in near future?**

Management was prudently selective in continued pursuits of investment opportunities which must meet the Group's investment criteria and yield suitable level of returns at minimal risk. The returns should ensure that cash flows are not compromised, and profits are sustainable. The Company's cash reserves are strategically held to allow it to react swiftly in the event of any opportunities manifesting.

4.1.2. **Are we taking advantage of the low interest rate environment to refinance and reprice our existing loans to achieve a lower effective interest rate?**

The Company entered into interest rate swaps to convert floating interest rates on bank loans to fixed interest rates since the inception of the loan agreements. This enables the Group to limit the exposure to volatility in interest rates and allows the Group to better manage its cash flows. In addition, the charter contracts allow the Group to match stable stream of charter income with loan repayments.

4.1.3. **How badly affected are our Principals by COVID-19 and any impact on their ability to pay for our ship leases and services?**

While the Company is dealing with blue chip operators, the nature and speed of economic recovery remains highly uncertain. As of now, there is no credit issue.

4.1.4. **How long are the Principals leasing our ships and when will the leasing contracts expire?**

All the vessels are on long term charter to blue chip operators. Generally, the charter agreements run for initial periods of more than 10 years.

4.1.5. **Instead of doing share buy-backs, can we increase the dividend?**

A comparison of the Company dividend yield against the Straits Times Index ("**STI**") is shown in Appendix A. The average dividend yield of the Company for the past 20 years is 11.4%, compared to STI of 3.6%. Historically, the Company has been one of the more consistent and higher paying dividend counters within the sector. Shareholders should be more than contented given the past track record of generous dividend payouts. This is especially so when few shipping companies, if any, are profitable.

For FY2020, the Company's dividend is 1.0 Singapore cent per share, which represents a dividend yield of 4.5%.

Any more than the current proposed dividend is in the Company's view unsustainable taking into consideration the following:

- the potential earnings forecast of the Company taking into consideration its future projects and investments;
- the sustainability of the current dividend over the course of the next few years; and
- the resources required for the Company to undertake any projects in the coming year.

Share buy-back allows the Company an avenue to return surplus funds to its shareholders. Shareholders who do not wish to stay invested in the Company will get the opportunity to cash out their investments.

For those investors who wish to stay invested, their earnings per share increases partly due to

the reduction in the number of shares in issue. Shareholder value will therefore be enhanced without any effort on the part of the shareholders who stay invested.

With dividend at 1.0 Singapore cent per share, the return of cash by way of share buy-back will be the only other alternative for the Company to have the flexibility to return cash to shareholders, without affecting the sustainability of the dividends declared.

- 4.2. Ms Lee handed the Meeting back to CEO. CEO informed the Meeting that to streamline the proceedings, he, in his capacity as a shareholder, would be proposing all motions and no seconder would be called as it is not required by law. He then proceeded with the items on the Agenda.

ORDINARY BUSINESS

5. **ORDINARY RESOLUTION 1:
AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 MARCH 2020
("FY2020") TOGETHER WITH THE DIRECTORS' STATEMENT AND AUDITOR'S REPORT**

- 5.1. The first item on the Agenda was to receive and adopt the Audited Financial Statements for FY2020 together with the Directors' Statement and the Auditor's Report thereon. The Directors' Statement, Auditor's Report and Audited Financial Statements were set out on pages 40 to 112 of the Annual Report for FY2020.
- 5.2. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	210,343,200	100%
Against	0	0%

- 5.3. Accordingly, the CEO declared Ordinary Resolution 1 carried.
- 5.4. It was **RESOLVED** that the Audited Financial Statements for FY2020 together with the Directors' Statement and Auditor's Report thereon be received and adopted.

6. **ORDINARY RESOLUTION 2:
DECLARATION OF FINAL DIVIDEND**

- 6.1. The Board had recommended the payment of a final tax exempt (one-tier) dividend of 1.0 Singapore cent per ordinary share for FY2020 and such dividend would be paid on 21 August 2020 after the passing of this resolution.
- 6.2. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	210,343,200	100%
Against	0	0%

- 6.3. Accordingly, the CEO declared Ordinary Resolution 2 carried.
- 6.4. It was **RESOLVED** that the payment of final tax exempt (one-tier) dividend of 1.0 Singapore cent per ordinary share for FY2020 be approved.

7. **ORDINARY RESOLUTION 3:
DIRECTORS' FEES FOR FINANCIAL YEAR ENDING 31 MARCH 2021 ("FY2021")**

- 7.1. The Meeting was explained that Ordinary Resolution 3, if passed, would facilitate payment of Directors' fees during FY2021 in which fees are incurred on a quarterly basis.
- 7.2. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	210,343,200	100%
Against	0	0%

7.3. Accordingly, the CEO declared Ordinary Resolution 3 carried.

7.4. It was **RESOLVED** that the Directors' fees of up to S\$220,000 payable quarterly in arrears for FY2021 be approved.

8. **ORDINARY RESOLUTION 4:
 RE-ELECTION OF OW CHEO GUAN**

8.1. The Meeting was explained that Mr Ow Cheo Guan (a) was retiring by rotation at this AGM pursuant to Regulation 89(A) of the Company's Constitution and he being eligible, had signified his consent to continue in office; and (b) will remain as Deputy Executive Chairman of the Company.

8.2. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	195,650,800	100%
Against	0	0%

8.3. Accordingly, the CEO declared Ordinary Resolution 4 carried.

8.4. It was **RESOLVED** that Ow Cheo Guan be re-elected as Director of the Company.

9. **ORDINARY RESOLUTIONS 5 AND 6:
 RE-ELECTION OF PEBBLE SIA HUEI-CHIEH AND HUONG WEI BENG AS DIRECTORS**

9.1. CEO informed that Ms Pebble Sia and Mr Huong were retiring in accordance with Regulation 89(B) of the Company's Constitution, and they being eligible, had consented to seek for re-election.

9.2. It was explained that Ordinary Resolution 5 was to re-elect Ms Pebble Sia as Director. Ms Pebble Sia 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.

9.3. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	193,675,700	98.99%
Against	1,975,100	1.01%

9.4. Accordingly, the CEO declared Ordinary Resolution 5 carried.

9.5. It was **RESOLVED** that Pebble Sia Huei-Chieh be re-elected as Director of the Company.

9.6. Resolution 6 was to re-elect Mr Huong as Director. Mr Huong will, upon his re-election as Director, remain as Chairman of the Remuneration Committee and member of the Audit and Risk Management Committee.

- 9.7. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	195,650,800	100%
Against	0	0%

- 9.8. Accordingly, the CEO declared Ordinary Resolution 6 carried.

- 9.9. It was **RESOLVED** that Huong Wei Beng be re-elected as Director of the Company.

10. **ORDINARY RESOLUTION 7:
 RE-APPOINTMENT OF AUDITORS**

- 10.1. The last item of the ordinary business was to deliberate the re-appointment of EY as auditors for FY2021 and to authorise the Directors to fix their remuneration. EY had expressed their willingness to continue in office.

- 10.2. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	195,650,800	100%
Against	0	0%

- 10.3. Accordingly, the CEO declared Ordinary Resolution 7 carried.

- 10.4. It was **RESOLVED** that Messrs Ernst & Young LLP be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.

SPECIAL BUSINESS

11. **ORDINARY RESOLUTION 8:
 AUTHORITY TO ALLOT AND ISSUE SHARES**

- 11.1. The Meeting ensued with the deliberation on special business of the Agenda. CEO explained that proposed Resolution 8 was to seek shareholders' approval to authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act (Chapter 50) and the Listing Manual of the SGX-ST. The full text of proposed Resolution 8 was set out in the Notice of AGM on pages 116 and 117 of the Annual Report for FY2020.

- 11.2. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	193,675,700	98.99%
Against	1,975,100	1.01%

- 11.3. Accordingly, the CEO declared Ordinary Resolution 8 carried.

- 11.4. It was **RESOLVED** that authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding 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 subdivision 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 (Chapter 50) (the "Companies Act") and the Constitution of the Company for the time being; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

**12. ORDINARY RESOLUTION 9:
AUTHORITY TO OFFER AND GRANT OPTIONS AND/OR AWARDS, AND TO ISSUE NEW SHARES IN ACCORDANCE WITH THE PROVISIONS OF SINGAPORE SHIPPING CORPORATION LIMITED SHARE OPTION PLAN 2015 ("SSC SHARE OPTION") AND THE SINGAPORE SHIPPING CORPORATION LIMITED PERFORMANCE SHARE PLAN 2015 ("SSC PSP")**

- 12.1. CEO explained that proposed Resolution 9 was to seek shareholders' approval to authorise the Directors to offer and grant options and/or awards, and to allot and issue shares in the Company pursuant to the SSC Share Option and SSC PSP. The full text of proposed Resolution 9 was set out in the Notice of AGM on page 117 of the Annual Report.

12.2. CEO proposed the motion. He informed that the Scrutineer had verified the poll results and the poll results were as follows:

	No. of votes	Percentage
For	193,675,700	98.99%
Against	1,975,100	1.01%

12.3. Accordingly, the CEO declared Ordinary Resolution 9 carried.

12.4. It was **RESOLVED** that authority be and is hereby given to the Directors to:

- (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.

13. **CONCLUSION**

13.1. There being no other business to transact, the formality of business of the AGM had been concluded. On behalf of the Chairman, CEO declared the Meeting closed at 10.15 a.m., and he thanked all present for their attendance and participation.

Confirmed as true and correct record
of the proceedings

OW CHIO KIAT
Chairman of the Meeting

Date: 4 August 2020

