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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Singapore Shipping Corporation Limited

Stock code: S19

Meeting details:

Date: 30 Jul 2024

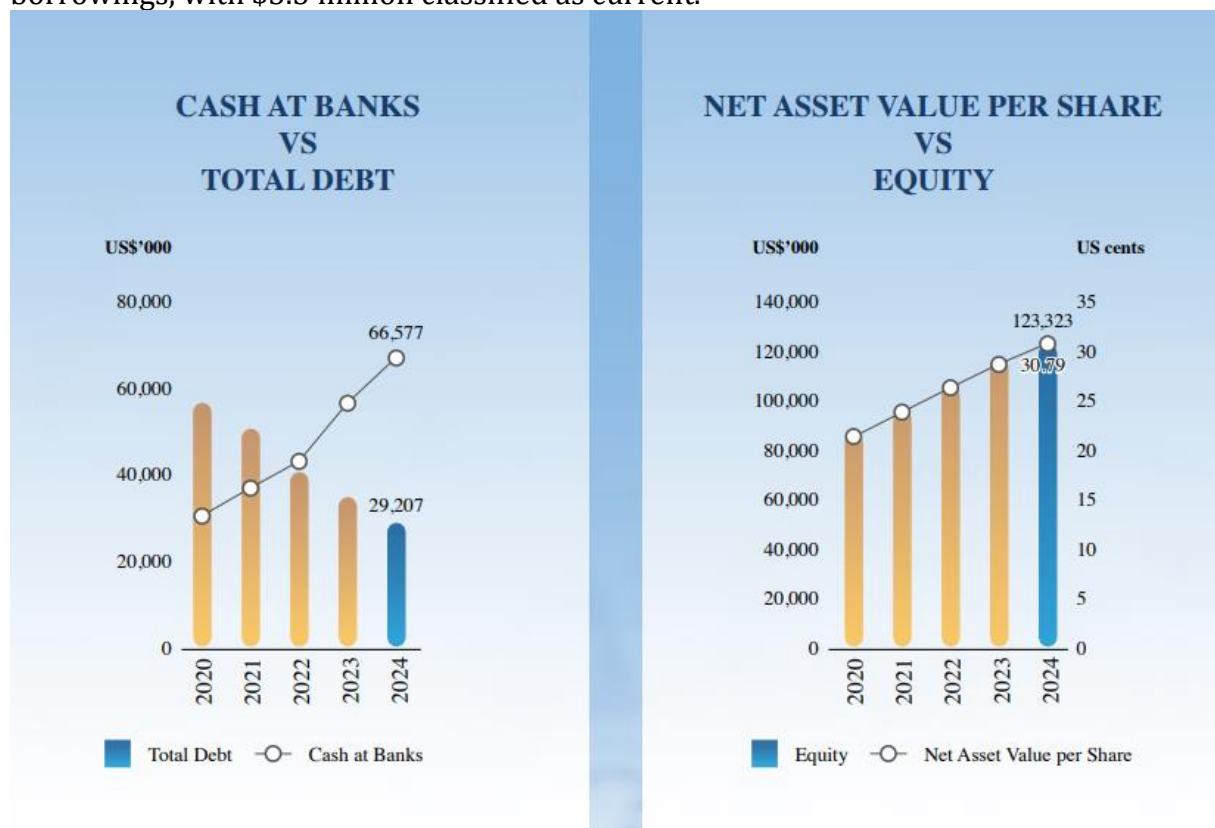
Time: 10.00 a.m.

Venue: Singapore Chinese Cultural Centre, Multi-purpose Hall (Level 7), 1 Straits Boulevard,
Singapore 018906

Q1. In the annual report, the company highlighted the robustness of its business model of long-term charters and notes its advantageous position with cash holdings amounting to US\$67 million. The group recognised more than 69% of its revenue from ship chartering.

Management anticipates that the shipping industry’s efforts to meet the International Maritime Organization’s 2030 decarbonisation targets will necessitate a shift toward Bio-LNG energy vessels. It is believed that the company’s strong balance sheet will facilitate strategic acquisitions and investments, especially in adapting to industry-wide decarbonisation trends.

From Note 22 (Bank borrowing; page 113), the group has a total of US\$29.2 million in bank borrowings, with \$5.3 million classified as current.



(Source: company annual report; Financial highlights; page 15)

- (i) **For the benefit of shareholders, can management elaborate further on the options available with regard to Bio-LNG energy vessels? Would it be more aligned with the group’s strategic plans to acquire a Bio-LNG fuelled vessel or initiate a new build?**
- (ii) **What are the strategic benefits and risks of pursuing a first-mover advantage in the adoption of Bio-LNG energy vessels? How does this align with the group’s overall strategic goals and risk appetite?**

Q2. The group currently owns a fleet of five PCTC with a total capacity of over 32,000 CEU. The group's last acquisitions were made in 2015, of m.v. Centaurus Leader (6,500 CEU) and m.v. Taurus Leader (7,020 CEU). The charterers are Nippon Yusen Kabushiki Kaisha and Wall RO/RO AB.

- (i) **Is the group's fleet equipped to handle the transportation of electric vehicles? What are the critical safety requirements and operational standards to ensure the safe transport of electric vehicles, and does the group meet these standards?**
- (ii) **Separately, how does management view the rise of Chinese automotive makers, and how is the group positioned to tap into this trend?**
- (iii) **For the benefit of shareholders, can management provide an overview of the key changes and developments in the group's operations and fleet over the past 5-10 years since the last acquisition? How have these changes positioned the group for future growth?**
- (iv) **Does management have specific plans for m.v. Boheme which was built in 1999, the oldest vessel in its fleet? What considerations are guiding the decision-making process regarding its future operations or potential phase-out?**

Q3. As disclosed in the corporate governance report, the internal audit function of the group is outsourced to Mazars LLP (page 48 of the annual report). In the previous financial year, the company had engaged CLA Global TS Risk Advisory Pte. Ltd. (formerly known as Nexia TS Risk Advisory Pte. Ltd.), as the internal auditors of the group.

- (i) **Can the audit and risk management committee (ARMC) confirm if the internal audit function has been outsourced to Forvis Mazars LLP?**
- (ii) **What prompted the change in internal auditors from CLA?**
- (iii) **What specific selection criteria and evaluation process were used to identify the new internal auditor?**
- (iv) **Can the ARMC provide a detailed overview of the scope of the internal audit for FY2024, along with the key findings and specific recommendations made by the internal auditor?**
- (v) **What level of oversight does the ARMC exercise over the actions taken by management to address the recommendations?**



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