Singapore Shipping Corporation Limited
Company registration no. 198801332G

RESPONSES TO SHAREHOLDERS ON SUBSTANTIAL AND RELEVANT QUESTIONS RAISED FOR SINGAPORE SHIPPING CORPORATION LIMITED'S 33rd ANNUAL GENERAL MEETING

The Board of Directors of Singapore Shipping Corporation Limited (the "**Company**") would like to thank shareholders for submitting questions ahead of the Company's 33rd Annual General Meeting ("**AGM**") to be held by electronic means on Wednesday, 28 July 2021 at 10.00 a.m. (Singapore Time).

The Appendix annexed herein sets out the Company's responses to the substantial questions from shareholders that are relevant to the resolutions to be tabled at the AGM and the business of the Company.

By Order of the Board

Lee Li Huang
Chief Financial Officer and Company Secretary
28 July 2021

APPENDIX

QUESTIONS RECEIVED FROM SHAREHOLDERS

1.	**a) The Company has reduced its dividend from 1 Singapore cent to 0.5 Singapore cent for FY2021. The dividend has been 1 Singapore cent for many years, even last year when the pandemic upended many businesses. What is the reason for this uncharacteristic and drastic reduction of dividend?** **b) Does the Company benefit from the increase in shipping rates in the current pandemic?** **c) Are the Company's current vessels fully leased out or utilised?** **d) Is the logistics business positively impacted by the current increase in demand from e-commerce?**
	<u>Company's Response</u> a) 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 certain factors as set out on page 39 of the Annual Report 2020/2021. Taking into account the continuing uncertain market conditions caused by the COVID-19 pandemic, the decision to declare a dividend of half a Singapore cent per share for the financial year ended 31 March 2021 was reached. We remain financially well-positioned to explore viable ongoing projects and opportunities to expand the scale of our business. b) We are not able to benefit from the increase in shipping rates in the current pandemic as we are not the vessel operators. For our agency and logistics business, our freight forwarding business is facing the pressure on higher costs due to the increase in shipping rates. c) For our ship owning business, all our vessels are on long-term charter to blue chip operators. d) Our logistic business handles mainly strategic projects, which provide services/solutions to niche markets and industries that require special handling of cargoes. We do not provide logistic services for the e-commerce segment and hence do not benefit from the increase in demand.
2.	**Why is there a dividend cut even when the Company is doing well? Is there a potential major deal in the making that involves draining the Company of its cash holdings?**
	<u>Company's Response</u> Please refer to our response as set out in note 1(a) above.
3.	**What is the dividend policy? The Company has been making much more than the dividend it pays out (moreover when the US Dollar is converted to Singapore Dollar). Don't you think that there should be some yardstick to pay out the dividend e.g. a pay-out ratio say 60-70%.**
	<u>Company's Response</u> Please refer to our response as set out in note 1(a) above.