

FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 and Q3), HALF YEAR AND FULL YEAR RESULTS

1 a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors announces the unaudited results of the Group for the financial year ended 31 December 2017.

1 a)(i) **Income Statement for the financial year ended 31 December 2017**

	Note	Group		+ / (-) %
		FY2017 US\$'000	FY2016 US\$'000	
Revenue		283,701	260,466	8.9
Cost of sales		(266,033)	(245,860)	8.2
<b>Gross profit</b>		<b>17,668</b>	<b>14,606</b>	21.0
Other operating income	(A)	2,346	3,968	(40.9)
Marketing expenses		(7,733)	(8,435)	(8.3)
Administrative expenses		(5,647)	(6,180)	(8.6)
Other operating expenses	(B)	(128)	(7,866)	(98.4)
<b>Profit (loss) from operations</b>		<b>6,506</b>	<b>(3,907)</b>	n.m
Finance income		581	450	29.1
Finance expense		(1,677)	(1,880)	(10.8)
<b>Operating profit (loss)</b>		<b>5,410</b>	<b>(5,337)</b>	n.m
Share of results of associates		702	1,540	(54.4)
<b>Profit (Loss) before tax</b>		<b>6,112</b>	<b>(3,797)</b>	n.m
Income tax expense		(314)	(1,507)	(79.2)
<b>Profit (Loss) after tax</b>		<b>5,798</b>	<b>(5,304)</b>	n.m
<b>Attributable to:</b>				
Owners of the Company		5,938	(5,428)	n.m
Non-controlling interests		(140)	124	n.m
<b>Profit (Loss) after tax</b>		<b>5,798</b>	<b>(5,304)</b>	n.m

n.m. = not meaningful

1 a)(ii) **Notes to the Income Statement**

	Group		+ / (-) %
	FY2017 US\$'000	FY2016 US\$'000	
Profit (Loss) after tax for the financial year is arrived at after charging (crediting) the following:			
- Depreciation of property, plant and equipment	17,557	20,061	(12.5)
- Depreciation of investment properties	26	25	4.0
- Amortization of intangible assets	3	-	n.m
- Allowance for doubtful trade debts	1,794	3,239	(44.6)
- Write back of allowance for doubtful trade debts	(768)	(204)	276.5
- Finance expenses - interest on borrowings	1,677	1,880	(10.8)
(A) Other operating income			
- Rental income	349	297	17.5
- Net foreign exchange gains	219	848	(74.2)
- Gain on disposal of plant, property and equipment	79	-	n.m
- Gain on disposal of current assets held for sale	965	18	5261.1
- Gain on disposal of investment at fair value through profit and loss- investment securities	32	48	(33.3)
- Claims	482	2,396	(79.9)
- Others	220	361	(39.1)
	<b>2,346</b>	<b>3,968</b>	(40.9)

1 a)(ii) **Notes to the Income Statement (continued)**

	<b>Group</b>		<b>+ / (-) %</b>
	<b>FY2017 US\$'000</b>	<b>FY2016 US\$'000</b>	
(B) Other operating expenses			
- Impairment of property, plant and equipment (vessels)	-	(7,330)	n.m
- Impairment of assets held for sale (vessels)	-	(413)	n.m
- Property, plant and equipment written off	-	(2)	n.m
- Loss on disposal of plant, property and equipment	-	(121)	n.m
- Others	(128)	-	n.m
	<u>(128)</u>	<u>(7,866)</u>	(98.4)

1 a)(iii) **Statement of Comprehensive Income for the financial year ended 31 December 2017**

	<b>Group</b>	
	<b>FY2017 US\$'000</b>	<b>FY2016 US\$'000</b>
<b>Profit(loss) after tax for the financial year</b>	<b>5,798</b>	<b>(5,304)</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement of defined benefit obligation	162	32
	<u>162</u>	<u>32</u>
<b>Items that may be reclassified subsequently to profit or loss</b>		
Share of other comprehensive income of associate	1,176	1,121
Exchange differences on translation of foreign operations	297	(192)
	<u>1,473</u>	<u>929</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>1,635</u>	<u>961</u>
<b>Total comprehensive income (loss) for the year</b>	<b><u>7,433</u></b>	<b><u>(4,343)</u></b>
<b>Total comprehensive income (loss) attributable to:</b>		
Owners of the Company	7,507	(4,479)
Non-controlling interests	(74)	136
	<u>7,433</u>	<u>(4,343)</u>

1 b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Balance Sheets as at**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 17</b>	<b>31 Dec 16</b>	<b>31 Dec 17</b>	<b>31 Dec 16</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	49,635	54,096	20,653	33,509
Trade receivables	58,470	44,214	51,447	37,490
Prepaid operating expenses	9,176	7,082	6,515	4,468
Other receivables and deposits	2,091	1,007	114	78
Due from immediate holding company (non-trade)	2,087	2,087	-	-
Due from immediate holding company (trade)	5,414	2,401	5,414	2,364
Due from subsidiaries (trade)	-	-	4,455	3,108
Due from subsidiaries (non-trade)	-	-	3,822	3,052
Due from related companies (trade)	3,660	2,819	257	115
Due from joint venture (non-trade)	292	-	-	-
Inventories	2,407	2,606	1,401	1,261
	<u>133,232</u>	<u>116,312</u>	<u>94,078</u>	<u>85,445</u>
Assets held for sale	6,439	3,333	-	-
	<u>139,671</u>	<u>119,645</u>	<u>94,078</u>	<u>85,445</u>
<b>Non-current assets</b>				
Investment properties	631	657	631	657
Property, plant and equipment	215,451	242,994	116,886	122,728
Intangible assets	33	-	33	-
Subsidiaries	-	-	73,243	72,490
Associate/joint venture	9,577	8,810	10,099	10,099
Investment in preference shares	507	198	-	-
Investment in equity	58	53	-	-
Deferred tax assets	49	58	-	-
Due from subsidiary (non-trade)	-	-	896	-
	<u>226,306</u>	<u>252,770</u>	<u>201,788</u>	<u>205,974</u>
<b>Total assets</b>	<b><u>365,977</u></b>	<b><u>372,415</u></b>	<b><u>295,866</u></b>	<b><u>291,419</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank term loans (secured)	16,871	20,910	8,106	11,488
Trade payables	23,862	20,987	21,506	15,121
Other payables and liabilities	25,359	19,455	15,736	12,486
Due to subsidiary (trade)	-	-	63	84
Due to subsidiary (non-trade)	-	-	-	1
Due to immediate holding company (trade)	63	178	-	-
Due to related companies (trade)	353	558	145	195
Due to joint venture (trade)	56	-	-	-
Due to non-controlling interest of subsidiaries	616	-	-	-
Finance leases	4	27	-	23
Income tax payable	1,343	1,537	336	648
	<u>68,527</u>	<u>63,652</u>	<u>45,892</u>	<u>40,046</u>
<b>Non-current liabilities</b>				
Bank term loans (secured)	46,274	63,762	16,870	25,638
Finance leases	6	9	-	-
Employee benefit obligations	76	149	-	-
Deferred tax liability	47	-	-	-
Due to non-controlling interest of subsidiaries	590	-	-	-
	<u>46,993</u>	<u>63,920</u>	<u>16,870</u>	<u>25,638</u>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	68,761	68,761	68,761	68,761
Treasury shares	(174)	(174)	(174)	(174)
Retained earnings	191,051	187,035	164,517	157,148
Foreign currency translation reserve	(12,400)	(12,631)	-	-
Other reserves	(1,534)	(2,872)	-	-
Equity attributable to owners of the Company	<u>245,704</u>	<u>240,119</u>	<u>233,104</u>	<u>225,735</u>
Non-controlling interests	4,753	4,724	-	-
<b>Total equity</b>	<b><u>250,457</u></b>	<b><u>244,843</u></b>	<b><u>233,104</u></b>	<b><u>225,735</u></b>
<b>Total liabilities and equity</b>	<b><u>365,977</u></b>	<b><u>372,415</u></b>	<b><u>295,866</u></b>	<b><u>291,419</u></b>

1 b)(ii) **The aggregate amount of the group's borrowings and debt securities**

	<b>As at 31 Dec 2017</b>		<b>As at 31 Dec 2016</b>	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	16.88	-	20.94	-
Amount repayable after one year	46.28	-	63.77	-
	<u>63.16</u>	<u>-</u>	<u>84.71</u>	<u>-</u>

**Details of any collateral**

- The Group's borrowings are secured by means of:
- > Corporate guarantees from the Company
  - > Legal mortgages over certain vessels of the Company and the subsidiaries
  - > Legal charges over certain bank accounts of the Company and the subsidiaries
  - > Assignment of income derived from certain charter hire contracts of the subsidiaries
  - > Assignment of insurance of certain vessels of the Company and the subsidiaries
  - > Legal mortgages over freehold properties of the Company
  - > Assignment of insurance, title and interest of freehold properties of the Company

1 c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Cashflow Statement for the financial year ended**

	Group	
	FY2017 US\$'000	FY2016 US\$'000
<b>Cash flows from operating activities</b>		
Profit (Loss) before tax	6,112	(3,797)
Adjustments:		
Depreciation of property, plant and equipment	17,557	20,061
Depreciation of intangible assets	3	-
Depreciation of investment properties	26	25
(Gain) loss on disposal of property, plant and equipment	(79)	121
Gain on disposal of current assets held for sale	(965)	(18)
Gain on disposal of investment securities	(32)	(48)
Allowance for doubtful trade debts	1,794	3,239
Write back of allowance for doubtful trade debts	(768)	(204)
Liquidation of subsidiaries	-	119
Interest expense	1,677	1,880
Interest income	(581)	(450)
Share of results of associate/joint venture	(702)	(1,540)
Impairment loss of property, plant and equipment (vessels)	-	7,330
Impairment loss of assets held for sale (vessels)	-	413
Property, plant and equipment written off	-	2
Net foreign exchange gain	999	(278)
Operating profit before working capital changes	25,041	26,855
(Increase) decrease in:		
Inventories	199	768
Trade receivables	(15,282)	6,522
Other receivables and deposits	(1,084)	938
Prepaid operating expenses	(2,121)	1,413
Due from immediate holding company	(3,013)	2,150
Due from related companies	(841)	(166)
Increase (decrease) in:		
Trade payables	2,875	3,704
Other payables and liabilities	5,959	(1,220)
Due to related companies	(205)	(512)
Due to joint venture	56	-
Due to immediate holding company	(115)	8
Cash generated from operations	11,469	40,460
Interest paid	(1,677)	(1,880)
Income tax paid	(583)	(1,753)
<b>Net cash generated from operating activities</b>	<b>9,209</b>	<b>36,827</b>
<b>Cash flows from investing activities</b>		
Interest income received	581	450
Proceeds from disposal of property, plant and equipment	80	965
Proceeds from disposal of current assets held for sale	13,851	1,399
Proceeds from disposal of investment securities	1,040	1,039
Purchase of property, plant and equipment	(5,748)	(7,957)
Purchase of intangible assets	(36)	-
Purchase of investment securities	(1,009)	-
Dividend received from an associate	1,488	1,341
Additional investment in other non-current assets	-	(53)
Due from joint venture	(666)	-
Investment in joint venture	-	(198)
Investment in preference shares	(293)	(198)
<b>Net cash from (used in) investing activities</b>	<b>9,288</b>	<b>(3,212)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(28)	(44)
Proceeds from bank term loans	-	571
Repayment of bank term loans	(22,548)	(22,280)
Dividend paid	(1,922)	(2,891)
Decrease/(increase) in pledged deposits	389	(815)
Dividend paid to minority shareholders	(232)	(123)
Investment in a subsidiary by a non-controlling interest	335	42
Loans from non-controlling interest of subsidiaries	1,206	-
<b>Net cash used in financing activities</b>	<b>(22,800)</b>	<b>(25,540)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(4,303)</b>	<b>8,075</b>
Effect of exchange rate changes on cash and cash equivalents	231	(205)
Cash and cash equivalents at the beginning of the financial year	41,965	34,095
<b>Cash and cash equivalents at the end of the financial year</b>	<b>37,893</b>	<b>41,965</b>

**Cashflow Statement for the financial year ended (continued)**

	Group	
	FY2017 US\$'000	FY2016 US\$'000
Cash and bank balance	49,635	54,096
Less: Pledged deposits	(11,742)	(12,131)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>37,893</b>	<b>41,965</b>

1 d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding period.**

**Statements of Changes in Equity for the financial year ended 31 December 2017**

	Share Capital	Treasury Shares	Capital Reserve	Other Reserves	Translation Reserve	Retained Earnings	Attributable to Equity holders	Non- Controlling Interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>GROUP</b>									
<b>Balance as at 31 Dec 2016</b>	68,761	(174)	-	(2,872)	(12,631)	187,035	240,119	4,724	244,843
Profit for the year	-	-	-	-	-	5,938	5,938	(140)	5,798
Other comprehensive income for the year	-	-	-	1,338	231	-	1,569	66	1,635
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,338</b>	<b>231</b>	<b>5,938</b>	<b>7,507</b>	<b>(74)</b>	<b>7,433</b>
<b>Transactions with owners, recognised directly in equity</b>									
Investment in subsidiary by non-controlling interest	-	-	-	-	-	-	-	335	335
Dividend paid	-	-	-	-	-	(1,922)	(1,922)	(232)	(2,154)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,922)</b>	<b>(1,922)</b>	<b>103</b>	<b>(1,819)</b>
<b>Balance as at 31 Dec 2017</b>	<b>68,761</b>	<b>(174)</b>	<b>-</b>	<b>(1,534)</b>	<b>(12,400)</b>	<b>191,051</b>	<b>245,704</b>	<b>4,753</b>	<b>250,457</b>
<b>Balance as at 31 Dec 2015</b>									
<b>Balance as at 31 Dec 2015</b>	68,761	(174)	26	(4,013)	(12,427)	195,203	247,376	4,663	252,039
Loss for the year	-	-	-	-	-	(5,428)	(5,428)	124	(5,304)
Other comprehensive income (loss) for the year	-	-	-	1,153	(204)	-	949	12	961
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,153</b>	<b>(204)</b>	<b>(5,428)</b>	<b>(4,479)</b>	<b>136</b>	<b>(4,343)</b>
<b>Transactions with owners, recognised directly in equity</b>									
Liquidation of subsidiary	-	-	(26)	(12)	-	151	113	6	119
Dividend paid	-	-	-	-	-	(2,891)	(2,891)	(123)	(3,014)
Investment in subsidiary by non-controlling interest	-	-	-	-	-	-	-	42	42
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(26)</b>	<b>(12)</b>	<b>-</b>	<b>(2,740)</b>	<b>(2,778)</b>	<b>(75)</b>	<b>(2,853)</b>
<b>Balance as at 31 Dec 2016</b>	<b>68,761</b>	<b>(174)</b>	<b>-</b>	<b>(2,872)</b>	<b>(12,631)</b>	<b>187,035</b>	<b>240,119</b>	<b>4,724</b>	<b>244,843</b>
<b>COMPANY</b>									
<b>Balance as at 31 Dec 2016</b>	68,761	(174)	-	-	-	157,148	-	-	225,735
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	9,291	-	-	9,291
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,291</b>	<b>-</b>	<b>-</b>	<b>9,291</b>
<b>Transactions with owners, recognised directly in equity</b>									
Dividend paid	-	-	-	-	-	(1,922)	-	-	(1,922)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,922)</b>	<b>-</b>	<b>-</b>	<b>(1,922)</b>
<b>Balance as at 31 Dec 2017</b>	<b>68,761</b>	<b>(174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,517</b>	<b>-</b>	<b>-</b>	<b>233,104</b>
<b>Balance as at 31 Dec 2015</b>									
<b>Balance as at 31 Dec 2015</b>	68,761	(174)	-	-	-	151,889	-	-	220,476
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	8,150	-	-	8,150
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,150</b>	<b>-</b>	<b>-</b>	<b>8,150</b>
<b>Transactions with owners, recognised directly in equity</b>									
Dividend paid	-	-	-	-	-	(2,891)	-	-	(2,891)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,891)</b>	<b>-</b>	<b>-</b>	<b>(2,891)</b>
<b>Balance as at 31 Dec 2016</b>	<b>68,761</b>	<b>(174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157,148</b>	<b>-</b>	<b>-</b>	<b>225,735</b>

- 1 d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the financial year ended 31 Dec 2017, there was no change in the Company's share capital.

As at 31 Dec 2017, total issued share capital of the Company was 539,131,199 (31 Dec 2016: 539,131,199) ordinary shares which include 1,093,000 (31 Dec 2016: 1,093,000) ordinary shares held as treasury shares and no subsidiary holdings (31 Dec 2016 : Nil). As at 31 Dec 2017, the percentage of treasury shares approximate 0.2% (31 Dec 2016 : 0.2%) of the total number of issued shares excluding treasury shares.

As at 31 Dec 2017, there were no outstanding convertibles (31 Dec 2016: Nil).

- 1 d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares excluding treasury shares as at 31 Dec 2017 was 538,038,199 (31 Dec 2016: 538,038,199) shares.

- 1 d)(iv) **A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1 d)(v) **A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than the adoption of certain revisions to Financial Reporting Standards("FRS"), the new FRS and Interpretation of FRS ("INT FRS") that are mandatory for the financial year beginning 1 Jan 2017, the Group has adopted the same accounting policies and methods of computation for the current period as those adopted for the audited financial statements for the financial year ended 31 Dec 2017.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the various revised FRS, new FRS and INT FRS effective for the financial year beginning on 1 Jan 2017 does not have a material financial effect on the Group and the Company.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings (loss) per ordinary share for the financial year based on net profit attributable to shareholders:

- (i) Based on the weighted average number of ordinary shares on issue  
(ii) On a fully diluted basis

Group	
FY 2017	FY 2016
US cents	US cents
1.10	(1.01)
1.10	(1.01)

Earnings per ordinary share for the financial year ended 31 Dec 2017 is computed based on the number of issued ordinary shares (excluding treasury shares) during the year of 538,038,199 (FY 2016: 538,038,199).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

Net asset value per ordinary share based on issued share capital as at the end of the financial year

Group		Company	
31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
US cents	US cents	US cents	US cents
45.67	44.63	43.32	41.96

Net asset value per ordinary share as at 31 Dec 2017 and 31 Dec 2016 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business.**

**It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

For the full year ended 31 December 2017 ("FY17"), the Group recorded an 8.9% increase in revenue to USD283.7 million, from USD260.5 million in the previous financial year ("FY16"). This was on the back of higher revenue contribution from its container shipping business segment.

As a result of the 10.0% increase in container volume handled to 1.3 million TEUs coupled with freight rates improvements, revenue from the container shipping business rose 11.2% from USD225.5 million in FY16 to USD250.7 million in FY17.

Revenue from the bulk & tanker business fell 11.1% to USD26.9 million in FY17, from USD30.3 million in FY16, as the Group operated a smaller tanker fleet year-on-year. The decrease was partially mitigated by improvements in the employment days and charter rates of its bulk carriers.

Cost of services increased 8.2% to USD266.0 million in FY17, compared to USD245.9 million in FY16, taking into account higher bunker price and container volume handled during the year. This was partially offset by a smaller fleet operated in the bulk & tanker segment during the year.

In light of the above, the Group recorded gross profit of USD17.7 million in FY17, which was a 21.0% improvement over the USD14.6 million recorded in FY16.

Marketing and administrative expenses decreased 8.5% to USD13.4 million, largely due to a lower provision for bad debt.

Other operating expenses fell to USD0.1 million, from USD7.9 million in FY16. Operating expenses was higher in FY16 in view of impairment loss recorded on two dry-bulk carriers and three Indonesia-flagged container vessels.

Other operating income declined 40.9% to USD2.3 million, from \$4.0 million in FY16. Operating income was higher in FY16 mainly due to insurance claim payment received for a vessel that was grounded and subsequently written off in 2012 for sustained damage.

Taking the above into account, the Group registered a profit of USD6.5 million from operations in FY17, against a loss of USD3.9 million a year ago.

Net profit for the year is USD5.9 million, a reversal from a loss of USD5.4 million in FY16.

**Balance Sheet**

Property, plant and equipment amounted to USD215.4 million as at 31 December 2017, compared to USD243.0 million as at 31 December 2016, following the sale of four Indonesia-flagged vessels during the year and a reclassification of one oil tanker to assets held for sale as at 31 December 2017.

Trade receivables increased to USD58.5 million as at 31 December 2017, from USD44.2 million a year ago, in line with the higher revenue recorded.

Assets held of sale saw an increase to USD6.4 million as at 31 December 2017, compared to USD3.3 million as at 31 December 2016, on account of the Group's planned disposal of an oil tanker. The Group expects to complete the disposal in the next 12 months.

Amount due from immediate holding company (trade) increased to USD5.4 million as at 31 December 2017, compared to USD2.4 million as at 31 December 2016, on account of an increase in volume handled by an immediate holding company that acts as the Group's agent in Indonesia.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

While recent indicators point to improving conditions in the container shipping industry, the Group expects competition to heat up in 2018, led by a consolidation among mainline operators and the resulting concentration of market share. In addition, with new tonnage in excess of demand entering service in the coming year, intense competition for cargo will persist. Compounding this is the anticipated uptrend in bunker prices in the year ahead.

Meanwhile, recent improvement in the demand for dry-bulk commodities give hope for better operating conditions for the Group's bulk and tanker business in the current year.

The Group expects to continue to grow its logistics support capabilities in the region, and is currently on the lookout for opportunities to expand its warehousing and container depot capabilities.

To maintain its market competitiveness amid current industry dynamics, the Group will also continue to focus on optimising asset utilisation and operational efficiency to fortify itself against challenges that lie ahead.



**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	0.75
Tax Rate	Tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	0.50
Tax Rate	Tax exempt

**(c) Date payable**

To be announced later

**(d) Books closure date**

To be announced later

**12. If no dividend has been declared / recommended, a statement to that effect.**

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group is organised into three main operating divisions, namely:

- Container Shipping
- Bulk & Tankers
- Agency & Logistics

**Segment by Business**

	<b>Container Shipping</b>	<b>Bulk &amp; Tankers</b>	<b>Agency &amp; Logistics</b>	<b>Eliminations</b>	<b>Group</b>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>2017</b>					
Revenue					
- External sales	250,686	26,933	6,082	-	283,701
- Inter-segment sales	79	18	2,330	(2,427)	-
Total revenue	<u>250,765</u>	<u>26,951</u>	<u>8,412</u>	<u>(2,427)</u>	<u>283,701</u>
Segment results	7,600	422	1,522	(3,038)	6,506
Financial income	231	756	114	(520)	581
Financial expenses	(901)	(1,269)	(27)	520	(1,677)
Share of results of associates	(565)	1,267	-	-	702
<b>Profit before tax</b>	<b>6,365</b>	<b>1,176</b>	<b>1,609</b>	<b>(3,038)</b>	<b>6,112</b>
Tax					(314)
<b>Profit after tax</b>					<b><u>5,798</u></b>
Segment assets	227,585	118,115	20,228	-	365,928
Unallocated assets					49
					<b><u>365,977</u></b>
Segment liabilities	(64,655)	(42,355)	(8,430)	-	(115,440)
Unallocated liabilities					(80)
					<b><u>(115,520)</u></b>
Capital expenditure	3,280	532	1972	-	5,784
Depreciation of property, plant and equipment	8,671	8,778	149	(41)	17,557
Allowance for doubtful debts	1,652	142	-	-	1,794

<b>2016</b>	<b>Container Shipping</b>	<b>Bulk &amp; Tankers</b>	<b>Agency &amp; Logistics</b>	<b>Eliminations</b>	<b>Group</b>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue					
- External sales	225,470	30,303	4,693	-	260,466
- Inter-segment sales	49	18	2,326	(2,393)	-
<b>Total revenue</b>	<b>225,519</b>	<b>30,321</b>	<b>7,019</b>	<b>(2,393)</b>	<b>260,466</b>
Segment results	4,882	(8,860)	1,294	(1,223)	(3,907)
Financial income	166	388	126	(230)	450
Financial expenses	(1,184)	(891)	(35)	230	(1,880)
Share of results of associates	(9)	1,549	-	-	1,540
<b>(Loss) Profit before tax</b>	<b>3,855</b>	<b>(7,814)</b>	<b>1,385</b>	<b>(1,223)</b>	<b>(3,797)</b>
Tax					(1,507)
<b>Loss after tax</b>					<b>(5,304)</b>
Segment assets	224,446	134,415	13,496	-	372,357
Unallocated assets					58
					<b>372,415</b>
Segment liabilities	(66,432)	(55,222)	(4,381)	-	(126,035)
Unallocated liabilities					(1,537)
					<b>(127,572)</b>
Capital expenditure	1,657	5,455	845	-	7,957
Depreciation of property, plant and equipment	9,775	10,124	120	42	20,061
Impairment of vessels	1,106	6,637	-	-	7,743
Allowance for doubtful debts	3,217	22	-	-	3,239

**Geographical segment**

	<b>Turnover</b>	
	2017	2016
	US\$'000	US\$'000
Container shipping and agency & logistics*		
Indonesia	68,823	67,669
South East Asia (excluding Indonesia)	119,691	113,332
Middle East and Indian Sub-continent	52,075	34,334
Far East (including China and Hong Kong)	3,869	3,796
Others	12,310	11,032
<b>Total turnover for container shipping and others</b>	<b>256,768</b>	<b>230,163</b>

\*The Directors believe it could be inaccurate to analyze the profits by geographical segment because certain costs cannot be meaningfully allocated to the different routes as the vessels do not operate on fixed routes. For Bulk and Tankers, charterers of the Group's vessels have the discretion to operate within a wide trading area and are not constrained by a specific sea route.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8 for the review of performance by business.

**15. A breakdown of sales.**

	<b>The Group</b>		
	2017	2016	+ / (-)
	US\$'000	US\$'000	%
Sales reported for the first half-year	133,918	134,372	(0.3)
Operating profit after tax before non-controlling interests reported for the first half-year	1,284	4,793	(73.2)
Sales reported for the second half-year	149,783	126,094	18.8
Operating profit (loss) after tax before non-controlling interests reported for the second half-year	4,514	(10,097)	(144.7)

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	FY2017	FY2016
	SGD'000	SGD'000
Ordinary - Final	4,035	2,690
Preference	-	-
<b>Total</b>	<b>4,035</b>	<b>2,690</b>

**17. Interested Person Transactions**

<b>(A) Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (Mandated transactions)</b>	<b>FY 2017 US\$'000</b>	<b>FY 2016 US\$'000</b>
<b>Expenses</b>		
<u>PT. Samudera Indonesia Tbk and its subsidiary</u>		
Agency commissions <sup>(1)</sup>	2,362	2,373
Office rental	85	80
Vessel charter hire	2,565	2,392
<u>PT. Samudera Indonesia Ship Management</u>		
Ship management fees	939	1,100
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Vessel charter hire	1,372	1,592
<u>PT. Masaji Tatanan Container</u>		
Container depot	332	206
<u>PT. Tangguh Samudera Jaya</u>		
Stevedorage charges	4,855	-
<u>PT. Samudera Energi Tangguh</u>		
Vessel charter hire	27	104

<b>(B) Aggregate value of all interested person transactions during the financial period under review excluding transactions conducted under shareholders' mandate pursuant to Rule 920 (Non-Mandated transactions)</b>	<b>FY 2017 US\$'000</b>	<b>FY 2016 US\$'000</b>
<b>Expenses</b>		
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Freight expenses	78	108
<u>PT Praweda Sarana Informatika</u>		
Software development and system maintenance	344	-
<u>PT Yasa Wahana Tirta Samudera</u>		
Vessels docking	834	-
<b>Revenue</b>		
<u>PT. Samudera Energi Tangguh</u>		
Sale of vessels	-	350
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Vessel charter hire	1,492	2,902
<u>PT Cumawis Indonesia</u>		
Sale of vessel	-	142
<u>PT Silkargo Indonesia</u>		
Vessel charter hire	-	150

<sup>(1)</sup> No agency commission is payable for revenue collected or payments made on behalf of Samudera Shipping Line Ltd and the transaction has been accorded as a nil value.

**18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Name	Age	Family relationships with any director and/or substantial director	Current position and duties, and the year the position is held	Details of changes in duties and position held, if any, during the year
Trisnadi Sukur Muslim Mulia	<b>33</b>	Son of the Chairman, Masli Mulia	Appointed Deputy director, Commercial in FY 2018 and responsible for the commercial and business development.	Not applicable

**BY ORDER OF THE BOARD**

**Hermawan F Herman**  
**Executive Director, Finance**  
27 February 2018