

THIRD QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPT 2018

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 period ended 30 Sept 2018.

1 a)(i) Income Statement for the period ended 30 Sept 2018

| | Note | Group | | + / (-) % |
|---|------|---------------------|---------------------------------|--------------|
| | | 3Q 2018 US\$'000 | 3Q 2017 US\$'000 Restated | |
| Revenue | | 116,332 | 94,051 | 23.7 |
| Cost of sales | | (110,870) | (88,885) | 24.7 |
| Gross profit | | 5,462 | 5,166 | 5.7 |
| Other operating income | (A) | 438 | 436 | 0.5 |
| Marketing expenses | | (1,912) | (1,746) | 9.5 |
| Administrative expenses | | (1,406) | (1,550) | (9.3) |
| Other operating expenses | (B) | (301) | (388) | (22.4) |
| Profit from operations | | 2,281 | 1,918 | 18.9 |
| Finance income | | 138 | 106 | 30.2 |
| Finance costs | | (540) | (411) | 31.4 |
| Operating profit | | 1,879 | 1,613 | 16.5 |
| Share of results of associate/joint venture | | 196 | (61) | n.m. |
| Profit before tax | | 2,075 | 1,552 | 33.7 |
| Income tax expense | | (129) | (328) | (60.7) |
| Profit after tax | | 1,946 | 1,224 | 59.0 |
| Attributable to: | | | | |
| Owners of the Company | | 2,119 | 1,361 | 55.7 |
| Non-controlling interests | | (173) | (137) | 26.3 |
| Profit after tax | | 1,946 | 1,224 | 59.0 |

n.m. = not meaningful

The results for third quarter ended 30 Sept 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)"). Please refer to paragraph 5 for details on the financial impact from the adoption of SFRS(I).

1 a)(ii) Notes to the Income Statement

| | Group | | + / (-) % |
|---|---------------------|---------------------------------|--------------|
| | 3Q 2018 US\$'000 | 3Q 2017 US\$'000 Restated | |
| Profit after tax for the period is arrived at after charging (crediting) the following: | | | |
| - Depreciation of property, plant and equipment | 2,821 | 3,088 | (8.6) |
| - Depreciation of investment properties | 6 | 6 | 0.0 |
| - Amortisation of intangible assets | 9 | - | n.m. |
| - Allowance for doubtful trade debts | - | 332 | n.m. |
| - Write back of allowance for doubtful trade debts | (44) | - | n.m. |
| - Finance costs - interest on borrowings | 540 | 411 | 31.4 |
| (A) Other operating income | | | |
| - Rental income | 66 | 88 | (25.0) |
| - Gain on disposal of plant, property and equipment | 9 | - | n.m. |
| - Gain on disposal of investment at fair value through profit and loss- investment securities | 6 | 10 | (40.0) |
| - Insurance claim | - | 269 | n.m. |
| - Refund of insurance premium | 337 | - | n.m. |
| - Others | 20 | 69 | (71.0) |
| | 438 | 436 | 0.5 |

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

| | Group | | + / (-) % |
|---|-----------------|-----------------|--------------|
| | 3Q 2018 | 3Q 2017 | |
| | US\$'000 | US\$'000 | |
| | | Restated | |
| (B) Other operating expenses | | | |
| - Net of foreign exchange loss | (301) | (340) | (11.5) |
| - Loss on disposal of assets held for sale (Vessel) | - | (8) | n.m. |
| - Others | - | (40) | n.m. |
| | <u>(301)</u> | <u>(388)</u> | (22.4) |

1 a)(iii) **Statement of Comprehensive Income for the period ended 30 Sept 2018**

| | Group | |
|--|---------------------|---------------------|
| | 3Q 2018 | 3Q 2017 |
| | US\$'000 | US\$'000 |
| | | Restated |
| Profit after tax for the period | 1,946 | 1,224 |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Share of other comprehensive income of associate | 256 | 309 |
| Exchange differences on translation of foreign operations | (197) | (25) |
| | <u>59</u> | <u>284</u> |
| Other comprehensive income for the period, net of tax | <u>59</u> | <u>284</u> |
| Total comprehensive income for the period | <u>2,005</u> | <u>1,508</u> |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 2,121 | 1,529 |
| Non-controlling interests | (116) | (21) |
| | <u>2,005</u> | <u>1,508</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

| | Group | | | Company | | |
|---|-------------------|------------------|-----------------|-------------------|------------------|-----------------|
| | 30 Sept 18 | 31 Dec 17 | 1 Jan 17 | 30 Sept 18 | 31 Dec 17 | 1 Jan 17 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | Restated | Restated | | Restated | Restated |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and bank balances | 30,024 | 49,635 | 54,096 | 14,456 | 20,653 | 33,509 |
| Trade receivables | 64,968 | 58,587 | 44,344 | 53,596 | 51,564 | 37,620 |
| Prepaid operating expenses | 14,642 | 9,176 | 7,082 | 9,036 | 6,515 | 4,468 |
| Other receivables and deposits | 1,869 | 2,091 | 1,007 | 213 | 114 | 78 |
| Due from immediate holding company (non-trade) | 2,087 | 2,087 | 2,087 | - | - | - |
| Due from immediate holding company (trade) | 4,791 | 5,414 | 2,401 | 4,790 | 5,414 | 2,364 |
| Due from subsidiaries (trade) | - | - | - | 2,436 | 4,455 | 3,108 |
| Due from subsidiaries (non-trade) | - | - | - | 4,554 | 3,822 | 3,052 |
| Due from related companies (trade) | 6,516 | 3,660 | 2,819 | 2,937 | 257 | 115 |
| Due from joint venture (trade) | 33 | - | - | - | - | - |
| Due from joint venture (non-trade) | - | 292 | - | - | - | - |
| Inventories | 2,455 | 2,407 | 2,606 | 1,903 | 1,401 | 1,261 |
| | 127,385 | 133,349 | 116,442 | 93,921 | 94,195 | 85,575 |
| Assets classified as held for sale | - | 6,439 | 3,333 | - | - | - |
| | 127,385 | 139,788 | 119,775 | 93,921 | 94,195 | 85,575 |
| Non-current assets | | | | | | |
| Investment properties | 612 | 631 | 657 | 612 | 631 | 657 |
| Property, plant and equipment | 147,328 | 152,718 | 175,647 | 90,692 | 93,464 | 96,889 |
| Intangible assets | 82 | 33 | - | 82 | 33 | - |
| Subsidiaries | - | - | - | 73,246 | 73,243 | 72,490 |
| Associate/joint venture | 11,808 | 9,577 | 8,810 | 10,099 | 10,099 | 10,099 |
| Investment in preference shares | 448 | 507 | 198 | - | - | - |
| Investment in equity | 59 | 58 | 53 | - | - | - |
| Deferred tax assets | 46 | 49 | 58 | - | - | - |
| Due from subsidiary (non-trade) | - | - | - | 876 | 896 | - |
| | 160,383 | 163,573 | 185,423 | 175,607 | 178,366 | 180,135 |
| Total assets | 287,768 | 303,361 | 305,198 | 269,528 | 272,561 | 265,710 |
| LIABILITIES AND EQUITY | | | | | | |
| Current liabilities | | | | | | |
| Bank term loans | 10,524 | 16,871 | 20,910 | 7,137 | 8,106 | 11,488 |
| Trade payables | 25,207 | 23,862 | 20,987 | 20,565 | 21,506 | 15,121 |
| Other payables and liabilities | 23,397 | 25,359 | 19,455 | 12,245 | 15,736 | 12,486 |
| Due to subsidiary (trade) | - | - | - | 60 | 63 | 84 |
| Due to subsidiary (non-trade) | - | - | - | 3 | - | 1 |
| Due to immediate holding company (trade) | - | 63 | 178 | - | - | - |
| Due to related companies (trade) | 764 | 353 | 558 | 302 | 145 | 195 |
| Due to joint venture (trade) | - | 56 | - | - | - | - |
| Due to non-controlling interest of subsidiaries (non trade) | 1,405 | 616 | - | - | - | - |
| Due to non-controlling interest of subsidiary (trade) | 191 | - | - | - | - | - |
| Finance leases | 4 | 4 | 27 | - | - | 23 |
| Income tax payable | 1,734 | 1,343 | 1,537 | 387 | 336 | 648 |
| | 63,226 | 68,527 | 63,652 | 40,699 | 45,892 | 40,046 |
| Non-current liabilities | | | | | | |
| Bank term loans | 35,723 | 46,274 | 63,762 | 18,840 | 16,870 | 25,638 |
| Finance leases | 3 | 6 | 9 | - | - | - |
| Retirement benefit obligations | 29 | 76 | 149 | - | - | - |
| Deferred tax liabilities | 41 | 47 | - | - | - | - |
| Due to non-controlling interest of subsidiaries | 554 | 590 | - | - | - | - |
| | 36,350 | 46,993 | 63,920 | 18,840 | 16,870 | 25,638 |
| Capital, reserves and non-controlling interests | | | | | | |
| Share capital | 68,761 | 68,761 | 68,761 | 68,761 | 68,761 | 68,761 |
| Treasury shares | (174) | (174) | (174) | (174) | (174) | (174) |
| Retained earnings | 116,031 | 115,804 | 107,187 | 141,402 | 141,212 | 131,439 |
| Other reserves | (446) | (1,534) | (2,872) | - | - | - |
| Foreign currency translation reserve | (231) | 231 | - | - | - | - |
| Equity attributable to owners of the Company | 183,941 | 183,088 | 172,902 | 209,989 | 209,799 | 200,026 |
| Non-controlling interests | 4,251 | 4,753 | 4,724 | - | - | - |
| Total equity | 188,192 | 187,841 | 177,626 | 209,989 | 209,799 | 200,026 |
| Total liabilities and equity | 287,768 | 303,361 | 305,198 | 269,528 | 272,561 | 265,710 |

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

| | As at 30 Sept 2018 | | As at 31 Dec 2017 | |
|--|---------------------------|---------------------------|--------------------------|---------------------------|
| | Secured US\$ million | Unsecured US\$ million | Secured US\$ million | Unsecured US\$ million |
| Amount repayable in one year or less, or on demand | 10.53 | - | 16.88 | - |
| Amount repayable after one year | 35.73 | - | 46.28 | - |
| | <u>46.26</u> | <u>-</u> | <u>63.16</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 period ended

| | Group | |
|--|---------------------|---------------------|
| | 3Q 2018 US\$'000 | 3Q 2017 US\$'000 |
| | | Restated |
| Cash flows from operating activities | | |
| Profit before tax | 2,075 | 1,552 |
| Adjustments: | | |
| Depreciation of property, plant and equipment | 2,821 | 3,088 |
| Amortisation of intangible assets | 9 | - |
| Depreciation of investment properties | 6 | 6 |
| Gain on disposal of property, plant and equipment | (9) | - |
| Loss on disposal of assets held for sale (vessel) | - | 8 |
| Net gain on disposal of investments at fair value through profit or loss - investment securities | (6) | (10) |
| Allowance for doubtful trade debts | - | 332 |
| Write back of doubtful trade debts | (44) | - |
| Finance costs | 540 | 411 |
| Finance income | (138) | (106) |
| Share of results of associate/joint venture | (196) | 61 |
| Net foreign exchange (gain) loss | (7) | 311 |
| Operating profit before working capital changes | 5,051 | 5,653 |
| Decrease (increase) in: | | |
| Inventories | (234) | 66 |
| Trade receivables | 3,758 | (408) |
| Other receivables and deposits | 79 | 32 |
| Prepaid operating expenses | (1,191) | (1,771) |
| Due from immediate holding company | 2,838 | (556) |
| Due from related companies | (2,774) | (399) |
| Due from joint venture | - | (357) |
| Increase (decrease) in: | | |
| Trade payables | (4,789) | 2,826 |
| Other payables and liabilities | (2,185) | 2,735 |
| Due to related companies | 266 | (289) |
| Due to non-controlling interest of subsidiary | 127 | - |
| Due to immediate holding company | - | (77) |
| Cash generated from operations | 946 | 7,455 |
| Interest paid | (540) | (411) |
| Income tax paid | (94) | (117) |
| Net cash from operating activities | 312 | 6,927 |
| Cash flows from investing activities | | |
| Interest income received | 138 | 106 |
| Proceeds from disposal of property, plant and equipment | 9 | - |
| Proceeds from disposal of current assets held for sale | - | 1,248 |
| Proceeds from disposal of investments at fair value through profit or loss - investment securities | 692 | 946 |
| Purchase of property, plant and equipment | (2,096) | (1,110) |
| Purchase of investments at fair value through profit or loss - investment securities | (686) | - |
| Investment in preference shares | - | (293) |
| Due from joint venture | (60) | - |
| Net cash (used in) from investing activities | (2,003) | 897 |
| Cash flows from financing activities | | |
| Repayment of finance leases | (1) | (7) |
| Proceeds from bank term loans | 30,209 | - |
| Repayment of bank term loans | (37,201) | (5,286) |
| Decrease in pledged deposits | 4,086 | 552 |
| Dividend paid to non-controlling shareholder | - | (177) |
| Loan from non-controlling interest of subsidiary | 155 | - |
| Net cash used in financing activities | (2,752) | (4,918) |
| Net decrease in cash and cash equivalents | (4,443) | 2,906 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | (255) | (140) |
| Cash and cash equivalents at the beginning of the period | 26,904 | 27,884 |
| Cash and cash equivalents at the end of the period | 22,206 | 30,650 |
| Cash and bank balances (current) | 30,024 | 42,312 |
| Less: Pledged deposits | (7,818) | (11,662) |
| Cash and cash equivalents at the end of the period | 22,206 | 30,650 |

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 period ended 30 Sept 2018

| | Share Capital | Treasury Shares | 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 |
| GROUP | | | | | | | | |
| Balance as at 30 Jun 2018 | 68,761 | (174) | (702) | 23 | 113,912 | 181,820 | 4,367 | 186,187 |
| Profit for the period | - | - | - | - | 2,119 | 2,119 | (173) | 1,946 |
| Other comprehensive income for the period | - | - | 256 | (254) | - | 2 | 57 | 59 |
| Total | - | - | 256 | (254) | 2,119 | 2,121 | (116) | 2,005 |
| Balance as at 30 Sept 2018 | 68,761 | (174) | (446) | (231) | 116,031 | 183,941 | 4,251 | 188,192 |
| Balance as at 30 Jun 2017 | | | | | | | | |
| | 68,761 | (174) | (2,486) | (12,310) | 186,240 | 240,031 | 4,796 | 244,827 |
| Adoption of SFRS(l) 1 | - | - | - | 12,631 | (77,672) | (65,041) | - | (65,041) |
| Adoption of SFRS(l) 9 | - | - | - | - | 77 | 77 | - | 77 |
| As restated at 30 Jun 2017 | 68,761 | (174) | (2,486) | 321 | 108,645 | 175,067 | 4,796 | 179,863 |
| Profit for the period | - | - | - | - | 1,361 | 1,361 | (137) | 1,224 |
| Other comprehensive income for the period | - | - | 309 | (141) | - | 168 | 116 | 284 |
| Total | - | - | 309 | (141) | 1,361 | 1,529 | (21) | 1,508 |
| Transactions with owners, | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | (177) | (177) |
| Total | - | - | - | - | - | - | (177) | (177) |
| Balance as at 30 Sept 2017 | 68,761 | (174) | (2,177) | 180 | 110,006 | 176,596 | 4,598 | 181,194 |

| | Share Capital | Treasury Shares | Retained Earnings | Total Equity |
|---|--------------------------|----------------------------|------------------------------|-------------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| COMPANY | | | | |
| Balance as at 30 Jun 2018 | 68,761 | (174) | 138,457 | 207,044 |
| Profit for the period, representing total comprehensive profit for the period | - | - | 2,945 | 2,945 |
| <i>Transactions with owners, recognised directly in equity</i> | - | - | 2,945 | 2,945 |
| Balance as at 30 Sept 2018 | 68,761 | (174) | 141,402 | 209,989 |
| Balance as at 30 Jun 2017 | | | | |
| | 68,761 | (174) | 156,851 | 225,438 |
| Adoption of SFRS(l) 1 | - | - | (24,631) | (24,631) |
| Adoption of SFRS(l) 9 | - | - | 77 | 77 |
| As restated at 30 Jun 2017 | 68,761 | (174) | 132,297 | 200,884 |
| Profit for the period, representing total comprehensive profit for the period | - | - | 1,885 | 1,885 |
| Total | - | - | 1,885 | 1,885 |
| Balance as at 30 Sept 2017 | 68,761 | (174) | 134,182 | 202,769 |

- 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 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 quarter ended 30 Sept 2018, there was no change in the Company's share capital.

As at 30 Sept 2018, total issued share capital of the Company was 539,131,199 (30 Sept 2017: 539,131,199) ordinary shares which include 1,093,000 (30 Sept 2017: 1,093,000) ordinary shares held as treasury shares and no subsidiary holdings (30 Sept 2017 : Nil). As at 30 Sept 2018, the percentage of treasury shares approximate 0.2% (30 Sept 2017 : 0.2%) of the total number of issued shares excluding treasury shares.

As at 30 Sept 2018, there were no outstanding convertibles (30 Sept 2017: 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 30 Sept 2018 was 538,038,199 (31 Dec 2017: 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.**

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements 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 Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") and has prepared its first set of financial information under SFRS(I) for the quarter ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The first balance sheet has been prepared as at 1 January 2017 which is the date of the transition.

a) Adoption of SFRS(I) 1

The Group has elected the following transitions options to the new framework

- Option to reset the translation reserve to zero as at date of transition
As a result, the translation reserve of USD12,631,000 was reclassified from the Translation Reserve to Retained Earnings as at 1 January 2017.
- Option to use fair value as deemed cost for certain vessels and property
As at 1 January 2017, certain vessels and property were revalued based on their fair value as deemed cost, determined based on market valuation as at that day. This resulted in a downward adjustment to the Group's and Company's Property, Plant and Equipment amounted to USD67,347,000 and USD25,839,000 respectively to Retained Earnings as at 1 January 2017.

b) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group is required to adopt SFRS(I) 15 on a full retrospective basis.

Under SFRS(I) 15, an entity recognizes revenue when a performance obligation is satisfied, when the 'control' of the goods and services underlying the particular performance obligation is transferred to the customer. In this regard, the Group has presented its stevedoring cost recovered from customers as part of its revenue.

Accordingly, the Group has reclassified the stevedoring cost recovered from customers from the Cost of sales to Revenue amounted to USD24,637,000 in 3Q 2018, and USD24,385,000 for the corresponding period in 2017.

c) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. Under SFRS(I) 9, the impairment of financial assets requires an expected credit loss model to be applied. The Group applies the simplified approach to recognize lifetime expected credit losses for its trade receivables.

At the initial adoption as at 1 January 2017, the allowance for doubtful trade debts as at 1 January 2017 decreased by USD130,000 which was adjusted against Retained Earnings. Using the same basis, the Group has a upward adjustment amounted to USD275,000 for the corresponding period in the previous year.

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.

| Group | |
|----------|----------|
| 3Q 2018 | 3Q 2017 |
| US cents | US cents |
| 0.39 | 0.25 |
| 0.39 | 0.25 |

Earnings per ordinary share of the Group based on net profit attributable to the owners of the Company

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

Earnings per ordinary share for the quarter ended 30 Sept 2018 is computed based on the number of issued ordinary shares (excluding treasury shares) during the period of 538,038,199 (30 Sept 2017: 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.

| Group | | Company | |
|------------|-----------|------------|-----------|
| 30 Sept 18 | 31 Dec 17 | 30 Sept 18 | 31 Dec 17 |
| US cents | US cents | US cents | US cents |
| 34.19 | 34.03 | 39.03 | 38.99 |

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

Net asset value per ordinary share as at 30 Sept 2018 and 31 Dec 2017 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.

Income statement

Group revenue rose 23.7% to USD116.3 million for the third financial quarter ended 30 September 2018 ("3Q18"), from USD94.1 million in the previous corresponding period ("3Q17"), driven by higher contribution from the container shipping business segment.

Container volume handled increased 45% year-on-year to 405,000 TEUs in 3Q18, from 279,000 TEUs in 3Q17. In line with this, container shipping revenue rose 26.9% to USD109.0 million, compared to USD85.8 million in 3Q17.

Revenue from the bulk & tanker business decreased 22.5% to USD5.2 million in 3Q18, from USD6.7 million in 3Q17, taking into account a smaller tanker fleet operated year-on-year

The Group's cost of services increased 24.7% to USD110.9 million in 3Q18, from USD88.9 million in 3Q17, partially in line with the rise in container shipping activity, more vessels chartered in, and mainly on account of the higher bunker price.

Notwithstanding the increase in cost of services outpacing revenue growth, the Group recorded a higher gross profit of USD5.5 million in 3Q18, compared to USD5.2 million in 3Q17.

The Group also recorded positive share of results from associate and JV companies of USD196,000 in 3Q18, compared to a share of loss of USD61,000 in 3Q17.

Taking into account the above factors, Group net profit for the quarter improved 55.7% to USD2.1 million in 3Q18, compared to USD1.4 million in 3Q17.

Balance Sheet

Cash and bank balances decreased to USD30.0 million as at 30 Sept 2018, compared to USD49.6 million as at 31 Dec 2017. This was mainly due to capital investment made by the Group during the year, working capital to finance its business expansion in the Middle East and domestic shipping in India, as well as a prepayment of term loan. Additional working capital was required for day-to-day operating activities on account of increases in bunker price and charter hire costs, as well as longer credit term given to customers.

Trade receivables increased to USD65.0 million as at 30 Sept 2018, compared to USD58.6 million as at 31 Dec 2017, on account of the increase in revenue and longer credit term given to customers.

The Group incorporated a new wholly owned subsidiary, Samudera Property Limited ("SPL"), in Dubai, UAE, in May 2018. SPL acquired office units in Dubai in August 2018 to house the Group's logistics business.

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.

Looking ahead, the regional container shipping industry is expected to continue to face headwinds as rallying oil prices put significant cost pressure on shipping companies. Industry outlook is uncertain about the impact of trade wars between the US and its trading partners.

Demand for dry-bulk cargo remains relatively healthy, which should lend support to the sustainability of charter rates for its bulk carriers. Meanwhile, the Group continues to be on the lookout for opportunities to expand its business activity in this area.

The Group's 51%-owned warehousing services joint venture in Port Klang, Malaysia, which will be a beginning of the Group's diversification into the logistics business in Malaysia, will commence operations in 1Q19.

Going forward, the Group will continue to strengthen efforts in optimising its cost base through more judicious and efficient fleet management.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable.

13. Interested Person Transactions

| (A) Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (Mandated transactions) | 3Q 2018 US\$'000 | 3Q 2017 US\$'000 |
|---|-----------------------------|-----------------------------|
| Expenses | | |
| <u>PT. Samudera Indonesia Tbk and its subsidiary</u> | | |
| Agency commissions ⁽¹⁾ | 289 | 566 |
| Office rental | 16 | 19 |
| Vessel charter hire | 750 | 668 |
| <u>PT. Samudera Agencies Indonesia</u> | | |
| Agency commissions ⁽¹⁾ | 271 | - |
| <u>PT. Samudera Indonesia Ship Management</u> | | |
| Ship management fees | 169 | 236 |
| <u>PT. Perusahaan Pelayaran Nusantara Panurjwan</u> | | |
| Vessel charter hire | 845 | 365 |
| <u>PT. Samudera Sarana Logistik</u> | | |
| Container depot | 23 | 81 |
| <u>PT. Tangguh Samudera Jaya</u> | | |
| Stevedorage charges | 1,546 | 1,254 |

| (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) | 3Q 2018 US\$'000 | 3Q 2017 US\$'000 |
|---|-----------------------------|-----------------------------|
| Expenses | | |
| <u>PT. Perusahaan Pelayaran Nusantara Panurjwan</u> | | |
| Freight expenses | 6 | 16 |
| <u>PT Praweda Sarana Informatika</u> | | |
| Software development and system maintenance | 94 | 89 |
| Revenue | | |
| <u>PT. Perusahaan Pelayaran Nusantara Panurjwan</u> | | |
| Vessel charter hire | 150 | 367 |
| <u>PT. Samudera Energi Tangguh</u> | | |
| Vessel charter hire | 848 | - |
| <u>PT. Cumawis Indonesia</u> | | |
| Vessel charter hire | 317 | - |

⁽¹⁾ 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.

14. Confirmation that the Issuer has procured undertakings from 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.

15. Negative Assurance Confirmation Pursuant To Rule 705(5) of the Listing Manual

We, Asmari Herry Prayitno and Hermawan F Herman, being two Directors of SAMUDERA SHIPPING LINE LTD (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 Sept 2018 to be false or misleading in any material aspect.

Asmari Herry Prayitno
Executive Director, CEO

Hermawan F Herman
Executive Director, Finance

BY ORDER OF THE BOARD

Hermawan F Herman
Executive Director, Finance
25 October 2018