

GRINDROD SHIPPING HOLDINGS LTD.

ABBREVIATED NAME: GRINSHIP

Registered in Singapore with registration number 201731497H

JSE Share code: GSH

ISIN: SG9999019087

Primary listing on NASDAQ Global Select Market

Secondary listing on the JSE Main Board

CHANGE STATEMENT AND NOTICE OF FILING OF 2019 ANNUAL REPORT ON FORM 20-F WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Grindrod Shipping Holdings Ltd. ("Grindrod Shipping" or "Company") filed its Annual Report on Form 20-F for the year ended 31 December 2019 with the United States Securities and Exchange Commission ("SEC") on 5 June 2020 (the "Final Results"). In the Final Results there were certain changes to the amounts reflected in the unaudited abridged results for the year ended 31 December 2019 contained in the announcement released on SENS on 26 February 2020, titled "Unaudited Financial Results for the Six Months and Year Ended December 31, 2019" (the "Abridged Results").

The Annual Report on Form 20-F for the year ended 31 December 2019, is available on the Company's website at www.grinshipping.com.

Reason for changes

On 8 April 2020, Grindrod Shipping contracted to sell a vessel, and on 4 May 2020, the Company contracted to sell a second vessel. On 25 February 2020, we issued a press release of our unaudited financial results for the half year and full year periods ended December 31, 2019. Subsequent to the announcement of our unaudited 2019 results, we recorded an additional impairment loss on ships of approximately \$8.1 million for the year ended December 31, 2019 in the Final Results. The additional impairment recorded was as a result of us contracting to sell these two vessels. As a consequence, the loss for the year ended December 31, 2019 of \$43.5 million reported in our Final Results is \$8.1 million greater than the \$35.4 million loss for the year reflected in our announcement of our unaudited results, amongst other financial effects.

Changes

Changes between the Abridged Results and the Final Results are set out in the tables below, and arise for the reason set out above and as indicated in the notes to the tables.

Year ended 31 December 2019

Figures in US\$'000, except per share figures in US\$

	Abridged Results	Final Results	Variance	Note
Per share data				
Basic and diluted loss per share (U.S.\$)	(1.86)	(2.29)	(0.43)	
Basic and diluted headline loss per share (U.S.\$)	(1.11)	(1.11)	-	
Number of shares on which the per share figures have been calculated	19 022 665	19 022 665	-	
Statement of Profit or Loss				
Revenue	331 046	331 046	-	
Cost of sales				
Voyage expenses	(149 444)	(149 444)	-	
Vessel operating costs	(33 889)	(33 889)	-	
Charter hire costs	(61 668)	(61 668)	-	
Depreciation and amortization – owned assets	(17 529)	(17 529)	-	
Depreciation and amortization – right of use assets	(30 449)	(30 449)	-	
Other expenses	(697)	(697)	-	
Cost of ship sale	(16 844)	(16 844)	-	
Gross profit	20 526	20 526	-	
Other operating expense	(15 435)	(23 559)	(8 124)	1
Administrative expenses	(28 412)	(28 412)	-	
Share of losses of joint ventures	(1 420)	(1 420)	-	
Interest income	1 979	1 979	-	
Interest expense	(11 916)	(11 916)	-	
Loss before taxation	(34 678)	(42 802)	(8 124)	1
Income tax expense	(685)	(685)	-	
Loss for the period	(35 363)	(43 487)	(8 124)	1
EBITDA and Adjusted EBITDA				
Loss for the Period	(35 363)	(43 487)	(8 124)	1
Adjusted for:				
Income tax expense	685	685	-	
Interest income	(1 979)	(1 979)	-	
Interest expense	11 916	11 916	-	
Share of losses of joint ventures	1 420	1 420	-	
Depreciation and amortization	48 763	48 763	-	
EBITDA	25 442	17 318	(8 124)	1
Adjusted for:				
Impairment loss on ships	8 872	16 995	8 123	1,2
Impairment loss on right of use assets	2 250	2 250	-	
Impairment loss on goodwill and intangibles	3 179	3 179	-	
Adjusted EBITDA	39 743	39 742	(1)	2
Headline Loss				
Reconciliation between loss for the period and headline loss:				
Loss for the period	(35 363)	(43 487)	(8 124)	1
Adjusted for:				
Impairment loss on ships	8 872	16 995	8 123	1,2
Impairment loss on right of use assets	2 250	2 250	-	
Impairment loss on goodwill and intangibles	3 179	3 179	-	
Headline Loss	(21 062)	(21 063)	(1)	2

As at 31 December 2019

Figures in US\$'000, except per share figures in US\$

	Abridged Results	Final Results	Variance	Note
Statement of Financial Position				
ASSETS				
Current assets				
Cash and bank balances	35 553	35 553	-	
Trade receivables	13 173	13 173	-	
Contract assets	3 844	3 844	-	
Other receivables and prepayments	16 951	16 951	-	
Due from related parties	3 855	3 855	-	
Loans to joint ventures	1 037	1 037	-	
Derivative financial instruments	173	173	-	
Inventories	12 236	12 236	-	
	86 822	86 822	-	
Assets classified as held for sale	4 677	4 677	-	
Total current assets	91 499	91 499	-	
Non-current assets				
Restricted cash	9 611	9 611	-	
Loans to joint ventures	2 627	2 627	-	
Ships, property, plant and equipment	313 321	305 197	(8 124)	1
Right of use assets	55 238	55 238	-	
Interest in joint ventures	52 475	52 475	-	
Intangible assets	177	177	-	
Goodwill	944	944	-	
Deferred tax assets	1 299	1 299	-	
Total non-current assets	435 692	427 568	(8 124)	1
Total assets	527 191	519 067	(8 124)	1
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	28 326	28 327	1	2
Contract liabilities	4 080	4 080	-	
Due to related parties	4 796	4 796	-	
Lease liabilities	24 300	24 300	-	
Bank loans and other borrowings	20 696	20 696	-	
Provisions	959	959	-	
Income tax payable	3 096	3 096	-	
	86 253	86 254	1	2
Liabilities directly associated with assets classified as held for sale	538	538	-	
Total current liabilities	86 791	86 792	1	2
Non-current liabilities				
Trade and other payables	221	221	-	
Lease liabilities	33 646	33 646	-	
Bank loans and other borrowings	144 548	144 548	-	
Retirement benefit obligation	1 922	1 922	-	
Total non-current liabilities	180 337	180 337	-	
Capital and reserves				
Share capital	320 683	320 683	-	
Other equity and reserves	(18 218)	(18 176)	42	3
Accumulated losses	(42 402)	(50 569)	(8 167)	1, 2, 3
Total equity	260 063	251 938	(8 125)	1, 2
Total equity and liabilities	527 191	519 067	(8 124)	1, 2, 3

Year ended 31 December 2019

Figures in US\$'000, except per share figures in US\$

Summary Statement of Cash Flows

	Abridged Results	Final Results	Variance	Note
Cash used in operating activities	(55 587)	(55 587)	-	
Cash generated from investing activities	35 166	35 166	-	
Cash generated from financing activities	19 373	19 373	-	
Decrease in cash and cash equivalents	(1 048)	(1 048)	-	
Cash and cash equivalents, beginning of period	33 498	33 498	-	
Effect of exchange rate changes on the balance of cash held in foreign currencies	77	77	-	
Cash and cash equivalents, end of period	32 527	32 527	-	

Notes

- 1 Additional impairment recorded as a result of contracting to sell two vessels after announcement of unaudited results.
- 2 Rounding
- 3 Audit adjustment relating to remeasurement of defined obligation

About Grindrod Shipping

Grindrod Shipping owns and operates a diversified fleet of owned and long-term and short-term chartered-in drybulk vessels and product tankers. The drybulk business, which operates under the brand "Island View Shipping" (IVS) includes a fleet of 17 handysize drybulk carriers and 14 supramax/ultramax drybulk carriers on the water with two ultramax drybulk carriers under construction in Japan due to be delivered in 2020. The tanker business, which operates under the brand "Unicorn Shipping" (Unicorn) includes a fleet of six medium range product tankers and one small tanker. The Company is based in Singapore, with offices in London, Durban, Tokyo, Cape Town and Rotterdam. Grindrod Shipping has a primary listing on NASDAQ under the ticker "GRIN" and a secondary listing on the JSE under the ticker "GSH".

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By order of the Board

8 June 2020

Sponsor: Grindrod Bank Limited