SAMUDERA SHIPPING LINE LTD
(Company Registration No: 199308462C)
(Incorporated in Singapore)

VESSEL DISPOSAL UNDER THE DISPOSAL MANDATE

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1. INTRODUCTION

The board of directors (the "**Board**") of Samudera Shipping Line Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the circular to shareholders dated 14 April 2020 (the "**Circular**") relating to, *inter alia*, the proposed adoption of the disposal mandate for proposal disposal of the vessels (the "**Disposal Mandate**").

Shareholders of the Company have approved the Disposal Mandate at the extraordinary general meeting of the Company held on 25 June 2020.

All capitalized terms used in this announcement shall, unless otherwise defined, have the same meanings ascribed to them in the Circular.

2. DISPOSAL OF VESSELS

The Board wishes to announce that the Company has signed memorandums of agreement with Schiffahrts-Gesellschaft "HANSA BITBURG" mbH & Co. KG and Schiffahrts-Gesellschaft "HANSA HARBURG" mbH & Co. KG (the "**Buyers**") on 18 December 2020 for the disposal of Sinar Sabang and Sinar Sumba respectively. The Buyers are unrelated third parties of the Group. The disposal of Sinar Sabang and Sinar Sumba are in accordance with the terms of the Disposal Mandate.

Sinar Sabang and Sinar Sumba are both Singapore flagged container vessels. Both vessels were built in 2008 and could carry up to 1,740 TEUs.

The net consideration for the sale of Sinar Sabang was US$6,750,000 which was arrived at on a willing buyer-willing seller basis. The Buyer has paid 10% of the purchase consideration into escrow account as deposit. The remaining purchase consideration will be paid upon delivery of Sinar Sabang to the Buyer.

The net consideration for the sale of Sinar Sumba was US$6,750,000 which was arrived at on a willing buyer-willing seller basis. The Buyer has paid 10% of the purchase consideration into escrow account as deposit. The remaining purchase consideration will be paid upon delivery of Sinar Sumba to the Buyer.

As committed by the Company in the Circular, the sale price of Sinar Sabang and Sinar Sumba were not lower than 90% of the value of Sinar Sabang and Sinar Sumba as determined by independent valuations from Fearnleys Asia (Singapore) Pte Ltd.

3. DISPOSAL PROCEEDS

The proceeds from the disposal of Sinar Sabang and Sinar Sumba will be utilized for working capital and business expansion of the Group.

The combined book value of Sinar Sabang and Sinar Sumba was US$13,230,000. The net profit/net loss arising from the disposal of Sinar Sabang and Sinar Sumba will only be known on delivery of Sinar Sabang and Sinar Sumba to the Buyers after taking into account all costs incurred in delivering the vessels to the Buyers as well as bunker onboard. The Company will make an announcement upon completion of the disposal of Sinar Sabang and Sinar Sumba.

4. PRINCIPAL TERMS OF THE DISPOSAL

The memorandums of agreement for the sale of Sinar Sabang and Sinar Sumba were based the SALEFORM 2012 prescribed by the Norwegian Shipbrokers' Association for sale and purchase of ships with modification to cater for the specific sale of Sinar Sabang and Sinar Sumba. The memorandums of agreement did not contain any unusual requirements and were consistent with usual market conditions for the sale and purchase of vessels.

5. FINANCIAL EFFECTS

(a) For illustration purposes, the financial effect of the disposal of Sinar Sabang and Sinar Sumba on the:

(i) Net tangible assets ("**NTA**") per share; and

(ii) Earnings per share ("**EPS**")

based on the audited consolidated financial statement of the Group for the financial year ended 31 December 2019 (being the most recently completed financial year prior to the date of the memorandums of agreement for the sale of Sinar Sabang and Sinar Sumba) are set out below.

(b) NTA

Assuming that Sinar Sabang and Sinar Sumba had been disposed of on 31 December 2019, the effect on the NTA per share as at 31 December 2019 would be as follows:

	Before the disposal of Sinar Sabang and Sinar Sumba	**After the disposal of Sinar Sabang and Sinar Sumba**
Consolidated NTA (US$)	190,345	188,464
Consolidated NTA per share (US cents)	35.38	35.03

(c) EPS

Assuming that Sinar Sabang and Sinar Sumba had been disposed of on 1 January 2019, the effect on the EPS of the Group would be as follows:

	Before the disposal of Sinar Sabang and Sinar Sumba	**After the disposal of Sinar Sabang and Sinar Sumba**
EPS (US cents)*	0.73	0.04

* Currently, the Company operates Sinar Sabang to service some of its sea routes. For the purpose of the aforesaid illustration of the disposal of Sinar Sabang and Sinar Sumba on the EPS, the disposal of Sinar Sabang is not likely to have any impact on the EPS of the Company because the Company will still be servicing the relevant sea routes by deploying other vessels which are at its disposal.

6. RELATIVE FIGURES

The relative figures for the disposal of Sinar Sabang computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative figures (%)
(a)	Net asset value of Sinar Sabang compared with the Group's net asset value as at 30 June 2020 (being the financial half year prior to the date of the memorandum of agreement for the sale of Sinar Sabang)	3.8
(b)	The net profit attributable to Sinar Sabang compared with the Group's net profit as at 30 June 2020 (being the financial half year prior to the date of the memorandum of agreement for the sale of Sinar Sabang)	NA
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 17 December 2020 (the date of the memorandum of agreement for the sale of Sinar Sabang) based on the total number of shares excluding treasury shares	6.9
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	n/a
(e)	The aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	n/a

The relative figures for the disposal of Sinar Sumba computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative figures (%)
(a)	Net asset value of Sinar Sumba compared with the Group's net asset value as at 30 June 2020 (being the financial half year prior to the date of the memorandum of agreement for the sale of Sinar Sumba)	3.6
(b)	The net profit attributable to Sinar Sumba compared with the Group's net profit as at 30 June 2020 (being the financial half year prior to the date of the memorandum of agreement for the sale of Sinar Sumba)	3.6

(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 17 December 2020 (the date of the memorandum of agreement for the sale of Sinar Sumba) based on the total number of shares excluding treasury shares	6.9
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	n/a
(e)	The aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	n/a

7. RATIONALE

Due to the specifications of Sinar Sabang and Sinar Sumba, these two vessels may not be the most efficient vessels for the sea routes that the Group operates. Arising therefrom, Sinar Sabang and Sinar Sumba were as part of the Group's assets rejuvenation exercise.

8. INTEREST OF DIRECTORS AND SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest in the disposal of Sinar Sabang and Sinar Sumba.

9. OTHER INFORMATION

No person has been or is proposed to be appointed as director of the Company in connection with the disposal of Sinar Sabang and Sinar Sumba. Accordingly, no service contract has been or is proposed to be entered into between the Company and any such person.

10. DOCUMENTS FOR INSPECTION

Copies of the memorandums of agreement for the disposal of Sinar Sabang and Sinar Sumba as well as the valuation for the Sinar Sabang and Sinar Sumba are available for inspection at the Company's registered office at 6 Raffles Quay #25-01 Singapore 048580 for a period of three (3) months from the date of this Announcement.

By order of the Board,

Ridwan Hamid
Executive Director and Chief Financial Officer
08 March 2021