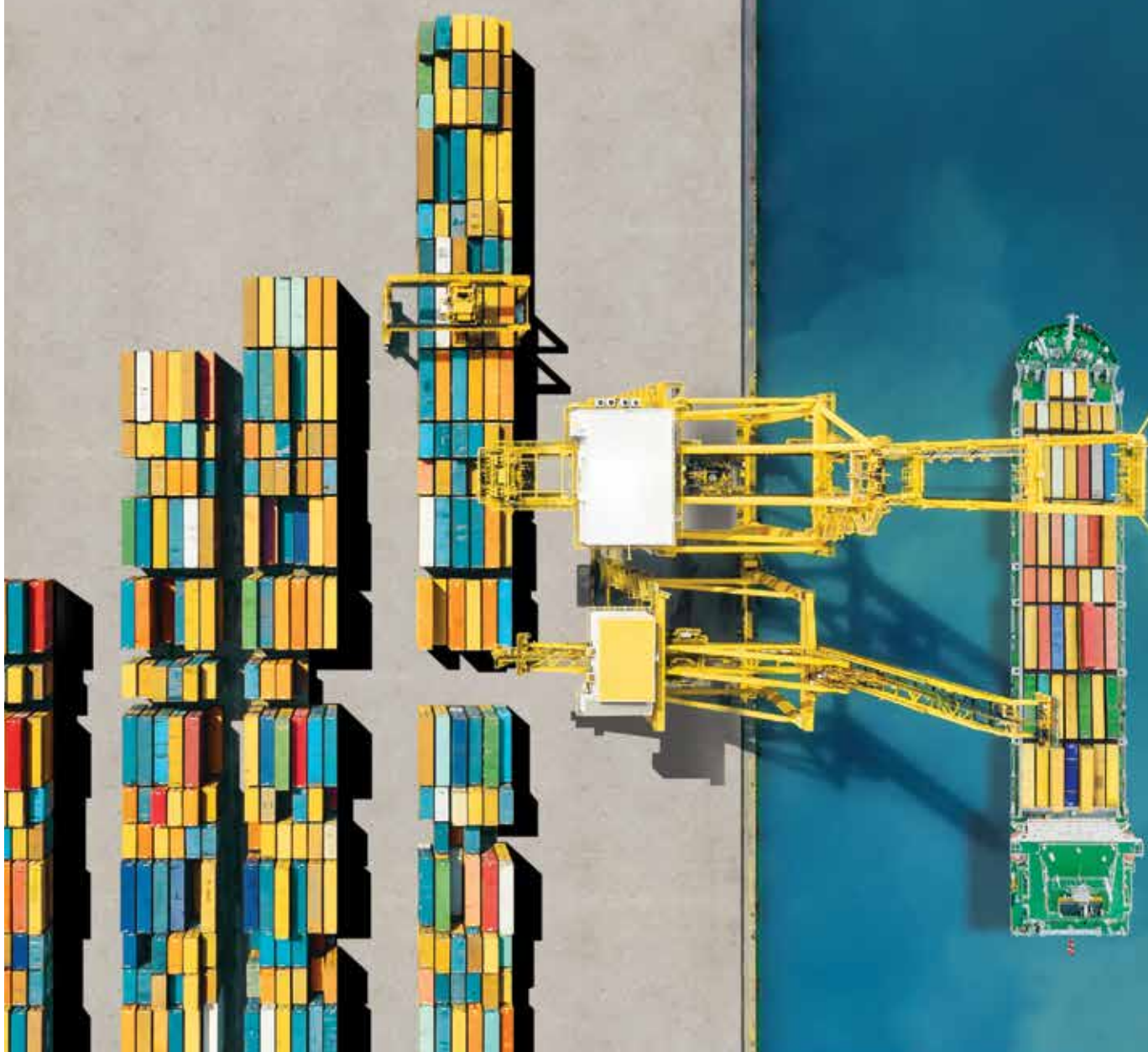


Strengthening
our focus on
growth

2017 annual report



SAMUDERA SHIPPING

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about samudera

Samudera Shipping Line Ltd is primarily engaged in the transportation of containerised and non-containerised cargo through its Container Shipping and Bulk & Tanker business segments. The Group's vessels and services currently ply trade routes connecting various ports in Southeast Asia, the Indian Subcontinent, the Far East and the Middle East.

Since its incorporation in 1993, Samudera has progressively established a good track record of professionalism and competency in its field. Through prudent management and a well-managed expansion strategy, the Group has been able to successfully build up its position as a credible and well-respected industry player in the region today.

Leveraging its extensive network, Samudera's Container Shipping business segment offers reliable feeder services between its "hub" port in Singapore and other "spoke" ports in Asia, as well as inter-regional container shipping services to manufacturers, exporters and importers. The Group serves a wide spectrum of shippers from its

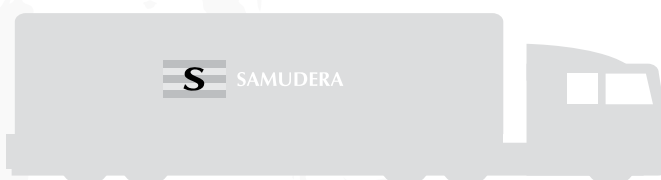
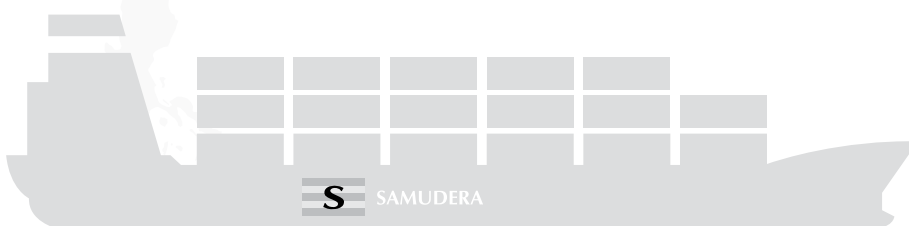
headquarters in Singapore, and via representative and agency offices in various cities in Southeast Asia, Indochina and Far East, the Indian Subcontinent and the Middle East.

In the Bulk and Tanker shipping business, Samudera's fleet of bulk carriers and tankers are chartered out to shippers for the transportation of dry bulk and liquid cargo. The vessels are deployed either on time charter, contracts of affreightment, or single-voyage basis.

As part of the Samudera Indonesia Group in Indonesia, Samudera taps the marine and land transportation support capabilities of its parent company, a synergy that allows the Group to provide value-added services to its customers. The Group also offers shipping agency and logistics solutions to its customers in the region including warehousing, freight forwarding and cargo handling services. Through a combination of its transportation and logistics services, the Group aims to connect its global partners with Indonesia and beyond.

Samudera's operating fleet, which comprises vessels owned by the Group as well as those on operating leases, currently stands at 33. This consists of 27 container vessels, 3 chemical tankers, 1 gas tanker, and 2 dry bulk carriers. The Group continues to renew its fleet by acquiring, disposing and leasing vessels where appropriate.

Samudera is listed on the Mainboard of the Singapore Exchange Securities Trading Limited.





SAMUDERA SHIPPING

Vision

Connecting
Indonesia and
Beyond

Values

Integrity and
Professionalism

Mission

- Providing transportation services to meet the demand of distribution activities
- Positively contribute to the economic growth by providing efficient logistics solutions
- To ensure sustainable business growth and deliver additional value to shareholders
- Actively participating in creating employment and developing human capital

Incorporated in
1993

Samudera Shipping Line Ltd (SSL) is engaged in the transportation of containerised cargo, gas, liquid and bulk cargo in the Southeast Asia, Indian Subcontinent, as well as the Far East.

SSL is listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

3 SSL's key business segments:



Container Shipping

Leveraging its extensive network, Samudera's Container Shipping business offers reliable feeder services between its "hub" port in Singapore and other "spoke" ports in Asia, as well as inter-regional container shipping services to manufacturers, exporters and importers. The Group serves a wide spectrum of shippers from its headquarters in Singapore, and via representative and agency offices in various cities in Indonesia, Cambodia, China, Thailand, Vietnam, Malaysia, Myanmar, Philippines, India, Sri Lanka, Bangladesh and Pakistan.



Bulk and Tanker

Samudera's fleet of bulk carriers and tankers are chartered out to shippers for the transportation of dry/ liquid cargo. The vessels are deployed either on time charter, contracts of affreightment, or single-voyage basis.

The Group also offers ship manning, vessel operation and maintenance management services for its customers in the offshore oil and gas industry.



Agency and Logistics

In the Agency and Logistics business, Samudera provides agency services in areas such as Bangkok, Port Klang, Penang, Mumbai, Kolkata, Chennai, and Dubai to both own vessel operation as well as other third party shipping operations. While its logistics business engages in forwarding, container depot operations as well as general logistics services.

27

container vessels

3

chemical tankers

1

gas tanker

2

dry bulk carriers

33
total fleet

service network

(as at 1 March 2018)

Southeast Asia

We operate 7 services from the Singapore hub covering Indonesia main ports at Jakarta, Surabaya, Semarang, Belawan and Palembang, with frequencies of 1 to 3 sailings per week.

There are 16 services serving Penang, Port Klang, Pasir Gudang and Kuantan in Malaysia, Bangkok and Songkhla in Thailand, North and South Vietnam, Yangon in Myanmar and Sihanoukville in Cambodia, with up to 4 sailings per week. We serve 2 services to Manila and South Philippines with 1 sailing per week.

Umm Qasr
Shuwaikh
Shuaiba
Dammam
Hamad
Dubai

delivering and
connecting fast
and wide

Indian Subcontinent and Middle East

We operate 10 services covering Chennai, Kolkata, Mumbai, Mundra and Pipavav in India, Chittagong in Bangladesh, Colombo in Sri Lanka and Karachi in Pakistan, with frequencies of up to 3 sailings per week.

We have a weekly direct service connecting Kandla and Mundra to Dammam in Saudi Arabia, Hamad in Qatar and Umm Qasr in Iraq. Via Damman, we provide connecting services to Shuwaikh and Shuaiba in Kuwait. There is also a service linking Kandla and Mumbai with Dubai in United Arab Emirates.

NVOCC

In addition to the ports served by the services above, where we deploy vessels, we also serve other ports on Non-Vessel Operating Common Carrier (NVOCC) basis.



Far East

We have a weekly service to Central and Southern Chinese ports, with direct calls from Ningbo, Qingdao, Shanghai, Shekou and Tianjin to Singapore, Malaysia and India, with up to 4 sailings per week. We also served a weekly service to Busan in South Korea.

1993 - 2000

Incorporated in Singapore as a provider of container shipping services.

1993



Expanded into the dry bulk carrier and tanker business.

1996



Raised additional capital of S\$32.9 million through share placement.

1999



To anticipate business growth and manage its extensive service network, the Group started joint ventures in Malaysia and India.

2002



Entered into LNG shipping by investing in a joint venture company, LNG East-West Shipping Company (Singapore) Pte Limited.

Took delivery of additional two units chemical tankers with capacity of 11,244 DWT and 10,600 DWT each. These tankers currently operate in the Indonesian water.

2006



1994

Began feeder routes to Jakarta and Bangkok, which were subsequently extended to India, Sri Lanka, Malaysia and other Indonesia ports.

1997

Listed on the Singapore Stock Exchange (Sesdaq), and expanded container shipping business network to China, Hong Kong and South Korea.

2000

Officially upgraded to the Main Board listing status, on the Singapore Exchange Securities Trading Limited.

2004

A joint venture with a local Thai company was set up to strengthen our presence in Thailand.

2002 -

2011 - 2017

Took delivery of two additional container vessels with capacities of 1,740 TEUs each, to strengthen container shipping business.

Commenced container shipping route, Yangon Express service, which will link Myanmar directly with markets in Southeast Asia region.

As part of the effort to manage cost and capacity more efficiently, the Group acquired three container vessels with capacities from 1,054 TEUs to 1,060 TEUs.

Took delivery of two Supramax bulk carriers with a carrying capacity of 57,700 DWT each.

Introduced a weekly service to Songkhla, connecting Singapore-Kuantan-Songkhla, to tap on new market and to widen our liner business.

Samudera Logistics DWC LLC was incorporated as a logistics arm in Dubai, United Arab Emirates.

Samudera has extended our footprints in the Gulf region by introducing a weekly direct service connecting Dammam in Saudi Arabia, Hamad in Qatar and Umm Qasr in Iraq to Kandla and Mundra in India.

Shal Hawk Silkargo was also incorporated in Malaysia to provide warehousing services.

2008

2011

2015

2017



2007

Launched container shipping route, Chittagong Express service, linking Singapore and Chittagong, which extends the network coverage of the Indian Sub-continent.

2014

Launched Cambodia feeder service, with a weekly sailing linking Singapore and Sihanoukville.

2016

Participate in domestic shipping activities in Thailand and India through joint ventures.

2008





• Patience

• Persistence

• Faith

• Resilience

chairman's message

Masli Mulia



Leveraging our nimbleness, service quality and the strength of our network, we continued to forge strong collaborations with the newly merged mainline operators.

Dear Shareholders,

In the challenging few years prior to FY17, we recalibrated ourselves by optimising our asset utilisation and maintaining a healthy balance sheet while keeping an eye out on potential opportunities that could help us enhance our revenue streams. Our effort is bearing fruit, and we are pleased to provide an update on our progress through this letter.

The shipping environment in FY17 was marked by improvements across the board as expectations of a gradual albeit modest recovery in global economic conditions boosted global trade activity. We turned in healthy revenue of USD283.7 million during the year, an increase of 8.9% from the USD260.5 million recorded in the preceding financial year ended 31 December 2016 ("FY16"). This was on the back of higher revenue contribution from the container shipping business, which handled 1.3 million TEUs (twenty-foot equivalent units) of containers in

FY17, which was 10.0% higher than the 1.2 million TEUs handled in FY16.

The higher container volume handled and the increase in the bunker price year-on-year were the main reasons for the increase in cost of services in the container shipping business segment.

On the other hand, cost of services for the bulk and tanker segment was lower as we were operating a smaller fleet compared to FY16. The net effect for the Group was an 8.2% rise in cost of services to USD266.0 million, from USD245.9 million in FY16.

With revenue growth outpacing the increase in cost of services, our gross profit improved 21.0% to USD17.7 million in FY17, while gross profit margin rose 0.6 percentage points to 6.2%.

Taking into account lower operating expenses and absence of impairment losses during the year, compared to the USD7.7 million impairment loss recorded on five

vessels in FY16, we turned in a net profit attributable to shareholders of USD5.9 million, which was a significant reversal from a net loss of USD5.4 million incurred in FY16.

We are committed to sharing the fruit of our labour with our shareholders as far as we can, and we have consistently been doing this in the form of dividends. The Board has proposed a tax-exempt final dividend of 0.75 Singapore cents for FY17, subject to your approval at the upcoming Annual General Meeting on 25 April 2018. If approved, the dividend is expected to be paid in May 2018.

In the face of continuous market consolidation and the resulting concentration of market share among a few key mainline operators, reinforcing our strong competitive position in regional waters remains our topmost priority.

Leveraging our nimbleness, service quality and the strength of our network, we continued to forge strong collaborations with the newly merged mainline operators.

In addition, we also tapped on our expertise in the feeder space and relationships with local partners to extend our footprint into underserved markets in the region.

Our tanker fleet maintained gainful employment in FY17. We also benefitted from the improvement in charter rates, even as we were operating a smaller fleet following the divestment of two vessels during the year. Demand for bulk shipping services improved in FY17, as activity in dry bulk trading gained good momentum. As a consequence, charter rates were also higher, which helped us mitigated the revenue decline in this segment following the tanker fleet reduction.

With revenue diversification and future growth in mind, we have laid the groundwork for our expansion into the logistics business in the region. Through this expansion, we look forward to extending our participation in the transportation value chain and providing a wider range of efficient logistics solutions for our customers. Through our subsidiary, we will begin operations of a warehouse in Malaysia from the second quarter of the 2018 financial year, for the storage of general and mining cargo. Meanwhile, we are also exploring opportunities to venture into container depot and other logistics services.

With international geopolitical issues potentially clouding economic growth, the global trade outlook for 2018 is now laced with uncertainty. Along with this, the unplugged gap between capacity supply and demand could yet render challenges to the industry.

Taking advantage of what we have built up so far, the current year will see us prioritising growth. The container shipping business remains our core focus, and we

are actively looking to extend our capabilities into markets in the region and beyond. With the dry bulk market livening up, we will also look to build up our presence and activity in the sector. We envision our overall business growth to encompass diverse logistics solutions, as we work to connect our global partners to Indonesia and beyond.

Operationally, we will not waver from our focus of optimising operational efficiency and asset utilisation, and will continue our prudent approach towards the management of our fleet.

As we work towards building a strong and sustainable business, we recognise the importance of managing our business operations responsibility, and in the interest of all our stakeholders. Our inaugural Sustainability Report, which has been incorporated into this annual report, will provide you with insight into our motivating principles and work ethics, as well as details of our best practices in workplace health and safety, gender balance and environmental initiatives.

A Word of Appreciation

As we venture into new waters, I am grateful to have with me a team of employees and management who have performed their duties and responsibilities with integrity and professionalism, as we continue to work hard to grow our business in a sustainable manner, as well as to deliver greater value to our shareholders.

My fellow Board members have unstintingly shared their views and counsel and we are all the better for them. To our shareholders, customers, partners and associates, thank you for your continued support.

I look forward to growing the business with you.

Masli Mulia

Executive Chairman

CEO's statement on operational review



Asmari Herry

Dear Shareholders,

During the year, we focused on fortifying ourselves operationally while capitalising on strategic opportunities that will enable us to grow and enhance our market competitiveness, amid an evolving shipping industry. I am happy to share our latest progress with you.

Financial Review

We recorded an 8.9% increase in revenue to USD283.7 million in FY17, from USD260.5 million FY16, on the back of increased business activity in our container shipping segment.

We handled 1.3 million TEUs (twenty-foot equivalent units) of containers in FY17, 10.0% more than that handled in FY16. This, together with higher freight rates in FY17 across the various shipping routes that we operate, helped to lift container shipping revenue by 11.2% to USD250.7 million in FY17, compared to USD225.5 million in the preceding financial year.

Our bulk & tanker segment operated a smaller fleet year-on-year, following the disposal of two vessels in FY17. In view of this, revenue from the bulk & tanker business declined by 11.1% to USD26.9 million in FY17, from

USD30.3 million. This was partially offset by improvements in the employment days of the vessels in operation and the charter rates of its bulk carriers and tankers.

Cost of services rose to USD266.0 million in FY17, compared to USD245.9 million a year ago, taking into account the higher bunker price and container volume handled, as well as the lower cost from the bulk & tanker segment on account of the smaller tanker fleet operated in FY17.

With revenue growth outpacing the increase in cost of services, our gross profit rose 21.0% to USD17.7 million, compared to USD14.6 million in FY16. Gross profit margin also improved to 6.2% in FY17, from 5.6% in FY16.

While we made a USD3.0 million provision for bad debt in FY16 mainly as a result of Hanjin Shipping's filing of receivership, we were thankfully spared such an adverse development in FY17. As a result, our FY17 provision was reduced significantly to USD1.0 million, which led to our registering an 8.5% year-on-year decline in marketing and administrative expenses from USD14.6 million to USD13.4 million.

Other operating expenses also fell significantly in FY17 to USD0.1 million, from USD7.9 million in FY16. Operating expenses were higher in FY16 in view of the impairment loss recorded for two dry-bulk carriers and three Indonesia-flagged container vessels.

Other operating income also saw a significant decline of 40.9%, from \$4.0 million in FY16 to USD2.3 million in FY17. Our operating income for FY16 mainly lifted by an insurance claim payment received for one of our container vessels that was grounded and subsequently written off in 2012 for sustained damage.

In consideration of the above, our profit from operations amounted to USD6.5 million in FY17, against a loss of USD3.9 million in FY16. Net profit attributable to shareholders came in at USD5.9 million, turning around from a net loss of USD5.4 million in FY16.

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

Our property, plant and equipment amounted to USD215.5 million as at 31 December 2017, compared

to USD243.0 million as at 31 December 2016 following our divestment of four Indonesia-flagged vessels during the year, along with a reclassification of an oil tanker to assets held for sale. On this note, assets held for sale rose to USD6.4 million as at 31 December 2017, compared to USD3.3 million as at 31 December 2016. We expect to complete the disposal of these assets within the next 12 months.

Our financial position remains healthy, with cash and bank balances of USD49.6 million and relatively low gearing ratio of 0.26 at the close of December 2017. Our net asset value per share has also increased to 45.67 US cents, from 44.63 US cents a year ago.

Review of Operations

Our container shipping business division continued to build upon our close relationships with mainline and other industry operators, furthering partnerships that will help reinforce our market presence amid challenging industry conditions. Leveraging our position as a well-established regional container shipping service provider, our vision is to be the key connection to Indonesia and beyond for our global partners.

Casting our sights beyond the region, we have embarked on joint ventures with strategic partners to extend our shipping services to new markets including the Indian subcontinent and the Middle East. We have begun to see the first fruits from our India-Middle East services, in partnership with a local player in the Middle East, and are actively on the lookout for more opportunities to offer efficient transportation and logistics services to meet the demand of distribution activities there and in this region.

After several years of lacklustre performance, the bulk market saw an improvement in FY17, with charter rates being driven up by strong industrial activity, particularly in China where demand for iron and coal continues to rise, along with the export of dry bulk commodities like grain and soybeans. On the tanker side of the business, we have been executing our strategic approach to gradually dispose of or scrap our ageing Indonesia-flagged vessels. We had earlier on adopted this decision in view of the Indonesian shipping law prohibiting the conduct of domestic shipping activities by vessels that are not Indonesia-flagged, and limiting the registration of such vessels to companies that are fully or majority-owned by Indonesians. While the disposal/scraping of the Indonesia-flagged vessels has resulted in a smaller operating fleet, our vessels now have a lower average age and are generally more productive and efficient.

During the year, we took the first steps towards diversifying and growing our revenue streams, with a subsidiary that will see us constructing a warehouse at the Port Klang Free Zone and offering warehousing services for general and mining cargo and industrial metals. We are also venturing into the operations of container depots, offering container storage, repair and maintenance services, as well as other logistics activities by cooperating with local business partners in this region.

The Outlook Ahead

The consolidation activities among major industry players in recent years have concentrated market share in the hands of fewer players, leaving little room for smaller players to operate independently. On this note, competition among feeder service operators for cargo from mainline operators is likely

to intensify. With new tonnage expected to enter service in the year ahead, supply-side pressure remains strong. Compounding this is the anticipated uptrend in bunker prices in the coming year weighing on costs. Our strategy of expanding into logistics and other activities relating to marine transportation will enable us to participate in a greater part of the transportation value chain and manage our exposure to this highly competitive container shipping business. We will thus be looking to expand our warehousing and container depot services in the region, with an aim of building a sustainable revenue stream for the Group.

As the dry bulk market regains trading momentum, we will be looking to capitalise on the favourable conditions to increase our activity in this area, and may explore expanding our bulk fleet, should the right opportunity arise. Nevertheless, we are also mindful of excessive capacity entering the market that could yet dampen sentiments.

Appreciation

I am thankful to have a committed and driven team as we work to reinforce ourselves for the challenges ahead.

Our customers, partners, bankers and shareholders have supported and believed in us and I am grateful for their presence. I would also like to thank our Directors for their guidance and foresight that has shaped our strategy for the future.

With your support, I hope to continue to build on our strengths and capabilities to open new frontiers in the future.

Asmari Herry
Executive Director and CEO

Serving

> 45 ports

Presence

10 offices





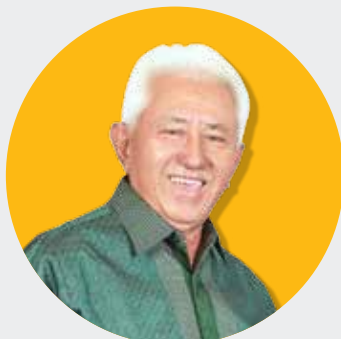
Strength

> 250 employees

Fleet

33 vessels

board of directors



Masli Mulia Executive Chairman

As Executive Chairman, Masli Mulia leads the Board in the overall strategic direction and business growth of the Company and its subsidiaries (the "Group"). He is member of the Nominating Committee of the Company. He is also the President Director of PT. Samudera Indonesia Tbk ("Samudera Indonesia"), a majority shareholder of the Company. Masli Mulia joined Samudera Indonesia in 1971 and has held various positions prior to becoming the President Director in 2010. He serves as a member of the Advisory Board in the Indonesian National Shipowners' Association (INSA). Formerly, he was the Chairman of ASEAN Federation of Forwarders Association and the Indonesian Logistics and Freight Forwarders Association. Masli Mulia graduated from the Merchant Marine Academy, Jakarta, Indonesia in 1970.



Asmari Herry Prayitno Executive Director and CEO

Asmari Herry, the Chief Executive Officer ("CEO"), is responsible for the overall management, strategic planning and day-to-day business operations of the Group. Prior to his appointment, he was the Chief Operating Officer responsible for the overall operations of the Group. Asmari Herry joined Samudera Indonesia in 1979 and has held various managerial positions prior to his appointment as an Executive Director of the Company in 1997. Asmari Herry served as Director in the Board of PT Samudera Indonesia Tbk from 2010 to 2016. He was also Deputy Chairman of the Indonesian National Shipowners' Association for the period 2011 – 2015. Since 2015 he was appointed as Head of Permanent Committee of Transportation for Infrastructure & Superstructure, Indonesian Chamber of Commerce and Industry. He graduated from the Merchant Marine College in Indonesia and joined the Sea Transport Course at AIM – Manila, Philippines.



Lim Kee Hee Executive Director, Commercial

Lim Kee Hee is responsible for the overall commercial activities of the Company. Prior to becoming Executive Director, Lim Kee Hee was the Senior General Manager of the Company who is responsible for the trade and marketing functions. He has over 20 years of experience in the shipping industry where he had served in various senior management positions prior to joining the Company. He holds a Bachelor of Science from the then University of Singapore and a Graduate Diploma in Financial Management from the Singapore Institute of Management.



Hermawan Fridiana Herman Executive Director, Finance

Hermawan is responsible for the overall finance and administrative functions of the Group. He joined Samudera Indonesia in 1992 as the Group Accountant and was subsequently posted to the Company as the General Manager for Finance and Administration prior to his current appointment. Hermawan started his career with various business consultants in Indonesia before joining KPMG Indonesia as an Auditor in 1989. He holds a Bachelor of Economics degree (majoring in Accountancy) from the University of Indonesia.



Quah Ban Huat Lead Independent and Non-Executive Director

Quah Ban Huat is the Chairman of the Audit Committee as well as member of the Remuneration and Nominating Committees of the Company. Mr Quah was appointed as the Lead Independent Director of the Company on 27 February 2017. He is currently a consultant for KPMG Services Pte Ltd and sits on the board of several public and private companies including AP Oil International Ltd, Deutsche Boerse Asia Holding Pte Ltd and Eurex Clearing Asia Pte Ltd. Mr Quah has worked in various senior management roles in multinational and listed companies. He is a member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants.



Nicholas Peter Ballas Independent and Non-Executive Director

Nicholas Ballas is member of the Audit, Nominating and Remuneration Committees of the Company. Mr Ballas is currently the Managing Director of Cathedral Hill Advisory LLC, a boutique consulting firm that provides strategy and execution advisory services. Until end of 2016, Mr Ballas was the Executive Vice President, Asia Pacific and a member of the management council of Nexans SA, a worldwide leader in the cable industry based in Paris, France. He has more than 25 years of experience working in the Asia Pacific region and has held various positions in finance, strategy and general management in the USA, Japan, Malaysia, Indonesia and Singapore. Mr Ballas was educated in the USA and holds an MBA degree from Thunderbird School of Global Management.



Chng Hee Kok Independent and Non-Executive Director

Chng Hee Kok is the Chairman of the Remuneration Committee as well as member of the Audit and Nominating Committees of the Company. He is the Chairman of Ellipsiz Ltd and director of a few SGX listed companies. He graduated with a Bachelor of Engineering degree (First Class Honours) from the then University of Singapore in 1972 and an MBA from the National University of Singapore in 1984. Mr Chng was a Member of Parliament from 1984 to 2001. He had served on the Board of Sentosa Development Corporation and the Public Utilities Board and was a Council Member of the Singapore Institute of Directors.



Ng Chee Keong Independent and Non-Executive Director

Ng Chee Keong is the Chairman of the Nominating Committee as well as member of the Audit and Remuneration Committees of the Company. Mr Ng had held various senior positions throughout his career with the Port of Singapore Authority and later PSA Corp. He retired from PSA Corp as President/ CEO in 2005. He has many years of experience in terminal, marine and logistic businesses and serve on the Board of Jurong Port Pte Ltd, Mencast Holdings Ltd and JTC. Mr Ng was awarded the Public Administration Medal (Silver) in 1992 and the Public Administration Medal (Gold) in 1997 by the Government of Singapore, in recognition of his public service. He graduated with a Bachelor of Social Science degree in Economics (Upper Honours) from the then University of Singapore in 1971.

board of directors

further information

MASLI MULIA

Executive Chairman

Date of first appointment as a director:

1 April 2007

Date of last re-election as a director:

27 April 2017

Academic and Professional Qualification(s):

Merchant Marine Academy
(Jakarta, Indonesia)

PRESENT DIRECTORSHIP:

Other Listed Companies

- PT. Samudera Indonesia Tbk
President Director

Other Principal Commitments

- PT. Ngrumat Bondo Utomo
Director
- PT. Samudera Indonesia
Tangguh
President Commissioner
- PT. Masaji Prayasa Cargo
President Commissioner
- PT. Silkargo Indonesia
President Commissioner
- PT. GAC Samudera Logistics
President Commissioner

Past Directorships in listed companies held over the preceding three years:

None

ASMARI HERRY PRAYITNO

Executive Director and CEO

Date of first appointment as a director:

31 December 1996

Date of last re-election as a director:

27 April 2016

Academic and Professional Qualification(s):

Merchant Marine College
(Semarang, Indonesia)

Sea transport course at AIM
(Manila, Philippines)

PRESENT DIRECTORSHIP:

Other Listed Companies

None

Other Principal Commitments

- PT. Samudera Shipping
Services
Commissioner
- PT. Perusahaan Pelayaran
Nusantara Panurjwan
Director
- Samudera Intermodal Sdn Bhd
Director
- Samudera Traffic Co Ltd
Director

Past Directorships in listed companies held over the preceding three years:

- PT. Samudera Indonesia Tbk
Director

LIM KEE HEE

Executive Director, Commercial

Date of first appointment as a director:

1 June 2010

Date of last re-election as a director:

28 April 2015

Academic and Professional Qualification(s):

Bachelor of Science, University of Singapore

Graduate Diploma in Financial Management, Singapore Institute of Management

PRESENT DIRECTORSHIP:**Other Listed Companies**

None

Other Principal Commitments

- Samudera Shipping Line (India) Pvt Ltd
Director
- Silkargo Logistics (Singapore) Pte Ltd
Director

Past Directorships in listed companies held over the preceding three years:

None

HERMAWAN FRIDIANA HERMAN

Executive Director, Finance

Date of first appointment as a director:

1 June 2010

Date of last re-election as a director:

28 April 2015

Academic and Professional Qualification(s):

Bachelor of Economics, Accountancy, University of Indonesia

PRESENT DIRECTORSHIP:**Other Listed Companies**

None

Other Principal Commitments

- Foremost Maritime Pte Ltd
Director
- Samudera Intermodal Sdn Bhd
Director
- Samudera Traffic Co Ltd
Thailand
Director
- Silkargo Logistics (Singapore) Pte Ltd
Director
- LNG East-West Shipping Company (Singapore) Pte Ltd
Director

Past Directorships in listed companies held over the preceding three years:

None

board of directors further information

QUAH BAN HUAT

Lead Independent and
Non-Executive Director

Date of first appointment as a director:

31 October 2013

Date of last re-election as a director:

27 April 2017

Academic and Professional Qualification(s):

Institute of Chartered Accountants
in England and Wales (Member)

Association of Chartered Certified
Accountants (Fellow Member)

**PRESENT DIRECTORSHIP:
Other Listed Companies**

- AP Oil International Ltd,
Singapore
Independent and Non-
Executive Director

Other Principal Commitments

- Primeur Cellars Pte Ltd
Executive Director
- Primeur Holdings Pte Ltd
Executive Director
- KPMG Services Pte Ltd
Consultant
- Eurex Clearing Asia Pte Ltd
Independent and Non-
Executive Director
- Deutsche Boerse Asia Holding
Pte Ltd
Independent and Non-
Executive Director
- Sunjoy Group
Senior Advisor to Chairman
- Grindrod Shipping Holdings
Pte Ltd
Independent and Non-
Executive Director

- Eurex Exchange Asia Pte Ltd
Independent and Non-
Executive Director

**Past Directorships in listed
companies held over the
preceding three years:**

- Croesus Retail Asset
Management Pte Ltd, trustee-
manager of Croesus Retail
Trust
Independent and Non-
Executive Director
- mDR Ltd
Independent and Non-
Executive Director

CHNG HEE KOK

Independent and
Non-Executive Director

Date of first appointment as a director:

13 September 1997

Date of last re-election as a director:

27 April 2016

Academic and Professional Qualification(s):

Master of Business Administration,
National University of Singapore

Bachelor of Engineering (First Class
Honours), University of Singapore

**PRESENT DIRECTORSHIP:
Other Listed Companies**

- Ellipsiz Ltd
Director and Chairman
- Full Apex (Holdings) Ltd
Director
- Luxking Group Holdings Ltd
Director
- United Food Holdings Ltd
Director

Other Principal Commitments

None

**Past Directorships in listed
companies held over the
preceding three years:**

- Pacific Century Regional
Developments Ltd
Director
- Chinasing Investment
Holdings Ltd
Director
- LH Group Ltd
Managing Director and Director
- China Flexible Packaging
Holdings Ltd
Director
- Infinio Group Ltd
Director

NICHOLAS PETER BALLAS

Independent and
Non-Executive Director

Date of first appointment as a director:

1 June 2010

Date of last re-election as a director:

27 April 2016

Academic and Professional Qualification(s):

Master of Business Administration,
Thunderbird School of Global
Management

PRESENT DIRECTORSHIP:**Other Listed Companies**

None

Other Principal Commitments

- Cathedral Hill Advisory LLC
Managing Director

Past Directorships in listed companies held over the preceding three years:

None

NG CHEE KEONG

Independent and
Non-Executive Director

Date of first appointment as a director:

23 July 2014

Date of last re-election as a director:

27 April 2017

Academic and Professional Qualification(s):

Bachelor of Social Science
(Upper Honours), University
of Singapore

Post-Graduate in Advanced
Management from Stanford
University in 1988 and INSEAD

PRESENT DIRECTORSHIP:**Other Listed Companies**

- Mencast Holdings Ltd
Independent Director

Other Principal Commitments

- Jurong Port Pte Ltd
Chairman
- Jurong Port Jakarta Holding
Pte Ltd
Director
- Jurong Port Marunda Holding
Pte Ltd
Director
- Rizhao Jurong Port Terminals
Co Ltd
Independent Director
- Jurong Port Hainan Holding
Pte Ltd
Director
- JTC
Board Member

Past Directorships in listed companies held over the preceding three years:

- Mermaid Maritime Public
Co Ltd
Director
- Otto Marine Pte Ltd
Director
- Jasper Investments Limited
Independent Director
- Indo Port Holdings Pte Ltd
Director
- PT. Pelabuhan Tegar Indonesia
Vice President Commissioner

senior management



**Asmari Herry
Prayitno**

Executive Director, CEO

Profile of Mr Asmari Herry Prayitno can be found on page 16, Board Profile.



Lim Kee Hee

Executive Director, Commercial

Profile of Mr Lim Kee Hee can be found on page 18, Board Profile.



**Hermawan Fridiana
Herman**

Executive Director, Finance

Profile of Mr Hermawan Fridiana Herman can be found on page 18, Board Profile.



Tan Meng Toon

Deputy Director, Trade

Captain Tan Meng Toon is the Deputy Director of the Company and is in charge of the trade function in the Group. Captain Tan had served onboard the vessel as a deck officer in various ranking in several local and foreign-owned shipping companies. He also served as a technical superintendent and operations manager of a foreign-owned ship management company. Captain Tan holds a Foreign Ocean Going Master (Class I) Certificate.



**Trisnadi Sukur
Muslim Mulia**

Deputy Director, Commercial

Mr Trisnadi Sukur Muslim Mulia is the Deputy Director of the Company for commercial and business development functions of the Group. He holds a Bachelor of Planning & Design major in Construction Management and a Master of Applied Commerce major in Business Analysis and System from the University of Melbourne, Australia. He has previously held various roles in shipping and logistics businesses within the Samudera Group, being involved in operational, business development and directorship responsibilities.



**Thomas Lee
Thuan Aun**

Deputy Director, Trade

Mr Thomas Lee Thuan Aun joined the Company in 1997. He is currently holding the position of Deputy Director and is responsible for trade performance and business development in the Regional Container Shipping business including seeking opportunities to co-operate with other shipping companies. Mr Lee graduated from the National University of Singapore in 1997 and holds a Bachelor of Science degree.

key management personnel

Captain Tan Meng Toon Profile can be found in the Senior Management section on page 24.

Mr Trisnadi Sukur Muslim Mulia Profile can be found in the Senior Management section on page 24.

Captain Chan Cheow Chan joined the Company in 1996. Currently, he holds a position of General Manager who is responsible for the Container Management business and also for Cost Control and Vendor Management. Prior to his current appointment, he was responsible for the Liner Trade and Business Development of the Company. Before joining Samudera, Captain Chan had many years of experience in various aspects of shipping business. He obtained a Certificate of Competency in Master of Foreign-Going Ship from the Singapore Marine Department in 1988.

Mr Chan Ngok Chuin joined the Company in 2002 as MIS General Manager to oversee the management information systems of the Group. He holds a Bachelor of Science major in Computer Science and Mathematics from Brandon University, Canada and a Master of Business Administration major in Strategic Management from the Nanyang Technological University, Singapore. Mr Chan has more than 20 years of experience in the IT field such as system implementation, Portnet interfaces, designing and developing real time applications system, providing management and leadership in all computerisation projects in the Southeast Asia region, Hong Kong, Taiwan, China, Europe and America.

Captain Choo Eng Chye Royce held various senior positions in the shipping industry for the past 12 years prior to joining the Company in 1999. At present, he holds the position as an Operations General Manager and is responsible for the fleet management of the Company. Captain Royce obtained a Certificate of Competency in Master of Foreign-Going Ship from Auckland Nautical Institute, New Zealand in 1986.

Mr Oh Kian Beng joined the Company in 1992. He holds the position of General Manager who is responsible for the Sales & Marketing as well as Customer Service functions. Prior to joining the Company, Mr Oh had many years of marketing experience in the shipping industry. He studied Sales and Marketing.

Mr Thomas Lee Thuan Aun Profile can be found in the Senior Management section on page 24.

Ms Agnes Wong Pui Yee holds the position of General Manager who is responsible for the Group's Finance and Accounting function as well as providing support on system development. She joined the Company in 1998, and held several positions prior to her current appointment. She is member of The Institute of Singapore Chartered Accountants (ISCA) and a fellow member of The Association of Chartered Certified Accountants (ACCA).

Mr Tay Kheng Tong is the General Manager of our Liner Division. He is responsible for our liner business and also heads Business Strategy on development of new products and frontiers for Liner business. He is also the Chief Country Representative for China. Mr Tay joined the Company in 2002 and has many years of experience in the shipping industries. He majored in Electronics and Communications.

Mr Aditya Girinda Wardhana is the Head of Business Development of our Group. He is responsible for identifying and developing new business opportunities as well as overseeing the marketing and operational aspects of the Company. He has more than 20 years of shipping management experience and has worked in our overseas offices such as Bangkok and Dubai. He graduated with a Bachelor of Mathematics and Natural Sciences from the University of Indonesia.

our subsidiaries

SILKARGO LOGISTICS (SINGAPORE) PTE LTD

(Singapore)

Aditya Girindra Wardhana, Director

SILkargo Logistics (Singapore) Pte Ltd ("SILkargo") is founded in Singapore in 1997 as one of the Group's subsidiary specially engaged in logistics and forwarding business. SILkargo provides end to end worldwide logistics and freight-forwarding services which include air and sea transportation, custom process, shipping agency, warehouse and inland transportation for its end users.

FOREMOST MARITIME PTE LTD

(Singapore)

Aditya Girindra Wardhana, Director

Established in 1995, Foremost Maritime Pte Ltd ("Foremost") is set up as part of the Group's strategy to venture into dry bulk activities. The principal activities of Foremost include owning, chartering and operating dry bulk carriers for the transportation of bulk shipping commodities in the international market.

PT SAMUDERA SHIPPING SERVICES

(Indonesia)

Tarmizi Amir, Managing Director

Through Foremost, the incorporation of PT Samudera Shipping Service ("PTSSS") in Indonesia allows the Group to enlarge its bulk and tanker activities in Indonesia. PTSSS provides specialized services such as owning and chartering of oil tankers and chemical tankers, off shore support as well as manning, operation and maintenance services. Besides, PTSSS also owns container vessels. Vessels owned by PTSSS are mainly employed either on time charter, voyage charter or contract of affreightment.

SAMUDERA INTERMODAL SDN BHD

(Malaysia)

Hendra Wijanoko, Executive Director

Samudera Intermodal Sdn Bhd ("SISB"), a joint venture company between the Group and its business partner, QEL Shipping Service Sdn Bhd, was established in 2012. The primary activity of SISB is the provision of shipping agency services. SISB operates from two offices in Malaysia, namely Port Klang and Penang.

SHAL HAWK SILKARGO SDN BHD

(Malaysia)

Aditya Girindra Wardhana, Director

Hendra Wijanoko, Director

Shal Hawk SILkargo Sdn Bhd ("SHS") is incorporated in 2017 as a joint venture company between the Group and its business partner, Shal Hawk Sdn Bhd. SHS primary engagement is in management of warehouse in the Port Klang Free Trade Zone which provides distribution services for businesses in other parts of Malaysia as well.

SAMUDERA TRAFFIC CO LTD

(Thailand)

Christina Enita Hernawati, Managing Director

Samudera Traffic Co., Ltd ("STC") was incorporated in Thailand in 2004 to provide shipping agency services to the Group. As the Group's general shipping agent, STC handles all vessel and cargo operations at various main ports in Thailand such as BKK Klongtoey port, Laem Chabang, BMT and Songkhla ports in Southern Thailand. STC enables the Group to capitalise local expertise, broaden its local customer network and marketing capabilities and experience in Thailand.

SAMUDERA SHIPPING LINE (INDIA) PVT LTD

(India)

Rakesh Vijay, Regional Director

Samudera Shipping Line (India) Pvt Ltd ("SSL India") primarily engages in shipping agency business in India and provides support function to the Group's container shipping services connecting Singapore to the Indian Subcontinent and Middle East. Till date, it has presence in three major cities in India, namely Mumbai, Kolkata and Chennai and is appointed as shipping agent for several NVOCCs (non-vessel operating common carrier) in the country.

SAMUDERA LOGISTICS DWC LLC

(United Arab Emirates)

Cyprianus Andriyanto, Director

Samudera Logistics DWC-LLC ("Samudera Dubai") is a free zone entity set up in 2015 in Dubai, United Arab Emirates; as an extension of the Group's network to tap on the trade growth between India - Middle East market. Samudera Dubai provides reliable end to end worldwide logistics services to diverse end-users such as manufacturers, buyers, exporters and importers in the Middle East.

SAMUDERA CARGO SERVICES LLC

(United Arab Emirates)

Cyprianus Andriyanto, Director

Samudera Cargo Services LLC ("SCS LLC") is a Dubai mainland entity set up in 2015 to act as local entity of the Group in Dubai, United Arab Emirates. SCS LLC provides shipping agency service, customs clearance and formalities services, warehousing, local distribution and delivery service from/to/within the United Arab Emirates.

PRIME MARITIME DWC LLC

(United Arab Emirates)

Aditya Girindra Wardhana, Director**Rakesh Vijay, Regional Director**

Prime Maritime ("PM") is a joint venture company registered in Dubai in 2017, which Samudera Shipping Line Ltd is the majority stakeholder. The other partner being United Liner Shipping Services LLP, a part of the J.M Baxi Group of India. PM is the Group's vehicle to foray into the Arabian Gulf region with feeder and liner services from the west coast of India. This is in-line with the Group's goal of developing markets and expanding trade activities into new geographical areas. PM has a one vessel deployment covering UAE, Qatar, Saudi Arabia and Iraq with direct calls, while providing transshipment solutions to Kuwait.

our associates

**LNG EAST-WEST SHIPPING COMPANY
(SINGAPORE) PTE LIMITED**

(Singapore)

In 2006, the Company enters into a joint venture with Nippon Yusen Kabushiki Kaisha and JSC Sovcomflot to invest in LNG East-West Shipping Company (Singapore) Pte Limited ("LNG-EW"), a company incorporated in Singapore. SSL has a direct interest of 25%. The partnership marked the Company's first venture into liquefied natural gas ("LNG") transportation business. LNG-EW owns Tangguh Towuti, a LNG carrier with capacity of 145,700 CBM, currently employed under a long-term time charter contract.

SAMUDERA BHARAT FEEDER PVT LTD

(India)

Samudera Bharat Feeder Pvt Ltd ("SBF"), a joint venture company between the Group and our business partner in India, was established in 2016 to operate feeder services along the east coast of India.

ASIA BARGE SERVICES CO LTD

(Thailand)

In 2016, the Group invested in an equity investment in Asia Barge Services Co Ltd ("ABS") together with our business partners in Thailand. The primary activity of ABS is to provide containerized barging services between Bangkok and Laem Chabang in Thailand.

Strong Balance Sheet

Current ratio 2.04 times

Revenue Growth

8.9%





Low Gearing

0.26 times



corporate social responsibility

Corporate giving is an integral part of Samuderas business. It is also how we inspire our employees to do our part for society. We strive to do good with limited resources, and we stretch this a little more by supporting the initiatives of non-profit organisations to provide for those in need. Our participation in these initiatives has encouraged our employees to bond with each other, while reaping benefits for the community at large.

Willing Hearts

Together with volunteers from our subsidiary, Silkargo Logistics (S) Pte Ltd, we gathered in January 2017 for a trip to Willing Hearts. Willing Hearts is a secular charity organisation that prepares 5,000 meals a day at its soup kitchen and distributes them to the needy.

The visit was as much an opportunity to do our part for the underprivileged as it was to bond with our colleagues even as we reinforced our giving culture within the Group. Apart from contributing groceries and ingredients, we also lent a hand with food preparation for lunch boxes to be delivered to over 40 locations island-wide.



Transporting the groceries to Willing Hearts

NTUC Income Eco Run

Our colleagues responded In April 2017, our employees and their families joined nearly 10,000 participants from all walks of lives to run towards a “Zero Waste” future at the NTUC Income Eco Run, participating in the 10km and 21.1km half marathon categories. Pledging to be eco-friendly, our employees formed part of a special group of 1,500 “Zero Waste Runners”. These runners opted not to receive their finishers entitlements including a medal for all categories and a finishers tee for the 21.1km category, as part of their effort towards reducing waste. These Zero Waste Runners also helped to minimise the use of disposable cups by using a water bottle throughout the run. According to the organisers, 88kg of textiles and 150kg of metals were saved as a result of the commitment of the Zero Waste Runners.



Pledging their commitment as green champions and running towards zero waste

Supporting Overseas Causes

Since 2015, we have been lending support to a school in Batam, Indonesia, that provides education to underprivileged children in the community. We supported the school via a monetary contribution in 2017, which went towards the renovation of the school's classrooms. We hope that the improved facilities will create a more conducive learning environment for its students. We will continue to play our part as a corporate citizen of the communities in which we operate.



A view of the new classrooms



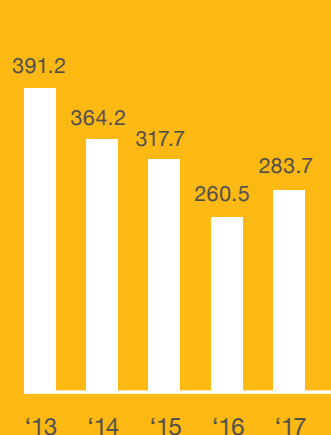
On our way back

Singapore Council of Womens Organisation

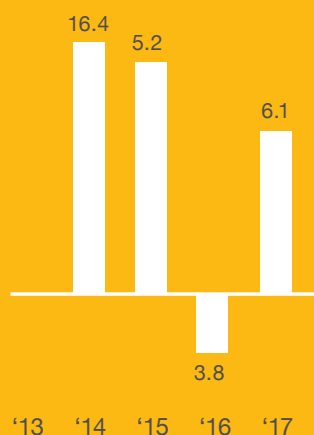
In June 2017, our colleagues also demonstrate their generosity with item donations to the Singapore Council of Womens Organisations (SCWO) during the year. These pre-loved items were delivered to the SCWO to be sorted for sale at the organisations New2U Thrift Shop. Proceeds from the sale of these items were channelled towards funding the various SCWO services and initiatives.

financial highlights

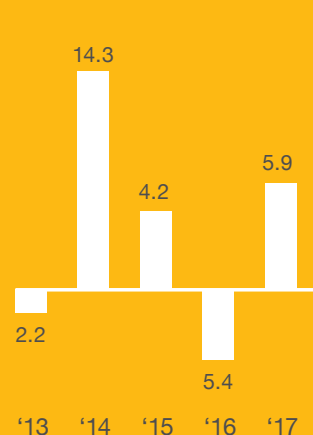
turnover
(US\$m)



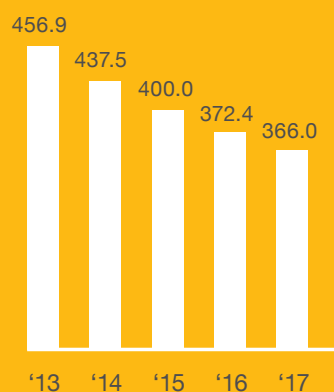
profit (loss) before tax
(US\$m)



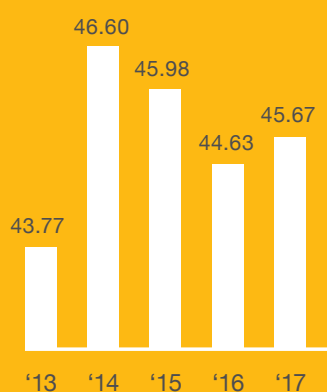
profit (loss) attributable to the
owners of the Company (US\$m)



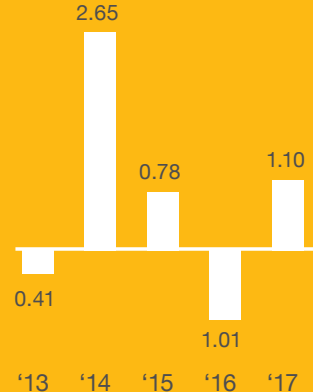
total assets
(US\$m)



net asset value per share
(US cents)

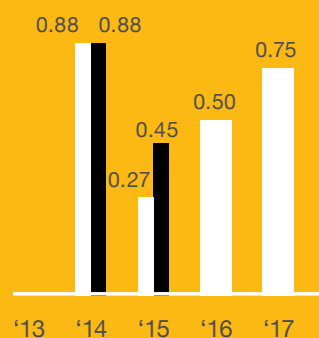


earnings per share
(US cents)

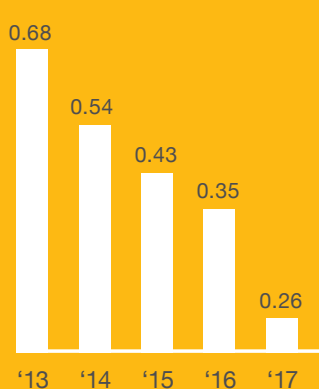


dividend per share
(SGD cents)

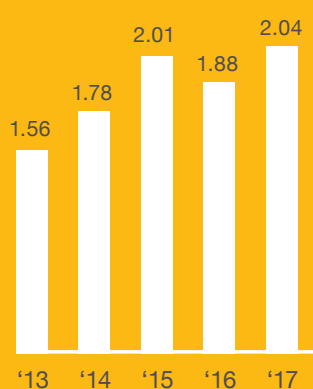
■ final dividend ■ special dividend



gearing ratio
(times)

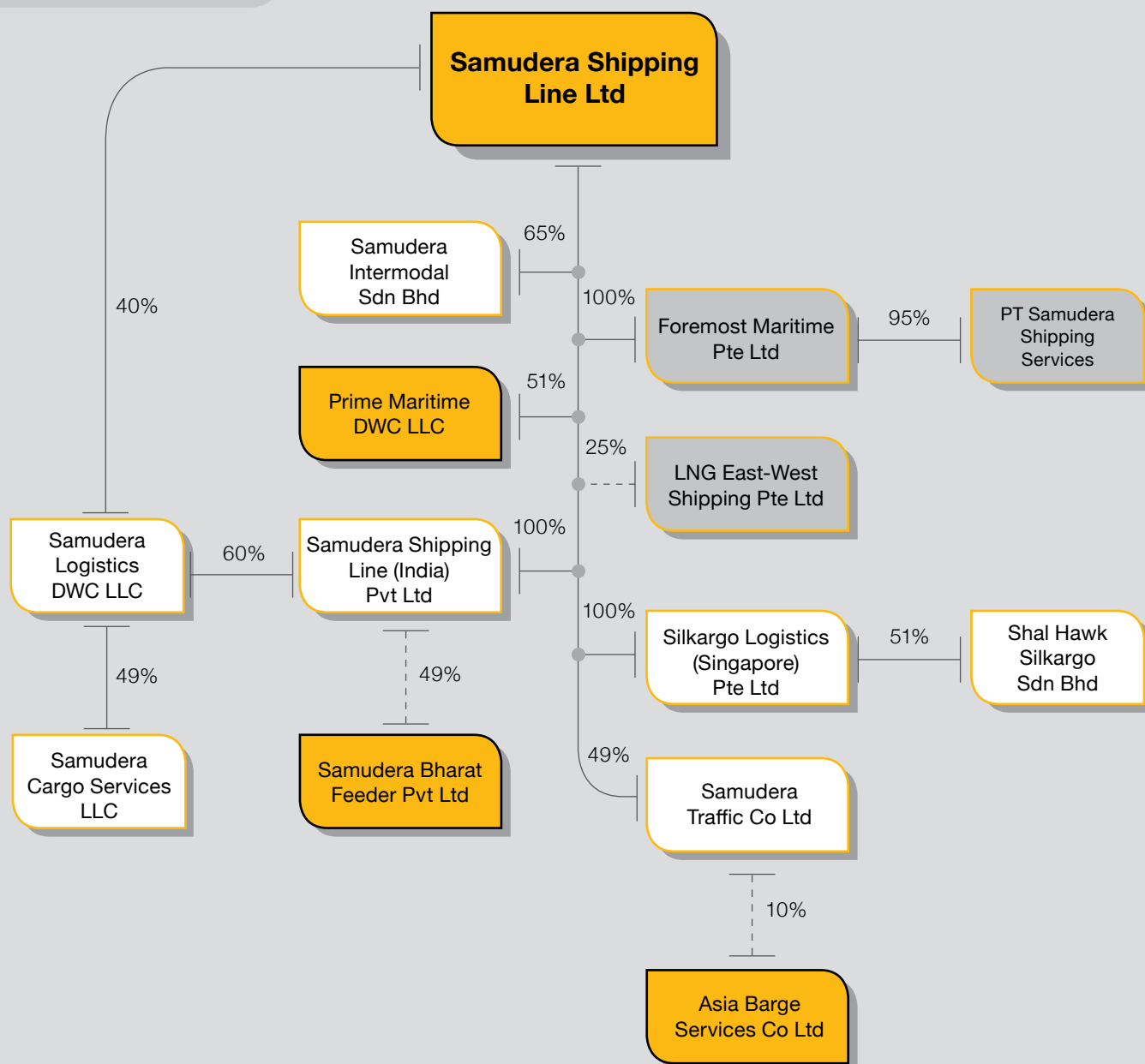


current ratio
(times)



group structure

(as at 1 March 2018)



container shipping
 agency & logistics
 bulk carrier & tanker

subsidiary
 associate / JV / other investment

sustainability report

message from the chairman

Dear Shareholders,

I am pleased to present to you Samudera's Sustainability Report. This report sets out our motivating principles and work ethics, as well as details of our best practices in workplace health and safety, gender balance and environmental initiatives.

We have prepared this report in accordance with the Global Reporting Initiative (GRI) Standards (2016). This globally recognised framework for understanding and reporting sustainability matters requires companies to identify material aspects for the organisation. Bearing first and foremost in mind the interest of our stakeholders, we have via cross-function discussions identified six material Environmental, Social and Governance (ESG) factors that drive our behaviour at Samudera.

These are:

- Generating and distributing economic value responsibly and ethically
- Strengthening the transport by sea to improve access to goods and merchandises
- Providing safe conditions during cargo handling operations
- Promoting best practices in oil spill management
- Accelerating employees' development across Samudera's operations
- Maintaining a strong compliance record

The Sustainability Report is designed to specifically discuss these drivers, along with details of our investments in training and community projects, as well as key measures of progress on reducing our environmental footprint.

Samudera places great emphasis on integrating environmental, social and governance responsibilities with our operational and development strategy, to ensure that the sustainability of the society and environment is not compromised. Our sustainability initiatives are managed by an executive team in our Singapore headquarters, with our Board of Directors providing oversight and counsel on the strategy and direction.

We have just begun our sustainability journey, but I am encouraged by what we have achieved so far and our ambitious commitments towards a greater future. I thank our employees for their ongoing effort in making Samudera a better place to work in, our customers for their renewed trust and all of you for your interest in our sustainability endeavour.

Masli Mulia
Executive Chairman

about this report

The year 2017 marked the start of Samudera's Sustainability Reporting journey. Over the years, we have recognised the importance of managing our business operations responsibly. We are pleased to present our first annual Sustainability Report, developed in accordance with the Global Reporting Initiative (GRI) Standards 2016: Core option. This report is formed with reference to the primary components set out in SGX Listing Rule 711B on a 'Comply or Explain' basis. Kindly refer to the GRI Content Index on page 32 to 33 of the Financial Report for the relevant references.

This report reiterates the Group's commitment towards sustainable development as we respond to the needs and concerns of a wide range of stakeholders. In the report, we also discuss the challenges facing the industry, and how we are working with the community towards long term value creation for all our stakeholders.

Scope and Period of the Report

We have prepared this Sustainability Report according to GRI Principles guidelines to provide you with a comprehensive picture of our business activities, results and commitments in the ESG spheres. The information and data contained in this Sustainability Report relate to Financial Year 2017 (1 January 2017 to 31 December 2017), and covers the practices of our two key subsidiaries in Singapore, namely,

- *Silkargo Logistics (Singapore) Pte Ltd* – an end-to-end worldwide logistics and freight forwarding service provider including air and sea transportation, custom process, shipping agency, warehouse and inland transportation for end users, and
- *Foremost Maritime Pte Ltd* – an entity which owns and charters dry-bulk carriers for the transportation of bulk shipping commodities in the International market

The exclusion of any geographical area or subsidiary, from the scope of reporting is attributable to its immateriality in relation to the Group as a whole. Moving forward, as we extend awareness and outreach of our sustainability reporting to our overseas operations, we will consider other subsidiaries in the reporting scope.

If you, as a stakeholder of the Group, have feedback on this report or a subject related to sustainability, do feel free to share it with us at: sustainability@samudera.id or (65) 6403 1687

sustainability report

managing sustainability

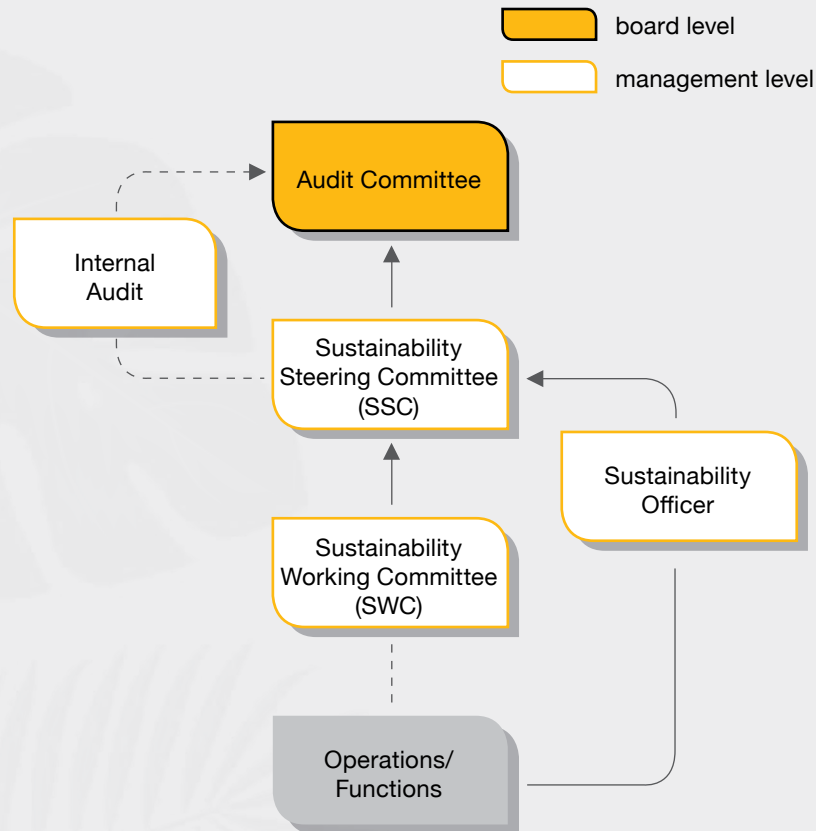
Sustainability Governance Structure

2017 marks the year in which the Group's sustainability strategy was formalised, following an internal review and approval by our Sustainability Steering Committee (SSC). Sustainability-related decisions are now undertaken at the half-yearly SSC meetings.

Who's involved?

The SSC is chaired by our Chief Executive Officer (CEO) and comprises Executive Directors and key divisional heads. It is responsible for setting the overall ESG direction and Sustainability Key Performance Indicators (KPI) after considering various ESG factors, practices and related opportunities.

To assist the SSC in its duties, we have also formed a Sustainability Working Committee (SWC) to drive the sustainability process. The SWC comprises representatives from all the departments and key business units. We have also appointed a Sustainability Officer to act as a liaison person between the SSC and SWC. The SWC convenes quarterly to discuss sustainability matters and review performance. The reporting structure is as follows:



The Board is ultimately responsible for the sustainability process, approval and oversight of the implementation of the Group's sustainability strategy.

Sustainability Across The Value Chain

We firmly believe that Sustainability enhances long term shareholder value and confidence, and promotes the right culture and behaviour. As we mature in our Sustainability practices, we hope to be able to align sustainability planning with our business unit planning, and integrate Sustainability monitoring with existing business monitoring and information systems. We have undertaken a broad range of initiatives to promote sustainability within our company and across our value chain as follows:

- **Safe Navigation of Vessels:** We have put in place contingency plans to deal with unexpected and emergency situations such as collisions, grounding and spills. One of our ship managers, PT. Samudera Indonesia Ship Management (SISM) has a training center in Jakarta to conduct various courses on environmental matters and safe operations on vessels. Our crew aboard each vessel also conducts oil spill drills regularly to ensure that they are prepared to deal with oil spills effectively and safely. We also extended incident management training to all partners across our owned and chartered vessels.
- **Environmental Management System (EMS):** We have developed an Environmental Management System (EMS) for this purpose. Our EMS is a comprehensive Standard Operating Procedure (SOP) that enables our ship crews as well as ship managers to monitor, evaluate and take corrective actions to ensure vessel compliance with international regulations on the prevention of pollution caused by gas emission, oil or noxious spill, marine accidents or poor garbage management.
- **Corporate Social Responsibility (CSR):** As part of our 2017 CSR initiatives, the Company made financial contributions to a school in Batam, Indonesia as well as to the Singapore Council of Women's Organisation (SCWO). In addition, our employees also participated in the NTUC Eco Run 2017, and Willing Hearts, a soup kitchen that prepares, cooks and distributes meals to the needy in Singapore.

These sustainability initiatives reflect our Management's commitment to our principal values of respecting employees, partners and the community.

Materiality Assessment

Through a workshop conducted in February 2017 that was attended by senior management and key internal stakeholders across departments and business units, we have identified six ESG factors that are material to Samudera, validated the sustainability governance structure and selected a globally recognised framework for reporting those factors.

The material ESG factors have been prioritised based on their significance to our business and importance to our stakeholders.

Engagement And Communication With Stakeholders

We believe that regular engagement and communication with stakeholders on our Sustainability initiatives are important to ensure that we cultivate the necessary support and buy-in. In this regard, we make it a point to continuously engage internal stakeholders of all levels on this matter.

Our key stakeholders include Board members, shareholders, regulators, port authorities, customers, ship managers, employees and crew members. We have developed a stakeholder matrix to identify, consider and respond to all stakeholders on their ESG expectations. We are also planning to implement specific platforms and modes of engagement to help amplify the voices of our stakeholders and put forward their proposals for the future.

sustainability report

material factors - economic

- Economic performance

After years of overcapacity and excessive optimism about demand, the shipping industry finally saw a more balanced supply-demand situation in FY17, in the wake of a slowdown in newbuild orders and a general improvement in demand for shipping services. Against this backdrop, we managed to deliver a turnaround in performance.

You will be able to find a comprehensive discussion of our financial performance for FY17 in the Financial Report.

		FY17 (US\$'000)	FY16 (US\$'000)
Direct economic value generated	Revenue	283,701	260,466
Economic value distributed	Cost of Sales	266,033	245,860
	Interest Expenses	1,677	1,880
	Tax Expenses	314	1,507
Economic value retained	Profit (loss) after tax	5,798	(5,304)

Performance Measurement

Further details on our economic value can also be found throughout this Annual Report. An overview of our performance can be found on page 14 to 15, whilst our financial statements can be found in the Financial Report.

material factors - environmental

- Dangerous goods control
- Oil spill

Strengthening The Transport By Sea

The consequences of mishandling dangerous goods can be extremely far reaching, from potential serious bodily injury, to vessel damage and environmental crises caused by the chemical reaction of flammable, corrosive or toxic vapors. The risk to human beings goes against Samudera's most fundamental value of employee safety. In addition, incidents involving the mishandling of dangerous goods can potentially result in significant losses where there are fatalities or environmental pollution.

Poor practices relating to dangerous goods control can also lead to operational disruptions and costly environmental liabilities. Any such deterioration in Samudera's service integrity could adversely affect our ability to expand our operations or gain permits to access new maritime facilities.

Our dangerous goods loading and unloading activities frequently occur in ports where stowage and segregation of such dangerous goods fall under the purview of ship crews or officers with support from shore-based personnel. A large portion of our cargo are transshipment cargo and load on a 'shipper load and count' basis. Undeclared dangerous goods can go undetected onboard.

Management Approach

As part of our effort to protect crew members and the marine environment, we provide all relevant personnel with training on the safe handling and transportation of hazardous materials, helping them cultivate in-depth knowledge of the International Maritime Dangerous Goods (IMDG) code¹.

We ensure that all our crew members and officers are duly certified and have dedicated team in place for the handling and control of cargo shipment falling under the Dangerous Goods (DG) category.

Our Management also conducts annual reviews and verification on ship management and compliance with the Group's safety procedure and work processes. We investigate every incident to improve end-to-end control of dangerous goods.

Performance Measurement

Performance measurement	FY17
Number of significant incidents* involving dangerous goods	0

**Significant DG Cases refer to fires, explosions or accidents resulting in personal injury*

Target And Key Initiatives

Our target for FY18 is to maintain a zero-incident record relating to DG control.

In line with this, we are enhancing our procedure to ensure safe stowage of dangerous goods. We are in the midst of developing a computerised software programme to improve the control of carriage for dangerous goods and prevent human lapses. The new system will alert the ship stowage planner when dangerous goods are not properly stowed, so that the planner can take immediate corrective action.

Promoting Best Practices In Oil Spill Management

Oil spill cases have a disastrous impact on human life and the environment, and could result in an impairment to the Group's financial performance. In this regard, we are fully committed to conserving and protecting the environment in which we operate.

Management Approach

We have in place sound business practices to manage oil spills. All our vessels are covered by the Civil Liability Convention (CLC) Bunker Certificate², and have a Shipboard Procedure Manual (SPM) detailing the procedure for all bunkering operations, including the loading, discharge and internal transfer of cargo oil, bunker fuel oil and lubricating oil.

Apart from a stringent screening process for the selection of bunker suppliers, we hire competent crew members and provide them with adequate training and equipment to prevent incidents. This includes conducting drills throughout the year.

¹ International Maritime Dangerous Goods Code is accepted as an international guideline to the safe transportation or shipment of dangerous goods or hazardous materials by water on vessel.

² Certificate of Insurance or Other Financial Security in respect of Civil Liability for Oil Pollution Damage

sustainability report

Performance Measurement

We are proud to announce that 100% of our vessels are in compliance with the applicable regulations on oil spillage and that none of our vessels have ever been involved in any accident that resulted in an oil spill.

Targets And Key Initiatives

We maintain a zero-vessel incident record involving oil spill and a 100% vessel-compliance rate for oil spill regulations in FY18. We will take the necessary actions to prevent the occurrence of oil spill incidents.

material factors - social

- Training
- Occupational Health and Safety

Our Commitment To Our Employees

Our people are our key assets. They are crucial in helping Samudera deliver on our quality service and safety commitments. In building up a workforce with multi-disciplinary skills, extensive knowledge and deep expertise, we provide a broad range of staff training programmes to equip our employees with leadership and management skills, financial reporting capabilities, maritime knowledge and operational excellence.

Management Approach

Over the years, we have invested in several training programmes covering information technology (IT) (e.g., VMware VSpher, CommVault Backup Administrator courses), dangerous goods management, container management, bunker mass flow metering, and customs declaration training among others. These programmes have been introduced with the objective of improving operational efficiency.

Since 2008, Samudera has also been offering onboard and onshore internship programmes for Cadets, with a dedicated training curriculum covering cruising and reporting period requirements.

Performance Measurement

Rebalancing the training offer

The table below shows the gender breakdown for average number of training hours in FY16 and FY17:

Gender	Training hours per employee	
	FY16	FY17
Male	4.10	3.80
Female	0.31	2.60
Overall	1.47	2.98

Our objective is to increase the overall training hours per employee to help our employees keep abreast of the latest developments in their respective fields of expertise amid today's dynamic environment. On this note, the overall number of training per employee was doubled year-on-year, from 1.47 hours in FY16 to 2.98 hours in FY17. In the past year, we have also been working to address the imbalance in the average number of training hours between

male and female employees. As a result, the difference in average training between male and female employees has been narrowed significantly from 3.79 hours in FY16 to 1.2 hours in FY17.

Target And Key Initiatives

We will maintain a diverse and relevant learning and development programme in our effort to broaden and deepen the knowledge and experience of our employees. In 2018, we have also set a target overall average training hours per employee of no less than three hours for both genders. We also intend to send a higher proportion of our office-based middle management staff for skills upgrading training.

We are constantly on the lookout for new courses conducted by key providers such as the Marine Port Authority, Singapore Shipping Association, and Indonesian National Shipowners' Association. Going forward, we will develop an annual training calendar to improve and expand the skillsets of our crew and staff.

Training employees on EHS issues

Integral to our Ship Energy Efficiency Management Plan (SEEMP) is our staff training programme on environmental issues and pollution. This training programme is based on the "4Rs" (reduce, reuse, recycle and recovery) and is aimed at promoting zero pollution. In addition, we also provide other relevant Health Safety and Environment (HSE) training to our crew as follows:

- Safe Navigation at All Time & Fleet Campaign (Safety)
- Safe Cargo Operation & Machinery Procedures (Safety)
- Maritime Labour Convention 2006 (Health)
- Port State Control Inspection (HSE)
- Hot Issue & Risk Assessment (HSE)

Sustainability In The Workplace

We believe that happy employees tend to be more motivated and less stressed out at work, which in turn increases productivity, improves attraction and retention, and reduces health-related costs such as absenteeism and medical leave. On this note, we are committed to promoting work-life balance among our employees.

Management Approach

Some initiatives that we have implemented over the past few years to improve workplace health and safety includes:

- group sporting activities, such as organised jogging sessions
- provision of fitness equipment such as stationery bicycles onboard our vessels
- seafarer medical check-up programmes
- drug and alcohol screening as part of our seafarer recruitment process
- introduction of procedures on occupational health and safety on board, such as SPM-321 Safety Procedures and SPM-811 Shipboard Personnel Procedures
- issue of personnel protective equipment (PPE) and safety equipment on board

sustainability report

material factors - social

- monthly maintenance of PPE, safety equipment and fire extinguishers
- installation of oxygen detector, combustible gas meter and toxic gas meter on board every vessel
- weekly checks on cabin and accommodation for onboard hygiene control
- provision of first aid kits, hand sanitisers on board and in our offices
- regular inspection of office equipment
- Regular fire drill exercises

Performance Measurement

Our Human Resource Department, Ship Managers and Ship Captains are responsible for collecting safety data monthly and reviewing them during management meetings. Targets are then set or refined accordingly by our Management and Ship Managers and shared with our employees and crew.

Health and Safety Incidents*		FY17
1	Fatalities	0
2	Lost Work Day incidents resulting in hospitalisation	0

* Reportable injuries encountered by employees or crew members while discharging their duties during official hours and resulting in hospitalisation

Target And Key Initiatives

We intend to maintain a zero-incident/accident encountered by employees or crew members while discharging their duties during official hours resulting in fatality and hospitalisation. In line with this, we are looking forward to engaging an external consultant to assist in coordinating health management activities for our employees in 2018.

material factors - governance

- Compliance

A Strong Compliance Record

Samudera is committed to complying with international laws and regulations, including listing rules applicable in Singapore. Our Management firmly believes that this will protect our shareholders' interests and enhance shareholder value in the long term. As a reliable feeder shipping operator in Asia, it is vital for us to comply with the applicable legislation, various jurisdictions and port regulations where we operate.

Maintaining high standards of corporate governance will enable us to ensure greater corporate transparency, accountability, performance and integrity which are vital for stakeholders' trust and confidence. It will also help to ensure quality decision-making, adequate risk management and the protection of shareholders' interests.

Management Approach

The *Whistleblowing Policy* and dedicated reporting channel accessible to employees and external parties provide a reliable platform for all stakeholders to report improprieties or suspicious cases of non-compliance issues. Samudera's Employee Handbook provides guidance rules and regulations in relation to the Employment Act and Ethical code of conduct in which employees are to adhere to to defy corruption, bribery and workplace harassment. We have adopted an internal Code of Best Practices on dealings in securities to provide guidance to the officers, including Directors, of both the Group and our subsidiaries.

Our risk management and internal audit team carries out an enterprise risk management exercise on a regular basis to ensure that the key risks and internal control mechanisms are up-to-date and stay relevant.

Performance Measurement

No significant case on non-compliance with laws and regulations were reported in FY17. In addition, we have not been subject to any significant fines for non-compliance with socioeconomic or environmental local laws and regulations in FY17.

We take a proactive approach towards ensuring that we are in compliance with all relevant environmental legislations and regulations on oil, harmful substances, sewage, garbage and air pollution.

Target And Key Initiatives

For FY18, we intend to maintain a zero-incident record in relation to cases of non-compliance with laws and regulations.

We will provide training for our directors and selected employees to raise awareness on major changes to the existing regulations and any new applicable regulations relevant to the Group.

corporate information

BOARD OF DIRECTORS

Executive

Masli Mulia (Chairman)
Asmari Herry Prayitno (Chief Executive Officer)
Hermawan Fridiana Herman
Lim Kee Hee

Independent & Non-Executive

Quah Ban Huat (Lead Independent)
Chng Hee Kok
Nicholas Peter Ballas
Ng Chee Keong

AUDIT COMMITTEE

Quah Ban Huat (Chairman)
Chng Hee Kok
Nicholas Peter Ballas
Ng Chee Keong

NOMINATING COMMITTEE

Ng Chee Keong (Chairman)
Chng Hee Kok
Quah Ban Huat
Nicholas Peter Ballas
Masli Mulia

REMUNERATION COMMITTEE

Chng Hee Kok (Chairman)
Quah Ban Huat
Nicholas Peter Ballas
Ng Chee Keong

SECRETARY

Gwendolin Lee Soo Fern

REGISTERED OFFICE

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SHARE REGISTRAR

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AUDITORS

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Certified Public Accountants
6 Shenton Way #33-00
OUE Downtown 2
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Partner-in-charge
Shariq Barmaky
(Appointed with effect from Financial Year 2015)

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Asia Square Tower 1
Singapore 018960

United Overseas Bank Limited

1 Raffles Place #23-61
One Raffles Place Tower 2
Singapore 048616

Sumitomo Mitsui Banking Corporation

3 Temasek Avenue #06-01
Centennial Tower
Singapore 039190

BNP Paribas

10 Collyer Quay #33-01
Ocean Financial Centre
Singapore 049315

Maybank

2 Battery Road
Maybank Tower
Singapore 049907

Standard Chartered Bank

Marina Bay Financial Centre (Tower 1)
8 Marina Boulevard, Level 24
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SAMUDERA SHIPPING

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