

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

DISCLOSEABLE TRANSACTION – VESSEL DISPOSAL

1. INTRODUCTION

The Board of Directors ("**Board**") of Samudera Shipping Line Ltd. (the "**Company**" together with its subsidiaries, the "**Group**") wishes to refer to the circular to shareholders dated 12 April 2019 (the "**Circular**") relating to, *inter alia*, the proposed adoption of the disposal mandate for proposal disposal of Sinar Jepara (the "**Disposal Mandate**").

Shareholders of the Company have approved the Disposal Mandate at the extraordinary general meeting of the Company held on 29 April 2019.

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

The Board wishes to announce that the Group has completed the disposal of Sinar Jepara in accordance with the terms of the Disposal Mandate.

The computations of the relative figures in Rule 1006 of the Listing Manual pertaining to the disposal of Sinar Jepara is set out in paragraph 6 below.

2. INFORMATION ABOUT SINAR JEPARA

Sinar Jepara is an Indonesia flagged container vessel built in 2005 with capacity of 378 teus.

The memorandum of agreement for the sale of Sinar Jepara was executed between PT Samudera Shipping Services and an unrelated third party.

3. CONSIDERATION AND PRINCIPAL TERMS OF THE DISPOSAL OF SINAR JEPARA

The memorandums of agreement for the sale of Sinar Jepara were based on the SALEFORM 2012 (revised 1966, 1983 and 1986/87, 1993 and 2012) prescribed by the Norwegian Shipbrokers' Association for sale and purchase of ships and adopted by the Baltic and International Maritime Council in 1956 with modification to cater for the specific sale of Sinar Jepara.

The consideration for the disposal of Sinar Jepara is US\$1,165,000. The Group has received the full purchase consideration for the sale of Sinar Jepara.

The consideration was arrived at on a willing-buyer and willing-seller basis and was not lower than 90% of the value of Sinar Jepara as determined by the independent valuer.

4. VALUE OF SINAR JEPARA

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

The book value of Sinar Jepara was US\$1,075,000. Accordingly, the disposal of Sinar Jepara has resulted in the Group recording a net profit of US\$41,000 (after taking into consideration bunker onboard and related cost to sell).

5. FINANCIAL EFFECTS

(a) For illustration purposes, the financial effect of the disposal of Sinar Jepara 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 2018 are set out below.

(b) NTA

Assuming that Sinar Jepara had been disposed of on 31 December 2018, the effect on the NTA per share as at 31 December 2018 would be as follows:

	Before the disposal of Sinar Jepara	After the disposal of Sinar Jepara
Consolidated NTA (US\$)	188,983,000	188,561,000
Consolidated NTA per share (US cents)	35.12	35.05

(c) EPS

Assuming that Sinar Jepara had been disposed of on 1 January 2018, the effect on the EPS of the Group would be as follows:

	Before the disposal of Sinar Jepara	After the disposal of Sinar Jepara
EPS (US cents)	1.54	1.44

6. RELATIVE FIGURES

The relative figures for the disposal of Sinar Jepara 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 Jepara compared with the Group's net asset value	0.6
(b)	The net profit attributable to Sinar Jepara compared with the Group's net profit as at 31 December 2019	-8.5*
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 2 March 2020 based on the total number of shares excluding treasury shares	2.2
(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

* Please note that Sinar Jepara was operating at a loss when it was sold

7. RATIONALE

As disclosed in the Circular, under the current Indonesian shipping law, the Group is restricted from owning and registering new Indonesia flagged vessels. Arising therefrom, the Group will not be able to acquire new Indonesia flagged vessel to rejuvenate aging and/or non-competitive Indonesia flagged vessels.

The Group has adopted the strategic approach of gradually selling or scrapping the existing Indonesia flagged vessel. The Group has ceased its container shipping services in domestic route within Indonesia and will continue participation in bulk and tanker business through joint venture with the Parent entity in Indonesia. However, the Group will continue to provide shipping services for international route from and to Indonesia.

8. INTEREST OF DIRECTORS AND SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest in the disposal of Sinar Jepara.

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 Jepara. 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 Jepara as well as the valuation for Sinar Jepara 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,

Hermawan Fridiana Herman
Executive Director, Finance
4 March 2020