

CIRCULAR DATED 10 APRIL 2018

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you are in any doubt about the contents of this Circular or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Samudera Shipping Line Ltd. (the "**Company**"), you should forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**SAMUDERA SHIPPING LINE LTD**

(Incorporated in the Republic of Singapore)  
Company Registration Number: 199308462C

**CIRCULAR TO SHAREHOLDERS IN RELATION TO:**

- 1. THE PROPOSED ADOPTION OF THE DISPOSAL MANDATE FOR PROPOSED DISPOSAL OF VESSELS; AND**
- 2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

**IMPORTANT DATES AND TIMES:**

|  |  |
|--|--|
| Last date and time for lodgement of Proxy Form | : 23 April 2018 at 10.30 a.m.  |
| Date and time of Extraordinary General Meeting | : 25 April 2018 at 10.30 a.m. (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day at the same place). |
| Place of Extraordinary General Meeting         | : M Hotel Singapore, Shenton Room<br>Basement 1, 81 Anson Road<br>Singapore 079908   |

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated: -

|                               |  |
|-------------------------------|--|
| “AGM”                         | : Annual General Meeting of the Company.   |
| “Board”                       | : The Board of Directors of the Company.   |
| “CDP” or “Depository”         | : The Central Depository (Pte) Limited.  |
| “Circular”                    | : This circular to Shareholders dated 10 April 2018.   |
| “Companies Act”               | : The Companies Act (Chapter 50) of Singapore as amended or modified from time to time.  |
| “Constitution”                | : The constitution of the Company.   |
| “Directors”                   | : The directors of the Company as at the Latest Practicable Date.  |
| “Disposal Mandate”            | : The mandate to authorise the Company to dispose the Vessels, the terms of which are set out in paragraph 2 of this Circular.   |
| “EGM”                         | : The extraordinary general meeting of the Company, the notice of which is set out in pages 22 to 24 of this Circular.   |
| “EPS”                         | : Earnings per Share.  |
| “FY2017”                      | : Financial year ended 31 December 2017.   |
| “FY2017 Financial Statements” | : Has the meaning ascribed to it in paragraph 2.8 of this Circular.  |
| “Group”                       | : The Company, its subsidiaries and associated companies.  |
| “Latest Practicable Date”     | : 16 March 2018 being the latest practicable date prior to the printing of this Circular.  |
| “Listing Manual”              | : The SGX-ST Listing Manual, as amended or modified from time to time.   |
| “Market Day”                  | : A day on which the SGX-ST is open for trading in securities.   |
| “Market Acquisition”          | : Has the meaning ascribed to it in paragraph 3.1 of this Circular.  |
| “Maximum Price”               | : Has the meaning ascribed to it in paragraph 3.1 of this Circular.  |
| “NAV”                         | : Net asset value.   |
| “NBU”                         | : Means PT Ngrumat Bondo Utomo.  |
| “NTA”                         | : Net tangible assets.   |
| “Off-Market Acquisition”      | : Has the meaning ascribed to it in paragraph 3.1 of this Circular.  |
| “Proposed Disposal”           | : The proposed disposal of the Vessels by the Group.   |
| “PTSI”                        | : PT Samudera Indonesia Tbk, the immediate holding company of the Company.   |
| “Securities Account”          | : A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent.  |
| “SFA”                         | : Securities and Futures Act (Chapter 289) of Singapore as amended or modified from time to time.  |
| “SGX-ST”                      | : Singapore Exchange Securities Trading Limited.   |
| “Share Buyback Mandate”       | : A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual. |

|                        |  |
|------------------------|--|
| “Shareholders”         | : Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall mean the depositors whose Securities Accounts are credited with Shares. |
| “Shares”               | : Ordinary shares in the capital of the Company.   |
| “SIC”                  | : Securities Industry Council of Singapore.  |
| “SSL” or “the Company” | : Samudera Shipping Line Ltd.  |
| “Take-over Code”       | : The Singapore Code on Take-overs and Mergers as amended or modified from time to time.   |
| “Tanggung”             | : PT Samudera Indonesia Tangguh, the ultimate parent company of the Company.   |
| “TEU”                  | : Twenty-foot equivalent container unit.   |
| “Vessels”              | : Sinar Jepara, Sinar Ambon, Sinar Labuan, Sinar Agra and Sinar Busan.   |
| “S\$” and “cents”      | : Singapore dollars and cents.   |
| “%”                    | : Per centum.  |
| “US\$” and “US cents”  | : United States dollars and cents respectively.  |

The terms “**depositor**”, “**depository agent**” and “**depository register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**treasury shares**” and “**subsidiary**” shall have the meaning ascribed to it in Sections 4 and 5 of the Companies Act, respectively.

The term “**subsidiary holdings**” shall have the same meaning ascribed to it in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa, and words importing persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including Listing Manual) as at the Latest Practicable Date.

Any discrepancies in the tables included herein between the amounts in the column of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Unless otherwise stated, the average exchange rate between US\$ and S\$ for FY2017 was US\$1.00: S\$1.39. This exchange rate should not be construed as a representation that the US\$ amounts would have been, or could be, converted into S\$ at the rate stated, or at all and vice versa.

All statements other than statements of historical facts included in this Circular relating to the Proposed Disposal are or may be forward-looking statement. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

**SAMUDERA SHIPPING LINE LTD**  
(Incorporated in the Republic of Singapore)  
(Company registration no. 199308462C)

**Directors:**

Masli Mulia (Executive Chairman)  
Asmari Herry Prayitno (Executive Director and Chief Executive Officer)  
Hermawan Fridiana Herman (Executive Director, Finance)  
Lim Kee Hee (Executive Director, Commercial)  
Quah Ban Huat (Lead Independent and Non-Executive Director)  
Chng Hee Kok (Independent and Non-Executive Director)  
Nicholas Peter Ballas (Independent and Non-Executive Director)  
Ng Chee Keong (Independent and Non-Executive Director)

**Registered Office:**

6 Raffles Quay #25-01  
Singapore 048580

10 April 2018

To: The Shareholders of Samudera Shipping Line Ltd

Dear Sir/Madam

**1. INTRODUCTION**

- 1.1 The Directors are convening an EGM of the Company to be held on 25 April 2018 to seek Shareholders' approval for the following:
- (a) The proposed adoption of Disposal Mandate for the Proposed Disposal of the Vessels; and
  - (b) The proposed renewal of the Share Buyback Mandate.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to and explaining the rationale of (i) the proposed adoption of Disposal Mandate; and (ii) the proposed renewal of the Share Buyback Mandate.
- 1.3 The SGX-ST takes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular.
- 1.4 If you are in any doubt, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

**2. THE PROPOSED ADOPTION OF DISPOSAL MANDATE**

**2.1 Introduction**

At the EGM of the Company on 27 April 2017, the Shareholders have approved the adoption of a disposal mandate for the disposal of Sinar Padang, Sinar Panjang, Sinar Jepara, Sinar Ambon, Sinar Emas and Sinar Jogja. The disposal mandate approved by the Shareholders is in force until the upcoming AGM of the Company (whereupon it will lapse, unless renewed).

The Company has, pursuant to the disposal mandate approved by the Shareholders on 27 April 2017, disposed Sinar Padang, Sinar Panjang, Sinar Jogja and Sinar Emas. Kindly refer to the announcements made by the Company on 26 October 2017 and 22 December 2017 for more information. The Company will be making announcement relating to the disposal of Sinar Emas prior to the EGM.

The remaining vessels which the Company has yet to dispose are Sinar Jepara and Sinar Ambon.

The Company proposes to seek approval from the Shareholders for a mandate to authorise the Company to dispose the following vessels:

- (a) Sinar Jepara;
- (b) Sinar Ambon;
- (c) Sinar Labuan;
- (d) Sinar Agra; and
- (e) Sinar Busan

(collectively the "Vessels" and each a "Vessel")

## 2.2 Requirement for shareholders' approval

- (a) Chapter 10 of the Listing Manual governs the continuing listing obligations of a listed company in respect of acquisitions and realisations. Under Rule 1014 of the Listing Manual, Shareholders' approval must be obtained for "major transactions" within the meaning of Chapter 10 of the Listing Manual. Rule 1006 of the Listing Manual sets out the computations for relative figures for acquisitions and disposals of assets by a listed issuer. Shareholders' approval is required if any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20% and such a transaction is classified as a "major transaction". In determining whether a disposal transaction or a series of disposal transactions is considered a major transaction, the SGX-ST may aggregate separate transactions completed within a 12-month period and treat these transactions as one transaction under Rule 1005 of the Listing Manual.
- (b) If the Group disposes all or some of the Vessels over a 12-month period, SGX-ST may aggregate and consider the disposal of the Vessels as a single transaction whereupon the applicable relative figures computed on the bases set out in Rule 1006 of the Listing Manual may exceed 20%. As such, the Company is seeking the prior approval of the Shareholders for the Disposal Mandate.

## 2.3 Information on the Vessels

- (a) Sinar Jepara  
Sinar Jepara is an Indonesia flagged container vessel. It was built in 2005. It can carry up to 378 TEUs.
- (b) Sinar Ambon  
Sinar Ambon is an Indonesia flagged container vessel. It was built in 2005. It can carry up to 287 TEUs.
- (c) Sinar Labuan  
Sinar Labuan is an Indonesia flagged chemical tanker. It was built in 1994. Its capacity is 3,519 deadweight tonnage.
- (d) Sinar Agra  
Sinar Agra is an Indonesia flagged chemical tanker. It was built in 2006. Its capacity is 11,244 deadweight tonnage.
- (e) Sinar Busan  
Sinar Busan is an Indonesia flagged chemical tanker. It was built in 2006. Its capacity is 10,600 deadweight tonnage.

## 2.4 Rationale for the Disposal Mandate and Proposed Disposal of the Vessels

The Vessels are all Indonesia flagged vessels that service the domestic route within Indonesia. Under the current Indonesia 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 Indonesia flagged vessel. Once all the Indonesia flagged vessels are sold/scrapped, the Group will cease to provide shipping services for domestic route within Indonesia. However, the Group will continue to provide shipping services for international route to and from Indonesia as well as potentially investing in a minority stake in Indonesian company which provides shipping services for domestic route within Indonesia.

It is the norm of the shipping industry that the sale and purchase of vessel be completed within a short time frame after the parties have agreed on the sale and purchase of the relevant vessel. As such, the Company will not have sufficient time to obtain shareholders' approval for each disposal of the Vessel.

Further, the Disposal Mandate will provide the Company with the flexibility to sell the Vessels during the period when the Disposal Mandate is in force. The Disposal Mandate will also eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when the Group disposes any one of the Vessels, thereby avoiding the loss of opportunities and reducing substantially, the administrative time, inconvenience and expenses associated with the convening of such general meetings on an ad hoc basis.

## 2.5 Terms of the Disposal Mandate

The terms of the Disposal Mandate are as follows:

- (a) Subject to (b) below, each of the Vessels may be disposed at a price which the Directors deem fair and reasonable after taking into account the relevant factors including but not limited to the valuation for the relevant Vessel from independent valuer.
- (b) The disposal price of each of the Vessels shall not be lower than 90% of the value of the relevant Vessel as determined by the independent valuer.
- (c) The consideration in respect of such disposal shall be satisfied in such manner as the Board deems fit in the best interest of the Group.
- (d) If approved by the Shareholders at the EGM, the authority conferred by the Disposal Mandate will continue in force for a period commencing from and including the day following the day of the EGM until the next AGM of the Company (whereupon at the end of the period it will lapse, unless renewed) or until it is varied or revoked by the Company in a general meeting, whichever is earlier. During the period when the Disposal Mandate is in force, the Group may enter into memorandums of agreement with any prospective purchaser(s) of the Vessels and such memorandums of agreement shall not be subject to the specific approval of the Shareholders, notwithstanding that the completion date of the relevant transaction may fall on a date after the Disposal Mandate has lapsed.
- (e) In the event the value of the sale of all or any of the Vessels to interested person(s) of the Company is equal to or exceeds certain financial materiality thresholds prescribed in Chapter 9 of the Listing Manual, the Company shall seek specific Shareholders' approval and/or make an immediate announcement in respect of such transaction in accordance with Chapter 9 of the Listing Manual.

For the purpose of this sub-paragraph (e):

- (i) an **"interested person"** means a director, chief executive officer or controlling shareholder of the Company, or an associate of such director, chief executive officer or controlling shareholder;
  - (ii) a **"controlling shareholder"** means a person who holds directly or indirectly 15% or more of the total number of all issued Shares excluding treasury shares and subsidiary holdings in the Company (unless otherwise excepted by the SGX-ST), or in fact exercised control over the Company; and
  - (iii) an **"associate"**, in relation to any director, chief executive officer or controlling shareholder (being an individual), means his immediate family (i.e. spouse, children, adopted children, step-children, children and parents), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he or his immediate family together (directly or indirectly) have an interest of 30% or more; in relation to a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (f) Any negotiation with an intending purchaser of the Vessels shall be conducted on an arm's length and commercial basis, taking into account such factors as the Directors may deem fit in the interests of the Group.



- (g) Assuming that the approval of the Shareholders for the Disposal Mandate is obtained at the EGM, the Directors will be responsible for facilitating the Proposed Disposal of the Vessels. The Directors shall exercise the authority conferred by the Disposal Mandate in a judicious manner and in the best interest of the Group.
- (h) If the Directors are not able to dispose the Vessels in accordance with the terms set forth above, the Company will revert to the Shareholders for a fresh mandate for specific approval for the transaction pursuant to Rule 1014 of the Listing Manual, as applicable.

## 2.6 Announcement

Further, the Company shall also keep the Shareholders informed of transactions conducted under the Disposal Mandate by making announcement as required under Chapter 10 of the Listing Manual. In addition to the above, the Company will also be making announcement upon the earlier:

- (a) disposal of all the Vessels; or
- (b) expiry of the Disposal Mandate.

## 2.7 Intended use of sale proceeds

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

## 2.8 Financial effects of the Proposed Disposal of the Vessels

The pro forma financial effects of the Proposed Disposal of the Vessels are purely for illustrative purposes and are neither indicative of the actual financial effects of the Proposed Disposal of the Vessels on the EPS and NTA of the Group, nor are they indicative of the actual financial performance or the financial position of the Group for FY2017.

The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2017 (the "**FY2017 Financial Statements**"), being the most recently completed financial year, and on the following key bases and assumptions:

- (i) For the purposes of illustrating the financial effects of the Proposed Disposal of the Vessels on the EPS of the Group, it is assumed that all the Vessels were disposed on 1 January 2017;
- (ii) For the purposes of illustrating the financial effect on the NTA per Share of the Group, it is assumed that all the Vessels were disposed on 31 December 2017; and
- (iii) All the Vessels were disposed at book value with no profit or loss on disposal.

### NTA

|                          | <b>Before the Proposed Disposal of the Vessels</b> | <b>After the Proposed Disposal of the Vessels</b> |
|--------------------------|--|---|
| NTA (US\$'000)           | 245,671  | 245,671   |
| NTA per Share (US cents) | 45.66  | 45.66   |

### EPS

|   | <b>Before the Proposed Disposal of the Vessels</b> | <b>After the Proposed Disposal of the Vessels</b> |
|---|--|---|
| Profit attributable to owners of the Company (US\$'000) | 5,938  | 5,067   |
| Earnings per Share (US cents)                           | 1.10   | 0.94  |

## 2.9 Relative Figures computed pursuant to Rule 1006 of the Listing Manual

The relative figures computed pursuant to Rule 1006 (a) to (e) of the Listing Manual are set out below:

|     | <b>Basis in Rule 1006 of the Listing Manual</b>  | <b>Relative Figures</b> |
|-----|--|-------------------------|
| (a) | NAV of the assets to be disposed of, compared with the Group's NAV as at 31 December 2017  | 13.1%                   |
| (b) | The net profit attributable to the Vessels, compared with the Group's net profit for FY 2017   | 14.2%                   |
| (c) | The aggregate value of the consideration received, compared with the Company's market capitalisation as at the Latest Practicable Date based on the total number of Shares excluding treasury shares and subsidiary holdings, if any | 34.1%                   |
| (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                     |

## 2.10 Directors' service contracts

No person is proposed to be appointed as a Director in connection with the Proposed Disposal of the Vessels.

## 3. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

### 3.1 Introduction

The Company is seeking Shareholders' approval to renew Share Buyback Mandate to authorise the Directors to buy back Shares representing up to a maximum of 10% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings, if any) as at the date on which the resolution authorising the same is passed, at a price of up to but not exceeding the Maximum Price. Such purchases of Shares will be made subject to the Constitution, the Listing Manual, Take-over Code and in accordance with Sections 76B to 76G of the Companies Act.

Purchases of Shares may be effected by the Company in either one of the following two ways or both:

- (a) by way of on-market purchases transacted on the SGX-ST through the ready market of the SGX-ST ("**Market Acquisition**"); and/or
- (b) by way of an off-market acquisition on an "equal access scheme" as defined in Section 76C of the Companies Act ("**Off-Market Acquisition**").

Pursuant to the Companies Act and the Listing Manual, the authority and limitations on the Share Buyback Mandate are as follows:

#### (i) Maximum Number of Shares

The maximum number of Shares which may be purchased by the Company pursuant to the Share Buyback Mandate is that number of Shares representing not more than 10% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings, if any) as at the date on which the resolution authorising the same is passed.

On the basis of 538,038,199 Shares in issue (excluding treasury shares and subsidiary holdings, if any) as at the Latest Practicable Date, the exercise in full of the Share Buyback Mandate would result in purchase of 53,803,819 Shares.

(ii) Maximum Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid by the Company for the Shares will not be more than ("**Maximum Price**"):

- (aa) in the case of Market Acquisition, 5% above the average of the closing market prices of the Shares over the last five Market Days on which transactions in the Shares were recorded before the day of the Market Acquisition by the Company, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five-day period; and
- (bb) in the case of Off-Market Acquisition, 20% above the average of the closing market prices of the Shares over the last five Market Days on which transactions in the Shares were recorded before the date on which the Company makes an announcement of an offer under the Off-Market Acquisition, stating therein the purchase price and the relevant terms of the equal access scheme for effecting the Off-Market Acquisition, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five-day period.

(iii) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM, at which the proposed Share Buyback Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which Share Buyback Mandate have been carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied,

whichever is earlier.

(iv) Sources of Funds

In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash and the relevant settlement for the purchase of Shares shall be in accordance with the trading rules of the SGX-ST. The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits. The Company intends to use internal sources of funds to finance the purchases of Shares.

### 3.2 Rationale of the Share Buyback Mandate

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Company. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Company may be enhanced.

The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. Shares purchased pursuant to the Share Buyback Mandate will either be cancelled or held as treasury shares as may be determined by the Directors. This will provide the Directors with greater flexibility over the Company's share capital structure, *inter alia*, with a view to enhance the earnings and/or NAV per Share or to maintain a pool of Shares to be deployed for future purposes as deemed appropriate by the Directors.

The Directors further believe that Shares buybacks by the Company will help to mitigate short term share price volatility or trading trends which, in the reasonable opinion of the Company, is not otherwise caused by general market factors or sentiments and/or the fundamentals of the Company and offset the effect of short-term speculation (as and when they may occur) and bolster Shareholders' confidence.

### **3.3 Status of Purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

### **3.4 Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act, are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at general meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

### **3.5 Financial Impact**

The financial impact on the Company and the Group arising from purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired on-market or off-market, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial impact on the

Company and Group, based on the audited financial statements of the Company and the Group for FY2017, are based on the assumptions set out below.

(a) Purchase or Acquisition out of Capital or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and service tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) Information as at Latest Practicable Date

Based on the existing number of Shares in issue (excluding treasury shares and subsidiary holdings, if any) as at the Latest Practicable Date, the exercise in full of the Share Buyback Mandate would result in the purchase of 53,803,819 Shares.

(i) **Market Acquisition**

Assuming that the Company purchases or acquires the 53,803,819 Shares at the Maximum Price of 24.46 Singapore cents for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 53,803,819 Shares is S\$13,160,414 or equivalent to US\$10,046,118 at the exchange rate of US\$1.00 : S\$1.31 (based on the exchange rate as at the Latest Practicable Date).

(ii) **Off Market Acquisition**

In the case of an Off-Market Acquisition by the Company and assuming that the Company purchases or acquires 53,803,819 Shares at the Maximum Price of 27.96 Singapore cents for one Share (being the price equivalent to 20% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 53,803,819 Shares is S\$15,043,548 or equivalent to US\$11,483,624 at the exchange rate of US\$1.00 : S\$1.31 (based on the exchange rate as at the Latest Practicable Date).

(c) Illustrative Financial Impact

For illustrative purposes only and on the basis of the assumptions set out in paragraph 3.5(b) above, the financial impact of the:

- (i) Market Acquisition by the Company entirely out of capital and Shares bought back are cancelled; and Market Acquisition by the Company entirely out of capital and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share);
- (ii) Off-Market Acquisition by the Company entirely out of capital and Shares bought back are cancelled; and Off-Market Acquisition by the Company entirely out of capital and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share);

- (iii) Market Acquisition by the Company entirely out of profits and Shares bought back are cancelled; and Market Acquisition by the Company entirely out of profits and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share); and
- (iv) Off-Market Acquisition by the Company entirely out of profits and Shares bought back are cancelled; and Off-Market Acquisition by the Company entirely out of profits and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share).

on the audited financial statements of the Group and the Company for FY2017 are set out on page 13 to 16 of the Circular.

- (i) Market Acquisition by the Company entirely out of capital and Shares bought back are cancelled; and Market Acquisition by the Company entirely out of capital and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share)

|   | Group (US\$'000)                            |                         |           | Company (US\$'000)                          |                         |           |
|---|---|-------------------------|-----------|---|-------------------------|-----------|
|   | Before Share Buyback                        | After Share Buyback     |           | Before Share Buyback                        | After Share Buyback     |           |
|   | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled |
| Issued share capital                    | 68,761                                      | 68,587                  | 58,541    | 68,761                                      | 68,587                  | 58,541    |
| Treasury shares                         | (174)                                       | (10,046)                | -         | (174)                                       | (10,046)                | -         |
| Reserves                                | 177,117                                     | 177,117                 | 177,117   | 164,517                                     | 164,517                 | 164,517   |
| Total Equity                            | 250,457                                     | 240,411                 | 240,411   | 233,104                                     | 223,058                 | 223,058   |
| NAV <sup>(7)</sup>                      | 245,704                                     | 235,658                 | 235,658   | 233,104                                     | 223,058                 | 223,058   |
| Total current assets                    | 139,671                                     | 129,625                 | 129,625   | 94,078                                      | 84,032                  | 84,032    |
| Total current liabilities               | 68,527                                      | 68,527                  | 68,527    | 45,892                                      | 45,892                  | 45,892    |
| Total borrowings <sup>(1)</sup>         | 63,155                                      | 63,155                  | 63,155    | 24,976                                      | 24,976                  | 24,976    |
| Number of issued Shares ('000)          | 539,131                                     | 538,038                 | 484,234   | 539,131                                     | 538,038                 | 484,234   |
| Treasury shares ('000)                  | (1,093)                                     | (53,804)                | -         | (1,093)                                     | (53,804)                | -         |
| Subsidiary holdings ('000)              | -   | -                       | -         | -   | -                       | -         |
| Number of Shares <sup>(2)</sup> ('000)  | 538,038                                     | 484,234                 | 484,234   | 538,038                                     | 484,234                 | 484,234   |
| <b>Financial Ratios</b>                 |   |                         |           |   |                         |           |
| NAV per Share (US cents) <sup>(3)</sup> | 45.67                                       | 48.67                   | 48.67     | 43.32                                       | 46.06                   | 46.06     |
| EPS (US cents) <sup>(4)</sup>           | 1.10  | 1.23                    | 1.23      | 1.73  | 1.92                    | 1.92      |
| Gearing ratio (times) <sup>(5)</sup>    | 0.26  | 0.27                    | 0.27      | 0.11  | 0.11                    | 0.11      |
| Current ratio (times) <sup>(6)</sup>    | 2.04  | 1.89                    | 1.89      | 2.05  | 1.83                    | 1.83      |

Note:

- <sup>(1)</sup> Total borrowings refer to borrowings from financial institutions.
- <sup>(2)</sup> Number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(3)</sup> NAV per Share is calculated based on the NAV divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(4)</sup> EPS is calculated based on the net profit attributable to owners of the Company divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(5)</sup> Gearing represents the ratio of total borrowings to total equity, excluding non-controlling interests.
- <sup>(6)</sup> Current ratio represents the ratio of total current assets to total current liabilities.
- <sup>(7)</sup> NAV represents total equity less non-controlling interests.

- (ii) Off-Market Acquisition by the Company entirely out of capital and Shares bought back are cancelled; and Off-Market Acquisition by the Company entirely out of capital and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share)

|   | Group (US\$'000)                            |                         |           | Company (US\$'000)                          |                         |           |
|---|---|-------------------------|-----------|---|-------------------------|-----------|
|   | Before Share Buyback                        | After Share Buyback     |           | Before Share Buyback                        | After Share Buyback     |           |
|   | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled |
| Issued share capital                    | 68,761                                      | 68,587                  | 57,103    | 68,761                                      | 68,587                  | 57,103    |
| Treasury shares                         | (174)                                       | (11,484)                | -         | (174)                                       | (11,484)                | -         |
| Reserves                                | 177,117                                     | 177,117                 | 177,117   | 164,517                                     | 164,517                 | 164,517   |
| Total Equity                            | 250,457                                     | 238,973                 | 238,973   | 233,104                                     | 221,620                 | 221,620   |
| NAV <sup>(7)</sup>                      | 245,704                                     | 234,220                 | 234,220   | 233,104                                     | 221,620                 | 221,620   |
| Total current assets                    | 139,671                                     | 128,187                 | 128,187   | 94,078                                      | 82,594                  | 82,594    |
| Total current liabilities               | 68,527                                      | 68,527                  | 68,527    | 45,892                                      | 45,892                  | 45,892    |
| Total borrowings <sup>(1)</sup>         | 63,155                                      | 63,155                  | 63,155    | 24,976                                      | 24,976                  | 24,976    |
| Number of issued Shares ('000)          | 539,131                                     | 538,038                 | 484,234   | 539,131                                     | 538,038                 | 484,234   |
| Treasury shares ('000)                  | (1,093)                                     | (53,804)                | -         | (1,093)                                     | (53,804)                | -         |
| Subsidiary holdings ('000)              | -   | -                       | -         | -   | -                       | -         |
| Number of Shares <sup>(2)</sup> ('000)  | 538,038                                     | 484,234                 | 484,234   | 538,038                                     | 484,234                 | 484,234   |
| <b>Financial Ratios</b>                 |   |                         |           |   |                         |           |
| NAV per Share (US cents) <sup>(3)</sup> | 45.67                                       | 48.37                   | 48.37     | 43.32                                       | 45.77                   | 45.77     |
| EPS (US cents) <sup>(4)</sup>           | 1.10  | 1.23                    | 1.23      | 1.73  | 1.92                    | 1.92      |
| Gearing ratio (times) <sup>(5)</sup>    | 0.26  | 0.27                    | 0.27      | 0.11  | 0.11                    | 0.11      |
| Current ratio (times) <sup>(6)</sup>    | 2.04  | 1.87                    | 1.87      | 2.05  | 1.80                    | 1.80      |

Note:

- <sup>(1)</sup> Total borrowings refer to borrowings from financial institutions.
- <sup>(2)</sup> Number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(3)</sup> NAV per Share is calculated based on the NAV divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(4)</sup> EPS is calculated based on the net profit attributable to owners of the Company divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(5)</sup> Gearing represents the ratio of total borrowings to total equity, excluding non-controlling interests.
- <sup>(6)</sup> Current ratio represents the ratio of total current assets to total current liabilities.
- <sup>(7)</sup> NAV represents total equity less non-controlling interests.



- (iii) Market Acquisition by the Company entirely out of profits and Shares bought back are cancelled; and Market Acquisition by the Company entirely out of profits and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share)

|   | Group (US\$'000)                            |                         |           | Company (US\$'000)                          |                         |           |
|---|---|-------------------------|-----------|---|-------------------------|-----------|
|   | Before Share Buyback                        | After Share Buyback     |           | Before Share Buyback                        | After Share Buyback     |           |
|   | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled |
| Issued share capital                    | 68,761                                      | 68,587                  | 68,587    | 68,761                                      | 68,587                  | 68,587    |
| Treasury shares                         | (174)                                       | (10,046)                | -         | (174)                                       | (10,046)                | -         |
| Reserves                                | 177,117                                     | 177,117                 | 167,071   | 164,517                                     | 164,517                 | 154,471   |
| Total Equity                            | 250,457                                     | 240,411                 | 240,411   | 233,104                                     | 223,058                 | 223,058   |
| NAV <sup>(7)</sup>                      | 245,704                                     | 235,658                 | 235,658   | 233,104                                     | 223,058                 | 223,058   |
| Total current assets                    | 139,671                                     | 129,625                 | 129,625   | 94,078                                      | 84,032                  | 84,032    |
| Total current liabilities               | 68,527                                      | 68,527                  | 68,527    | 45,892                                      | 45,892                  | 45,892    |
| Total borrowings <sup>(1)</sup>         | 63,155                                      | 63,155                  | 63,155    | 24,976                                      | 24,976                  | 24,976    |
| Number of issued Shares ('000)          | 539,131                                     | 538,038                 | 484,234   | 539,131                                     | 538,038                 | 484,234   |
| Treasury shares ('000)                  | (1,093)                                     | (53,804)                | -         | (1,093)                                     | (53,804)                | -         |
| Subsidiary holdings ('000)              | -   | -                       | -         | -   | -                       | -         |
| Number of Shares <sup>(2)</sup> ('000)  | 538,038                                     | 484,234                 | 484,234   | 538,038                                     | 484,234                 | 484,234   |
| <b>Financial Ratios</b>                 |   |                         |           |   |                         |           |
| NAV per Share (US cents) <sup>(3)</sup> | 45.67                                       | 48.67                   | 48.67     | 43.32                                       | 46.06                   | 46.06     |
| EPS (US cents) <sup>(4)</sup>           | 1.10  | 1.23                    | 1.23      | 1.73  | 1.92                    | 1.92      |
| Gearing ratio (times) <sup>(5)</sup>    | 0.26  | 0.27                    | 0.27      | 0.11  | 0.11                    | 0.11      |
| Current ratio (times) <sup>(6)</sup>    | 2.04  | 1.89                    | 1.89      | 2.05  | 1.83                    | 1.83      |

Note:

<sup>(1)</sup> Total borrowings refer to borrowings from financial institutions.

<sup>(2)</sup> Number of Shares (excluding treasury shares and subsidiary holdings, if any).

<sup>(3)</sup> NAV per Share is calculated based on the NAV divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).

<sup>(4)</sup> EPS is calculated based on the net profit attributable to owners of the Company divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).

<sup>(5)</sup> Gearing represents the ratio of total borrowings to total equity, excluding non-controlling interests.

<sup>(6)</sup> Current ratio represents the ratio of total current assets to total current liabilities.

<sup>(7)</sup> NAV represents total equity less non-controlling interests.

- (iv) Off-Market Acquisition by the Company entirely out of profits and Shares bought back are cancelled; and Off-Market Acquisition by the Company entirely out of profits and held as treasury shares (assuming that the Company would cancel existing treasury shares prior to acquiring new treasury share)

|   | Group (US\$'000)                            |                         |           | Company (US\$'000)                          |                         |           |
|---|---|-------------------------|-----------|---|-------------------------|-----------|
|   | Before Share Buyback                        | After Share Buyback     |           | Before Share Buyback                        | After Share Buyback     |           |
|   | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled | Financial Statements as at 31 December 2017 | Held as treasury shares | Cancelled |
| Issued share capital                    | 68,761                                      | 68,587                  | 68,587    | 68,761                                      | 68,587                  | 68,587    |
| Treasury shares                         | (174)                                       | (11,484)                | -         | (174)                                       | (11,484)                | -         |
| Reserves                                | 177,117                                     | 177,117                 | 165,633   | 164,517                                     | 164,517                 | 153,033   |
| Total Equity                            | 250,457                                     | 238,973                 | 238,973   | 233,104                                     | 221,620                 | 221,620   |
| NAV <sup>(7)</sup>                      | 245,704                                     | 234,220                 | 234,220   | 233,104                                     | 221,620                 | 221,620   |
| Total current assets                    | 139,671                                     | 128,187                 | 128,187   | 94,078                                      | 82,594                  | 82,594    |
| Total current liabilities               | 68,527                                      | 68,527                  | 68,527    | 45,892                                      | 45,892                  | 45,892    |
| Total borrowings <sup>(1)</sup>         | 63,155                                      | 63,155                  | 63,155    | 24,976                                      | 24,976                  | 24,976    |
| Number of issued Shares ('000)          | 539,131                                     | 538,038                 | 484,234   | 539,131                                     | 538,038                 | 484,234   |
| Treasury shares ('000)                  | (1,093)                                     | (53,804)                | -         | (1,093)                                     | (53,804)                | -         |
| Subsidiary holdings ('000)              | -   | -                       | -         | -   | -                       | -         |
| Number of Shares <sup>(2)</sup> ('000)  | 538,038                                     | 484,234                 | 484,234   | 538,038                                     | 484,234                 | 484,234   |
| <b>Financial Ratios</b>                 |   |                         |           |   |                         |           |
| NAV per Share (US cents) <sup>(3)</sup> | 45.67                                       | 48.37                   | 48.37     | 43.32                                       | 45.77                   | 45.77     |
| EPS (US cents) <sup>(4)</sup>           | 1.10  | 1.23                    | 1.23      | 1.73  | 1.92                    | 1.92      |
| Gearing ratio (times) <sup>(5)</sup>    | 0.26  | 0.27                    | 0.27      | 0.11  | 0.11                    | 0.11      |
| Current ratio (times) <sup>(6)</sup>    | 2.04  | 1.87                    | 1.87      | 2.05  | 1.80                    | 1.80      |

Note:

- <sup>(1)</sup> Total borrowings refer to borrowings from financial institutions.
- <sup>(2)</sup> Number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(3)</sup> NAV per Share is calculated based on the NAV divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(4)</sup> EPS is calculated based on the net profit attributable to owners of the Company divided by number of Shares (excluding treasury shares and subsidiary holdings, if any).
- <sup>(5)</sup> Gearing represents the ratio of total borrowings to total equity, excluding non-controlling interests.
- <sup>(6)</sup> Current ratio represents the ratio of total current assets to total current liabilities.
- <sup>(7)</sup> NAV represents total equity less non-controlling interests.

The actual impact will depend on the number and price of the Shares repurchased by the Company.

**Shareholders should note that the financial impact set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and Group for FY2017 and may not be representative of future financial performance. Further, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.**

The Directors do not propose to exercise the Share Buyback Mandate to an extent that would materially and adversely affect the working capital requirements of the Company. The purchase of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The proposed Share Buyback Mandate will only be exercised in the interests of the Company, for example, to enhance the EPS of the Company.

### **3.6 Tax Implications**

Shareholders who are in doubt as to their respective tax position or the tax implications of the proposed Shares buyback by the Company or may be subject to tax whether in or outside of Singapore should consult their own professional advisers.

### **3.7 Take-Over Code Implications arising from Share Buybacks**

Appendix 2 of the Take-over Code contains the Share Buyback Guidance applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

(i) The following companies:

- (1) A company;
- (2) The parent company of (1);
- (3) The subsidiaries of (1);
- (4) The fellow subsidiaries of (1);
- (5) The associated companies of any of (1), (2), (3) or (4);
- (6) Companies whose associated companies include any of (1), (2), (3), (4) or (5); and
- (7) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and

- (ii) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which shareholders of a company (including directors of the company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of shares by the company are set out in Appendix 2 of the Take-over Code.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties is between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

(d) Exemption under Appendix 2 of the Take-over Code

Section 3(a) of the Appendix 2 of the Take-over Code provides, *inter alia*, that for a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act by a listed company, directors and persons acting in concert with them will be exempted from the requirement to make a general offer for the company under Rule 14.1 of the Take-over Code, subject to the following conditions:

- (i) The circular to shareholders on the resolution to authorise a buyback to contain advice to the effect that by voting for the buyback resolution, shareholders are waiving their right to a general offer at the required price from directors and parties acting in concert with them who, as a result of the company buying back its shares, would increase their voting rights to 30% or more, or, if they together hold between 30%-50% of the company's voting rights, would increase their voting rights by more than one per cent. (1%) in any period of six (6) months; and the names of such directors and persons acting in concert with them, their voting rights at the time of the resolution and after the proposed buyback to be disclosed in the same circular;
- (ii) The resolution to authorise a share buyback to be approved by a majority of those shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the shares buyback;
- (iii) The directors and/or persons acting in concert with them to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the share buyback;
- (iv) Within seven (7) days after the passing of the resolution to authorise a buyback, each of the directors to submit to the SIC a duly signed form as prescribed by the SIC;
- (v) Directors and/or persons acting in concert with them not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buyback proposal is imminent and the earlier of:

- (1) The date on which the authority of the share buyback expires; and
- (2) The date on which the company announces it has bought back such number of shares as authorised by shareholder at the latest general meeting or it has decided to cease buying its shares, as the case may be.

If such acquisitions, taken together with the buyback, would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months. It follows that where aggregate voting rights held by a director and persons acting in concert with him increase by more than one per cent. (1%) solely as a result of the share purchase and none of them has acquired any share during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

(e) Take-over obligation of substantial Shareholder of the Company

As at the Latest Practicable Date, each of the substantial Shareholders of the Company (as set out in page 20 of this Circular) have an interest of at least 65.27% of the Company's voting rights and would therefore not be obliged to make a general offer under Rule 14 and Appendix 2 of the Take-over Code in the event that Share buybacks are undertaken by the Company pursuant to the Share Buyback Mandate.

Further, based on the register of Directors' shareholdings and register of substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Director and/or Shareholder who may become obligated to make a mandatory offer in the event that share buybacks are undertaken by the Company pursuant to the Share Buyback Mandate.

**The statements herein do not purpose to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchase or acquisition by the Company pursuant to the Share Buyback Mandate.**

### 3.8 Listing Manual Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Acquisition, on the Market Day following the day of purchase or acquisition of any of its Shares and (b) in the case of an Off-Market Acquisition under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares during the period commencing (i) 2 weeks before the announcement of each of the Company's financial results for the first three quarters of the Company's financial year; or (ii) one month before the announcement of the Company's full year financial results, as the case may be, and ending on the date of the announcement of the respective results on the SGX-ST.

### 3.9 Listing status on the SGX-ST

The Listing Manual requires a listed company to ensure that at least 10% of its issued shares (excluding treasury shares and subsidiary holding, if any) of its listed securities must be held by the public. The Company will ensure that any Share purchased by the Company will not result in a fall in the percentage of Shares held by the public to below 10% of the total number of issued Shares (excluding treasury shares and subsidiary holding, if any). The number of public Shareholders as disclosed in the register of Shareholders as at the Latest Practicable Date is 4,455.

The total percentage of Shares in the hands of the public as at the Latest Practicable Date is 34.11%.

Assuming that (a) the Company purchases a maximum of 10% of the issued Shares from the public and (b) the Shares held by the substantial Shareholders of the Company and the Directors remain unchanged, the percentage of Shares in the hands of the public after such a repurchase will be 26.79%.

The Directors will use their best efforts to ensure that the Company does not effect a purchase of Shares which would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the orderly trade of the Shares or the listing status of the Company.

As at the Latest Practicable Date, the Company has no securities apart from its Shares listed on the SGX-ST.

### 3.10 Shares purchased by the Company

The Company has not made any share buyback on or during the 12 months preceding the Latest Practicable Date.

## 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at the Latest Practicable Date, the interests of Directors and substantial Shareholders of the Company in Shares, as set out in the Company's register of interests of Directors and register of substantial Shareholders respectively, are as follows:

| <b>Directors</b>                | <b>Direct</b> | <b>%</b> | <b>Deemed</b> | <b>%</b> |
|---------------------------------|---------------|----------|---------------|----------|
| Masli Mulia                     | -             | -        | -             | -        |
| Asmari Herry Prayitno           | 60,000        | 0.011    | -             | -        |
| Hermawan Fridiana Herman        | -             | -        | -             | -        |
| Lim Kee Hee                     | -             | -        | -             | -        |
| Nicholas Peter Ballas           | -             | -        | -             | -        |
| Chng Hee Kok                    | -             | -        | -             | -        |
| Quah Ban Huat                   | -             | -        | -             | -        |
| Ng Chee Keong                   | -             | -        | -             | -        |
| <b>Substantial Shareholders</b> |               |          |               |          |
| PTSI                            | 351,180,000   | 65.27    | -             | -        |
| Tanggung <sup>1</sup>           |               |          | 351,180,000   | 65.27    |
| NBU <sup>2</sup>                |               |          | 351,180,000   | 65.27    |

Note:

1. Tangguh's deemed interest arises from its direct interest of 57.98% in PTSI.
2. NBU's deemed interest arises from its direct interest of 14.21% and 27.40% in PTSI and Tangguh respectively.

## 5. DIRECTORS' RECOMMENDATION

Taking into account the rationale for the proposed adoption of the Disposal Mandate and the proposed renewal of the Share Buyback Mandate, the Directors of the Company are of the opinion that the (i) proposed adoption of the Disposal Mandate and (ii) proposed renewal of the Share Buyback Mandate, are in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the resolutions relating to the (i) proposed adoption of the Disposal Mandate; and (ii) proposed renewal of the Share Buyback Mandate, to be proposed at the EGM.



**6. EXTRAORDINARY GENERAL MEETING**

An EGM, notice of which is set out in pages 22 to 24 of this Circular, will be held at M Hotel Singapore, Shenton Room, Basement 1, 81 Anson Road, Singapore 079908 on 25 April 2018 at 10.30 a.m. (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day at the same place) for the purpose of considering and if thought fit, passing with or without amendment, the resolutions set out in the Notice of EGM.

**7. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 6 Raffles Quay #25-01, Singapore 048580 not less than 48 hours before the time fixed for the EGM. The appointment of proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.

A depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears in the Depository Register maintained by CDP, 72 hours before the EGM.

**8. DIRECTORS' RESPONSIBILITY**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Disposal Mandate and proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Company's registered office, 6 Raffles Quay #25-01, Singapore 048580 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) Constitution; and
- (b) The audited financial statements of the Company for FY2017.

Yours faithfully  
for and on behalf of  
the Board of Directors of Samudera Shipping Line Ltd

Hermawan Fridiana Herman  
Executive Director, Finance

**SAMUDERA SHIPPING LINE LTD**  
(Incorporated in the Republic of Singapore)  
(Company registration no. 199308462C)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“EGM”) of Samudera Shipping Line Ltd (the “**Company**”) will be held at M Hotel Singapore, Shenton Room, Basement 1, 81 Anson Road, Singapore 079908 on Wednesday 25 April 2018 at 10.30 a.m. (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

*All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular to the shareholders of the Company dated 10 April 2018 (“**Circular**”)*

**ORDINARY RESOLUTION 1 - THE PROPOSED ADOPTION OF THE DISPOSAL MANDATE FOR PROPOSED DISPOSAL OF THE VESSELS**

That:

- (a) Approval be and is hereby given, for the purposes of Chapter 10 of the Listing Manual, for the Company to dispose the Vessels to the extent mandated and according to the terms under the Disposal Mandate as described in the Circular (the “**Proposed Disposal**”);
- (b) The Directors of the Company and/or any of them be and are hereby authorised to do all acts and things (including without limitation, executing all such documents and approving any amendments, alterations or modifications to any such documents as may be required in connection with the Proposed Disposal) as they and/or each of them deem desirable, expedient or necessary to give effect to the matters referred to in the above paragraph of this Ordinary Resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company; and
- (c) Insofar as any documents are required to be executed under seal, the Common Seal of the Company be affixed to such documents relating to the Proposed Disposal contemplated and authorised by this Ordinary Resolution in accordance with the provisions of the Constitution of the Company.

**ORDINARY RESOLUTION 2 - THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

That:

- (a) For the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares of the Company not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
  - (i) Market Acquisition(s) through the ready market of the SGX-ST and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) Off-Market Acquisition(s) otherwise than on a securities exchange, in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act and as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual,

on the terms set out in the Circular, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”)



- (b) Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:
- (i) the date on which the next AGM of the Company is held or required by law to be held;
  - (ii) the date on which Share Buyback Mandate have been carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied;
- (c) In this Ordinary Resolution:
- “Maximum Percentage”** means that number of issued Shares representing ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Ordinary Resolution (excluding the Shares which are held as treasury shares and subsidiary holding, if any as at that date); and
- “Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not be more than:
- (i) in the case of a Market Acquisition of a Share, 5% above the average of the closing market prices of the Shares over the last five market days on which transactions in the Shares were recorded before the day of the Market Acquisition by the Company, and deemed to be adjusted, in accordance with the Listing Manual of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and
  - (ii) in the case of an Off-Market Acquisition of a Share, 20% above the average of the closing market prices of the Shares over the last five market days on which transactions in the Shares were recorded before the date on which the Company makes an announcement of an offer under the Off-Market Acquisition, stating therein the purchase price and the relevant terms of the equal access scheme for effecting the Off-Market Acquisition, and deemed to be adjusted, in accordance with the Listing Manual of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and
- (d) The Directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

## BY ORDER OF THE BOARD

Gwendolin Lee Soo Fern  
Company Secretary  
10 April 2018

### Notes:-

1. (a) *A member of the Company (other than a “relevant intermediary”) entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her behalf. A proxy need not be a member of the Company.*
- (b) *A member who is a “relevant intermediary”, is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.*

*“relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.*

2. *If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 6 Raffles Quay #25-01, Singapore 048580 not less than 48 hours before the time appointed for the holding of the EGM.*
3. *The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any official or attorney duly authorised.*

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

## SAMUDERA SHIPPING LINE LTD

Registration Number: 199308462C

(Incorporated in the Republic of Singapore)

### PROXY FORM EXTRAORDINARY GENERAL MEETING

#### IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend and vote at the Extraordinary General Meeting (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy Samudera Shipping Line Ltd's shares, this Circular to Shareholders dated 10 April 2018 is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors who wish to attend the Extraordinary General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We \_\_\_\_\_  
(Name(s) and NRIC/Passport/Company Registration Number(s))

of \_\_\_\_\_ (Address)

being a member/members of **SAMUDERA SHIPPING LINE LTD** (the "**Company**"), hereby appoint:-

| Name    | NRIC/Passport No. | Proportion of Shareholdings |     |
|---------|-------------------|-----------------------------|-----|
|         |                   | No. of Shares               | (%) |
| Address |                   |                             |     |

and/or (delete as appropriate)

| Name    | NRIC/Passport No. | Proportion of Shareholdings |     |
|---------|-------------------|-----------------------------|-----|
|         |                   | No. of Shares               | (%) |
| Address |                   |                             |     |

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "**EGM**") of the Company to be held at M Hotel Singapore, Shenton Room, Basement 1, 81 Anson Road, Singapore 079908 on **Wednesday, 25 April 2018** at **10.30 a.m.** (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 10.00 am on the same day at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

| No. | Resolutions   | No. of votes For <sup>(1)</sup> | No. of votes Against <sup>(1)</sup> |
|-----|---|---------------------------------|-------------------------------------|
| 1.  | To approve the adoption of the Disposal Mandate     |                                 |                                     |
| 2.  | To approve the renewal of the Share Buyback Mandate |                                 |                                     |

<sup>(1)</sup> *Voting will be conducted by poll. If you wish to exercise all your vote "For" or "Against" the relevant resolution, please tick ( ✓ ) within the box provided. Alternatively, if you wish to exercise your votes "For" and "Against" the relevant resolution, please indicate the number of votes as appropriate in the boxes provided above.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

| Total No. of Shares In: | No. of Shares |
|-------------------------|---------------|
| (a) CDP Register        |               |
| (b) Register of Members |               |

\_\_\_\_\_  
Signature(s) of Shareholder(s) and/or Common Seal of  
Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**NOTES:-**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.  
  
"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act Cap. 50.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Raffles Quay #25-01, Singapore 048580 not less than forty-eight (48) hours before the time appointed for the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 April 2018.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.





