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

VESSEL DISPOSAL UNDER THE DISPOSAL MANDATE

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1. INTRODUCTION

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

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

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

2. VESSEL DISPOSAL

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

Sinar Ambon is an Indonesia flagged container vessel. It was built in 2005 and can carry up to 287 TEUs.

The memorandum of agreement for the sale of Sinar Ambon was executed between PT Samudera Shipping Services (subsidiary of the Company) and PT Perusahaan Pelayaran Nusantara Panurjwan ("**PT Panurjwan**") on 10 October 2020. PT Panurjwan is a subsidiary of Tangguh. Tangguh is the ultimate holding company of the Company.

The net consideration for the sale of Sinar Ambon was IDR10,000,000,000.00 (equivalent to approximately US$709,000), which was arrived at on a willing buyer-willing seller basis. The Company has received the full purchase consideration for the sale of Sinar Ambon which was paid upon delivery of Sinar Ambon to PT Panurjwan.

As committed by the Company in the Circular, the sale price of Sinar Ambon was not lower than 90% of the value of Sinar Ambon as determined by independent valuation from Fearnleys Asia (Singapore) Pte Ltd.

3. DISPOSAL PROCEEDS

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

The book value of Sinar Ambon was US$675,000. Accordingly, the disposal of Sinar Ambon has resulted in the Group recording a net profit of US$9,000 (after taking into consideration bunker onboard).

4. PRINCIPLE TERMS OF DISPOSAL

The memorandum of agreement for the sale of Sinar Ambon was 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 vessels and adopted by the Baltic and International Maritime Council in 1956 with modification to cater for the specific sale of Sinar

Ambon. The memorandum of agreement did not contain any unusual requirements and was consistent with usual market conditions for the sale and purchase of vessel.

5. FINANCIAL EFFECTS

(a) For illustration purposes, the financial effect of the disposal of Sinar Ambon on the:

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

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

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

(b) NTA

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

	Before the disposal of Sinar Ambon	**After the disposal of Sinar Ambon**
Consolidated NTA (US$)	190,345	189,920
Consolidated NTA per share (US cents)	35.38	35.30

(c) EPS

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

	Before the disposal of Sinar Ambon	**After the disposal of Sinar Ambon**
EPS (US cents)	0.73	0.67

6. RELATIVE FIGURES

The relative figures for the disposal of Sinar Ambon 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 the assets disposed of, compared with the Group's net asset value as at 30 June 2020 (being the financial half year prior to the date of the memorandum of agreement for the sale of Sinar Ambon)	0.7

(b)	The net profit attributable to the assets disposed of, compared with the Group's net profit as at 30 June 2020 (being the financial half year prior to the date of the memorandum of agreement for the sale of Sinar Ambon)	-2.7
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 09 October 2020 (the date of the memorandum of agreement for the sale of Sinar Ambon) based on the total number of shares excluding treasury shares	1.1
(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

7. RATIONALE FOR THE DISPOSAL

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 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 from and to Indonesia as well as potentially investing in a minority stake in Indonesian company which provides shipping services for domestic route within Indonesia.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

PT Panurjwan is a subsidiary of Tangguh, the ultimate parent company of the Company.

Tangguh owns 57.98% of the issued shares of PTSI. PTSI is the immediate holding company of the Company.

Masli Mulia is the Commissioner of PTSI and Tangguh.

Bani Maulana Mulia is President Director of Tangguh and PTSI and President Commissioner of PT Panurjwan.

Ridwan Hamid is the Finance Director of Tangguh and PTSI and Commissioner of PT Panurjwan.

Save as set out above, none of the directors of the Company has any interest in the disposal of Sinar Ambon.

9. OTHER INFORMATION

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

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

By order of the Board,

Ridwan Hamid
Executive Director and Chief Financial Officer
08 March 2021