

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

VESSEL DISPOSAL UNDER THE DISPOSAL MANDATE

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 13 April 2021 (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 28 April 2021.

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

2. DISPOSAL OF VESSELS

The Board wishes to announce that the Company has signed memorandum of agreement on 15 June 2021 for the disposal of Sinar Bima. The Buyer, who is an unrelated third party of the Group, has requested that its name not to be announced until the delivery of Sinar Bima on completion. The disposal of Sinar Bima is in accordance with the terms of the Disposal Mandate.

Sinar Bima is a Singapore flagged container vessel. It was built in 2008. It can carry up to 1,118 TEUs.

The sale price of Sinar Bima is US\$12,500,000 which was arrived at on a willing buyer-willing seller basis. The Buyer has paid 10% of the purchase consideration into escrow account as deposit. The remaining purchase consideration will be paid upon delivery of Sinar Bima to the Buyer.

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

3. DISPOSAL PROCEEDS

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

The book value of Sinar Bima is US\$11,445,000. The net profit/net loss arising from the disposal of Sinar Bima will only be known on delivery of Sinar Bima to the Buyer after taking into account all costs incurred in delivering the vessel to the Buyer as well as bunker onboard. The Company will make an announcement upon completion of the disposal of Sinar Bima.

4. PRINCIPAL TERMS OF THE DISPOSAL

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

5. FINANCIAL EFFECTS

(a) For illustration purposes, the financial effect of the disposal of Sinar Bima 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 2020 (being the most recently completed financial year prior to the date of the memorandum of agreement for the sale of Sinar Bima) are set out below.

(b) NTA

Assuming that Sinar Bima had been disposed of on 31 December 2020, the effect on the NTA per share as at 31 December 2020 would be as follows:

	Before the disposal of Sinar Bima	After the disposal of Sinar Bima
Consolidated NTA (US\$'000)	194,272	195,355
Consolidated NTA per share (US cents)	36.11	36.31

(c) EPS

Assuming that Sinar Bima had been disposed of on 1 January 2020, the effect on the EPS of the Group would be as follows:

	Before the disposal of Sinar Bima	After the disposal of Sinar Bima
EPS (US cents)*	1.34	0.65

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

6. RELATIVE FIGURES

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

Rule 1006	Bases	Relative figures (%)
(a)	Net asset value of Sinar Bima compared with the Group's net asset value as at 31 December 2020 (being the financial year prior to the date of the memorandum of agreement for the sale of Sinar Bima)	5.6

(b)	The net profit attributable to Sinar Bima compared with the Group's net profit as at 31 December 2020 (being the financial year prior to the date of the memorandum of agreement for the sale of Sinar Bima)	n/a
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 15 June 2021 (the date of the memorandum of agreement for the sale of Sinar Bima) based on the total number of shares excluding treasury shares	8.1
(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 reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	n/a

7. RATIONALE

Due to its size and specifications, Sinar Bima may not be the most efficient vessel for the sea routes that the Group operates. Arising therefrom, the Company is considering disposal of Sinar Bima as part of its fleet renewal exercise

8. INTEREST OF DIRECTORS AND SHAREHOLDERS

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

9. OTHER INFORMATION

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

10. DOCUMENTS FOR INSPECTION

Copies of the memorandums of agreement for the disposal of Sinar Bima as well as the valuation for the Sinar Bima 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
6 July 2021