

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

---

**DISCLOSEABLE TRANSACTION – VESSELS DISPOSAL**

---

**1. INTRODUCTION**

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

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

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

The Company wishes to announce that its subsidiary, Foremost Maritime Pte. Ltd., has entered into memorandums of agreement to sell Sinar Kutai and Sinar Kapuas.

The disposal of Sinar Kapuas is pursuant to the Disposal Mandate. The disposal of Sinar Kutai is not within the Disposal Mandate and is a discloseable transaction pursuant to Chapter 10 of the SGX-ST Listing Manual (the "**Listing Manual**").

The computations of the relative figures in Rule 1006 of the Listing Manual pertaining to the disposal of Sinar Kutai and Sinar Kapuas are set out in paragraph 6 below.

**2. INFORMATION ABOUT SINAR KUTAI AND SINAR KAPUAS**

Both Sinar Kutai and Sinar Kapuas are Singapore flagged bulk carriers. They are sister vessels with capacity of 57,334 deadweight tonnage. Both Sinar Kutai and Sinar Kapuas were built in 2011.

Sinar Kutai and Sinar Kapuas will be sold to two separate purchasers. Both purchasers are unrelated third parties to the Group. The purchasers have requested that their names not to be announced until Sinar Kutai and Sinar Kapuas are delivered to them on completion.

**3. CONSIDERATION AND PRINCIPAL TERMS OF THE DISPOSAL OF SINAR KUTAI AND SINAR KAPUAS**

The memorandums of agreement for the sale of Sinar Kutai and Sinar Kapuas were based on the SALEFORM 2012 (revised 1966, 1983 and 1986/87, 1993 and 2012) prescribed by the Norwegian Shipbrokers' Association for sale and purchase of ships and adopted by the Baltic and International Maritime Council in 1956 with modification to cater for the specific sale of Sinar Kutai and Sinar Kapuas. The memorandums of agreement do not contain any unusual requirements and are consistent with usual market conditions for the sale and purchase of vessel.

The aggregate net proceeds from the disposal of Sinar Kutai and Sinar Kapuas is US\$20,250,000.00. The consideration will be payable in cash.

The consideration was arrived at on a willing-buyer and willing-seller basis and is supported by the independent valuations from Fearnleys Asia (Singapore) Pte Ltd.

#### 4. VALUE OF SINAR KUTAI AND SINAR KAPUAS

Sinar Kutai and Sinar Kapuas are scheduled to be delivered to the purchasers in September 2019 with combined estimated net book value of US\$19,490,000 (rounded to the nearest thousand). The above does not include any related costs to sell for the vessels. In relation to the gain/(loss) on disposal of Sinar Kutai and Sinar Kapuas, the Company will need to take into account actual cost to be incurred, by the Group, up to the date of actual delivery of the vessels to the Purchasers. As such, the Company will make a separate announcement on this matter upon the completion of the sale.

The net proceeds from the disposal of Sinar Kutai and Sinar Kapuas will be utilized:

- (a) to fund potential investment in Indonesian company which provides shipping services for domestic route within Indonesia; and/or
- (b) for working capital and business expansion of the Group.

#### 5. FINANCIAL EFFECTS

- (a) For illustration purposes, the financial effect of the disposal of Sinar Kutai and Sinar Kapuas on the:

- (i) Net tangible assets ("**NTA**") per share; and
- (ii) Earnings per share ("**EPS**")

based on the audited consolidated financial statement of the Group for the financial year ended 31 December 2018 are set out below.

- (b) NTA

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

	<b>Before the disposal of Sinar Kutai and Sinar Kapuas</b>	<b>After the disposal of Sinar Kutai and Sinar Kapuas</b>
<b>Consolidated NTA (US\$)</b>	188,983,000	188,931,000
<b>Consolidated NTA per share (US cents)</b>	35.12	35.11

(c) EPS

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

	<b>Before the disposal of Sinar Kutai and Sinar Kapuas</b>	<b>After the disposal of Sinar Kutai and Sinar Kapuas</b>
<b>EPS (US cents)</b>	1.54	1.48

**6. RELATIVE FIGURES**

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

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative figures (%)</b>
(a)	Net asset value of Sinar Kutai compared with the Group's net asset value	5.1
(b)	The net profit attributable to Sinar Kutai compared with the Group's net profit as at 30 June 2019	-33.0*
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 2 August 2019 based on the total number of shares excluding treasury shares	16.0
(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

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

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative figures (%)</b>
(a)	Net asset value of Sinar Kapuas compared with the Group's net asset value	5.3
(b)	The net profit attributable to Sinar Kapuas compared with the Group's net profit as at 30 June 2019	-42.6*
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 2 August 2019 based on the total number of shares excluding treasury shares	17.6
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	n/a
(e)	The aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	n/a

\* Please note that the vessels were operating at a loss when it was sold

## **7. RATIONALE**

Sinar Kutai and Sinar Kapuas have contributed losses to the Group for the past few years and do not fit into the planned future operations of the Group. The disposal of Sinar Kutai and Sinar Kapuas will enable the Group to redeploy its capital for more suitable ships and other commercial activities.

## **8. INTEREST OF DIRECTORS AND SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has any interest in the disposal of Sinar Kutai and/or Sinar Kapuas.

## **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 Kutai and/or Sinar Kapuas. 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 Kutai and Sinar Kapuas as well as the valuation for the Sinar Kutai and Sinar Kapuas are available for inspection at the Company's registered office at 6 Raffles Quay #25-01 Singapore 048580 for a period of three (3) months from the date of this Announcement.

By order of the Board,

Hermawan Fridiana Herman  
Executive Director, Finance  
5 August 2019