



Condensed Interim Financial Statements for the Half Year ended 30 June 2022

Samudera Shipping Line Ltd

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

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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Note | Group | | + / (-) % |
|---|------|--------------------|--------------------|--------------|
| | | 1H2022 US\$'000 | 1H2021 US\$'000 | |
| Revenue | | 476,241 | 209,058 | 127.8 |
| Cost of sales | | (290,499) | (164,303) | 76.8 |
| Gross profit | | 185,742 | 44,755 | 315.0 |
| Other operating income | (A) | 108 | 2,229 | (95.2) |
| Marketing expenses | | (5,332) | (4,857) | 9.8 |
| Administrative expenses | | (4,377) | (3,931) | 11.3 |
| Other operating expenses | (B) | (1,624) | (36) | n.m. |
| Profit from operations | | 174,517 | 38,160 | 357.3 |
| Finance income | | 309 | 129 | 139.5 |
| Finance costs | | (2,440) | (1,323) | 84.4 |
| Operating profit | | 172,386 | 36,966 | 366.3 |
| Share of results of associate/joint venture | | 724 | 1,352 | (46.4) |
| Profit before tax | | 173,110 | 38,318 | 351.8 |
| Income tax expense | | (725) | (388) | 86.9 |
| Profit after tax | | 172,385 | 37,930 | 354.5 |
| Attributable to: | | | | |
| Owners of the Company | | 171,727 | 36,729 | 367.6 |
| Non-controlling interests | | 658 | 1,201 | (45.2) |
| Profit after tax | | 172,385 | 37,930 | 354.5 |

n.m. = not meaningful

Notes to the Income Statement

| | Group | | + / (-) % |
|--|--------------------|--------------------|--------------|
| | 1H2022 US\$'000 | 1H2021 US\$'000 | |
| Profit after tax is arrived at after charging (crediting) the following: | | | |
| • Depreciation of property, plant and equipment | 3,478 | 3,369 | 3.2 |
| • Depreciation of right-of-use assets | 45,105 | 9,118 | 394.7 |
| • Depreciation of investment properties | 18 | 17 | 5.9 |
| • Amortisation of intangible assets | 215 | 230 | (6.5) |
| • Allowance for impairment on receivables | 200 | 1,141 | (82.5) |
| • Finance costs - interest on borrowings | 276 | 360 | (23.3) |
| • Finance costs - interest on lease liabilities | 2,164 | 963 | 124.7 |

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Notes to the Income Statement (Continued)

| | Group | | + / (-) % |
|--|----------------------------------|----------------------------------|----------------------------|
| | 1H2022 US\$'000 | 1H2021 US\$'000 | |
| (A) Other operating income | | | |
| • Rental income | 101 | 181 | (44.2) |
| • Net foreign exchange gains | - | 207 | (100.0) |
| • Gain on disposal of plant, property and equipment, net | 5 | 11 | (54.5) |
| • Insurance claim | - | 339 | n.m. |
| • Others | 2 | 1,491 | (99.9) |
| | <u>108</u> | <u>2,229</u> | <u>(95.2)</u> |
| B) Other operating expenses | | | |
| • Net foreign exchange loss | (1,609) | - | n.m |
| • Property, plant and equipment written off | (1) | - | n.m |
| • Claims | (2) | - | n.m |
| • Others | (12) | (36) | (66.7) |
| | <u>(1,624)</u> | <u>(36)</u> | <u>n.m</u> |

Other Comprehensive Income

| | Group | |
|--|----------------------------------|----------------------------------|
| | 1H2022 US\$'000 | 1H2021 US\$'000 |
| Profit after tax for the period | 172,385 | 37,930 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Remeasurement of defined benefit obligation | - | (5) |
| | <u>-</u> | <u>(5)</u> |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Share of other comprehensive income of associate | 713 | 346 |
| Net unrealised loss on revaluation of cash flow hedges | 25 | 43 |
| Exchange differences on translation of foreign operations | (1,854) | (158) |
| | <u>(1,116)</u> | <u>231</u> |
| Other comprehensive income for the period, net of tax | <u>(1,116)</u> | <u>226</u> |
| Total comprehensive income for the period | <u>171,269</u> | <u>38,156</u> |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 170,996 | 36,997 |
| Non-controlling interests | 273 | 1,159 |
| | <u>171,269</u> | <u>38,156</u> |

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B. Condensed Interim Statements of Financial Position

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30 Jun 22 US\$'000 | 31 Dec 21 US\$'000 | 30 Jun 22 US\$'000 | 31 Dec 21 US\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | 245,113 | 187,193 | 193,247 | 146,911 |
| Trade receivables - third parties | 165,251 | 113,487 | 154,403 | 105,744 |
| Prepaid operating expenses | 25,443 | 19,776 | 18,431 | 14,846 |
| Other receivables and deposits | 1,642 | 1,837 | 133 | 152 |
| Due from immediate holding company (non-trade) | 261 | 261 | - | - |
| Due from immediate holding company (trade) | 4,584 | 4,067 | 4,560 | 4,039 |
| Due from subsidiaries (trade) | - | - | 11,277 | 8,955 |
| Due from subsidiaries (non-trade) | - | - | 13,470 | 980 |
| Due from related companies (trade) | 19,996 | 17,347 | 16,935 | 13,808 |
| Due from non-controlling interest of subsidiary (trade) | 251 | 417 | - | - |
| Inventories | 2,374 | 1,497 | 2,039 | 1,246 |
| | 464,915 | 345,882 | 414,495 | 296,681 |
| Non-current assets | | | | |
| Investment properties | 950 | 968 | 516 | 529 |
| Property, plant and equipment | 96,504 | 67,013 | 51,330 | 51,502 |
| Right-of-use assets | 214,697 | 139,330 | 208,119 | 133,172 |
| Intangible assets | 491 | 686 | 491 | 686 |
| Subsidiaries | - | - | 46,643 | 37,062 |
| Associate/joint venture | 18,973 | 17,537 | 12,117 | 12,117 |
| Deferred tax assets | 298 | 66 | - | - |
| Due from subsidiary (non-trade) | - | - | 519 | 570 |
| Goodwill | 22 | - | - | - |
| | 331,935 | 225,600 | 319,735 | 235,638 |
| Total assets | 796,850 | 571,482 | 734,230 | 532,319 |

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Condensed Interim Statements of Financial Position (Continued)

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30 Jun 22 US\$'000 | 31 Dec 21 US\$'000 | 30 Jun 22 US\$'000 | 31 Dec 21 US\$'000 |
| LIABILITES AND EQUITY | | | | |
| Current liabilities | | | | |
| Bank term loans and borrowings | 6,994 | 5,241 | 4,840 | 5,107 |
| Trade payables | 42,672 | 28,855 | 39,189 | 25,175 |
| Other payables and liabilities | 59,076 | 58,910 | 46,868 | 49,728 |
| Due to subsidiary (trade) | - | - | 48 | 101 |
| Due to subsidiaries (non-trade) | - | - | 2,540 | 2,527 |
| Due to related companies (trade) | 195 | 377 | 34 | 35 |
| Due to non-controlling interest of subsidiaries (non-trade) | 54 | 58 | - | - |
| Lease liabilities | 118,670 | 65,466 | 117,968 | 64,835 |
| Income tax payable | 1,742 | 1,429 | 341 | 336 |
| | 229,403 | 160,336 | 211,828 | 147,844 |
| Non-current liabilities | | | | |
| Bank term loans and borrowings | 18,285 | 12,443 | 10,949 | 12,020 |
| Lease liabilities | 97,563 | 75,037 | 91,383 | 69,251 |
| Deferred tax liabilities | 27 | 29 | - | - |
| Due to non-controlling interest of subsidiaries (non-trade) | 746 | 1,186 | - | - |
| | 116,621 | 88,695 | 102,332 | 81,271 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 68,761 | 68,761 | 68,761 | 68,761 |
| Treasury shares | (174) | (174) | (174) | (174) |
| Retained earnings | 368,914 | 249,443 | 351,454 | 234,614 |
| Other reserves | 1,201 | 463 | 29 | 3 |
| Foreign currency translation reserve | (1,426) | 43 | - | - |
| Equity attributable to owners of the Company | 437,276 | 318,536 | 420,070 | 303,204 |
| Non-controlling interests | 13,550 | 3,915 | - | - |
| Total equity | 450,826 | 322,451 | 420,070 | 303,204 |
| Total liabilities and equity | 796,850 | 571,482 | 734,230 | 532,319 |

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C. Condensed Interim Consolidated Statements of Cash Flows

| | Group | |
|--|--------------------|--------------------|
| | 1H2022 US\$'000 | 1H2021 US\$'000 |
| Cash flows from operating activities | | |
| Profit before tax | 173,110 | 38,318 |
| Adjustments: | | |
| Depreciation of property, plant and equipment | 3,478 | 3,369 |
| Depreciation of right-of-use assets | 45,105 | 9,118 |
| Amortisation of intangible assets | 215 | 230 |
| Depreciation of investment properties | 18 | 17 |
| Gain on disposal of property, plant and equipment | (5) | (11) |
| Allowance for impairment on receivables | 200 | 1,141 |
| Finance costs | 2,440 | 1,323 |
| Finance income | (309) | (129) |
| Share of results of associate/joint venture | (724) | (1,352) |
| Property, plant and equipment written off | 1 | - |
| Net foreign exchange loss (gain) | 323 | (212) |
| Operating cashflows before working capital changes | 223,852 | 51,812 |
| Decrease (increase) in: | | |
| Inventories | (877) | (48) |
| Trade receivables | (49,820) | (9,170) |
| Other receivables and deposits | 220 | 201 |
| Prepaid operating expenses | (5,667) | (3,175) |
| Due from immediate holding company | (521) | (200) |
| Due from related companies | (2,458) | (6,751) |
| Due from non-controlling interest of subsidiary | 166 | (1,267) |
| Increase (decrease) in: | | |
| Trade payables | 13,764 | 5,505 |
| Other payables and liabilities | (2,324) | 3,769 |
| Due to related companies | (182) | (41) |
| Cash generated from operations | 176,153 | 40,635 |
| Interest paid | (2,440) | (1,323) |
| Income tax paid | (584) | (241) |
| Net cash from operating activities | 173,129 | 39,071 |

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Condensed Interim Consolidated Statements of Cash Flows (Continued)

| | Group | |
|--|-----------------|-----------------|
| | 1H2022 | 1H2021 |
| | US\$'000 | US\$'000 |
| Cash flows from investing activities | | |
| Interest income received | 309 | 129 |
| Proceeds from disposal of property, plant and equipment | 7 | 16 |
| Proceeds from disposal of current assets held for sale | - | 6,615 |
| Purchase of property, plant and equipment | (16,837) | (2,688) |
| Purchase of intangible assets | (20) | (9) |
| Dividends paid to non-controlling shareholder | (116) | - |
| Acquisition of subsidiary net of cash acquired | (7,398) | - |
| Net cash (used in) from investing activities | (24,055) | 4,063 |
| Cash flows from financing activities | | |
| Repayment of lease liabilities | (44,732) | (8,750) |
| Proceeds from bank term loans and borrowing | 8,750 | - |
| Repayment of bank term loans and borrowing | (1,003) | (1,719) |
| Dividend paid | (52,256) | (4,248) |
| Decrease in pledged deposits | 27 | 22 |
| Repayment on loan from non-controlling interest of subsidiary | (444) | (533) |
| Net cash used in financing activities | (89,658) | (15,228) |
| Net increase in cash and cash equivalents | 59,416 | 27,906 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | (1,469) | (116) |
| Cash and cash equivalents at the beginning of the period | 186,091 | 77,018 |
| Cash and cash equivalents at the end of the period | 244,038 | 104,808 |
| Cash and bank balances (current) | 245,113 | 108,595 |
| Less: Pledged deposits | (1,075) | (3,787) |
| Cash and cash equivalents at the end of the period | 244,038 | 104,808 |

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D. Condensed Interim Statements of Changes of Equity

| | Share Capital | Treasury Shares | Other Reserves | Translation Reserve | Retained Earnings | Attributable to Equity holders | Non-Controlling Interests | Total Equity |
|--|---------------|-----------------|----------------|---------------------|-------------------|--------------------------------|---------------------------|----------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| GROUP | | | | | | | | |
| Balance as at 1 Jan 2022 | 68,761 | (174) | 463 | 43 | 249,443 | 318,536 | 3,915 | 322,451 |
| Profit for the period | - | - | - | - | 171,727 | 171,727 | 658 | 172,385 |
| Other comprehensive income for the period | - | - | 738 | (1,469) | - | (731) | (385) | (1,116) |
| Total | - | - | 738 | (1,469) | 171,727 | 170,996 | 273 | 171,269 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Dividend paid | - | - | - | - | (52,256) | (52,256) | (116) | (52,372) |
| Investment in subsidiary by non-controlling interests | - | - | - | - | - | - | 9,478 | 9,478 |
| Total | - | - | - | - | (52,256) | (52,256) | 9,362 | (42,894) |
| Balance as at 30 Jun 2022 | 68,761 | (174) | 1,201 | (1,426) | 368,914 | 437,276 | 13,550 | 450,826 |
| GROUP | | | | | | | | |
| Balance as at 1 Jan 2021 | 68,761 | (174) | (150) | (134) | 127,105 | 195,408 | 2,605 | 198,013 |
| Profit for the period | - | - | - | - | 36,729 | 36,729 | 1,201 | 37,930 |
| Other comprehensive income for the period | - | - | 384 | (116) | - | 268 | (42) | 226 |
| Total | - | - | 384 | (116) | 36,729 | 36,997 | 1,159 | 38,156 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Dividend paid | - | - | - | - | (4,248) | (4,248) | - | (4,248) |
| Total | - | - | - | - | (4,248) | (4,248) | - | (4,248) |
| Balance as at 30 Jun 2021 | 68,761 | (174) | 234 | (250) | 159,586 | 228,157 | 3,764 | 231,921 |

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Condensed Interim Statements of Changes of Equity

(Continued)

| | Share Capital | Treasury Shares | Other Reserves | Retained Earnings | Total Equity |
|---|------------------|--------------------|-------------------|----------------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| COMPANY | | | | | |
| Balance as at 1 Jan 2022 | 68,761 | (174) | 3 | 234,614 | 303,204 |
| Profit for the period, representing total comprehensive income for the period | - | - | - | 169,096 | 169,096 |
| Other comprehensive income for the period | - | - | 26 | - | 26 |
| | - | - | 26 | 169,096 | 169,122 |
| Transactions with owners, recognised directly in equity | | | | | |
| Dividend paid | - | - | - | (52,256) | (52,256) |
| Total | - | - | - | (52,256) | (52,256) |
| Balance as at 30 Jun 2022 | 68,761 | (174) | 29 | 351,454 | 420,070 |
| Balance as at 1 Jan 2021 | 68,761 | (174) | (12) | 119,688 | 188,263 |
| Profit for the period, representing total comprehensive income for the period | - | - | - | 33,777 | 33,777 |
| Other comprehensive income for the period | - | - | 7 | - | 7 |
| | - | - | 7 | 33,777 | 33,784 |
| Transactions with owners, recognised directly in equity | | | | | |
| Dividend paid | - | - | - | (4,248) | (4,248) |
| Total | - | - | - | (4,248) | (4,248) |
| Balance as at 30 Jun 2021 | 68,761 | (174) | (5) | 149,217 | 217,799 |

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E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

The Company (Registration Number: 199308462C) is incorporated in Singapore with its principal place of business and registered office at 6 Raffles Quay, #25-01, Singapore 048580. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are the owning and operating of ocean-going ships and the provision of containerised feeder shipping services. The Group's vessels and services ply trade routes connecting various ports in South East Asia, the Indian Subcontinent, the Middle East and the Far East.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in United States Dollars ("USD" or "US\$") and all values are rounded to the nearest thousand (US\$'000) except when otherwise indicated.

2.1 New and Amended Standards adopted by the Group

The adoption of the various new/revised SFRS(I) effective for the financial year beginning on 1 January 2021 does not have a material financial effect on the Group and the Company.

2.2 Uses of judgement and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about judgement, assumptions and estimation uncertainties that could require a material adjustment on the amounts recognised in the financial statements is included in the following notes:

(a) *Investments in subsidiaries, associate and joint venture*

Management exercises their judgement in estimating recoverable amounts of its investment in subsidiaries, associate and joint venture within the Group.

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, management needs to estimate the future cash flows expected from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model.

2.2 Uses of judgement and estimates (Continued)

(b) ***Vessel useful life and impairment***

The cost of vessels and vessel improvements of the Group and the Company is depreciated on a straight-line basis over the useful life of the vessels. Management estimates the useful life of these vessels and vessel improvements to be within 15 to 25 years and 2.5 to 5 years respectively. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

Management also reviews the vessels for impairment whenever there is an indication that the carrying amount of the vessel may not be recoverable. Management measures the recoverability of an asset by comparing its carrying amount against its recoverable amount. Recoverable amount is the higher of the fair value less cost of disposal and value in use, which is the future cash flows that the vessel is expected to generate and the expected running cost thereof over its remaining useful life with a cash inflow in the final year equal to the expected residual value of the vessels. The future cash flows is discounted to their present value using a pre-tax discount rate that reflects the time value of money. If the vessel is considered to be impaired, impairment loss is recognised to an amount equal to the excess of the carrying value of the asset over its recoverable amount.

(c) ***Residual values of vessels***

The Group reviews the residual values of vessels periodically to ensure that the amount is consistent with the future economic benefits embodied in these vessels at the point of disposal. Significant judgement is required in determining the residual values of its vessels.

In determining the residual values of its vessels, the Group considers the net proceeds that would be obtained from the disposal of the assets in the resale or scrap markets, fluctuations in scrap steel prices and industry practice. The effect of the changes in estimate by an increase in the scrap steel price in the estimated residual value of the vessels would reduce the depreciation charge and vice versa.

(d) ***Estimation of loss allowance***

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(e) ***Revenue recognition on an over time basis (freight operations)***

Revenue on freight operations are recognised by reference to the voyage progress as at end of the reporting period. This has been assessed by management to be an appropriate measure of progress towards complete satisfaction of these performance obligations over time. This requires the exercise of judgement and have a degree of complexity when determining the progress of the voyage as at end of the reporting period.

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(f) ***Leases - Estimating the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(g) ***Goodwill arising from acquisition of business***

Goodwill arising from acquisition of subsidiary during the year was determined upon a provisional purchase price allocation exercise to determine the fair value of the acquired assets and liabilities. Significant judgement and estimates are required in determining the fair value of the acquired assets and liabilities. The final goodwill arising from acquisition will be dependent on the completion of the valuation of the acquired assets and liabilities.

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3. Segment and Revenue Information

The Group is organised into three main operating divisions, namely:

- Container Shipping
- Bulk & Tanker Shipping
- Agencies & Logistics

Segment by Business

| | Container Shipping | Bulk & Tanker Shipping⁽¹⁾ | Agencies & Logistics | Eliminations | Group |
|---|-------------------------------|---|-------------------------------------|---------------------|------------------|
| 1H2022 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Revenue | | | | | |
| - External sales | 463,314 | 4,116 | 8,811 | - | 476,241 |
| - Inter-segment sales | 1,634 | - | 1,919 | (3,553) | - |
| Total revenue | 464,948 | 4,116 | 10,730 | (3,553) | 476,241 |
| Segment results | 171,441 | 851 | 2,353 | (127) | 174,518 |
| Financial income | 147 | 73 | 106 | (17) | 309 |
| Financial expenses | (2,238) | (55) | (164) | 17 | (2,440) |
| Share of results of associate/joint venture | - | 723 | - | - | 723 |
| Profit before tax | 169,350 | 1,592 | 2,295 | (127) | 173,110 |
| Tax | | | | | (725) |
| Profit after tax | | | | | 172,385 |
| Segment assets ⁽¹⁾ | 673,152 | 62,313 | 61,087 | - | 796,552 |
| Unallocated assets | | | | | 298 |
| | | | | | 796,850 |
| Segment liabilities | (314,001) | (16,189) | (14,065) | - | (344,255) |
| Unallocated liabilities | | | | | (1,769) |
| | | | | | (346,024) |
| Capital expenditure | 1,930 | 14,796 | 131 | - | 16,857 |
| Depreciation of property, plant and equipment | 2,082 | 1,108 | 288 | - | 3,478 |
| Depreciation of right-of-use assets | 44,646 | - | 459 | - | 45,105 |
| Amortisation of intangible assets | 215 | - | - | - | 215 |
| Depreciation of investment properties | 13 | - | 5 | - | 18 |
| Allowance for impairment on receivables | 455 | (212) | (78) | 35 | 200 |

⁽¹⁾ During the period ended 30 June 2022, PT Samudera Shipping Indonesia recorded revenue of USD2.08 million and as at 30 June 2022, its non-current assets stand at USD10.0 million.

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3. Segment and Revenue Information (continued)

| | Container Shipping | Bulk & Tanker Shipping | Agencies & Logistics | Eliminations | Group |
|---|-----------------------|------------------------------|-------------------------|--------------|---------------|
| 1H2021 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Revenue ⁽¹⁾ | | | | | |
| - External sales | 200,526 | 3,142 | 5,390 | - | 209,058 |
| - Inter-segment sales | 402 | - | 1,252 | (1,654) | - |
| Total revenue | 200,928 | 3,142 | 6,642 | (1,654) | 209,058 |
| Segment results | 36,707 | 197 | 1,254 | 2 | 38,160 |
| Financial income | 76 | 112 | 44 | (103) | 129 |
| Financial expenses | (1,184) | (95) | (147) | 103 | (1,323) |
| Share of results of associate/joint venture | - | 1,352 | - | - | 1,352 |
| Profit before tax | 35,599 | 1,566 | 1,151 | 2 | 38,318 |
| Tax | | | | | (388) |
| Profit after tax | | | | | 37,930 |
| Segment assets | 327,544 | 33,837 | 29,979 | - | 391,360 |
| Unallocated assets | | | | | 68 |
| | | | | | 391,428 |
| Segment liabilities | (135,503) | (8,799) | (13,696) | - | (157,998) |
| Unallocated liabilities | | | | | (1,509) |
| | | | | | (159,507) |
| Capital expenditure | 2,632 | - | 65 | - | 2,697 |
| Depreciation of property, plant and equipment | 2,419 | 791 | 159 | - | 3,369 |
| Depreciation of right-of-use assets | 8,740 | - | 378 | - | 9,118 |
| Amortisation of intangible assets | 230 | - | - | - | 230 |
| Depreciation of investment properties | 13 | - | 4 | - | 17 |
| Allowance for impairment on receivables | 577 | 542 | 21 | 1 | 1,141 |

⁽¹⁾ As at 30 June 2021, PT. Samudera Shipping Indonesia has not commenced commercial activity.

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3. Segment and Revenue Information (continued)

Disaggregation of Revenue

| | Container Shipping | Bulk & Tanker Shipping | Agencies & Logistics | Eliminations | Group |
|--|-----------------------|------------------------------|-------------------------|----------------|----------------|
| 1H2022 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Freight operations | 458,087 | - | - | (1,635) | 456,452 |
| Charter hire (time and voyage charter) | - | 4,010 | - | - | 4,010 |
| Sea freight forwarding services | - | - | 4,067 | - | 4,067 |
| Other services | 6,861 | 106 | 6,663 | (1,918) | 11,712 |
| Total revenue | 464,948 | 4,116 | 10,730 | (3,553) | 476,241 |

Timing of revenue recognition

Over time:

| | | | | | |
|--|---------|-------|-------|---------|---------|
| - Freight operations | 458,087 | - | - | (1,635) | 456,452 |
| - Charter hire (time and voyage charter) | - | 4,010 | - | - | 4,010 |
| - Other services | 6,861 | 106 | 6,663 | (1,918) | 11,712 |
| | 464,948 | 4,116 | 6,663 | (3,553) | 472,174 |

Point in time:

| | | | | | |
|-----------------------------------|---------|-------|--------|---------|---------|
| - Sea freight forwarding services | - | - | 4,067 | - | 4,067 |
| | 464,948 | 4,116 | 10,730 | (3,553) | 476,241 |

| | Container Shipping | Bulk & Tanker Shipping | Agencies & Logistics | Eliminations | Group |
|--|-----------------------|------------------------------|-------------------------|----------------|----------------|
| 1H2021 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Freight operations | 193,270 | - | - | (403) | 192,867 |
| Charter hire (time and voyage charter) | 2,615 | 3,066 | - | - | 5,681 |
| Sea freight forwarding services | - | - | 3,120 | - | 3,120 |
| Other services | 5,043 | 76 | 3,522 | (1,251) | 7,390 |
| Total revenue | 200,928 | 3,142 | 6,642 | (1,654) | 209,058 |

Timing of revenue recognition

Over time:

| | | | | | |
|--|---------|-------|-------|---------|---------|
| - Freight operations | 193,270 | - | - | (403) | 192,867 |
| - Charter hire (time and voyage charter) | 2,615 | 3,066 | - | - | 5,681 |
| - Other services | 5,043 | 76 | 3,522 | (1,251) | 7,390 |
| | 200,928 | 3,142 | 3,522 | (1,654) | 205,938 |

Point in time:

| | | | | | |
|-----------------------------------|---------|-------|-------|---------|---------|
| - Sea freight forwarding services | - | - | 3,120 | - | 3,120 |
| | 200,928 | 3,142 | 6,642 | (1,654) | 209,058 |

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3. Segment and Revenue Information (continued)

Geographical segment

| | Revenue | |
|--|--------------------|--------------------|
| | 1H2022 US\$'000 | 1H2021 US\$'000 |
| Container Shipping and Agencies & Logistics* | | |
| Indonesia | 165,026 | 53,100 |
| South East Asia (excluding Indonesia) | 208,590 | 101,283 |
| Middle East and Indian Sub-continent | 93,984 | 47,381 |
| Far East (including China and Hong Kong) | 4,157 | 3,283 |
| Others | 368 | 869 |
| Total revenue for Container Shipping and Agencies & Logistics | 472,125 | 205,916 |

*The Directors believe it could be inaccurate to analyze the profits by geographical segment because certain costs cannot be meaningfully allocated to the different routes as the vessels do not operate on fixed routes. For Bulk and Tanker Shipping, charterers of the Group's vessels have the discretion to operate within a wide trading area and are not constrained by a specific sea route.

4. Related Parties Transactions

There are no material related party transactions apart those disclosed elsewhere in the financial statements and other information required under listing manual.

5. Taxation

| | Group | |
|---|--------------------|--------------------|
| | 1H2022 US\$'000 | 1H2021 US\$'000 |
| Current income tax expense | 725 | 381 |
| Deferred income tax expense relating to origination and reversal of temporary differences | - | 7 |
| | 725 | 388 |

Income tax is calculated at prevailing tax rates of the respective countries on the estimated assessable profit for the period.

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6. Borrowings

The aggregate amount of the group's borrowings and debt securities

| | As at 30 June 2022 | | As at 31 Dec 2021 | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| | Secured US\$ million | Unsecured US\$ million | Secured US\$ million | Unsecured US\$ million |
| Amount repayable in one year or less, or on demand | 6.99 | - | 5.24 | - |
| Amount repayable after one year | 18.29 | - | 12.44 | - |
| | 25.28 | - | 17.68 | - |

Details of any collateral

The Group's borrowings are secured by means of:

- Corporate guarantees from the Company
- Legal mortgages over certain vessels of the Company and the subsidiaries
- Legal charges over certain bank accounts of the Company and the subsidiaries
- Assignment of income derived from certain charter hire contracts of the subsidiaries
- Assignment of insurance of certain vessels of the Company and the subsidiaries
- Legal mortgages over freehold properties of the Company
- Assignment of insurance, title and interest of freehold properties of the Company

7. Leases

During the half-year period ended 30 June 2022, the Group has capitalised US\$120,541,000 of long term leases into right-of-use assets.

8. Acquisition of Subsidiary, PT Samudera Logistics Services (Formerly known as PT GAC Samudera Logistics)

On 30 April 2022, the Group transferred cash consideration of USD 9,500,000 for 50% interest in the voting shares of PT Samudera Logistics Services ("SLS"), a company incorporated in Indonesia that specialises in warehousing and third-party logistics & distribution centre.

The acquisition will enable the Group to expand the range of services in the logistics segment. Through a contractual arrangement between the Group and the non-controlling interest, the Group has the practical ability to direct the relevant activities of SLS and hence, the Group has control over SLS.

For consolidation purpose, the Group has elected to measure the non-controlling interests in SLS at fair value at the proportionate share of its interest in SLS's identifiable net assets.

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8. Acquisition of Subsidiary, PT Samudera Logistics Services (Formerly known as PT GAC Samudera Logistics (Cont'd))

The fair value of the identifiable assets and liabilities of SLS as at the date of acquisition were as follow:

| | USD'000 |
|--|----------------|
| Assets | |
| Property, plant & equipment | 17,403 |
| Cash and cash equivalents | 2,102 |
| Trade receivables | 2,331 |
| Other non-current assets | 241 |
| | <u>22,077</u> |
| Liabilities | |
| Trade payables | (53) |
| Other payables | (1,226) |
| Provision for restructuring | (600) |
| Tax payables | (171) |
| Loan payables | (332) |
| Employee benefits obligation | (739) |
| | <u>(3,121)</u> |
| Total identifiable net assets at fair value | 18,956 |
| | |
| Non-controlling Interest (50%) | 9,478 |
| Goodwill arising on acquisition | 22 |
| Purchase consideration transferred | <u>9,500</u> |

The net assets recognised in the financial statements as at 30 June 2022 were based on provisional assessment of their fair value while the Group sought an independent valuation on land and building owned by SLS. The valuation had not been completed as of the date of the announcement of the 1st half results ended 30 June 2022 by the Group.

9. Subsequent Events

There is no known subsequent event which require adjustments to this set of interim financial statements.

F. Other Information required under Listing Manual

1. Share Capital

| | Company | |
|---|---------------------|-----------------|
| | No of Shares | US\$'000 |
| Issued and paid up as at 30 Jun 2022, 31 Dec 2021 and 30 Jun 2021 | 539,131,199 | 68,761 |

- a) During the period ended 30 June 2022, there was no change in the Company's share capital.
- b) As at 30 June 2022, total issued share capital of the Company was 539,131,199 (30 June 2021: 539,131,199) ordinary shares which include 1,093,000 (30 June 2021: 1,093,000) ordinary shares held as treasury shares and no subsidiary holdings (30 June 2021: Nil). As at 30 June 2022, the percentage of treasury shares approximate 0.2% (30 June 2021: 0.2%) of the total number of issued shares excluding treasury shares.
- c) As at 30 June 2022, there were no outstanding convertibles (30 June 2021: Nil).
- d) Total number of issued shares excluding treasury shares as at 30 June 2022 was 538,038,199 (31 December 2021: 538,038,199) shares.
- e) There is no sales, transfer, cancellation and/or use of treasury shares as at 30 June 2022.
- f) There is no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 June 2022.

2. Net Asset Value

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 30 Jun 22 | 31 Dec 21 | 30 Jun 22 | 31 Dec 21 |
| | US cents | US cents | US cents | US cents |
| Net asset value per ordinary share based on issued share capital as at the end of period | 81.27 | 59.20 | 78.07 | 56.35 |

Net asset value per ordinary share as at 30 June 2022 and 31 December 2021 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199.

3. Earnings per ordinary share

| | Group | |
|--|-----------------|-----------------|
| | 1H 2022 | 1H 2021 |
| | US cents | US cents |
| Earnings per ordinary share of the Group based on net profit attributable to the owners of the Company | | |
| (i) Based on the weighted average number of ordinary shares in issue | 31.92 | 6.83 |
| (ii) On a fully diluted basis | 31.92 | 6.83 |

Earnings per ordinary share for the half year ended 30 June 2022 and 30 June 2021 is calculated based on the number of issued of ordinary shares (excluding treasury shares) of 538,038,199.

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4. Whether the figures have been audited or reviewed and in accordance with which auditing or practice.

The figures have not been audited or reviewed by the auditors.

5. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

6. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

This is not required for any audit issue that is a material uncertainty relating to going concern.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement

The Group recorded a 127.8% growth in revenue for 1H2022 to USD476.2 million, compared to USD209.1 million in 1H2021.

Revenue from the container shipping segment rose 131.4% to USD464.9 million, from USD200.9 million in 1H2021 due to more services being operated and higher freight rates. Container volume handled increased by 27.1% from 753,000 TEUS in 1H2021 to 957,000 TEUs in 1H2022.

The bulk and tanker segment recorded a 31.0% increase in revenue to USD4.1 million, versus USD3.1 million in 1H2021, due mainly to the increase in the employment days of its two existing chemical tankers, and the acquisition of a third vessel in April 2022.

The agencies and logistics segment reported a 63.5% increase in revenue to US\$8.8 million, versus US\$5.4 million in 1H2021, mainly due to the increase in agency activities as well as the results from acquisition of the controlling stake in the 3rd party logistics company in Indonesia.

In line with the higher level of shipping activities, cost of services rose by 76.8% to USD290.5 million, from USD164.3 million in 1H2021. Due to prudent cost management by the Group, the rate of increase in cost of services was lower, compared to the growth in revenue.

Gross profit thus recorded a 315.0% increase to USD185.7million, from USD44.8 million a year ago.

In view of the above, net profit after tax grew 354.5% to USD172.4 million, from USD37.9 million in 1H2021.

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Balance sheet

Property, plant and equipment amounted to USD96.5million as at end-1H2022, compared to USD67.0 million as at 31 December 2021, following the acquisition of a chemical tanker in April 2022, and a controlling stake in a logistic company in Indonesia.

Right-of-use assets rose to USD214.7 million as at 30 June 2022, compared to USD139.3 million as at 31 December 2021, due to the addition of two container vessels on long-term charter and the renewal of two container vessels at higher charter-hire rates.

Cash and bank balances as at 30 June 2022 amounted to USD245.1 million, compared to USD187.2 million as at 31 December 2021, in line with the increased profitability and an improvement in the collection of trade receivables in 1H2022.

As at 30 June 2022, trade receivables stood at USD165.3 million, compared to USD113.5 million as at 31 December 2021, reflecting the higher level of business activity.

Current and non-current lease liabilities increased to USD216.2 million at 30 June 2022, compared to USD140.5 million as at end-December 2021, taking into account the addition of the two container vessels to the Group's fleet and the renewal of existing vessels at higher charter-hire rates.

8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

While demand for container shipping services has stabilised, freight rates are expected to remain higher than pre-pandemic levels due to the lag in container vessel supply to meet demand.

With the potential softening of container trade growth going forward and in view of uncertainties in the global economic environment arising from high inflation and interest rates, the Group is mindful of the need to remain nimble and adapt quickly to changes in shipping demand from its customers. The remaining four of its six new-builds secured on long-term charter will be progressively delivered from the fourth quarter of 2022.

The Group is growing its presence in the tanker market and will be taking delivery of another chemical tanker in the 4th quarter of 2022. It is also expanding its logistics business and has begun offering such services in Indonesia.

The operating challenges in recent years have underlined the importance of being nimble and prudent. Charter-hire rates and bunker cost are expected to remain high. Amid an uncertain global economic outlook arising from inflationary pressures, the Group will continue to execute cost management and implement investment plans prudently, while continuing to work with its customers and partners to support their supply chains.

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10. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

| Name of Dividend | Interim |
|--|----------------|
| Dividend Type | Cash |
| Dividend Amount per share (in Singapore cents) | 7.0 |
| Tax Rate | Tax exempt |
| Total Dividend declared | S\$ 37,663,000 |

The Board of Directors are pleased to declare a tax exempt one-tier interim cash dividend of 7.0 Singapore cents per share (30 June 2021: 0.50 Singapore cents per share) in respect of the half year ended 30 June 2022.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

| Name of Dividend | Interim |
|--|---------------|
| Dividend Type | Cash |
| Dividend Amount per share (in Singapore cents) | 0.50 |
| Tax Rate | Tax exempt |
| Total Dividend declared | S\$ 2,690,000 |

(c) Date Payable

18 August 2022

(d) Books closure date

Date on which the Registrable Transfers received by the Company will be registered before entitlements to the dividend are determined: 11 August 2022, 5.00pm

11. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

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12. Interested Person Transactions

| Name of interested person | Nature of relationship | Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual | |
|---|---------------------------|---|--------------------|
| | | 1H2022 US\$'000 | 1H2021 US\$'000 |
| <u>Expenses</u> | | | |
| <u>PT. Samudera Indonesia Tbk</u> | Immediate holding company | | |
| Office rental | | 1 | 5 |
| Vessel charter hire | | 1,575 | 1,121 |
| <u>PT. Samudera Agencies Indonesia</u> | Related company | | |
| Agency commissions ⁽¹⁾ | | 1,303 | 1,009 |
| <u>PT. Samudera Indonesia Ship Management</u> | Related company | | |
| Ship management fees | | 219 | 281 |
| <u>PT. Perusahaan Pelayaran Nusantara Panurjwan</u> | Related company | | |
| Vessel charter hire | | 3,343 | 2,155 |
| <u>PT. Samudera Sarana Logistik</u> | Related company | | |
| Container depot | | 68 | 89 |
| <u>PT. Tangguh Samudera Jaya</u> | Related company | | |
| Stevedorage charges | | 2,771 | 2,731 |
| <u>Revenue</u> | | | |
| <u>PT. Samudera Energi Tangguh</u> | Related company | | |
| Vessel charter hire | | 2,989 | 944 |
| | | 12,269 | 8,335 |

⁽¹⁾ No agency commission is payable for revenue collected or payments made on behalf of Samudera Shipping Line Ltd and the transaction has been accorded as a nil value.

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12. Interested Person Transactions (continued)

| Name of interested person | Nature of relationship | Aggregate value of all transactions excluding transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual | |
|---|------------------------|--|--------------------|
| | | 1H2022 US\$'000 | 1H2021 US\$'000 |
| Expenses | | | |
| <u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u> | Related company | | |
| Freight expenses | | 4 | 7 |
| <u>PT. Praweda Sarana Informatika</u> | Related company | | |
| Software development and system maintenance | | 201 | 12 |
| <u>PT. Ista Indonesia</u> | Related company | | |
| Car rental | | 44 | 45 |
| Revenue | | | |
| <u>PT. Samudera Energi Tangguh</u> | Related company | | |
| Vessel charter hire | | - | 2,122 |
| | | <u>249</u> | <u>2,186</u> |

13. Confirmation that the Issuer has procured undertakings from its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)).

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

14. Negative Assurance Confirmation Pursuant To Rule 705(5) of the Listing Manual.

We, Bani Maulana Mulia and Ridwan Hamid, being two Directors of SAMUDERA SHIPPING LINE LTD (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year ended 30 June 2022 to be false or misleading in any material aspect.

Bani Maulana Mulia
Executive Director, CEO

Ridwan Hamid
Executive Director, CFO

BY ORDER OF THE BOARD

Ridwan Hamid
Executive Director, CFO
27 July 2022