



Condensed Interim Financial Statements for the Half Year ended 30 June 2023

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		+ / (-) %
		1H2023 US\$'000	1H2022 US\$'000	
Revenue		305,901	476,241	(35.8)
Cost of sales		(241,977)	(290,499)	(16.7)
Gross profit		63,924	185,742	(65.6)
Other operating income	(A)	7,553	108	6,893.5
Marketing expenses		(4,877)	(5,332)	(8.5)
Administrative expenses		(4,835)	(4,377)	10.5
Other operating expenses	(B)	(155)	(1,624)	(90.5)
Profit from operations		61,610	174,517	(64.7)
Finance income		6,335	309	1,950.2
Finance costs		(4,500)	(2,440)	84.4
Operating profit		63,445	172,386	(63.2)
Share of results of joint venture/associate		3,907	724	439.6
Profit before tax		67,352	173,110	(61.1)
Income tax expense		(1,062)	(725)	46.5
Profit after tax		66,290	172,385	(61.5)
Attributable to:				
Owners of the Company		66,654	171,727	(61.2)
Non-controlling interests		(364)	658	n.m.
Profit after tax		66,290	172,385	(61.5)

n.m. = not meaningful

Notes to the Income Statement

	Group		+ / (-) %
	1H2023 US\$'000	1H2022 US\$'000	
Profit after tax is arrived at after charging (crediting) the following:			
• Depreciation of property, plant and equipment	5,664	3,478	62.9
• Depreciation of right-of-use assets	52,025	45,105	15.3
• Depreciation of investment properties	17	18	-
• Amortisation of intangible assets	168	215	(21.9)
• (Write back of) allowance for impairment on receivables	(622)	200	n.m.
• Finance costs - interest on borrowings	1,023	276	270.7
• Finance costs - interest on lease liabilities	3,477	2,164	60.7

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Notes to the Income Statement (Continued)

	Group		+ / (-) %
	1H2023 US\$'000	1H2022 US\$'000	
(A) Other operating income			
• Rental income	39	101	(61.4)
• Net foreign exchange gains	3,460	-	n.m.
• Gain on disposal of plant, property and equipment, net	33	5	560.0
• Insurance claim	622	-	n.m.
• Gain on acquisition of subsidiary	3,256	-	n.m.
• Others	143	2	n.m.
	7,553	108	n.m.
B) Other operating expenses			
• Net foreign exchange loss	-	(1,609)	n.m.
• Property, plant and equipment written off	(155)	(1)	n.m.
• Claims	-	(2)	n.m.
• Others	-	(12)	n.m.
	(155)	(1,624)	n.m.

Other Comprehensive Income

	Group	
	1H2023 US\$'000	1H2022 US\$'000
Profit after tax for the period	66,290	172,385
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive income of joint venture/associate	(235)	713
Net unrealised loss on revaluation of cash flow hedges	-	25
Exchange differences on translation of foreign operations	1,796	(1,854)
	1,561	(1,116)
Other comprehensive income for the period, net of tax	1,561	(1,116)
Total comprehensive income for the period	67,851	171,269
Total comprehensive income attributable to:		
Owners of the Company	67,835	170,996
Non-controlling interests	16	273
	67,851	171,269

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B. Condensed Interim Statements of Financial Position

	Group		Company	
	30 Jun 23 US\$'000	31 Dec 22 US\$'000	30 Jun 23 US\$'000	31 Dec 22 US\$'000
ASSETS				
Current assets				
Cash and bank balances	312,562	380,855	266,265	330,489
Trade receivables - third parties	83,812	151,801	75,434	144,084
Prepaid operating expenses	15,979	18,843	11,336	15,500
Advance payment for vessel purchase	32,945	-	-	-
Other receivables and deposits	2,114	1,890	208	124
Due from immediate holding company (non-trade)	260	256	-	-
Due from immediate holding company (trade)	4,573	5,067	4,546	5,041
Due from subsidiaries (trade)	-	-	2,784	5,849
Due from subsidiaries (non-trade)	-	-	61,938	1,981
Due from related companies (trade)	10,885	9,544	8,640	8,017
Due from non-controlling interest of subsidiary (trade)	437	1	-	-
Lease receivables	271	253	271	253
Inventories	1,527	1,986	1,051	1,548
	465,365	570,496	432,473	512,886
Non-current assets				
Investment properties	915	933	491	503
Property, plant and equipment	153,148	119,841	66,116	63,119
Right-of-use assets	196,167	159,322	187,705	152,130
Intangible assets	982	502	312	480
Subsidiaries	-	-	56,532	56,532
Joint venture	39,223	35,550	26,917	26,917
Deferred tax assets	408	338	-	-
Due from subsidiary (non-trade)	-	-	2,631	3,124
Lease receivables	1,215	1,355	1,215	1,355
	392,058	317,841	341,919	304,160
Total assets	857,423	888,337	774,392	817,046

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Condensed Interim Statements of Financial Position (Continued)

	Group		Company	
	30 Jun 23 US\$'000	31 Dec 22 US\$'000	30 Jun 23 US\$'000	31 Dec 22 US\$'000
LIABILITIES AND EQUITY				
Current liabilities				
Bank term loans and borrowings	5,043	4,749	791	791
Trade payables	25,222	39,100	19,811	36,237
Other payables and liabilities	64,620	84,689	55,756	73,101
Due to subsidiary (trade)	-	-	75	51
Due to subsidiaries (non-trade)	-	-	2,633	2,574
Due to related companies (trade)	407	158	39	26
Due to non-controlling interest of subsidiaries (non-trade)	51	54	-	-
Lease liabilities	58,318	86,375	56,763	85,306
Income tax payable	2,676	1,823	1,443	616
	156,337	216,948	137,311	198,702
Non-current liabilities				
Bank term loans and borrowings	22,078	24,317	9,999	10,383
Lease liabilities	134,342	72,690	126,983	66,195
Retirement benefit obligations	888	654	-	-
Deferred tax liabilities	25	25	-	-
Due to non-controlling interest of subsidiaries (non-trade)	313	760	-	-
	157,646	98,446	136,982	76,578
Capital, reserves and non-controlling interests				
Share capital	68,761	68,761	68,761	68,761
Treasury shares	(174)	(174)	(174)	(174)
Retained earnings	458,198	491,930	431,512	473,179
Other reserves	1,495	1,722	-	-
Foreign currency translation reserve	(921)	(2,337)	-	-
Equity attributable to owners of the Company	527,359	559,902	500,099	541,766
Non-controlling interests	16,081	13,041	-	-
Total equity	543,440	572,943	500,099	541,766
Total liabilities and equity	857,423	888,337	774,392	817,046

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C. Condensed Interim Consolidated Statements of Cash Flows

	Group	
	1H2023 US\$'000	1H2022 US\$'000
Cash flows from operating activities		
Profit before tax	67,352	173,110
Adjustments:		
Depreciation of property, plant and equipment	5,664	3,478
Depreciation of right-of-use assets	52,025	45,105
Amortisation of intangible assets	168	215
Depreciation of investment properties	18	18
Gain on disposal of property, plant and equipment	(33)	(5)
Gain on acquisition of subsidiary	(3,256)	-
(Write back of) allowance for impairment on receivables	(622)	200
Finance costs	4,500	2,440
Finance income	(6,335)	(309)
Share of results of joint venture/associate	(3,907)	(724)
Property, plant and equipment written off	160	1
Net foreign exchange (gain) loss	(1,107)	323
Operating cashflows before working capital changes	114,627	223,852
Decrease (increase) in:		
Inventories	459	(877)
Trade receivables	68,767	(49,820)
Other receivables and deposits	(214)	220
Prepaid operating expenses	2,972	(5,667)
Advance payment for vessel purchase	(32,945)	-
Due from immediate holding company	495	(521)
Due from related companies	(1,366)	(2,458)
Due from non-controlling interest of subsidiary	(436)	166
Increase (decrease) in:		
Trade payables	(13,878)	13,764
Other payables and liabilities	(19,235)	(2,324)
Due to related companies	249	(182)
Cash generated from operations	119,495	176,153
Interest paid	(4,500)	(2,440)
Income tax paid	(286)	(584)
Net cash from operating activities	114,709	173,129

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Condensed Interim Consolidated Statements of Cash Flows (Continued)

	Group	
	1H2023	1H2022
	US\$'000	US\$'000
Cash flows from investing activities		
Interest income received	6,335	309
Proceeds from disposal of property, plant and equipment	35	7
Purchase of property, plant and equipment	(32,585)	(16,837)
Purchase of intangible assets	-	(20)
Dividends paid to non-controlling shareholder	(254)	(116)
Acquisition of subsidiary net of cash acquired	-	(7,398)
Net cash used in investing activities	(26,469)	(24,055)
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(55,305)	(44,732)
Proceed from lease receivables	122	-
Proceeds from bank term loans and borrowing	450	8,750
Repayment of bank term loans and borrowing	(2,388)	(1,003)
Dividend paid	(100,378)	(52,256)
(Increase) decrease in pledged deposits	(115)	27
Repayment on loan from non-controlling interest of subsidiary	(450)	(444)
Net cash used in financing activities	(158,064)	(89,658)
Net increase in cash and cash equivalents	(69,824)	59,416
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,416	(1,469)
Cash and cash equivalents at the beginning of the period	379,556	186,091
Cash and cash equivalents at the end of the period	311,148	244,038
Cash and bank balances (current)	312,562	245,113
Less: Pledged deposits	(1,414)	(1,075)
Cash and cash equivalents at the end of the period	311,148	244,038

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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 2023	68,761	(174)	1,722	(2,337)	491,930	559,902	13,041	572,943
Profit for the period	-	-	-	-	66,654	66,654	(364)	66,290
Other comprehensive income for the period	-	-	(235)	1,416	-	1,181	380	1,561
Total	-	-	(235)	1,416	66,654	67,835	16	67,851
Transactions with owners, recognised directly in equity								
Dividend paid	-	-	-	-	(100,378)	(100,378)	(254)	(100,632)
Transfer to mandatory reserves fund	-	-	8	-	(8)	-	-	-
Effects arising from business combinations	-	-	-	-	-	-	3,278	3,278
Total	-	-	8	-	(100,386)	(100,378)	3,024	(97,354)
Balance as at 30 Jun 2023	68,761	(174)	1,495	(921)	458,198	527,359	16,081	543,440
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)
Effects arising from business combinations	-	-	-	-	-	-	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

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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 2023	68,761	(174)	-	473,179	541,766
Profit for the period, representing total comprehensive income for the period	-	-	-	58,711	58,711
	-	-	-	58,711	58,711
Transactions with owners, recognised directly in equity					
Dividend paid	-	-	-	(100,378)	(100,378)
Total	-	-	-	(100,378)	(100,378)
Balance as at 30 Jun 2023	68,761	(174)	-	431,512	500,099
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

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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 2023 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 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/ gain arising from acquisition of business***

Goodwill/ gain arising from acquisition of subsidiary was determined upon the completion of 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. As the fair value of the identifiable net assets was in excess of the purchase consideration, a bargain purchase gain was recognised.

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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	Agencies & Logistics	Eliminations	Group
1H2023	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue ⁽¹⁾					
- External sales	288,486	7,758	9,657	-	305,901
- Inter-segment sales	129	-	1,521	(1,650)	-
Total revenue	288,615	7,758	11,178	(1,650)	305,901
Segment results	56,962	2,228	2,864	(444)	61,610
Financial income	5,980	299	204	(148)	6,335
Financial expenses	(3,678)	(763)	(207)	148	(4,500)
Share of results of joint venture	-	3,907	-	-	3,907
Profit before tax	59,264	5,671	2,861	(444)	67,352
Tax					(1,062)
Profit after tax					66,290
Segment assets ⁽¹⁾	698,149	100,841	58,025	-	857,015
Unallocated assets					408
					857,423
Segment liabilities	(272,531)	(19,279)	(19,472)	-	(311,282)
Unallocated liabilities					(2,701)
					(313,983)
Capital expenditure	5,023	143	27,452	-	32,618
Depreciation of property, plant and equipment	1,870	1,754	2,040	-	5,664
Depreciation of right-of-use assets	51,159	-	866	-	52,025
Amortisation of intangible assets	168	-	-	-	168
Depreciation of investment properties	13	-	4	-	17
Allowance for impairment on receivables	(591)	24	(55)	-	(622)

⁽¹⁾ During the period ended 30 June 2023, PT Samudera Shipping Indonesia recorded revenue of USD3.30 million and as at 30 June 2023, its non-current assets stand at USD9.08 million.

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3. Segment and Revenue Information (continued)

	Container Shipping	Bulk & Tanker Shipping	Agencies & Logistics	Eliminations	Group
1H2022	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue ⁽¹⁾					
- 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	850	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	-	724	-	-	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)

Disaggregation of Revenue

	Container Shipping	Bulk & Tanker Shipping	Agencies & Logistics	Eliminations	Group
1H2023	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Freight operations	283,647	-	-	(129)	283,518
Charter hire (time and voyage charter)	-	7,602	-	-	7,602
Ship management and operation services	-	-	155	-	155
Sea freight forwarding services	-	-	2,094	-	2,094
Other services	4,968	156	8,929	(1,521)	12,532
Total revenue	288,615	7,758	11,178	(1,650)	305,901

Timing of revenue recognition

Over time:

- Freight operations	283,647	-	-	(129)	283,518
- Charter hire (time and voyage charter)	-	7,602	-	-	7,602
- Ship management and operation services	-	-	155	-	155
- Other services	4,968	156	8,929	(1,521)	12,532
	288,615	7,758	9,084	(1,650)	303,807

Point in time:

- Sea freight forwarding services	-	-	2,094	-	2,094
	288,615	7,758	11,178	(1,650)	305,901

	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

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3. Segment and Revenue Information (continued)

Geographical segment

	Revenue	
	1H2023 US\$'000	1H2022 US\$'000
Container Shipping and Agencies & Logistics*		
Indonesia	106,816	165,026
South East Asia (excluding Indonesia)	140,745	208,590
Middle East and Indian Sub-continent	41,975	93,984
Far East (including China and Hong Kong)	3,553	4,157
Others	5,054	368
Total revenue for Container Shipping and Agencies & Logistics	298,143	472,125

*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 is no material related party transaction apart from those disclosed elsewhere in the financial statements and other information required under listing manual.

5. Taxation

	Group	
	1H2023 US\$'000	1H2022 US\$'000
Current income tax expense	1,118	725
Deferred income tax expense relating to origination and reversal of temporary differences	(56)	-
	1,062	725

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 2023		As at 31 Dec 2022	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	5.04	-	4.75	-
Amount repayable after one year	22.08	-	24.32	-
	27.12	-	29.07	-

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 subsidiary
- Assignment of income derived from certain charter hire contracts of the subsidiary
- Assignment of insurance of certain vessels of the subsidiary
- Legal mortgages over land and properties of the Company and the subsidiaries
- Assignment of insurance and income or proceeds of sale if any of land and properties of the Company and the subsidiaries

7. Leases

During the half-year period ended 30 June 2023, the Group has capitalised US\$90,861,000 of long term leases into right-of-use assets.

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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.

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.

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

	US\$'000
Assets	
Property, plant & equipment	22,437
Cash and cash equivalents	2,102
Trade receivables	2,467
Intangible asset	670
Other current assets	117
Other non-current assets	240
	<u>28,033</u>
Liabilities	
Trade payables	(53)
Other payables	(1,226)
Tax payables	(171)
Loan payables	(332)
Employee benefits obligation	(739)
	<u>(2,521)</u>
Total identifiable net assets at fair value	25,512
Non-controlling Interest (50%)	12,756
Gain on acquisition	(3,256)
Purchase consideration transferred	<u>9,500</u>

The purchase price allocation report for the share acquisition of SLS was completed within one year from the acquisition date. The effect of the purchase price allocation had been recorded in the 1st half yearly results ended 30 June 2023.

9. Subsequent Events

There is no known subsequent event which requires adjustment 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 2023, 31 Dec 2022 and 30 Jun 2022	539,131,199	68,761

- a) During the period ended 30 June 2023, there was no change in the Company's share capital.
- b) As at 30 June 2023, total issued share capital of the Company was 539,131,199 (30 June 2022: 539,131,199) ordinary shares which include 1,093,000 (30 June 2022: 1,093,000) ordinary shares held as treasury shares and no subsidiary holdings (30 June 2022: Nil). As at 30 June 2023, the percentage of treasury shares approximate 0.2% (30 June 2022: 0.2%) of the total number of issued shares excluding treasury shares.
- c) As at 30 June 2023, there were no outstanding convertibles (30 June 2022: Nil).
- d) Total number of issued shares excluding treasury shares as at 30 June 2023 was 538,038,199 (31 December 2022: 538,038,199) shares.
- e) There is no sales, transfer, cancellation and/or use of treasury shares as at 30 June 2023.
- f) There is no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 June 2023.

2. Net Asset Value

	Group		Company	
	30 Jun 23	31 Dec 22	30 Jun 23	31 Dec 22
	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	98.02	104.06	92.95	100.69

Net asset value per ordinary share as at 30 June 2023 and 31 December 2022 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199.

3. Earnings per ordinary share

	Group	
	1H 2023	1H 2022
	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	12.39	31.92
(ii) On a fully diluted basis	12.39	31.92

Earnings per ordinary share for the half year ended 30 June 2023 and 30 June 2022 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

For the six months ended 30 June 2023 ("1H2023"), the Group recorded a 35.8% decrease in revenue to USD305.9 million, compared to USD476.2 million in the previous corresponding period ("1H2022").

In the container shipping segment, revenue declined 37.7% to USD288.5.0 million, from USD463.3 million a year ago, amid a decrease in average freight rates and container volume handled. Volume handled amounted to 907,000 TEUs in 1H2023, compared to 957,000 TEUs in 1H2022.

The bulk and tanker segment registered a 88.5% rise in revenue to USD7.8 million, from USD4.1 million in 1H2022, following the deployment of two additional chemical tankers that were added to the Group's fleet in April and November 2022.

Revenue from the agency and logistics business grew 9.6% to USD9.7 million, from USD8.8 million in the previous corresponding period. This took into account revenue contribution from a logistics subsidiary in Indonesia in which the Group had acquired a 50% stake in May 2022.

Cost of sales for 1H2023 declined by 16.7% to USD242.0 million, from USD290.5 million in 1H 2022 in tandem with the lower business activity.

The Group recorded a foreign exchange gain of USD3.5 million, compared to a loss of USD1.6 million in 1H2022, on account of the strengthening of the Indonesia Rupiah and the Singapore Dollar against the US Dollar.

Other operating income rose to USD4.1 million, from USD0.1 million a year ago, mainly due to a USD3.2 million gain on consolidation in relation to the Group's acquisition of a 50% stake in the logistics subsidiary in Indonesia.

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The Group recorded higher financial income of USD6.3 million in 1H2023, compared to USD0.3 million a year ago, in view of higher interest rate income received for its fixed deposits.

Share of profit from its joint venture company rose to USD3.9 million, from USD0.7 million in 1H2022, following the increase in the Group's stake in the joint venture company to 50% in December 2022, from 25% previously.

On account of the above, the Group recorded a net profit after tax of USD66.3 million in 1H2023, compared to USD172.4 million in 1H2022.

Balance sheet

Fixed assets increased to USD153.1 million as at 30 June 2023, compared to USD119.8 million as at 31 December 2022, following the addition of a liquid petroleum gas vessel in June 2023 to the Group's fleet.

Right-of-use assets increased to USD196.2 million as at 30 June 2023, compared to USD159.3 million as at 31 December 2022, taking into account the addition of three container vessels on long-term time charter in 1H2023.

The Group recorded cash and bank balances of USD312.6 million as at end-1H2023, compared to USD380.9 million as at 31 December 2022, taking into account dividend payment and progressive payments for the acquisition of container vessels.

The decline in trade receivables and payables reflected the lower level of business activity and the corresponding decrease in operating costs.

Lease liabilities increased to US\$192.7 million as at end of 1H2023, compared to USD159.1 million as at end of FY2022, in view of three additional container vessels on long-term time charter.

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.

The ongoing normalisation of consumer behaviour and inventory stocking to pre-pandemic levels is expected to weigh down on demand for container shipping services. Meanwhile, more capacity continues to come onstream amid delivery of newbuilds and resolved port congestions. The Group thus expects the outlook for container freight activity and rates to remain subdued. At the same time, bunker prices are expected to see some volatility given geopolitical tensions.

The Group has taken delivery of three containerships on long-term time charter in 1H2023, which replace the container vessels that were off-hired. A younger and more efficient fleet will allow the Group to manage its operating costs more efficiently, in tandem with its asset-light strategy.

The Group has in June 2023 added a liquefied petroleum gas tanker to its tanker fleet, which remains gainfully employed. Its agency and logistics business is also expected to continue yielding positive returns. The Group intends to continue efforts to identify viable opportunities to grow its operations in both business segments.

The Group will maintain its nimble and prudent approach to cost and operations management, in view of an uncertain global economic outlook. It will also continue to work closely with its partners and customers to meet their requirements and grow its business sustainably.

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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)	2.0
Tax Rate	Tax exempt
Total Dividend declared	S\$ 10,761,000

The Board of Directors are pleased to declare a tax exempt one-tier interim cash dividend of 2.0 Singapore cents per share (30 June 2022: 7.0 Singapore cents per share) in respect of the half year ended 30 June 2023.

(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)	7.0
Tax Rate	Tax exempt
Total Dividend declared	S\$ 37,663,000

(c) Date Payable

18 August 2023

(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 2023

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	
		1H2023 US\$'000	1H2022 US\$'000
<u>Expenses</u>			
<u>PT. Samudera Indonesia Tbk</u>	Immediate holding company		
Office rental		3	1
Vessel charter hire		4,084	1,575
<u>PT. Samudera Agencies Indonesia</u>	Related company		
Agency commissions ⁽¹⁾		1,129	1,303
<u>PT. Samudera Indonesia Ship Management</u>	Related company		
Ship management fees		133	219
<u>Samudera Ship Management Pte Ltd</u>	Subsidiary		
Ship management fees		145	-
<u>PT. Perusahaan Pelayaran Nusantara Panurjwan</u>	Related company		
Vessel charter hire		5,069	3,343
<u>PT Masaji Tatanan Kontainer Indonesia</u>	Related company		
Container depot		82	68
<u>PT. Tangguh Samudera Jaya</u>	Related company		
Stevedorage charges		-	2,771
<u>Revenue</u>			
<u>PT. Samudera Energi Tangguh</u>	Related company		
Vessel charter hire		3,142	2,989
		13,787	12,269

⁽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	
		1H2023 US\$'000	1H2022 US\$'000
Expenses			
<u>PT. Perusahaan Pelayaran Nusantara Panurjwan</u>	Related company		
Freight expenses		8	4
<u>PT. Praweda Sarana Informatika</u>	Related company		
Software development and system maintenance		148	201
<u>PT. Ista Indonesia</u>	Related company		
Car rental		19	44
<u>PT Satuan Harapan Indonesia</u>	Related company		
Security services		278	-
		453	249

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 2023 to be false or misleading in any material aspect.

Bani Maulana Mulia
Executive Director, Group CEO

Ridwan Hamid
Executive Director, Group Business Support

BY ORDER OF THE BOARD

Ridwan Hamid
Executive Director, Group Business Support
27 July 2023