

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

VESSEL DISPOSAL UNDER THE DISPOSAL MANDATE

1. INTRODUCTION

The board of directors (the "**Board**") of Samudera Shipping Line Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the following:

- (a) Circular to shareholders dated 12 April 2017 (the "**Circular**") relating to, *inter alia*, the proposed adoption of the disposal mandate for proposal disposal of the vessels (the "**Disposal Mandate**"); and
- (b) Announcement made by the Company on 26 October 2017 relating to the disposal of Sinar Jogya and Sinar Padang ("**October Announcement**")
- (c) Announcement made by the Company on 22 December 2017 relating to the disposal of Sinar Panjang ("**December Announcement**")

Shareholders of the Company have approved the Disposal Mandate at the extraordinary general meeting of the Company held on 27 April 2017.

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

2. VESSEL DISPOSAL

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

Sinar Emas is an 18 years old Indonesia flagged oil tanker. The memorandum of agreement for the sale of Sinar Emas was executed between PTSSS and an unrelated third party.

The net consideration for the sale of Sinar Emas was US\$6.9 million, which was arrived at on a willing buyer-willing seller basis. The Company has received the full purchase consideration for the sale of Sinar Emas which was paid in the following manner:

- (a) 10% of the purchase consideration was paid to the Group as down payment following the signing of memorandum of agreement; and
- (b) the remaining 90% of the purchase consideration was paid upon delivery of Sinar Emas in February 2018.

As committed by the Company in the Circular, the sale price of Sinar Emas is not lower than 90% of the value of Sinar Emas as determined by the independent valuer.

3. DISPOSAL PROCEEDS

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

The book value of the vessel is US\$6.4 million. Accordingly, the disposal of the vessel results in the Group recording a net profit of US\$543,000 (after taking into consideration costs to sell and bunker onboard).

4. PRINCIPLE TERMS OF DISPOSAL

The memorandums of agreement for the sale of Sinar Emas were based the SALEFORM 2012 (revised 1966, 1983 and 1986/87, 1993 and 2012) prescribed by the Norwegian Shipbrokers' Association for sale and purchase of vessels and adopted by the Baltic and International Maritime Council in 1956 with modification to cater for the specific sale of Sinar Emas.

5. FINANCIAL EFFECTS

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

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

based on the unaudited consolidated financial statement of the Group for the financial year ended 31 December 2017 are set out below.

(b) NTA

Assuming that the vessel had been disposed of on 31 December 2017, the effect on the NTA per share as at 31 December 2017 would be as follows:

	Before the disposal of the vessel	After the disposal of the vessel
Consolidated NTA (US\$)	245,671,000	246,132,000
Consolidated NTA per share (US cents)	45.66	45.75

(c) EPS

Assuming that the vessel had been disposed of on 1 January 2017, the effect on the EPS of the Group would be as follows:

	Before the disposal of the vessel	After the disposal of the vessel
EPS (US cents)	1.10	0.81

6. RATIONALE FOR THE DISPOSAL

As disclosed in the Circular, under the current Indonesian shipping law, the Group is restricted from owning and registering new Indonesia flagged vessels. Arising therefrom, the Group will not be able to acquire new Indonesia flagged vessel to rejuvenate aging and/or non-competitive Indonesia flagged vessels.

The Group has adopted the strategic approach of gradually selling or scrapping Indonesia flagged vessel. Once all the Indonesia flagged vessels are sold/scrapped, the Group will cease to provide shipping services for domestic route within Indonesia. However, the Group will continue to provide shipping services for international route from and to Indonesia as well as potentially investing in a minority stake in Indonesian company which provides shipping services for domestic route within Indonesia.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

8. OTHER INFORMATION

- (a) No person has been or is proposed to be appointed as director of the Company in connection with the disposal of the vessel. Accordingly, no service contract has been or is proposed to be entered into between the Company and any such person.
- (b) Copies of the memorandum of agreement for the disposal of the vessel and the valuation for the vessel 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
4 April 2018

RELATIVE FIGURES

1. VESSELS DISPOSAL

The relative figures for the disposal of Sinar Jogya^{(1) (2)}, Sinar Padang^{(1) (2)}, Sinar Panjang^{(3) (4)} and Sinar Emas on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative figures (%)
(a)	Net asset value of the assets disposed of, compared with the Group's net asset value as at 31 December 2017	6.5
(b)	The net profit attributable to the assets disposed of, compared with the Group's net profit as at 31 December 2017	15.4
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 2 April 2018 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

Note:

- (1) As Sinar Jogya and Sinar Padang were disposed of prior to the release of the third quarter financial results of the Company, in the October Announcement, the Company has computed the relative figures for the disposal of Sinar Jogya and Sinar Padang based on the net asset value and net profit of the Group as at 30 June 2017. Kindly refer to the October Announcement for more information.
- (2) Kindly note that, in the October Announcement, the aggregate value of the consideration received by the Group for the disposal of Sinar Jogya and Sinar Padang was compared against the market capitalization of the Company as at 23 October 2017. Kindly refer to the October Announcement for more information.
- (3) As Sinar Panjang was disposed of prior to the release of the full year financial results of the Company, in the December Announcement, the Company has computed the relative figures for the disposal of Sinar Panjang based on the net asset value and net profit of the Group as at 30 September 2017. Kindly refer to the December Announcement for more information.

- (4) Kindly note that, in the December Announcement, the value of the consideration received by the Group for the disposal of Sinar Panjang was compared against the market capitalization of the Company as at 20 December 2017. Kindly refer to the December Announcement for more information.

2. DISPOSAL OF SINAR EMAS

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

Rule 1006	Bases	Relative figures (%)
(a)	Net asset value of the assets disposed of, compared with the Group's net asset value as 31 December 2017	2.6
(b)	The net profit attributable to the assets disposed of, compared with the Group's net profit as at 31 December 2017	15.5
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation as at 2 April 2018 based on the total number of shares excluding treasury shares	7.0
(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