

LETTER TO SHAREHOLDERS DATED 12 April 2019

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY**

This Letter is issued to Shareholders together with the 2018 Annual Report. The resolution proposed to be passed in relation to the above matter is set out in the Notice of AGM attached to the 2018 Annual Report.

If you are in any doubt about the contents of this Letter or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Samudera Shipping Line Ltd. (the "**Company**"), you should forward this Letter, the 2018 Annual Report and proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.



**SAMUDERA SHIPPING**

**SAMUDERA SHIPPING LINE LTD**

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

**LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED CHANGE OF AUDITORS FROM  
DELOITTE & TOUCHE LLP TO ERNST & YOUNG LLP**

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## DEFINITIONS

In this Letter, the following definitions apply throughout unless the context otherwise requires or otherwise stated: -

- “2018 Annual Report”** : The annual report of the Company for the financial year ended 31 December 2018.
- “2019 AGM”** : The annual general meeting of the Company to be held on 29 April 2019 at M Hotel Singapore, Anson III, Level 2, 81 Anson Road Singapore 079908 at 10:00 a.m., a notice of which is enclosed with the 2018 Annual Report.
- “ACRA”** : Accounting and Corporate Regulatory Authority of Singapore.
- “AGM”** : Annual General Meeting of the Company.
- “Audit Committee”** : The audit committee of the Company as at the Latest Practicable Date.
- “Auditors”** : The auditors of the Company as appointed from time to time.
- “Board”** : The Board of Directors of the Company.
- “CDP” or “Depository”** : The Central Depository (Pte) Limited.
- “Companies Act”** : The Companies Act (Chapter 50 of Singapore) as amended or modified from time to time.
- “Constitution”** : The constitution of the Company.
- “Directors”** : The directors of the Company as at the Latest Practicable Date.
- “Group”** : The Company, its subsidiaries and associated companies.
- “Latest Practicable Date”** : 18 March 2019 being the latest practicable date prior to the printing of this Letter.
- “Letter”** : This letter to Shareholders dated 12 April 2019.
- “Listing Manual”** : The SGX-ST Listing Manual, as amended or modified from time to time.
- “Proposed Change of Auditors”** : The proposed change of Auditors from Deloitte & Touche LLP to Ernst & Young LLP.
- “Securities Account”** : A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent.
- “SFA”** : Securities and Futures Act (Chapter 289 of Singapore) as amended or modified from time to time.
- “SGX-ST”** : Singapore Exchange Securities Trading Limited.

- “Shareholders”** : Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall mean the depositors whose Securities Accounts are credited with Shares.
- “Shares”** : Ordinary shares in the capital of the Company.
- “SSL” or “the Company”** : Samudera Shipping Line Ltd.

The terms “**depositor**”, “**depository agent**” and “**depository register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa, and words importing persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Letter shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Letter are of such laws and regulations (including Listing Manual) as at the Latest Practicable Date.

Any reference to a time of day in this Letter shall be a reference to Singapore time.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

**SAMUDERA SHIPPING LINE LTD**  
(Incorporated in the Republic of Singapore)  
Company Registration Number: 199308462C

**Directors:**

Masli Mulia (Executive Chairman)  
Asmari Herry Prayitno (Executive Director and Chief Executive Officer)  
Hermawan Fridiana Herman (Executive Director, Finance)  
Tan Meng Toon (Executive Director, Commercial)  
Lim Kee Hee (Executive Director, Business Strategic & Development)  
Quah Ban Huat (Lead Independent and Non-Executive Director)  
Chng Hee Kok (Independent and Non-Executive Director)  
Nicholas Peter Ballas (Independent and Non-Executive Director)  
Ng Chee Keong (Independent and Non-Executive Director)  
Lee Lay Eng Juliana (Independent and Non-Executive Director)

**Registered Office:**

6 Raffles Quay #25-01  
Singapore 048580

12 April 2019

To: The Shareholders of Samudera Shipping Line Ltd

Dear Sir/Madam

**1. INTRODUCTION**

- 1.1 The Company's existing Auditors, Deloitte & Touche LLP, were re-appointed as the Auditors of the Company at the last AGM of the Company on 25 April 2018 to hold office until the conclusion of the forthcoming 2019 AGM. Deloitte & Touche LLP has served as Auditors of the Company since the financial year ended 31 December 2010.
- 1.2 The Directors proposes to seek Shareholders' approval at the 2019 AGM for Ernst & Young LLP to be appointed as the Auditors of the Company, in place of Deloitte & Touche LLP.
- 1.3 The Board wishes to express its appreciation for the past services rendered by Deloitte & Touche LLP.
- 1.4 The purpose of this Letter is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval for, the Proposed Change of Auditors.
- 1.5 The SGX-ST takes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Letter.
- 1.6 If you are in any doubt, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

**2. THE PROPOSED CHANGE OF AUDITORS**

**2.1 Background and Rationale**

As part of the ongoing efforts of the Company to enhance its corporate governance, the Board is of the view that it would be appropriate and timely to effect a change of the Auditors. The Board believes that a change in Auditors will enable the Company to benefit from fresh perspectives and views from another professional audit firm and thereby enhance the value of the audit. It is also indicative of the Company's effort to ensure that there would be no actual or perceived issues of independence of Auditors for good corporate governance.

The appointment of Ernst & Young LLP would be effective upon obtaining the approval of Shareholders at the 2019 AGM for the Proposed Change of Auditor. If approved, Ernst & Young LLP will hold office until the conclusion of the next AGM.

In view of the above, Deloitte & Touche LLP will retire and not seek re-appointment as Auditor of the Company at the 2019 AGM, being the end of their current term.

## **2.2 Information on Ernst & Young LLP**

Ernst & Young LLP is an international accounting firm providing audit assurance, tax, transactions and advisory services. In Singapore, Ernst & Young LLP has a history of 129 years, with over 140 partners and close to 3,400 people.

More information about Ernst & Young LLP, its core values and services are provided in Ernst & Young LLP's website at <https://www.ey.com/sg/en/>

The engagement partner-in-charge from Ernst & Young LLP will be Mr. Yee Woon Yim. He has more than 30 years of audit experience in providing audit and assurance services to a variety of clients, including those in the shipping industry. Mr. Yee Woon Yim is also a practising member of the Institute of Singapore Chartered Public Accountants. The Company has been informed that Mr. Yee Woon Yim has been subject to the Public Monitoring Program review by ACRA and has passed the last inspection in 2015.

## **2.3 Compliance with Rule 712 of the Listing Manual**

Ernst & Young LLP is a professional audit firm registered with ACRA. The Board, having considered various factors, including but not limited to the adequacy of the resources and experience of Ernst & Young LLP, the audit engagement partner assigned to the audit, Ernst & Young LLP's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned to the audit, is of the opinion that Ernst & Young LLP will be able to fulfil the audit requirements of the Group, and Rules 715(1) and 715(2) of the Listing Manual have been complied with.

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) Deloitte & Touche LLP has confirmed to Ernst & Young LLP, via its professional clearance letter, that it is not aware of any professional or other reasons why Ernst & Young LLP should not accept the appointment as Auditors;
- (b) The Company confirms that there were no disagreements with Deloitte & Touche LLP on accounting treatments within the last 12 months;
- (c) The Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this Letter;
- (d) The specific reasons for the Proposed Change of Auditors are disclosed in paragraph 2.1 of this Letter; and
- (e) The Company confirms that it complies with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Ernst & Young LLP as its new Auditors.

## **2.4 Compliance with Rule 715 of the Listing Manual**

Upon obtaining Shareholders' approval for the Proposed Change of Auditors, Ernst & Young LLP will be appointed as the Auditors, in place of Deloitte & Touche LLP for the financial year ending 31 December 2019. Ernst & Young LLP will also be appointed as Auditors of all of its Singapore-incorporated subsidiaries and significant associated companies.

In addition to the above, upon obtaining Shareholders' approval for the Proposed Change of Auditors, member firm of Ernst & Young Global LLP will also audit the Company's significant foreign incorporated subsidiaries and associated companies and Rule 715(2) of the Listing Manual has been complied with.

## **2.5 Compliance with SGX-ST Guidance Note on Change of Auditors**

The Proposed Change of Auditors will not result in any change to the scope of audit.

In addition to the factors set out above, the Board also took into account the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of Ernst & Young LLP to act as Auditors.

## **3. AUDIT COMMITTEE'S RECOMMENDATION**

The Audit Committee has reviewed the Proposed Change of Auditors and recommends the appointment of Ernst & Young LLP as the Company's Auditors after taking into account the suitability and independence of Ernst & Young LLP to meet the audit requirement of the Group, the various factors set out in paragraph 2 above and compliance with the requirements of Listing Manual.

## **4. DIRECTORS' RECOMMENDATION**

Taking into account the rationale for the Proposed Change of Auditors, the Directors of the Company are of the opinion that the Proposed Change of Auditors is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the resolution relating to the Proposed Change of Auditors at the 2019 AGM.

## **5. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the 2019 AGM and wish to appoint a proxy to attend and vote on their behalf should complete, sign and return the proxy form attached to the Notice of 2019 AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 6 Raffles Quay #25-01, Singapore 048580 not less than 48 hours before the time fixed for the 2019 AGM. The appointment of proxy by a Shareholder does not preclude him from attending and voting in person at the 2019 AGM if he wishes to do so.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2019 AGM and to speak and vote thereat unless his name appears in the Depository Register maintained by CDP, 72 hours before the 2019 AGM.

## **6. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Company's registered office, 6 Raffles Quay #25-01, Singapore 048580 during normal business hours from the date of this Letter up to and including the date of the 2019 AGM:

- (a) 2018 Annual Report;
- (b) The Constitution of the Company;
- (c) Consent to act as Auditors from Ernst & Young LLP dated 28 March 2019; and
- (d) Professional clearance letter in respect of the Company issued by Deloitte & Touche LLP to Ernst & Young LLP dated 13 March 2019.

Yours faithfully  
for and on behalf of  
the Board of Directors of  
Samudera Shipping Line Ltd

Hermawan Fridiana Herman  
Executive Director, Finance