

FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 and Q3), HALF YEAR AND FULL YEAR RESULTS

1 a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors announces the unaudited results of the Group for the financial year ended 31 December 2019.

1 a)(i) **Income Statement for the financial year ended 31 December 2019**

| | Note | Group | | + / (-) % |
|---|------|---------------------|---------------------|--------------|
| | | FY 2019 US\$'000 | FY 2018 US\$'000 | |
| Revenue | | 373,803 | 422,340 | (11.5) |
| Cost of sales | | (355,855) | (400,730) | (11.2) |
| Gross profit | | 17,948 | 21,610 | (16.9) |
| Other operating income | (A) | 2,611 | 2,043 | 27.8 |
| Marketing expenses | | (7,314) | (8,714) | (16.1) |
| Administrative expenses | | (5,132) | (5,845) | (12.2) |
| Other operating expenses | (B) | (2,797) | (543) | 415.1 |
| Profit from operations | | 5,316 | 8,551 | (37.8) |
| Finance income | | 994 | 701 | 41.8 |
| Finance costs | | (2,866) | (1,809) | 58.4 |
| Operating profit | | 3,444 | 7,443 | (53.7) |
| Share of results of associate/joint venture | | 1,463 | 750 | 95.1 |
| Profit before tax | | 4,907 | 8,193 | (40.1) |
| Income tax expense | | (722) | (452) | 59.7 |
| Profit after tax | | 4,185 | 7,741 | (45.9) |
| Attributable to: | | | | |
| Owners of the Company | | 3,911 | 8,271 | (52.7) |
| Non-controlling interests | | 274 | (530) | (151.7) |
| Profit after tax | | 4,185 | 7,741 | (45.9) |

n.m. = not meaningful

1 a)(ii) **Notes to the Income Statement**

| | Group | | + / (-) % |
|---|---------------------|---------------------|--------------|
| | FY 2019 US\$'000 | FY 2018 US\$'000 | |
| Profit after tax for the period is arrived at after charging (crediting) the following: | | | |
| - Depreciation of property, plant and equipment | 9,222 | 11,372 | (18.9) |
| - Depreciation of right of use assets | 8,567 | - | n.m. |
| - Depreciation of investment properties | 38 | 25 | 52.0 |
| - Amortisation of intangible assets | 53 | 37 | 43.2 |
| - Allowance for impairment loss on receivables | - | 1,251 | n.m. |
| - Write back of allowance for impairment loss on receivables | (38) | - | n.m. |
| - Finance costs - interest on borrowings | 1,964 | 1,809 | 8.6 |
| - Finance costs - interest on lease liabilities | 902 | - | n.m. |
| (A) Other operating income | | | |
| - Rental income | 344 | 330 | 4.2 |
| - Net foreign exchange gains | 919 | 447 | 105.6 |
| - Gain on disposal of plant, property and equipment, net | 129 | 140 | (7.9) |
| - Gain on disposal of assets held for sale (Vessel) | 293 | 544 | (46.1) |
| - Gain on disposal of investment at fair value through profit and loss- investment securities | 3 | 27 | (88.9) |
| - Insurance claim | 827 | - | n.m. |
| - Refund of insurance premium | - | 337 | n.m. |
| - Others | 96 | 218 | (56.0) |
| | 2,611 | 2,043 | 27.8 |

1 a)(ii) **Notes to the Income Statement (continued)**

| | Group | | + / (-) % |
|---|---------------------|---------------------|--------------|
| | FY 2019 US\$'000 | FY 2018 US\$'000 | |
| (B) Other operating expenses | | | |
| - Impairment of investment in preference share and equity | - | (523) | n.m. |
| - Impairment of vessels | (2,665) | - | n.m. |
| - Property, plant and equipment written off | (2) | - | n.m. |
| - Others | (130) | (20) | 550.0 |
| | <u>(2,797)</u> | <u>(543)</u> | 415.1 |

1 a)(iii) **Statement of Comprehensive Income for the year ended 31 December 2019**

| | Group | |
|---|---------------------|---------------------|
| | FY 2019 US\$'000 | FY 2018 US\$'000 |
| Profit after tax for the year | 4,185 | 7,741 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Remeasurement of defined benefit obligation | - | 50 |
| | <u>-</u> | <u>50</u> |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Share of other comprehensive income of associate | 407 | 1,075 |
| Exchange differences on translation of foreign operations | 46 | (318) |
| | <u>453</u> | <u>757</u> |
| Other comprehensive income for the year, net of tax | 453 | 807 |
| Total comprehensive income for the year | 4,638 | 8,548 |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 4,339 | 9,022 |
| Non-controlling interests | 299 | (474) |
| | <u>4,638</u> | <u>8,548</u> |

1 b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Balance Sheets as at

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec 19 US\$'000 | 31 Dec 18 US\$'000 | 31 Dec 19 US\$'000 | 31 Dec 18 US\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | 56,519 | 28,802 | 37,646 | 12,392 |
| Trade receivables - third parties | 60,421 | 70,930 | 52,396 | 60,788 |
| Prepaid operating expenses | 11,714 | 9,797 | 7,283 | 7,417 |
| Other receivables and deposits | 2,923 | 3,148 | 1,568 | 341 |
| Due from immediate holding company (non-trade) | 261 | 2,087 | - | - |
| Due from immediate holding company (trade) | 3,959 | 6,346 | 3,955 | 6,341 |
| Due from subsidiaries (trade) | - | - | 3,357 | 2,298 |
| Due from subsidiaries (non-trade) | - | - | 2,020 | 4,136 |
| Due from related companies (trade) | 9,559 | 8,786 | 3,700 | 5,123 |
| Due from non-controlling interest of subsidiary (trade) | 75 | 493 | - | - |
| Inventories | 1,631 | 2,008 | 1,388 | 1,433 |
| | <u>147,062</u> | <u>132,397</u> | <u>113,313</u> | <u>100,269</u> |
| Assets classified as held for sale | - | - | - | - |
| | <u>147,062</u> | <u>132,397</u> | <u>113,313</u> | <u>100,269</u> |
| Non-current assets | | | | |
| Investment properties | 1,191 | 606 | 580 | 606 |
| Property, plant and equipment | 115,609 | 144,631 | 85,895 | 90,065 |
| Right of use assets* | 7,909 | - | 3,031 | - |
| Intangible assets | 103 | 93 | 103 | 93 |
| Subsidiaries | - | - | 38,632 | 73,204 |
| Associate/joint venture | 14,242 | 12,018 | 10,099 | 10,099 |
| Deferred tax assets | 63 | 85 | - | - |
| Due from subsidiary (non-trade) | - | - | - | 876 |
| | <u>139,117</u> | <u>157,433</u> | <u>138,340</u> | <u>174,943</u> |
| Total assets | 286,179 | 289,830 | 251,653 | 275,212 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Bank term loans | 6,748 | 8,861 | 5,415 | 6,023 |
| Trade payables | 23,617 | 25,653 | 19,349 | 21,747 |
| Other payables and liabilities | 22,532 | 24,512 | 13,645 | 14,665 |
| Due to subsidiary (trade) | - | - | 34 | 57 |
| Due to subsidiaries (non-trade) | - | - | 5,491 | 3 |
| Due to related companies (trade) | 265 | 273 | 7 | 54 |
| Due to non-controlling interest of subsidiaries | 585 | 1,028 | - | - |
| Finance leases | 16 | 18 | 14 | 14 |
| Lease liabilities* | 3,013 | - | 2,723 | - |
| Income tax payable | 1,041 | 1,223 | 359 | 369 |
| | <u>57,817</u> | <u>61,568</u> | <u>47,037</u> | <u>42,932</u> |
| Non-current liabilities | | | | |
| Bank term loans | 28,224 | 34,182 | 20,815 | 18,092 |
| Finance leases | 67 | 82 | 67 | 80 |
| Lease liabilities* | 5,853 | - | 1,121 | - |
| Retirement benefit obligations | 1 | 26 | - | - |
| Deferred tax liabilities | 16 | 40 | - | - |
| Due to non-controlling interest of subsidiaries | 1,044 | 577 | - | - |
| | <u>35,205</u> | <u>34,907</u> | <u>22,003</u> | <u>18,172</u> |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 68,761 | 68,761 | 68,761 | 68,761 |
| Treasury shares | (174) | (174) | (174) | (174) |
| Retained earnings | 122,757 | 121,041 | 114,026 | 145,521 |
| Other reserves | (774) | (409) | - | - |
| Foreign currency translation reserve | (122) | (143) | - | - |
| Equity attributable to owners of the Company | <u>190,448</u> | <u>189,076</u> | <u>182,613</u> | <u>214,108</u> |
| Non-controlling interests | 2,709 | 4,279 | - | - |
| Total equity | 193,157 | 193,355 | 182,613 | 214,108 |
| Total liabilities and equity | 286,179 | 289,830 | 251,653 | 275,212 |

*Refer to Paragraph 5 on Page 7 for details

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

1 b)(ii) **The aggregate amount of the group's borrowings and debt securities**

| | As at 31 Dec 2019 | | As at 31 Dec 2018 | |
|--|--------------------------|---------------------------|--------------------------|---------------------------|
| | Secured US\$ million | Unsecured US\$ million | Secured US\$ million | Unsecured US\$ million |
| Amount repayable in one year or less, or on demand | 6.76 | - | 8.88 | - |
| Amount repayable after one year | 28.29 | - | 34.26 | - |
| | <u>35.05</u> | <u>-</u> | <u>43.14</u> | <u>-</u> |

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

1 c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Cashflow Statement for the year ended

| | Group | |
|--|-----------------|-----------------|
| | FY 2019 | FY 2018 |
| | US\$'000 | US\$'000 |
| Cash flows from operating activities | | |
| Profit before tax | 4,907 | 8,193 |
| Adjustments: | | |
| Depreciation of property, plant and equipment | 9,222 | 11,372 |
| Depreciation of right of use | 8,567 | - |
| Amortisation of intangible assets | 53 | 37 |
| Depreciation of investment properties | 38 | 25 |
| Gain on disposal of property, plant and equipment | (129) | (140) |
| Gain on disposal of assets held for sale (vessel) | (293) | (544) |
| Net gain on disposal of investments at fair value through profit or loss - investment securities | (3) | (27) |
| Allowance for impairment on receivables | - | 1,251 |
| Write back of allowance for impairment on receivables | (38) | - |
| Finance costs | 2,866 | 1,809 |
| Finance income | (994) | (701) |
| Share of results of associate/joint venture | (1,463) | (750) |
| Impairment of investment in preference shares and equity | - | 523 |
| Impairment of vessels | 2,665 | - |
| Property, plant and equipment written off | 2 | - |
| Net foreign exchange loss (gain) | 225 | (169) |
| Operating cashflows before working capital changes | 25,625 | 20,879 |
| Decrease (increase) in: | | |
| Inventories | 377 | 399 |
| Trade receivables | 10,816 | (12,598) |
| Other receivables and deposits | 225 | (1,057) |
| Prepaid operating expenses | (1,917) | (621) |
| Due from immediate holding company | 4,244 | (1,015) |
| Due from related companies | (1,145) | (6,006) |
| Due from joint venture | 72 | (33) |
| Due from non-controlling interest of subsidiary | 418 | (493) |
| Increase (decrease) in: | | |
| Trade payables | (2,036) | 1,791 |
| Other payables and liabilities | (1,921) | (847) |
| Due to related companies | (8) | (80) |
| Due to joint venture | - | (56) |
| Due to immediate holding company | - | (63) |
| Cash generated from operations | 34,750 | 200 |
| Interest paid | (2,866) | (1,809) |
| Income tax paid | (904) | (547) |
| Net cash from (used in) operating activities | 30,980 | (2,156) |
| Cash flows from investing activities | | |
| Interest income received | 994 | 701 |
| Proceeds from disposal of property, plant and equipment | 54 | 928 |
| Proceeds from disposal of current assets held for sale | 20,858 | 6,982 |
| Proceeds from disposal of investments at fair value through profit or loss - investment securities | 293 | 881 |
| Purchase of property, plant and equipment | (4,004) | (4,076) |
| Purchase of intangible assets | (63) | (97) |
| Purchase of investments securities | (290) | (854) |
| Additional investment in subsidiary by a non-controlling interest | 89 | - |
| Capital reduction in subsidiary held by a non-controlling interest | (1,826) | - |
| Due from joint venture | (338) | (274) |
| Net cash from investing activities | 15,767 | 4,191 |
| Cash flows from financing activities | | |
| Repayment of finance leases | (18) | (6) |
| Proceeds from lease liabilities | 1,029 | - |
| Repayment of lease liabilities | (8,639) | - |
| Proceeds from bank term loans | 18,146 | 30,209 |
| Repayment of bank term loans | (26,485) | (50,075) |
| Dividend paid | (2,967) | (3,034) |
| (Increase) decrease in pledged deposits | (713) | 3,689 |
| Dividend paid to non-controlling shareholder of subsidiaries | (132) | - |
| Loan from non-controlling interest of subsidiary | 15 | 412 |
| Net cash used in financing activities | (19,764) | (18,805) |
| Net increase (decrease) in cash and cash equivalents | 26,983 | (16,770) |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | 21 | (374) |
| Cash and cash equivalents at the beginning of the year | 20,749 | 37,893 |
| Cash and cash equivalents at the end of the year | 47,753 | 20,749 |
| Cash and bank balances (current) | 56,519 | 28,802 |
| Less: Pledged deposits | (8,766) | (8,053) |
| Cash and cash equivalents at the end of the year | 47,753 | 20,749 |

- 1 d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding period.

Statements of Changes in Equity for the year ended 31 December 2019

| | 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 31 Dec 2018 | 68,761 | (174) | (409) | (143) | 121,041 | 189,076 | 4,279 | 193,355 |
| Profit for the year | - | - | - | - | 3,911 | 3,911 | 274 | 4,185 |
| Other comprehensive income for the year | - | - | 407 | 21 | - | 428 | 25 | 453 |
| Total | - | - | 407 | 21 | 3,911 | 4,339 | 299 | 4,638 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | | |
| Additional investment in subsidiary by a non-controlling interest | - | - | - | - | - | - | 89 | 89 |
| Capital reduction in subsidiary held by a non-controlling interest | - | - | - | - | - | - | (1,826) | (1,826) |
| Extinguishment of employment benefits obligation | - | - | (772) | - | 772 | - | - | - |
| Dividend paid | - | - | - | - | (2,967) | (2,967) | (132) | (3,099) |
| Total | - | - | (772) | - | (2,195) | (2,967) | (1,869) | (4,836) |
| Balance as at 31 Dec 2019 | 68,761 | (174) | (774) | (122) | 122,757 | 190,448 | 2,709 | 193,157 |
| Balance as at 31 Dec 2017 | 68,761 | (174) | (1,534) | (12,400) | 191,051 | 245,704 | 4,753 | 250,457 |
| Adoption of SFRS(I) 1 | - | - | - | 12,631 | (75,364) | (62,733) | - | (62,733) |
| Adoption of SFRS(I) 9 | - | - | - | - | 117 | 117 | - | 117 |
| As restated at 1 Jan 2018 | 68,761 | (174) | (1,534) | 231 | 115,804 | 183,088 | 4,753 | 187,841 |
| Profit for the year | - | - | - | - | 8,271 | 8,271 | (530) | 7,741 |
| Other comprehensive income for the year | - | - | 1,125 | (374) | - | 751 | 56 | 807 |
| Total | - | - | 1,125 | (374) | 8,271 | 9,022 | (474) | 8,548 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | | |
| Dividend paid | - | - | - | - | (3,034) | (3,034) | - | (3,034) |
| Total | - | - | - | - | (3,034) | (3,034) | - | (3,034) |
| Balance as at 31 Dec 2018 | 68,761 | (174) | (409) | (143) | 121,041 | 189,076 | 4,279 | 193,355 |
| COMPANY | | | | | | | | |
| Balance as at 31 Dec 2018 | 68,761 | (174) | | | 145,521 | | | 214,108 |
| Loss for the year, representing total comprehensive loss for the year | - | - | | | (28,528) | | | (28,528) |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | | |
| Dividend paid | - | - | | | (2,967) | | | (2,967) |
| Total | - | - | | | (2,967) | | | (2,967) |
| Balance as at 31 Dec 2019 | 68,761 | (174) | | | 114,026 | | | 182,613 |
| Balance as at 31 Dec 2017 | 68,761 | (174) | | | 164,517 | | | 233,104 |
| Adoption of SFRS(I) 1 | - | - | | | (23,422) | | | (23,422) |
| Adoption of SFRS(I) 9 | - | - | | | 117 | | | 117 |
| As restated at 1 Jan 2018 | 68,761 | (174) | | | 141,212 | | | 209,799 |
| Profit for the year, representing total comprehensive profit for the year | - | - | | | 7,343 | | | 7,343 |
| Total | - | - | | | 7,343 | | | 7,343 |
| <i>Transactions with owners, recognised directly in equity</i> | | | | | | | | |
| Dividend paid | - | - | | | (3,034) | | | (3,034) |
| Total | - | - | | | (3,034) | | | (3,034) |
| Balance as at 31 Dec 2018 | 68,761 | (174) | | | 145,521 | | | 214,108 |

- 1 d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the financial year ended 31 Dec 2019, there was no change in the Company's share capital.

As at 31 Dec 2019, total issued share capital of the Company was 539,131,199 (31 Dec 2018: 539,131,199) ordinary shares which include 1,093,000 (31 Dec 2018: 1,093,000) ordinary shares held as treasury shares and no subsidiary holdings (31 Dec 2018 : Nil). As at 31 Dec 2019, the percentage of treasury shares approximate 0.2% (31 Dec 2018 : 0.2%) of the total number of issued shares excluding treasury shares.

As at 31 Dec 2019, there were no outstanding convertibles (31 Dec 2018: Nil).

- 1 d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares excluding treasury shares as at 31 Dec 2019 was 538,038,199 (31 Dec 2018 : 538,038,199) shares.

- 1 d)(iv) **A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1 d)(v) **A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

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

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

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

Not applicable.

- 3A. **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.**

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

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

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than the adoption of the new/revised Singapore Financial Reporting Standards (International) ("SFRS(I)s"), the new FRS and Interpretation of FRS ("INT FRS") that are mandatory for the financial year beginning 1 January 2019, the Group has adopted the same accounting policies and methods of computation for the current period as those adopted for the audited financial statements for the financial year ended 31 December 2018.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019.

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied a transition approach and will not restate comparative amounts.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

The Group adopted to measure the right of use assets to an amount equal to the lease liabilities related to that leases recognized in the statement of financial position as at 1 January 2019. In addition, the Group applied the practical expedient to apply a single discount rate to a portfolio of assets with reasonably similar characteristics.

On adoption of SFRS(I) 16, the Group has recognized right of use assets and lease liabilities of USD16,176,000 as at 1 January 2019.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

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
- (ii) On a fully diluted basis

| Group | |
|----------|----------|
| FY 2019 | FY 2018 |
| US cents | US cents |
| 0.73 | 1.54 |
| 0.73 | 1.54 |

Earnings per ordinary share for the financial year ended 31 Dec 2019 is computed based on the number of issued ordinary shares (excluding treasury shares) during the year of 538,038,199 (FY 2018: 538,038,199).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net asset value per ordinary share based on issued share capital as at the end of the period

| Group | | Company | |
|-----------|-----------|-----------|-----------|
| 31 Dec 19 | 31 Dec 18 | 31 Dec 19 | 31 Dec 18 |
| US cents | US cents | US cents | US cents |
| 35.40 | 35.14 | 33.94 | 39.79 |

Net asset value per ordinary share as at 31 Dec 2019 and 31 Dec 2018 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199.

8. 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 full year ended 31 December 2019 ("FY19"), the Group recorded a 11.5% decrease in revenue to USD373.8 million, compared to USD422.3 million in the preceding financial year ("FY18").

Revenue from the container shipping segment decreased 9.6% to USD353.5 million, compared to USD390.9 million a year ago, amid lower trade activity in the region. Container volume handled declined to 1.2 million TEUs in FY19, from 1.4 million TEUs in FY18.

Revenue from the bulk and tanker segment fell 58.6% to USD9.2 million in FY19, from USD22.1 million in the preceding year. This comes as the Group had reduced its fleet size during the year following the disposal of one tanker and two bulk carriers that were not contributing positively to earnings.

In line with the lower business activity in both business segments, cost of services fell 11.2% to USD355.9 million in FY19, from USD400.7 million in FY18. Consequently, the Group recorded lower gross profit of USD17.9 million, compared to USD21.6 million in a year ago.

Other operating expenses rose to USD2.8 million in FY19, from USD0.5 million a year ago. These were mainly due to a USD2.0 million impairment on two chemical tankers after taking into consideration the declining trend in charter rates over the near-to medium-term. The increase also took into account of the impairment losses following the reclassification of an Indonesia-flagged container vessel from property, plant and equipment to asset held for sale, and in relation to a bulk carrier prior to its divestment.

The Group recorded a higher share of results mainly from its 25%-owned associate company of USD1.5 million, compared to USD0.8 million in the preceding year. The associate company is involved in the shipping of liquefied natural gas in Indonesia.

Taking the above factors into account, net profit for FY19 declined to USD3.9 million, compared to USD8.3 million in FY18. If not for the impairment of USD2.7 million, the Group's profit from operations would be USD8.0 million for FY19 compared to USD8.6 million in FY18.

Balance Sheet

Property, plant and equipment decreased from USD144.6 million as at 31 December 2018 to USD115.6 million as at 31 December 2019. This took into account the disposal of an oil tanker and two bulk carriers, together with the reclassification of a container vessel to asset held for sale. On the other hand, the Group recognised right-of-use assets worth USD7.9 million as a result of the adoption of new accounting standards from 1 January 2019. Non-current assets of the Group thus declined to USD139.1 million, compared to USD157.4 million as at 31 December 2018.

Cash and bank balances increased to USD56.5 million as at 31 December 2019, compared to USD28.8 million as at 31 December 2018. Taking into account the collection of trade receivables and proceeds from the disposal of vessels, trade receivables has thus decreased to USD60.4 million, from USD70.9 million as at 31 December 2018.

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

Not applicable

10. 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.

Operating conditions of the container shipping industry are expected to remain challenging. The US-China trade conflict remains a significant risk to international trade flow. In addition, the Covid-19 outbreak is expected to have an extensive adverse effect on economic activities including manufacturing and logistics, which in turn will affect the demand and movement of goods between countries.

Maritime regulations requiring the use of higher-priced low-sulphur fuel will lead to higher operating costs. In light of this, the Group is stepping up effort to implement bunker surcharge to mitigate the impact of the increase in cost.

As part its fleet rejuvenation programme, the Group is looking to replace some older container vessels in its fleet with newer, more efficient ones that come installed with scrubbers in compliance with IMO2020.

In line with the Group's effort to expand its container business revenue stream, the Group has also expanded its capabilities in the transportation of specialised cargo in 2019. In addition to reefer and out-of-gauge containers, the Group has begun ISO tank container handling services.

The Group has exited the loss-making regional dry bulk sector and will seek to focus its position in the Indonesia domestic dry bulk sector, which is expected to yield better returns. Meanwhile, its tanker business remains stable.

The Group's 51%-owned warehouse joint venture in Port Klang, Malaysia, has begun to contribute positively. The Group is currently on the lookout for opportunities to invest in Southeast Asia that are complementary to its current logistics services.

11. Dividend

(a) Current Financial Period Reported On

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

| Name of Dividend | Proposed Final |
|--|----------------|
| Dividend Type | Cash |
| Dividend Amount per share (in Singapore cents) | 0.75 |
| Tax Rate | Tax exempt |

(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 | Proposed Final |
|--|----------------|
| Dividend Type | Cash |
| Dividend Amount per share (in Singapore cents) | 0.75 |
| Tax Rate | Tax exempt |

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared / recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

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

- Container Shipping
- Bulk & Tankers
- Agency & Logistics

Segment by Business

| | Container Shipping | Bulk & Tankers | Agency & Logistics | Eliminations | Group |
|--|-------------------------------|-------------------------------|-----------------------------------|---------------------|------------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 2019 | | | | | |
| Revenue | | | | | |
| - External sales | 353,514 | 9,172 | 11,117 | - | 373,803 |
| - Inter-segment sales | 148 | 12 | 2,460 | (2,620) | - |
| Total revenue | <u>353,662</u> | <u>9,184</u> | <u>13,577</u> | <u>(2,620)</u> | <u>373,803</u> |
| Segment results | 6,832 | (2,517) | 1,607 | (606) | 5,316 |
| Financial income | 394 | 521 | 79 | - | 994 |
| Financial expenses | (1,729) | (828) | (309) | - | (2,866) |
| Share of results of associate/joint venture | (354) | 1,817 | - | - | 1,463 |
| Profit before tax | 5,143 | (1,007) | 1,377 | (606) | 4,907 |
| Tax | | | | | (722) |
| Profit after tax | | | | | <u>4,185</u> |
| Segment assets | 217,446 | 41,988 | 26,682 | - | 286,116 |
| Unallocated assets | | | | | 63 |
| | | | | | <u>286,179</u> |
| Segment liabilities | (66,759) | (12,662) | (12,545) | - | (91,966) |
| Unallocated liabilities | | | | | (1,056) |
| | | | | | <u>(93,022)</u> |
| Capital expenditure | 1,862 | 1,100 | 1,105 | - | 4,067 |
| Depreciation of property, plant and equipment | 6,307 | 2,655 | 260 | - | 9,222 |
| Depreciation of right of use assets | 8,253 | - | 314 | - | 8,567 |
| Amortisation of intangible assets | 53 | - | - | - | 53 |
| Depreciation of investment properties | 26 | - | 12 | - | 38 |
| Impairment of vessels | 306 | 2,359 | - | - | 2,665 |
| (Write back) allowance for impairment on receivables | (668) | 571 | 16 | 43 | (38) |

| | Container Shipping | Bulk & Tankers | Agency & Logistics | Eliminations | Group |
|---|-------------------------------|-------------------------------|-----------------------------------|---------------------|------------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 2018 | | | | | |
| Revenue | | | | | |
| - External sales | 390,936 | 22,130 | 9,274 | - | 422,340 |
| - Inter-segment sales | 66 | 18 | 2,408 | (2,492) | - |
| Total revenue | <u>391,002</u> | <u>22,148</u> | <u>11,682</u> | <u>(2,492)</u> | <u>422,340</u> |
| Segment results | 4,999 | 1,934 | 928 | 690 | 8,551 |
| Financial income | 202 | 1,355 | 94 | (950) | 701 |
| Financial expenses | (881) | (1,827) | (45) | 944 | (1,809) |
| Share of results of associate/joint venture | (615) | 1,365 | - | - | 750 |
| Profit before tax | 3,705 | 2,827 | 977 | 684 | 8,193 |
| Tax | | | | | (452) |
| Profit after tax | | | | | <u>7,741</u> |
| Segment assets | 204,500 | 67,572 | 17,673 | - | 289,745 |
| Unallocated assets | | | | | 85 |
| | | | | | <u>289,830</u> |
| Segment liabilities | (64,835) | (24,960) | (5,417) | - | (95,212) |
| Unallocated liabilities | | | | | (1,263) |
| | | | | | <u>(96,475)</u> |
| Capital expenditure | 2,508 | 633 | 1,127 | - | 4,268 |
| Depreciation of property, plant and equipment | 6,235 | 4,966 | 171 | - | 11,372 |
| Amortisation of intangible assets | 37 | - | - | - | 37 |
| Depreciation of investment properties | 25 | - | - | - | 25 |
| Allowance for impairment on receivables | 2,250 | 85 | 132 | (1,216) | 1,251 |

Geographical segment

| | Turnover | |
|---|----------|----------|
| | 2019 | 2018 |
| | US\$'000 | US\$'000 |
| Container shipping and agency & logistics* | | |
| Indonesia | 96,503 | 111,026 |
| South East Asia (excluding Indonesia) | 165,045 | 183,667 |
| Middle East and Indian Sub-continent | 86,503 | 83,482 |
| Far East (including China and Hong Kong) | 7,161 | 7,555 |
| Others | 9,419 | 14,480 |
| Total revenue for container shipping and others | 364,631 | 400,210 |

*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 Tankers, 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.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 for the review of performance by business.

15. A breakdown of sales.

| | The Group | | |
|---|-----------|----------|---------|
| | 2019 | 2018 | + / (-) |
| | US\$'000 | US\$'000 | % |
| Sales reported for the first half-year | 184,945 | 195,802 | (5.5) |
| Operating profit after tax before non-controlling interests reported for the first half-year | 2,046 | 757 | 170.3 |
| Sales reported for the second half-year | 188,858 | 226,538 | (16.6) |
| Operating profit after tax before non-controlling interests reported for the second half-year | 2,139 | 6,984 | (69.4) |

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

| | FY2019 SGD'000 | FY2018 SGD'000 |
|------------------|-------------------|-------------------|
| Ordinary - Final | 4,035 | 4,035 |
| Preference | - | - |
| Total | 4,035 | 4,035 |

17. Interested Person Transactions

| (A) Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (Mandated transactions) | FY 2019 US\$'000 | FY 2018 US\$'000 |
|--|---------------------|---------------------|
| Expenses | | |
| <u>PT. Samudera Indonesia Tbk and its subsidiary</u> | | |
| Agency commissions ⁽¹⁾ | - | 1,489 |
| Office rental | 29 | 71 |
| Vessel charter hire | 2,591 | 2,747 |
| <u>PT. Samudera Agencies Indonesia</u> | | |
| Agency commissions ⁽¹⁾ | 2,194 | 1,093 |
| <u>PT. Samudera Indonesia Ship Management</u> | | |
| Ship management fees | 622 | 715 |
| <u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u> | | |
| Vessel charter hire | 2,799 | 2,586 |
| <u>PT. Samudera Sarana Logistik</u> | | |
| Container depot | 121 | 156 |
| <u>PT. Tanqouh Samudera Java</u> | | |
| Stevedorage charges | 5,295 | 5,874 |

(B) Aggregate value of all interested person transactions during the financial period under review excluding transactions conducted under shareholders' mandate pursuant to Rule 920 (Non-Mandated transactions)

| | FY 2019 US\$'000 | FY 2018 US\$'000 |
|---|---------------------|---------------------|
| Expenses | | |
| <u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u> Freight expenses | 57 | 55 |
| <u>PT Praweda Sarana Informatika</u> Software development and system maintenance | 437 | 420 |
| <u>PT Ista Indonesia</u> Car rental | 65 | - |
| Revenue | | |
| <u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u> Vessel charter hire | 949 | 749 |
| <u>PT. Samudera Energi Tangguh</u> Vessel charter hire | 5,112 | 2,276 |
| Sale of vessel | - | 861 |
| <u>PT. Cumawis Indonesia</u> Vessel charter hire | - | 763 |

⁽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.

18 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.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

| Name | Age | Family relationships with any director and/or substantial director | Current position and duties, and the year the position is held | Details of changes in duties and position held, if any, during the year |
|-----------------------------|-----|--|--|---|
| Trisnadi Sukur Muslim Mulia | 35 | Son of the Chairman, Masli Mulia | Appointed Deputy director, Commercial in FY2018 and responsible for commercial and business development. | Not applicable |

BY ORDER OF THE BOARD

Hermawan F Herman
Executive Director, Finance
27 February 2020