SAMUDERA SHIPPING

RIDING the WAVE

financial CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**" or the "**Directors**") of Samudera Shipping Line Ltd (the "**Company**") is committed to ensuring and maintaining high standard of corporate governance in accordance with the recommendations under the revised Code of Corporate Governance, which was issued on 6 August 2018 (the "**2018 Code**"), and to align with shareholders' interests and enhance shareholders' value.

This report describes the Company's corporate governance processes and practices that were in place throughout the financial year ended 31 December 2021 ("**FY2021**") with specific reference to the Principles and the Provisions as set out in the 2018 Code and the accompanying practice guidance.

The Company has complied substantially with the Principles and Provisions of the 2018 Code and the practice guidance. Where there are any deviations from the 2018 Code and/or the practice guidance, appropriate explanations and/or alternative corporate governance practices adopted by the Company have been provided in the relevant sections below.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

PROVISIONS 1.1 AND 1.3: PRINCIPAL DUTIES OF THE BOARD

The Board oversees the operations and affairs of the Company and its subsidiaries (collectively the "**Group**"), with the fundamental principle to act in the best interests of the Company. The Board is responsible for setting the strategic direction and establishing goals for the management team of the Company (the "**Management**") as well as working together with Management to achieve these goals set for the Group. The Board also seeks to align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders.

In addition to its statutory duties and responsibilities, the principal functions of the Board includes:

- To set up and to review the broad policies, long-term strategies and financial objectives of the Group and to ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- To supervise the management of the business and affairs of the Group and monitor the performance of Management;
- To review the operational and financial performance of the Group, including the review and approval of financial results announcements, annual budgets, major funding proposals, potential investments, divestment proposals, material capital investments, interested person transactions and related party transactions, audited financial statements, annual reports and circulars (if any);
- To oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and to ensure that the Group maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets;
- To approve the changes in the composition of the Board and Board Committees, including appointment/resignation of Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") as recommended by the Nominating Committee;
- To review significant changes to the Group's organisational structure and key management personnel ("**KMP**") as recommended by the CEO;
- To approve the framework of remuneration for Directors and KMP as recommended by the Remuneration Committee;
- To review any conflict of interests relating to Directors and/or controlling shareholders (where applicable), major acquisitions and disposals of assets, dividend and other distributions to shareholders, and those transactions or matters which require the Board's approval under the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or any applicable regulations;
- To assume responsibility for the Group's compliance with its corporate governance practices, the Companies Act 1967 (the "**Companies Act**") and rules and regulations of the relevant regulatory bodies;

- To set up the Group's values and standards (including ethical standards) and consider sustainability issues in relation to the Economic, Environmental, Social and Governance ("**ESG**") factors identified as material for the Company as part of its strategic formulation. The Company's Sustainability Report is set out on pages 38 to 54 of the Annual Report; and
- To ensure accurate, adequate and timely reporting to and communication with shareholders.

The Board delegates the formulation of business policies and day-to-day management to the CEO and the Executive Directors.

Based on the recommendation of the CEO, the Board had on 24 February 2022 reviewed and approved changes to the KMP pool to be in line with the changes to the Group's organisational structure and the definition of KPM under the Listing Rule and 2018 Code.

In the past, the Company had disclosed Executive Directors, Deputy Directors and General Managers of the Group as KMP. With effect from 1 January 2022, only Executive Directors and Deputy Directors of the Group will be classified as KMP. While, the General Managers who are reporting to the Deputy Directors or Executive Directors will no longer be classified as KMP.

Matters Reserved for Board's Approval

Management seeks the Board's approval on matters required under the Companies Act and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX Listing Rule**"). The Company has adopted a framework of delegated authorisations in its Authorisation Matrix approved by the Board.

The Authorisation Matrix sets out the level of authorisation and their respective approval limits for a range of transactions, including but not limiting to operating and capital expenditures. The following matters are specifically reserved for the Board's decision and approval:

- The Group's annual budget;
- Financial results announcements;
- Annual report and Audited financial statements;
- Dividend payment to shareholders;
- Corporate strategies and financial restructuring;
- Changes to the composition of the Board and Board Committees;
- Changes to the KMP;
- Major investments/divestments or acquisition/disposal proposal and material capital expenditures; and
- Any other transactions of a material nature requiring announcement under the SGX Listing Rules.

Independent Judgement

Each Director, in the course of carrying out his/her duties, exercises due diligence and independent judgment and makes decisions objectively in the best interests of the Group at all times. The Board provides shareholders with a balanced and clear assessment of the Group's performance, position and prospects on a half-yearly basis.

Conflict of Interests

During the course of any discussion, Directors are required to promptly disclose any conflict or potential conflict of interest (direct or indirect) in relation to the subject matter or proposed transaction to the Company as soon as they are aware of the conflict-related matters. In addition, Directors are also required to abstain from all discussions, deliberations and decisions in respect of the conflict-related matters. In consultation with the Audit Committee, from FY2020, the Company has put in place a set of procedures and measures to mitigate any potential conflict of interests arising from the appointment of Mr Bani Maulana Mulia as Executive Director and the CEO of the Company on 1 September 2020 and Mr Ridwan Hamid as Executive Director and the CFO of the Company on 1 November 2020, both of whom are also Directors of the Company's controlling shareholders. In instances where conflict of interest exist, Mr Bani and Mr Ridwan will abstain from voting and/or making recommendation.

Board Competencies

As part of the Board renewal process, the NC reviews and considers the skill, qualification and experience of the nominated director before recommending any proposed appointments to the Board for approval. A formal letter of appointment is given to all newly appointed Directors, setting out their duties and obligations. During the year under review, no new Director was appointed.

PROVISION 1.2: DIRECTORS' ORIENTATION AND TRAINING

The Board recognises the importance of appropriate orientation training and continuing education for its Directors. Newly appointed Directors are given orientation and briefings by Management on the business activities of the Group and its strategic directions, so as to familiarise them with the Group's operations, financial performance and encourage effective participation in Board discussions.

For newly appointed Director who has no prior experience as a director of a listed company, in addition to the orientation, he or she will be encouraged to also attend the relevant programme conducted by the Singapore Institute of Directors ("**SID**") to acquire knowledge of what is expected of a listed company director.

All Directors are encouraged to attend seminars, conferences or any courses in connection to new laws, regulations and risk management (including management of commercial, financial, operational and compliance risks) conducted by professional bodies, including active participation in the SID. The cost of arranging and funding the training of the Directors will be borne by the Company. Directors receive regularly updates on latest development and issues pertaining to regulatory changes, corporate matters as well as corporate governance.

During FY2021, as part of the training and professional development of the Board, the Company had arranged for the following training and courses attended by the Directors:

Name of Directors	Detail of Training/Courses Attended
Bani Maulana Mulia	Swedish Institute Management Programme Asia
Ridwan Hamid	Listed Entity Director Essentials Board Dynamics Board Performance Stakeholder Engagement Board Risk Committee Essentials

Where required, the Company Secretary and external professionals bring to the Directors' attention relevant updates in the industry and changes in accounting standards and regulations. The Directors are also given access to professionals for consultation as and when they deem necessary at the expense of the Company.

PROVISION 1.4: DELEGATION BY THE BOARD

Our Directors recognise the importance of good corporate governance and in offering high standards of accountability to our shareholders. In order to provide an independent oversight and to discharge its responsibilities more efficiently, the Board has delegated specific areas of responsibilities to three Board Committees: Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). These Board Committees have been constituted with clearly defined Terms of Reference, which have been amended to be in line with the 2018 Code to ensure their continued relevance and adequacy to meet the governance standards expected of the Board. The Chairman of the respective Committee will report to the Board on the outcome of the Committee meetings and their recommendations on the specific agendas mandated to the Committee by the Board.

The Board is free to request for further clarification and information from Management on all matters within their purview. The Board is ultimately responsible for the final decision on all matters.

PROVISION 1.5: DIRECTORS' ATTENDANCE AT MEETINGS

To address the competing time commitments of the Directors, the schedule of all Board and Board Committees' meetings, the Annual General Meeting and/or Extraordinary General Meeting is prepared and given to all Directors well in advance, before the beginning of each financial year. The Board conducts at least four meetings on a quarterly basis to review the Group's financial and operational performance, half-year and full-year financial results, annual budget and where necessary, additional Board meetings are held to address significant issues or transactions.

During FY2021, the Board met five (5) times to review and approve the annual budget (including the proposed investments and/or divestments during the year), the Company's half-yearly and full-year financial results announcements, the Company's sustainability policies and practices (including the material ESG factors and proposed measurements/targets for each identified ESG factors), and the Group's strategic business plan. Ad-hoc meetings are held to address significant issues or transactions. The Company's Constitution (the "**Constitution**") allows for Board meetings to be conducted by way of a telephone conference and/or by means of similar communication equipment where all Directors participating in the meeting are able to hear each other. Decisions of the Board and Board Committees may also be obtained through circular resolutions in writing.

The number of meetings held and attendance by Directors at the general meetings and meetings of the Board and Board Committees during FY2021 is set out as follows:

		Board Committees			**General Meetings**	
	Board	**AC**	**NC**	**RC**	**AGM**	**EGM**
Number of Meetings held	5	3	1	1	1	2
Name of Directors			**No. of meetings attended**			
Masli Mulia	5	–	1	–	1	2
Bani Maulana Mulia	5	–	–	–	1	2
Ridwan Hamid	5	–	–	–	1	2
Tan Meng Toon	5	–	–	–	1	2
Quah Ban Huat	5	3	1	1	1	2
Nicholas Peter Ballas	4	3	1	1	1	2
Ng Chee Keong	5	3	1	1	1	2
Lee Lay Eng Juliana	5	3	1	1	1	2

All Board members who are non-committee members of the AC, NC, RC would attend the Board Committee meetings via invitation.

The Board is of the view that the contribution of each Director should not be focused only on his/her attendance at meetings of the Board and/or Board Committees. A Director's contribution also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advices, experience and strategic networking relationships which would further the interests of the Company.

Multiple Board Representations

All Directors are required to declare annually their Board representations in other public listed companies and their other principal commitments to the NC.

Details of each Director's present and past three years directorships or chairmanships in other public listed companies, and other principal commitments are set out on pages 22 to 25 of this Annual Report.

When a Director has multiple board representations, the NC considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of public listed company board representations and other principal commitments.

Based on the individual Director's confirmation to the NC on his ability to carry out his duties as a Director of the Company and to address any competing time commitments that may arise, the NC believes that it would not be necessary to stipulate a maximum limit on the number of public listed company board representations of each Director.

Notwithstanding that there is no formal guideline in place to address the conflict of competing time commitments that are faced by Directors with multiple board representations, the NC and the Board is cognizant of the recommendations as set out under Practice Guidance 4 of the 2018 Code. The NC would continue to review, on an on-going basis, and recommend appropriate changes to the Company's practices and disclosures as and when deemed feasible and appropriate for the Company.

For the year under review, the NC is satisfied that the Directors have given adequate time and attention to the affairs of the Group to discharge their duties as Directors of the Company through their attendance at meetings of the Board and Board Committees, notwithstanding their multiple board representations and other principal commitments.

PROVISION 1.6: ACCESS TO INFORMATION

All Directors are updated on major milestones, significant developments or events relating to the Group's business operations on an on-going basis. The Directors have unrestricted access to the Company's resources such as its Constitution, Terms of References of the respective Board Committees, Annual Reports and any other pertinent information for their reference. The Directors can also request for further explanations, briefings or informal discussions on any aspects of the Group's operations and business issues from Management from time to time.

To enable the Board and the Board Committees' members to engage in full deliberation, including to make informed decisions on the issues to be considered at each meeting and discharge their duties and responsibilities effectively, Management provides the Board and the Board Committees' members with complete, adequate and timely information and meeting materials prior to Board meetings. In addition, all relevant information on the Group's annual budgets, financial statements, material events and transactions complete with background and explanations are circulated to Directors as and when they arise. Any material variance between any projections/budgets and the actual results is disclosed and explained to the Board.

PROVISION 1.7: SEPARATE AND INDEPENDENT ACCESS TO MANAGEMENT, THE COMPANY SECRETARY AND EXTERNAL ADVISERS

The Directors have separate and independent access to the Company's KMP and the advice and services of the Company Secretary. The Company Secretary assists the Chairman and the Chairman of each Board Committee in preparing the agendas for the respective meetings in consultation with the Management. The Company Secretary (and/or her representatives) attends and prepares minutes of all meetings of the Board and Board Committees, including assisting the Board to ensure that proper procedures are observed and requirements of the Companies Act 1967 and the SGX Listing Rules are complied. The appointment or removal of the Company Secretary is subject to the approval of the Board as a whole.

Where the Directors require independent advice from external professionals in the course of discharging their duties, such advice would be provided at the Company's expense, subject to approval by the Board.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in the composition to enable it to make decisions in the best interest of the company.

As at the date of this Report, the Board composition comprises one Non-Independent and Non-Executive Chairman, three Executive Directors and four Independent and Non-Executive Directors as set out in the table below:

Name of Directors	Designation	Date of Initial Appointment	Date of Last Re-Appointment	AC	NC	RC
Masli Mulia	Chairman, Non-Independent and Non-Executive Director	01.04.2007	29.04.2019	–	Member	–
Bani Maulana Mulia	Executive Director and CEO	01.09.2020	28.04.2021	–	–	–
Ridwan Hamid	Executive Director, CFO	01.11.2020	28.04.2021	–	–	–
Tan Meng Toon	Executive Director	01.08.2018	29.04.2019	–	–	–
Quah Ban Huat	Lead Independent Director and Non-Executive	31.10.2013	25.06.2020	Chairman	Member	Member
Nicholas Peter Ballas	Independent and Non-Executive Director	01.06.2010	28.04.2021	Member	Member	Chairman
Ng Chee Keong	Independent and Non-Executive Director	23.07.2014	25.06.2020	Member	Chairman	Member
Lee Lay Eng Juliana	Independent and Non-Executive Director	01.08.2018	28.04.2021	Member	Member	Member

PROVISIONS 2.1, 2.2 AND 2.3: BOARD INDEPENDENCE

The NC conducts annual review of the Board composition and for FY2021, the NC is satisfied that since (i) majority of the current Board composition is made up of Non-Executive Directors (62.5%) in line with Provision 2.3 of the 2018 Code; and (ii) more than one-third of the Board composition is made up of Independent Non-Executive Directors (50%) in line with the SGX Listing Rule 210(5)(c), no individual or small group of individuals dominate the Board's decision making process and there is no undue influence by Management over the Board.

Notwithstanding that majority of the Board members are not Independent and Non-Executive Directors in line with Provision 2.2 of the 2018 Code, the NC and Board are of the view that the following practices adopted by the Company is consistent with the intent of Principle 2 of the 2018 Code and enables the Board members to make decisions in the best interest of the Company:

- the current Board members comprising of 3 Executive Directors, 1 Non-Executive Director and 4 Independent Directors have an appropriate level of independence and diversity of thoughts which is appropriate for the Group's current nature and scope of operations; and
- each Board member maintains high level of commitment in their roles as a Director of the Company and demonstrates objectivity and professionalism when deliberating on issues brought before the Board.

The Board is cognizant of the recommendations as set out under Provision 2.2 of the 2018 Code and together with the NC will continue to review and recommend appropriate changes to the Board composition in order to comply with Provision 2.2 of the 2018 Code.

The profiles of the Directors, including information on their qualifications and experiences are set out on pages 18 to 28 of this Annual Report.

The independence of each Independent and Non-Executive Director is assessed annually by the NC. For FY2021, the NC has reviewed and determined the independence of the Independent and Non-Executive Directors based on the guidelines provided in SGX Listing Rule 210(5), Provision 2.1 and Practice Guidance 2 of the 2018 Code, including considering whether the Independent Directors have any business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationship could interfere or be reasonably perceived to interfere with the Independent Directors' ability to exercise independent judgment in the best interest of the Group. There were no business relationships between the Group and the respective Independent Directors for FY2021.

Each Independent and Non-Executive Director, existing or newly-appointed, is required to annually confirm his/her independence and that there are no existing conditions that would impair his/her independence by completing and signing the Confirmation of Independence declaration form, which is based on the guidelines as set out in the NC Terms of Reference and the 2018 Code. The NC will then review the declarations submitted by each Independent and Non-Executive Director to determine their independence.

For the year under review, the NC has reviewed the independence of Messrs Quah Ban Huat, Nicholas Peter Ballas, Ng Chee Keong and Lee Lay Eng Juliana, and is satisfied that there are no relationships which would impair their independent judgment or would deem any of them to be non-independent. In reviewing each Independent and Non-Executive Director's independence, the NC has considered the relationships identified by the 2018 Code and SGX Listing Rule 210(5), and is satisfied that the Independent and Non-Executive Directors are also independent of the substantial shareholders of the Company.

Each member of the NC had abstained from all discussions, deliberations and decisions in respect of assessment of their own independence.

Independence of Directors who has served on the Board beyond Nine Years in line with SGX Listing Rule 210(5)(d)(iii)

The NC takes the view that a director's independence cannot be determined solely and arbitrarily on the basis on the length of time. A director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgment in engaging and challenging Management in the best interest of the Group as he performs his duties in good faith, are more critical measures in ascertaining his independence than the number of years served on the Board.

Pursuant to the SGX Listing Rule 210(5)(d)(iii) which comes into effect on 1 January 2022, the NC had reviewed the independence of the independent directors who have served on the Board for more than nine years from the date of their first appointment or those who will be reaching their ninth year threshold in FY2022. The date of appointment of each Independent Director of the Company is set out on pages 24 to 25 of this Annual Report.

With effect from 1 January 2022, a director will not be independent if he has served for an aggregate of more than 9 years and his continued appointment as an independent director has to be sought and approved in separate resolutions by (A) all shareholders and (B) shareholders, excluding the directors and chief executive officer of the issuer, and associates of such directors and chief executive officer (the "Two-Tier Voting"). Such resolutions approved by a Two-Tier Voting may remain in force until the earlier of the following: (i) the retirement or resignation of the director; or (ii) the conclusion of the third annual general meeting following the passing of the resolutions.

As at 31 December 2020, Mr Nicholas Peter Ballas ("**Mr Ballas**") had served on the Board for an aggregate period of more than nine years from his date of appointment (1 June 2010) and in anticipation of SGX Listing Rule 210(5)(d)(iii), the Company had sought the shareholders' approval on the continued appointment of Mr Ballas as an Independent Director of the Company via the Two-Tier Voting at the Company's Annual General Meeting ("**AGM**") held on 28 April 2021. The two separate resolutions on Mr Ballas' continued appointment as an Independent Director had been duly approved by (A) all shareholders and (B) shareholders, excluding the directors and chief executive officer of the issuer, and associates of such directors and chief executive officer. Following the passing of the said resolutions, Mr Ballas will continue to serve on the Board as an Independent Director pursuant to SGX Listing Rule 210(5)(d)(iii) until the earlier of: (i) his retirement or resignation as a Director of the Company; or (ii) the conclusion of the third AGM following the passing of the resolutions (i.e. up to the Company's AGM to be held in April 2024).

As at 31 December 2021, none of the other Independent Directors, namely, Messrs Quah Ban Huat, Ng Chee Keong and Lee Lay Eng Juliana, have served on the Board for more than nine years from their respective date of appointment.

Based on Mr Quah Ban Huat's ("**Mr Quah**") date of appointment of 31 October 2013, Mr Quah will be reaching his ninth year of appointment as the Independent Director of the Company on 30 October 2022. In order to comply with the requirements under SGX Listing Rule 210(5)(d)(iii), the Company will be seeking the shareholders' approval on the continued appointment of Mr Quah as an Independent Director of the Company via the Two-Tier Voting at the Company's forthcoming AGM scheduled on 27 April 2022.

The NC had assessed the independence status of Mr Quah taking into consideration the following factors:

(i) his ability to continue exercising independent judgement in the best interests of the Company;

(ii) the attendance and active participation in the proceedings and decision making process of the Board and Board Committees meetings; and

(iii) the level of commitment, equity and integrity in discharging his responsibilities as an Independent Director of the Company.

Having considered the feedback and assessment made by each Director, the Board concurred with the NC's view that Mr Quah have demonstrated strong independence in character and judgment over the years in discharging his duties and responsibilities as an Independent and Non-Executive Director of the Company. There were no circumstances which would likely affect or appear to affect his independent judgment and he has acted in the best interests of the Group and the non-controlling shareholders. Mr Quah' contributions in Board deliberations, due to his length of service, in-depth knowledge of the Group's businesses and board representation on other companies are considered valuable by the Board. While recognising the benefits of the experience and stability brought by long-standing Directors, the NC is cognizant of the importance of Board renewal and refreshment and the Board remains committed to the progressive renewal of board membership. Additionally, Mr Quah has fulfilled the definition of independent directors of the Listing Manual of the SGX-ST and 2018 Code. More importantly, the Board trusts that Mr Quah is able to continue to discharge his duties independently with integrity and competency.

The Board, after taking into consideration the NC's evaluation and recommendation, resolved that notwithstanding, from the date of his first appointment, Mr Quah will reach his ninth-year threshold of serving on the Board as independent director on 30 October 2022:

(i) Mr Quah Ban Huat will continue to be considered independent along with Messrs Nicholas Peter Ballas, Ng Chee Keong and Lee Lay Eng Juliana;

(ii) Pursuant to SGX Listing Rule 210(5)(d)(iii), the requisite approval be sought from shareholders for the continued appointment of Mr Quah Ban Huat as an Independent Director via the Two-Tier Voting process at the Company's forthcoming AGM on 27 April 2022; and

(iii) Subject to the shareholders' approval via the Two-Tier Voting process at the AGM, Mr Quah shall continue to serve on the Board as an Independent Director of the Company until the conclusion of (i) the third AGM following the passing of the resolutions, or (ii) his retirement or resignation as a Director of the Company, whichever is the earlier.

SGX Listing Rule 210(5)(c) provides that the Independent Directors must comprise of at least one-third of the Board, while and Provision 2.2 of the 2018 Code provides that the Independent Directors shall make up a majority of the Board where the Chairman is not independent respectively. In the event that any one of the resolution via the Two-Tier Voting process is not passed at the Company's forthcoming AGM, Mr Quah's appointment as an Independent Director of the Company will cease on 31 October 2022 and he will be re-designated as a Non-Independent and Non-Executive Director with effect from 1 November 2022. Accordingly, the Company will not be in compliance with Provision 2.2 of the 2018 Code. As explained in the paragraph above, since at least one-third of the Board comprises of Independent Director and a majority of the Board members are Non-Executive Directors, the NC and Board are of the view that the Board members have an appropriate level of independence and are able to make decisions in the best interest of the Company.

Nevertheless, the Board has weighed the need for the Board to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. However, such Board renewal and refreshment process may require more time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such director who has, over time, gained valuable insights into the Group, its market and the industry. The Board and NC will continue to review and recommend appropriate changes to the Board composition in order to comply with Provision 2.2 of the 2018 Code.

Mr Quah Ban Huat had abstained from all discussion, deliberations and decisions in respect of his own independence.

PROVISION 2.4: COMPOSITION, SIZE, COMPETENCY AND DIVERSITY OF THE BOARD

The NC, annually, reviews the size and composition of the Board and Board Committees, including the skills and core competencies of each Director to ensure an appropriate balance and diversity of skills and experience for effective decision-making. The Board, as a whole, consists of a good mix of individuals from the private sector with appropriate skills, expertise, industry knowledge, professional and commercial experience with core competencies in accounting, financial, tax advisory and capital market background, and gender diversity necessary to contribute, direct, manage and lead the Group effectively. The objective judgment of the Independent and Non-Executive Directors on corporate affairs and their collective experience and contributions are valued by the Company.

The Board is of the view that the current Board size, composition, competency and diversity is appropriate, taking into account the nature and scope of the Group's operations.

As the Board consists of four (4) Independent and Non-Executive Directors, objectivity on issues deliberated is assured and Management is able to benefit from their diverse external perspectives on issues brought before the Board. Objectivity and independence of the Board decisions are maintained through the professionalism of each Board member, who have demonstrated a high level of commitment in their roles as Directors of the Company.

Based on the recommendation of the NC, the Board had on 17 March 2022 adopted a Board Diversity Policy as it acknowledges the importance of boardroom diversity in terms of age, gender, culture, nationality, ethnicity, tenure and recognises the benefits of this diversity. A diversity of tenure will achieve the progressive renewal of the Board so that there is the continuity of experienced directors as well as the onboarding of new directors to provide fresh perspectives on an ongoing basis. All director appointments will be based on merit, having due regard to the overall balance and effectiveness of the Board. In considering potential Board candidates for the refreshment of Board, the NC and the Board not only take into account gender diversity but also diversity in respect of skills, experience and expertise as recommended by the 2018 Code. In particular, core competencies and expertise of the potential candidates would be paramount considerations.

The Independent and Non-Executive Directors constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of Management in achieving agreed goals and objectives of the Group's business, and monitor the reporting of performance. Management also has access to the Independent and Non-Executive Directors for guidance and informal discussions both within and outside the meetings of the Board and Board Committees.

PROVISION 2.5: MEETING OF NON-EXECUTIVE DIRECTORS AND/OR INDEPENDENT DIRECTORS WITHOUT MANAGEMENT

During FY2021, the Independent and Non-Executive Directors led by the Lead Independent Director had met once amongst themselves without the presence of the Executive Directors and Management. The feedback and views expressed by the Independent and Non-Executive Directors had been communicated by the Lead Independent Director to the Executive Directors and Management after the meeting, as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered power of decision-making.

PROVISIONS 3.1 AND 3.2: SEPARATE ROLE AND RESPONSIBILITIES OF CHAIRMAN AND CEO

There is a clear division of roles and responsibilities between the Board Chairman and the CEO of the Company to ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making.

Mr Masli Mulia is the Non-Independent and Non-Executive Chairman and he was given a formal letter of appointment setting out in writing his roles and responsibilities as the Non-Executive Chairman of the Company. Mr Bani Maulana Mulia is the Executive Director and the CEO of the Company and he was given a service contract setting out in writing his duties and responsibilities as the CEO of the Company. The CEO, Mr Bani Maulana Mulia is the son of the Board Chairman, Mr Masli Mulia.

The Chairman, Mr Masli Mulia, provides leadership to the Board and the CEO. He is responsible for:

(a) Ensuring that Board meetings are held when necessary and sets the agenda of the Board meetings in consultation with the other Directors and Management, including setting the pace for a constructive debate and an effective contribution from the Board members at the meetings;

(b) Ensuring effective communication and constructive dialogue between shareholders, the Board and Management at the Company's AGM and other general meeting; and

(c) Providing close oversight, guidance, advice and leadership to the CEO and Management.

The CEO, Mr Bani Maulana Mulia, manages and develops the Group's business and is responsible for:

(a) The day-to-day operations of the Group's business which are carried out with the assistance of the other Executive Directors and KMP;

(b) Steering the strategic direction and business growth of the Group, including formulating and implementing business plans, strategic policies for long-term growth of the Group's business. Strategic decisions are made in consultation with the Board;

(c) Reviewing the Board papers before they are presented to the Board and ensures that the Board members are provided with complete, adequate and timely information; and

(d) Promoting high standards of corporate governance.

PROVISION 3.3: ROLE OF LEAD INDEPENDENT DIRECTOR

In view that the Chairman is not independent, the Board had appointed Mr Quah Ban Huat as the Company's Lead Independent Director on 27 February 2017. The Lead Independent Director is responsible for leading and coordinating the activities of the Independent and Non-Executive Directors and serves as a principal liaison on Board issues between the Independent and Non-Executive Directors and the Chairman of the Board to provide a non-executive perspective and contribute to a balance of viewpoints on the Board.

The Lead Independent Director may call for meetings of Non-Executive Directors to meet or communicate amongst themselves, without the presence of the Executive Directors, as and when the need arises.

The Lead Independent Director is available to shareholders who have concerns for which contact through the normal channels of the Chairman, CEO or Executive Directors have failed to resolve or for which such contact is inappropriate. During FY2021, there were no query or request received from shareholders on any matters which required the Lead Independent Director's attention.

Board Membership

Principle 4: The Board has a formal and transparent process for the remuneration and re-appointment of directors, taking into account the need for progressive renewal of the Board.

PROVISIONS 4.1 AND 4.2: COMPOSITION, ROLE AND DUTIES OF NC

The NC comprises the following five (5) members, four (4) of whom are Independent and Non-Executive Directors. The NC Chairman is independent and not associated in any way with the substantial shareholders of the Company.

Ng Chee Keong	Chairman
Quah Ban Huat	Member
Nicholas Peter Ballas	Member
Masli Mulia	Member
Lee Lay Eng Juliana	Member

The NC is regulated by a set of written Terms of Reference and is responsible for making recommendations to the Board on all Board appointments and re-appointments through a formal and transparent process. In respect of re-nominations, the NC will consider the individual Director's contribution and performance and whether the Director has adequate time and attention to devote to the Company, in the case of Directors with multiple board representations.

The key functions of the NC include:

- To review board succession plans for Directors, in particular, the Chairman, the CEO, the CFO and KMP;
- To conduct a formal assessment on the effectiveness of the Board as a whole and to assess the contribution by each individual Director to the effectiveness of the Board, particularly when a Director serves on multiple Boards;
- To establish procedures for and make recommendations to the Board on the appointments of new Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board and re-appointments;
- To regularly review the Board structure, size and composition having regard to the scope and nature of the operations and the core competencies of the Directors as a group;
- To establish procedures for evaluation of the performance of the Board, its Board Committees and Directors, and propose objective performance criteria which shall be approved by the Board;
- To determine the independence of each Director, namely the Independent Directors;
- To ensure that all Board appointees undergo an appropriate induction programme;
- To review and determine that each Director carries out his duties as a Director of the Company adequately, taking into consideration each Director's number of public listed company board representations and other principal commitments; and
- To undertake such other duties or functions as may be delegated by the Board or required by regulatory authorities under the Listing Manual of the SGX-ST or the 2018 Code.

During FY2021, the NC had met once and:

(a) Assessed and evaluated the effectiveness of the Board and the Board's performance as a whole;

(b) Reviewed the Board and Board Committees composition and assessed the independence of each Independent Director; and

(c) Recommended the re-appointment of Directors retiring pursuant to SGX Listing Rule 720(5) ("**LR 720(5)**") and the Company's Constitution.

PROVISION 4.3: PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Re-appointment of Directors

The NC reviews the re-appointment of each Board member in accordance with the Company's Constitution. All Directors are required to submit themselves for re-nomination and re-appointment at regular interval and at least every three years. Pursuant to Articles 87 and 91 of the Company's Constitution, one-third of the Directors (including Managing Director or CEO) shall retire from office by rotation at the Company's AGM. Article 92 provides that the retiring Directors are eligible to offer themselves for re-appointment and Article 97 provides that all newly appointed Directors shall retire from office at the next AGM following their appointment.

In addition, the NC is cognizant that in accordance with LR 720(5), all Directors must submit themselves for re-nomination and re-appointment at least once every three years.

The Directors due for pursuant to LR 720(5) and the Company's Constitution at the forthcoming AGM are as follows:

Name of Directors	**Designation**	**Due for re-appointment pursuant to:**
Masli Mulia	Non-Executive Chairman	Article 91 and LR 720(5)
Quah Ban Huat*	Independent and Non-Executive Director	Article 91 and LR 720(5)
Tan Meng Toon	Executive Director	Article 91 and LR 720(5)

*In addition, the independence of Mr Quah Ban Huat, who will reach his ninth-year threshold of having served on the Board as an Independent Director on 31 October 2022 from his date of appointment of 31 October 2013, will also be tabled for shareholders' approval via the Two-Tier Voting process at the Company's forthcoming AGM pursuant to SGX Listing Rule 210(5)(d)(iii).

There are no relationships including immediate family relationships between each of the retiring Directors, namely Mr Quah and Mr Tan and the other Directors, the Company or its substantial shareholders.

Mr Masli Mulia is the Commissioner of PT Samudera Indonesia Tbk., a controlling shareholder of the Company. Mr Masli Mulia is the father of Mr Bani Maulana Mulia (Executive Director and CEO of the Company) and Mr Trisnadi Sukur Muslim Mulia (Deputy Director, Finance). Mr Masli does not have any relationships including immediate family relationships between each of the retiring Directors named above and the other Directors of the Company.

The NC has reviewed and recommended the nomination of each retiring Director to the Board after taking into consideration factors such as the individual Director's contribution, performance, attendance at the Board and/or Board Committee meetings, and adequate time devoted to the affairs of the Group to discharge their duties as Directors of the Company.

The Board has accepted the NC's nomination of the retiring Directors who have given their consent for re-appointment at the forthcoming AGM of the Company.

Details of each retiring Director's (i) date of first appointment, (ii) date of last re-appointment as Director of the Company and (iii) information as required in Appendix 7.4.1 pursuant to SGX Listing Rule 720(6) are set out on pages 18 to 28 of this Annual Report.

Each member of the NC had abstained from all discussions, deliberations and decisions in respect of their own performance assessment or re-appointment.

Board Appointment Process

The NC recommends all appointments of Directors to the Board, after taking into account the following factors:

(a) The Group's strategic and business plans, and operational requirements; and

(b) The suitability of candidates for Board appointment, based on their skills, core competencies, experiences and expertise.

The Company has in place a process for selecting and appointing new Directors. Potential candidates who possess relevant experience and have the calibre to contribute to the Company are shortlisted for consideration. Curriculum vitae of the shortlisted candidates will be circulated to the NC for their review, taking into consideration the candidate's suitability, qualification, core competencies, experiences, expertise and knowledge. Thereafter, NC will conduct interview(s) with the potential candidates, before making its recommendation to the Board.

PROVISION 4.4: CONTINUOUS REVIEW OF DIRECTORS' INDEPENDENCE

The Board concurred with the NC's view that the four (4) Independent and Non-Executive Directors, namely, Messrs Quah Ban Huat, Nicholas Peter Ballas, Ng Chee Keong and Lee Lay Eng Juliana are independent, taking into account the circumstances set out in SGX Listing Rule 210(5), Provision 2.1 and Practice Guidance 2 of the 2018 Code and any other salient factors.

Alternate Directors

The Board is of the view that alternate directors should only be appointed in extenuating circumstances. The Company currently does not have any alternate directors.

PROVISION 4.5: DIRECTORS' TIME COMMITMENTS

The NC assesses the effectiveness of the Board as a whole and takes into account each Director's contribution and devotion of time and attention to the Company.

As explained in Provision 1.5 under the sub-header "Multiple Board Representation" above, all Directors are required to declare their listed company board representations and principle commitments to the NC annually. In cases where a Director has multiple listed company board representations, the NC also assesses on an annual basis, whether such Director has any issue with competing time commitments which may impact his or her ability to provide sufficient time and attention, and adequately carry out his or her duties as a Director of the Company. Based on the Directors' annual confirmation, commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings, the NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2021.

The NC also assesses potential candidates identified for appointment to the Board, on their individual credentials and their ability to devote appropriate time and attention to the Company and ensures that new Directors are aware of their duties and obligations.

Information in respect of each Director's academic and professional qualifications, directorships and/or chairmanships for both present and those held over the preceding three years in other public listed companies and other principal commitments is set out in the "Board of Directors" section on pages 18 to 25 of the Annual Report. In addition, information on shareholdings in the Company and its related companies held by each Director is set out in the "Directors' Statement" section on pages 34 to 36 of the Annual Report (Financial).

Succession Planning

Succession planning is vital to ensure leadership continuity and sustainable growth to the Group. This is an important part of the corporate governance process and responsibilities of the NC to review and make recommendations to the Board on all Board appointments, re-appointment of Directors and succession planning for KMP.

The NC reviews the composition of the Board and the Board Committees annually, having considered the skill sets, industry knowledge, core competencies and expertise of the Board members to align with the Company's strategic priorities and factors affecting the long term success of the Company.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

PROVISIONS 5.1 AND 5.2: BOARD EVALUATION PROCESS

The NC has established evaluation procedures and performance criteria for the assessment of the Board's performance as a whole. The evaluation of the Board's performance is carried out on an annual basis, and some of the areas of assessment covered under the evaluation includes: Board composition, Board conduct of affairs, procedures and information to Board, internal control and risk management, Board accountability, CEO performance and succession planning and standards of conduct of the Board.

Each Director assesses the effectiveness of the Board as a whole by providing feedback to the NC. The performance measurements ensure that the mix of skills and experience of the Directors continue to meet the needs of the Group.

During FY2021, the NC had with the assistance of the Company Secretary conducted the assessment by preparing a performance evaluation questionnaire to be completed by each Director, which were then collated and the findings were analysed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board. No external facilitator had been engaged by the Board for this assessment.

The NC is of the view that the Board and Board Committees operate effectively and that each individual Director has contributed to the effectiveness of the Board as a whole. The results of the NC's assessment for FY2021 has been communicated to and accepted by the Board.

The Chairman, in consultation with the NC, will, if necessary, propose steps to be undertaken to strengthen the Board's leadership so as to improve the effectiveness of the Board's oversight of the Company.

Board Performance Criteria

Most of the Company's industry peers are not listed entities in Singapore, comparative financial information/ratios would therefore not be easily obtained for comparison and benchmarking purposes.

The NC and the Board, having considered Management's rationale, concurred that it was not feasible for the Company to disclose the following details as recommended under Provision 5.1 and Practice Guidance 5 of the 2018 Code:

- performance criteria, which allow for comparison with industry peers;
- how the Board has enhanced long-term shareholder value; and
- justification by the Board on the circumstances that deem the changes on the performance criteria to be necessary.

The NC would continue to review, on an on-going basis, and recommend appropriate changes to the Company's practices and disclosures as and when deemed feasible and appropriate for the Company.

Individual Evaluation for the Chairman, Each Director and Board Committees

There is no formal performance evaluations carried out on an annual basis for (i) the Chairman, (ii) each Director on an individual basis, and (iii) each Board Committee (AC, NC and RC respectively).

The NC and the Board is cognizant of the recommendations as set out under Provisions 5.1, 5.2 and Practice Guidance 5 of the 2018 Code and would continue to review the need of such evaluations, on an on-going basis, and recommend appropriate changes to the Company's practices and disclosures as and when deemed feasible and appropriate for the Company.

When nominating Directors who are retiring by rotation for re-appointment at the AGM, the NC reviews each retiring Director's contribution, performance, attendance and participation at the Board and/or Board Committee meetings, and adequate time devoted to the affairs of the Group to discharge their duties as Directors of the Company.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director should be involved in deciding his or her own remuneration.

PROVISIONS 6.1, 6.2 AND 6.3: COMPOSITION, ROLE AND DUTIES OF RC

The RC comprises the following four (4) members, all of whom are Independent and Non-Executive Directors.

Nicholas Peter Ballas	Chairman
Quah Ban Huat	Member
Ng Chee Keong	Member
Lee Lay Eng Juliana	Member

The RC is regulated by a set of written Terms of Reference. Its key functions include:

- To review and recommend to the Board a framework of remuneration for each Director and KMP that are competitive and sufficient to attract, retain and motivate KMP of the required quality to run the Company successfully;
- To review and determine the specific remuneration packages and terms of employment for each Director and KMP, which cover all aspect of remuneration including Directors' fees, salaries, allowances, bonuses and benefits-in-kind;
- To determine the appropriateness of the remuneration of the Independent and Non-Executive Directors taking into consideration the level of their contribution;
- To review and recommend to the Board the terms of renewal of the service contracts of Directors; and
- To undertake such other duties or functions as may be delegated by the Board or required by regulatory authorities under the Listing Manual of the SGX-ST or the 2018 Code.

During FY2021, the RC had met once and:

(a) Reviewed and determined the remuneration packages and service contracts for the CEO, CFO, Executive Directors and KMP, to ensure that they are adequately but not excessively remunerated; and

(b) Reviewed and recommended the Directors' fees for FY2021, which was approved by the shareholders at the Company's AGM held on 28 April 2021.

In addition, the RC had reviewed and recommended the following by way of a circular resolution in writing by the RC, for the Board's consideration in March 2022:

(a) A one-off additional Directors' fees to be paid to the 4 Independent and Non-Executive Directors and the 1 Non-Independent and Non-Executive Director for FY2021, which will be tabled for the shareholders' approval at the Company's AGM on 27 April 2022. Having considered Management's recommendation and taking into consideration the additional time and efforts dedicated on Board matters during the year under review and the Company's significant financial performance and profit achievement in respect of FY2021, the RC had supported Management's recommendation to pay an one-off additional Directors' fees for FY2021 to all Non-Executive Directors; and

(b) The Directors' fees for the financial year ending 31 December 2022, to be paid quarterly in arrears to the 4 Independent and Non-Executive Directors and the 1 Non-Independent and Non-Executive Director, which will be tabled for the shareholders' approval at the Company's AGM on 27 April 2022.

The RC also considered, in consultation with the CEO, amongst other things, the performance of the Group's KMP, including their responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain the best available executive talent. The recommendations of the RC would be submitted to the Board for endorsement. The RC has full authority to engage any external professional to advise on matters relating to remunerations as and when the need arises.

No individual Director is involved in fixing his own remuneration. Independent and Non-Executive Directors are paid Directors' fees annually on a standard fee basis. Each member of the RC abstains from making any recommendation on or voting on any resolutions in respect of his own remuneration package, except for providing information and documents specifically requested by the RC.

The RC reviews the terms and conditions of service agreements of the Executive Directors before their execution. In the course of such review, the RC will consider the Group's obligations arising in the event of termination of Executive Directors and KMP, to ensure that the service agreements contain fair and reasonable termination clauses and are not overly generous so as to avoid rewarding poor performance.

There being no specific necessity, no external remuneration consultants had been engaged by the RC for the assessment of the remuneration of the Directors in FY2021.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

PROVISIONS 7.1 AND 7.3: PERFORMANCE-RELATED REMUNERATION FOR EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

The service contracts for Executive Directors are for a fixed appointment period and do not contain onerous removal clauses.

The RC carries out an annual review to ensure that the remuneration of the CEO, Executive Directors and KMP commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. Elements of the Group's relative performance and the performance of the individual Directors form part of the Executive Directors' remuneration packages so as to align their interests with those of shareholders and to promote the success of the Company in the longer term. The RC ensures that the remuneration package is competitive and sufficient to attract, retain and motivate Executive Directors and KMP. On the other hand, the Company avoids paying more than is necessary for this purpose.

The Executive Directors do not receive Directors' fees. The remuneration of the Executive Directors and the KMP comprise primarily a basic salary component and a variable component which is inclusive of bonuses and other benefits. The variable component, including bonus payout for the Executive Directors, CEO and CFO is determined based on factors such as the Group's achievement in overall profitability, projected revenue growth, operating cash flow as well as return on operational assets, in particular:

1. The achievement of net profit of the Group and the Company compared to its budget;
2. Operational cash flow achievement compared to its budget/outlook;
3. Revenue Growth achievement compared to its budget; and
4. Return on operational assets, achievement compared to its budget.

The variable component, including bonus payout for the KMP is determined based on the Group's performance and the performance of each KMP.

The performance of each Executive Director, the CEO and the CFO is reviewed by the Chairman at the end of each financial year. A separate performance assessment is carried out for each Executive Director, the CEO and the CFO, respectively, some of the areas of assessment includes amongst other criteria, the following:

- Job knowledge and Expertise
- Commercial Sense
- Leadership

As explained in the earlier paragraphs, the RC takes into consideration the following factors, amongst other criteria, when determining the variable component of the Executive Directors, the CEO's and the CFO's remuneration:

1. The achievement of net profit of the Group and the Company compared to its budget;
2. Operational cash flow achievement compared to its budget/outlook;
3. Revenue growth achievement compared to its budget; and
4. Return on operational assets, achievement compared to its budget.

During the year under review, the RC had reviewed and confirmed that the Executive Directors and the CEO had met the performance criteria as identified above.

Currently, the Company does not have any share-based compensation scheme or long-term incentive schemes for the KMP, Executive Directors, and Independent and Non-Executive Directors.

PROVISION 7.2: REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Board comprises four (4) Independent and Non-Executive Directors and one (1) Non-Independent and Non-Executive Director. The Non-Executive Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as efforts and time spent, as well as responsibilities and obligations of the Directors. The Non-Executive Directors are not overly compensated and the amount of Directors' fees paid to Independent Non-Executive Directors does not compromise their independence. The Directors' fees for the Independent and Non-Executive Directors were last adjusted in FY2018.

The quantum of Directors' fees is reviewed annually and recommended by the RC for the Board's endorsement and recommendation for the shareholders' approval at the Company's AGM. To facilitate the payment of Directors' fees during the financial year in which they are incurred, the Company is seeking shareholders' approval for:

(i) One-off additional Directors' fees of S$88,500.00 for the financial year ended 31 December 2021, payable to all Non-Executive Directors; and

(ii) Directors' fees of S$431,200.00 to be paid for the financial year ending 31 December 2022 on a quarterly basis in arrears.

Each member of the RC had abstained from all discussions, deliberations and decisions in respect of their own remuneration.

The Company has not adopted or implemented any share incentive schemes for its Directors (to encourage the Non-Executive Directors to hold shares in the Company to align with shareholders' interests). The Board is of the view that, for the time being, such scheme would not be necessary since the Independent Directors had always been mindful of and given considerations to shareholders' interests.

The RC and the Board is cognizant of the recommendations as set out under Provision 7.2 and Practice Guidance 7 of the 2018 Code and would continue to review, on an on-going basis, the need to implement and adopt such schemes as and when deemed feasible and appropriate for the Company.

Contractual Provisions for Executive Directors

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

PROVISIONS 8.1 AND 8.3: REMUNERATION OF DIRECTORS, CEO AND TOP FIVE KEY MANAGEMENT PERSONNEL

The Board has not included a separate remuneration report to shareholders in the Annual Report to fully disclose each individual Directors' remuneration or the top five KMP (who are not Directors or the CEO) as the RC and Board are of the view that key remuneration information would have already been sufficiently disclosed in this report and in the financial statements of the Company.

As explained in Provisions 7.1 and 7.3 above, the variable component of the remuneration for the Executive Directors, the CEO and KMP is determined after taking into account, amongst other factors, the individual's performance and the performance of the Group in terms of specific key performance indicators (financial and non-financial) which are aligned to the Company's short and long term strategies focusing on enhancing shareholders' value and value creation for its stakeholders.

There are no termination, retirement and post-employment benefits that may be granted to Directors (including the CEO) and the top five KMP (who are not Directors or the CEO) of the Company and the Group.

A breakdown showing the level and mix of the remuneration payable to each individual Director and top five KMP (who are not Directors or the CEO) for FY2021 is set out as follows:

Remuneration Band	Name of KMP / Directors	Salary	Bonus	Benefits	Directors' Fees
Key Management Personnel*					
S$250,000 to below S$500,000	Lee Thuan Aun, Thomas	65.5%	22.7%	11.8%	0%
	Trisnadi Sukur Muslim Mulia	43.7%	12.4%	43.9%	0%
Below S$250,000	Chan Ngok Chuin	63.3%	21.7%	15.0%	0%
	Choo Eng Chye, Royce	63.8%	21.8%	14.4%	0%
	Oh Kian Beng	62.6%	21.5%	15.9%	0%
Independent and Non-Executive Directors					
Below S$250,000	Quah Ban Huat	0%	0%	0%	100%
	Lee Lay Eng Juliana	0%	0%	0%	100%
	Ng Chee Keong	0%	0%	0%	100%
	Nicholas Peter Ballas	0%	0%	0%	100%
Non-Independent and Non-Executive Director					
Below S$250,000	Masli Mulia	0%	0%	0%	100%
Executive Directors					
S$500,000 to below S$750,000	Tan Meng Toon	42.4%	47.6%	10.0%	0%
S$250,000 to below S$500,000	Bani Maulana Mulia**	70.7%	29.3%	0.0%	0%
	Ridwan Hamid**	77.2%	22.8%	0.0%	0%

* Above disclosure refers to KMP for FY2021 which includes Executive Directors, Deputy Directors and General Managers of the Group. As disclosed on page 3 of this Report, the Board had reviewed and approved the changes to the KMP pool in line with the Group's organisational structure. With effect from 1 January 2022, only Executive Directors and Deputy Directors of the Group will be classified as KMP, while the General Managers who are reporting to the Deputy Directors or Executive Directors will no longer be classified as KMP.

** Bani Maulana Mulia and Ridwan Hamid were appointment on 1st September 2020 and 1st November 2020 respectively.

Directors' Remuneration Disclosure

The RC and the Board, having considered Management's rationale, had collectively concurred that a Group-wide cross-section of the remuneration for the Directors and KMP and their names in bands of S$250,000 provides sufficient overview and disclosure of their remuneration. The RC and the Board deem remuneration to be a highly sensitive and confidential matter and especially so for remuneration matters in a highly competitive human resource environment.

Hence it would not be in the best interest of the Company to disclose the exact remuneration amounts of the CEO, the CFO and each individual Director on a named basis as recommended by the 2018 Code. The remuneration details disclosed in bands of S$250,000 for each individual director and the CEO on page 20 of the Annual Report (Financial) as well as note 34 of the Notes to the Financial Statements provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. As such, Management wishes to continue with this current practice for the disclosure of such remuneration.

The RC and Board is of the view that the Company's existing practice as explained above and the information disclosed provides investors with sufficient insights as to the remuneration policies, level and mix of remuneration, procedure of setting remuneration and the relationships between remuneration, performance and value creation, and therefore is consistent with the intent of Principle 8 of the 2018 Code.

Total Aggregate Remuneration for the Top 5 KMP

The total aggregate remuneration paid to the top five KMP (who are not Directors or the CEO) of the Company for FY2021 is S$1,283,129.

As explained in the earlier paragraphs, the RC and Board had collectively concurred with Management's rationale and in view of the confidentiality and commercial sensitivities attached to remuneration matters, the Company would not be providing a full disclosure on the following items:

- all forms of remuneration and other payments and benefits paid by the Company and its subsidiaries to its Directors and KMP; and
- aggregate amount of termination, retirement and post-employment benefits (if any) that is granted to its Directors, the CEO and top five KMP.

Details of Employee Share Schemes

As explained in Provision 7.2 above, no remuneration or compensation was paid or is to be paid in the form of share options, as the Company currently does not have any employee share schemes or long-term incentive schemes in place. The Board is of the view that, for the time being, such scheme would not be necessary, as it is difficult to determine how much such long-term incentive plan contributes to the retention of employees and to motivate their performance.

PROVISION 8.2: REMUNERATION TO EMPLOYEES WHO ARE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY, OR ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CEO OR SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Details of employees who are substantial shareholder of the Company, or are immediate family members of a director, the CEO or substantial shareholders of the Company and whose remuneration had exceeded S$100,000 per annum in FY2021 is set out below:

Remuneration Band	Name of Employees	Employees' Relationship
S$300,001 to S$400,000	Trisnadi Sukur Muslim Mulia	Son of Mr Masli Mulia, the Non-Independent and Non-Executive Director, Chairman of the Company. Brother of Mr Bani Maulana Mulia, the Executive Director and CEO of the Company.

The RC would continue to review, on an on-going basis, the requirements under Provisions 8.1, 8.2, 8.3 and Practice Guidance 8 of the 2018 Code and recommend appropriate changes to the Company's practices and disclosures as and when deemed feasible and appropriate for the Company.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

PROVISION 9.1: ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROLS AND THE COMPANY'S LEVEL OF RISK TOLERANCE AND RISK POLICIES

The Board is responsible for the governance of risk and sets the direction for the Group in the way risks are managed in the Group's businesses. In addition, the Company's approach to risk management is set out in the "Risk Management Policies and Processes" section on pages 32 to 33 of this Annual Report (Financial).

The Board is committed to maintain an adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls), and risk management systems to safeguard the interests of the shareholders and the Group's assets. To achieve this, regular internal reviews are constantly being undertaken to ensure that the systems of internal controls and risk management systems maintained by the Group is sufficient to provide reasonable assurance that the Group's assets are safeguarded against loss from unauthorised use or dispositions, transactions are properly authorised and proper financial records are being maintained.

The risk management team of the Group (the "**RM team**") oversees and assesses the Group's risk management framework and policies, and reports directly to the AC on a half-yearly basis. The AC would report all material updates to the Board. Hence the Board is of the view that it would not be necessary to establish a separate board risk committee to oversee and monitor the Group's risk management framework and policies as recommended under Provision 9.1 of the 2018 Code.

The RM team had carried out an enterprise risk management exercise to ensure that the Group maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets and identified the Group's risk profile which summarises the material risks faced by the Group and the control-measures put in place to manage such risk. The Group has documented an overview of its key risks, the risk tolerance level, the key personnel responsible for each identified risk type and the internal control mechanisms in place, which includes operational, financial, information technology and compliance. During the year under review, the RM team had worked together with the respective risk owners to monitor and implement proposed risk mitigation plans to lower the level of risk for each areas identified in the Group's risk profile, which had been reviewed and approved by the AC.

The AC has reviewed the Group's financial controls and risk management policies and processes, and based on its assessment and reports of the external auditors, internal auditor and the RM team, the AC is assured that adequate and effective internal controls are in place.

As for the operational and compliance controls, the Group has periodically reviewed these control areas through the various heads of department, and has continuously made improvements with the assistance of the internal auditor and the RM team.

The systems of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as the Group strives to achieve its' business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Based on the internal control procedures established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, the various Board Committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and the risk management systems, are adequate and effective as at 31 December 2021.

PROVISION 9.2: ASSURANCE FROM THE CEO AND THE CFO

For FY2021, the Board has received assurance from the CEO and the CFO (being the key management personnel responsible for risk management and internal controls systems) that:

(a) nothing has come to their attention, which may render the Group's financial statements to be false and misleading in any material aspect pursuant to SGX Listing Rule 705(5);

(b) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(c) the Group's risk management and internal control systems in place are adequate and effective in addressing the needs of the Group in its current business environment, including financial, operational, compliance and information technology risks.

The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems in place, including financial, operational, compliance and information technology controls. This is based on internal controls maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, the various Board Committees and the Board.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharge its duties objectively

PROVISIONS 10.1, 10.2 AND 10.3: COMPOSITION, ROLE AND DUTIES OF AC

The AC comprises the following four (4) members, all of whom are Independent and Non-Executive Directors.

Quah Ban Huat	Chairman
Nicholas Peter Ballas	Member
Ng Chee Keong	Member
Lee Lay Eng Juliana	Member

None of the AC members is a former partner or director of the Company's existing auditing firm or auditing corporation (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The Board is of the opinion that the AC members are appropriately qualified to discharge their responsibilities. Messrs Quah and Ballas have accounting or related financial management background, while Mr Ng's expertise is in terminal, marine and logistics and Ms Juliana Lee is specialised in tax advisory. All members are familiar with financial statements.

The AC is authorised by the Board to investigate any matters within its Terms of Reference. It has unrestricted access to information pertaining to the Group, to both internal and external auditors, and to all employees of the Group. Reasonable resources have been made available to the AC to enable it to discharge its duties properly. The AC has full discretion to invite any Executive Director or KMP or any other person to attend its meetings.

The key responsibilities of the AC include the following:

- To review the external and internal audit plans/audit reports, including the nature and scope of the audit before the audit commences, the significant financial reporting issues and judgments addressed in the management letter issued by the external auditors (if any) and Management's response to the letter to ensure the integrity of the Company's financial statements;

- To review the adequacy and effectiveness of the internal audit function;
- To review the internal auditors' evaluation of the adequacy and effectiveness of the Company's and the Group's system of internal controls in terms of financial, operational, compliance, information technology and risk management;
- To review the assistance and cooperation given by Management to the external auditors and internal auditors and to discuss problems and concerns, if any, arising from the interim and final audits in consultation with the external auditors;
- To review the half-yearly and full-year results announcements and financial statements of the Company, the consolidated financial statements of the Group and any other announcements relating to the Company's financial performance, prior to submission to the Board for approval and release to the Singapore Exchange Securities Trading Limited ("**SGX-ST**");
- To review interested person transactions in accordance with the requirements of the SGX Listing Rules;
- To review all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence and objective of the external auditors;
- To review and recommend the appointment or re-appointment of the external auditors, including their remuneration and terms of engagement for the ensuring year; and
- To review and take actions on the arrangements by which staff of the Group and any other persons may, in confidence raise concerns about possible improprieties in matters of financial reporting or other matters.

The AC has examined any other aspects of the Company's affairs, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

The AC met three (3) times during FY2021.

The AC activities during the year, amongst other things, included (i) the review on the Group's risk events identified by the RM team, including progress updates on the risk mitigation plans/remedial actions implemented during the year; (ii) the Company's sustainability policies and practices during the year, including identification of the Company's material ESG factors and the proposed measurements and targets in relation thereto; (iii) the review by the AC on investment and/or divestment proposals from an accounting, capital requirements and financing perspective; and (iv) the review by the AC on the Group's compliance with its loan covenants, including the maturity deadlines for the Group's bank loans.

The Executive Directors, external auditors, internal auditor, a representative of the RM team and the key finance personnel were invited to attend these meetings.

The AC also meets regularly with Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions, including significant financial reporting issues.

The AC is kept abreast by the Management and the external auditors on changes to accounting standards, SGX Listing Rules and other regulations which could have a direct impact on the Group's business and financial statements.

External Audit

For the year under review, the AC has also reviewed the non-audit services provided by the external auditors and is of the opinion that the provision of such services does not affect their independence and objectivity. The total fees payable by the Group to the external auditors for audit and non-audit services are as disclosed:

External Auditor Fees for FY2021	S$	% of Total
Total audit fees	253,000	93
Total non-audit fees	19,900	7
Total Fees payable	272,900	100

The AC is satisfied that the appointment of external auditors is in compliance with the requirements of SGX Listing Rule 712 for FY2021.

In accordance with the requirements of SGX Listing Rule 716, the AC and the Board, having reviewed the appointment of different auditors for the Company's subsidiaries during FY2021, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

In the review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The AC reviewed and discussed the following key audit matters impacting the financial statements with Management and the external auditor. These key audit matters have been addressed by the external auditors in their Independent Auditor's Report on page 37 to 40 of the Annual Report (Financial).

Key Audit Matters	How the AC reviewed these matters and what decisions were made
Impairment Assessment of Vessels	The AC reviewed management's impairment assessment of vessels, which included valuation by independent external specialists as well as management's value-in-use calculation. Detailed discussion with management was held taking into account industry trend and potential impact that the COVID-19 pandemic has on the vessels' operation. The AC also discussed and reviewed the findings of the external auditors with management and auditors, including their assessment on the appropriateness of the methodologies and the underlying key assumptions applied in both valuation and value-in-use assessment. The AC was satisfied with the valuation and value-in-use assessment along with the methodologies used for the vessels owned by the Group as disclosed in the financial statements.
Impairment Assessment of Investments in subsidiaries	The AC reviewed management's impairment assessment of investment in subsidiaries, which involve the preparation of discounted future cashflow, the assumptions made in determining such amounts and the evaluation of potential impact that the COVID-19 pandemic has on the operations of its subsidiaries. The AC discussed and reviewed the findings of the external auditors with management and auditors, including their assessment on the appropriateness of the methodologies and the underlying key assumptions applied in the impairment assessment. The AC was satisfied with the value-in-use assessment along with the methodologies used as disclosed in the financial statements.

WhistleBlowing Policy

The AC had reviewed and adopted a revised WhistleBlowing Policy in FY2017 which now provides a more elaborate and well-defined channel for the employees of the Group and other external parties such as customers, vendors, banks and other stakeholders to report their concerns (if any) in respect of the following matters within the Group:

- Theft/Fraud/Unethical Behaviour
- Workplace Safety Breaches
- Bullying, Harassment & Discrimination
- Misconduct and Malpractice
- Breach of Laws, Regulations, Policy/Procedures
- Acts which compromise the health and safety of customers and employees
- Abuse of Position or Conflicts of Interest
- Possible improprieties relating to accounting or auditing matters or internal controls or/and operational matters

WhistleBlowing concerns may be reported directly to the AC Chairman or the Head of Internal Audit via mail or email. The Group will treat all information received confidentially and protect the identity and the interest of all WhistleBlowing. The AC reviews the WhistleBlowing Policy periodically to ensure that arrangements are in place for independent investigation on such matters and for appropriate follow-up actions.

No WhistleBlowing concerns were reported for FY2021.

PROVISION 10.4: INTERNAL AUDIT FUNCTION

The Board recognises the importance of maintaining a sound system of internal controls, procedures and processes for the Group to safeguard the shareholders' investments and the Group's assets. The Company has appointed an in-house internal auditor to oversee the Group's internal audit function, who reports directly to the AC on the progress and adequacy of the internal audit function. The internal auditor has unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC. The internal auditor's primary line of reporting is to the AC Chairman. The appointment, evaluation and removal of internal auditor are solely subject to the approval of the AC.

The internal auditor plans its internal audit schedules in consultation with, but independent of, Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The AC reviews the activities of the internal auditor on a regular basis to ensure that the internal audit resources are adequate, in particular the qualification and experience of the internal auditor.

The AC is satisfied that the internal auditor is qualified and experienced personnel. The internal auditor has adopted the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During FY2021, the internal auditor has also reviewed and assessed the internal controls established and maintained by the Group to ensure that they are adequate, sufficient and effective and reported the findings to AC, recommending improvements and additional controls where appropriate. A copy of the report was also circulated to relevant departments for follow up actions.

The AC annually reviews the adequacy and effectiveness of the internal audit function to ensure that internal audits are conducted effectively and that the Management provides the necessary co-operation to enable the internal auditor to perform its function. The AC also reviews the internal auditor's reports and monitors the remedial actions implemented by Management to address internal control weaknesses identified.

Based on the reviews carried out, the AC was of the view that the internal audit function for FY2021 was independent, effective and adequately resourced.

PROVISION 10.5: MEETING EXTERNAL AUDITORS AND INTERNAL AUDITOR WITHOUT THE PRESENCE OF THE COMPANY'S MANAGEMENT ANNUALLY

The AC met with the external auditors and internal auditor without the presence of Management to review and discuss any issues or areas of audit concerns that they may have in respect of the FY2021 audit (including any suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations, which has or is likely to have a material impact on the Company and Group's operating results or financial position, and management's response thereof).

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights And Conduct of General Meetings

Principle 11: The company treat all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Conduct of General Meetings and Shareholders' Participation

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' rights. The Board is mindful of the obligation to provide timely and fair disclosure of information about the Group's business developments and financial performance which would have a material impact on the share price or value of the Company. The Board is accountable to the shareholders while Management is accountable to the Board.

The Company ensures that shareholders have the opportunity to participate effectively in and vote at the general meetings of shareholders. Copies of the Annual Report, the Circular and the Notices for the AGM and/or Extraordinary General Meetings ("**EGM**"), where applicable, are sent to every shareholder of the Company, informing them of the rules and voting procedures that govern the general meetings. The notices of the general meetings are also advertised in the newspapers, released via SGXNet and made available on the Company's website at www.samudera.id/ssl.

The Company supports active shareholder participation at general meetings. The shareholders are encouraged to attend the general meetings to ensure high level of accountability and stay informed of the Group's strategies and visions. The Company's Constitution allows any shareholder, who is unable to attend the general meetings in person, to appoint not more than two proxies to attend and vote in his/her place at the general meetings via proxy forms submitted in advance (i.e. not less than seventy-two (72) hours before the time appointed for holding the general meeting). The proxy form is sent with the notices for the general meetings to all shareholders. The Company is not implementing absentia voting methods such as by mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

For greater transparency and fairness in the voting process, voting at shareholders' meetings were conducted by poll since 2013. This allows all shareholders present or represented at the general meetings to vote on a one-share-one-vote basis. The rules, including the voting process, are explained by the scrutineers. The voting results of all votes cast for or against each resolution (including the respective percentages) are disclosed during the general meetings and the same will be announced to the SGX-ST after the conclusion of the general meetings.

General meetings are principal forum for dialogue with shareholders. The Company welcomes the views of the shareholders on matters concerning the Company and encourages shareholders' participation at the general meetings.

All Directors, including the Chairman of each Board Committee (AC, NC and RC, respectively), external auditors, KMP and legal advisors (where necessary), are present at the general meetings to address any questions that may be raised by the shareholders. Details of the Directors' attendance at the AGM and EGM held during FY2021 is disclosed in Provision 1.5 above.

During the general meetings, shareholders are given opportunities to speak and seek clarifications from the Board and the Management on the Group's business activities, financial performance and other business-related matters. The Company will gather views or input and address shareholders' concerns at the general meetings.

Each distinct issue requiring shareholders' approval is proposed as a separate resolution at the general meetings. Detailed information on each resolution in the Notice of AGM or EGM will be set out in the explanatory notes to the AGM or EGM.

In line with Provision 11.5 of the 2018 Code, the minutes of the Company's AGM and EGM held last year on 28 April 2021 were announced via SGXNet on 19 May 2021 and made available publicly on the Company's website.

AGM for FY2021

In view of the current COVID-19 situation in Singapore, similar to last year, the Company's forthcoming AGM in respect of FY2021 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, will be put in place for the forthcoming AGM to be held on 27 April 2022.

Disclosure of Information

The Company does not practice selective disclosure. Material and price sensitive information is publicly released in a comprehensive, accurate and timely manner via SGXNet.

The Board seeks to keep stakeholders updated on the Group's financial performance, position and prospects through half-yearly and annual financial results as well as timely announcements on developments in the Group's businesses. Half-yearly and full year financial results of the Company are reviewed by the Board before dissemination to shareholders via SGXNet. Half-yearly results will be released within 45 days of the reporting period from FY2020 onwards, while the full year results are released within 60 days of the financial year end via SGXNet. In presenting the financial reports, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance.

The Company's annual reports are announced and issued within the mandatory period and made available to shareholders on request. Financial results, annual reports and corporate announcements as disclosed by the Company on SGXNet are also accessible on the Company's website at www.samudera.id/ssl.

Following the amendments to SGX Listing Rule 705, which took effect from 7 February 2020, the Company is only required to announce the Company's and the Group's unaudited financial statements on a half-yearly basis.

The Company and the Group's unaudited financial results in respect of the half-year ending 30 June 2022 will be released within 45 days from 30 June 2022. Notwithstanding the foregoing, the Company will comply with its continuing disclosure obligations to keep shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the Company or the Group.

Other platforms used in the dissemination of relevant information include press releases, annual reports, shareholder circulars and general meetings. Presentations made at general meetings are announced via SGXNet and made available publicly on the Company's website.

Dividend Policy

The Company will endeavour to maintain a dividend payout ratio of about 20%. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results or operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

Investor Relations

The Company, beside in-house investor relations ("**IR**") personnel, also engages IR professionals to provide and facilitate communications with all stakeholders; shareholders, analysts and media, on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

To enable shareholders to contact the Company easily, investor relations access link is available at the Company's website. Shareholders can also contact the Company via investor_relation@samudera.id. Notwithstanding that there is no formal investor relations policy in place, the Board is cognizant of the recommendations as set out under Provisions 12.2, 12.3 and Practice Guidance 12 of the 2018 Code.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The stakeholders are those who are impacted by the Group's business and operations and those who are similarly are able to impact the Group's business and operations. The Company has identified six material stakeholders groups through an assessment of their significance to the Group's business operations. They are namely, investors and shareholders, employees, port authorities, customers, business partners and local community.

The Company regularly engages its stakeholders through various methods such as meetings, briefings, corporate website or intranet portal to understand the key concerns and factors that are important to our stakeholders. This allows us to be responsive and able to focus on efforts to improve our service quality.

The Company has undertaken a process to determine the various issues which are important to these stakeholders, including ESG factors. Details of our stakeholder engagement methods and the resulting areas of focus in relation to the management of stakeholders' concerns during FY2021 is disclosed in the Company's Sustainability Report, which is set out on pages 43 to 44 of the Annual Report.

The stakeholders can communicate and engage with the Company at the Company's website at www.samudera.id/ssl or email to sustainability@samudera.id.

Dealings in Securities

The Company has adopted an internal Code of Best Practices on dealings in securities (the "**Code of Best Practices**"), which has been disseminated and distributed to all officers and employees, to provide guidance to the officers, including Directors, of both the Company and its subsidiaries with regard to dealings in the Company's securities. Directors and employees of the Company are regularly reminded not to deal (whether directly or indirectly) in the Company's securities on short-term considerations and to be mindful of the law on insider trading as prescribed by the Securities and Futures Act.

The Code of Best Practices prohibits the officers of the Group from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full year financial results and ending on the date of announcement of such results on the SGX-ST, and the Code of Best Practices also states that it is an offence to deal in the Company's securities, while they are in possession of unpublished price-sensitive information of the Group.

The Company has complied with the Code of Best Practices.

Material Contracts

The Group had subsisting service agreements with the holding company and related companies relating to shipping agency services, ship management services, vessel charter hire, stevedoring and container depot storage and repair at the end of the financial year.

Save as disclosed in the Directors' statement and financial statements, there were no material contracts entered into by the Company or any of its subsidiaries, involving the interest of the CEO, any Director or the controlling shareholder subsisting at the end of FY2021.

INTERESTED PERSON TRANSACTIONS

The Group has established internal control procedures to ensure the transactions with interested persons are properly reviewed and approved by the AC and conducted at arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The AC has reviewed the Interested Person Transactions ("IPTs") for FY2021 and are of the view that the transactions were on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders. The aggregate values of all IPTs conducted during the financial year are as follows:

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**		**Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual**	
		2021 US$'000	2020 US$'000	**2021** US$'000	2020 US$'000
Expenses					
PT Samudera Indonesia Tbk	Immediate Holding Company				
Office rental		**–**	–	**5**	17
Vessel charter hire		**–**	–	**2,293**	2,124
PT Samudera Agencies Indonesia	Related Company				
Agency commission[(1)]		**–**	–	**2,119**	1,994
PT Samudera Indonesia Ship Management	Related Company				
Ship management fees		**–**	–	**473**	579
PT Perusahaan Pelayaran Nusantara Panurjwan	Related Company				
Vessel charter hire		**–**	–	**4,838**	3,467
Slot space purchase		**18**	38	**–**	–
PT Praweda Sarana Informatika	Related Company				
Software development and system maintenance		**234**	408	**–**	–
PT Samudera Sarana Logistik	Related Company				
Container depot storage / repair		**–**	–	**156**	134
PT Tangguh Samudera Jaya	Related Company				
Stevedorage charges		**–**	–	**5,811**	4,743
PT Ista Indonesia	Related Company				
Car rental		**41**	39	**–**	–
Website development		**–**	13	**–**	–

INTERESTED PERSON TRANSACTIONS

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		Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	
		2021 US$'000	2020 US$'000	**2021** US$'000	2020 US$'000
Sales					
PT Perusahaan Pelayaran Nusantara Panurjwan	Related Company				
Vessel charter hire		**–**	483	**–**	–
Sale of vessel		**–**	709	**–**	–
PT Samudera Energi Tangguh	Related Company				
Vessel charter hire		**2,122**	6,365	**3,455**	–
		2,415	8,055	**19,150**	13,058

(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.

The Group had subsisting service agreements with the holding company and related companies relating to shipping agency services, ship management services, vessel charter hire, stevedoring, container depot storage and repair and software development and system maintenance at the end of the financial year.

RISK MANAGEMENT POLICIES AND PROCESSES

The risk management policies and processes are set by the Board. These are regularly reviewed and updated.

The Group has setup a risk management team to oversee and assess the Group's risk management framework and policies, to ensure that the Group maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets.

The Group identifies, analyses and evaluates risks that affect the operations of the Group's business and realization of projects. This includes considering factors that trigger and give rise to such risks as well as its potential impact to the organization. Achieving these objectives will allow the Group to enhance shareholder value by focusing on the key risks, finding an appropriate balance between cost and risk control as well as a more effective capital allocation.

An overview of the key risks identified in the following areas and how they are managed is set out below:

- Strategic
- Investment
- Operation
- Information Technology
- Compliance
- Financial

STRATEGIC

1. The Group adopts a portfolio approach in terms of its business lines. It participates in three business segments – container shipping, bulk and tanker, agencies and logistics – each having its own unique business cycle, characteristics, risk profile and profitability pattern.

2. The Group conducts a strategy evaluation periodically with the view to build upon its long-term strategic direction and plans. This evaluation also ensures an alignment of its business strategy with the Group's broader vision, mission and values and contributes to the growth of its core business activities. The focus of the strategy is on the expansion and enhancement of its network and connectivity, to facilitate the provision of high-quality transportation and logistics services.

3. The Group is committed to providing the best quality service for its customers. In this regard, the strong emphasis in organisational structure is geared toward continuous improvement in customer satisfaction as well as customer retention.

INVESTMENT

1. Written approval from the Board is necessary prior to implementation of any new investment. The approval process involves a rigorous review of various aspects of the investment proposal.

2. The Group adopts a prudent approach in managing its investments and maximizing available resources. In particular, special attention is paid to managing its gearing on a consolidated basis. Although its debt covenants stipulate a gearing ratio no more than 2:1 (being the ratio of interest-bearing debt over net worth) to its lenders, the Group has consistently maintained a gearing that is lower than these covenants.

3. With regard to external borrowings, the Group ensures that it works with a bank or a financial institution that is financially sound and understands the Group's business and its risk characteristics. By choosing its lenders carefully, the Group expects to achieve continued support from the financing community at attractive terms to finance the execution of its strategic plan.

RISK MANAGEMENT POLICIES AND PROCESSES

OPERATIONS

1. The Group relies on proper organisational structures and internal controls to ensure the smooth running of its operations in relation to its goals and in consideration of the industry environment and various geographical areas that it operates in. A review is conducted periodically by the Board to review and evaluate the effectiveness of the controls and appropriateness of the structure.

2. The Group places high emphasis on its quality of human resources through placement and empowerment of the right people, and the use of appropriate management control tools.

3. The Group operates with the necessary insurance covers, including Hull & Machinery, Protection & Indemnity, Kidnap & Ransom, Time Charterers' Liability and War Risk covers as and when necessary.

4. When entering into an entirely new market, the Group usually seeks assistance from suitable consultant(s) or agency who are knowledgeable about local market conditions.

5. The Group adopts a fleet strategy that aims to maintain a balanced vessel portfolio of owned, long-term chartered and short-term chartered.

INFORMATION TECHNOLOGY

1. The Group opines that information technology is one of the crucial tools to achieve business growth, better productivity and a greater competitive edge. Investment in this area mainly focuses on technology that will improve quality of service, productivity and security.

2. The Group has established policies in place to manage risks associated with information technology, covering various aspects including business continuity planning, user access management and change management. The Group has also implemented a robust security framework to ensure there are appropriate preventive, detective and recovery measures to minimize information technology and network security risks to its network and data systems.

COMPLIANCE

1. To achieve optimum fleet maintenance, the Group engages ship management companies to manage its fleet. The ship management company, as a specialist in this respect, ensures that the Group's vessels are in compliance with various regulations, including IMO regulations such as ISM Code, Classification Society's rules, Oil Major Terminal vetting inspections, and CDI inspections, among others.

2. The Group engages a third-party professional advisory firm for corporate secretarial services to ensure that it is kept apprised of, and in compliance with, all legal and statutory requirements as well as listing rules. The Group may separately appoint a relevant professional advisor or legal firm to act on its behalf for specific matters arising.

FINANCIAL

Please refer to Notes to financial statements of the Annual Report.

DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited consolidated financial statements of Samudera Shipping Line Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS OF THE COMPANY

The directors of the Company in office at the date of this statement are:

Masli Mulia
Bani Maulana Mulia
Ridwan Hamid
Tan Meng Toon
Quah Ban Huat
Nicholas Peter Ballas
Ng Chee Keong
Lee Lay Eng Juliana

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act (the "Act") except as follows:

	Direct interest		
Name of directors and companies in which interests are held	**At the beginning of financial year/ At date of appointment**	**At the end of financial year**	**As at 21 January 2022**
Immediate holding company			
PT Samudera Indonesia Tbk			
Ordinary shares of Indonesian rupiah ("IDR") 25 each (2020: IDR25 each)			
Masli Mulia	13,170,000	13,170,000	13,170,000
Bani Maulana Mulia	3,332,300	5,227,800	5,275,800
The Company			
Samudera Shipping Line Ltd			
Ordinary shares			
Bani Maulana Mulia	3,272,000	3,272,000	3,272,000

There were no deemed interest held by the directors in the shares of the Company and its related corporations as at 1 January 2021, 31 December 2021 and 21 January 2022.

SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, there were no options granted to take up unissued shares of the Company or any corporation in the Group.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") of the Company comprises four members, all of whom are Independent and Non-Executive Directors. The Chairman of the AC is Mr Quah Ban Huat and the other members are Mr Nicholas Peter Ballas, Mr Ng Chee Keong and Ms Lee Lay Eng Juliana.

The AC performs the functions specified in Section 201B of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX Listing Rule") and the Singapore Code of Corporate Governance which was issued on 6 August 2018 (the "2018 Code").

The AC has held three meetings during the financial year. In performing its functions, the AC met with the Company's external auditors and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system. The AC also reviewed the following:

- external and internal audit plans/audit reports, including the nature and scope of the audit before the audit commences and the significant financial reporting issues;
- adequacy and effectiveness of the internal audit function;
- internal auditors' evaluation of the adequacy and effectiveness of the Company's and the Group's system of internal controls in terms of financial, operational, compliance, information technology and risk management;
- assistance and cooperation given by Management to the external auditors and internal auditors and to discuss problems and concerns, if any, arising from the interim and final audits in consultation with the external auditors;
- half-yearly and full-year results announcements and financial statements of the Company and the consolidated financial statements of the Group prior to submission to the Board for adoption;
- interested person transactions in accordance with the requirements of the SGX Listing Rules;
- all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence and objective of the external auditors; and
- the appointment or re-appointment of the external auditors, including their remuneration and terms of engagement for the ensuring year.

The AC has unrestricted access to information pertaining to the Group, to both internal and external auditors, and to all employees of the Group. Reasonable resources have been made available to the AC to enable it to discharge its duties properly. It also has full discretion to invite any Executive Director or key management personnel or any other person to attend its meetings.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors

Ridwan Hamid
Director

Tan Meng Toon
Director

Singapore
26 March 2022

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Samudera Shipping Line Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Samudera Shipping Line Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards (International) in Singapore ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

IMPAIRMENT ASSESSMENT OF NON-FINANCIAL ASSETS

The recoverable amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication that the assets 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 assessment for impairment and the recoverable value is considered a key audit matter as management exercises significant judgement in making assumptions and estimates in the preparation of the discounted cash flow forecasts.

(a) Impairment assessment of vessels

The Group has vessels recorded as fixed assets and right-of-use assets with total carrying amount of US$26,367,000 and US$132,154,000 respectively as at 31 December 2021. This approximates 27.7% of the Group's total assets. In addition, the Group has an associate which owns a vessel and the carrying amount of the vessel in the associate is US$117,988,000 (Note 15). The Group's share of the carrying amount of the vessel in the associate as at 31 December 2021 is US$29,497,000.

Based on management's assessment, the Group recognised impairment losses of US$4,051,000 (Note 12(b)) during the financial year ended 31 December 2021.

Our audit procedures included evaluating the suitability of the impairment model and reasonableness of the key assumptions used by management. We obtained an understanding of management's impairment assessment process, including indicators of impairment and determination of cash generating units for the purpose of estimating the recoverable amounts.

For the owned vessels, in assessing whether there are indicators of impairment, management took into consideration the fair value less cost of disposal ("FVLCD") at 31 December 2021. The fair values were determined based on independent valuation performed by external valuers. In assessing the FVLCD, we involved our internal specialists to assist in the following:

- Held discussions with the external valuers to obtain an understanding on the performance;
  - Objectivity, competency and independence of the valuers;
  - Reasons for any significant change in the valuations from the previous financial year;
  - Methodology adopted in the valuation;
  - Key assumptions adopted by the valuers in the valuation;
- Identify any inconsistencies in the standard valuation process; and
- Performed research and comparative calculation to validate the valuations provided by the external valuers.

When assessing the recoverable value based on value-in-use, we performed the following procedures:

- Obtained an understanding from management on their assessment of the potential impact that COVID-19 pandemic has on the vessels' operation;
- Reviewed the key assumptions applied (including those relating to daily charter rates/earnings, revenue growth rate, capital and operating expenditures) taking into consideration the current market condition by comparing them against the Group's historical performance and available market data;

IMPAIRMENT ASSESSMENT OF NON-FINANCIAL ASSETS (CONT'D)

(a) Impairment assessment of vessels (cont'd)

- Involved our internal specialists to assess the reasonableness of the discount rate by performing comparative discount rate calculations using available market and industry comparables data sources;
- Performed sensitivity analysis on the key assumptions in the impairment model being discount rate and charter rates; and
- Reviewed actual performance against previous forecast to assess the robustness of management's forecasting process, taking into consideration the impacts of COVID-19 pandemic.

For leased vessels, in assessing whether there are indicators of impairment, management took into consideration external and internal sources of information as at 31 December 2021, such as the trend of market charter rates and the headroom in comparison to the actual contracted rates as well as the economic performance of vessels utilised for freight operations. We performed the following procedures:

- Obtained an understanding of management's assessment of impairment indicators;
- Reviewed the appropriateness of the indicators and validated the key inputs used based on external sources of information such as charter rates;
- Reviewed the economic performance of vessels based on internal reporting information against historical trend, taking into consideration the impacts of COVID-19 pandemic.

We also assessed the adequacy of the disclosures on the impairment of vessels in Notes 12(b) and 3.1(b) to the financial statements.

(b) Impairment assessment of investment in subsidiaries

The Company have significant investment in subsidiaries. The carrying amounts of these investments were included in Note 14 to the financial statements. The financial performance of the subsidiaries is dependent on the economic and market conditions in which they operate in. Management monitors the performance of these entities and an assessment for impairment is carried out when there are indicators of impairment, such as when the expected returns on the investments are lower than anticipated. The impairment assessments involve the preparation of discounted cash flow forecasts to determine the recoverable amounts of these investments. The assessment for impairment is considered a key audit matter as management exercises significant judgement in making assumptions and estimates for the preparation of the discounted cash flow forecasts. Based on management's assessment, the Company recognised impairment losses of US$4,531,000 (Note 14) against investment in one of its subsidiaries in the current financial year.

We performed the following procedures, amongst others in assessing the impairment loss recognised during the year:

- Reviewed management's assessment on whether there are any impairment indicators for the investment in subsidiaries;
- For those entities with indicators of impairment, we reviewed the process by which management's discounted cash flow forecasts were prepared;
- We obtained an understanding from management on their assessment of the potential impact that COVID-19 has on the operations of those entities;

IMPAIRMENT ASSESSMENT OF NON-FINANCIAL ASSETS (CONT'D)

(b) Impairment assessment of investment in subsidiaries (cont'd)

- Tested the robustness of management's discounted cash flow forecasts by comparing previous forecasts to actual results and validated key inputs used, such as the discount and growth rates, to historical and external market data in light of current market conditions to assess the reasonableness of the key inputs; and
- We assessed the sensitivity of the discounted cash flow forecasts based on reasonably possible changes to the key assumptions and checked the mathematical accuracy of the underlying calculations.

We also assessed the adequacy of the Company's disclosures relating to the impairment of investments in subsidiaries in Notes 14 and Note 3.1(a) to the financial statements.

OTHER INFORMATION

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2021

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yee Woon Yim.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2021

	Note	Group 2021 US$'000	Group 2020 US$'000
Revenue	4	526,966	347,895
Cost of sales		(380,019)	(318,294)
Gross profit		146,947	29,601
Other income	5	4,117	893
Marketing expenses		(8,734)	(7,641)
Administrative expenses		(7,391)	(5,226)
Other expenses	6	(4,174)	(10,657)
Profit from operations		130,765	6,970
Finance income	7	325	676
Finance costs	8	(2,791)	(1,610)
Operating profit		128,299	6,036
Share of results of associate and joint venture	15	2,336	1,765
Profit before tax		130,635	7,801
Income tax expense	9	(582)	(528)
Profit for the year	10	130,053	7,273
Attributable to:			
Owners of the Company		128,578	7,230
Non-controlling interests ("NCI")		1,475	43
		130,053	7,273
Earnings per share (US cents)			
Basic and diluted	31	23.90	1.34

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Group	
	2021	**2020**
	US$'000	US$'000
Profit for the year	130,053	7,273
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligation (Note 26)	(4)	(6)
	(4)	(6)
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of associate (Note 30b)	574	670
Net unrealised gain (loss) on revaluation of cash flow hedges (Note 30b)	43	(40)
Exchange differences on translation of foreign operations	(199)	1
	418	631
Other comprehensive income for the year, net of tax	414	625
Total comprehensive income for the year	130,467	7,898
Total comprehensive income attributable to:		
Owners of the Company	129,368	7,842
Non-controlling interests	1,099	56
	130,467	7,898

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group 2021 US$'000	Group 2020 US$'000	Company 2021 US$'000	Company 2020 US$'000
Non-current assets					
Investment properties	11	968	1,004	529	555
Property, plant and equipment	12	67,013	85,604	51,502	64,254
Right-of-use assets	25	139,330	63,887	133,172	58,121
Intangible assets	13	686	1,136	686	1,136
Subsidiaries	14	–	–	37,062	34,389
Associate and joint venture	15	17,537	15,677	12,117	12,117
Deferred tax assets		66	63	–	–
Due from subsidiary (non-trade)	19	–	–	570	818
Total non-current assets		225,600	167,371	235,638	171,390
Current assets					
Cash and bank balances	16	187,193	80,827	146,911	58,443
Trade receivables – third parties	17	113,487	53,810	105,744	48,264
Prepaid operating expenses		19,776	9,040	14,846	5,660
Other receivables and deposits	18	1,837	2,069	152	781
Due from immediate holding company (non-trade)	33	261	261	–	–
Due from immediate holding company (trade)	17	4,067	3,981	4,039	3,972
Due from subsidiaries (trade)	17	–	–	8,955	3,337
Due from subsidiaries (non-trade)	19	–	–	980	990
Due from related companies (trade)	17	17,347	10,375	13,808	5,652
Due from non-controlling interest of subsidiary (trade)	17	417	229	–	–
Inventories	20	1,497	1,650	1,246	1,419
		345,882	162,242	296,681	128,518
Assets classified as held for sale	21	–	13,230	–	13,230
Total current assets		345,882	175,472	296,681	141,748
Total assets		571,482	342,843	532,319	313,138

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		US$'000	US$'000	US$'000	US$'000
Current liabilities					
Bank term loans and borrowing	22	5,241	9,768	5,107	8,427
Trade payables	23	28,855	18,441	25,175	15,956
Other payables and liabilities	24	58,910	29,228	49,728	20,777
Due to subsidiary (trade)	33	–	–	101	–
Due to subsidiary (non-trade)	33	–	–	2,527	7,269
Due to related companies (trade)		377	114	35	48
Due to non-controlling interests of subsidiaries (non-trade)	27	58	59	–	–
Lease liabilities	25	65,466	11,153	64,835	10,504
Income tax payable		1,429	1,362	336	341
Total current liabilities		160,336	70,125	147,844	63,322
Non-current liabilities					
Bank term loans and borrowing	22	12,443	19,787	12,020	13,692
Lease liabilities	25	75,037	53,157	69,251	47,861
Retirement benefit obligations	26	–	–	–	–
Deferred tax liabilities		29	17	–	–
Due to non-controlling interests of subsidiaries (non-trade)	27	1,186	1,744	–	–
Total non-current liabilities		88,695	74,705	81,271	61,553
Net current assets		185,546	105,347	148,837	78,426
Net assets		322,451	198,013	303,204	188,263
Capital, reserves and non-controlling interests					
Share capital	28	68,761	68,761	68,761	68,761
Treasury shares	29	(174)	(174)	(174)	(174)
Retained earnings		249,443	127,105	234,614	119,688
Other reserves	30	463	(150)	3	(12)
Foreign currency translation reserve	30	43	(134)	–	–
Equity attributable to owners of the Company		318,536	195,408	303,204	188,263
Non-controlling interests		3,915	2,605	–	–
Total equity		322,451	198,013	303,204	188,263
Total liabilities and equity		571,482	342,843	532,319	313,138

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital	Treasury shares	Other reserves	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group								
2020								
At 1 January 2020	68,761	(174)	(774)	(122)	122,757	190,448	2,709	193,157
Total comprehensive income for the year:								
Profit for the year	–	–	–	–	7,230	7,230	43	7,273
Other comprehensive income for the year	–	–	624	(12)	–	612	13	625
Total	–	–	624	(12)	7,230	7,842	56	7,898
Transactions with owners, recognised directly in equity:								
Dividends paid by subsidiaries to NCI	–	–	–	–	–	–	(160)	(160)
Dividends paid (Note 32)	–	–	–	–	(2,882)	(2,882)	–	(2,882)
Total	–	–	–	–	(2,882)	(2,882)	(160)	(3,042)
At 31 December 2020	68,761	(174)	(150)	(134)	127,105	195,408	2,605	198,013

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital	Treasury shares	Other reserves	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group								
2021								
At 1 January 2021	68,761	(174)	(150)	(134)	127,105	195,408	2,605	198,013
Total comprehensive income for the year:								
Profit for the year	–	–	–	–	128,578	128,578	1,475	130,053
Other comprehensive income for the year	–	–	613	177	–	790	(376)	414
Total	–	–	613	177	128,578	129,368	1,099	130,467
Transactions with owners, recognised directly in equity:								
Additional investment in subsidiary by a NCI	–	–	–	–	–	–	269	269
Dividends paid by subsidiaries to NCI	–	–	–	–	–	–	(58)	(58)
Dividends paid (Note 32)	–	–	–	–	(6,240)	(6,240)	–	(6,240)
Total	–	–	–	–	(6,240)	(6,240)	211	(6,029)
At 31 December 2021	68,761	(174)	463	43	249,443	318,536	3,915	322,451

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Company	Share capital US$'000	Treasury shares US$'000	Other Reserves US$'000	Retained earnings US$'000	Total equity US$'000
2020					
At 1 January 2020	68,761	(174)	–	114,026	182,613
Profit for the year, representing total comprehensive income for the year	–	–	–	8,544	8,544
Other comprehensive income for the year	–	–	(12)	–	(12)
Total	–	–	(12)	8,544	8,532
Transactions with owners, recognised directly in equity:					
Dividends paid (Note 32)	–	–	–	(2,882)	(2,882)
Total	–	–	–	(2,882)	(2,882)
At 31 December 2020	68,761	(174)	(12)	119,688	188,263
2021					
At 1 January 2021	68,761	(174)	(12)	119,688	188,263
Profit for the year, representing total comprehensive income for the year	–	–	–	121,166	121,166
Other comprehensive income for the year	–	–	15	–	15
Total	–	–	15	121,166	121,181
Transactions with owners, recognised directly in equity:					
Dividends paid (Note 32)	–	–	–	(6,240)	(6,240)
Total	–	–	–	(6,240)	(6,240)
At 31 December 2021	68,761	(174)	3	234,614	303,204

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Group	
	2021	**2020**
	US$'000	US$'000
Operating activities		
Profit before tax	130,635	7,801
Adjustments for:		
Depreciation of property, plant and equipment	6,293	8,046
Depreciation of right-of-use assets	26,391	5,864
Amortisation of intangible assets	589	242
Depreciation of investment properties	36	38
Gain on disposal of property, plant and equipment	(11)	(10)
Gain on disposal of assets held for sale (vessels)	(971)	–
Finance costs	2,791	1,610
Finance income	(325)	(676)
(Write back of) allowance for impairment on receivables	(923)	696
Share of results of associate and joint venture	(2,336)	(1,765)
Impairment of property, plant and equipment	4,051	9,458
Impairment of investment property	–	149
Net foreign exchange (gain) loss	(704)	385
Operating cash flows before movements in working capital	165,516	31,838
Trade receivables	(59,879)	6,309
Other receivables and deposits	235	854
Prepaid operating expenses	(10,736)	2,674
Due from immediate holding company	(78)	(6)
Due from related companies	(5,849)	(1,222)
Due from joint venture	(6)	(3)
Due from non-controlling interest of subsidiary	(188)	(154)
Inventories	153	(19)
Trade payables	10,414	(5,176)
Other payables and liabilities	29,718	7,057
Due to related companies	263	(151)
Cash generated from operations	129,563	42,001
Interest paid	(2,791)	(1,610)
Income tax paid	(468)	(206)
Net cash from operating activities	126,304	40,185

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Group	
	2021	**2020**
	US$'000	US$'000
Investing activities		
Interest income received	325	676
Proceeds from disposal of property, plant and equipment	19	684
Proceeds from disposal of assets held for sale (vessels)	25,289	–
Purchase of property, plant and equipment [Note 12(f)]	(2,964)	(1,792)
Purchase of intangible assets (Note 13)	(139)	(1,275)
Dividend received from an associate	1,050	1,000
Net cash from (used in) investing activities	23,580	(707)
Financing activities		
Repayment of bank term loans and borrowing	(11,459)	(6,507)
Repayment of principal portion of lease liabilities	(25,648)	(5,773)
Dividends paid	(6,240)	(2,882)
Decrease in pledged deposits	2,708	4,957
Dividends paid to non-controlling shareholder of subsidiaries	(58)	(160)
Additional investment in a subsidiary by non-controlling interests	269	–
(Repayment) / drawdown on loan from non-controlling interest of subsidiaries	(559)	164
Net cash used in financing activities	(40,987)	(10,201)
Net increase in cash and cash equivalents	108,897	29,277
Cash and cash equivalents at beginning of the year	77,018	47,753
Effects of exchange rate changes on the balance of cash held in foreign currencies	177	(12)
Cash and cash equivalents at end of the year (Note 16)	186,092	77,018

The accompanying accounting policies and explanatory notes form an integral part of the 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 Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are expressed in United States dollars ("USD").

The principal activities of the Company are the owning and operating of ocean-going ships and the provision of containerised feeder shipping services.

The principal activities of its subsidiaries, associate and joint venture are disclosed in Notes 14 and 15 respectively.

The Group operates in South East Asia, the Far East, the Indian Sub-continent and the Middle East.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statements of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on historical cost basis except as disclosed in the accounting policies below.

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.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

Interest Rate Benchmark Reform – Phase 2: Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group.

During the year under review, the Group had amended its US Dollar LIBOR bank loan agreement such that on the earlier of 30 June 2023 and the date on which LIBOR ceases to be published or otherwise becomes unavailable, the reference benchmark interest rate will change to SOFR, which will be further aligned with the corresponding Company's hedging instruments.

At 31 December 2021, the Group has US$1,494,000 (2020: US$11,683,000) of bank loan, gross of direct issue costs, linked to U.S.Dollar LIBOR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'TD)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for financial year beginning on**
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

2.4 Foreign currency

The consolidated financial statements are presented in United States Dollars (USD), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to consolidated income statement on disposal of the foreign operation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;

– De-recognises the carrying amount of any non-controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

– Recognises the fair value of the consideration received;

– Recognises the fair value of any investment retained;

– Recognises any surplus or deficit in profit or loss;

– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or other reserves, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or a liability are recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The CGU to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

(c) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

Details of the Group's significant subsidiaries are shown in Note 14 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Share of results of associate and joint venture" in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using straight-line method, on the following bases:

Vessels	–	15 to 25 years
Vessel improvements	–	2.5 to 5 years
Deferred charges	–	2.5 to 5 years
Motor vehicles	–	3 to 10 years
Equipment	–	3 to 5 years
Furniture and fittings	–	3 to 10 years
Renovation	–	3 to 5 years
Properties	–	15 to 60 years
Containers	–	15 years
Warehouse	–	20 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next drydocking are identified and the estimate of the cost to be incurred is determined. The cost of these components is to be depreciated over a period to the next estimated drydocking date.

Deferred charges represent drydocking expenditure incurred for major overhauls of vessels, which is deferred when incurred and depreciated over a period from the current drydocking date to the next estimate drydocking date. When significant drydocking expenditures recur prior to the expiry of the depreciation period, the remaining carrying value of the previous drydocking is expensed in the month of the subsequent drydocking.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

2.9 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over 15 to 50 years which is its estimated useful life, using straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on disposal of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is disposed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of tangible assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset (i.e. an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss as impairment loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Reversal of an impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Inventories

Inventories, comprising bunker stocks, oil and spare parts on board of vessels for consumption purposes are stated at lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made of deteriorated, damaged, obsolete and slow-moving inventories.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories, applicable to the Group, for classification of debt instruments are:

(i) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses interest rate swaps as derivative financial instruments to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.

- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(c) Derivative financial instruments and hedge accounting (cont'd)

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of any collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade debtors, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 Cash and short-term deposits

Cash and short-term deposits comprise cash at bank and on hand and unsecured fixed deposits with financial institutions that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Employee benefits

(a) Defined contribution plans

The Group participates in the state pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. Accrual is made for the estimated liability for the unconsumed leave as a result of services rendered by employees up to balance sheet date.

(c) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out as at each reporting date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other reserves and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item "administrative expenses". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Employee benefits (cont'd)

(d) Other long-term employee benefits

A subsidiary of the Company provides long service award for all qualified employees.

The cost of providing other long-term benefits is determined using the Projected Unit Credit Method. The provision for long-term employee benefits recognised in the statements of financial position represents the present value of the employee benefits obligation.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Vessels	2 to 7 years
Motor vehicles	2 to 3 years
Equipments	1 to 5 years
Land	30 years
Offices	1 to 4 years
Containers	1 to 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable and variable lease payments. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Details of the the Group's lease liabilities are included in Note 25.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (cont'd)

(a) As lessee (cont'd)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rendering of services

Revenue and operating costs on freight operations are recognised as income and expenses respectively, 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 under SFRS(I) 15. Unearned revenue received is recognised as contract liabilities, recognised over the period in which the freight services are performed representing the entity's right to consideration for the services performed as at the end of the reporting period. Certain freight operation contracts include a separate performance obligation surrounding the provision of stevedoring service. Such revenue is recognised as the performance obligation to move the customer's specific cargo to and from the vessel is satisfied over time.

Revenue from rendering sea freight forwarding services is recognised at a point in time based on the completion of shipment.

Charter hire revenue comprise time and voyage charter. The performance obligations within a time-charter contract include the lease of the vessel to the charterer and the maintenance of the vessel. Time charter revenue is recognised as such services are rendered over the duration of the time charter agreements and is stated net of taxes and commission paid.

Voyage charter revenue is recognised evenly over the duration of each voyage as the performance obligation is satisfied. The transaction price is in the form of fixed fee at contract inception.

(b) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue (cont'd)

(c) Dividend income

Dividend income from investments is recognised in profit or loss when the Group's rights to receive the dividends have been established.

(d) Rental income

The Group's policy for recognition of revenue from operating leases is described above.

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Taxes (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.23 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand, cash at banks, call and fixed deposits less pledged deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their services and geographical regions which are managed by respective segment managers responsible for the performance of the respective segment under their charge. The segment or department managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

2.25 Share capital

Ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Treasury shares

When the Company purchased its own equity share capital, treasury shares are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified and no dividends are allocated to them.

2.27 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.28 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

2.29 Prepaid operating expenses

Prepaid operating expenses, comprising prepaid charter-hire and other expenses, are initially recognised as prepayments when payments are made. Prepaid charter hire expenses pertaining to short-term leases are subsequently charged to profit or loss on a straight-line basis over the charter-hire period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.30 Government grant

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised in profit or loss by deducting against the related costs on a systematic basis over the periods for which it is intended to compensate.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.There are no significant judgements made in applying accounting policies.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(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. An impairment loss of US$4,531,000 (2020: US$4,243,000) in the investment in a subsidiary was recognised for the Company in the financial year, further details are given in Note 14 to the financial statements.

(b) Vessel useful life and impairment

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

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

3.1 Key sources of estimation uncertainty (cont'd)

(b) Vessel useful life and impairment (cont'd)

The carrying amounts and details of the Group's and Company's vessels, deferred charges, vessel improvements and impairment at the end of the reporting period are disclosed in Note 12.

(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 a 5% increase in the scrap steel price in the estimated residual value of the vessels would reduce the depreciation charge by US$314,000 (2020: US$289,000).

(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.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Notes 17 and 18 respectively.

(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 year-end.

The amount of revenue earned from freight operations recognised during the year is disclosed in Note 4.

(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.

4. REVENUE

The Group derives its revenue from shipping activities. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 36).

A disaggregation of the Group's revenue for the year, is as follows:

	Group	
	2021	**2020**
	US$'000	US$'000
Freight operations	496,004	317,118
Charter hire (time and voyage charter)	8,449	9,798
Sea freight forwarding services	6,580	5,991
Other services	15,933	14,988
	526,966	347,895
Timing of revenue recognition		
Over time:		
Freight operations	496,004	317,118
Charter hire (time and voyage charter)	8,449	9,798
Other services	15,933	14,988
	520,386	341,904
Point in time:		
Sea freight forwarding services	6,580	5,991
	526,966	347,895

5. OTHER INCOME

	Group	
	2021	**2020**
	US$'000	US$'000
Gain on disposal of property, plant and equipment, net	11	10
Gain on disposal of assets held for sale (vessels)	971	–
Rental income	309	347
Net foreign exchange gains	999	497
Insurance claims	334	–
Others[(1)]	1,493	39
	4,117	893

(1) This mainly relates to proceeds from disposal of assets that were written off in prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. OTHER EXPENSES

	Group	
	2021	**2020**
	US$'000	US$'000
Impairment of property, plant and equipment (Note 12)	4,051	9,458
Impairment of investment property	–	149
Insurance claims deemed unrecoverable	–	1,047
Others	123	3
	4,174	10,657

7. FINANCE INCOME

	Group	
	2021	**2020**
	US$'000	US$'000
Interest income from call deposits and bank balances	325	676

8. FINANCE COSTS

	Group	
	2021	**2020**
	US$'000	US$'000
Interest on bank term loans and borrowing	632	1,053
Interest on lease liabilities (Note 25)	2,128	530
Interest on loan due to non-controlling interest of subsidiary	31	27
	2,791	1,610

9. INCOME TAX EXPENSE

Income tax recognised in profit or loss:

	Group	
	2021	**2020**
	US$'000	US$'000
Current income tax:		
Current year	914	593
Overprovision in respect of prior years	(348)	(66)
Deferred tax:		
Current year	16	1
	582	528

9. INCOME TAX EXPENSE (CONT'D)

Domestic income tax is calculated at 17% (2020: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Company has been granted an extension of the status of the Approved International Shipping Enterprise ("AIS") with effect from 15 September 2014 for a period of 10 years. The AIS incentive exempts certain income derived by the Company from Singapore Income Tax, subject to compliance with the relevant conditions under the scheme and those income not qualifying for incentive will be taxable at the existing corporate income tax rate.

For the financial year ended 31 December 2020, the income of Foremost Maritime Pte Ltd, a subsidiary, which arises from shipping activities, was exempted from income tax in accordance with section 13A of the Singapore Income Tax Act, Cap. 134.

Income arising from other activities do not enjoy the above-mentioned income tax incentives and exemption. The income of the other companies in the Group are subject to the relevant income tax laws and regulations in the respective countries in which they operate.

The tax charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2021	**2020**
	US$'000	US$'000
Profit before tax	130,635	7,801
Income tax expense calculated at 17% (2020: 17%)	22,208	1,326
Effect of income that is not taxable in determining taxable profit	(21,456)	(666)
Effect of different tax rates for foreign subsidiaries	114	145
Share of results of an associate and joint venture	(397)	(300)
Overprovision in respect of prior years	(348)	(66)
Others	461	89
	582	528

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is US$31.1 million (2020: US$31.8 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The Group has exposure to income taxes in various jurisdictions. Judgement is involved in determining the Group-wide provision for income taxes. The Group recognises liabilities for expected tax issues based on assessment of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets recognised by the Group arises from allowance of expected credit losses of trade receivables and related party balances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Note	Group 2021	Group 2020
		US$'000	US$'000
Short-term lease expenses (included in cost of sales)	25	69,733	45,420
Bunker expenses (included in cost of sales)		55,959	44,371
Stevedorage expenses (included in cost of sales)		121,547	122,250
Directors' fees		380	267
Audit fee:			
Auditors of the Company		146	130
Member firms of the auditors of the Company		43	26
Other auditors		35	34
Non-audit fee:			
Auditors of the Company		15	12
Other auditors		26	15
Depreciation of property, plant and equipment	12	6,293	8,046
Depreciation of right-of-use assets	25	26,391	5,864
Amortisation of intangible assets	13	589	242
Depreciation of investment properties	11	36	38
(Write back of) allowance for impairment on receivables		(923)	696
Employee benefits:			
Wages, salaries and benefits		18,254	10,321
Central Provident Fund and other pension costs		773	950
		19,027	11,271

Government grants recognised relating to Jobs Support Scheme ("JSS") amounts to US$284,000 (2020: US$1,008,000) and is deducted against wages, salaries and benefits.

11. INVESTMENT PROPERTIES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$'000	US$'000	US$'000	US$'000
Cost:				
At 1 January	1,524	1,524	897	897
Balance at 31 December	1,524	1,524	897	897
Accumulated depreciation and impairment:				
Balance at 1 January	520	333	342	317
Depreciation for the year	36	38	26	25
Impairment loss recognised during the year	–	149	–	–
Balance at 31 December	556	520	368	342
Carrying amount:				
At 31 December	968	1,004	529	555

The Group and the Company have adopted the cost model under SFRS(I) 1-40 for its investment properties. The Group's investment properties consist of 3 properties located in Singapore and Dubai. The Company's investment properties consist of 2 residential properties in Singapore. All of them are leased out under operating leases.

The fair values of the Group's and the Company's investment properties at 31 December 2021 and 31 December 2020 have been determined on the basis of valuations carried out at the end of the respective reporting periods by independent appraisers having an appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In valuing the investment properties, the appraisers have taken into consideration the prevailing market conditions and have made adjustments for differences where necessary before arriving at the most appropriate market value for the investment properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

11. INVESTMENT PROPERTIES (CONT'D)

The Group and the Company classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. The fair value measurement of the Group's and the Company's investment properties are as follows:

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Fair value of investment properties (Level 3 of the fair value hierarchy)	2,186	1,995	1,681	1,545

There were no transfers between different levels during the year.

The following information is relevant, in regards to the investment properties:

Valuation techniques	Significant unobservable inputs	Sensitivity
Market Comparable Approach	Recent transaction prices of the residential property in the vicinity, taking into account the length of tenure, floor area and condition of the units.	A decrease in the market conditions would result in a decrease in fair value and vice versa.

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Rental income derived from investment properties	67	66	40	39
Direct operating expenses (including repairs and maintenance)	45	49	26	29

There is no indication of impairment in FY2021 as the fair value of the property in Dubai is higher than its carrying value. In FY2020, the Group carried out a review of the recoverable amount of one property in Dubai, in consideration of the decrease in the property market over the near-to-medium terms. The review led to the recognition of an impairment loss of US$ Nil (2020: US$149,000) that has been recognised in profit or loss, and included in other operating expenses (Note 6).

Fair value less cost of disposal

The recoverable amount of the property in Dubai were determined based on fair value less cost of disposal calculations as above.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Vessels	Vessel improve-ment	Deferred charges	Containers
	US$'000	US$'000	US$'000	US$'000
Cost:				
At 1 January 2020	136,393	1,768	9,718	958
Additions	–	–	1,584	–
Disposals	(2,371)	(335)	(1,551)	–
Written off	–	(474)	(407)	–
Reclassification to assets held for sale (Note 21)	(15,939)	–	(1,317)	–
Write off of fully depreciated deferred charges component	–	–	(1,420)	–
Translation difference	–	–	–	–
At 31 December 2020	118,083	959	6,607	958
Additions	–	–	850	1,750
Disposals	–	–	–	(8)
Written off	–	(238)	(3,069)	–
Reclassification to assets held for sale (Note 21)	(25,334)	–	(850)	–
Translation difference	48	–	–	–
At 31 December 2021	92,797	721	3,538	2,700

Motor vehicles	Equipment	Furniture and fittings	Renovation	Freehold land	Properties	Warehouse	Total
US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
442	7,104	1,049	855	29,169	8,408	2,095	197,959
1	178	12	3	–	–	14	1,792
(4)	–	–	–	–	–	–	(4,261)
–	–	(9)	–	–	–	–	(890)
–	–	–	–	–	–	–	(17,256)
–	–	–	–	–	–	–	(1,420)
(2)	(3)	(3)	3	–	(7)	36	24
437	7,279	1,049	861	29,169	8,401	2,145	175,948
31	328	10	17	–	–	–	2,986
(1)	(62)	–	–	–	–	–	(71)
–	–	–	–	–	–	–	(3,307)
–	–	–	–	–	–	–	(26,184)
(2)	(28)	(9)	(10)	–	(138)	(74)	(213)
465	7,517	1,050	868	29,169	8,263	2,071	149,159

12. PROPERTY, PLANT AND EQUIPMENT

Group	Vessels	Vessel improve-ment	Deferred charges	Containers
	US$'000	US$'000	US$'000	US$'000
Accumulated depreciation and impairment:				
At 1 January 2020	62,900	1,768	7,626	91
Depreciation for the year	5,636	–	1,613	137
Impairment loss recognised during the year	9,406	–	–	–
Disposals	(1,806)	(335)	(1,442)	–
Written off	–	(474)	–	–
Reclassification to assets held for sale (Note 21)	(2,772)	–	(1,254)	–
Write off of fully depreciated deferred charges component	–	–	(1,420)	–
Translation difference	–	–	–	–
At 31 December 2020	73,364	959	5,123	228
Depreciation for the year	3,913	–	1,150	600
Impairment loss recognised during the year	4,051	–	–	–
Disposals	–	–	–	(2)
Written off	–	(238)	(3,069)	–
Reclassification to assets held for sale (Note 21)	(14,898)	–	(198)	–
Translation difference	–	–	–	–
At 31 December 2021	66,430	721	3,006	826
Carrying amount:				
At 31 December 2021	26,367	–	532	1,874
At 31 December 2020	44,719	–	1,484	730

Motor vehicles	Equipment	Furniture and fittings	Renovation	Freehold land	Properties	Warehouse	Total
US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
271	6,764	939	771	–	1,158	62	82,350
42	215	35	15	–	247	106	8,046
–	–	–	–	–	52	–	9,458
(4)	–	–	–	–	–	–	(3,587)
–	–	(9)	–	–	–	–	(483)
–	–	–	–	–	–	–	(4,026)
–	–	–	–	–	–	–	(1,420)
–	(1)	(2)	2	–	1	6	6
309	6,978	963	788	–	1,458	174	90,344
43	181	35	18	–	244	109	6,293
–	–	–	–	–	–	–	4,051
(1)	(61)	–	–	–	–	–	(64)
–	–	–	–	–	–	–	(3,307)
–	–	–	–	–	–	–	(15,096)
(1)	(24)	(8)	(8)	–	(27)	(7)	(75)
350	7,074	990	798	–	1,675	276	82,146
115	443	60	70	29,169	6,588	1,795	67,013
128	301	86	73	29,169	6,943	1,971	85,604

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Vessels	Vessel improve-ment	Deferred charges	Containers
	US$'000	US$'000	US$'000	US$'000
Cost:				
At 1 January 2020	85,054	1,284	4,099	958
Additions	–	–	1,442	–
Written off	–	(474)	–	–
Reclassification to assets held for sale (Note 21)	(15,939)	–	(1,317)	–
Write off of fully depreciated deferred charges component	–	–	(1,420)	–
At 31 December 2020	69,115	810	2,804	958
Additions	–	–	850	1,750
Disposals	–	–	–	(8)
Written off	–	(238)	(662)	–
Reclassification to assets held for sale (Note 21)	(25,334)	–	(850)	–
At 31 December 2021	43,781	572	2,142	2,700
Accumulated depreciation:				
At 1 January 2020	33,860	1,284	2,927	91
Depreciation for the year	3,884	–	1,303	137
Impairment loss recognised during the year	4,335	–	–	–
Written off	–	(474)	–	–
Reclassification to assets held for sale (Note 21)	(2,772)	–	(1,254)	–
Write off of fully depreciated deferred charges component	–	–	(1,420)	–
At 31 December 2020	39,307	810	1,556	228
Depreciation for the year	2,695	–	915	600
Disposals	–	–	–	(2)
Written off	–	(238)	(662)	–
Reclassification to assets held for sale (Note 21)	(14,898)	–	(198)	–
At 31 December 2021	27,104	572	1,611	826
Carrying amount:				
At 31 December 2021	16,677	–	531	1,874
At 31 December 2020	29,808	–	1,248	730

	Motor vehicles	Equipment	Furniture and fittings	Renovation	Freehold land	Properties	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
	223	5,279	191	667	28,431	4,525	130,711
	–	132	–	–	–	–	1,574
	–	–	–	–	–	–	(474)
	–	–	–	–	–	–	(17,256)
	–	–	–	–	–	–	(1,420)
	223	5,411	191	667	28,431	4,525	113,135
	–	242	–	–	–	–	2,842
	–	(55)	–	–	–	–	(63)
	–	–	–	–	–	–	(900)
	–	–	–	–	–	–	(26,184)
	223	5,598	191	667	28,431	4,525	88,830
	100	5,068	189	667	–	630	44,816
	33	162	1	–	–	130	5,650
	–	–	–	–	–	–	4,335
	–	–	–	–	–	–	(474)
	–	–	–	–	–	–	(4,026)
	–	–	–	–	–	–	(1,420)
	133	5,230	190	667	–	760	48,881
	33	125	1	–	–	131	4,500
	–	(55)	–	–	–	–	(57)
	–	–	–	–	–	–	(900)
	–	–	–	–	–	–	(15,096)
	166	5,300	191	667	–	891	37,328
	57	298	–	–	28,431	3,634	51,502
	90	181	1	–	28,431	3,765	64,254

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) During the year, the Group had designated a vessel as assets held for sale. Accordingly, an impairment loss of US$Nil (2020: US$731,000) was recognised on the vessels before the reclassification as assets held for sale.

(b) The Group carried out a review of the recoverable amount of its chemical tankers, in consideration of the declining trend in the charter rates over the near-to-medium terms. On its container vessels, the Group similarly performs an impairment assessment on vessels where there are indicators of impairment. The review led to the recognition of an impairment loss of US$4,051,000 (2020: US$4,626,000) for its chemical tankers and US$Nil (2020: US$4,049,000) for its container vessels that has been recognised in profit or loss, and included in other operating expenses (Note 6).

Value-in-use

The recoverable amount of the chemical tankers and container vessels were determined based on value-in-use calculations. Cash flow projections used in these calculations are based on financial budget approved by management which is based on the remaining useful life of the vessels.

Chemical tankers

Management determined the budgeted cash flows based on past performance and their expectations of market development. Cash inflows are based on existing charter contracts and management's estimate of the average charter rates over the recent observable shipping industry cycle. A period of more than 5 years for cash flow projections is prepared as management is able to reasonably estimate the cash flows over the periods using observable market trends. The cash flows was discounted at 8.00% (2020: 8.00%).

Sensitivity analysis

Based on the value in use calculations for vessels as determined by management, possible increase or decrease by 1.0% to the following estimates used in management's assessment will affect the value in use increase/(decrease) as follows:

Chemical tankers

	Discount rate		**Charter rate**	
	Increase	**(Decrease)**	**Increase**	**(Decrease)**
	US$'000	US$'000	US$'000	US$'000
31 December 2021	(278)	297	400	(400)
31 December 2020	(615)	661	424	(424)

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Container vessels

There is no indication of impairment in FY2021 and the fair value of the container vessels is higher than its carrying value. In FY2020, management determined the budgeted cash flows based on past performance and their expectations on vessel performance and market development. Cash inflows are based on existing freight rate, projected lifted volumes, capital and operational expenditures and management's estimate of the average freight rates over the recent observable shipping industry cycle. A period of more than 5 years for cash flow projections is prepared as management is able to reasonably estimate the cash flows over the periods using observable market trends. The cash flows was discounted at 7.50%.

Sensitivity analysis

Based on the value in use calculations for vessels as determined by management, possible increase or decrease by 1.0% to the following estimates used in management's assessment will affect the value in use increase/(decrease) as follows:

Container vessels

	Discount rate		**Freight rate**	
	Increase	**(Decrease)**	**Increase**	**(Decrease)**
	US$'000	US$'000	US$'000	US$'000
31 December 2020	(626)	685	918	(918)

(c) The carrying amount of motor vehicles of the Group under lease liabilities as at 31 December 2021 amounted to US$84,000 (2020: US$90,000).

(d) The Group's and the Company's vessels, freehold land and properties with carrying amount of US$47,044,000 and US$45,738,000 (2020: US$60,363,000 and US$58,897,000) respectively have also been placed under legal mortgage to secure the Company's and subsidiaries' bank term loans (Note 22).

(e) The following shows the carrying amount of the vessels of the Group being chartered out on time charter basis under operating leases:

	Group	
	2021	**2020**
	US$'000	US$'000
Cost	38,711	45,182
Accumulated depreciation	(29,020)	(30,036)
Carrying amount	9,691	15,146

The depreciation charge for vessels chartered out on time charter basis under operating leases in the year is US$1,453,000 (2020: US$2,611,000).

The charter hire income for the year amounted to US$5,577,000 (2020: US$9,363,000).

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(f) During the financial year, the Group acquired property, plant and equipment with aggregate cost of US$2,986,000 (2020: US$1,792,000) of which US$22,000 was acquired by means of finance lease. Cash payment of US$2,964,000 (2020: US$1,792,000) was made to purchase property, plant and equipment of the group.

(g) There is no indication of impairment in FY2021 as the fair value of the property in Dubai is higher than its carrying value. In FY2020, the Group carried out a review of the recoverable amount of one property in Dubai, in consideration of the decrease in the property market over the near-to-medium terms. The review led to the recognition of an impairment loss of US$Nil (2020: US$52,000) that has been recognised in profit or loss, and included in other operating expenses (Note 6).

13. INTANGIBLE ASSETS

	Computer software US$'000
Group and Company	
Cost:	
At 1 January 2020	196
Additions	1,275
At 31 December 2020	1,471
Additions	139
At 31 December 2021	1,610
Amortisation:	
At 1 January 2020	93
Amortisation for the year	242
At 31 December 2020	335
Amortisation for the year	589
At 31 December 2021	924
Carrying amount:	
At 31 December 2021	686
At 31 December 2020	1,136

The intangible assets included above have finite useful lives, over which the assets are amortised. The amortisation period for computer software incurred is three years.

The amortisation expense has been included in the line item "marketing expenses and administrative expenses" in profit or loss.

14. SUBSIDIARIES

	Company	
	2021	2020
	US$'000	US$'000
Unquoted equity shares at cost	80,538	73,334
Less: Allowance for impairment	(43,476)	(38,945)
	37,062	34,389

Addition

During the financial year ended 31 December 2021, the Company has made capital contributions of US$7,204,000 (2020: US$Nil) in a subsidiary , PT Samudera Shipping Indonesia and the non-controlling interests has made the corresponding contribution of US$269,000 (2020: US$Nil).

Movement in allowance for impairment:

	Company	
	2021	2020
	US$'000	US$'000
Balance at beginning of the year	(38,945)	(34,702)
Impairment during the year	(4,531)	(4,243)
Balance at end of the year	(43,476)	(38,945)

At end of reporting period, the Company carried out a review of the recoverable amount of its investments in subsidiaries and impairment amounting to US$4.5 million (2020: US$4.2 million) was recognised in profit or loss in respect of the investment in subsidiaries to reduce the carrying value of the investment to its recoverable amount. The recoverable amount was determined based on its value-in-use and a pre-tax discount rate of 7.7% (2020: 7.5%) was applied.

Sensitivity analysis

Based on the value in use calculations for investment in subsidiary as determined by management, possible increase or decrease by 1.0% to the following estimates used in management's assessment will affect the value in use increase/(decrease) as follows:

	Discount rate	
	Increase	(Decrease)
	US$'000	US$'000
31 December 2021	(25)	25
31 December 2020	(582)	625

14. SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest		Cost of investment held by the Company	
			2021	2020	2021	2020
			%	%	US$'000	US$'000
Foremost Maritime Pte Ltd ("Foremost")(1)	Owning and chartering of vessels	Singapore	100	100	72,021	72,021
Silkargo Logistics (Singapore) Pte Ltd ("Silkargo")(1)	Sea freight forwarding, shipping agency and container freight station services	Singapore	100	100	712	712
Samudera Logistics DWC LLC ("SL DWC")	Sea freight forwarding and shipping agency	United Arab Emirates	40	40	109	109
Prime Maritime DWC LLC ("PM DWC") (3)	Owning and operating of ocean-going vessel	United Arab Emirates	51	51	42	42
Samudera Property Limited ("SPL")	Owning of office property	United Arab Emirates	100	100	3	3
Samudera Intermodal Sdn Bhd ("SISB")	Shipping agency	Malaysia	65	65	217	217
Samudera Shipping Line (India) Pvt Ltd	Shipping agency	India	100	100	28	28
Samudera Traffic Co. Ltd ("STC") (3)	Shipping agency	Thailand	49	49	114	114
PT Samudera Shipping Indonesia ("SSI") (2) (3)	Owning and Chartering of vessels	Indonesia	49	49	7,292	88

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14. SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest		Cost of investment held by the Company	
			2021	2020	2021	2020
			%	%	US$'000	US$'000
Held by subsidiaries						
PT. Samudera Shipping Services ("SSS")[2]	Owning and chartering of vessels	Indonesia	95	95	–	–
Samudera Logistics DWC LLC ("SL DWC")	Sea freight forwarding and shipping agency	United Arab Emirates	60	60	–	–
Shal Hawk Silkargo Sdn Bhd ("SHS")	Warehousing activity	Malaysia	51	51	–	–
Samudera Cargo Services LLC ("SCS")[3]	Sea freight forwarding, shipping agency and custom broker	United Arab Emirates	49	49	–	–
					80,538	73,334

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by overseas practice of Ernst & Young LLP

(3) Based on the contractual arrangements between the Group and the other investors, the Group has the practical ability to direct the relevant activities of the entities unilaterally and hence the Group has control over the entities.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (Loss) allocated to non-controlling interest		Accumulated non-controlling interests	
		2021	2020	2021	2020	2021	2020
		%	%	US$'000	US$'000	US$'000	US$'000
PT. Samudera Shipping Services	Indonesia	5	5	(100)	(213)	2,322	2,422
Individually immaterial subsidiaries with non-controlling interests				1,575	256	1,593	183
Total				1,475	43	3,915	2,605

14. SUBSIDIARIES (CONT'D)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	PT Samudera Shipping Services	
	2021	**2020**
	US$'000	US$'000
Current assets	43,996	34,959
Non-current assets	5,940	16,268
Current liabilities	(3,492)	(2,791)
Non-current liabilities	–	–
Net assets	46,444	48,436
Equity attributable to owners of the subsidiary	44,122	46,014
Non-controlling interests	2,322	2,422
Total equity	46,444	48,436
Total revenue	5,876	7,389
Total expenses	(7,868)	(11,647)
Loss for the year	(1,992)	(4,258)
Attributable to:		
Owners of the subsidiary	(1,892)	(4,045)
Non-controlling interests	(100)	(213)
Other comprehensive income for the year	(4)	(6)
Attributable to:		
Owners of the subsidiary	(4)	(6)
Non-controlling interests	–	–
Total comprehensive profit for the year	(1,996)	(4,264)
Attributable to:		
Owners of the subsidiary	(1,896)	(4,051)
Non-controlling interests	(100)	(213)
Net cash inflow from operating activities	6,060	5,218
Net cash inflow from investing activities	2,066	4,183
Net cash inflow	8,126	9,401

15. ASSOCIATE AND JOINT VENTURE

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Associate				
Unquoted equity shares, at cost	11,358	11,358	12,117	12,117
Share of post-acquisition profits	5,734	4,448	–	–
Share of hedging reserve	445	(129)	–	–
	17,537	15,677	12,117	12,117

For the financial year ended 31 December 2020, the Company carried out a review of recoverable amount of its investments in associate and a reversal of impairment amounting to US$2.0 million was recognised in profit or loss in respect of the investment in associate as the recoverable amount is higher than the carrying value of the investments. The recoverable amount was determined based on its value-in-use and a pre-tax discount rate of 4.9% was applied.

	Group	
	2021	2020
	US$'000	US$'000
Joint venture		
Unquoted equity shares, at cost	–	198
Amount due from joint venture (non-trade)	–	1,251
Share of post-acquisition losses	–	(1,544)
Translation difference	–	95
	–	–

There is an unrecognised share of losses of the joint venture when applying the equity method.

Movement in unrecognised share of losses

	Group
	2020
	US$'000
At 1 January	450
Unrecognised share of (profit) losses during the year	(192)
At 31 December	258

As at 31 December 2021, the Group has fully disposed its shareholding stakes in its joint venture, Samudera Bharat Feeder Pvt Ltd. Following the disposal, the Group no longer has any interest in the joint venture.

15. ASSOCIATE AND JOINT VENTURE (CONT'D)

Details of the associate and joint venture are as follows:

Name	Principal activities	Country of incorporation	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %
Associate				
LNG East-West Shipping Company (Singapore) Pte. Limited [(1)]	Owning, managing and chartering of vessels and ship brokering	Singapore	25	25
Joint venture				
Samudera Bharat Feeder Pvt Ltd	Owning and operating of vessel	India	–	49

(1) Audited by Ernst & Young LLP, Singapore

Summarised financial information in respect of the Group's material associate, not adjusted for the proportion of interest held by the Group is set out below:

	Group 2021 US$'000	Group 2020 US$'000
Associate		
Current assets	19,573	18,339
Non-current assets[(1)]	122,404	123,157
Total assets	141,977	141,496
Current liabilities	14,663	10,775
Non-current liabilities	68,152	78,995
Total liabilities	82,815	89,770
Net assets	59,162	51,726
Revenue	23,618	24,234
Profit for the year	9,345	7,061
Other comprehensive income for the year	2,296	2,680
Total comprehensive income for the year	11,641	9,741

(1) Non-current assets comprise mainly of an Liquefied Natural Gas ("LNG") vessel (including unamortised deferred charges) for which the useful life has been determined to be 35 years (2020 : 35 years).

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15. ASSOCIATE AND JOINT VENTURE (CONT'D)

Reconciliation of the above financial information to the carrying amount of the interest in the Group's associate recognised in the consolidated financial statements:

	Group	
	2021	**2020**
	US$'000	US$'000
Associate		
Net assets	59,162	51,726
Proportion of the Group's ownership interest	25%	25%
Share of net assets	14,791	12,931
Goodwill (included in cost of investment of associate)	2,724	2,724
Other costs (included in cost of investment of associate)	22	22
Carrying amount of the Group's interest in associate	17,537	15,677

16. CASH AND BANK BALANCES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$'000	US$'000	US$'000	US$'000
Call and fixed deposits	79,118	29,393	49,040	24,459
Cash at bank and on hand	108,075	51,434	97,871	33,984
	187,193	80,827	146,911	58,443

16. CASH AND BANK BALANCES (CONT'D)

Cash and cash equivalents in the consolidated statement of cash flows comprise:

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Cash and bank balances (as above)	187,193	80,827	146,911	58,443
Less: Pledged deposits (Note A)	(1,101)	(3,809)	(997)	(3,693)
	186,092	77,018	145,914	54,750

Note A:

The Group's and Company's fixed deposits totaling US$1,101,000 (2020: US$1,112,000) and US$997,000 (2020: US$996,000) respectively have been pledged to certain banks to secure bankers' guarantee facilities of US$3,912,000 (2020: US$4,060,000) and US$3,215,000 (2020: US$3,285,000) given to suppliers of goods and services in the ordinary course of business.

Included in the cash at bank of the Group and Company are amounts of US$Nil (2020: US$2,697,000) and US$Nil (2020: US$2,697,000) respectively pledged to certain banks to secure loans and other banking facility of the Group amounting to US$Nil (2020: US$2,494,000).

17. TRADE RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Trade receivables – third parties	118,140	58,271	109,400	51,712
Due from immediate holding company	4,095	4,017	4,067	4,008
Due from subsidiaries	–	–	9,006	3,403
Due from related companies	17,677	11,827	13,902	5,702
Due from non-controlling interest of a subsidiary	417	229	–	–
Due from joint venture	160	169	128	128
	140,489	74,513	136,503	64,953
Less: Allowance for expected credit loss	(5,171)	(6,118)	(3,957)	(3,728)
	135,318	68,395	132,546	61,225

Trade receivables are non-interest bearing and the average credit period given to customers are 30 to 60 days (2020: 30 to 60 days). For terms and conditions relating to related parties, refer to Note 33.

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17. TRADE RECEIVABLES (CONT'D)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables and related party balances computed based on lifetime ECL are as follows:-

	Lifetime ECL - not credit-impaired US$'000	Lifetime ECL - credit-impaired US$'000	Total US$'000
Group			
Balance as at 1 January 2020	2,352	3,406	5,758
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	451	245	696
Foreign exchange gain or losses	3	–	3
Write off	–	(339)	(339)
Balance as at 31 December 2020	2,806	3,312	6,118
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	(1,182)	259	(923)
Foreign exchange gain or losses	(6)	–	(6)
Write off	–	(18)	(18)
Balance as at 31 December 2021	1,618	3,553	5,171

	Lifetime ECL - not credit-impaired US$'000	Lifetime ECL - credit-impaired US$'000	Total US$'000
Company			
Balance as at 1 January 2020	1,098	3,250	4,348
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	(418)	3	(415)
Write off	–	(205)	(205)
Balance as at 31 December 2020	680	3,048	3,728
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	228	1	229
Balance as at 31 December 2021	908	3,049	3,957

17. TRADE RECEIVABLES (CONT'D)

Expected credit losses (cont'd)

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities. Refer to Note 37(b)(iii) for information about credit exposures on trade receivables due from third party, immediate holding company, subsidiaries and related companies.

18. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$'000	US$'000	US$'000	US$'000
Other receivables (Note (i))	201	519	88	389
Deposits	1,492	1,127	64	52
Loans to employees	93	88	–	5
Insurance claims receivable	51	335	–	335
	1,837	2,069	152	781

Included in other receivables are derivative assets of the Group and Company amounting to US$4,000 (2020: Derivative liabilities of US$73,000) and US$3,000 (2020: Derivative liabilities of US$12,000) respectively. Refer to Note 24(i) for further information.

19. DUE FROM SUBSIDIARIES (NON-TRADE)

	Company	
	2021	**2020**
	US$'000	US$'000
Due from subsidiaries	2,638	3,235
Less: Loss allowance	(1,088)	(1,427)
	1,550	1,808
Less: Current portion	(980)	(990)
Non-current portion	570	818

The non-trade balances due from subsidiaries are unsecured and interest-free except for:

- An amount of US$856,000 (2020: US$1,195,000) which was interest-bearing at 1.5% (2020: 1.5%) per annum. The loss allowance amounting to the entire carrying amount has been provided for as at 31 December 2021 and 2020.
- An amount of US$659,000 (2020: US$909,000) which was interest-bearing at 1.65% (2020: 1.65%) per annum which is extended for 10 years after the expiry of the loan in FY2020.

19. DUE FROM SUBSIDIARIES (NON-TRADE) (CONT'D)

Movement in loss allowance

	Company	
	2021	2020
	US$'000	US$'000
Balance at beginning of the year	1,427	1,060
(Write back) additional allowance during the year	(339)	367
Balance at end of the year	1,088	1,427

20. INVENTORIES

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Lubricant oil	233	352	138	267
Bunker	1,264	1,298	1,108	1,152
	1,497	1,650	1,246	1,419

21. ASSETS CLASSIFIED AS HELD FOR SALE

The vessels which are expected to be sold within twelve months have been classified as assets held for sale and presented separately in the statement of financial position. The revenue generated are included in the Container Shipping activities for segment reporting purposes (Note 36).

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of the year	13,230	–	13,230	–
Reclassed from property, plant and equipment (Note 12)	11,088	13,230	11,088	13,230
Disposal during the year (Note A)	(24,318)	–	(24,318)	–
Balance at end of the year	–	13,230	–	13,230

Note A:

During the year ended 31 December 2021, the Group had disposed the vessels, Sinar Sumba, Sinar Sabang and Sinar Bima owned by the Company to third parties.

22. BANK TERM LOANS AND BORROWING

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$'000	US$'000	US$'000	US$'000
Current - secured at amortised cost				
Amounts due not later than one year				
Bank term loans	5,226	9,401	5,092	8,060
Borrowing	15	367	15	367
	5,241	9,768	5,107	8,427
Non-current - secured at amortised cost				
Amounts due:				
Later than one year but not later than five years				
Bank term loans	4,337	10,642	4,033	4,721
Borrowing	–	14	–	14
Later than five years				
Bank term loans	8,106	9,131	7,987	8,957
	12,443	19,787	12,020	13,692
Total	17,684	29,555	17,127	22,119

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22. BANK TERM LOANS AND BORROWING (CONT'D)

Bank term loans

(a) ***The Company***

		2021 US$'000	2020 US$'000
(i)	SGD13,794,000 repayable in 179 monthly instalments commencing April 2019 with a certain remaining amount to be paid at the end of the term. Interest is payable at certain margin above SIBOR per annum.	9,166	9,889
(ii)	SGD5,170,000 repayable in 70 monthly instalments commencing May 2019. Interest is payable at certain margin above SIBOR per annum.	2,775	3,112
(iii)	SGD5,000,000 revolving credit facility. Interest is payable at certain margin above SIBOR per annum. The tenure is subject to an annual review at the bank's discretion.	3,677	3,757
(iv)	USD2,000,000 repayable in 16 equal quarterly instalments commencing September 2018. Interest is payable at certain margin above LIBOR per annum. The entire outstanding loan amount was hedged for interest rate fluctuation (Note 24).	250	747
(v)	USD3,000,000 repayable in 24 quarterly instalments commencing September 2018. Interest is payable at certain margin above LIBOR per annum. The entire outstanding loan amount was hedged for interest rate fluctuation (Note 24).	1,244	1,739
(vi)	USD5,683,000 payable in September 2021. Interest is payable at certain margin above LIBOR per annum.	–	2,494
		17,112	21,738

22. BANK TERM LOANS AND BORROWING (CONT'D)

Bank term loans (cont'd)

(b) Subsidiaries

		2021	2020
		US$'000	US$'000
(i)	Thai Baht ("THB") 20,000,000 repayable in 96 monthly instalments commencing May 2016. Interest is payable at Minimum Loan Rate ("MLR") less certain percentage per annum.	196	308
(ii)	USD19,500,000 repayable in 27 equal quarterly instalments commencing September 2018 with a certain remaining amount to be paid at the end of the term. Interest is payable at certain margin above LIBOR per annum. One tranche of the loan was fully paid in 2019. A portion of the loan amounting to US$4,387,500 was hedged for interest rate fluctuation (Note 24).	–	6,703
(iii)	Malaysia Ringgit ("MYR") 1,960,000 repayable in 120 monthly instalments commencing November 2019. Interest is payable at certain margin above Cost of Fund per annum.	361	425
		557	7,436
	Total	17,669	29,174

The bank term loans are secured as follows:

1. Bank term loans (a)(i) to (a)(iii) and (b)(i)

   – legal mortgage over freehold land and properties of the Company and subsidiary (Note 12);
   – assignment of insurance; and
   – assignment of income or proceeds of sale if any.

2. Bank term loans (a)(iv) to (a)(v) and (b)(ii)

   – legal mortgages over certain vessels of the Company (Note 12);
   – assignment of income from charter hire contracts; and
   – assignment of insurance of the vessels.

3. Bank term loan (a)(vi)

   – pledges over certain bank accounts of the Company (Note 16)

4. Bank term loan (b)(iii)

   – corporate guarantee from the Company;
   – legal mortgage over the property of the subsidiary (Note 12);
   – assignment of insurance; and
   – assignment of income or proceeds of sale if any.

The weighted average effective interest rate for variable interest rate term loans is 1.78% (2020: 1.83%).

22. BANK TERM LOANS AND BORROWING (CONT'D)

Borrowing

On 15 January 2019, the Group entered into a sale and lease transaction with external parties for certain containers. The lease-back is for a period of 3 years with a bargain purchase option to repurchase the containers at the end of the lease term. The transaction in substance is a means whereby the lessor provides financing to the lessee, with the asset as security and is accounted for as borrowings.

The Group's and Company's borrowing is denominated in USD and bear interest at 7.6% (2020: 7.6%).

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

The cash flows represent the repayment of bank term loans and borrowing, loans from NCI of subsidiaries and lease liabilities in the statement of cash flows.

			Non-cash movement			
	1 January 2021	**Financing cash flows**	**New leases**	**Foreign exchange movement**	**Others**	**31 December 2021**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Bank term loans and borrowing (Note 22)	29,555	(11,459)	–	(412)	–	17,684
Loans from NCI of subsidiaries (Note 27)	1,803	(559)	–	–	–	1,244
Lease liabilities (Note 25)	64,310	(25,648)	101,885	(27)	(17)	140,503
Total	95,668	(37,666)	101,885	(439)	(17)	159,431

			Non-cash movement			
	1 January 2020	**Financing cash flows**	**New leases**	**Foreign exchange movement**	**Others**	**31 December 2020**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Bank term loans and borrowing (Note 22)	35,695	(6,507)	–	367	–	29,555
Loans from NCI of subsidiaries (Note 27)	1,629	164	–	10	–	1,803
Lease liabilities (Note 25)	8,226	(5,773)	61,840	28	(11)	64,310
Total	45,550	(12,116)	61,840	405	(11)	95,668

The 'Other' Column includes the effect of adjustments for lease payments relating to termination of motor vehicles, equipment and office rental contracts.

23. TRADE PAYABLES

The average credit period granted by suppliers ranged from 30 to 60 days (2020: 30 to 60 days). No interest is charged on the outstanding balances.

24. OTHER PAYABLES AND LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Accrued operating expenses	49,733	25,481	42,563	18,943
Other payables (Note (i))	1,748	1,985	255	270
Contract liabilities	7,429	1,762	6,910	1,564
	58,910	29,228	49,728	20,777

The contract liabilities balance pertain to revenue earned in advance for the current financial year.

Set out below is the amount of revenue recognised from:

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Amounts included in contract liabilities at the beginning of the year	1,762	1,747	1,564	1,477

(i) Derivatives

The Group and Company hold derivative assets amounting to US$4,000 and US$3,000 respectively which are included in other receivables (Note 18). In the financial year ended 31 December 2020, included in other payables are derivative liabilities of the Group and Company amounting to $73,000 and US$12,000 respectively.

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Derivative assets (From other receivables (Note 18)):				
Interest rate swaps (Note A)	3	–	3	–
Foreign currency forward contracts (Note B)	1	–	–	–
	4	–	3	–
Derivative liabilities (From other payables (Note 24)):				
Interest rate swaps (Note A)	–	40	–	12
Foreign currency forward contracts (Note B)	–	33	–	–
	–	73	–	12

24. OTHER PAYABLES AND LIABILITIES (CONT'D)

(i) Derivatives (cont'd)

Note A: Interest rate swap (cash flow hedge)

During the financial year ended 31 December 2020, the Group and the Company entered into an interest rate swap agreement for its bank term loans with a notional amount of US$7,778,000 and US$3,000,000 respectively whereby the Group and the Company received a variable rate of interest LIBOR + 2.2% and pays interest at a fixed rate 2.725% on the notional amount. The interest rate swap is being used to hedge to the variability in cash flow of the debt due to changes in LIBOR which is the current benchmark interest rate.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the floating rate loan (i.e. notional amount, maturity, payment term). The Group and the Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. As at 31 December 2021, the Group and the Company's variable debt designated as hedged item are US$1,500,000 (2020: US$6,888,000) and US$1,500,000 (2020: US$2,500,000) respectively.

The impact of the hedging instrument on the statement of financial position as at 31 December 2021 and 31 December 2020 is, as follows:

	Group		Company	
Interest rate swap	**Notional amount** US$'000	**Carrying amount (Asset/ (Liability))** US$'000	**Notional amount** US$'000	**Carrying amount (Asset/ (Liability))** US$'000
31 December 2021	1,500	3	1,500	3
31 December 2020	6,888	(40)	2,500	(12)

The total hedging gain recognised in OCI of the Group and Company amounted to US$43,000 and US$15,000 (2020: Loss of US$40,000 and US$12,000) respectively. The ineffectiveness recognised in the statement of profit or loss during the year was immaterial.

The hedge ineffectiveness can arise from:

– Differences in the timing of the cash flows of the hedged items and the hedging instruments

– The counterparties' credit risk differently impacting the fair value movements of the hedging insturments and hedged items

– Changes to the forecasted amount of cash flows of hedged items and hedging insturments.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 37(b).

Note B: Foreign currency forward contracts (not designated as hedging instruments)

Derivatives not designated as hedging instruments reflect the negative change in fair value of those foreign currency forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for non USD denominated balances. The foreign currency forward contracts are not designated as hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 3 to 4 months.

The gain on derivative instruments at fair value through profit or loss were recognised in profit or loss (Note 5).

25. LEASES

Group as lessee

The Group has lease contracts for various items such as vessels, land, offices, containers, motor vehicles and other equipment used in its operations. Leases of vessels, containers, office, motor vehicles and equipments generally have lease terms between 1 and 7 years, while land lease terms is around 30 years.

There are several lease contracts that include extension and termination options and variable lease payments.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use Assets

Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period:

Group	**Motor vehicles**	**Equipment**	**Vessels**	**Containers**	**Properties**	**Land**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 1 January 2021	3	138	56,313	2,478	51	4,904	63,887
Additions	–	47	100,498	990	328	–	101,863
Written off	–	(4)	–	–	(13)	–	(17)
Depreciation expense	(3)	(41)	(24,657)	(1,443)	(67)	(180)	(26,391)
Translation difference	–	–	–	(10)	(2)	–	(12)
As at 31 December 2021	–	140	132,154	2,015	297	4,724	139,330

	Motor vehicles	**Equipment**	**Vessels**	**Containers**	**Properties**	**Land**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
As at 1 January 2020	27	62	1,495	1,973	106	4,246	7,909
Additions	–	134	58,877	1,961	–	868	61,840
Written off	(9)	–	–	–	(2)	–	(11)
Depreciation expense	(15)	(58)	(4,059)	(1,469)	(53)	(210)	(5,864)
Translation difference	–	–	–	13	–	–	13
As at 31 December 2020	3	138	56,313	2,478	51	4,904	63,887

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25. LEASES (CONT'D)

Right-of-use Assets

Company	**Equipment** US$'000	**Vessels** US$'000	**Containers** US$'000	**Total** US$'000
As at 1 January 2021	118	56,313	1,690	58,121
Additions	–	100,498	149	100,647
Depreciation expense	(26)	(24,657)	(913)	(25,596)
As at 31 December 2021	92	132,154	926	133,172

	Equipment US$'000	**Vessels** US$'000	**Containers** US$'000	**Total** US$'000
As at 1 January 2020	33	1,495	1,503	3,031
Additions	126	58,877	1,337	60,340
Depreciation expense	(41)	(4,059)	(1,150)	(5,250)
As at 31 December 2020	118	56,313	1,690	58,121

Lease Liabilities

Set out below are the carrying amounts of the lease liabilities and the movements during the period:

	Group		**Company**	
	2021 US$'000	**2020** US$'000	**2021** US$'000	**2020** US$'000
As at 1 January	64,310	8,226	58,365	3,202
Additions	101,885	61,840	100,647	60,340
Written off	(17)	(11)	–	–
Payments	(27,776)	(6,303)	(26,821)	(5,561)
Interest expense	2,128	530	1,897	384
Translation difference	(27)	28	(2)	–
As at 31 December	140,503	64,310	134,086	58,365
Current	65,466	11,153	64,835	10,504
Non-current	75,037	53,157	69,251	47,861
	140,503	64,310	134,086	58,365

For the financial year ended 31 December 2021, a carrying amount of US$22,000 (2020: US$Nil) pertains to leases previously classified as finance lease and relates to motor vehicles of the Group which are classified as property, plant & equipment (Note 12(d)).

25. LEASES (CONT'D)

The following are the amounts recognised in profit or loss:

	Group	
	2021	**2020**
	US$'000	US$'000
Depreciation expense on right-of-use assets	26,391	5,864
Interest expense on lease liabilities	2,128	530
Expense relating to short-term leases (included in cost of sales)	69,733	45,420
Expense relating to short-term leases (included in administrative and marketing expense)	173	144

The maturity analysis of lease liabilities are disclosed in Note 37(b)(vi). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 35(b).

26. RETIREMENT BENEFIT OBLIGATIONS

Defined contribution plans

Singapore (the Company and its subsidiaries)

The employees of the Company and its subsidiaries that are located in Singapore are members of a state-managed retirement benefit plan, the Central Provident Fund Board, operated by the Government of Singapore. The Company and its subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Defined benefit plan

Indonesia (SSS and SSI)

During the financial year ended 31 December 2020, SSS provides a defined benefit pension plan, covering substantially all their permanent employees. As at 31 December 2020, the defined benefit plan was settled and terminated as all the employees under the plan has been transferred out of the Group.

During the financial year ended 31 December 2021, SSI provides a similar definited benefit plan as above, covering substantially all their permanent employees. The aforementioned plans are funded through monthly contributions to a separately administered fund in Indonesia. The benefits under such pension plans have been adjusted to cover minimum benefit under Labor Law No.13/2003 of Indonesia. The additional benefits under the Law are unfunded. In addition, SSI also provides their employees with other unfunded long-term benefit in the form of vacation leave based on the number of years of service.

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The plan in Indonesia typically exposes SSI to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and deposits. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's assets.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

SSI also provides other long-term benefits in the form of long service leave to qualifying employees which are determined based on years of service.

Under the SSI plan that commenced during 2021, the number of employees entitled to the benefits is one (1) as of 31 December 2021.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	2021
Entity	SSI
Mortality rate	IMT 4 (1)
Normal pension age	56 years
Salary incremental rate	7.0% per annum
Discount rate	6.8% per annum
Expected return on investment rate	10.0% per annum
Resignation rate	10.0% up to age 25 and reducing linearly to 0% at age 55

(1) The mortality rate was derived from observation of Indonesian life insurance policyholders (IMT IV) released in 2019 and load 10% to allow for morbidity or disability.

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Amounts recognised in the statement of profit or loss in respect of these defined benefit plans are as follows:

	Group	
	2021	**2020**
	US$'000	US$'000
Current service cost	–*	–
Interest cost	–*	–
Interest income	–	–
Past service cost	1	–
Remeasurement on the net defined benefit liability	1	–

* Note: The amount is less than US$1,000

The charge for the year is included in the administrative expenses in profit or loss.

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

	Group	
	2021	**2020**
	US$'000	US$'000
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding interest income)	–	–
Actuarial losses arising from changes in financial assumptions	–*	–
Actuarial gains arising from changes in experience adjustments	–*	–
Adjustments arising from settlement of defined benefit plan	(4)	(6)
Components of defined benefit costs recognised in other comprehensive income	(4)	(6)

* Note: The amount is less than US$1,000

The amount recognised in the statement of financial position in respect of the Group's defined benefit retirement benefit plan is as follow:

	Group	
	2021	**2020**
	US$'000	US$'000
Present value of unfunded obligations	1	–
Fair value of plan assets	–	–
Net liability recognised	1	–

26. Retirement benefit obligations (cont'd)

Changes in the present value of the defined benefit obligation are as follows:

	Group	
	2021	**2020**
	US$'000	US$'000
Opening defined benefit obligation	–	96
Retirement benefit obligations adjustment	(2)	(96)
Current service cost	–*	–
Past service cost	1	–
Interest cost	–*	–
Remeasurement (losses) gains:		
From changes in financial assumptions	–*	–
From experience adjustments	–*	–
Benefit paid	–	–
Exchange difference	–	–
Closing defined benefit obligation	(1)	–

* Note: The amount is less than US$1,000

Changes in the fair value of the plan assets are as follows:

	Group	
	2021	**2020**
	US$'000	US$'000
Opening fair value of plan assets	–	95
Assets adjustment	–	(95)
Interest income	–	–
Remeasurement loss:		
Return on plan assets (excluding interest income)	–	–
Contributions by plan participants	–	–
Benefit paid	–	–
Exchange difference	–	–
Closing fair value of plan assets	–	–

The fair value of plan assets at the end of the reporting period is analysed as follows:

	Group	
	2021	**2020**
	US$'000	US$'000
Deposit	–	–
Equity instruments	–	–
Debt instruments	–	–
Other assets	–	–
Total	–	–

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

The Group had assessed that any reasonably possible change to the key assumptions applied is not likely to cause the retirement benefit obligations to increase or decrease significantly. Accordingly, no sensitivity analysis is performed.

SSI (2020: SSS) funds the cost of the entitlements expected to be earned on a yearly basis. Employees pay a fixed 4% (2020: 4%) of pensionable salary. The residual contribution (including back service payments) is paid by SSI (2020: SSS). Apart from paying the costs of the entitlements, SSI (2020: SSS) is not liable to pay additional contributions in case the fund does not hold sufficient assets.

The average duration of the benefit obligation at 31 December 2021 is 17 years (2020: 8 years).

27. DUE TO NON-CONTROLLING INTERESTS OF SUBSIDIARIES

These balances are unsecured and include the following terms:

- An amount of US$822,000 (2020: $1,207,000) which is interest-bearing at 1.5% per annum and expected to be settled within 3 years from the end of the reporting period.
- An amount of US$422,0000 (2020: US$596,000) which is interest-bearing at 3.5% (2020: 3.5%) per annum which is extended for 10 years after the expiry of the loan in FY2020.

28. SHARE CAPITAL

	Group and Company 2021 and 2020	
	No. of shares	US$'000
Issued and paid up:		
At the beginning and end of the year	539,131,199	68,761

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

29. TREASURY SHARES

	Group and Company 2021 and 2020	
	No. of shares	US$'000
Issued and paid up:		
At the beginning and end of the year	(1,093,000)	(174)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

30. OTHER RESERVES AND FOREIGN CURRENCY TRANSLATION RESERVE

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Other reserves – Statutory reserve (a)	15	15	–	–
Other reserves – Hedging reserve (b)	448	(169)	3	(12)
Other reserves – Employee benefits obligation reserve (c)	–	4	–	–
	463	(150)	3	(12)
Foreign currency translation reserve (d)	43	(134)	–	–

(a) *Other reserves - Statutory reserve*

A subsidiary in Thailand is required to set aside a statutory reserve equal to the least 5% of its net profit each time the subsidiary pays out a dividend, until such reserve reaches 10% of the subsidiary's registered share capital. The statutory reserve cannot be used to offset any deficit and dividend payment.

(b) *Other reserves - Hedging reserve*

The hedging reserve represent the Group's interest portion of the fair value changes on derivative financial instruments held by the Company, a subsidiary and the associate which is designated as hedging instruments in cash flow hedges that is determined to be an effective hedge.

	Group		Company	
	2021	2020	2021	2020
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of the year	(169)	(799)	(12)	–
Net change in hedging reserve	43	(40)	15	(12)
Share of net change in associate's hedging reserve	574	670	–	–
Balance at end of the year	448	(169)	3	(12)

(c) *Other reserves - Employee benefits obligation reserve*

The employee benefits obligation reserve represents the effects of the remeasurement of defined benefit obligation (Note 26).

(d) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

31. EARNINGS PER SHARE

The earnings per share for respective years has been computed based on the profit attributable to owners of the Company of US$128,578,000 (2020: US$7,230,000) and the weighted average number of shares in issue during the financial year is 538,038,199 (2020: 538,038,199).

	Group	
	2021	2020
Basic and diluted earnings per share (cents)	23.90	1.34

32. DIVIDENDS

	Group and Company	
	2021	**2020**
	US$'000	US$'000
Declared and paid during the year:		
Interim dividend paid: 0.50 Singapore cents per ordinary share (tax exempt) in respect of current financial year (2020: Nil Singapore cents per ordinary share (tax exempt) in respect of current financial year	1,993	–
Final dividend paid: 0.75 Singapore cents per ordinary share (tax exempt) in respect of previous financial year (2020: 0.75 Singapore cents per ordinary share (tax exempt) in respect of previous financial year)	3,034	2,882
Special dividend paid: 0.30 Singapore cents per ordinary share (tax exempt) in respect of previous financial year (Special tax exempt dividend for financial year ended 31 December 2020 of Nil Singapore cents per share)	1,213	–
Proposed and not recognised as a liability as at the end of the reporting period:		
Dividends on ordinary shares subject to shareholders' approval at the Annual General Meeting:		
Final one-tier tax exempt dividend for financial year ended 31 December 2021 of 0.75 Singapore cents per share, total dividend payable amounting to SGD4,035,000 (Final one-tier tax exempt dividend for financial year ended 31 December 2020 of 0.75 Singapore cents per share, total dividend payable amounting to SGD4,035,000)	2,989	3,057
Special tax exempt dividend for financial year ended 31 December 2021 of 12.75 Singapore cents per share, total dividend payable amounting to SGD 68,600,000 (Special tax exempt dividend for financial year ended 31 December 2020 of 0.30 Singapore cents per share, total dividend payable amounting to SGD1,614,000)	50,815	1,223

33. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of PT Samudera Indonesia Tbk, incorporated in Indonesia, which is a public limited company listed on the Jakarta Stock Exchange. The ultimate holding company is PT Samudera Indonesia Tangguh, also incorporated in Indonesia. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. Except for outstanding balances due to a subsidiary of US$2,200,000 (2020: US$6,750,000), the outstanding balances due from/(to) immediate holding company, subsidiaries and related companies are unsecured, interest-free and expected to be settled within 12 months from the end of the reporting period unless otherwise stated. Refer to Note 37(b)(iii) for information about credit exposures on amounts due from immediate holding company, subsidiaries and related companies.

33. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (CONT'D)

The Company holds an unsecured, repayable on demand, interest-bearing loan due to subsidiary. The interest is based on prevailing LIBOR with a certain margin. As at year end, the outstanding loan amounted to US$2,200,000 (2020: US$6,750,000).

During the year, Group entities entered into the following transactions:

	Group	
	2021	**2020**
	US$'000	US$'000
Expenses		
Immediate holding company:		
Vessel charter hire	2,293	2,124
Office rental	5	17
Related companies:		
Agency commissions	2,119	1,994
Ship management fees	473	579
Vessel charter hire	4,838	3,467
Container depot storage/repair	156	134
Slot space purchase	18	38
Stevedorage	5,811	4,743
System development and maintenance	234	408
Car rental	41	39
Website development	–	13
Income		
Related companies:		
Sale of vessels	–	709
Vessel charter hire	5,577	6,848

34. OTHER RELATED PARTY TRANSACTIONS

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

During the year, Group entities entered into the following transactions with related parties:

	Group	
	2021	2020
	US$'000	US$'000
Expenses		
Fees paid to a director of the immediate holding company	74	144
Compensation of directors and key management personnel		
Short-term employee benefits	3,917	3,785
Pension contributions	233	230
Total	4,150	4,015
Comprise:		
Directors of the Company	2,521	1,889
Key management personnel	1,629	2,126
	4,150	4,015

Total number of KMPs (including Directors of the Company) in 2021 is 18 (2020: 24).

35. OPERATING LEASE ARRANGEMENTS

(a) *Operating lease commitments - Group as lessor*

The Group has various operating lease agreements with third parties relating to the rental of office, residential premises and charter hire of vessels. These non-cancellable leases have remaining non-cancellable lease terms of between one and three years. Some leases include a clause to enable the charterer to extend the charter hire contract at the charterer's option for a specified period.

At the end of the reporting period, the Group has contracted with lessees for the following future minimum lease payments:

	Group	
	2021	2020
	US$'000	US$'000
Within one year	1,441	3,920
In the second to third years inclusive	146	191
	1,587	4,111

(b) *Non-cancellable lease commitments – Group as lessee*

The Group has various lease contracts that have not yet commenced as at 31 December 2021. The future lease payments for these non-cancellable lease contracts are US$705,000 within one year, US$68,554,000 from second to fifth years and US$90,997,000 thereafter.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

36. SEGMENT INFORMATION

For management purposes, the Group is organised into three main operating divisions, namely:

– Container Shipping

Providing feeder services for the transportation of containerised cargo between Singapore as a “hub” port and other outgoing “spoke” ports in Asia, as well as inter-region and intra-region container shipping services to end users.

– Bulk and Tanker

Providing transportation of special dry bulk, liquid and gas cargo in the international as well as Indonesian domestic market.

– Agencies and Logistics

Include forwarding, agency and other services.

The Group’s risks and rates of return are affected predominantly by differences in the services rendered.

Management monitors the operating results of its operating divisions separately for the purpose of making decisions about resource allocation and performance assessment.

36. SEGMENT INFORMATION (CONT'D)

	Container Shipping US$'000	Bulk and Tanker US$'000	Agencies and Logistics US$'000	Eliminations US$'000	Group US$'000
31 December 2021					
Revenue:					
– External customers	509,414	5,729	11,823	–	526,966
– Inter-segment	846	–	2,898	(3,744)	–
	510,260	5,729	14,721	(3,744)	526,966
Segment results	130,269	(2,059)	3,309	(754)	130,765
Finance income	199	233	141	(248)	325
Finance costs	(2,533)	(166)	(177)	85	(2,791)
Share of results of associate and joint venture	–	2,336	–	–	2,336
Profit (Loss) before tax	127,935	344	3,273	(917)	130,635
Income tax expense					(582)
Profit after tax					130,053
Segment assets	492,443	34,195	44,776	–	571,414
Unallocated assets					66
					571,480
Segment liabilities	(229,053)	(2,321)	(16,199)	–	(247,573)
Unallocated liabilities					(1,458)
					(249,031)
Capital expenditure	2,981	–	144	–	3,125
Depreciation of property, plant and equipment	4,501	1,476	314	2	6,293
Depreciation of right-of-use assets	25,596	–	795	–	26,391
Amortisation of intangible assets	589	–	–	–	589
Depreciation of investment properties	26	–	10	–	36
Impairment of property, plant and equipment	–	4051	–	–	4,051
(Write back) allowance for impairment on receivables	(753)	(184)	(1)	15	(923)

36. SEGMENT INFORMATION (CONT'D)

	Container Shipping US$'000	Bulk and Tanker US$'000	Agencies and Logistics US$'000	Eliminations US$'000	Group US$'000
31 December 2020					
Revenue:					
– External customers	331,566	6,829	9,500	–	347,895
– Inter-segment	360	–	1,907	(2,267)	–
	331,926	6,829	11,407	(2,267)	347,895
Segment results	10,927	(3,311)	325	(971)	6,970
Finance income	196	471	131	(122)	676
Finance costs	(1,161)	(353)	(125)	29	(1,610)
Share of results of associate and joint venture	–	1,765	–	–	1,765
Profit (Loss) before tax	9,962	(1,428)	331	(1,064)	7,801
Income tax expense					(528)
Profit after tax					7,273
Segment assets	279,997	36,145	26,638	–	342,780
Unallocated assets					63
					342,843
Segment liabilities	(116,403)	(12,643)	(14,405)	–	(143,451)
Unallocated liabilities					(1,379)
					(144,830)
Capital expenditure	2,849	142	76	–	3,067
Depreciation of property, plant and equipment	5,801	1,932	313	–	8,046
Depreciation of right-of-use assets	5,249	–	615	–	5,864
Amortisation of intangible assets	242	–	–	–	242
Depreciation of investment properties	26	–	12	–	38
Impairment of property, plant and equipment	4,781	4,625	52	–	9,458
Impairment of investment property	–	–	149	–	149
(Write back) allowance for impairment on receivables	70	(202)	835	(7)	696

36. SEGMENT INFORMATION (CONT'D)

Geographical information

The revenue of Container Shipping and Agencies and Logistics segments (see (i) below) based on geographical location is as follows:

	Group 2021 US$'000	Group 2020 US$'000
Indonesia	143,663	89,632
South East Asia (excluding Indonesia)	251,413	161,482
Middle East and Indian Sub-continent	115,599	72,941
Far East	7,615	6,523
Others	2,947	10,488
Total revenue for Container Shipping and Agencies and Logistics	521,237	341,066

(i) Revenue is allocated to each geographical segment based on the destination of the service routes. The directors believe it could be inaccurate to analyse assets and capital expenditure by geographical segment because these cannot be meaningfully allocated to the different routes as the vessels do not operate on fixed routes.

For Bulk and Tanker, 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. As such, no geographical segment information is presented.

Other information

The Group has two customers in 2021 (2020: 2) that contribute greater than 10% of the total revenue of the Group.

	Revenue 2021 US$'000	Revenue 2020 US$'000
Customer A	100,723	81,186
Customer B	54,834	44,228

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise income tax.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

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For the financial year ended 31 December 2021

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Financial assets at amortised cost	324,605	151,552	281,156	122,257
Derivative financial assets	4	–	3	–
	324,609	151,552	281,159	122,257
Financial liabilities				
Financial liabilities at amortised cost	240,144	141,616	221,869	122,958
Derivative financial liabilities	–	73	–	12
	240,144	141,689	221,869	122,970

(b) *Financial risk management policies and objectives*

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit and counterparty risk, liquidity risk, interest rate risk, foreign currency risk and bunker price risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost efficient.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

The Board is responsible for setting the objective and underlying principles of financial risk management for the Group and the Company.

(i) *Foreign exchange risk management*

The Group transacts business in various foreign currencies, including Singapore dollar ("SGD") and Indonesian rupiah ("IDR") and therefore is exposed to foreign exchange risk.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances approximately amount to US$29,529,000 (2020: US$14,195,000) and US$13,372,000 (2020: US$6,382,000) for the Group and the Company respectively.

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

The Company is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, Thailand, India and United Arab Emirates.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of foreign currencies are converted, as soon as possible, to SGD or USD.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group			
	Liabilities		**Assets**	
	2021	**2020**	**2021**	**2020**
	US$'000	US$'000	US$'000	US$'000
SGD	28,958	27,179	29,810	20,149
IDR	1,251	1,362	16,708	3,570
INR	–	–	2,811	1,909
Others	37	12	1,243	720

	Company			
	Liabilities		**Assets**	
	2021	**2020**	**2021**	**2020**
	US$'000	US$'000	US$'000	US$'000
SGD	28,919	26,987	29,782	20,114
IDR	594	991	–	–
INR	–	–	2,811	1,909
Others	37	12	1,235	711

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 10% (2020: 10%) increase and decrease in the exchange rate of SGD and IDR against USD. It is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in SGD and IDR and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis of monetary items denominated in currencies other than SGD and IDR is not significant.

	Group		Company	
	Strengthen/ (weaken) in exchange	**Effect on profit before tax**	**Strengthen/ (weaken) in exchange**	**Effect on profit before tax**
	%	US$'000	%	US$'000
2021				
Singapore dollar	10	94	10	94
	(10)	(94)	(10)	(94)
Indonesian rupiah	10	1,546	10	(59)
	(10)	(1,546)	(10)	59
2020				
Singapore dollar	10	(702)	10	(687)
	(10)	702	(10)	687
Indonesian rupiah	10	1,055	10	(99)
	(10)	(1,055)	(10)	99

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and fixed deposits.

The Group obtains additional financing through bank borrowings. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk management (cont'd)

Surplus funds are placed with reputable banks and financial institutions which generate interest income for the Group.

Information relating to the Group's and the Company's financial instrument balances which are interest bearing are disclosed in Notes 16, 19, 22, 25 and 27.

Interest rate sensitivity

The following table demonstrates the sensitivity to a 25 basis points (2020: 25 basis points) increase and decrease in the SGD and USD interest rates, with all other variables held constant, of the Group's and the Company's profit or loss (through the net impact of interest expense on floating loans and borrowings excluding hedged portion and interest income on fixed deposits). It is the sensitivity rate used when reporting interest rate risks internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	Group		Company	
	Increase/ (decrease) in basis points	Effect on profit or loss US$'000	Increase/ (decrease) in basis points	Effect on profit or loss US$'000
2021				
Singapore dollar	25	(32)	25	(32)
	(25)	32	(25)	32
United States dollar	25	142	25	99
	(25)	(142)	(25)	(99)
2020				
Singapore dollar	25	(33)	25	(33)
	(25)	33	(25)	33
United States dollar	25	43	25	44
	(25)	(43)	(25)	(44)

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2021, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the Group's exposure to credit risk (cont'd)

The tables below detail the credit quality of the Group's and Company's financial assets and other items, as well as maximum exposure to credit risk:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$'000	US$'000	US$'000
Group						
31 December 2021						
Trade receivables	17	(i)	Lifetime ECL	118,140	(4,653)	113,487
Other receivables and deposit	18	Performing, (ii)	12 month	1,837	–	1,837
Due from immediate holding company (non-trade)	33	Performing, (ii)	12 month	261	–	261
Due from immediate holding company (trade)	17	(i)	Lifetime ECL	4,095	(28)	4,067
Due from related companies (trade)	17	(i)	Lifetime ECL	17,677	(330)	17,347
Due from non-controlling interest of subsidiary (trade)	17	(i)	Lifetime ECL	417	–	417
Due from joint venture (trade)	17	(i)	Lifetime ECL	160	(160)	–
				142,587	(5,171)	137,416
31 December 2020						
Trade receivables	17	(i)	Lifetime ECL	58,271	(4,461)	53,810
Other receivables and deposit	18	Performing, (ii)	12 month	2,069	–	2,069
Due from immediate holding company (non-trade)	33	Performing, (ii)	12 month	261	–	261
Due from immediate holding company (trade)	17	(i)	Lifetime ECL	4,017	(36)	3,981
Due from related companies (trade)	17	(i)	Lifetime ECL	11,827	(1,452)	10,375
Due from non-controlling interest of subsidiary (trade)	17	(i)	Lifetime ECL	229	–	229
Due from joint venture (trade)	17	(i)	Lifetime ECL	169	(169)	–
				76,843	(6,118)	70,725

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For the financial year ended 31 December 2021

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the Group's exposure to credit risk (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$'000	US$'000	US$'000
Company						
31 December 2021						
Trade receivables	17	(i)	Lifetime ECL	109,400	(3,656)	105,744
Other receivables and deposit	18	Performing, (ii)	12 month	152	–	152
Due from immediate holding company (trade)	17	(i)	Lifetime ECL	4,067	(28)	4,039
Due from subsidiaries (trade)	17	(i)	Lifetime ECL	9,006	(51)	8,955
Due from subsidiaries (non-trade)	19	Performing, (iii)	12 month	1,550	–	1,550
Due from related companies (trade)	17	(i)	Lifetime ECL	13,902	(94)	13,808
Due from joint venture (trade)	17	(i)	Lifetime ECL	128	(128)	–
				138,205	(3,957)	134,248
31 December 2020						
Trade receivables	17	(i)	Lifetime ECL	51,712	(3,448)	48,264
Other receivables and deposit	18	Performing, (ii)	12 month	781	–	781
Due from immediate holding company (trade)	17	(i)	Lifetime ECL	4,008	(36)	3,972
Due from subsidiaries (trade)	17	(i)	Lifetime ECL	3,403	(66)	3,337
Due from subsidiaries (non-trade)	19	Performing, (iii)	12 month	1,808	–	1,808
Due from related companies (trade)	17	(i)	Lifetime ECL	5,702	(50)	5,652
Due from joint venture (trade)	17	(i)	Lifetime ECL	128	(128)	–
				67,542	(3,728)	63,814

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Overview of the Group's exposure to credit risk (cont'd)

(i) For trade receivables, the Group and Company has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and Company determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

(ii) For amounts due from immediate holding company (non-trade) and other receivables and deposits, the Group assesses low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

(iii) For amounts due from subsidiaries (non-trade), the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL), as the timing of payment is controlled by the Company taking into account cash flow management within the Group and there has been no significant increase in risk of default on the balances since initial recognition. Management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default as well as the loss upon default.

(iv) Credit risk management

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company may request bankers' guarantee from its customers if it is necessary. In addition, debtor balances are monitored on an ongoing basis.

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iv) Credit risk management (cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the customer profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the end of the reporting period is as follows:

	Group			
	2021		2020	
	US$'000	% of total	US$'000	% of total
By customers:				
Main line operators	62,027	54.7	31,202	58.0
Agents	3,901	3.4	2,648	4.9
Others	47,560	41.9	19,960	37.1
	113,488	100.0	53,810	100.0

	Company			
	2021		2020	
	US$'000	% of total	US$'000	% of total
By customers:				
Main line operators	54,990	52.0	28,146	58.3
Agents	5,267	5.0	3,082	6.4
Others	45,487	43.0	17,036	35.3
	105,744	100.0	48,264	100.0

At the end of the reporting period, approximately 31.8% (2020: 39.0%) of the Group's and 34.1% (2020: 43.5%) Company's trade receivables were due from 5 (2020: 5) major customers who are main line operators located in Singapore.

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iv) Credit risk management (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 December 2021

		Days past due				
	Current	**<30 days**	**30-60 days**	**60-90 days**	**>91 days**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default	110,403	3,746	344	93	3,554	118,140
Expected credit loss	(688)	(355)	(167)	(45)	(3,398)	(4,653)

31 December 2020

		Days past due				
	Current	**<30 days**	**30-60 days**	**60-90 days**	**>91 days**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default	47,669	4,794	1,297	468	4,043	58,271
Expected credit loss	(449)	(167)	(121)	(75)	(3,649)	(4,461)

Financial assets that were neither past due nor impaired

Trade and other receivables that were neither past due nor impaired were with creditworthy debtors with good payment record with the Group. Cash and short-term deposits, cash in holding accounts and derivatives that were neither past due nor impaired were placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(v) Bunker price risk management

The Group's earnings are affected by changes in bunker prices. The Group manages this risk by monitoring the bunker prices and entering into forward contracts to hedge against fluctuations in bunker price if considered appropriate. As the Group expects to settle these contracts by taking deliveries, these are accounted for as executory contracts.

As at 31 December 2021 and 31 December 2020, the Group has no outstanding bunker price hedging contracts.

(vi) Liquidity risk management

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Liquidity risk management (cont'd)

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operation and mitigate the effects of fluctuation of cash flows.

Liquidity and interest risk analyses

Non-derivative financial instruments

The following tables detail the remaining contractual maturity for non-derivative financial instruments. The tables have been drawn up based on the discounted cash flows of financial liabilities that include both interest and principal cash flows based on the earliest date on which the Group and Company can be required to pay and on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets and liabilities on the statement of financial position.

	Effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
31 December 2021						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		115,324	–	–	–	115,324
Due from related companies		21,675	–	–	–	21,675
Due from NCI of subsidiary		417	–	–	–	417
Variable interest rate instruments:						
Cash and bank balances	0.05-4.90	187,223	–	–	(30)	187,193
Total financial assets		324,639	–	–	(30)	324,609

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial instruments (cont'd)

	Effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
31 December 2021						
Financial liabilities						
Non-interest bearing:						
Trade payables		28,855	–	–	–	28,855
Other payables and liabilities		51,480	–	–	–	51,480
Due to related companies		377	–	–	–	377
Fixed interest rate instruments:						
Lease liabilities	1.7-10.67	68,356	64,317	16,585	(8,756)	140,502
Borrowings	7.60	14	–	–	–	14
Bank term loans	2.73	770	770	–	(41)	1,499
Due to NCI of subsidiaries	2.18	58	1,186	–	–	1,244
Variable interest rate instruments:						
Bank term loans	1.78	4,820	4,168	8,800	(1,619)	16,169
Total financial liabilities		154,730	70,441	25,385	(10,416)	240,140

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial instruments (cont'd)

	Effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
31 December 2020						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		55,879	–	–	–	55,879
Due from related companies		14,617	–	–	–	14,617
Due from NCI of subsidiary		229	–	–	–	229
Variable interest rate instruments:						
Cash and bank balances	0.10-4.90	80,854	–	–	(27)	80,827
Total financial assets		151,579	–	–	(27)	151,552
Financial liabilities						
Non-interest bearing:						
Trade payables		18,441	–	–	–	18,441
Other payables and liabilities		27,466	–	–	–	27,466
Due to related companies		114	–	–	–	114
Fixed interest rate instruments:						
Lease liabilities	2.57-10.67	12,817	36,899	22,376	(7,782)	64,310
Borrowings	7.60	367	14	–	–	381
Bank term loans	2.73	1,829	4,746	501	(188)	6,888
Due to NCI of subsidiaries	2.16	59	1,744	–	–	1,803
Variable interest rate instruments:						
Bank term loans	1.83	7,948	6,429	9,867	(1,958)	22,286
Total financial liabilities		69,041	49,832	32,744	(9,928)	141,689

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial instruments (cont'd)

	Effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	US$'000	US$'000	US$'000	US$'000	US$'000
Company						
31 December 2021						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		105,896	–	–	–	105,896
Due from related companies		27,693	–	–	–	27,693
Fixed interest rate instruments:						
Due from subsidiary	1.65	89	–	–	–	89
Variable interest rate instruments:						
Cash and bank balances	0.05-1.70	146,924	–	–	(13)	146,911
Total financial assets		280,602	–	–	(13)	280,589
Financial liabilities						
Non-interest bearing:						
Trade payables		25,175	–	–	–	25,175
Other payables and liabilities		42,818	–	–	–	42,818
Due to related companies		2,664	–	–	–	2,664
Fixed interest rate instruments:						
Lease liabilities	1.7-9.75	67,498	62,247	10,521	(6,179)	134,087
Borrowings	7.60	15	–	–	–	15
Bank term loans	2.73	782	768	–	(50)	1,500
Variable interest rate instruments:						
Bank term loans	1.70	4,667	3,821	8,675	(1,551)	15,612
Total financial liabilities		143,619	66,836	19,196	(7,780)	221,871

37. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(vi) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial instruments (cont'd)

	Effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a.	US$'000	US$'000	US$'000	US$'000	US$'000
Company						
31 December 2020						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		49,045	–	–	–	49,045
Due from related companies		13,860	–	–	–	13,860
Fixed interest rate instruments:						
Due from subsidiary	1.65	909	–	–	–	909
Variable interest rate instruments:						
Cash and bank balances	0.10-1.70	58,460	–	–	(17)	58,443
Total financial assets		122,274	–	–	(17)	122,257
Financial liabilities						
Non-interest bearing:						
Trade payables		15,956	–	–	–	15,956
Other payables and liabilities		19,213	–	–	–	19,213
Due to related companies		7,317	–	–	–	7,317
Fixed interest rate instruments:						
Lease liabilities	2.57-9.75	11,956	35,394	16,162	(5,147)	58,365
Borrowings	7.60	367	14	–	–	381
Bank term loans	2.73	1,053	1,545	–	(98)	2,500
Variable interest rate instruments:						
Bank term loans	1.62	7,299	3,933	9,677	(1,671)	19,238
Total financial liabilities		63,161	40,886	25,839	(6,916)	122,970

38. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset and liability that are not based on observable market data (unobservable inputs).

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable input (Level 3)
		US$'000	US$'000	US$'000	US$'000
Assets measured at fair value:					
Derivative financial assets:					
Interest rate swaps	31 December 2021	3	–	3	–
Interest rate swaps	31 December 2020	–	–	–	–
Foreign currency forward contracts	31 December 2021	1	–	1	–
Foreign currency forward contracts	31 December 2020	–	–	–	–
Liabilities measured at fair value:					
Derivative financial liabilities:					
Interest rate swaps	31 December 2021	–	–	–	–
Interest rate swaps	31 December 2020	40	–	40	–
Foreign currency forward contracts	31 December 2021	–	–	–	–
Foreign currency forward contracts	31 December 2020	33	–	33	–

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable input (Level 3)
		US$'000	US$'000	US$'000	US$'000
Liabilities for which fair value are disclosed:					
Amounts due to NCI	31 December 2021	1,244	–	1,244	–
Amounts due to NCI	31 December 2020	1,710	–	1,710	–

Amounts due to NCI

The carrying amounts due to NCI of subsidiaries is US$1,244,000 (2020: US$1,803,000). The fair value is determined using a discounted cash flow model with a discount rate that reflects the borrowing rate as at the end of the reporting period.

38. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

Derivative assets and liabilities

The carrying amount of derivative financial assets is US$4,000 (2020: financial liabilities US$73,000). The Group enters into derivative financial instruments with reputable financial institutions. Interest rate swaps and foreign currency forward contracts are valued using valuation techniques, which employ the use of market observable inputs. As at 31 December 2021, the mark-to market value of derivative liabilities positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Financial instruments whose carrying amounts are reasonable approximation of fair value

Management considers that the carrying amount of financial assets and financial liabilities of the Group and the Company recorded at amortised cost in the financial statements approximate their fair values.

a) Trade and other receivable, trade payables and other liabilities amounts due from/(to) related companies, cash and bank balances and pledged deposits.

   The carrying amounts of these balances approximate fair values due to their short-term nature.

b) Bank loans at floating rates.

   The carrying vaue of the bank loans approximate fair value as these balances are of variable interest rate.

39. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The capital structure of the Group consists of borrowings and equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

The Group is required to maintain certain financial ratios within a given range to comply with loan covenants imposed by its lenders. The Group monitors the financial covenants on bank borrowings to ensure there is no breach of covenants.

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 26 March 2022.

SHAREHOLDINGS STATISTICS

as at 17 March 2022

ISSUED AND FULLY PAID SHARES

Class of shares	Ordinary shares
Voting rights	1 vote per ordinary share (no vote for treasury shares)
No. of Issued Shares	539,131,199
No. of Issued Shares (excluding Treasury Shares)	538,038,199
No. and Percentage of Treasury Shares Held	1,093,000 (0.20%)*
No. and Percentage of Subsidiary Holdings**	Nil

* Percentage is calculated based on the Company's total number of 538,038,199 issued shares (i.e. excluding 1,093,000 treasury shares).

** "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital*
1 - 99	10	0.26	184	0.00
100 – 1,000	161	4.19	89,161	0.02
1,001 - 10,000	2,292	59.59	10,113,972	1.88
10,001 - 1,000,000	1,359	35.34	62,064,807	11.53
1,000,001 and above	24	0.62	465,770,075	86.57
	3,846	100.00	538,038,199	100.00

PERCENTAGE OF SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 17 March 2022, approximately 34.21% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the SGX-ST is complied with.

SHAREHOLDINGS STATISTICS

as at 17 March 2022

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	PT SAMUDERA INDONESIA Tbk	351,180,000	65.27
2	TEO CHENG TUAN DONALD	21,154,100	3.93
3	DBS NOMINEES (PRIVATE) LIMITED	17,113,902	3.18
4	ANG AH BENG	16,990,800	3.16
5	RAFFLES NOMINEES (PTE.) LIMITED	10,489,555	1.95
6	CITIBANK NOMINEES SINGAPORE PTE LTD	6,495,100	1.21
7	DB NOMINEES (SINGAPORE) PTE LTD	5,625,000	1.05
8	GU JIAN LIN	3,824,900	0.71
9	PHILLIP SECURITIES PTE LTD	3,523,100	0.65
10	IFAST FINANCIAL PTE. LTD.	3,391,600	0.63
11	BANI MAULANA MULIA	3,272,000	0.61
12	HSBC (SINGAPORE) NOMINEES PTE LTD	2,945,800	0.55
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,595,600	0.48
14	LOH VEE FOO	2,334,400	0.43
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,103,300	0.39
16	LOW WAI MING	2,026,200	0.38
17	OCBC SECURITIES PRIVATE LIMITED	1,733,518	0.32
18	POH BOH SIM	1,472,000	0.27
19	MAYBANK SECURITIES PTE. LTD.	1,448,700	0.27
20	LIM HOCK BENG	1,400,000	0.26
		461,119,575	85.70

* The percentage of shareholdings is calculated based on the Company's total number of 538,038,199 issued shares as at 17 March 2022 (i.e. excluding 1,093,000 treasury shares) and there is no subsidiary holdings as at 17 March 2022.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 17 March 2022)

Name	Direct Interest	%	Deemed Interest	%
PT Samudera Indonesia Tbk (1)	351,180,000	65.27	–	–
PT Samudera Indonesia Tangguh (2)	–	–	351,180,000	65.27
PT Ngrumat Bondo Utomo (3)	–	–	351,180,000	65.27

Note:

1. The percentage of shareholdings is calculated based on the Company's total number of 538,038,199 issued shares as at 17 March 2022 (i.e. excluding 1,093,000 treasury shares) and there is no subsidiary holdings as at 17 March 2022.
2. PT Samudera Indonesia Tangguh's deemed interest arises from its direct interest of 57.98% in PT Samudera Indonesia Tbk.
3. PT Ngrumat Bondo Utomo's deemed interest arises from its direct interest of 14.36% and 27.40% in PT Samudera Indonesia Tbk and PT Samudera Indonesia Tangguh respectively.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Samudera Shipping Line Ltd (the "**Company**") will be convened and held by way of electronic means on **Wednesday, 27 April 2022, at 10.00 a.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a special one-tier tax exempt dividend of 12.75 Singapore cents per ordinary share for the financial year ended 31 December 2021. *(FY2020: special one-tier tax exempt dividend of 0.30 Singapore cents per ordinary share)* **(Resolution 2)**

3. To declare a final one-tier tax exempt dividend of 0.75 Singapore cents per ordinary share for the financial year ended 31 December 2021. *(FY2020: a first and final one-tier tax exempt dividend of 0.75 Singapore cents per ordinary share)* **(Resolution 3)**

4. To re-appoint the following Directors of the Company retiring by rotation pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and Article 91 of the Constitution of the Company:

   Mr Masli Mulia *[See Explanatory Note (i)]* **(Resolution 4)**

   Mr Quah Ban Huat *[See Explanatory Note (i)]* **(Resolution 5)**

   Mr Tan Meng Toon *[See Explanatory Note (i)]* **(Resolution 6)**

5. To approve the payment of a one-off additional Directors' fees of S$88,500 for the financial year ended 31 December 2021, being payable to all Non-Executive Directors in respect of FY2021. **(Resolution 7)**

6. To approve the payment of Directors' fees of S$431,200 for the financial year ending 31 December 2022 to be paid quarterly in arrears. (FY2021: S$408,300) **(Resolution 8)**

7. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

9. **Continued Appointment of Mr Quah Ban Huat as an Independent Director pursuant to Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST**

   That, subject to and contingent upon the passing of Ordinary Resolution 5 above and Ordinary Resolution 10 below by the shareholders, the continued appointment of Mr Quah Ban Huat ("**Mr Quah**") as an Independent Director be approved by all shareholders pursuant to Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST and the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Quah as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

   [See Explanatory Note (ii)] **(Resolution 10)**

10. **Continued Appointment of Mr Quah Ban Huat as an Independent Director pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST**

    That, subject to and contingent upon the passing of Ordinary Resolutions 5 and 9 above by the shareholders, the continued appointment of Mr Quah Ban Huat as an Independent Director be approved by shareholders, excluding the Directors and the Chief Executive Officer ("**CEO**") of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST) pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST and the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Quah as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

    [See Explanatory Note (ii)] **(Resolution 11)**

NOTICE OF ANNUAL GENERAL MEETING

11. **Authority to Issue Shares**

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (iii)] **(Resolution 12)**

12. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

(a) approval be given for the renewal of the mandate for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out on pages 4 and 5 of the Appendix to the Annual Report to Shareholders dated 6 April 2022 (the "**Appendix**") with any party who is of the class of Interested Persons described in the Appendix, provided that such transactions are carried out on normal commercial terms and in accordance with the review procedures of the Company for such Interested Person Transactions as set out in the Appendix (the "**Shareholders' Mandate**");

(b) the Shareholders' Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; and

(c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders' Mandate as they may think fit.

[See Explanatory Note (iv)] **(Resolution 13)**

By Order of the Board

Leong Chang Hong
Secretary
Singapore, 6 April 2022

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(i) The Ordinary Resolutions 4 to 6 above, relates to the re-appointment of the following Directors retiring by rotation pursuant to Rule 720(5) of the Listing Manual of the SGX-ST and Article 91 of the Company's Constitution:

(a) Mr Masli Mulia will, upon re-appointment, remain as the Non-Independent and Non-Executive Chairman of the Company.

(b) Mr Quah Ban Huat will, upon re-appointment as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees and will be considered independent.

(c) Mr Tan Meng Toon will, upon re-appointment, remain as an Executive Director, Commercial of the Company.

Additional information as required under Listing Rule 720(6) of the Listing Manual of the SGX-ST (in the form as set out in Appendix 7.4.1) on the above-mentioned Directors, who are subject to retirement and re-appointment at the Annual General Meeting, can be found in the FY2021 Annual Report under "Board of Directors" section.

(ii) The Ordinary Resolutions 10 and 11, relate to the continued appointment of Mr Quah Ban Huat as an Independent Director pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which comes into effect from 1 January 2022.

Rule 210(5)(d)(iii) Listing Manual of the SGX-ST provides that a director will not be independent if he has served on the Board as an independent director for an aggregated period of more than 9 years (whether before or after listing) and his continued appointment as an independent director must be sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the Directors and the CEO of the Company, and associates of such Directors and CEO ("**Two-Tier Voting**"), and such resolutions approved at the AGM by way of a Two-Tier Voting process shall remain in force until the earlier of the following: (i) retirement or resignation of the director; or (ii) the conclusion of the third AGM following the passing of the resolutions.

Mr Quah Ban Huat ("**Mr Quah**") was appointed as an Independent and Non-Executive Director of the Company on 31 October 2013 and he will be reaching an aggregate period of 9 years serving on the Board as independent director of the Company on 31 October 2022. In order to comply with the requirements under SGX Listing Rule 210(5)(d)(iii) when Mr Quah reaches his ninth-year threshold as independent director, the Company is seeking shareholders' approval on the continued appointment of Mr Quah as an Independent Director of the Company via the Two-Tier Voting at this AGM.

Subject to and contingent upon the passing of the Ordinary Resolution 5 relating to Mr Quah's re-appointment as a Director of the Company, the Company is proposing to seek, at the same time, the requisite approval from shareholders for his continued appointment as an Independent Director via the Two-Tier Voting process. Mr Quah will, upon the passing of Ordinary Resolutions 10 and 11 via the Two-Tier Voting Process, continue to serve on the Board as an Independent Director of the Company until the conclusion of (i) the third AGM following the passing of this Resolution, or (ii) his retirement or resignation as a Director of the Company, whichever is the earlier. Mr Quah will also remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Subject to and contingent upon the passing of the Ordinary Resolution 10 by all shareholders of the Company, in compliance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST, the directors and the CEO of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST) shall abstain from voting on Ordinary Resolution 11. The Company will disregard any votes cast by the directors and the CEO of the Company, and their respective associates, in respect of their holdings of shares (if any) on Ordinary Resolution 11.

The Nominating Committee ("**NC**") and the Board have assessed the independence status of Mr Quah and determined that Mr Quah have demonstrated strong independence in character and judgment over the years in discharging his duties and responsibilities as an Independent and Non-Executive Director of the Company. There were no circumstances which would likely affect or appear to affect his independent judgment and he has acted in the best interests of the Group and the non-controlling shareholders. Mr Quah's contributions in Board deliberations, due to his length of service, in-depth knowledge of the Group's businesses and board representation on other listed companies are considered valuable by the Board. While recognising the benefits of the experience and stability brought by long-standing Directors, the NC is cognizant of the importance of Board renewal and refreshment and the Board remains committed to the progressive renewal of board membership. Additionally, Mr Quah has fulfilled the definition of independent directors of the Listing Manual of the SGX-ST and the Code of Corporate Governance 2018 ("**2018 Code**"). More importantly, the Board trust that Mr Quah is able to continue to discharge his duties independently with integrity and competency.

Rule 210(5)(c) of the Listing Manual of the SGX-ST provides that the Independent Directors must comprise of at least one-third of the Board, while and Provision 2.2 of the 2018 Code provides that the Independent Directors shall make up a majority of the Board where the Chairman is not independent. In the event that either Ordinary Resolutions 10 or 11 is not passed at this AGM, Mr Quah's appointment as an Independent Director of the Company will cease on 31 October 2022 and he will be re-designated as a Non-Independent and Non-Executive Director of the Company with effect from 1 November 2022. Accordingly, the Company will not be in compliance with Provision 2.2 of the 2018 Code. Since at least one-third of the Board comprises of Independent Director and a majority of the Board members are Non-Executive Directors, the NC and Board are of the view that the Board members have an appropriate level of independence and are able to make decisions in the best interest of the Company.

Nevertheless, the Board has weighed the need for the Board and seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. However, such Board renewal and refreshment process may require more time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such director who has, over time, gained valuable insights into the Group, its market and the industry. The Board and NC will continue to review and recommend appropriate changes to the Board composition in order to comply with Provision 2.2 of the 2018 Code.

(iii) The Ordinary Resolution 12 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iv) The Ordinary Resolution 13 above, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Company's AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2. Printed copies of this Notice of AGM dated 6 April 2022 ("**AGM Notice**") and the Proxy Form **will not** be mailed to shareholders, instead, these documents together with the the Company's Annual Report 2021 and the Appendix to the Annual Report will be sent to shareholders by way of electronic means via publication on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.samudera.id/samuderashippinglineltd/en/2/shareholdersmeeting.

3. **In light of the current Covid-19 measures in Singapore and the Company's effort to minimise physical interactions and risk of community spread of COVID-19, shareholders will not be able to attend the Company's AGM in person. Any shareholder seeking to attend the AGM physically in person will be declined.**

   Alternative arrangements have been put in place to allow shareholders to participate at the AGM by:

   (a) observing and/or listening to the AGM proceedings via "live" audio-visual webcast and/or "live" audio-only stream;

   (b) submission of questions relating to the resolutions to be tabled at the AGM, to the Chairman of the AGM in advance of the AGM, including addressing of substantial and relevant questions received at least 72 hours before the proxy cut-off deadline mentioned in item 6 below; and

   (c) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM, details of which are set out below.

4. **Pre-registration for the AGM**

   Shareholders and persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, 1967 of Singapore), including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors, will be able to watch the live audio-visual webcast or listen to the live audio-only stream of the AGM proceedings via their mobile phones, tablets or computers.

   All shareholders who wish to attend the AGM must pre-register via the Company pre-registration website at the URL https://www.samudera.id/samuderashippinglineltd/en/2/shareholdersmeeting for verification purposes from now till **10.00 a.m.** on **Sunday, 24 April 2022**, being 72 hours before the time fixed for the AGM.

   Following the verification, authenticated shareholders will receive a confirmation email which will contain their login credentials and the instructions to access the live audio-visual webcast and a telephone number to access the live audio-only stream of the AGM proceedings ("**Confirmation Email**"). Shareholders who do not receive the Confirmation Email by **10.00 a.m.** on **26 April 2022** but have registered by **10.00 a.m**. on **24 April 2022** deadline should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 between 10.00 a.m. to 4.00 p.m. (Singapore Time), or via email at srs.teamc@boardroomlimited.com.

   Shareholders will be able to observe the live audio-visual webcast of AGM proceedings via mobile phones, tablets or computers or listen to the live audio-only stream of AGM proceedings via telephone.

   Deadline to pre-register: By 10.00 a.m. on 24 April 2022.

   Investors who hold shares in the Company through a relevant intermediary (as defined below), including CPF or SRS investors, **will not** be able to pre-register via the above-mentioned pre-registration website for the "live" audio visual webcast and "live" audio only stream. Such investors who wish to participate in the AGM via electronic means should contact their relevant intermediary (which would include, in the case of SRS investors, their respective SRS Operators) through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Submission of questions in advance of the AGM and the Company's Response

Shareholders **will not** be able to ask any questions during the live audio-visual webcast or audio-only stream of the AGM proceedings. Therefore, it is important for shareholders to submit their question related to the resolutions to be tabled for approval at the AGM, to the Chairman of the AGM in advance of the AGM, in the following manner by **2.00 p.m. on Thursday, 14 April 2022**, being at least 7 calendar days from the date of the Notice of AGM in line with the recommendation set out in the SGX Regulator's Column dated 16 December 2021:

(a) via the pre-registration website at the URL https://www.samudera.id/samuderashippinglineltd/en/2/shareholdersmeeting; or

(b) by email to the Company at samudera2022meetings@boardroomlimited.com; or

(c) if submitted by post, be deposited at the registered office of the Company at 6 Raffles Quay #25-01, Singapore 048580.

Shareholders who submit questions via email or by post to the Company must provide the following information:

(1) the Shareholder's full name;

(2) the Shareholder's address; and

(3) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

Please note that the Company will not be able to answer questions from shareholders who provide insufficient details to enable the Company to verify his/her/its shareholder status.

In view of the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for shareholders to submit questions by post, shareholders are strongly encouraged to submit questions electronically via the pre-registration website or by email.

Deadline to submit questions: By 2.00 p.m. on 14 April 2022.

The Directors and Management of the Company will endeavour to address substantial and relevant questions received from shareholders in advance of the AGM by publishing the Company's responses on SGXNet and the Company's website no later than Wednesday, 20 April 2022, being 72 hours prior to the proxy cut-off deadline in line with the recommendation set out in the SGX Regulator's Column dated 16 December 2021. Where substantially similar questions are received from shareholders, the Company will consolidate such questions in its response (as such, not all questions may be individually address).

The minutes of the AGM will be published on SGXNet and the Company's website within 1 month from the date of the AGM.

6. Submission of Proxy Form to Appoint the Chairman of AGM as Proxy to vote at the AGM

Shareholders **will not** be able to vote during the live audio-visual webcast or audio-only stream of the AGM proceedings and therefore it is important for shareholders to appoint the Chairman of the AGM as their Proxy to vote at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

The form of an instrument appointing a proxy ("**Proxy Form**"), which may be used to appoint the Chairman of the AGM as their Proxy to vote at the AGM, is released together with this Notice of AGM.

Shareholders (whether individual or corporate) who wish to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM by completing and submitting to the Company the Proxy Form in the following manner:

(a) **If submitted by post**, be deposited at the registered office of the Company's Share Registrar Office at 1 Harbourfront Avenue Keppel Bay Tower #14-07, Singapore 098632; or

(b) **If submitted electronically**, be submitted via email to the Company at samudera2022meetings@boardroomlimited.com by enclosing a signed PDF copy of the Proxy Form.

in either case, by **10.00 a.m**. on **Sunday, 24 April 2022**, being not less than seventy-two (72) hours before the time appointed for holding the AGM.

A Shareholder who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Specific Voting Instruction

In appointing the Chairman of the AGM as proxy, a shareholder must give specific instructions as to voting (whether to vote in favour of or against), or abstentions from voting, in respect of a resolution in the Proxy Form, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Deadline to submit Proxy Forms: By 10.00 a.m. on Sunday, 24 April 2022.

Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

7. Shareholders who hold shares of the Company through a relevant intermediary, including CPF or SRS investors who wish to appoint proxy or the Chairman of the AGM as proxy should approach their respective CPF Agent, Banks or SRS Operators to submit their votes by **5.00 p.m.** on **Thursday, 14 April 2022**, being 7 working days before the date of the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

8. A proxy need not be a member of the Company.

9. If the appointor is a corporation, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

Personal data privacy:

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the AGM as proxy for the AGM for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

NOTICE OF RECORD DATE AND PAYMENT DATE FOR SPECIAL DIVIDEND AND FINAL DIVIDEND

NOTICE IS HEREBY GIVEN that, subject to the approval by the shareholders of the following dividends proposed in respect of the financial year ended 31 December 2021:

(i) proposed special one-tier tax exempt dividend of 12.75 Singapore cents per ordinary share; and

(ii) proposed final one-tier tax exempt dividend of 0.75 Singapore cents per ordinary share,

(collectively "**Proposed Final Dividend and Special Dividend**") at the Company's Annual General Meeting to be held by way of electronic means on 27 April 2022 ("**AGM**"), the Share Transfer Books and Register of Members of the Company will be closed on Wednesday, 11 May 2022 at 5.00 p.m. ("**Record Date**") for the purpose of determining shareholders' entitlements and preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to the Record Date will be registered to determine shareholders' entitlements to the Proposed Final Dividend and Special Dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at the Record Date will be entitled to the Proposed Final Dividend and Special Dividend.

The Proposed Final Dividend and Special Dividend, if approved by the shareholders at the AGM, will be paid on Friday, 20 May 2022.

BY ORDER OF THE BOARD

Ridwan Hamid
Executive Director and Chief Financial Officer
6 April 2022

SAMUDERA SHIPPING LINE LTD
(Company Registration No. 199308462C)
(Incorporated In The Republic of Singapore)

IMPORTANT:
1. The Annual General Meeting ("**AGM**") of Samudera Shipping Line Ltd (the "**Company**") is being convened, and will be held by way of electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this Proxy Form **will not** be mailed to Members, instead, copies of these documents will be sent to members by way of electronic means via publication on the Company's website at the URL https://www.samudera.id/samuderashippinglineltd/en/2/shareholdersmeeting and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. In light of the current Covid-19 measures in Singapore and the Company's effort to minimise physical interactions and risk of community spread, members will not be able to attend the AGM in person. Members (whether individual or corporate) who wish to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
3. Alternative arrangements relating to (i) attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (ii) submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions before or at the AGM; and (iii) voting by appointing the Chairman of the AGM as proxy at the AGM, are as set out in the Notice of AGM released on the SGX website on 5 April 2022.
4. For CPF/SRS investors who have used their CPF/SRS monies to buy Samudera Shipping Line Ltd's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should contact their respective Agent Bank/SRS Operators to submit their votes by 5.00 p.m. on 14 April 2022.
5. Prior to the AGM, members are encouraged to email their questions together with their full names, addresses and manner in which they hold shares in the Company via the Company's pre-registration website at the URL https://www.samudera.id/samuderashippinglineltd/en/2/shareholdersmeeting when they pre-register for the AGM.
6. Please read the notes to the Proxy Form which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a shareholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.

PROXY FORM

ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We, ____

(Name(s) and NRIC/Passport/Company Registration Number(s))

of____

(Address)

being a member/members of Samudera Shipping Line Ltd (the "**Company**"), hereby **appoint the Chairman of the Annual General Meeting** as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on **Wednesday, 27 April 2022 at 10.00 a.m.** ("**AGM**") and at any adjournment thereof. I/We direct my/our proxy to vote for or against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder:

No.	Resolutions relating to:	Number of Votes For(1)	Number of Votes Against(1)	Number of Votes Abstain(1)
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2	Payment of proposed special one-tier tax exempt dividend for the financial year ended 31 December 2021			
3	Payment of proposed final one-tier tax exempt dividend for the financial year ended 31 December 2021			
4	Re-appointment of Mr Masli Mulia as a Director			
5	Re-appointment of Mr Quah Ban Huat as a Director			
6	Re-appointment of Mr Tan Meng Toon as a Director			
7	Approval of payment of a one-off additional Directors' fees amounting to S$88,500 for the financial year ended 31 December 2021			
8	Approval of payment of Directors' fees amounting to S$431,200 for the financial year ending 31 December 2022			
9	Re-appointment of Messrs Ernst & Young LLP as Auditors and authorising the Directors to fix their remuneration			
10	Approval from the shareholders for the continued appointment of Mr Quah Ban Huat as an independent director pursuant to Rule 210(5)(d)(iii)(A) of the Listing Manual of the SGX-ST			
11	Approval from the shareholders (excluding the Directors, and Chief Executive Officer of the Company, and associates of such Directors and CEO) for the continued appointment of Mr Quah Ban Huat as an independent director pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST			
12	Authority to Issue Shares			
13	Renewal of Shareholders' Mandate for Interested Person Transactions			

(1) If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please indicate your vote with a tick (√) within the relevant boxes provided. Alternatively, please indicate the number of shares "For" or "Against" or "Abstain", as appropriate, in the respective boxes provided above in respect of that resolution. **In the absence of specified directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Dated this____________________day of ____________________2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholders(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

NOTES:

1. A printed copy of this Proxy Form will not be mailed to members. This Proxy Form will be sent to members by electronic means via publication on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.samudera.id/samuderashippinglineltd/en/2/shareholdersmeeting.
2. In light of the current Covid-19 measures in Singapore and the Company's efforts to minimise physical interactions and risk of community spread of COVID-19, members will not be able to attend the Company's AGM in person. Any members seeking to attend the AGM physically in person will be declined. Any member (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM by completing and submitting this Proxy Form. Where a member appoints the Chairman of the AGM as proxy, the member must give specific instructions as to voting (whether to vote in favour of or against, or abstain from voting) in respect of a resolution in the Proxy Form, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
4. Person who hold shares of the Company through a relevant intermediary (as defined in Section 181 of the Companies Act), including CPF or SRS investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 14 April 2022**, being 7 working days before the date of the AGM.

   Pursuant to Section 181 of the Companies Act, a "relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. The Chairman of the AGM, as proxy, need not be a member of the Company.
6. The Proxy Form appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form appointing the Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. This Proxy Form appointing the Chairman of AGM as proxy, duly executed, together with the power of attorney (if any) under which it is signed or a certified copy thereof, must be submitted to the Company in the following manner by **10.00 a.m. on 24 April 2022**, being not less than seventy-two (72) hours before the time appointed for holding the AGM:

   (i) if submitted by post, be deposited at the Company's Share Registrar Office at 1 Harbourfront Avenue Keppel Bay Tower #14-07, Singapore 098632; or

   (ii) if submitted electronically, be submitted via email to the Company at samudera2022meetings@boardroomlimited.com by enclosing a signed PDF copy of the Proxy Form.

   A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Specific Voting Instruction

   In appointing the Chairman of the AGM as proxy, a shareholder must give specific instructions as to voting (whether to vote in favour of or against), or abstentions from voting, in respect of a resolution in the Proxy Form, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

   Members are strongly encouraged to submit the completed Proxy Forms electronically via email.
8. All members will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
9. At any meeting, a resolution put to the vote of the meeting shall be decided on a poll.
10. SRS Approved Nominees acting on the request of the SRS investors who wish to appoint the Chairman of the AGM as their proxy are requested to submit in writing, a list with details of the SRS investors' names, NRIC/Passport numbers, addresses and number of shares held. The list (to be signed by an authorised signatory of the SRS Approved Nominee) shall if submitted by post, reach the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632 or if submitted electronically, must be submitted via email to the Company's Share Registrar at srs.teamc@boardroomlimited.com in either case not later than **10.00 a.m. on Sunday, 24 April 2022**, being not less than seventy-two (72) hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 April 2022.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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SAMUDERA SHIPPING

SAMUDERA SHIPPING LINE LTD

ANNUAL REPORT 2021 (FINANCIAL)

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samudera.id/ssl