

**SAMUDERA SHIPPING LINE LTD**  
(Company Registration No.: 199308462C)  
(Incorporated in Singapore)  
(the “**Company**”)

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**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS  
RECEIVED FROM THE SHAREHOLDERS FOR  
THE ANNUAL GENERAL MEETING TO BE HELD ON 27 APRIL 2022**

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The Board of Directors (the “**Board**”) of Samudera Shipping Line Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s FY2021 Annual Report and its Notice of Annual General Meeting (“**AGM**”) dated 6 April 2022, which were announced on 5 April 2022.

The Company would like to thank shareholders for submitting their questions in advance of the Company’s AGM to be held on 27 April 2022 at 10.00 a.m..

Please refer to the Appendix A as attached hereto for the list of questions received from shareholders, and the Board and Management’s responses to these questions.

**BY ORDER OF THE BOARD**

Ridwan Hamid  
Executive Director and Chief Financial Officer  
20 April 2022

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**APPENDIX A**  
**RESPONSES TO QUESTIONS FROM SHAREHOLDERS**

**Question 1** : **Please provide details on the number of vessels owned and the number that are leased by the company.**

Response : As at 1 March 2022, the Group operates a fleet of 32 vessels, comprising 29 container vessels, 2 chemical tankers and a gas tanker. Six (6) of these vessels are owned while the rest are leased.

**Question 2** : (i) **Firstly I want to thank the company and management for doing a great job. The company has been asking for share buyback mandate for many years but up to now, it has not bought a single share. Why is the company asking for such a mandate yet has not been utilising it. I would hope that the company do an aggressive share buyback with its current cash hoard.**

Response : The share buyback mandate is intended to afford the Group the flexibility to acquire its shares from the market at an appropriate price only if the share prices is determined to be significantly undervalued. This is however, also contingent on the availability of excess cash which is not earmarked for deployment to other purposes. As a general practice, the Group prioritises its cash excess deployment in the following order:

- a) Business expansion or investment to create more value for the company
- b) Debt reduction to strengthen its balance sheet
- c) Return to shareholders via dividend payment

Given the uncertainties in the operating conditions of the past few years, the Group had retained more cash for working capital purposes and to tap growth opportunities through the expansion of its service offerings. Our prudent cash management approach has yielded good results.

**Question 2** : (ii) **The parent company Samudera Indonesia reports quarterly financial statements. I am sure that since Samudera Shipping is a subsidiary of Samudera Indonesia, its quarterly financial statements should also be available. Hence why don't Samudera Shipping reports quarterly financial statements since it is available.**

Response : The Group had announced on 28 February 2020 that it would henceforth be releasing its results on a half-yearly basis. This announcement follows the amendment to Rule 705 of the Listing Manual of the Singapore Exchange Securities Trading Limited which took effect from 7 February 2020.

The Board's decision not to continue with quarterly results announcements took into consideration that the announcement of the Group's financial statements on a half-yearly basis alongside observation of strengthened disclosure and regular updates on key business activities are sufficient to keep the market informed of the Company's and the Group's state of affairs.

**Question 3** : **For the container vessels on long-term time charter added (or to be added) to your fleet in 2021 and 2022, how long are the charter contracts? Are the charter rates fixed for the term of the contract?**

Response : The long-term time charters range from seven to nine years. The relatively longer charter periods has the objective of minimising service disruptions in view of the limited vessel supply in the market. Some of these vessels were secured with fixed charter rates for the duration of the contracts, while in the case of others, the charter rates will be adjusted periodically based on charter market conditions.

**Question 4** : **What proportion of your container fleet (in terms of TEUs) are owned vs. chartered-in?**

Response : Since 2020, the Group had been systematically disposing of all its older and less efficient vessels in favour of newer, larger and more efficient ones as part of its fleet renewal programme, and to meet the growing demand for its services.

In view of the surge in vessel prices over the past 2 years, the Group has been securing replacement vessels on charter-hire and long-term leases as it bides its time for opportunities to acquire newbuildings at competitive prices. This is part of the Group's strategy to manage its costs even as it is rejuvenating its fleet. Some of the long-term leases for the new vessels to be delivered progressively from the fourth quarter of 2022 include options to purchase the vessels before or upon the expiry of their respective leases.

Collectively, these replacement vessels currently make up about 90% of the Group's existing container fleet.

**Question 5** : **What proportion of your container business is on long-term contracts with your customers? How has this proportion changed over the past year? What is the typical duration of such long-term contracts?**

Response : Most of the Group's container capacity is utilised on contract basis, with only a very small proportion utilised on spot basis. This arrangement has been in place for many years now. The duration of a typical customer contract ranges from 6 to 12 months and is subject to renewal upon expiry.