



SAMUDERA



RISE
and **THRIVE**

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About Samudera

Over the past years, Samudera Shipping Line Ltd has been serving its customers in transporting and managing their cargo across various ports in Asia. The Group has progressively established a good track record of professionalism and competency in its field, and through prudent management and a well-managed expansion strategy, has successfully built up its position as a credible and well-respected industry player today.

Leveraging its extensive network, Samudera's Container Shipping business segment offers reliable feeder services between its "hub" port in Singapore and other "spoke" ports in Asia, as well as inter-regional container shipping services to manufacturers, exporters and importers. Its vessels currently ply trade routes connecting various ports in Southeast Asia, the Indian Subcontinent, the Far East and the Middle East. The Group serves a wide spectrum of shippers from its headquarters in Singapore, and via representative and agency offices in various cities in Asia.

In the Bulk and Tanker business segment, Samudera provides shipping services for oil, chemical, gas, liquefied products, as well as dry bulk across the region. Through its subsidiary, Samudera also offers such services within the Indonesian domestic market.

Samudera's operating fleet, which comprises vessels owned and leased by the Group, currently stands at 31. This comprises 24 container vessels, 4 chemical tankers and 3 gas tankers. The Group continues to renew its fleet by acquiring, disposing and leasing vessels where appropriate.

The Group continues to expand its participation along the logistics value chain as part of its effort to enhance its value to customers. The off-shore logistics services offered by the Group include warehousing, freight forwarding and cargo handling within Asia.

Samudera is listed on the Mainboard of the Singapore Exchange Securities Trading Limited.





Vision

Connecting Indonesia *and* Beyond

Mission

- Providing transportation services to meet the demand of distribution activities
- Positively contribute to the economic growth by providing efficient logistics solutions
- To ensure sustainable business growth and deliver additional value to shareholders
- Actively participating in creating employment and developing human capital

Values

Integrity *and* Professionalism





Soedarpo Sastrosatomo

Our founder was born in Pangkalan Susu, North Sumatera, Indonesia, on 30 June 1920.

In October 1952, Soedarpo Sastrosatomo established NVPD Soedarpo Corporation, his first business line that engaged in trading, import and distribution.

On 1 March 1953, Soedarpo took over NV ISTA (Internationale Scheepvaart Transport Agenturen) and became the Managing Director. In November later that year, Soedarpo created Indonesia Stevedoring Ltd (INSTEL). In 1956, INSTEL acquired Strooehoeden Veem (which then became PT Sinar Harapan Veem Indonesia - SHVI), the biggest stevedoring and warehousing company in Surabaya at that time.

On 13 November 1964, through ISTA, INSTEL, Soedarpo started PT Perusahaan Pelayaran Samudera "Samudera Indonesia", which he held the position as President Director until the year 2000 and as President Commissioner until his passing on 22 October 2007.

Throughout his career, Soedarpo was active in various professional and social organisations, among others as the General Chairman of INSA (Indonesian National Shipowners' Association). Soedarpo was also known as one of the District Governors of Rotary International in Indonesia, and founder as well as the Chairman of the Rotary Indonesian Foundation. In 1985, Soedarpo received the "Orde Van Oranje- Nassau" award from the Kingdom of Holland for his services for the community.

In 1995, he received "Bintang Mahaputra Pratama" from the President of Indonesia. On 28 September 2000, Soedarpo was honored to be in the "Asia Maritime Hall of Fame" as an award for his career in building Samudera Indonesia as one of the well-respected players in the Asian maritime industry.

Our Milestones

1993 - 2003

1993

Incorporated in Singapore as a provider of container shipping services.

1994

Began feeder routes to Jakarta and Bangkok, which were subsequently extended to India, Sri Lanka, Malaysia and other ports in Indonesia.

1996

Expanded into the dry bulk carrier and tanker business.

1997

Listed on the Singapore Stock Exchange (Sesdaq). Subsequently, upgraded to the Main Board listing, Singapore Exchange Securities Trading Limited.

2002

To anticipate business growth and manage our extensive service network, the Group started joint ventures (JVs) in Malaysia and India. The business of the JVs is to represent and act as an agent for Samudera's shipments and also to represent as an agent for other shipping companies in Malaysia and India.



2004 - 2013

2004

A joint venture with a local Thai company was set up to strengthen our container shipping presence in Thailand.

2006

Entered into LNG shipping by investing in a joint venture company, LNG East-West Shipping Company (Singapore) Pte Ltd.

Took delivery of two additional units of chemical tankers with capacity of 11,244 DWT and 10,600 DWT each. These tankers currently operate in Indonesian waters.

2007

Launched Chittagong Express service, linking Singapore and Chittagong, which extends the network coverage of the Indian Subcontinent.

2008

Took delivery of two additional container vessels with a capacity of 1,740 TEUs each, to strengthen container shipping business.

Commenced Yangon Express service, linking Myanmar directly with markets in the Southeast Asia region.

2011

As part of the effort to manage cost and capacity more efficiently, the Group acquired three container vessels with capacities ranging from 1,054 TEUs to 1,060 TEUs.

2014 - 2023

2014

Launched a Cambodia feeder service with a weekly sailing linking Singapore and Sihanoukville.

2015

Introduced a weekly service to Songkhla, connecting Singapore - Kuantan - Songkhla to tap into new market and to expand our liner business.

Samudera Logistics DWC LLC was incorporated as a logistics arm in Dubai, United Arab Emirates.

2018

Started warehousing activities in Malaysia through a joint venture with a local Malaysian company.

2019

Started the ISO Tank business, which provides transportation services for chemical and other liquid products using tank containers in Asia.

2020

Launched two additional services to Pontianak and Pasir Gudang.

Took delivery of two units of 1,900 TEUs container vessel through long-term time charter.

2021

Established Samudera Tankers to re-enter into the regional tanker business.

2022

Achieved the highest ever turnover.

Ventured into warehousing and distribution centre in Indonesia. Took delivery of two units of 20,000 DWT chemical tankers for the international market.

2023

Launched the Straits India Gulf service, linking Southeast Asia and the Middle East.

Set up two offices in Mundra and Pipavav to reinforce our footprint in India.

Took delivery of six container vessels (two units 1,500 TEU under owned and four units 1,900 TEU under long-term TC) and one dual-fuel LPG tanker.

Delivering & Connecting *Fast and Wide*



INDIAN SUBCONTINENT AND MIDDLE EAST

We operate 20 services covering Chennai, Kolkata, Mumbai, Mundra and Pipavav in India, Chittagong in Bangladesh, Colombo in Sri Lanka and Karachi in Pakistan, Jebel Ali in United Arab Emirates, and Dammam in Saudi Arabia, with frequencies of up to 3 sailings per week.

Service Network

(As at 1 March 2024)



Shanghai

FAR EAST

We have a weekly service to China ports and weekly direct calls from Shanghai to Singapore, Malaysia, India, and Sri Lanka.

Haiphong

SOUTHEAST ASIA

We operate 6 services from the Singapore hub covering Indonesia's main ports at Jakarta, Surabaya, Semarang, Belawan, Palembang and Pontianak with frequencies of 1 to 2 sailings per week.

Da Nang

Bangkok

Qui Nhon

Sihanoukville

Kuantan

Ho Chi Minh

Pasir Gudang

Singapore

Belawan

Pontianak

Palembang

Jakarta

Semarang

Surabaya

There are 15 services serving Penang, Port Klang, Pasir Gudang and Kuantan in Malaysia, Bangkok, Laem Chabang and Songkhla in Thailand, North, Central and South Vietnam, Yangon in Myanmar, and Sihanoukville in Cambodia, with up to 3 sailings per week.





Sailing Ahead with Tenacity

Message from
Chairman

“The Board has proposed a special tax-exempt dividend of 8.0 Singapore cents and a final tax-exempt dividend of 1.0 Singapore cent for FY2023.”

DEAR SHAREHOLDERS,

The end of the pandemic in 2022 drew the line under the unprecedented boom in the container shipping industry. After two bumper years, industry players have had to adapt quickly to tackle challenges arising from port congestions, rising capacity supply and fluctuating consumer demand. Geopolitical tensions and volatility in fuel prices further compounded the complexity of doing business in this environment.

Our strong business fundamentals and lessons learnt from three decades of experience enabled us to deftly navigate the rapidly changing situations and turn in positive results for the financial year ended 31 December 2023 ("FY2023"). We ended the year with revenue of USD582.9 million, versus USD990.6 million in the preceding financial year ("FY2022"). Net profit attributable to shareholders was USD101.2 million, compared to USD322.0 million a year ago. While a decline in revenue and profitability is expected amid the shipping industry's return to normality, the results are significantly better than what we have achieved in the pre-pandemic years.

The Board has proposed a special tax-exempt dividend of 8.0 Singapore cents and a final tax-exempt dividend of 1.0 Singapore cent for FY2023. These dividends will be paid out on 15 May 2024, subject to your approval at the forthcoming Annual General Meeting on 29 April 2024. Together with the interim dividend of 2.0 Singapore cents that was paid out in August 2023, the total dividend for FY2023 works out to 11.0 Singapore cents.



Masli Mulia

YEAR IN REVIEW

As a long term regional operator in the container shipping business, we have learnt never to let our guard down, but to anticipate the changes that lie ahead. This discipline has helped us ride the pandemic tailwinds while preparing for the operating conditions of today. We had begun securing charter-hire contracts for newer, larger, and more efficient vessels in FY2020, at favourable prices to replace the older and less efficient ones, even though industry conditions were relatively uncertain at that time. This panned out well during the pandemic years when demand for shipping services outstripped supply and charter-hire rates rocketed. Since then, we have continued to refresh our fleet by leasing suitable vessels at opportune times and prices. We took delivery of four leased and two acquired container newbuilds in FY2023, with another two acquired newbuilds to be delivered in the 2024 financial year. The two vessels acquired in FY2023 are equipped with emission control technology that reduces harmful nitrogen oxide emissions to a level that is in line with the most stringent Tier III standards implemented by the International Maritime Organisation (IMO). FY2023 also saw us re-entering the Middle East market as we took the opportunity to offer a new service connecting Singapore, India, Sri Lanka, Saudi Arabia and the United Arab Emirates. Additionally, we have set up operations in Mundra and Pipavav in the west coast of India, which were previously operated by sub-agents, to establish our foothold and grow our presence in this region. On the other hand, we have terminated two routes in our network owing to commercial reasons. Our continued slot arrangements with trusted partners enabled us to adjust capacity responsively and as at end-2023,

we offer a total of 41 services that are supported by our fleet of five owned and 20 chartered vessels, alongside other vessels from our partners.

FY2023 was a good year for our bulk and tanker business as we capitalised on rising demand and favourable charter rates in the tanker sector to expand our fleet to serve both international and the Indonesia domestic market. We made our first move into the liquefied petroleum gas sector with the acquisition of one such tanker that is able to run on both bunker fuel and liquefied petroleum gas. In addition, we signed memorandums of agreement to acquire two ethylene gas vessels in November 2023, which will allow us to enter the growing ethylene market in the region, and one of these has been delivered in March 2024. Ethylene is used as feedstock for various petrochemical plants in Indonesia and globally.

Our 50%-owned logistics subsidiary in Indonesia continued to contribute positively. The subsidiary secured warehousing contracts during the year and, to accommodate the demand, we have leased an additional warehouse located near the main warehouse. During the year, we also expanded our capabilities to offer temperature-controlled storage as well as fourth-party logistics (4PL) services to our customers, and have secured new contracts for such 4PL services, which will see us managing the warehouse and entire supply chain of the customer. This will enable us to grow our logistics business efficiently and in an asset-light manner.





IMO 9970454

SINAR SABA

MONROVIA

A.P. | E.R.

LOOKING AHEAD

FY2023 ended amid distressing news of persistent attacks by the Yemen-based Houthi movement on vessels in the Red Sea, in support of Hamas in the Israel-Hamas war. We are disturbed by the escalating and ongoing conflict, which threatens the viability of key maritime trade routes and the safety of shipping crew. While we are not directly affected by its ramifications, we expect operating conditions in the container shipping industry to remain challenging and volatile in the near term. As ship operators re-route their services to protect their business operations and assets, freight rates and vessel charter rates could fluctuate amid port congestions and sailing disruptions, while bunker costs are expected to experience upward pressure.

On the bulk and tanker segment, we will continue to build up a stronger presence in the tanker sector, especially within Indonesia, to tap into opportunities arising from the burgeoning markets for petrochemical feedstock and natural resources. We will also be on the lookout for opportunities to expand our tanker services into other markets in the region, including the Middle East, while rebuilding our footprint in the bulk sector at the same time. We will also strengthen our onshore logistics capabilities and network to enhance the value-add that we bring to our customers in order to enlarge our presence in their supply value chain, building ourselves diversified income streams.

Our niche model as a regional feeder service provider strategically operating from our base in Singapore and our sound business fundamentals have helped us maintain good business momentum in spite of the volatility in the wider container shipping market. Nevertheless, we must recognise the importance of leveraging our experience and expertise to take timely and decisive actions, which is vital in enabling us to capture viable opportunities as and when they arise.

APPRECIATION

My fellow Board members and I would like to express our appreciation to our management and staff for their unwavering commitment and hard work throughout FY2023. Their collective contributions have not only upheld our reputation for reliability and efficiency but also reinforced our position as a trusted partner to our customers and associates.

Our heartfelt gratitude also goes to all our customers, associates, business partners, and also our shareholders, for your support.

I am also grateful to my fellow Board members for their advice, insights and perspectives. I am happy to welcome Mr Low Chee Wah to the Board as Independent and Non-Executive Director in August 2023. Chee Wah brings with him a wealth of experience in property and investment banking, having served at Frasers Property and BNP Paribas, and we look forward to his counsel.

As we set our sights towards the future, I hope that you will continue to join us on this journey.

Masli Mulia

Non-Executive Chairman

CEO's Statement

On Operational Review

DEAR SHAREHOLDERS,

Operating conditions in FY2023 were marked by economic volatility and new geopolitical conflicts. Nevertheless, leveraging our experience and market standing, we were able to deliver a relatively resilient performance under the circumstances.

Our Group revenue of USD582.9 million versus USD990.6 million in FY2022 reflected a weaker performance by our container shipping business that was partially mitigated by improvements in revenue contribution from the bulk & tanker and agency & logistics businesses.

While container volume handled was a marginal 1% higher year-on-year at 1,956,000 twenty-foot-equivalent units (TEUs), average freight rates had markedly declined from the pandemic-driven highs. The container shipping segment thus generated revenue of USD545.3 million, 43.4% lower compared to USD963.4 million in the preceding financial year. Revenue from the bulk & tanker segment, on the other hand, recorded a 70.4% rise to USD18.3 million, from USD10.7 million a year ago, on the back of increased employment days from a larger tanker fleet. Revenue from the agency & logistics segment rose marginally 1.2% to USD22.6 million, compared to USD22.4 million in FY2022. This was mainly due to an increase in business activities from our third-party logistics (3PL) subsidiary.

Bani M.Mulia

“Revenue from the Bulk & Tanker segment rose 70.4% to USD18.3 million in FY2023. “



Total Assets

USD 910.2 Mil

Cash and Bank Balance

USD 358.7 Mil



Cost of sales for FY2023 declined 25.3% to USD474.0 million, as lower bunker prices and third-party slot purchases were partly offset by the impairment on right-of-use asset arising from a vessel that is currently on time-charter. Gross profit thus amounted to USD108.9 million, compared to USD355.7 million in FY2022.

Other operating income rose to USD8.0 million, from USD0.6 million a year ago, mainly contributed by a USD3.3 million gain on consolidation of the 50% stake in Samudera Logistics Services, as well as a USD3.8 million foreign exchange gain arising from the strengthening of the Indonesian Rupiah and the Singapore Dollar against the US Dollar.

Financial income rose to USD13.1 million in FY2023, compared to USD2.5 million a year ago, mainly boosted by higher interest rates secured for higher placement of fixed deposits.

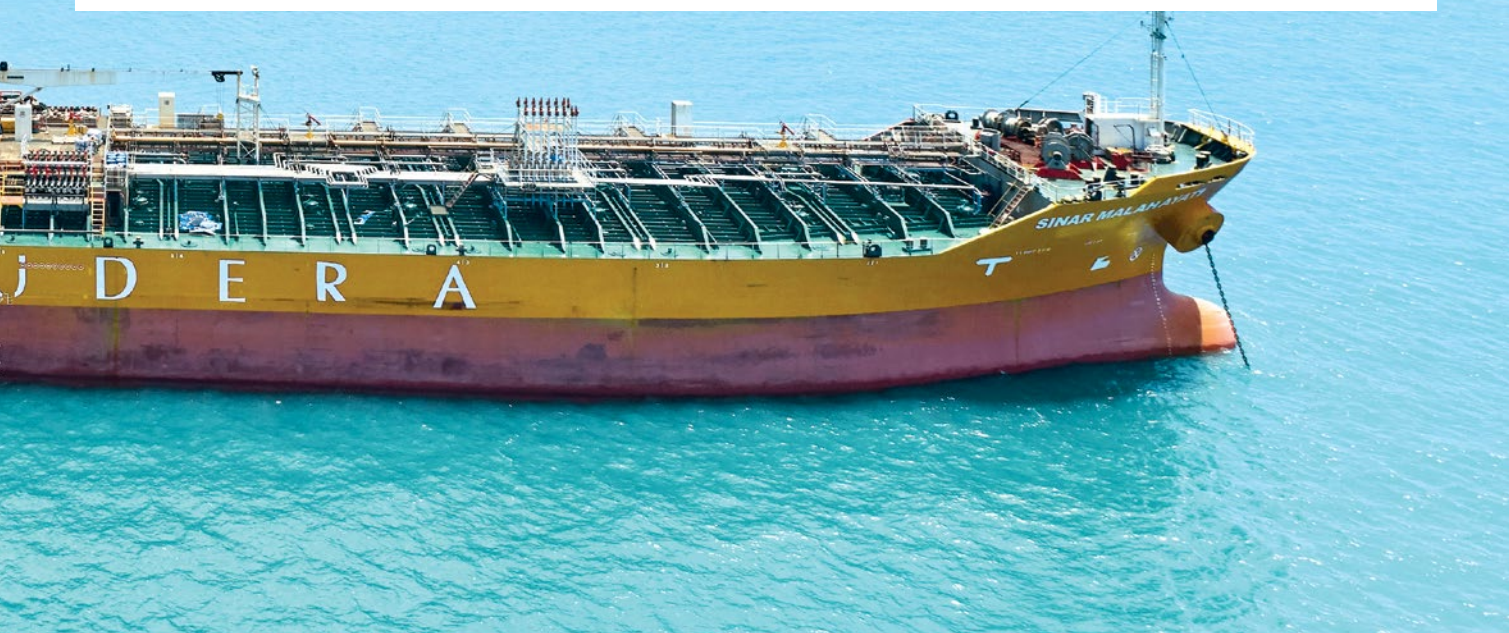
Our share of results from our joint-venture company rose to USD5.7 million, from USD1.9 million in FY2022, resulted from the increase in our joint venture stake in the LNG East-West from 25% to 50% in December 2022.

In consideration of the above, we registered net profit after tax of USD101.2 million in FY2023, compared to USD322.0 million reported in FY2022.

Our financial position remained robust, with total assets amounting to USD910.2 million as at 31 December 2023, compared to USD888.3 million as at 31 December 2022. We held cash and bank balances of USD358.7 million as at the end of FY2023, compared to USD380.9 million at end-FY2022.

Property, plant and equipment amounted to USD217.0 million at the close of FY2023, compared to USD119.8 million at end-FY2022, following the addition of a liquefied petroleum gas (LPG) tanker and two container vessels. The net addition of container vessels on long-term charter contributed to the increase in right-of-use assets to USD173.5 million as at 31 December 2023, compared to USD159.3 million as at 31 December 2022.

Trade receivables decreased to USD77.1 million as at end-FY2023, compared to USD151.8 million at the close of FY2022, on account of lower freight rates in FY2023. The decrease in trade payables to USD24.0 million as at end-FY2023, compared to



USD39.1 million a year ago was mainly due to lower bunker costs incurred.

The increase in current and non-current term loans was mainly due to the financing of the two newly acquired vessels, while the increase in current and non-current lease liabilities factored in financing for the new container vessels on long-term time charter. Our gearing at the end of FY2023 was 0.45 times, compared to 0.34 times a year ago.

OPERATIONS REVIEW

Normalisation was the name of the game in FY2023, following the dizzying peak in demand for container shipping services the year before. Barring another calamitous event, we do not expect the shipping industry to return to such heights, even though volatility in supply-demand fundamentals continues. Our liner services, which offer shippers direct shipping services between ports, also turned in positive contributions although margins were impacted by greater volatility in intra-Asia rates during the year.

We refreshed our fleet with the addition of two newbuild container vessels acquired in 2023 which are built to meet IMO Tier III requirements and four newbuild vessels on long-term time charter. These increase our total capacity

from 34,900 TEUs to 35,600 TEUs in 2023.

In addition, another newbuild container vessels are scheduled for delivery in 2024 upon completion of construction. These new vessels increase our fuel and operational efficiency, and boost our total capacity.

Our longstanding approach of cooperation with our partners continued to give us the flexibility of delivering on a large part of our service network while growing in new markets. In November 2023, we launched the Straits India Gulf service to support our customers' requirement for a stronger connection between Southeast Asia and the Middle East.

Our bulk & tanker business segment enjoyed healthy business demand during the year, driven by a full employment of our fleet throughout the year. In addition to our four chemical tankers, we added a dual-fuel LPG tanker and also signed memorandums of agreement to acquire two ethylene gas vessels in November 2023, one of which has been delivered in March 2024. Ethylene is mainly used as feedstock by petrochemical plants in Indonesia and around the world. Collectively, these new acquisitions will allow us to get a foot into the growing LPG & ethylene market in the region.

Our agency business continued to contribute positively even as it was affected by lower freight rates and volatility in demand during the year. We set up branch offices in Mundra and Pipavav, which expands our presence in India to five cities. On the logistics front, we saw good traction for the use of our warehouse in Cikarang, Indonesia. We upgraded our facilities to extend our service for temperature-controlled storage in meeting our customer's requirement. This heightens our ability to handle pharmaceutical and other higher-value goods.

POSITIONING FOR THE FUTURE

We expect the outlook for the year ahead to be clouded by macroeconomic uncertainties and geopolitical and military conflicts. While we as regional shipping operators have been spared the direct impact from these conflicts, we stand prepared to make adjustments to our capacity deployment as necessary. At the same time, we continue to actively look out for viable opportunities to expand our footprint across our business segments while ensuring we are ready to capitalise on them as and when they arise.

We are excited for the opportunities to expand our service network into growing markets such as the



Middle East. At the same time, to optimise operational efficiency and resource deployment, we are looking forward to the delivery of two container newbuilds in 2024 and our continued plan to refresh our fleet of container boxes.

We see opportunities to expand our tanker business to the Middle East, amid increasing investments into LPG and other cleaner fuels. In the meantime, we expect the tanker business to continue making positive contributions on the back of rising activity in the petrochemical feedstocks and commodities sectors in Indonesia.

Our land-side logistics business should continue to do well, as we continue to secure new customer contracts for our warehouses. We have also expanded our service offerings to include 4PL services.

ACKNOWLEDGEMENTS

I wish to extend my appreciation of all our team and crew members for their collaborative and dedicated efforts to keep the cargo moving for our customers. I am thankful that the tight bonds and friendship formed over the years have continued to serve us well in this era of the new normal.

The collective support of our customers, partners, bankers and shareholders has been a key driver propelling us forward amid turbulent waves. I am also grateful to our Board of Directors for their wise counsel and the members of my management team for rising up to every challenge.

We look forward to journeying with you in the year ahead.

Bani M. Mulia

Group CEO





Building on a Resilient Portfolio

*Board
of* **Directors**



left to right:

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



Board of Directors

MASLI MULIA

Non-Executive Chairman (age 77)

Mr Masli is the Non-Executive Chairman of the Company and a member of the Nominating Committee. He provides the Board with overall leadership and is committed to promoting a high standard of corporate governance within the Company. He is also a member of the Board of Commissioners of PT Samudera Indonesia Tbk ("Samudera Indonesia"), a majority shareholder of the Company.

Mr Masli joined Samudera Indonesia in 1971 and has held various positions, including President Director prior to his appointment as Commissioner. He was previously the Chairman of the ASEAN Federation of Forwarders Association and the Indonesian Logistics and Freight Forwarders Association. Mr Masli formerly served as a member of the Advisory Board in the Indonesian National Shipowners' Association (INSA).

Mr Masli graduated from the Merchant Marine Academy, Jakarta, Indonesia in 1970.

BANI MAULANA MULIA

Executive Director and Group Chief Executive Officer (age 44)

Mr Bani was appointed as Group CEO on 1 September 2020 and is responsible for the Group's strategic direction, growth and day-to-day operations. He is also the President Director of Samudera Indonesia.

Mr Bani brings with him more than two decades of industry experience, having started his career in 2001 as a finance officer in Samudera Indonesia. Since then, he has taken on various roles and responsibilities within the organisation before being appointed as a board member in Samudera Indonesia in 2009, and then as its President Director in June 2020.

Mr Bani majored in Management in the Economics Faculty of University of Indonesia, and furthered his education in Deakin University, Australia, majoring in Finance.

RIDWAN HAMID

Executive Director, Group Business Support (age 61)

Mr Ridwan is the Executive Director, Group Business Support who is responsible for the overall finance & administrative, human capital, business process & IT

functions of the Group. Concurrently, Mr Ridwan also serves as Finance Director of Samudera Indonesia. Mr Ridwan began his career in Arthur Andersen (previously named SGV Utomo). He then spent more than a decade with Coca-Cola Amatil Indonesia, before moving on to Hutchison Port Indonesia as CFO and, later on, as its President Director. Mr Ridwan subsequently took on the role of an Executive Committee member of the International Association of Ports and Harbors, followed by CEO and President Director of Anglo Eastern Plantations Group, before joining Samudera Indonesia.

Mr Ridwan holds a Bachelor of Economics in Finance and Accounting, from Padjadjaran University, Bandung, Indonesia.

TAN MENG TOON

Executive Director, Group Business Operations (Age 65)

Mr Tan is the Executive Director, Group Business Operations who is responsible for its overall commercial, trade, operation as well as strategies & business development functions.

Over the years, Mr Tan has held various roles within the Group. Prior to his appointment as Executive Director, he was the Deputy Director, Trade in charge of the Group's trade functions, and previously General Manager, responsible for the Company's feeder business and its development. His earlier roles include Assistant General Manager for Operations overseeing operation activities and fleet management and General Manager for Liner responsible for liner business development and container fleet management. He started his career as a deck officer in several shipping companies giving him on-board vessel experience before joining a ship management company as a technical superintendent.

Mr Tan holds a Foreign Ocean Going Master (Class I) Certificate.

QUAH BAN HUAT

Lead Independent and Non-Executive Director (Age 57)

Mr Quah who was appointed the Company's Lead Independent Director in 2017, is the Chairman of the Audit Committee, and is a member of the Nominating and Remuneration Committees. Throughout his career, he has held various key senior positions in finance and general management, including a Principal Advisor role at KPMG Corporate Finance, advising clients on mergers and acquisitions, deal structuring, and finance. Currently,

Mr Quah serves as an Independent Non-Executive Director on the Boards of the trustee-manager and REIT manager of Frasers Hospitality Trust. He was previously on the Boards of AP Oil International Limited, Croesus Retail Asset Management Pte Ltd, Deutsche Boerse Asia Holdings Pte Ltd, Eurex Clearing Asia Pte Ltd, Eurex Exchange Asia Pte Ltd, and Grindrod Shipping Holdings Ltd.

Mr Quah is a fellow member of the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants.

NICHOLAS PETER BALLAS

Independent and Non-Executive Director (age 63)

Mr Ballas was appointed as an Independent and Non-Executive Director in 2010, and serves as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He possesses over 25 years of experience working in the Asia Pacific region and has held various positions in finance, strategy and general management in the USA, Japan, Malaysia, Indonesia and Singapore. Mr Ballas is currently Executive Vice President & President, Polymer Solutions (Vestolit) at Orbia, a global leader in polymer solutions, advanced materials and infrastructure. Prior to joining Orbia, Mr Ballas was an Executive Vice President, Asia Pacific and a member of the management council of Nexans SA, a global leader in the cable industry based in Paris, France.

Mr Ballas holds a Master of International Management Degree from the Thunderbird School of Global Management, USA and a B.S. degree from St. Cloud State University, USA.

NG CHEE KEONG

Independent and Non-Executive Director (age 75)

Mr Ng was appointed as Independent and Non-Executive Director in 2014. He serves as the Chairman of the Nominating Committee as well as a member of the Audit and Remuneration Committees. He has held various senior positions throughout his career with the Port of Singapore Authority and later PSA Corp until his retirement in 2005 as CEO of PSA Corp. Mr Ng has extensive experience in terminal, marine and logistic businesses, he also serves as a Board Member of Mencast Holdings Ltd.

Mr Ng was awarded the Public Administration Medal (Silver) in 1992 and the Public Administration Medal (Gold) in 1997, in recognition of his outstanding public service to Singapore. He graduated with a Bachelor of Social Science (Upper Honours) in Economics from the then University of Singapore.

LEE LAY ENG JULIANA

Independent and Non-Executive Director (age 68)

Ms Lee was appointed as Independent and Non-Executive Director of the Board in August 2018 and serves as a member of the Audit, Nominating and Remuneration Committees. She is currently the Managing Director of Caridian Consulting Pte Ltd and a specialist in tax advisory. Ms Lee was formerly a tax partner with Arthur Andersen and Ernst & Young and has worked with multinational and local companies on mergers, acquisitions, business reorganisation, cross-border and domestic transactions and restructuring.

Ms Lee holds a Bachelor of Law (Honours) from the then University of Singapore. She is a Registered Trust and Estate Practitioner with the Society of Trust and Estate Practitioners (STEP)(Retired). Ms Lee was formerly an Accredited Tax Advisor (Income Tax) under the Singapore Chartered Tax Professionals Limited.

LOW CHEE WAH

Independent and Non-Executive Director (age 59)

Mr Low was appointed as an Independent and Non-Executive Director in August 2023. He previously held the position of Chief Executive Officer at Frasers Property Retail and serves as a Non-Executive and Non-Independent Director on the Board of Frasers Centrepoint Asset Management Ltd, manager of Frasers Centrepoint Trust. He has more than 30 years of experience in the real estate and banking industries and has held senior key roles in various reputable companies, gaining extensive insights into diverse business landscapes.

Mr Low holds a Bachelor of Economics and a Bachelor of Laws from Monash University, Australia. He is also a Fellow of CPA Australia and the Institute of Singapore Chartered Accountants.

Board of Directors



MASLI MULIA

Date of first appointment as a Director:
1 April 2007

Date of last re-election as a Director:
27 April 2022

Academic and Professional Qualification(s):
Merchant Marine Academy (Jakarta, Indonesia)

Present Directorship:
OTHER LISTED COMPANIES
PT Samudera Indonesia Tbk
Commissioner

OTHER PRINCIPAL COMMITMENTS
PT Ngrumat Bondo Utomo
President Commissioner
PT NBU Indonesia Utama
President Commissioner
PT Samudera Indonesia Tangguh
Commissioner
PT Samudera Wadah Mitra
Commissioner

Past Directorships in listed companies held over the preceding three years:
None



BANI MAULANA MULIA

Date of first appointment as a Director:
1 September 2020

Date of last re-election as a Director:
28 April 2023

Academic and Professional Qualification(s):
Management in the Economics Faculty,
University of Indonesia
Deakin University, Australia, majoring in
Finance

Present Directorship:
OTHER LISTED COMPANIES
PT Samudera Indonesia Tbk
President Director

OTHER PRINCIPAL COMMITMENTS
PT Samudera Indonesia Tangguh
President Director
PT Ngrumat Bondo Utomo
Director
PT NBU Indonesia Utama
Director
PT Samudera Agencies Indonesia
President Commissioner
PT Samudera Energi Tangguh
President Commissioner
PT Samudera Perkapalan Indonesia
President Commissioner
PT Samudera Pelabuhan Indonesia
President Commissioner
PT Samudera Sarana Logistik
President Commissioner

Past Directorships in listed companies held over the preceding three years:
None



RIDWAN HAMID

Date of first appointment as a Director:
1 November 2020

Date of last re-election as a Director:
28 April 2023

Academic and Professional Qualification(s):
Bachelor of Economics in Finance and
Accounting, Padjadjaran University,
Bandung, Indonesia

Present Directorship:
OTHER LISTED COMPANIES
PT Samudera Indonesia Tbk
Finance Director

OTHER PRINCIPAL COMMITMENTS
PT Samudera Indonesia Tangguh
Finance Director
PT Samudera Pelabuhan Indonesia
Commissioner
PT Samudera Sarana Logistik
Commissioner

Past Directorships in listed companies held over the preceding three years:
None



TAN MENG TOON

Date of first appointment as a Director:
1 August 2018

Date of last re-election as a Director:
27 April 2022

Academic and Professional Qualification(s):
Certificate of Competency Foreign Ocean Going (Class 1) Certificate

Present Directorship: OTHER LISTED COMPANIES
None

OTHER PRINCIPAL COMMITMENTS
PT Samudera Shipping Indonesia
President Commissioner
Samudera Ships Investment Pte Ltd
Director
Samudera Shipping Line (India) Pvt Ltd
Director

Past Directorships in listed companies held over the preceding three years:
None



QUAH BAN HUAT

Date of first appointment as a Director:
31 October 2013

Date of last re-election as a Director:
27 April 2022

Academic and Professional Qualification(s):
Institute of Chartered Accountants in England and Wales
Association of Chartered Certified Accountants

Present Directorship: OTHER LISTED COMPANIES
None

OTHER PRINCIPAL COMMITMENTS
Primeur Cellars Pte Ltd
Executive Director

Primeur Holdings Pte Ltd
Executive Director
Frasers Hospitality Asset Management Pte. Ltd.
Non-Executive Director
Frasers Hospitality Trust Management Pte. Ltd.
Non-Executive Director

Past Directorships in listed companies held over the preceding three years:
AP Oil International Ltd, Singapore
Independent and Non-Executive Director
Grindrod Shipping Holdings Limited
Independent and Non-Executive Director



NICHOLAS PETER BALLAS

Date of first appointment as a Director:
1 June 2010

Date of last re-election as a Director:
28 April 2021

Academic and Professional Qualification(s):
Master of International Management,
Thunderbird School of Global Management

Present Directorship: OTHER LISTED COMPANIES
None

OTHER PRINCIPAL COMMITMENTS
Prairie Books, LLC
Director
Orbia Advance Corporation, S.A.B. de C.V.
Executive Vice President
Polymer Solutions (Vestolit)
President
Vestolit GmbH
Director

Past Directorships in listed companies held over the preceding three years:
None

Board of Directors



NG CHEE KEONG

Date of first appointment as a Director:
23 July 2014

Date of last re-election as a Director:
28 April 2023

Academic and Professional Qualification(s):
Bachelor of Social Science (Upper Honours),
University of Singapore
Post-Graduate in Advanced Management
from Stanford University in 1988 and
INSEAD

Present Directorship:
OTHER LISTED COMPANIES
Mencast Holdings Ltd
Independent Director

OTHER PRINCIPAL COMMITMENTS
None

Past Directorships in listed companies held over the preceding three years:
Rizhao Port Jurong Co., Ltd.
Independent Director
JTC
Board Member



LEE LAY ENG JULIANA

Date of first appointment as a Director:
1 August 2018

Date of last re-election as a Director:
28 April 2021

Academic and Professional Qualification(s):
Bachelor of Law (Honours) from National
University of Singapore

Registered Trust and Estate Practitioner with
the Society of Trust and Estate Practitioners
(STEP)

Present Directorship:
OTHER LISTED COMPANIES
None

OTHER PRINCIPAL COMMITMENTS

Hardwood Private Limited
Director
Caridian Consulting Pte Ltd
Director
Novus Energy International Pte Ltd
Director
Glorious DEXA Singapore Pte Ltd
Director
DEXA International Pte Ltd
Director
Trihill Capital Partners Pte Ltd
(formerly known as Centurion Capital
Investments Pte Ltd)
Director

Past Directorships in listed companies held over the preceding three years:
None



LOW CHEE WAH

Date of first appointment as a Director:
1 August 2023

Date of last re-election as a Director:
N.A.

Academic and Professional Qualification(s):

Bachelor of Economics from Monash
University, Australia

Bachelor of Laws from Monash University,
Australia

Institute of Singapore Chartered
Accountants (Fellow Member)

CPA Australia (Fellow Member)

Present Directorship:
OTHER LISTED COMPANIES
None

OTHER PRINCIPAL COMMITMENTS
Dover Park Hospice
*Chairman, Audit, Risk and Governance
Committee*

Past Directorships in listed companies held over the preceding three years:
Fraser's Centrepoint Asset Management Ltd,
manager of Fraser's Centrepoint Trust



Board of Directors

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING ON 29 APRIL 2024

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the information as set out in the Appendix 7.4.1 of the Listing Manual of the SGX-ST on Messrs Masli Mulia, Tan Meng Toon, Lee Lay Eng Juliana and Low Chee Wah, who are seeking re-appointment as Directors at the Company's forthcoming Annual General Meeting on 29 April 2024, are set out below:

	Retiring pursuant to Rule 720(5) of the SGX-ST Listing Manual and Article 91 of the Constitution of the Company				Article 97 of the Constitution of the Company
Information as required in Appendix 7.4.1	MR MASLI MULIA ("Mr Masli")	MR TAN MENG TOON ("Mr Tan")	MS LEE LAY ENG JULIANA ("Ms Juliana Lee")	MR LOW CHEE WAH ("Mr Low")	
	Non-Independent and Non-Executive Chairman	Executive Director, Group Business Operations	Independent and Non-Executive Director	Independent and Non-Executive Director	
Date of first Appointment	1 April 2007	1 August 2018	1 August 2018	1 August 2023	
Date of last re-appointment (if applicable)	27 April 2022	27 April 2022	28 April 2021	N.A.	
Age	77	65	68	59	
Country of principal residence	Indonesia	Singapore	Singapore	Singapore	
The Board's comments on this re-appointment	The NC had recommended to the Board the re-appointment of Mr Masli as a Director and took into account his attendance and participation at the meetings, expertise, contributions and commitment in the discharge of his duties as a Non-Independent and Non-Executive Chairman in its assessment and recommendation. The Board, having considered the NC's recommendation, is satisfied that Mr Masli will continue to contribute meaningfully to the Board.	The NC had recommended to the Board the re-appointment of Mr Tan as a Director and took into account his attendance and participation at meetings, expertise, contributions and commitment in the discharge of his duties as an Executive Director, Group Business Operations, in its assessment and recommendation. The Board, having considered the NC's recommendation, is satisfied that Mr Tan will continue to contribute meaningfully to the Board.	The NC had recommended to the Board the re-appointment of Ms Juliana Lee as a Director and took into account her attendance and participation at meetings, independence, professional qualification, expertise, past working experiences, contributions and commitment in the discharge of her duties as an Independent Director, in its assessment and recommendation. The Board, having considered the NC's recommendation, is satisfied that Ms Juliana Lee will continue to contribute meaningfully to the Board.	Pursuant to Article 97 of the Company's Constitution, the NC had recommended to the Board the re-appointment of Mr Low, who was newly appointed as an Independent Director and Non-Executive Director of the Company on 1 August 2023. The Board, having considered the NC's recommendation, is satisfied that Mr Low will contribute meaningfully to the Board.	

Retiring pursuant to Rule 720(5) of the SGX-ST Listing Manual and Article 91 of the Constitution of the Company

Article 97 of the Constitution of the Company

Information as required in Appendix 7.4.1	MR MASLI MULIA ("Mr Masli")	MR TAN MENG TOON ("Mr Tan")	MS LEE LAY ENG JULIANA ("Ms Juliana Lee")	MR LOW CHEE WAH ("Mr Low")
Whether re-appointment is executive, and if so, the area of responsibility	N.A.	Yes – Responsible for overall commercial, trade, operation as well as strategies and business development functions	N.A.	N.A.
Job Title	Non-Independent and Non-Executive Chairman; and a member of the Nominating Committee	Executive Director, Group Business Operations	Independent and Non-Executive Director, and a member of the Audit, Nominating and Remuneration Committees	Independent and Non-Executive Director
Professional qualifications	Please refer to page 28 of the FY2023 Annual Report.	Please refer to page 29 of the FY2023 Annual Report.	Please refer to page 30 of the FY2023 Annual Report.	Please refer to page 30 of the FY2023 Annual Report.
Working experience and occupation(s) during the past 10 years	<p>2020 – Present: Non-Executive Chairman of the Company</p> <p>PT Samudera Indonesia Tbk, Commissioner</p> <p>2014 to 2019: Executive Chairman of the Company PT Samudera Indonesia Tbk, President Director</p>	<p>2018 – Present: Executive Director of the Company</p> <p>2014 to 2018: Deputy Director, Trade of the Company</p>	<p>2014 – Present: Managing Director of Caridian Consulting Pte Ltd</p>	<p>October 2019 to 2023: Chief Executive Officer, Frasers Property Retail</p> <p>2017 to 2019: Head of Retail and Commercial, Frasers Property Singapore</p> <p>2014 to 2016: Chief Executive Officer, Frasers Commercial Asset Management Ltd, manager of Frasers Commercial Trust</p>
Shareholding interest in the Company and its subsidiaries	Please refer to the "Directors' Statements" section on page 35 to 37 of the 2023 Annual Report.	Nil	Nil	Nil

Board of Directors

Retiring pursuant to Rule 720(5) of the SGX-ST Listing Manual
and Article 91 of the Constitution of the Company

Article 97 of the
Constitution
of the Company

Information
as required
in Appendix
7.4.1

MR MASLI MULIA
("Mr Masli")

Non-Independent
and Non-Executive
Chairman

**MR TAN MENG
TOON**
("Mr Tan")

Executive Director,
Group Business
Operations

**MS LEE LAY ENG
JULIANA**
("Ms Juliana Lee")

Independent and
Non-Executive Director

MR LOW CHEE WAH
("Mr Low")

Independent and
Non-Executive Director

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries

Mr Masli's relationships, including immediate family relationships with the Company's existing directors, the Company, its substantial shareholders and principal subsidiaries are set out below:

- (1) Existing Directors of the Company:**
Mr Masli is the father of Mr Bani Maulana Mulia, the Executive Director and Group CEO of the Company.
- (2) In relation to the Company:**
Mr Masli is the father of Mr Trisnadi Sukur Muslim Mulia (Managing Director, Head of Strategy & Business Development).
- (3) In relation to its Substantial Shareholders:**
Mr Masli is (a) the Commissioner of PT Samudera Indonesia Tbk ("PTSI"), being the controlling shareholder of the Company, (b) the Commissioner of PT Samudera Indonesia Tangguh ("PTSIT"), being the controlling shareholder of PTSI; and (c) the President Commissioner of PT Ngrumat Bondo Utomo ("NBU"), being the ultimate holding company of the Company and PT NBU Indonesia Utama, a shareholder of PTSIT.

Mr Tan does not have any relationship or immediate family relationship with the Company's existing directors, the Company and its substantial shareholders.

Mr Tan's relationship with the Company's principal subsidiaries are set out below:

- Mr Tan is Director of Samudera Ships Investment Pte Ltd and Ocean Ships Investment Pte Ltd

Ms Juliana Lee does not have any relationship or immediate family relationship with the Company's existing directors, the Company, its substantial shareholders and principal subsidiaries.

Mr Low does not have any relationship or immediate family relationship with the Company's existing directors, the Company, its substantial shareholders and principal subsidiaries.

Retiring pursuant to Rule 720(5) of the SGX-ST Listing Manual and Article 91 of the Constitution of the Company

Article 97 of the Constitution of the Company

Information as required in Appendix 7.4.1	MR MASLI MULIA ("Mr Masli")	MR TAN MENG TOON ("Mr Tan")	MS LEE LAY ENG JULIANA ("Ms Juliana Lee")	MR LOW CHEE WAH ("Mr Low")
	<p>Non-Independent and Non-Executive Chairman</p> <p>He is the husband of Ms Chandreika Mulia, being a Commissioner and a substantial shareholder of NBU.</p> <p>(4) In relation to its Principal Subsidiaries: Mr Masli is the father of the Company's Executive Director and Group CEO, Mr Bani Maulana Mulia, who is also a Director of the Company's principal subsidiaries, namely, Foremost Maritime Pte Ltd, Samudera Tankers Pte Ltd, Samudera Ships Investment Pte Ltd and Ocean Ships Investment Pte Ltd.</p>	<p>Executive Director, Group Business Operations</p>	<p>Independent and Non-Executive Director</p>	<p>Independent and Non-Executive Director</p>
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST has been submitted to the Company	Yes	Yes	Yes	Yes

Board of Directors

Retiring pursuant to Rule 720(5) of the SGX-ST Listing Manual
and Article 91 of the Constitution of the Company

Article 97 of the
Constitution
of the Company

Information as required in Appendix 7.4.1	MR MASLI MULIA ("Mr Masli")	MR TAN MENG TOON ("Mr Tan")	MS LEE LAY ENG JULIANA ("Ms Juliana Lee")	MR LOW CHEE WAH ("Mr Low")
	Non-Independent and Non-Executive Chairman	Executive Director, Group Business Operations	Independent and Non-Executive Director	Independent and Non-Executive Director
Other Principal Commitments¹ including Directorships²	Past Directorships (for the last 5 years), Present / Existing Directorships, and Other Principal Commitments: Please refer to page 28 of the FY2023 Annual Report.	Past Directorships (for the last 5 years), Present / Existing Directorships, and Other Principal Commitments: Please refer to page 29 of the FY2023 Annual Report.	Past Directorships (for the last 5 years), Present / Existing Directorships, and Other Principal Commitments: Please refer to page 30 of the FY2023 Annual Report.	Past Directorships (for the last 5 years), Present / Existing Directorships, and Other Principal Commitments: Please refer to page 30 of the FY2023 Annual Report.
Disclosures as set out in paragraphs (a) to (k) of the Appendix 7.4.1	Mr Masli has provided a negative confirmation to each of the items (a) to (k).	Mr Tan has provided a negative confirmation to each of the items (a) to (k).	Ms Juliana Lee has provided a negative confirmation to each of the items (a) to (k).	Mr Low has provided a negative confirmation to each of the items (a) to (k).

- "Principal Commitments" has the same meaning as defined in the 2018 Code of Corporate Governance (i.e. includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments).
- Not applicable for announcements of appointment pursuant to Rule 704(9) of the Listing Manual of the SGX-ST (i.e. appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the Company to a managerial position in the Company or any of its principal subsidiaries).



Key Management *Personnel*

BANI MAULANA MULIA

Executive Director and Group Chief
Executive Officer

Profile of Bani Maulana Mulia can be found on page 26, Board Profile.

RIDWAN HAMID

Executive Director, Group Business
Support

Profile of Ridwan Hamid can be found on page 26, Board Profile.

TAN MENG TOON

Executive Director, Group Business
Operations

Profile of Tan Meng Toon can be found on page 26, Board Profile.

TRISNADI SUKUR MUSLIM MULIA

Managing Director, Head of Strategy
and Business Development

Trisnadi Sukur Muslim Mulia is the Managing Director, Head of Strategy and Business Development and is responsible for strategic planning, including business development and expansion.

Prior to his current appointment, Trisnadi was the Deputy Director, Finance, and was responsible for the finance, accounting, and administrative functions of the Group. He previously held various operational, business development and directorship positions within Samudera Indonesia. Trisnadi started his career in shipping with ANL Container Line in Melbourne. He later joined PT GAC Samudera Logistics before moving to PT Panurjwan, an Indonesian domestic container shipping operation in Samudera Indonesia.

Trisnadi currently serves as one of the Vice-Chairmen of the Indonesia National Shipowners' Association (INSA) and a member of the International Committee under the Singapore Shipping Association (SSA). He graduated with a Bachelor of Planning & Design, majoring in Construction Management, and a Master of Applied Commerce, majoring in Business Analysis and Systems, from the University of Melbourne, Australia.

THOMAS LEE THUAN AUN

Managing Director, Head of
Commercial

Thomas Lee Thuan Aun is the Managing Director, Head of Commercial and is responsible for the overall commercial activities of the Group.

Thomas Lee has been with the Group since 1997, when he joined as a Management Trainee before being deployed to the Group's SOC department as a Sales Executive. He



was promoted to Assistant Manager, Trade and Development, and subsequently rose through the ranks to reach the position of General Manager, Trade Management. He was promoted to Deputy Director, Trade and Commercial in 2018.

Thomas Lee has extensive experience in trade management and holds a Bachelor of Science from the National University of Singapore.

AGNES WONG PUI YEE

Managing Director, Head of Finance

Agnes Wong Pui Yee is the Managing Director, Head of Finance and is responsible for the overall finance and accounting functions of the Group. Prior to her current appointment, Agnes Wong has taken on various roles and responsibilities in areas such as accounting, taxation, and corporate financing within the Group. She also serves as a director of various companies within the Group.

Agnes Wong has over 20 years of experience in the finance and accounting sectors as well as the shipping industry. She is a member of the Institute of Singapore Chartered Accountants (ISCA) and a fellow member of the Association of Chartered Certified Accountants (ACCA).

I KADEK DIDIK WIJAYA

Managing Director, Head of People and Technology

I Kadek Didik Wijaya is the Managing Director, Head of People and Technology, and is responsible for the Group's human capital and information technology.

Prior to his current appointment, Kadek held various positions within the Group. Starting as a management trainee, he transitioned from system development to finance roles, eventually becoming Assistant General Manager for Finance in 2020. Subsequently, Kadek advanced through roles such as Head of Internal Audit and

General Manager of Information Technology and Business Process before being promoted to Executive Vice President of People and Technology in 2022. Concurrently, he has been overseeing the Corporate Information Technology Division of PT Samudera Indonesia Tbk and PT Samudera Indonesia Tangguh since 2023.

Kadek also serves as the President Director at PT Praweda Sarana Informatika. He graduated with a Bachelor of Economics from Universitas Indonesia and a Master of Business Administration from Murdoch University.

left to right:

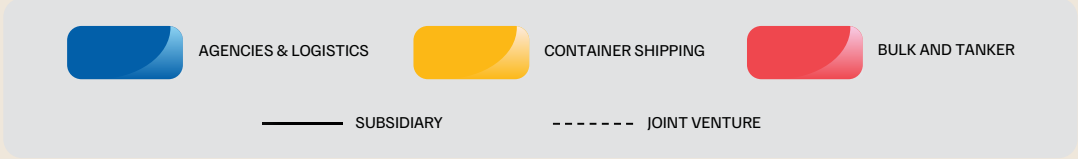
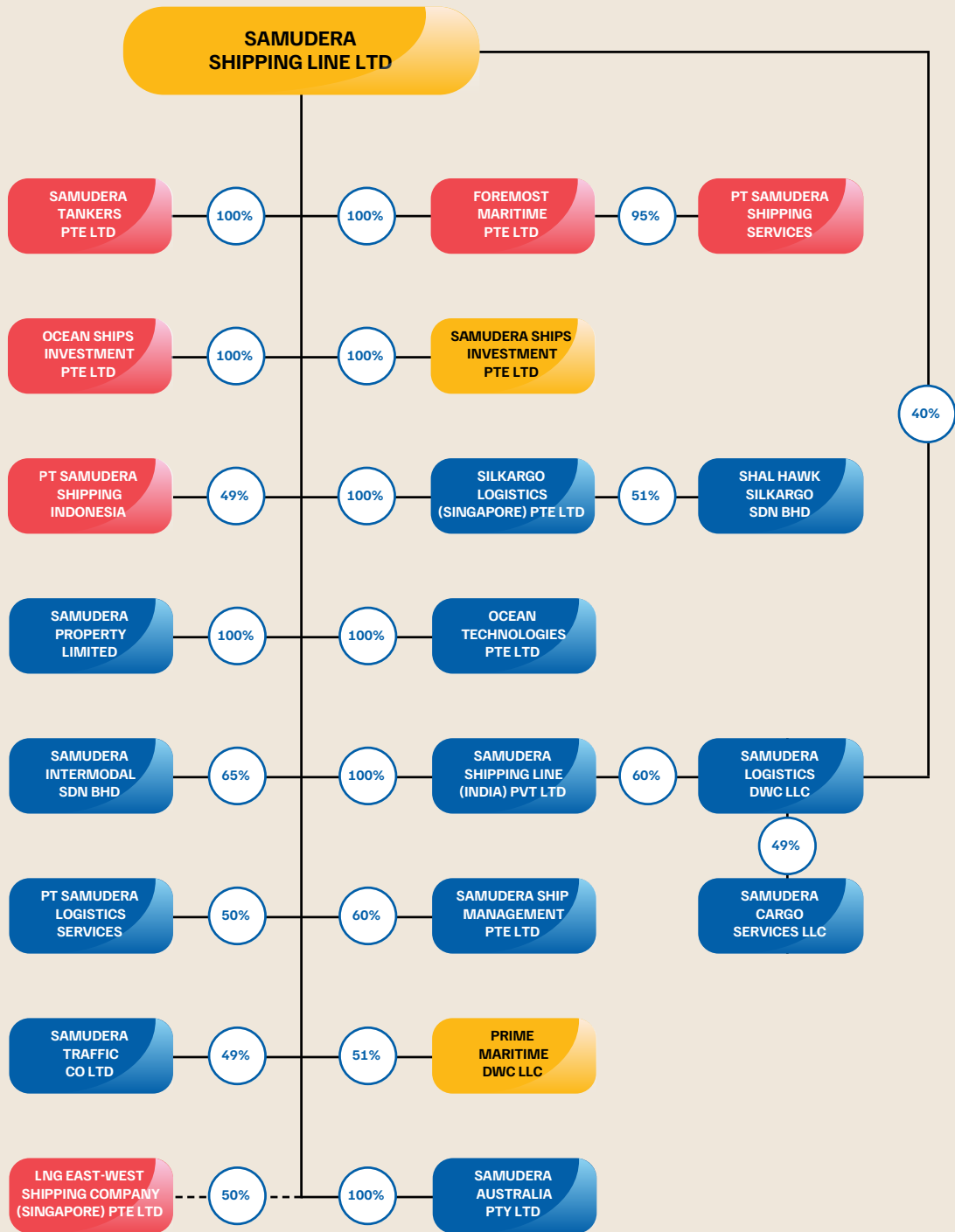
I Kadek Didik Wijaya • Ridwan Hamid
• Bani Maulana Mulia • Thomas Lee Thuan Aun
• Agnes Wong Pui Yee • Trisnadi Sukur Muslim
Mulia • Tan Meng Toon





Group Structure

(As at 1 March 2024)



Our Subsidiaries

SILKARGO LOGISTICS (SINGAPORE) PTE LTD

Singapore

Silkargo Logistics (Singapore) Pte Ltd ("Silkargo") was established in Singapore in 1997 to provide end-to-end logistics services. The range of services offered by Silkargo includes air and sea transportation, customs processing, shipping, warehousing and inland transportation. Silkargo also specialises in ISO tank operations for the safe transportation of food grade, liquid chemicals and dangerous goods.

FOREMOST MARITIME PTE LTD

Singapore

Established in 1995, Foremost Maritime Pte Ltd ("Foremost") was set up as part of the Group's strategy to venture into the tanker and dry bulk activities.

SAMUDERA TANKERS PTE LTD

Singapore

Samudera Tankers Pte Ltd ("ST") was established in 2021 to provide tanker shipping services to the regional market. The principal activities of ST include owning, chartering and operating tanker vessels. Vessels owned by ST are mainly employed on a time charter basis.

SAMUDERA SHIP MANAGEMENT PTE LTD

Singapore

Established in Singapore in 2022, Samudera Ship Management ("SSM") is a joint venture with PT Samudera Indonesia Ship Management, a ship management company providing a wide range of ship management services.

SSM offers technical and crew management, marine services, and other related services, such as vessel condition assessment and pre-purchase inspection services, to ship owners worldwide.

SAMUDERA SHIPS INVESTMENT PTE LTD

Singapore

Samudera Ships Investment Pte Ltd ("SSIPL") was incorporated in 2023 as the ship-owning arm of the Group to own container vessels.

OCEAN SHIPS INVESTMENT PTE LTD

Singapore

Ocean Ships Investment Pte Ltd ("OSI") was incorporated in 2021 as the investment arm of the Group to own tankers. The tankers are employed on a time charter basis.

OCEAN TECHNOLOGIES PTE LTD

Singapore

Ocean Technologies Pte Ltd ("OT") was incorporated in 2021 to engage in shipping and logistics technology-related project investments. The activities of OT include but are not limited to research and development, particularly big data analytics and prediction for the shipping and logistics sectors.

PT SAMUDERA SHIPPING SERVICES

Indonesia

Through Foremost, the incorporation of PT Samudera Shipping Services ("SSS") in Indonesia provides specialised services, which include owning and chartering oil tankers and chemical tankers.

PT SAMUDERA SHIPPING INDONESIA

Indonesia

The establishment of PT Samudera Shipping Indonesia ("SSI") allows the Group to maintain its presence in Indonesian domestic shipping services by providing sea transportation for bulk shipping, oil, chemical products, mining and other maritime projects.

PT SAMUDERA LOGISTICS SERVICES

Indonesia

PT Samudera Logistics Services ("SLS"), a subsidiary of the Group since April 2022, provides warehouse and distribution services for various industries. These industries include fast-moving consumer goods, pharmaceuticals, retail trade, domestic appliances, industrial and automotive spare parts and industrial lubricants.

SAMUDERA INTERMODAL SDN BHD

Malaysia

Samudera Intermodal Sdn Bhd ("SISB"), a joint venture company between the Group and its business partner, QEL Shipping Service Sdn Bhd, was established in 2012. The primary activity of SISB is the provision of shipping agency services. SISB operates several offices in Malaysia, namely Port Klang, Penang and Kuantan.

SHAL HAWK SILKARGO SDN BHD

Malaysia

Shal Hawk Silkargo Sdn Bhd ("SHS") was incorporated in 2017 as a joint venture company between the Group and its business partner, Shal Hawk Sdn Bhd. SHS's primary engagement is in the management

of warehouses for general cargo, mining and the oil and gas industry in the Port Klang Free Trade Zone, Malaysia. Currently, SHS owns and manages a bonded warehouse and a bonded open yard in the Port Klang Free Trade Zone.

SAMUDERA TRAFFIC CO LTD

Thailand

Samudera Traffic Co Ltd ("STC") was incorporated in Thailand in 2004 to provide shipping agency services to the Group. As the Group's general shipping agent, STC handles all vessel and cargo operations at various main ports in Thailand, such as Bangkok, Laem Chabang and Songkhla. STC enables the Group to capitalise on local expertise and broaden its local customer network, marketing capabilities and experience in Thailand.

SAMUDERA SHIPPING LINE (INDIA) PVT LTD

India

Samudera Shipping Line (India) Pvt Ltd ("SSL India") primarily engages in the shipping agency business in India and provides a support function for the Group's container shipping services connecting Singapore to the Indian Subcontinent and the Middle East. To date, it has a presence in five major cities in India, namely Mumbai, Kolkata, Chennai, Mundra and Pipavav. SSL India is also appointed as a local agent for other principals.

SAMUDERA LOGISTICS DWC LLC

United Arab Emirates

Samudera Logistics DWC LLC ("Samudera Dubai") is a free zone entity set up in 2015 in Dubai, United Arab Emirates, as an

extension of the Group's network to tap into the trade growth surrounding India, the Middle East and Africa markets. Samudera Dubai provides reliable end-to-end multi-modal logistics services to diverse end-users in the region, such as manufacturing, construction, pharmaceuticals, agriculture and other industries.

SAMUDERA CARGO SERVICES LLC

United Arab Emirates

Samudera Cargo Services LLC ("SCS") is a Dubai mainland entity set up in 2015 as a local entity of the Group in Dubai, United Arab Emirates. SCS provides shipping agency services, customs clearance and formalities, warehousing, packing, relocation, local distribution and door delivery service from/to/within the United Arab Emirates.

PRIME MARITIME DWC LLC

United Arab Emirates

Prime Maritime DWC LLC ("PM") is a joint venture company between the Group and a business partner, the JM Baxi Group in India, registered in Dubai in 2017, in which the Company holds a majority stake. PM is the Group's vehicle to foray into the Arabian Gulf region. This is in line with the Group's goal of developing markets and expanding trade activities into new geographical areas. PM provides non-vessel operating common carriers and liners in South and West Asia.

SAMUDERA PROPERTY LIMITED

United Arab Emirates

Samudera Property Limited ("SPL") was established in 2018 in Dubai, United Arab Emirates, to manage property assets in the Middle East region.

SAMUDERA AUSTRALIA PTY LTD

Australia

Samudera Australia Pty Ltd ("SA") is an Australian entity set up in 2024 as the investment holding company of the Group in Australia.

Our Joint

VENTURE

LNG EAST-WEST SHIPPING COMPANY (SINGAPORE) PTE LTD

Singapore

LNG East-West Shipping Company (Singapore) Pte Ltd ("LNG-EW") is a joint venture company between the Group and Nippon Yusen Kabushiki Kaisha, with each having a direct interest of 50%. It primarily focuses on the transportation of liquefied natural gas and owns Tangguh Towuti, an LNG carrier with a capacity of 145,700 CBM. This vessel is currently employed under a long-term time charter contract.



Propelling Value through Sustainab



ility



Corporate Social Responsibility



"I got you!" Our team member sends encouragement to a Rainbow Centre student at the ArtScience Museum.

As the saying goes, "The best way to find yourself is to lose yourself in the service of others." In FY2023, we deepened our engagement, through service and contribution, in our focus areas of social support, education, and environment, in hopes of making a positive difference in the communities in which we operate.

SINGAPORE

We are honoured to partner with the Rainbow Centre for another year. The Rainbow Centre empowers children and young people with disabilities to thrive in inclusive communities through early intervention and special education. This year, we worked with the

Centre's Out-of-School-Hours programme to take four groups of 30 students each on two school trips to the ArtScience Museum and two to the Singapore Zoo. Over 40 members of our Singapore team joined in these trips to help care facilitators ensure the safety and well-being of the students and also lend a hand with the activities. These outings help expose these students, aged seven to 18, to new environments in a safe and structured manner, while enabling the sharing of knowledge through multi-sensory activities. We contributed admission tickets for the students and care facilitators and ensured that all logistics, including adapted vans for wheelchair users and the availability of a quiet room for overstimulated students, were taken care of, so that the students could enjoy a positive experience.

This year, we also worked with APSN for the first time in support of students with mild intellectual disabilities. In April 2023, 11 of our team members spent a wonderful afternoon guiding 20 students, aged seven to 12, in creating festive Hari Raya-themed displays using paper plates. In September, we contributed craft painting and craft materials for a Mid-Autumn lantern painting session. Our team members worked alongside 18 students in painting beautiful lanterns as part of the festive celebrations. It was heart-warming to see both the volunteers and students work together to create art pieces. In addition, we contributed to APSN Chaoyang School for the purchase of books to improve reading skills, board games to cultivate interpersonal skills, and shopping vouchers to develop transaction skills, all of which are part of the curriculum to help their students live an empowered life.

We also made financial contributions to events and causes that supported the less privileged during the year. In celebration of Hari Raya, we made a donation that included contributions from our Singapore team members to the Muslim Counselling Service in Singapore, which serves the Malay Muslim community. The funds go towards programmes that help formerly incarcerated

individuals pursue higher education, learn employable skills, and also provide financial assistance for their families. In February 2023, we contributed to the SPD, a local charity that helps people with disabilities integrate into the society, through the sponsorship of Pin of Hope, a golf event by CTC Global Singapore. We were honoured to support PSA Singapore in the PSA Golf Invitational 2023 to help raise funds for the Stroke Support Station, which helps ease the rehabilitation journey for stroke recovery patients and their caregivers. We also contributed to the Singapore Heart Foundation Charity Cup Golf Tournament 2023 in support of its programmes to promote heart health and prevent heart disease in Singapore, and provide financial assistance to needy heart patients.



Working hand-in-hand with APSN students to create lantern designs together.

We are happy to have played a role in preserving Indonesia's cultural heritage by sponsoring the Indonesian Culture Night (ICN) Cultural Production, organised by the Nanyang Technological University Indonesian Students Association, or the Pelajar Indonesia NTU. Held in January 2024, the ICN saw the students develop their own script, songs and choreography, as well as sets and costumes, for a musical production.

INDONESIA

We collaborated with Samudera Peduli, a foundation set up by our parent company, on some of the foundation's initiatives to aid the less privileged in Indonesia.

For the third year running, we supported 50 cadets from five marine polytechnic institutions through the Samudera Indonesia Seafarer Scholarship Programme that funded their education for one semester. As part of the scholarship, they also had the opportunity to work on board Samudera's vessels. The scholarships help students from low-income families in Indonesia gain access to quality education and hands-on work experience.

We are pleased to share the progress made since launching the School Boat Programme. Many children on the Bertam, Lingka, and Gara Islands in the Riau Archipelago face challenges pursuing education, due to the limited water transportation and the high cost of commuting to their schools, which are mainly located on Kasu Island. The residents on these islands are indigenous sea nomads who have seen their social and economic development limited by a lack of access to infrastructure for education and health, among

Corporate Social Responsibility

others, and means to secure transport to reach this infrastructure. The School Boat Programme was successfully launched in June 2023 with Sinar Waingapu, which operates a 14-kilometre round trip a day between Bertam Island and Kasu Island. The vessel is operated by selected local fishermen trained in basic safety and vessel operations by Samudera Peduli.

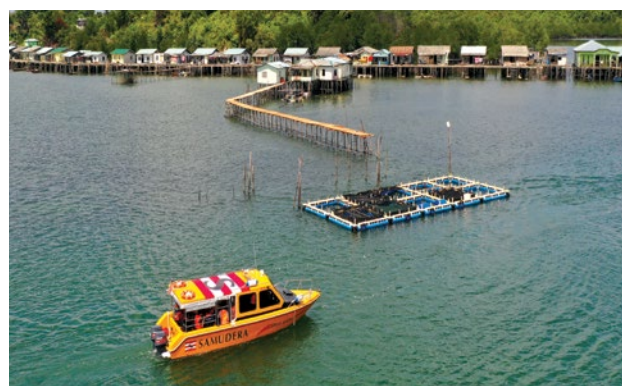
We continued to support ocean and river rehabilitation and restoration activities, as part of the Samudera Green Movement Programme. In October 2023, Samudera Peduli worked with a local non-profit organisation to plant 1,120 coral pieces across a 70-square-metre area near Ayer Island, at the Seribu Archipelago, in an effort to restore the coral reef that had been destroyed by fishery activities. These coral pieces will be monitored for 12 months to ensure optimal growth. Together with the coral pieces planted in 2022, we have rehabilitated a total area of 130 square metres.

In the following month, 63 of our employees, along with members of the local community, planted 9,000 mangrove trees in Surabaya, East Java. This followed our successful planting of 11,000 mangrove saplings in 2022, which effectively absorbed 126,000 kg of carbon dioxide. In December 2023, we collaborated with Rip Curl Indonesia and Eco Bali, a responsible waste management service provider, to organise a beach clean-up and a Samudera Eco Festival at Kuta Beach in Bali. The 140 participants of the beach clean-up collected a whopping 549 kg of waste at Kuta Beach, which was later recycled by Eco Bali. Over 1,500 participants attended the Eco Festival, which included eco talk shows and

workshops. The festival culminated with entertaining music performances by Tjok Bagus and Navicula Band, musicians who are known to raise awareness of environmental issues through their music.

In terms of community engagement, we contributed school equipment such as white boards, desks, chairs, dormitory beds and closets, and electricity equipment to MTs Nurul Qur'an, an Islamic boarding school, via our School Facility Assistance Programme. Located in Tangerang, Banten Province, MTs Nurul Qur'an provides education to students from low-income families and supports high-achieving students with scholarships. Additionally, we contributed to the renovation of the school's buildings and ceilings, and the installation of Wi-Fi access. Amid the festive Hari Raya season, we contributed to the Yayasan Pendidikan Luar Biasa Nusantara, a non-profit foundation focused on assisting children with special needs, to help support their education and daily essentials.

The death of a loved one can bring debilitating grief and pain. To help give some comfort in this time of sorrow, we lent our support to Samudera Peduli's initiative to introduce the Ambulance Jenazah Programme in collaboration with local organisations. The aim of the programme is



Maiden voyage of the Sinar Waingapu. The School Boat Programme helps students from islands in the Riau Archipelago commute safely to their schools.

to ensure the availability of funeral vehicles that can be used by the low-income community, as well as our employees, in the vicinity of our Jakarta office for the conveyance of deceased individuals.

We also worked with Samudera Peduli on the Ambulance for Remote Areas Programme during the year. Under the programme, we partnered with local philanthropic foundations to procure ambulances for medical facilities in remote communities that lack such means of patient transportation. In 2023, we provided ambulances to AKA Medika Sribhawono Hospital in East Lampung, as well as the Pratama St. Yusup Clinic in Garum, East Java. These healthcare facilities lack or have insufficient ambulances, which makes each donated ambulance key to helping the financially disadvantaged access vital medical attention.

OTHER COUNTRY OFFICES

We collaborated with our subsidiary in Malaysia, Samudera Intermodal, to jointly contribute to the Telaga Kasih Nur Muhammad Orphanage Foundation, to bring some Hari Raya joy to the children that it supports, including orphans, children from needy families, as well as children under protective care. We also contributed to Touching Lives Club Kuala Lumpur & Selangor, a charity organisation committed to improving the lives of Malaysians, particularly those from low-income families. The contributions were used to partially fund the construction of pathways connecting various Orang Asli villages to their school at Pos Gedung Kampong Barechip in Perak, for easier and safer access to education for the Orang Asli children.



Our Thailand team working hard to restore the coastal mangrove forest at Bangpu, Thailand. The mass harvesting of mangrove trees has damaged the ecosystem and caused soil erosion along the coastline.

In the Ratchaburi Province of Thailand, we provided wheelchairs, folding beds, and tiffins to the Home for Protection and Development for Persons with Disabilities, which houses orphans with disabilities. In addition, we supported the Christian Foundation for the Blind in Thailand (CFBT) with a contribution of short pants, adult diapers, and rubber hoses. CFBT is an organisation that promotes education and job training, as well as rehabilitates and improves the quality of life of people with visual disabilities. We also supplied art materials towards a CFBT initiative to train their beneficiaries in handicraft to empower them to generate some income for themselves.

During the year, we worked with Bangpu Nature Education Center to plant 1,000 mangrove trees in Bangpu, an area of mangroves and tidal flats leading to the waters of the Gulf of Siam, in a bid to restore the coastal mangrove forest that was previously harvested to produce charcoal. The forest is an essential food source for thousands of coastal fish species and plays a significant role in trapping sediments flowing down rivers and off the land, which helps stabilise the coastline against erosion.

In India, we supported the educational and social service programmes at Sree Narayana Mandira Samiti, the biggest educational and charitable trust in Mumbai.

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BOARD STATEMENT

Over the span of three decades, Samudera has commenced a remarkable and enduring voyage within the maritime sector.

From our humble beginnings providing feeder services between Indonesia and Southeast Asia, we have transformed into a leading operator of regional shipping services, connecting Southeast Asia with the rest of the world.

Over these years, we have navigated countless challenges, faced numerous economic headwinds, adapted to new regulations and shifting industry trends, and most importantly, emerged stronger with every passing year.

Yet, our journey has only just begun. Looking forward, we remain committed to delivering operational excellence and financial performance to our stakeholders. At the same time, we strive to provide a safe and supportive workplace for our people, while maintaining our strong compliance record and advancing our environmental sustainability credentials.

In this regard, we are proud to present to you our seventh sustainability report. This publication highlights our key

environmental, social and governance (“ESG”) efforts over the year, and documents our performance and ongoing commitment to the sustainability of our business. Our report is aligned with SGX-ST Listing Rules Practice Note 7.6: “Sustainability Reporting Guide” and applies the sustainability reporting principles as set out within the Global Reporting Initiative (“GRI”) 2021 Standards.

Not only was 2023 a milestone year for Samudera, it was also an important year for the shipping industry. In particular, Samudera followed with keen interest the developments at the International Maritime Organisation (“IMO”), especially in relation to the recently adopted Strategy on Reduction of Greenhouse Gas Emissions from Ships (“2023 IMO GHG Strategy”). Samudera recognises the urgency to tackle harmful emissions and the need to generate economic value for our stakeholders while balancing sustainability considerations.

Amidst these developments, in our 2023 Sustainability Report, we have enhanced our monitoring and reporting of our carbon footprint across our operations and have aligned the carbon intensity targets with those specified by the IMO. We have also begun

implementation of our carbon mitigation strategy by rejuvenating our fleet with more efficient new-build vessels. Our efforts to address climate change will continue into 2024, as we begin to track our Scope 3 emissions and implement carbon mitigation solutions in partnership with our internal and external stakeholders.

Besides our efforts to address climate change, we remain steadfast in achieving the targets set out in our material topics. In 2023, with exception to one workplace injury, we achieved all our other sustainability targets. In 2024, we will continue to build on the progress made in 2023, and strive to surpass our economic benchmarks, advance our environmental stewardship, enhance our workplace management, and strengthen our corporate governance.

Over the years, Samudera has remained resilient and adept in navigating choppy waters. We will continue to make every effort to provide uninterrupted essential shipping services throughout the region, effectively and sustainably, for many more years to come.

WHO WE ARE

CONTAINER SHIPPING

Samudera offers reliable feeder service between the central hub port in Singapore and spoke ports in the region.

The Group connects ports across a wide geographical range, spanning from the Far East, Southeast Asia, the Indian Subcontinent and the Middle East.

BULK & TANKER

Samudera's bulk & tanker vessels are chartered out for the transportation of dry and/or liquid cargo.

AGENCIES & LOGISTICS

Samudera provides agency services, forwarding, warehousing as well as general logistics services.

Samudera is listed on the Mainboard of Singapore Exchange Securities Trading Limited.



ABOUT THIS REPORT

This Report covers the highlights of Samudera environmental, social and economic performance from 1 January to 31 December 2023 ("FY2023"). Samudera has reported the following information in accordance with the GRI standards, which is one of the most widely applied and trusted sustainability reporting frameworks. Please refer to pages 74-76 for the GRI Content Index. Being an SGX listed company, this report also complies with the requirements of SGX Rulebook, Practice Note 7.6: "Sustainability Reporting Guide". No external assurance has been sought for this report.

We welcome your feedback in our efforts to improve our sustainability practices and reporting. Please contact sustainability@samudera.id or (65) 6430 1687.

REPORTING SCOPE

Samudera's Sustainability Report was prepared in alignment with the principles outlined in the GRI Standards. This report seeks to present our efforts, achievements and progress across all our entities in an accurate, complete and comparable manner. The information and data presented in this Sustainability Report constitutes data from Samudera and its eight owned vessels, together with data from our seven subsidiaries in Singapore:

- Foremost Maritime Pte Ltd ("Foremost"), venturing into the tanker and dry bulk activities.
- Silkargo Logistics (Singapore) Pte Ltd ("Silkargo"), provides end-to-end logistics services, specialises in transportation of ISO tank containers.
- Samudera Tankers Pte Ltd ("ST"), provides tanker shipping services to the regional market.
- Samudera Ship Management Pte Ltd ("SSM"), specialises in ship management services.
- Ocean Ships Investment Pte Ltd ("OSI"), investment arm of the Group for tanker vessels.

- Samudera Ships Investment Pte Ltd ("SSIPL"), investment arm of the Group for container vessels.
- Ocean Technologies Pte Ltd ("OT"), oversees the shipping and logistics technology-related project investments.

These seven subsidiaries are part of Samudera's broader shipping network which allows the Group delivers a wider range of services to our customers.

The reporting scope does not include the efforts by our parent company, PT Samudera Indonesia Tbk ("PTSI"), which is listed on and complies with the regulations of the Indonesia Stock Exchange ("IDX"). PTSI is therefore required to issue its own sustainability report. This separate reporting provides an opportunity to demonstrate our broader sustainability efforts across the Group.

SUSTAINABILITY GOVERNANCE AT SAMUDERA

Sustainability governance at Samudera comprises two major components: Board oversight supported by our various management committees and sustainability functions.

The Board is ultimately responsible for the strategic direction and oversees Samudera's sustainability practice.

The Board is supported by the Sustainability Steering Committee (“SSC”). The SSC is chaired by our CEO and consists of the Group’s senior management. The SSC evaluates the Company’s sustainability performance through reviewing processes and procedures, coordinates sustainability efforts across the Group and makes recommendations for future direction and activities.

The SSC also receives inputs from the dedicated Sustainability Officer, who interfaces with our

operations teams for role-specific tasks regarding the day-to-day implementation.

Our Sustainability Working Committee (“SWC”) takes alignment from and works closely with the SSC and is responsible for the daily implementation of sustainability practices on the ground in their respective divisions. The SWC comprises Risk and Sustainability Officers together with representatives from Operations, Finance, People and Technology divisions, including representatives from our subsidiaries. The SWC also provides feedback to the SSC on ways to improve and enhance sustainability initiatives.

two new materiality topics, “Diversity and inclusion” and “Building resilience in information systems”, while expanding the scope of the Environmental Responsibilities materiality topic to include taking climate action. These were timely enhancements to remain relevant and resilient in a changing work environment.

In preparation for the 2023 Sustainability Report, we took a different approach to stakeholder engagement. Instead of conducting an enterprise-wide survey, we conducted interviews of key stakeholders to receive feedback on Samudera’s efforts under each materiality topics. These interviews provided detailed insight to Samudera’s sustainability challenges and successes, thereby informing the Board and the SSC on strategies to improve our impact management, goals and targets.

One takeaway from the stakeholder interviews was certain. Samudera’s materiality topics from last year remain relevant with no changes or additions to 2023 topics. These topics are categorised into four broad aspects in Table 1.1 and further elaborated in the subsequent sections. our commitment to pursuing growth and profitability in a way that values and supports environmental and social considerations remain resolute.

MATERIALITY REVIEW

To ensure that our sustainability actions are relevant, effective and implementable, Samudera takes a holistic approach to review and update our material topics. This process involves: understanding the evolving business context and regulatory environment, reflecting on past performance and efforts; and engaging valued stakeholders (Figure 2).

In the 2022 reporting period, we conducted a stakeholder engagement survey to assess Samudera’s material topics. Based on the outcomes from that engagement survey and with guidance from the Board and the SSC, we added

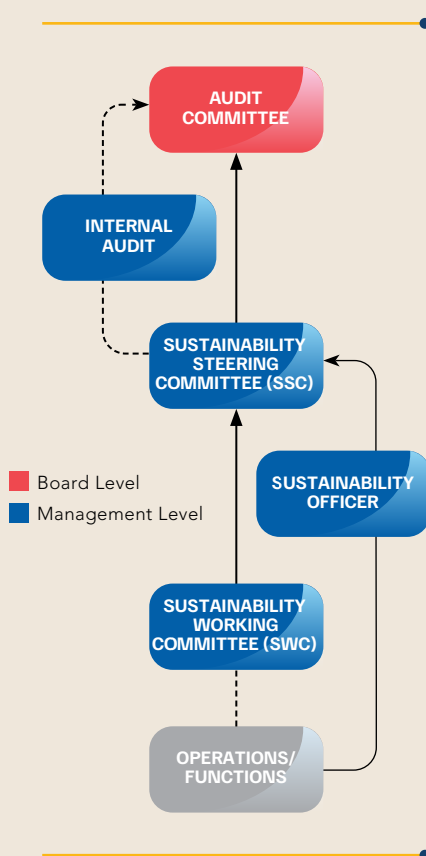
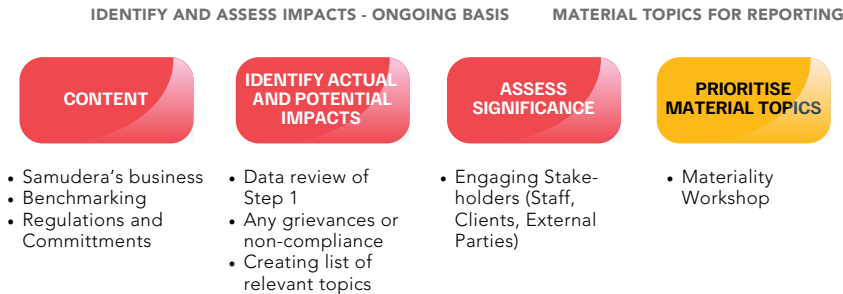


FIGURE 1
Sustainability governance framework at Samudera

Sustainability Report

FIGURE 2

Materiality process for 2023



The focus of these stakeholder engagements was on how Samudera could improve its climate related efforts and communication of its sustainability practices across our supply chain. These are areas that we have elaborated on in the subsequent sections.

CONTRIBUTING TO THE SDGs

A key consideration in affirming Samudera's materiality topics is ensuring continued alignment with global goals, including the United Nations Sustainable Development Goals ("SDGs"). Adopted in 2015, the SDGs are a set of 17 universal goals that call for collective action to achieve peace, prosperity and sustainable development by 2030. These global goals also guide the sustainability efforts of the business community. Samudera understands that supporting these goals is not only beneficial to the planet, but also helps unlock stakeholder value by strengthening resilience across the

social, environmental and economic pillars of our operations.

Many of Samudera's efforts, initiatives and targets seek to advance the SDGs. These include;

- SDG 8 on promoting inclusive and sustainable economic growth employment and decent work;
- SDG 9 on building resilient infrastructure, promoting

sustainable industrialisation and fostering innovation;

- SDG 10 on reducing inequality;
- SDG 12 on ensuring sustainable consumption and production patterns;
- SDG 13 on taking climate action;
- SDG 14 on conserving and sustainably using the oceans, seas and marine resources; and
- SDG 17 on partnerships for sustainable development.

This alignment between Samudera's material ESG factors and the SDGs, as seen in Table 1.2, demonstrates our support for and commitment to regional and international sustainability efforts

TABLE 1.1

Material Topics for 2023

Sustainability Aspect	Materiality Topic
Economic Performance	Generating economic value
Environmental Responsibilities	Strengthening environmental controls and taking climate action
Workforce Management	<ul style="list-style-type: none"> • Providing safe working conditions • Investing in employee development • Diversity and inclusion
Corporate Governance	<ul style="list-style-type: none"> • Maintaining a strong compliance record • Building resilience in information systems

TABLE 1.2

Samudera's material ESG Factors mapped against the SDGs and the relevant targets

Samudera's Material ESG Factors						
Generating economic value	Strengthening environmental controls and taking climate action	Providing safe working conditions	Investing in employee development	Diversity and inclusion	Maintaining a strong compliance record	Building resilience in information systems
Shared value for shareholders and employees Connecting opportunities in Asia	Minimising the risk of pollution Strengthening climate action	Safe working environment and taking care of workers' wellbeing	Training and career development opportunities for workers	Building a diverse and inclusive workforce, and an attractive workplace	Complying with environmental protection, labour conditions and anti-corruption regulations	Enhancing cyber security and data protection
						
						
						
						
						
						
						
<p>Opportunity to support SDG Targets:</p> <ul style="list-style-type: none"> 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation 8.5 Full employment and decent work with equal pay 8.7 End modern slavery, human trafficking, and child labour 8.8 Protect labour rights and promote safe working environments 9.1 Develop quality, reliable, sustainable and resilient infrastructure 9.2 Promote inclusive and sustainable industrialisation 10.2 Empower and promote inclusion of all 10.3 Ensure equal opportunity and reduce inequalities of outcome 10.4 Adopt policies and progressively achieve greater equality 12.2 Achieve the sustainable management and efficient use of resources 12.4 Reduce waste generation 13.2 Integrate climate change measures into national policies, strategies and planning 14.1 Reduce marine pollution 17.8 Enhance the use of information and communications technology 						



BUILDING RESILIENCE APPROACH AND ALIGNMENT

Materiality topics are topics that represent our most significant impacts on the economy, environment and people. These topics were developed in close consultation with relevant stakeholders across our value chain, including suppliers, employees and customers that span various markets and port authorities. These are rallying topics that galvanise the efforts of the Board and the SSC, to ensure a safer work, clean environment and economic success. Together, they help build organisational and operational resilience in the company and allow us to navigate difficult and challenging market conditions. An illustration of the boundaries of each of our material topics in our value chain is shown in Figure 3, while Table 2.1 shows the methods and frequency of stakeholder engagement.

FIGURE 3

Illustration of material topics and boundaries for stakeholders in our value chain



LOGISTICS

Provide logistic services



AGENCY

1. Connect customers to a wider market and facilitate shipping arrangements
2. Act as a customer service on behalf of carriers



SHIPPING

Mobilise commodities via container or bulk/tanker vessel



CUSTOMER SERVICE

Support customer needs and improve service quality

01

Generating economic value

02

Strengthening environmental controls and taking climate action

03

Providing safe working environment

04

Investing in employee development

05

Diversity and inclusion

06

Maintaining a strong compliance record

07

Building resilience in information systems

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TABLE 2.1

Key stakeholders and their respective topics of concern engagement methods and frequency of engagement

Key Stakeholders	Key Topics of Concern	Engagement Methods	Frequency of Engagement
Investors and shareholders	<ul style="list-style-type: none"> • Business operations and performance • Business strategy and outlook 	<ol style="list-style-type: none"> 1. Release of financial results and other relevant disclosures through SGXNet and Samudera's website 2. Annual General Meeting 3. Meeting with investors and stock analysts 	<ol style="list-style-type: none"> 1. Throughout the year 2. Once a year 3. Throughout the year
Employees	<ul style="list-style-type: none"> • Benefits and compensation • Workplace safety and wellbeing • Career development and progression • Employee-management relationship • Diversity and inclusivity 	<ol style="list-style-type: none"> 1. Management meeting 2. Social and team building activities 3. Safety training 4. In-house and external trainings 5. Performance feedback and review 6. Employee volunteering opportunities 	<ol style="list-style-type: none"> 1. Throughout the year 2. Throughout the year 3. Throughout the year 4. Throughout the year 5. Once a year 6. At least once a year
Port authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Alignment in sustainability initiatives 	<ol style="list-style-type: none"> 1. Compliance surveillance and monitoring 	<ol style="list-style-type: none"> 1. Throughout the year
Customers	<ul style="list-style-type: none"> • Reliability and quality of services • Environmental and social impacts of services 	<ol style="list-style-type: none"> 1. Feedback via website & email 2. Customer meetings 	<ol style="list-style-type: none"> 1. Throughout the year 2. Throughout the year
Business partners	<ul style="list-style-type: none"> • Safety and environmental practices • Transparent cooperation with integrity • Mutual growth 	<ol style="list-style-type: none"> 1. Business partners meetings 	<ol style="list-style-type: none"> 1. Throughout the year
Local community	<ul style="list-style-type: none"> • Environmental impacts • Social contributions 	<ol style="list-style-type: none"> 1. CSR activities 2. Facilitation of trade and business through shipping services 	<ol style="list-style-type: none"> 1. Throughout the year 2. Throughout the year

In addition to taking a multi-stakeholder approach to addressing our material topics, Samudera makes a concerted effort to ensure that our sustainability initiatives align with broader governmental and intergovernmental objectives. In particular, Samudera strives to contribute to the Maritime and Port Authority of Singapore (“MPA”)’s mission to develop and promote Singapore as a premier global hub port and an international maritime centre. We do this by:

- Participating in MPA’s Green Ship Programme¹. Our ship Sinar Toraja has dual fuel capability and has been awarded the Green Ship status by MPA for achieving a reduction factor exceeding Phase 3 of the IMO EEDI Framework by 10% or more;
- Providing regional connectivity through our fleet of vessels and being a reliable and trustworthy provider of shipping services;
- Building a competent maritime workforce which can contribute positively to Singapore’s overall maritime capabilities (Please refer to page 69 for detailed training and career development opportunities offered to our people);

Samudera makes a concerted effort to ensure that our sustainability initiatives align with broader governmental and intergovernmental objectives.

- Accelerating maritime digitalisation and developing capacity to respond to cyber security threats (Please refer to page 73 for highlights on Samudera’s secure IT practices).

At the intergovernmental level, Samudera adheres to the requirements set out by the IMO. Samudera also closely follows and supports IMO’s measures and targets within its Strategy on Reduction of Greenhouse Gas (“GHG”) Emissions from Ships (“2023 IMO GHG Strategy”), which was recently adopted in

July 2023. In particular, Samudera acknowledges the importance to tackle harmful emissions through the various targets within the 2023 IMO GHG Strategy, including:

- Reduction in carbon intensity through improvement of energy efficiency of new and existing ships;
- Increase uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources; and
- Ambition to reach net zero GHG emissions from international shipping.



¹ The MPA Green Ship Programme is part of the broader Maritime Singapore Green Initiative, aimed at reducing the environmental impact of shipping and promoting clean and green shipping in Singapore. Under the Green Ship Programme, incentives are provided to ships that exceed the IMO’s energy efficiency requirements.

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TABLE 2.2

CII ratings of Samudera's owned fleet

Grade	Number of Vessels
A	4
B	3
C	1
D	0
E	0

TABLE 2.3

CII reduction factors relative to the 2019 reference line

Year	CII Reduction Factor
2023	5%
2024	7%
2025	9%
2026	11%

As part of measures to meet IMO's targets, Samudera has retrofitted five of our eight vessels with Engine Power Limitation ("EPL") to reduce CO2 emissions. We also closely monitor our ships carbon intensity, as part of our efforts to meet Regulation 28 of the revised MARPOL ANNEX VI. We have undertaken calculations of the attained Energy Efficiency Existing Ship Index ("EEXI") as well as the annual operational Carbon Intensity Indicator ("CII") and associated CII rating (Table 2.2) for our ships.

Based on the CII rating as seen in Table 2.2, all of our 8 vessels are rated Grade C and above. Vessel rated D for three consecutive

years, or E for one year, has to submit a corrective action plan to show how the required index of C or above will be achieved. In this regard, there are no additional measures required as 100% of our fleet are within the IMO required performance standard.

Samudera strives to meet the CII compliance and achieve the operational CII reduction factors as stated in Table 2.3. These efforts will not only benefit our operational performance but would also contribute to IMO's broader ambition to reach net zero GHG emissions from international shipping.

GENERATING ECONOMIC VALUE

Over the years, Samudera has achieved business growth by being a trusted partner to our customers and aspires to continue regional growth and create shared value with our business partners.

As the shipping industry has normalised from its peak due to the ease of global supply chain disruptions caused by the global pandemic, the focus has shifted towards addressing challenges related to the green transition and enhancing supply chain resilience. In response, Samudera has taken proactive actions to promote agile operations supported by advanced technologies and progressively gear up to adapt our fleets to be greener in the coming years, aligning with the global push towards net-zero. Despite upholding

operational excellence, integrity, professionalism, and service quality, our revenue decreased from USD911 million in 2022 to USD583 million in 2023, owing to a decline in freight rates. We recorded a lower profit after tax of USD101 million from USD322 million last year. Details of the financial performance in 2023 can be found in the Financial Statement section of our Annual Report 2023.

Samudera believes in giving back to the community and continues to provide monetary donations to organisations supporting social and environmental causes in Singapore and the region. Contributions to organisations include Singapore Heart Foundation, Telaga Kasih Nur Muhammad Orphanage Foundation and Karang Lestari Indonesia Foundation. Samudera has also provided in-kind donations for Rainbow Centre and APSN in support

of their programmes for children with special needs. Details of our CSR activities can be seen on pages 46-49.

As of 31 December 2023, we had a team of 156 full-time employees, the majority of whom were hired under Samudera. A total of 150 of our employees were based in Singapore, with 6 employees based across the region. We did not have any temporary or part-time employees during the year. Our team composition remained relatively similar from the previous year, with 97 female employees and 59 male employees. As part of our operations, we also employed workers who were not employees as part of our crew onboard owned vessels.

To ensure our customers continue to receive sustainable and reliable maritime services, we have optimised our routes and embraced digital transformation and workforce upskilling since before the pandemic. These steps are a key to leading the shipping industry towards a sustainable future and maintaining smooth international supply chains. We aim to drive growth by enhancing our extensive network and professionalism, providing vital links regionally and globally.

Performance indicator	Performance in 2023	Target Status for 2023	Target for 2024
Revenue	USD583 million	Leverage on our extensive network and high level of professionalism to provide the key connections for the region and beyond: Target Achieved	Continue to grow in line with market conditions

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STRENGTHENING ENVIRONMENTAL CONTROLS AND TAKING CLIMATE ACTION

Current estimates from the IMO attribute around 3% of anthropogenic carbon emissions to the shipping sector. In addition to carbon emissions, there are also other environmental impacts from shipping, including pollution and impacts to the marine environment.

However, international shipping remains one of the major conduits for trade and a vital link for global supply chains. The carbon emission intensity of shipping is also lower than that of air freight and road transport. As such, Samudera understands that, as an integral part of the global economy, we have a responsibility to our stakeholders to ensure business continuity and growth while strengthening environmental controls and taking climate action. These sustainability actions must also be aligned with national and international goals and targets, such as the recently adopted 2023 IMO GHG Strategy as well as the Paris Agreement's long-term goal of keeping global warming well below 2°C and aiming to limit it to the 1.5°C climate scenario.

Minimising the risk of pollution

One of the main environmental concerns from the global maritime industry is pollution. Over the years, there have been various initiatives and regulations to minimise the risk of pollution, whether from the sulphur content in fuel or from unintentional spills. Samudera has always sought to reduce our risks of pollution and adhere and support such national and international rules and standards.

We take environmental and pollution control seriously for various reasons. Given the stringent regulations governing maritime shipping, non-compliance can lead to substantial fines, operational disruptions, environmental harm and reputational damage. Within our operations, we are also cognizant that we transport a variety of cargoes, including chemicals, oils and industrial compounds, while our tankers primarily transport liquid and gaseous substances while our container ships transport both dangerous and non-dangerous goods. It is therefore imperative that we minimise the risk of pollution from our operations and from unintentional spills.

In this regard, our ship managers sets out a robust and stringent set of Standard Operating Procedures ("SOPs") to monitor, evaluate and take corrective actions related to safeguarding the environment and preventing pollution as part of the Safety Quality Management System ("SQMS"). It is aligned with IMO requirements and prevailing maritime conventions and covers a range of pertinent topics, including :

- Ballast water management
- Prevention of pollution by oil
- Control of pollution by noxious liquid in bulk
- Control of pollution by harmful substances carried in packaged form
- Prevention of pollution by sewage and garbage
- Prevention of air pollution and noise from the ship
- Prevention of the spread of invasive species and improve fuel efficiency of vessels by using anti-fouling paint.

Our policies and procedures are only good if they are executed correctly. Therefore, we ensure that our ship managers and crew receive adequate training, equipment and resources in their daily operations. We have

developed comprehensive contingency plans to deal with emergency situations which may result in oil spills, such as collisions, grounding and machine failures. Every vessel and all our crew are outfitted with the appropriate training and pollution protection tools to keep harm to a minimum. Frequent oil spill drills are carried out as a refresher on emergency containment for our crew. Furthermore, all our vessels are covered under the Civil Liability Convention ("CLC") Bunker Certificate, which provides us with the financial insurance to cover the liability of any potential pollution damage and its remediation.

Additional controls to minimise pollution risk include our Chemical Transport Procedure for our tanker vessels and restrictions for container vessels on flexi-bag

Every vessel and crew are outfitted with the appropriate training and pollution protection tools to keep harm to a minimum.

Performance indicator	Performance in 2023	Target Status for 2023	Target for 2024
Compliance with applicable regulations regarding oil spillage	100%	100%: Target Achieved	Maintain 100% vessel-compliance rate for oil spill regulations
Number of significant ² oil spill incidents	0	Zero significant incidents: Target Achieved	Maintain zero significant oil spill incidents
Compliance with the IMO 2020 Regulations	100%	100% Compliance: Target Achieved	Maintain 100% vessel-compliance rate for IMO 2020 regulations

shipment use, which have a higher chance of leakage, so as to tighten controls on the carriage of marine pollutants.

Our vessel environmental certifications are kept up to date. Some of these certifications include the International Oil Pollution Prevention ("IOPP") Certificate, the International Air Pollution Prevention ("IAPP") Certificate, the International Sewage Pollution Prevention ("ISPP") Certificate and the Ballast Water Management Certificate ("BWMC").

Samudera has also maintained compliance with the IMO 2020 regulation on the use of low sulphur fuel oils (a maximum sulphur content of 0.5% by mass in marine fuels) and only use high sulphur fuels in vessels fitted with scrubbers which remove and prevent

pollutant release into the atmosphere. These efforts to limit sulphur content in our ships' fuel oil have resulted in cleaner air, positive impacts on human health and the use of higher quality fuels for our fleet.

As part of our further efforts to control pollution, we are also progressively rejuvenating our fleet. There were six new-build container vessels (four on long-term time charter and two acquired) and one new-build tanker vessel delivered in 2023. These vessels together with two additional new-build vessels to be delivered by 2024, will offer greater operational and fuel efficiency for years to come.

Our efforts to protecting the environment extend beyond our operations and apply to our supply

² Significant being a spill that require a clean-up response and cases for fine/non-monetary sanction with value above S\$100,000.

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chain as well. We have put in place a framework which holistically evaluates suppliers through a series of factors, including: supplier qualifications, supply quality, MPA ranking and pricing. We also review and update terms agreed with our suppliers to ensure such terms are competitive while serving our broader sustainability objectives.

To address incidents, unexpected spills, machine failures and other events that may pose impacts on the environment, we have put in place an Incident Response Plan (IRP) Policy. This Policy defines processes to detect, analyse, prioritise and handle incidents. It also outlines contact information, escalation paths, expected service level agreements (SLA), severity and impact classification and mitigation/remediation timelines. The IRP provides the basis for security and business teams to integrate their efforts from the perspective of service recovery, communication, as well as coordinated response in times of crisis (security vulnerability, identified or exploited) to respond to incidents effectively and efficiently.

We have zero incidents of significant oil spills in 2023 and have maintained

a 100% vessel-compliance rate for oil spill regulations, thus, achieving our target set for the year. This continues our good record from 2022 and we aim to maintain these targets and outcomes in 2024.

Taking climate action

Climate change poses a significant threat to the environment, societies and the economy. Caused by an increase in greenhouse gases from human activities, it has various negative impacts, including rising global temperatures, melting ice caps, rising sea levels and more frequent and intense natural disasters and changing weather patterns. Climate change is a material topic as it poses significant risk to the business. Impacts from climate change can lead to damage to infrastructure and property and disruption in supply chain and shipping connectivity. Risks can also arise from changes in shipment and transportation demand due to regulatory changes or customer trends. On the other hand, climate change also poses new opportunities to become more efficient and to mitigate our environmental footprint through innovation, partnerships, up-skilling and education.

Driven by the understanding above and in response to the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules (711A and 711B) – Sustainability Reporting, Samudera has taken steps to align with the climate-related disclosure requirement according to the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations³.

We have adopted a phased approach to achieve full compliance with TCFD framework by FY2024 as recommended by SGX-ST Practice Note 7.6 Sustainability Reporting Guide (7. Phased Approach). In this first year of aligning with the TCFD framework, we have assessed the climate-related risks and opportunities qualitatively based on the TCFD framework. Pages 65-67 summarises our efforts mapped into the four core disclosure dimensions recommended by TCFD.

³ SGX Rulebooks 711B-(1)-(aa): "climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures"

• **Governance**

The Board, in coordination with the SSC, has identified climate action as a key priority in its board meetings. During these meetings, the SSC updates the Board on the climate-related regulations, as well as efforts and initiatives the organisation is assessing and implementing. The Board has begun to align performance objectives and strategic decisions with broader climate-related targets in consideration. The governance of climate-related risks and opportunities is a long-term and iterative process which Samudera is committed to.

• **Strategy**

Climate change poses multiple risks to the organisation, including transition risk and physical risks, as well as

opportunities such as use of alternative fuels. In this regard, in adapting to climate change, we are in the process of conducting analysis of the impact of various temperature scenarios (including transition to a low-carbon economy consistent with a 2°C or lower scenario) on our operations, financial decisions and strategies, to ensure our business model remains resilient and robust. This scenario analysis will consider the medium- and long-term impacts from climate change as well as a potential GHG emissions pricing mechanism by the IMO. Over the years, we will continue to refine and adjust key operational and strategic decisions based on best available science and technology that is fit-for-purpose for the shipping industry.

• **Risk management**

Since 2022, we have adopted a three-prong approach to addressing climate change. First, we will strive to understand our carbon footprint. Second, we will take steps to mitigate the carbon emissions from our operations. Third, we will incorporate measures to adapt to climate change.

Each phase of our climate strategy will require collective effort from the Samudera family. In understanding our carbon footprint, in particular our Scope 1 and Scope 2 emissions, we will be developing a clear monitoring framework for our vessels, offices and operations. In 2023, we built on our pilot emissions monitoring and reporting. For this reporting period, we included carbon emissions from our chartered vessels under Scope 1 emission, in addition to that emissions from our owned vessels which we operate. Emissions from chartered vessels was included under our Scope 1 emissions as, based on guidance from the Baltic and International Maritime Council (BIMCO), Scope 1 emissions comprise sources that are owned or controlled by the reporting entity⁴. We also continue to monitor water and electricity of all our offices in Singapore, with electricity usage forming part of our

Performance indicator	Performance in 2023	Target Status for 2023	Target for 2024
Understanding Samudera's carbon footprint	Disclosure of scope 1 and 2 emissions	Target achieved	Disclosure of yearly scope 1 and 2 emissions Begin Scope 3 reporting
Developing climate mitigation and corporate resilience strategies	Setting climate targets to mitigate carbon emissions	Achieved	Achieve IMO CII reduction factor and remain CII compliant Reduce Scope 1 emissions by at least 20% by 2030, from 2008 baseline, in line with the 2023 IMO GHG Strategy

4 <https://www.bimco.org/insights-and-information/safety-security-environment/20220209-reporting-ship-emissions>

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TABLE 2.4

Scope 1 Emissions from Vessels Owned and Chartered

	Emissions ⁵ (tCO ₂ e)			Number of Vessels			Emissions per Vessel (tCO ₂ e/vessel)		
	2008 baseline	2022 ⁶	2023	2008 baseline	2022	2023	2008 baseline	2022	2023
Owned & Operated	116,174	40,055	48,460	9	3	5	12,908	13,352	9,692
Chartered-in	336,863	381,233	324,747	32	30	33	10,527	12,708	9,841
Total from Samudera's operations	453,037	421,288	373,207	41	33	38	11,050	12,766	9,821

Scope 2 emissions. Looking ahead, in 2024, we will begin tracking our Scope 3 emissions, which may include emissions from company air travel.

In mitigating our carbon emissions, we are working in partnership with internal and external stakeholders and explore sustainability solutions, raise awareness of sustainability practices and upskill our employees to be future ready. This includes opting for efficient new-build vessels and working with our charter vessel brokers and owners to enhance the efficiency of the vessels we charter, considering most of our vessels we operate are chartered. We make every effort to ensure the vessels we operate achieve the IMO CII reduction factor

as specified in Table 2.3. In addition, we are assessing options to progressively retrofit existing owned vessels with pollution and carbon abatement technology.

- **Metrics and targets**

A summary of our Scope 1 carbon emissions from a baseline year of 2008, as well as from this reporting year and the previous reporting year, can be seen in Table 2.4. Scope 2 carbon emissions can be seen in Table 2.5.

Compared to the 2008 baseline, Samudera's total Scope 1 emissions is on a downward trend, with total Scope 1 decreasing by 18% from 2008 to 2023. Such progress is on track to meeting the 2023 IMO GHG Strategy of reducing GHG emissions by at least 20% by 2030, from a 2008 baseline, which is a target we have set ourselves.

TABLE 2.5

Scope 2 Emissions from electricity consumption

	Emissions (tCO ₂ e)	
	2022	2023
Emissions from Purchased Electricity ⁷	89.4	86.1

5 The emissions were calculated by multiplying the fuel consumption (in tonnes) by the emission conversion factors as outlined in Marine Environment Protection Committee (MEPC) 63/23 Annex 8.

6 The 2022 Scope 1 emissions were reported on a limited basis, as this was the first year of reporting.

7 The Scope 2 emissions were based on electricity consumption of office units occupied by Samudera in Singapore. The emissions were calculated by multiplying the electricity consumption (in kWh) by Singapore's Energy Market Authority (EMA) Operating Margin (OM) Grid Emission Factor (GEF). The OM GEF for 2022 was used, as the OM GEF for 2023 was not released as of time of publication.

The number of vessels used for Samudera's operations (owned & operated and chartered-in) increased from 33 in 2022 to 38 in 2023. Nonetheless, the overall emissions and emissions per vessel generated decreased by 11% and 23% respectively. This was mainly due to enhanced operational efficiencies from a refreshed fleet. Moving forward, we will also measure and monitor our efficiency by transport work and align our broad emissions targets against CII reduction factors as seen in Table 2.3.

Scope 2 emissions remained relatively constant from 2022 to 2023, with slight decrease from 2022 to 2023 due to electricity saving practices.

2024 will be a pivotal year for us to scale up our climate action and advance our sustainability journey. We will continue to assess options to mitigate our carbon emissions and prepare for a more decarbonised future. We will also continue to disclose our Scope 1 and Scope 2 emissions, with intention to add Scope 3 in 2024 and chart ambitious climate goals and targets for 2024. Such efforts will help build our climate resilience for the near, medium and long term. At Samudera, it is all hands-on deck in our collective effort to take climate action and avert the adverse impact of climate change.

PROVIDING SAFE WORKING CONDITIONS

The shipping industry presents various potential risks to employees, making it crucial to prioritise occupational health and safety ("OHS"). As a responsible company, we strive to address and mitigate these risks whenever possible. Breaches of OHS regulations or serious injuries may result in costly fines and inhibit the Company's ability to operate, as well as potentially being life-altering for our employees and crews. Therefore, we take an active approach to improve and maintain safety protocols and processes across our operations.

Specifically, we identify potential safety hazards and take preventive actions to either remove or reduce these risks through our OHS framework. This framework is in line with the Singapore's Ministry of Manpower Workplace Safety and Health ("WSH") Act and is underpinned by the Group's comprehensive Health, Safety and Environment ("HSE") Policy. Under this framework, relevant policies and procedures are detailed in our Shipboard Procedure Manual ("SPM"), which encompasses specific Standard Operating Practices ("SOPs")

developed by our ship managers for a range of workplace situations, such as:

- Safety on Board
- Safe Navigation All the Time
- Safe Cargo Handling
- Shipboard Personnel Management
- Emergency Preparedness and Pollution Prevention

We have placed great emphasis on worker safety through conducting comprehensive and systematic health and safety training for our crew. We train operational personnel in risk assessment and mitigation strategies and enable continual development of skills and knowledge. Through annual safety reviews that are in line with our Group's protocols and diligent follow-ups to enforce necessary corrective actions, we ensure the secure management of our vessels.

Furthermore, we strive to maintain a safe workplace and keep up-to-date on the latest laws and regulations governing our operations. For instance, an amendment was announced under The International Maritime Dangerous Goods ("IMDG") Code⁸ (Amendment 41-22), which has been mandatory from 1 January 2024 though could be applied in whole or in part voluntarily from 1 January 2023. The amendment

8 The IMDG code specifies the basic principles and detailed recommendations of transporting Dangerous Goods ("DG") by sea.

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Performance indicator	Performance in 2023	Target Status for 2023	Target for 2024
Number of significant incidences involving dangerous goods	0	Zero workplace fatalities as a result of work-related injury or high consequence work-related injuries: Target Achieved	Zero workplace fatalities as a result of work-related injury or high-consequence work-related injuries
Number of high-consequence work-related injuries ⁹	0		
Number of fatalities as a result of work-related injury	0		
Number of workplace injuries	1		

contains revisions to various transport requirements for specific substances and comes alongside the update to the 23rd Edition of the UN Model Regulations where several new UN Numbers added to the Dangerous Goods ("DG") list. We have incorporated these changes in the database of our DG Management System.

Our vessel crew members are subject to routine mandatory health check-ups, including pre-boarding drug and alcohol screenings, complemented by regular and random spot checks on board. Our vessels are certified under the Maritime Labour Convention ("MLC") and they obtained the Crew Accommodation Certification, which is part of a comprehensive international legal framework designed to ensure the rights of seafarers are protected, including their living and working conditions on board ships. The

crew accommodation requirements encompass minimum age, rest hours, accommodation and onboard facilities, food and catering, wage payment and medical practitioner qualifications. Additionally, it also requires fitness and recreational equipment on board for the crew's well-being.

Our ship managers are consistently reminded to be vigilant when implementing SOPs regarding crew safety and cargo handling. For example, one of our vessels experienced an incidental collision while navigating according to the proper rules, due to manoeuvring misjudgement of the other vessel. The crew reacted immediately based on the SOPs and the lessons learnt were shared across the fleet. Although the accident caused damage to our vessel, no crew or personnel were injured. We are confident in our procedures and continue to implement vigilance to strengthen our SOPs to minimise the risk of fatalities occurring from future events.

In 2023, while we also achieved our target and reported zero fatalities and zero high-consequence work-related injuries, there was one workplace injury sustained at one of our vessels. Our engineer onboard had a minor injury which happened during a pipe repair work in the vessel. The crew was immediately given first aid assistance.



⁹ Work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Our local agent was informed of this incident, and the crew was referred for further medical action upon the berth of the vessel at the next port. To mitigate similar incident in the future, all crew were reminded to comply with proper PPE kit during work onboard.

Despite recording only one work-related injury in over 625,000 hours of employee and worker man-hours in the year, Samudera took workplace injury seriously and with utmost diligence to understand the causes and to identify the corrective action needed to prevent future occurrence.

In 2023, there were no significant incidents involving dangerous goods handling resulting in personal injury. Samudera will continue to emphasize workplace safety and has

scheduled training on topics such as ship general safety, risk assessment, hazards awareness and working at height. Monthly Safety Committee meetings are also conducted, to review health and safety cases on a regular basis and provide a platform for a feedback loop to improve and maintain workplace safety.

INVESTING IN EMPLOYEE DEVELOPMENT

At Samudera, we value our motivated and skilled team as key to our success. This is why we focus on enhancing our employees' career development and job satisfaction. We support their growth with educational and training opportunities, both internally and externally. New hires will go through an orientation that covers

essential policies, including the Employee Code of Conduct. We also offer ongoing training to help our staff improve their skills, ensuring they work safely and efficiently. This commitment allows us to provide top-notch service to our clients.

We also encourage active learning among our employees. For instance, our 'Learning & Development policy' provides financial sponsorship to help our employees pursue development opportunities that may not otherwise be available to them. The sponsorship can be used for part-time degrees and other eligible training opportunities such as certified skills training programmes, industry seminars and conferences, or to obtain relevant professional

For employees and workers who are not employees but whose work and/or workplace is controlled by Samudera (e.g. Crew)		2020	2021	2022	2023
Fatalities as a result of work-related injury	Number of incidents	0	0	0	0
	Rate (per 1,000,000 hours worked) ¹⁰	0	0	0	0
High-consequence work-related injuries (excluding fatalities) ¹¹	Number of incidents	0	0	0	0
	Rate (per 1,000,000 hours worked)	0	0	0	0
Lost time injuries ¹²	Number of incidents	1	0	0	1
	Rate (per 1,000,000 hours worked)	1.8	0	0	1.6

10 Rate (per 1,000,000 hours worked)= (Number of incidents) (Number of hours worked) x 1,000,000

11 A work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months, per GRI Standards

12 A workplace injury is a workplace or work-related traffic injury that results in at least 24 hours of hospitalisation or 3 days MC due to a single work-related accident (whether consecutive or not), as per reported to the Ministry of Manpower in Singapore.

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qualifications. Our People and Technology Division has also established guidelines for employees to attend external courses. We also form partnerships with educational institutes, providing tertiary education students with opportunities for work attachments and rewarding exemplary students with scholarships, thus shaping the next generation and encouraging them to consider a career in the maritime industry.

A great variety of training was made available to our employees in 2023 (Table 2.6). The training topics not only focused on operational professionalism and regulatory compliance, but also covered practical skills for workplace safety and wellness. For example, we had employees across departments attending the first-aid, fire incident in workplace and Community Emergency Preparedness Programme (CEPP). Employees are always encouraged to take training sessions arranged by our in-house training centre,



Samudera Indonesia Corporate University ("SICU"), including online teaching and learning sessions through UdeMy as well as other hybrid training sessions. Furthermore, the Company also supports its employees to attend trainings conducted by external consultants to upskill themselves.

The flexibility and ease of access provided by the online platform has helped us maintain a relatively high employee training hours. We managed to achieve an average of 8.5 training hours per employee in 2023 (average of 8.6 hours per male employee, average of 8.5 hours per female

employee). Even though this overall average was slightly lower than our 2022 average training hours (9.1 training hours per employee), it was still significantly higher compared to target (3 training hours per employee). Details of the training conducted in 2023 for employees and crew are listed in Table 2.6, while Table 2.7 breaks down the training hours by gender and employee category.

Moving forward, we will increase our average training hours target to at least five hours per employee per year, from three hours, as we believe in the importance of developing our human resources.

Performance indicator	Performance in 2023	Target Status for 2023	Target for 2024
Average hours of training per employee	8.5	No less than 3 hours average training per employee: Target Achieved	Diverse and relevant training programme in our efforts to broaden and deepen the knowledge and experience of our employees
Provision of programmes for upgrading employee skills	See Table 4 for mentions of various programmes	Maintain a diverse and relevant training programme: Target Achieved	No less than 5 hours average training per employee per year
Percentage of employees receiving regular performance and career development reviews	100%	100% of employees to receive regular performance and career development reviews: Target Achieved	

TABLE 2.6

List of types of trainings and topics covered during the reporting period

Aspect	Training Topic
Orientation	<ul style="list-style-type: none"> New Employee Orientation
Specialised training for crew	<ul style="list-style-type: none"> Formal Familiarisation with Management System Planned Management System NS5 Ship Safety Officer Familiarisation with Electronic Chart Display and Information System (ECDIS)
Training for employees (conducted by external consultants)	<ul style="list-style-type: none"> Shipping related trainings (e.g. time charters, shipping documents and operations, bunker industry) International Maritime Dangerous Goods (IMDG) Principles of shipbroking Shipping laws & dispute Container management & practices Project logistics fundamentals Finance & tax related workshops (e.g. IFRS updates, GST) HR related trainings (e.g. performance management & KPIs, counselling, HR law in several countries in Asia) PAYmaster seminar IT related trainings (e.g. SQL Database Administration, VMware vSphere) First Aid with CPR procedure Community Emergency Preparedness Programme (CEPP) Respond to fire incident in workplace
Training for employees (conducted by SICU)	<ul style="list-style-type: none"> The project management course Practical leadership skills Statistics for data science & business analysis Business writing & technical writing immersion Various topics of learning in Udemy

TABLE 2.7

Breakdown of training hours by gender and employee category

Gender	Total Training Hours	Number of employees	Average number of training hours per employees
Male	509	59	8.6
Female	820	97	8.5
Total	1,329	156	8.5

Employee Category	Total Training Hours	Number of employees	Average number of training hours per employees
Senior Management	57	7	8.1
Middle Management	167	56	3.0
Executive	1,105	93	11.9
Total	1,329	156	8.5

Performance review is a vital tool for supporting career growth. It helps to set short-term and long-term career goals, identify developmental needs and provides a platform for open communication between the manager and employee. In 2023, we conducted a performance review for 100% of our employees.

DIVERSITY AND INCLUSION

Samudera is dedicated to fostering a diverse and inclusive workplace environment. Since 2017, the majority of our workforce has comprised female employees, a trend that continues in 2023, with women holding 62% of roles. We recognise the value of diversity at all levels of our organisation, including the Board of Directors level, where we acknowledge the importance of diversity in terms of age, gender, nationality, experience and tenure. To formalise this commitment, the Board adopted a Board Diversity Policy on 17 March 2022.

Additionally, we have robust policies in place to prevent discrimination and harassment, ensuring a safe and conducive environment for all employees. Moving forward, we are dedicated to maintaining a work environment that respects diversity and supports inclusivity.

On average, the majority of our employees (79% of workforce comprising of Samudera, Silkargo, SSM

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TABLE 2.8

Percentage breakdown of employees by age

Company	Male			Female		
	≥30 years old	31-36 years old	>60 years old	≥30 years old	31-36 years old	>60 years old
Samudera	19%	68%	13%	12%	81%	7%
Silkargo	0%	100%	0%	0%	100%	0%
Samudera Ship Management	0%	100%	0%	33%	67%	0%
Samudera Tankers	0%	100%	0%	0%	0%	0%

and STPL) fall within the age bracket of 30 to 60 years old, with 13% under 30 years old and 8% over 60 years old (Table 2.8).

MAINTAINING A STRONG COMPLIANCE RECORD

At Samudera, adherence to compliance standards is paramount to upholding our reputation and operational integrity. Our consistent track record of compliance underscores our commitment to preserving the trust we have cultivated with our stakeholders over time. Internally, we actively identify, assess and manage compliance

risks. We monitor changes to relevant laws and regulations through various channels, including media, press releases and legal counsel consultations and publications. When needed, we engage external legal counsel or professionals to support the implementation of policies or frameworks and ensure compliance with laws and regulations, such as those pertaining to Anti-Money Laundering and Personal Data Protection.

To further fortify our compliance efforts, we provide training for directors and relevant employees of the Group on significant new areas of law and regulation

to ensure they understand evolving requirements.

We take a zero-tolerance stance towards fraudulent behaviours, including corruption and bribery. In addition to our Employee Handbook, we have a whistle-blowing policy to report any suspected unethical and illegal practices. Details of this policy are available on our website and whistle-blowing channels can be accessed via whistleblow@samudera.id or mail to our office address. Access to these channels is restricted to the Head of Internal Audit and Chairman of Audit Committee.

To reiterate our commitment to fostering a work environment that is fair and safe for all, we are in the midst of updating our Employee Handbook to include a clause on respecting international human rights standards and frameworks to ensure

Performance indicator	Performance in 2023	Target Status for 2023	Target for 2024
Percentage of women employees	62%	New target implemented for 2023	Commitment to developing a diverse and inclusive workforce

Performance indicator	Performance in 2023	Target Status for 2023	Target for 2024
Number of incidents of non-compliance with laws and regulations ¹³ which resulted in significant fines ¹⁴ or non-monetary sanctions	0	Zero non-compliance: target achieved	Maintain zero incidents with laws and regulations resulting in significant fines or non-monetary sanctions

13 Laws and regulations involving dangerous goods, oil spills, other environmental aspects (e.g. air quality, noise, biofouling etc.) and social and economic aspects applicable to our operations

14 Significant cases are those resulting in a court case, imprisonment, or fine above S\$100,000

that what we do does not infringe on fundamental human rights through our operations, services or business relationships.

In 2023, we received zero report to our whistleblowing channels and achieved our target of maintaining zero significant cases of non-compliance and regulations. For 2024, we aim to maintain the same good compliance records.

Enhancing IT Security Network

The information stored in Samudera’s computer systems represents one of its most valuable assets. This information is at risk from many threats and there is a need to implement measures which preserve its confidentiality, integrity and availability. The security policy is required to provide a range of information system security defences against these threats. In this regard, Samudera continuously update its information system security policy. The purpose of this security policy is to preserve:

- **Confidentiality** - data access is confined to those with specified authority to view the data

- **Integrity** - all system assets are operating correctly according to specification and in the way the current user believes them to be operating
- **Availability** - information is delivered to the right person, when needed.

Furthermore, Samudera continues to update its cybersecurity policy management platform and end user security. The end user security device blocks phishing links/targets, malicious and unwanted domains, IP addresses and cloud applications before a connection is ever established, along with providing better accuracy and detection of compromised systems. The security management platform works with network devices to enforce a secured access policy over endpoint access. This is especially important as incidences of ransomware and other types of cyber-attacks are increasing globally. Furthermore, hacking devices such as a range of key-loggers and network sniffers which can be used to manipulate the data retrieved can easily be purchased. To avoid

any unwanted or hacking devices from being planted in our network, the security management platform will carry out a device and application authentication before allowing connections to any PC/devices on our network.

In line with our commitment to business reliability, Samudera also seeks to build resilience in our digital systems and have implemented our DR – Disaster Recovery site to prepare against any security breach or unplanned server breakdown. Samudera has also implemented advanced access management to improve IT infrastructure management. Together, these security network environment systems form our defence against cyber-attacks and have allowed us to maintain our productivity level.

In 2023, we did not receive any complaints (from regulatory bodies and external parties) concerning breach of customer privacy, nor did we report any actual breaches in our security network. We will continue to maintain and upgrade our security systems to stay abreast of IT risks.

GRI CONTENT INDEX

This report has been prepared in accordance to GRI Standards: Core option.

UNIVERSAL STANDARDS

General Disclosures

2-1	Organisational details	AR Pages 1-7
2-2	Entities included in organisation's sustainability reporting	AR Page 41 SR (AR page 52)
2-3	Reporting period, frequency and contact point	Reporting period: 1 January 2023 - 31 December 2023. Sustainability Report 2022 was published in April 2023. Contact point: sustainability@samudera.id ; or (+65) 6403 1687
2-4	Restatements of information	There are no restatements of information.
2-5	External assurance	No external assurance sought for the report.
2-6	Activities, value chain and other business relationships	AR Pages 1-7, 41 There were two additional subsidiaries established.
2-7	Employees	SR (AR Pages 61, 71-73) Data collected at the end of 2023. No significant fluctuation in the number of employee compared to FY2022.
2-8	Workers who are not employees	There are 152 crews on board our owned vessels. Data collected at the end of 2023. Crew member increased compared to 2022 due to increase of number of owned vessels.
2-9	Governance structure and composition	AR Pages 24-30, 53 CGR (ARF Pages 5-12)
2-10	Nomination and selection of the highest governance body	CGR (ARF Pages 13-15)
2-11	Chair of the highest governance body	AR Pages 24-30, 53 CGR (ARF Pages 4,11)
2-12	Role of the highest governance body in overseeing the management of impacts	SR (AR Pages 52-53) CGR (ARF Pages 3-4,11)
2-13	Delegation of responsibility for managing impacts	SR (AR Pages 52-53) CGR (ARF Pages 3, 5)
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance (AR Pages 52-53) CGR (ARF Pages 3-7, 11, 22-23)
2-15	Conflicts of interest	CGR - Conflict of Interest (ARF Pages 4, 6, 11, 29)
2-16	Communication of critical concerns	WhistleBlowing Policy (AR Pages 72-73) CGR (ARF Pages 25-26)
2-17	Collective knowledge of the highest governance body	CGR - Directors' Orientation and Training (ARF Pages 4-5, 9-10)
2-18	Evaluation of the performance of the highest governance body	CGR - Board Performance (ARF Pages 15-16)
2-19	Remuneration policies	CGR - Remuneration Matters (ARF Pages 16-21)

AR : Annual Report
ARF : Annual Report (Financial)
CGR : Corporate Governance Report
SR : Sustainability Report
RMPP : Risk Management Policies and Processes

UNIVERSAL STANDARDS

General Disclosures

2-20	Process to determine remuneration	CGR - Remuneration Matters (ARF Pages 6-21)
2-21	Annual total compensation ratio	We do not disclose against this metric due to confidentiality constraints.
2-22	Statement on sustainable development strategy	SR (AR Pages 50-51)
2-23	Policy commitments	SR (AR Pages 62-73) RMPP (ARF Pages 32-34) The policy commitments are publicly available via SR. The policy commitments were approved through internal authorisation matrix.
2-24	Embedding policy commitments	RMPP (ARF Pages 32-34)
2-25	Processes to remediate negative impacts	SR (AR Pages 62-67) Grievance policy is embedded into the Employee Handbook. Grievances are received through internal supervisory.
2-26	Mechanisms for seeking advice and raising concerns	SR (AR Pages 53, 72)
2-27	Compliance with laws and regulations	SR (AR Pages 62,72)
2-28	Membership associations	Samudera is a member of various professional associations, including Singapore Shipping Associations.
2-29	Approach to stakeholder engagement	SR (AR Pages 53, 57-58)
2-30	Collective bargaining agreements	Not applicable

Material topics

3-1	Process to determine material topics	SR (AR Pages 53-55)
3-2	List of material topics	SR (AR Pages 53-55)
3-3	Management of material topics	SR (AR Pages 53-55)

TOPIC STANDARDS

Generating Economic Value

201-1	Direct economic value generated and distributed	SR (AR Page 61) "Generating Economic Value" ARF Pages 113-116
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Strengthening Environmental Controls and Taking Climate Action

305-1	Direct (Scope 1) GHG emissions	SR (AR Pages 64-67) "Taking Climate Action"
305-2	Energy indirect (Scope 2) GHG emissions	SR (AR Pages 64-67) "Taking Climate Action"

Providing Safe Working Environment

403-1	Occupational health and safety management system	SR (AR Pages 67-69) "Providing Safe Working Conditions"
403-2	Hazard identification, risk assessment, and incident investigation	SR (AR Pages 67-69) "Providing Safe Working Conditions"
403-3	Occupational health services	SR (AR Pages 67-69) "Providing Safe Working Conditions"
403-4	Worker participation, consultation, and communication on occupational health and safety	SR (AR Pages 67-69) "Providing Safe Working Conditions"
403-5	Worker training on occupational health and safety	SR (AR Pages 67-69) "Providing Safe Working Conditions"
403-6	Promotion of worker health	SR (AR Pages 67-69) "Providing Safe Working Conditions"
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR (AR Pages 67-69) "Providing Safe Working Conditions"
403-9	Work-related injuries	SR (AR Pages 67-69) "Providing Safe Working Conditions"

GRI CONTENT INDEX

This report has been prepared in accordance to GRI Standards: Core option.

TOPIC STANDARDS

Investing in Employee Development

404-1	Average hours of training per year per employee	SR (AR Pages 69-71) "Investing in Employee Development"
404-2	Programs for upgrading employee skills and transition assistance programs	SR (AR Pages 69-71) "Investing in Employee Development"
404-3	Percentage of employees receiving regular performance and career development reviews	SR (AR Pages 69-71) "Investing in Employee Development"

Diversity and inclusion

405-1	Diversity of governance bodies and employees	SR (AR Pages 71-72) "Diversity and Inclusion"
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Maintaining a strong compliance record

Covered in GRI 2-27

Building resilience in information system

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR (AR Pages 72-73) "Maintaining a Strong Compliance Record"
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TCFD CONTENT INDEX

PRIMARY DIMENSIONS

Governance

Disclose the organisation's governance around climate-related issues and opportunities.

Strategy*

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.

Risk Management

Disclose how the organisation identifies, assesses and manages climate-related risks.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

RECOMMENDED DISCLOSURE

- A The board's oversight of climate-related risks and opportunities
- B Management's role in assessing and managing risks and opportunities
- A Climate-related risks and opportunities identified over the short, medium & long term
- B Impact of climate-related risks and opportunities on strategy and financial planning
- C Resilience of the company's strategy under different climate-related scenarios
- A The company's processes for identifying and assessing climate-related risks
- B The company's processes for managing climate-related risks
- C How the company integrates its processes for identifying, assessing & managing climate-related risks into overall risk management
- A The metrics used to assess climate-related risks and opportunities-related risks and opportunities
- B Scope 1, Scope 2, and (if appropriate) Scope 3 GHG emissions & the related risks
- C Targets used to manage climate-related risks (including performance against targets)

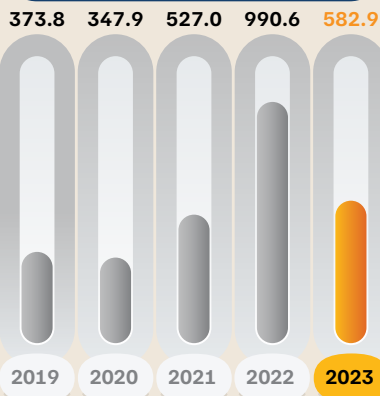
SAMUDERA'S DISCLOSURE

- SR (AR Pages 64-65) "Taking Climate Action-Governance"
- SR (AR Pages 64-65) "Taking Climate Action-Governance/Strategy"
- SR (AR Page 65) "Taking Climate Action-Strategy"
- SR (AR Page 65) "Taking Climate Action-Strategy"
- SR (AR Page 65) "Taking Climate Action-Strategy"
- SR (AR Pages 65-66) "Taking Climate Action-Risk management"
- SR (AR Pages 65-66) "Taking Climate Action-Risk management"
- SR (AR Pages 65-66) "Taking Climate Action-Risk management"
- SR (AR Pages 66-67) "Taking Climate Action-Metrics and targets"
- SR (AR Pages 66-67) "Taking Climate Action-Metrics and targets"
- SR (AR Pages 66-67) "Taking Climate Action-Metrics and targets"

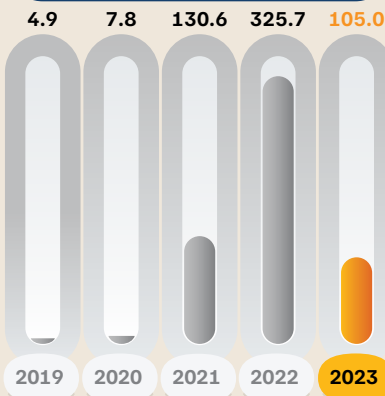
* To disclose detailed scenario analysis based on the phased approach in future sustainability reports

Financial Highlights

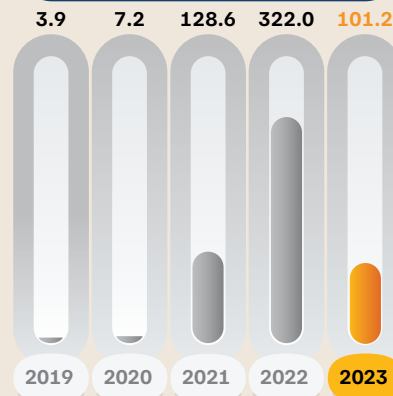
TURNOVER (US\$M)



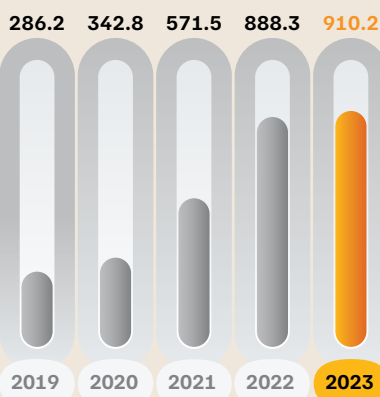
PROFIT BEFORE TAX (US\$M)



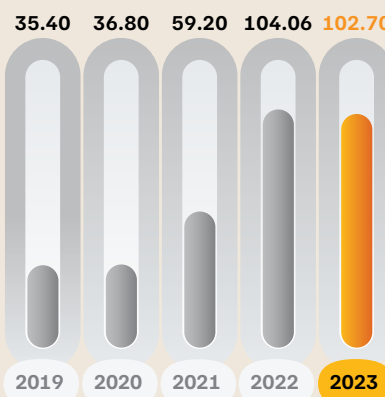
PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (US\$M)



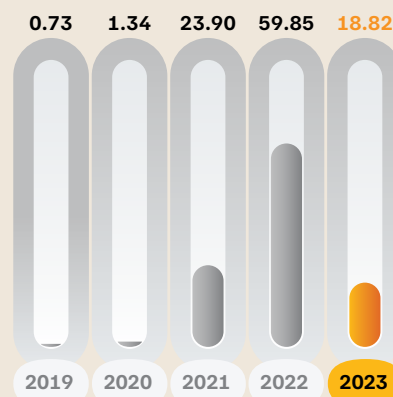
TOTAL ASSETS (US\$M)



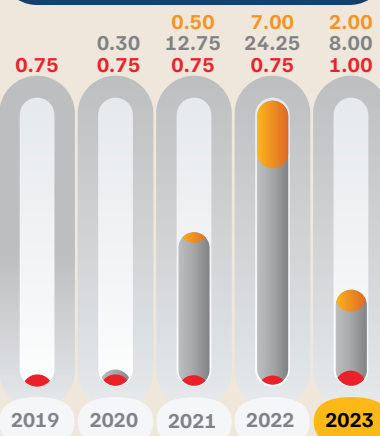
NET ASSET VALUE PER SHARE (US Cents)



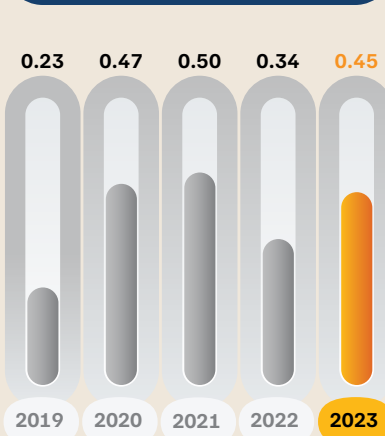
EARNINGS PER SHARE (US Cents)



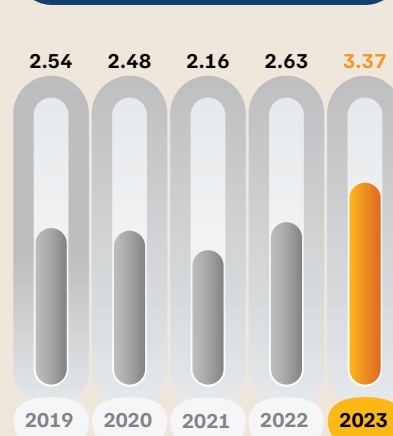
DIVIDEND PER SHARE (SGD cents)



GEARING RATIO* (Times)



CURRENT RATIO (Times)



- Interim Dividend
- Special Dividend
- Final Dividend

* Gearing ratio is calculated as debts (bank term loans and lease liabilities) divided by total equity excluding non-controlling interests.

Corporate Information

BOARD OF DIRECTORS

Executive

Bani Maulana Mulia
(Group Chief Executive Officer)
Ridwan Hamid
(Group Business Support)
Tan Meng Toon
(Group Business Operations)

Non-Independent & Non-Executive

Masli Mulia
(Chairman)

Independent & Non-Executive

Quah Ban Huat
(Lead Independent)
Nicholas Peter Ballas
Ng Chee Keong
Lee Lay Eng Juliana
Low Chee Wah

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

SECRETARY

Eunice Hooi Lai Fann

REGISTERED OFFICE

6 Raffles Quay #25-01
Singapore 048580
Tel: (65) 6403 1687
Fax: (65) 6403 1879

SHARE REGISTRAR

Boardroom Corporate &
Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6438 8710

AUDITORS

Ernst & Young LLP
Certified Public Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

PARTNER-IN-CHARGE

Yee Woon Yim
(Appointed with effect
from Financial Year 2019)

PRINCIPAL BANKERS

BNP Paribas

10 Collyer Quay #34-01
Ocean Financial Centre
Singapore 049315

Maybank

2 Battery Road #21-00
Maybank Tower
Singapore 049907

Citibank N.A. Singapore

8 Marine View #21-00
Asia Square Tower 1
Singapore 018960

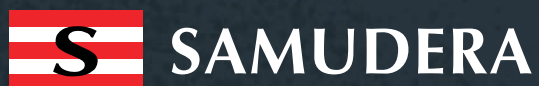
Standard Chartered Bank

Marina Bay Financial Centre, Tower 1
8 Marina Boulevard, Level 23
Singapore 018981





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SAMUDERA SHIPPING LINE LTD
ANNUAL REPORT 2023

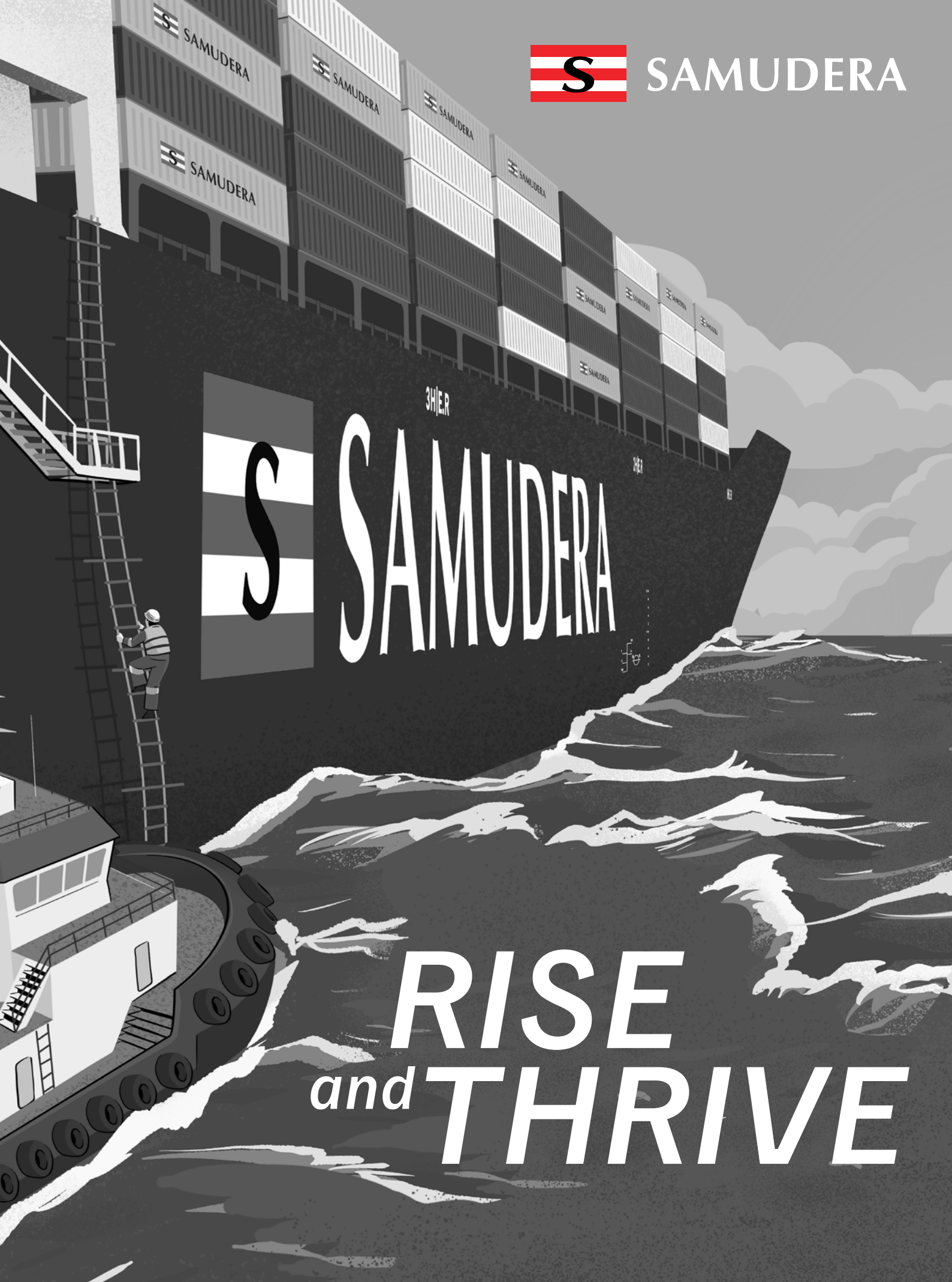
6 Raffles Quay #25-01
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Co. Reg. No.: 199308462C

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SAMUDERA



RISE
and **THRIVE**

Financial

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CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or the “**Directors**”) of Samudera Shipping Line Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) is committed to maintaining transparency and ensuring that a high standard of corporate governance is practiced throughout the Group so as to align with shareholders’ interests and enhance shareholders’ value.

This report describes the Group’s corporate governance processes and practices that were adopted and in place throughout the financial year ended 31 December 2023 (“**FY2023**”) with specific reference to the Principles and the Provisions of the Code of Corporate Governance 2018 (issued on 6 August 2018 and last amended on 11 January 2023), including the accompanying Practice Guidance (the “**Code**”) and the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Company has complied substantially with the Code and where there are any deviations, appropriate explanations and/or alternative corporate governance practices adopted by the Company have been provided in the relevant sections below. In areas where the Company has not complied with the Code, the Board will continue to review and assess the Company’s corporate governance practices regularly so as to determine the needs to implement appropriate measures in order to enhance shareholders’ value and corporate accountability.

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 sets the appropriate tone-from-the-top for the entire organisation where ethics and values are concerned. The Board works together with Management and oversees the operations and business 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 not only supervises Management’s performance toward maximising long-term shareholders’ value, but is also responsible for setting the strategic direction and establishing goals for 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 include:

- 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 Group CEO;

CORPORATE GOVERNANCE REPORT

- To approve the framework of remuneration for Directors and KMP as recommended by the Remuneration Committee;
- To review any conflicts 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 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 50 to 76 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 Group CEO and the Executive Directors.

In line with the changes to the Group's organisational structure and the definition of KMP under the Listing Rule and Code, Executive Directors and Managing Directors of the Group, who are reporting to the Group CEO, are classified as KMP of the Company. For FY2023, the Company has four KMPs, who are not Directors or the CEO of the Company.

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.

In line with the changes to the Group's organisational structure, including Executive Directors, Managing Directors and Head of Departments, an updated and revised Authorisation Matrix was reviewed and approved by the Board on 27 February 2024.

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.

CORPORATE GOVERNANCE REPORT

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.

Mr Bani Maulana Mulia (Group CEO and Executive Director) and Mr Ridwan Hamid (Executive Director, Group Business Support) are also Directors of the Company's controlling shareholders and in instances where conflict of interest exist, they will abstain from voting and/or making recommendation. In consultation with the Audit Committee, the Company has put in place a set of procedures and measures to mitigate any potential conflict of interests arising from the dual directorship of Mr Bani and Mr Ridwan since their appointment as Executive Directors of the Company in 2020.

Board Competencies

As part of the Board renewal process, the Nominating Committee ("**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, based on the NC's review and recommendation, the Board had approved the appointment of Mr Low Chee Wah as an Independent and Non-Executive Director of the Company with effect from 1 August 2023.

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. As disclosed in the Company's announcement released on 31 July 2023 pursuant to Appendix 7.4.1 of the SGX-ST Listing Manual, Mr Low Chee Wah has prior experience as a director of a company listed on SGX and was not required to undergo any further trainings as prescribed by SGX.

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 regular updates on latest development and issues pertaining to regulatory changes, corporate matters as well as corporate governance.

During FY2023, 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
Ridwan Hamid	SID – Director Financial Reporting Fundamentals

In the year 2022, all the Board members had attended LED - Environmental, Social and Governance Essentials (Core) conducted by SID in order to meet the enhanced sustainability reporting rules that mandated sustainability training for all directors of issuers listed on SGX-ST.

CORPORATE GOVERNANCE REPORT

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 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 FY2023, 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 electronic means either via a telephone/video 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 FY2023 is set out as follows:

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

(1) Mr Low Chee Wah was appointed as an Independent and Non-Executive Director of the Company with effect from 1 August 2023. There were 2 Board meetings held during the period August to December 2023 and Mr Low had attended both the Board meetings.

CORPORATE GOVERNANCE REPORT

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 28 to 30 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 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.

CORPORATE GOVERNANCE REPORT

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 five 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	27.04.2022	–	Member	–
Bani Maulana Mulia	Executive Director and Group CEO	01.09.2020	28.04.2023	–	–	–
Ridwan Hamid	Executive Director, Group Business Support	01.11.2020	28.04.2023	–	–	–
Tan Meng Toon	Executive Director, Group Business Operations	01.08.2018	27.04.2022	–	–	–
Quah Ban Huat	Lead Independent Director and Non-Executive	31.10.2013	27.04.2022	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	28.04.2023	Member	Chairman	Member
Lee Lay Eng Juliana	Independent and Non-Executive Director	01.08.2018	28.04.2021	Member	Member	Member
Low Chee Wah	Independent and Non-Executive Director	01.08.2023	–	–	–	–

At the NC's recommendation, the Board had approved the appointment of Mr Low Chee Wah as an Independent and Non-Executive Director of the Company with effect from 1 August 2023.

Provisions 2.1, 2.2 and 2.3: Board Independence

The NC conducts annual review of the Board composition and for FY2023, the NC is satisfied that (i) majority of the Board composition is made up of Non-Executive Directors (66.67%) in line with Provision 2.3 of the Code; and (ii) majority of the Board composition is made up of Independent and Non-Executive Directors (55.56%) in line with the SGX Listing Rule 210(5)(c) and Provision 2.2 of the Code. No individual or small group of individuals dominate the Board's decision making process enabling the Board members to make decisions in the best interest of the Company. 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 and there is no undue influence by Management over the Board.

The profiles of the Directors, including information on their qualifications and experiences are set out on pages 24 to 30 of this Annual Report.

CORPORATE GOVERNANCE REPORT

The independence of each Independent and Non-Executive Director is assessed annually by the NC. For FY2023, 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 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 FY2023.

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 Code. The NC will then review the declarations submitted by each Independent and Non-Executive Director to determine their independence.

When deliberating on the nomination of Mr Low Chee Wah's appointment as an Independent and Non-Executive Director of the Company, the NC had reviewed and determined Mr Low's independence in accordance with SGX Listing Rule 210(5), Provision 2.1 and Practice Guidance 2 of the Code. The NC also took into consideration the disclosure from Mr Low that his spouse is an equity partner in Ernst & Young LLP ("**EY**"), which is the Company's external audit firm. Mr Low's spouse is also an equity partner and head of tax of Ernst & Young Solutions LLP ("**EYS**"), an affiliate of EY, which provides tax and other non-audit services to the Group.

In connection therewith, the NC had sought and obtained the following assurance and confirmation from the corporate lawyer, EY and Mr Low:

- (i) Confirmation from Mr Low to the AC Chairman that his spouse does not hold 5% or more interest in EY and EYS and he satisfies the requirements for independent director pursuant to Provision 2.1 of the Code;
- (ii) No-objection clearance confirmation from EY that the appointment of Mr Low as Independent Director of the Company would not impair EY's independence as external auditor of the Company; and
- (iii) Legal opinion from the corporate lawyer that Mr Low can be regarded as independent as long as he confirms that his spouse does not hold 5% or more interest in EY and EYS and he satisfies the requirements for independent director pursuant to Provision 2.1 of the Code and SGX Listing Rule 210(5).

In order to mitigate any potential conflict of independence, the NC had determined and resolved that Mr Low would not be appointed as a member of the AC, and he would have to reclude from all discussion on conflicted issues. In addition, Mr Low must also disclose to the AC and NC on any conflict of interest (arising due to his spouse's position as equity partner in both EY and EYS) as soon as he is aware of the matter.

For the year under review, the NC has reviewed the independence of Messrs Quah Ban Huat, Nicholas Peter Ballas, Ng Chee Keong, Lee Lay Eng Juliana and Low Chee Wah, 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 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)(iv)

The date of appointment of each Independent Director of the Company is set out on pages 28 to 30 of this Annual Report. Three (3) out of the five (5) Independent Directors, namely, Messrs Quah Ban Huat, Nicholas Peter Ballas and Ng Chee Keong have served on the Board for more than nine years from the date of their first appointment. The Company had sought shareholders' approval on the continued appointment of Mr Ballas and Mr Quah as Independent Directors of the Company via the two-tier voting at the Company's Annual General Meeting ("**AGM**")

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held on 28 April 2021 and 27 April 2022, respectively, pursuant SGX Listing Rule 210(5)(d)(iii) (*which was deleted with effect from 11 January 2023*). Based on Mr Ng's date of appointment of 23 July 2014, he had reached his ninth year of appointment as the Independent Director of the Company on 23 July 2023.

The new SGX Listing Rule 210(5)(d)(iv) which comes into effect on 11 January 2023 and the SGX Transitional Practice Note 4 states that during the transitional period between 11 January 2023 and the date of the issuer's AGM for the financial year ending on or after 31 December 2023, independent directors who have served on the Board for an aggregate of more than nine years (whether before or after listing) can continue to be deemed independent as long as they meet the requirements in Listing Rules 210(5)(d)(i) and 210(5)(d)(ii) until the conclusion of the Company's AGM scheduled on 29 April 2024 ("**FY2023 AGM**"); and thereafter, must resign or be designated as a non-independent director at the conclusion of the FY2023 AGM.

The Board, after taking into consideration the NC's evaluation and recommendation, resolved that Messrs Quah Ban Huat, Nicholas Peter Ballas and Ng Chee Keong, each of them individually, have met the definition/requirements of independence in the Listing Rules 210(5)(d)(i) and 210(5)(d)(ii) and can continue to be deemed independent until the conclusion of the Company's FY2023 AGM.

Since the end of 2022, the NC had actively commenced its selection process for potential candidates to be appointed as new Independent and Non-Executive Directors of the Company. During FY2023, the NC members had met, interviewed and short-listed three potential candidates for appointment as the Company's new independent directors in place of Messrs Quah Ban Huat, Nicholas Peter Ballas and Ng Chee Keong, who will be resigning as independent directors of the Company effective from the conclusion of the Company's FY2023 AGM on 29 April 2024.

Detailed information on appointment and cessation of independent directors pursuant to Appendix 7.4.1 and Appendix 7.4.2 of the SGX-ST Listing Manual would be announced via SGXNet in due course. The appointment of the three new Independent and Non-Executive Directors would be effective from the conclusion of the Company's FY2023 AGM and accordingly, the Company's Board composition would be in compliance with Provision 2.2 of the Code.

Messrs Quah Ban Huat, Nicholas Peter Ballas and Ng Chee Keong had abstained from all discussions, deliberations and decisions in respect of their 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 five (5) 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.

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.

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Board Diversity Policy

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, different background of core competency, industry knowledge and recognises the benefits of this diversity. A diversity of tenure will achieve the progressive renewal of the Board so that there is 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 Code. In particular, core competencies and expertise of the potential candidates would be paramount considerations.

The profiles of the Directors are set out on pages 24 to 30 of this Annual Report. The current Board composition provides a diversity of skills, gender, experience, and knowledge to the Company as follows:

Balance and Diversity of the Board (as at 31 December 2023)

	Number of Directors	Proportion of the Board
(i) Core Competencies/Skills Set		
Accounting, Taxation and Finance related	5	56%
Relevant Industry Knowledge	6	67%
Strategic Planning and Sustainability	8	89%
(ii) Gender		
Male	8	89%
Female	1	11%

The Board considers that its current Directors possess the necessary competencies, knowledge and diversity to lead and govern the Group effectively. As such, the NC is of the view that the Company does not need any additional targets or plans to further diversify its Board composition. Notwithstanding, the NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions and set targets and timelines (where required) to the Board for consideration and approval. The NC will also continue its identification and evaluation of suitable candidates to ensure and enhance its balance and diversity (including age, gender and skills set diversity) on the Board.

Provision 2.5: Meeting of Non-Executive Directors and/or Independent Directors without Management

During FY2023, 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.

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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 Group CEO

There is a clear division of roles and responsibilities between the Board Chairman and the Group 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 Group CEO of the Company and he was given a service contract setting out in writing his duties and responsibilities as the Group CEO of the Company. The Group 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 Group 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 Group CEO and Management.

The Group 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 serve 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, Group CEO or Executive Directors have failed to resolve or for which such contact is inappropriate. During FY2023, there were no query or request received from shareholders on any matters which required the Lead Independent Director's attention.

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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 Group CEO, the CFO (or a KMP of an equivalent position), Executive Directors, and KMP, including Managing Directors;
- 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 Code.

During FY2023, the NC had met three times 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;

CORPORATE GOVERNANCE REPORT

- (c) Reviewed and recommended the appointment of Mr Low Chee Wah as an Independent and Non-Executive Director of the Company;
- (d) Met, interviewed, short-listed and nominated the appointment of three potential candidates as Independent and Non-Executive Directors of the Company in place of Messrs Quah Ban Huat, Nicholas Peter Ballas and Ng Chee Keong, who will be resigning as directors of the Company effective from the conclusion of the Company's FY2023 AGM on 29 April 2024; and
- (e) Recommended the re-appointment of Directors retiring pursuant to SGX Listing Rule 720(5) ("**LR 720(5)**") and the Company's Constitution.

The NC also had several informal meetings during the year to interview and short-list potential candidates for appointment as Independent Directors.

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 on 29 April 2024 are as follows:

Name of Directors	Designation	Due for re-appointment pursuant to:
Low Chee Wah	Independent and Non-Executive Director	Article 97
Masli Mulia	Non-Independent and Non-Executive Chairman	Article 91 and LR 720(5)
Tan Meng Toon	Executive Director, Group Business Operations	Article 91 and LR 720(5)
Lee Lay Eng Juliana (Juliana Lee)	Independent and Non-Executive Director	Article 91 and LR 720(5)

There are no relationships including immediate family relationships between Messrs Low Chee Wah, Tan Meng Toon and Juliana Lee and the other Directors, the Company or its substantial shareholders.

Mr Masli Mulia does not have any relationship including immediate family relationship between each of the retiring Directors named above and the rest of the Directors of the Company, except Mr Bani Maulana Mulia. Mr Masli Mulia is the father of Mr Bani Mulia (the Group CEO) and Mr Trisnadi Sukur Muslim Mulia (Managing Director, Head of Strategy & Business Development). He is the Commissioner of PT Samudera Indonesia Tbk ("**PTSI**"), a controlling shareholder of the Company and PT Samudera Indonesia Tangguh ("**PTSIT**"), being the controlling shareholder of PTSI. He is also the President Commissioner of PT Ngrumat Bondo Utomo, being the ultimate holding company of the Company and PT NBU Indonesia Utama, a shareholder of PTSIT.

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.

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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 32 to 36 of this Annual Report.

Ms Juliana Lee, being a NC member had abstained from all discussions, deliberations and decisions in respect of her own performance assessment and 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 five (5) Independent and Non-Executive Directors, namely, Messrs Quah Ban Huat, Nicholas Peter Ballas, Ng Chee Keong, Lee Lay Eng Juliana and Low Chee Wah are independent, taking into account the circumstances set out in SGX Listing Rule 210(5), Provision 2.1 and Practice Guidance 2 of the 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 FY2023.

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 24 to 30 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 35 to 37 of the Annual Report (Financial).

CORPORATE GOVERNANCE REPORT

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 FY2023, 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 FY2023 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 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.

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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 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; and
- 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 Code.

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During FY2023, the RC had met once and:

- (a) Reviewed and deliberated on Management's proposal in respect of the one-off additional Directors' fees for FY2022 and the revised quantum of Directors' fees for FY2023 for the Board's consideration and shareholders' approval at the Company's AGM in 2023;
- (b) Reviewed and determined the remuneration packages and service contracts for Executive Directors, including the Group CEO to ensure that they are adequately but not excessively remunerated; and
- (c) Reviewed and determined the remuneration packages for the KMP, including the Managing Directors reporting to the Group CEO, to ensure that they are adequately but not excessively remunerated.

The RC members had also reviewed the quantum of bonus proposed by Management for the three Executive Directors, namely Messrs Bani Mulia, Ridwan Hamid and Tan Meng Toon in respect of the financial year ended 31 December 2022, and recommended the same for the Board's consideration and approval via a circular resolution in writing of the RC dated 29 March 2023.

In addition, the RC had also reviewed and recommended following proposals from Management at the RC meeting held in February 2024 for the Board's consideration, which will be tabled for the shareholders' approval at the Company's AGM to be held on 29 April 2024:

- (i) Additional Directors' fees in respect of FY2023 being payable to the new Independent Director, Mr Low Chee Wah, for the pro-rated 5-month period from his date of appointment of 1 August 2023 to 31 December 2023; and
- (ii) Directors' fees for the financial year ending 31 December 2024 ("**FY2024**"), to be paid quarterly in arrears to the Non-Independent and Non-Executive Chairman and the five Independent and Non-Executive Directors of the Company.

The RC also considered, in consultation with the Group 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.

During FY2023, external remuneration consultants had been engaged by the RC for the assessment of remuneration of the Executive Directors and KMPs, and the Directors' fees of the Non-Executive and Non-Independent Chairman and Independent Directors, including benchmark review against other listed companies of the same size and in the same shipping industry.

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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.

At the request from the RC, Management would engage external consultants, as and when required, to carry out benchmark reviews to ensure that the remuneration of the Group 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 as well as other listed companies of the same size and in the same industry. 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 and Group CEO 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 performance of each Executive Director, and the Group CEO is reviewed by the Chairman at the end of each financial year. A separate performance assessment is carried out for each Executive Director, and the Group CEO, respectively, some of the areas of assessment includes amongst other criteria, the following:

- Job knowledge and Expertise
- Commercial Sense
- Leadership

The RC takes into consideration the above-mentioned factors, amongst other criteria, when determining the variable component of the Executive Directors, and the Group CEO's remuneration.

For FY2023, the RC had reviewed and confirmed that the Executive Directors and the Group CEO had met the performance criteria as identified above .

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

The Company currently does not have any share-based compensation scheme or long-term incentive schemes involving the offer of shares or grant of options in place to encourage the KMP, Executive Directors, and Independent and Non-Executive Directors to hold shares in the Company.

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Provision 7.2: Remuneration of Non-Executive Directors

The Board comprises one (1) Non-Independent and Non-Executive Chairman and five (5) Independent and Non-Executive Directors. Each Non-Executive Director is given a letter of appointment; he/she do not have a service agreement with the Company.

When reviewing the structure and level of Directors' fees for each Non-Executive Director, the RC takes into consideration their respective roles and responsibilities in the Board and Board Committees, including level of contributions, and taking into account factors such as efforts and time spent. The five Independent and Non-Executive Directors are not overly compensated, the RC is mindful that the amount of Directors' fees proposed for each Independent and Non-Executive Director should not be excessive so as not to compromise or reasonably be perceived to compromise their independence. The Directors' fees for the Independent and Non-Executive Directors were last adjusted in FY2022.

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. The five Independent and Non-Executive Directors receive a base Director's fee. As at the date of this report, majority of the Independent Directors serve on the various Board Committees (AC, NC and RC) receive the same fees, while the Lead Independent Director receives a higher fee to reflect the expanded responsibilities.

The structure of the Directors' fees payable to the Independent and Non-Executive Directors of the Company for FY2023 is as follows:

Appointments	Per Annum
Independent and Non-Executive Directors	S\$61,600
Lead Independent Director's fee	S\$67,100

To facilitate the payment of Directors' fees during the financial year in which they are incurred, the Company is seeking shareholders' approval for:

- (i) Additional Directors' fees of S\$25,667.00 for FY2023 payable to Mr Low Chee Wah, who was appointed as an Independent and Non-Executive Director of the Company on 1 August 2023; and
- (ii) Directors' fees of S\$492,800.00 for FY2024, to be paid on a quarterly basis in arrears.

The Board concurred with the RC that the proposed Directors' fees for FY2024 is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors.

Each member of the RC had abstained from all discussions, deliberations and decisions in respect of their own remuneration. No director is involved in deciding his/her 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 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.

CORPORATE GOVERNANCE REPORT

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 the Four Key Management Personnel (who are not Directors or the CEO)

The Board has not included a separate remuneration report to shareholders in the Annual Report to fully disclose each individual Directors' remuneration or the four 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 at the financial year end, the Company has four KMP who are not Directors or the CEO, further details of KMP are set out on pages 38 to 39 of this Annual Report.

As explained in Provisions 7.1 and 7.3 above, the variable component of the remuneration for the Executive Directors, the Group 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 financial performance indicators 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 four KMP (who are not Directors or the CEO) of the Company and the Group.

A breakdown showing the level and mix of the remuneration paid and payable to each individual Director and four KMP (who are not Directors or the CEO) for FY2023 is set out as follows:

Remuneration Band	Name of KMP / Director	Salary	Bonus	Benefits	Directors' Fees
Key Management Personnel*					
S\$500,000 to below S\$750,000	Lee Thuan Aun Thomas	40.5%	53.1%	6.4%	0%
	Trisnadi Sukur Muslim Mulia	43.4%	41.8%	14.8%	0%
	Wong Pui Yee Agnes	40.7%	53.0%	6.3%	0%
	I Kadek Didik Wijaya	39.7%	52.2%	8.1%	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%
	Low Chee Wah ¹	0%	0%	0%	100%
Non-Independent and Non-Executive Director					
Below S\$250,000	Masli Mulia	0%	0%	0%	100%
Executive Directors					
S\$1,000,000 to below S\$1,250,000	Bani Maulana Mulia	31.1%	67.4%	1.5%	0%
S\$750,000 to below S\$1,000,000	Tan Meng Toon	34.9%	56.6%	8.5%	0%
S\$500,000 to below S\$750,000	Ridwan Hamid	36.8%	61.2%	2.0%	0%

* Above disclosure refers to KMP for FY2023 which includes 3 Executive Directors and 4 Managing Directors of the Group.

¹ Director's fee payable to Low Chee Wah for the pro-rata period from 1 August to 31 December 2023 will be tabled for shareholders' approval at the Company's forthcoming AGM.

CORPORATE GOVERNANCE REPORT

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 and each individual Director on a named basis as recommended by the Code. The remuneration details disclosed in bands of S\$250,000 for each individual director and the Group CEO on page 20 of the Annual Report as well as note 33 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 Code.

Total Aggregate Remuneration for the 4 KMP

The total aggregate remuneration paid and payable to the four KMP (who are not Directors or the CEO) of the Company for FY2023 is S\$2,326,320.

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 Group CEO and the four 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 FY2023 is set out below:

Remuneration Band	Name of Employees	Employees' Relationship
S\$600,001 to S\$700,000	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 Group 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 Code and recommend appropriate changes to the Company's practices and disclosures as and when deemed feasible and appropriate for the Company.

CORPORATE GOVERNANCE REPORT

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 34 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 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 2023.

CORPORATE GOVERNANCE REPORT

Provision 9.2: Assurance from the Group CEO and Executive Director, Group Business Support

For FY2023, the Board has received assurance from the Group CEO and the Executive Director, Group Business Support (being the key management personnel responsible for the overall finance and administrative function, risk management and internal controls systems of the Group) 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;

CORPORATE GOVERNANCE REPORT

- 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 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 ensuing 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 twice during FY2023.

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 KMPs 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.

CORPORATE GOVERNANCE REPORT

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 FY2023	S\$	% of Total
Total audit fees	337,800	88
Total non-audit fees	44,700	12
Total Fees payable	382,500	100

The AC is satisfied that the appointment of external auditors is in compliance with the requirements of SGX Listing Rule 712 for FY2023.

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 FY2023, 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 38 to 41 of the Annual Report (Financial).

Key Audit Matters	How the AC reviewed these matters and what decisions were made
Impairment Assessment of Vessels	<p>The AC reviewed management's impairment assessment of owned and leased vessels, which included valuation by independent external specialists.</p> <p>Detailed discussion with management was held taking into account industry trend.</p> <p>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 the valuation assessment.</p> <p>The AC was satisfied with the valuation assessment along with the methodologies used for the vessels owned and leased by the Group as disclosed in the financial statements.</p>

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

CORPORATE GOVERNANCE REPORT

- 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

Whistle-blowing concerns may be reported directly to the AC Chairman or the Head of Internal Audit via mail or email (whistleblow@samudera.id). The Group will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. 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 whistle-blowing concerns were reported for FY2023.

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 FY2023, 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 FY2023 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 FY2023 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).

CORPORATE GOVERNANCE REPORT

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 Notice and Proxy Form 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. In line with the Group's sustainability strategy, the Annual Report and its Appendix, EGM Circular, the notices and accompanying proxy form, and other related AGM documents are made available for download at the Company's website. Printed copies of these documents are available to Shareholders on request. 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 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. All the Directors had attended the Company's AGM and EGM held in 2023 in-person. Details of the Directors' attendance at the AGM and EGM held during FY2023 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.

CORPORATE GOVERNANCE REPORT

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 Code, the minutes of the Company's AGM and EGM held last year on 28 April 2023 were announced via SGXNet on 26 May 2023 and made available publicly on the Company's website.

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 were 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.

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 minimum 20% of its net profit attributable to shareholders.

The decision to propose dividend each year will depend on the Board's judgement of the Group's strategy and business plans, financial position, capital needs, and other factors.

In certain circumstances, the Board may not propose any dividend payment. Nonetheless, the Company's historical average payout ratio is around 40% over the past 10 years.

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 Code.

CORPORATE GOVERNANCE REPORT

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 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, survey 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 FY2023 is disclosed in the Company's Sustainability Report, which is set out on pages 50 to 76 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, building maintenance and security services and software development and system maintenance at the end of the financial year.

Save as disclosed in the Directors' statement and financial statements, there is no material contract 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 FY2023.

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 FY2023 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:

Interested person	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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Expenses				
Immediate holding company				
<u>PT Samudera Indonesia Tbk</u>				
Office rental	–	–	7	5
Vessel charter hire	–	–	2,881	3,248
Subsidiary				
<u>Samudera Ship Management Pte Ltd</u>				
Ship management fees	–	–	379	40
Related company				
<u>PT Samudera Agencies Indonesia</u>				
Agency commission ⁽¹⁾	–	–	2,610	2,550
<u>PT Samudera Indonesia Ship Management</u>				
Ship management fees	–	–	223	467
<u>PT Perusahaan Pelayaran Nusantara Panurjwan</u>				
Vessel charter hire	–	–	5,835	7,070
Slot space purchase	9	5	–	–
<u>PT Praweda Sarana Informatika</u>				
Software development and system maintenance	566	370	–	–
<u>PT Masaji Tatanan Kontainer Indonesia</u>				
Container depot storage / repair	–	–	151	150
<u>PT Ista Indonesia</u>				
Car rental	37	44	–	–
<u>PT Satuan Harapan Indonesia</u>				
Building maintenance and security services	567	193	–	–

INTERESTED PERSON TRANSACTIONS

Interested person	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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Sales				
Related company				
PT Samudera Energi Tangguh				
Vessel charter hire	–	–	6,259	6,142
	1,179	612	18,345	19,672

(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, building maintenance and security services 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 realisation of projects. This includes considering factors that trigger and give rise to such risks as well as its potential impact to the organisation. 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
- Operations
- 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 shipping, 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 strengthening 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.

RISK MANAGEMENT POLICIES AND PROCESSES

INVESTMENT

1. Written approval from the Board is necessary prior to implementation of any material 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 maximising 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 excluding lease liabilities 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.

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. The internal auditors conduct periodical review to assess the adequacy and effectiveness of internal control and audit findings with recommendation of improvement are reported to the Audit Committee. The Board regularly evaluates the appropriateness of the organisational structure where proper authorisation matrix and standard operating procedures are in place.
2. Regular management team meetings are held to facilitate effective communication and timely decision.
3. The Group places high emphasis on the quality of its human resources through placement and empowerment of the right people, talent management and the use of appropriate management control tools.
4. 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.
5. 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.
6. The Group adopts a fleet strategy that aims to maintain a balanced vessel portfolio mix of owned, long-term chartered and short-term chartered vessels.
7. The Group has developed business continuity plan (BCP) as a guideline to respond, recover, resume and restore business functions when a disruption or disaster occurs. It focuses on crisis management, including setting up of an operational prevention and recovery framework based on roles and responsibilities, to ensure that it can continue to maintain its competitive advantage, minimise any disruptions to its critical business activities, people and assets. The BCP is tested at least once annually to ensure its effectiveness.

RISK MANAGEMENT POLICIES AND PROCESSES

INFORMATION TECHNOLOGY

1. The Group is of the view that information technology is one of the crucial tools to achieve business growth, better productivity and a greater competitive edge. Investments that are made focuses primarily on technology that will improve the 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 disaster recovery, user access management and change management.
3. 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.
4. The Group conducts regular trainings to heighten employees' awareness on cybersecurity as cyber-attacks can disrupt business operations and lead to loss of confidential information and/or financial loss.

COMPLIANCE

1. The Group established a subsidiary, Samudera Ship Management Pte Ltd ("SSM"), which specialises in providing ship management service to manage the Group's fleet of container vessels. To achieve optimum fleet maintenance, the Group also engages various ship management companies to manage its tankers fleet. This ensures that the Group's vessels are in compliance with various regulations, including flag state, IMO regulations such as ISM Code, ISPS Code, MLC standards, Classification Society's rules, Oil Major Terminal vetting inspections, and CDI inspections, among others.
2. The Group engages third-party professional advisory firms 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 relevant professional advisor or legal firm to act on its behalf on any specific matters that arose. The Group intends to employ an internal legal and compliance officer to handle legal and compliance matters as part of strengthening its team.

FINANCIAL

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

Footnote:

IMO:	International Maritime Organisation
ISM:	International Safety Management
ISPS:	International Ship and Port Facility Security
MLC:	Maritime Labour Convention
CDI:	Chemical Distribution Institute

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 2023.

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 2023 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
Low Chee Wah (Appointed on 1 August 2023)

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' STATEMENT

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:

Name of directors and companies in which interests are held	Direct interest		
	At the beginning of financial year	At the end of financial year	As at 21 January 2024
Immediate holding company <u>PT Samudera Indonesia Tbk</u>			
Ordinary shares of Indonesian rupiah ("IDR") 5 each (2022: IDR25 each)			
Masli Mulia	13,170,000	65,850,000	65,850,000
Bani Maulana Mulia	6,946,200	44,806,400	44,806,400

The Company

Samudera Shipping Line Ltd

Ordinary shares

Bani Maulana Mulia	3,504,400	3,504,400	3,504,400
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There were no deemed interest held by the directors in the shares of the Company and its related corporations as at 1 January 2023, 31 December 2023 and 21 January 2024.

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 Rules") and the Singapore Code of Corporate Governance issued on 6 August 2018 and last amended on 11 January 2023 (the "Code").

The AC met twice 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 ensuing 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
15 March 2024

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023, 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 material accounting policy information.

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 2023 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Impairment assessment of vessels

The Group has vessels recorded as fixed assets and right-of-use assets with total carrying amount of US\$132,663,000 and US\$162,979,000 respectively as at 31 December 2023. This approximates 32% of the Group's total assets. In addition, the Group has a joint venture which owns a vessel and the carrying amount of the vessel in the joint venture (Note 15) is US\$106,755,000. The Group's share of the carrying amount of the vessel in the joint venture as at 31 December 2023 is US\$53,378,000.

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.

In assessing whether there are indicators of impairment, management took into consideration external and internal sources of information as at 31 December 2023, such as the observations of headroom between fair values and the carrying amount of owned vessels, the trend of market charter and freight rates and the headroom in comparison to the actual contracted rates and the forecasted economic performance of the portfolio of owned and leased vessels utilised for freight operations. We performed the following procedures:

- Obtained an understanding of management's assessment of impairment indicators;
- With respect to the appropriateness of the fair values of vessels that were determined based on independent valuation performed by external valuers, we involved our internal specialists to assist in the competence, capabilities and objectivity of the independent professional valuers, and evaluated the appropriateness of the fair valuation prepared by independent professional valuers; and
- With respect to the forecasted economic performance of the portfolio of owned and leased vessels:
 - Reviewed the appropriateness of the smallest cash generating unit identified by management and its forecasted economic performance reasonableness;
 - Reviewed the source data used by comparing against the Group's historical performance and available market data; and
 - Reviewed actual performance against previous forecast to assess the robustness of management's forecasting process.

We also assessed the adequacy of the disclosures on the impairment of vessels in Notes 3.1(b), 12 and 24 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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.

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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

15 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 US\$'000	2022 US\$'000
Revenue	4	582,931	990,594
Cost of sales		(473,992)	(634,904)
Gross profit		108,939	355,690
Other income	5	8,034	593
Marketing expenses		(10,259)	(14,251)
Administrative expenses		(9,431)	(12,522)
Other expenses	6	(162)	(2,448)
Profit from operations		97,121	327,062
Finance income	7	13,099	2,519
Finance costs	8	(10,944)	(5,818)
Operating profit		99,276	323,763
Share of results of joint venture/associate	15	5,711	1,932
Profit before tax		104,987	325,695
Income tax expense	9	(3,951)	(2,596)
Profit for the year	10	101,036	323,099
Attributable to:			
Owners of the Company		101,233	322,035
Non-controlling interests ("NCI")		(197)	1,064
		101,036	323,099
Earnings per share (US cents)			
Basic and diluted	30	18.82	59.85

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group	
	2023	2022
	US\$'000	US\$'000
Profit for the year	101,036	323,099
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of defined benefit obligation (Note 25)	(13)	(20)
	(13)	(20)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive income of joint venture (Note 29(b))	(1,075)	1,281
Net effect on fair value change of cash flow hedges (Note 23(i))	–	(3)
Exchange differences on translation of foreign operations	1,043	(3,219)
	(32)	(1,941)
Other comprehensive income for the year, net of tax	(45)	(1,961)
Total comprehensive income for the year	100,991	321,138
Total comprehensive income attributable to:		
Owners of the Company	101,117	320,913
Non-controlling interests	(126)	225
	100,991	321,138

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Non-current assets					
Investment properties	11	898	933	477	503
Property, plant and equipment	12	217,029	119,841	72,112	63,119
Right-of-use assets	24	173,521	159,322	163,886	152,130
Intangible assets	13	1,669	502	999	480
Subsidiaries	14	–	–	56,582	56,532
Joint venture	15	40,186	35,550	26,917	26,917
Deferred tax assets		379	338	–	–
Due from subsidiary (non-trade)	19	–	–	4,396	3,124
Lease receivables	24	1,064	1,355	1,064	1,355
Total non-current assets		434,746	317,841	326,433	304,160
Current assets					
Cash and bank balances	16	358,715	380,855	308,707	330,489
Trade receivables – third parties	17	77,085	151,801	69,234	144,084
Prepaid operating expenses		18,473	18,843	13,476	15,500
Other receivables and deposits	18	3,152	1,890	269	124
Due from immediate holding company (non-trade)	32	260	256	–	–
Due from immediate holding company (trade)	17	3,349	5,067	3,326	5,041
Due from subsidiaries (trade)	17	–	–	2,274	5,849
Due from subsidiaries (non-trade)	19	–	–	53,196	1,981
Due from related companies (trade)	17	11,810	9,544	8,394	8,017
Due from non-controlling interest of subsidiary (trade)	17	968	1	–	–
Lease receivables	24	291	253	291	253
Inventories	20	1,337	1,986	805	1,548
Total current assets		475,440	570,496	459,972	512,886
Total assets		910,186	888,337	786,405	817,046

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Current liabilities					
Bank term loans and borrowing	21	9,171	4,749	809	791
Trade payables	22	24,025	39,100	18,855	36,237
Other payables and liabilities	23	62,802	84,689	52,463	73,101
Due to subsidiary (trade)	32	–	–	161	51
Due to subsidiary (non-trade)	32	–	–	2,649	2,574
Due to related companies (trade)		415	158	35	26
Due to non-controlling interests of subsidiaries (non-trade)	26	52	54	–	–
Lease liabilities	24	41,473	86,375	39,365	85,306
Income tax payable		3,067	1,823	2,488	616
Total current liabilities		141,005	216,948	116,825	198,702
Non-current liabilities					
Bank term loans and borrowing	21	58,443	24,317	9,835	10,383
Lease liabilities	24	142,302	72,690	134,136	66,195
Retirement benefit obligations	25	638	654	–	–
Deferred tax liabilities		22	25	–	–
Due to non-controlling interests of subsidiaries (non-trade)	26	316	760	–	–
Total non-current liabilities		201,721	98,446	143,971	76,578
Net current assets		334,435	353,548	343,147	314,184
Net assets		567,460	572,943	525,609	541,766
Capital, reserves and non-controlling interests					
Share capital	27	68,761	68,761	68,761	68,761
Treasury shares	28	(174)	(174)	(174)	(174)
Retained earnings		484,688	491,930	457,022	473,179
Other reserves	29	642	1,722	–	–
Foreign currency translation reserve	29	(1,365)	(2,337)	–	–
Equity attributable to owners of the Company		552,552	559,902	525,609	541,766
Non-controlling interests		14,908	13,041	–	–
Total equity		567,460	572,943	525,609	541,766
Total liabilities and equity		910,186	888,337	786,405	817,046

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US\$'000	Treasury shares US\$'000	Other reserves US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Equity attributable to owners of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Group								
2023								
At 1 January 2023	68,761	(174)	1,722	(2,337)	491,930	559,902	13,041	572,943
<i>Total comprehensive income for the year:</i>								
Profit for the year	–	–	–	–	101,233	101,233	(197)	101,036
Other comprehensive income for the year	–	–	(1,088)	972	–	(116)	71	(45)
Total	–	–	(1,088)	972	101,233	101,117	(126)	100,991
<i>Transactions with owners, recognised directly in equity:</i>								
Effect arising from business combinations	–	–	–	–	–	–	3,278	3,278
Transfer to mandatory reserves fund	–	–	8	–	(8)	–	–	–
Dividends paid by subsidiaries to NCI	–	–	–	–	–	–	(1,285)	(1,285)
Dividends paid (Note 31)	–	–	–	–	(108,467)	(108,467)	–	(108,467)
Total	–	–	8	–	(108,475)	(108,467)	1,993	(106,474)
At 31 December 2023	68,761	(174)	642	(1,365)	484,688	552,552	14,908	567,460

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US\$'000	Treasury shares US\$'000	Other reserves US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Equity attributable to owners of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Group								
2022								
At 1 January 2022	68,761	(174)	463	43	249,443	318,536	3,915	322,451
<i>Total comprehensive income for the year:</i>								
Profit for the year	–	–	–	–	322,035	322,035	1,064	323,099
Other comprehensive income for the year	–	–	1,258	(2,380)	–	(1,122)	(839)	(1,961)
Total	–	–	1,258	(2,380)	322,035	320,913	225	321,138
<i>Transactions with owners, recognised directly in equity:</i>								
Effect arising from business combinations	–	–	–	–	–	–	9,481	9,481
Transfer to mandatory reserves fund	–	–	1	–	(1)	–	–	–
Dividends paid by subsidiaries to NCI	–	–	–	–	–	–	(580)	(580)
Dividends paid (Note 31)	–	–	–	–	(79,547)	(79,547)	–	(79,547)
Total	–	–	1	–	(79,548)	(79,547)	8,901	(70,646)
At 31 December 2022	68,761	(174)	1,722	(2,337)	491,930	559,902	13,041	572,943

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital US\$'000	Treasury shares US\$'000	Other Reserves US\$'000	Retained earnings US\$'000	Total equity US\$'000
Company					
2023					
At 1 January 2023	68,761	(174)	–	473,179	541,766
Profit for the year, representing total comprehensive income for the year	–	–	–	92,310	92,310
Total	–	–	–	92,310	92,310
<i>Transactions with owners, recognised directly in equity:</i>					
Dividends paid (Note 31)	–	–	–	(108,467)	(108,467)
Total	–	–	–	(108,467)	(108,467)
At 31 December 2023	68,761	(174)	–	457,022	525,609
2022					
At 1 January 2022	68,761	(174)	3	234,614	303,204
Profit for the year, representing total comprehensive income for the year	–	–	–	318,112	318,112
Other comprehensive income for the year	–	–	(3)	–	(3)
Total	–	–	(3)	318,112	318,109
<i>Transactions with owners, recognised directly in equity:</i>					
Dividends paid (Note 31)	–	–	–	(79,547)	(79,547)
Total	–	–	–	(79,547)	(79,547)
At 31 December 2022	68,761	(174)	–	473,179	541,766

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 2023

	Group	
	2023	2022
	US\$'000	US\$'000
Operating activities		
Profit before tax	104,987	325,695
Adjustments for:		
Depreciation of property, plant and equipment	12,040	7,425
Depreciation of right-of-use assets	87,042	100,712
Amortisation of intangible assets	401	428
Depreciation of investment properties	35	35
Gain on disposal of property, plant and equipment	(46)	(99)
Gain on inception on lease receivable	–	(10)
Gain on bargain purchase from acquisition of subsidiary	(3,256)	–
Gain on extinguishment of lease contracts	(35)	–
(Write back of) allowance for impairment on receivables, net	(641)	110
Impairment loss on right-of-use assets	12,161	–
Finance costs	10,944	5,818
Finance income	(13,099)	(2,519)
Share of results of joint venture/associate	(5,711)	(1,932)
Property, plant and equipment written off	162	2
Net foreign exchange (gain) loss	(559)	1,344
Operating cash flows before movements in working capital	204,425	437,009
Trade receivables	75,480	(36,358)
Other receivables and deposits	(1,252)	(56)
Prepaid operating expenses	477	933
Due from immediate holding company	1,728	(1,003)
Due from related companies	(2,266)	8,076
Due from non-controlling interest of subsidiary	(967)	416
Inventories	649	(489)
Trade payables	(15,075)	10,192
Other payables and liabilities	(21,303)	23,932
Due to related companies	257	(219)
Cash generated from operations	242,153	442,433
Interest paid	(10,944)	(5,818)
Income tax paid	(2,816)	(2,448)
Net cash from operating activities	228,393	434,167

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 2023

	Group	
	2023	2022
	US\$'000	US\$'000
Investing activities		
Interest income received	13,099	2,519
Proceeds from disposal of property, plant and equipment	48	142
Purchase of property, plant and equipment (Note 12(d))	(103,465)	(45,157)
Purchase of intangible assets (Note 13)	(920)	(222)
Additional investment in joint venture	–	(14,800)
Acquisition of subsidiary net of cash acquired	–	(7,398)
Net cash used in investing activities	(91,238)	(64,916)
Financing activities		
Repayment of principal portion of lease liabilities	(88,689)	(103,946)
Proceed from lease receivables	253	45
Proceed from bank term loans	43,908	18,235
Repayment of bank term loans	(5,557)	(6,989)
Dividends paid	(108,467)	(79,547)
Increase in pledged deposits	(147)	(198)
Dividends paid to non-controlling shareholder of subsidiaries	(1,285)	(580)
Additional investment in a subsidiary by non-controlling interests	–	3
Repayment on loan from non-controlling interest of subsidiaries	(430)	(430)
Net cash used in financing activities	(160,414)	(173,407)
Net (decrease) increase in cash and cash equivalents	(23,259)	195,844
Cash and cash equivalents at beginning of the year	379,556	186,092
Effects of exchange rate changes on the balance of cash held in foreign currencies	972	(2,380)
Cash and cash equivalents at end of the year (Note 16)	357,269	379,556

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 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. MATERIAL ACCOUNTING POLICY INFORMATION

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.

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) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 7: Disclosures on Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 21: Lack of Exchangeability	1 January 2025
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

(a) **Basis of consolidation**

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:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

(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.

2.6 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 Joint venture and associate

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 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 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 other comprehensive income ("OCI") of those investee 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Joint venture and associate (cont'd)

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 joint venture/associate" 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 and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.8 Property, plant and equipment

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

Assets 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	–	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 10 years
Furniture and fittings	–	3 to 10 years
Renovation	–	3 to 10 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.

The legal cost of land right when the land was acquired initially are recognised as part of the cost of the land under the "Property, Plant and Equipment" account and not amortized. Meanwhile the extension or the legal renewal costs of land rights are recognised as deferred charges and are amortized over the shorter of the right's legal life and land's economic life.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Property, plant and equipment (cont'd)

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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 Impairment of non-financial assets (cont'd)

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.

2.12 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

Investments in debt instruments

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(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.

Investments in equity instruments

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.

(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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Financial instruments (cont'd)

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

Initial recognition and subsequent measurement (cont'd)

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.

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 Impairment of financial assets (cont'd)

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 cash equivalents

Cash and cash equivalents 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.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.18 Employee benefits (cont'd)

(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.

(d) Other long-term employee benefits

Subsidiaries of the Group provide 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Leases (cont'd)

(a) As lessee (cont'd)

(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 9 years
Motor vehicles	2 to 3 years
Equipments	2 to 5 years
Land	30 years
Properties	2 to 6 years
Containers	2 to 5 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 Group's lease liabilities are included in Note 24.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Leases (cont'd)

(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) *Warehousing income*

Warehousing income comprise of warehouse storage and fourth party logistics services. Fourth party logistics revenue refers to management and operation of warehouse. These revenues are recognised over time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.20 Revenue (cont'd)

(c) **Interest income**

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

(d) **Dividend income**

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

(e) **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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 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.

2.23 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.

2.24 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.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.26 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.

2.27 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.

2.28 Prepaid operating expenses

Prepaid operating expenses, comprising prepaid charter-hire, bunker expenses 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.

2.29 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 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.

(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 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 its 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

3.1 Key sources of estimation uncertainty (cont'd)

(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\$173,000 (2022: US\$544,000).

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. REVENUE

The Group derives its revenue from shipping and logistics activities. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 35).

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

	Group	
	2023	2022
	US\$'000	US\$'000
Freight operations	536,663	950,593
Charter hire (time and voyage charter)	18,033	10,426
Sea freight forwarding services	2,279	3,651
Warehousing and logistics services	6,414	3,676
Other services	19,542	22,248
	582,931	990,594

Timing of revenue recognition

Over time:

Freight operations	536,663	950,593
Charter hire (time and voyage charter)	18,033	10,426
Warehousing and logistics services	6,414	3,676
Other services	15,766	20,084
	576,876	984,779

Point in time:

Sea freight forwarding services	2,279	3,651
Other services	3,776	2,164
	582,931	990,594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. OTHER INCOME

	Group	
	2023	2022
	US\$'000	US\$'000
Gain on disposal of property, plant and equipment, net	46	99
Rental income	64	164
Net foreign exchange gains	3,831	–
Insurance claims	589	146
Gain on bargain purchase from acquisition of subsidiary	3,256	–
Gain on extinguishment of lease contract	35	–
Others	213	184
	8,034	593

6. OTHER EXPENSES

	Group	
	2023	2022
	US\$'000	US\$'000
Net foreign exchange loss	–	2,429
Property, plant & equipment written off	162	2
Others	–	17
	162	2,448

7. FINANCE INCOME

	Group	
	2023	2022
	US\$'000	US\$'000
Interest income from call deposits and bank balances	12,888	2,474
Interest Income from lease receivables	211	45
	13,099	2,519

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. FINANCE COSTS

	Group	
	2023	2022
	US\$'000	US\$'000
Interest on bank term loans and borrowing	2,135	953
Interest on lease liabilities (Note 24)	8,798	4,840
Interest on loan due to non-controlling interest of subsidiary	11	25
	10,944	5,818

9. INCOME TAX EXPENSE

Income tax recognised in profit or loss:

	Group	
	2023	2022
	US\$'000	US\$'000
Current income tax:		
Current year	4,530	2,296
(Over) Under provision in respect of prior years	(527)	348
Deferred tax:		
Current year	(52)	(48)
	3,951	2,596

Domestic income tax is calculated at 17% (2022: 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 2023, the income of Samudera Tankers Pte Ltd, Ocean Ships Investment Pte Ltd and Samudera Ships Investment Pte Ltd, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. INCOME TAX EXPENSE (CONT'D)

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

	Group	
	2023	2022
	US\$'000	US\$'000
Profit before tax	104,987	325,695
Income tax expense calculated at 17% (2022: 17%)	17,848	55,368
Effect of income that is not taxable in determining taxable profit	(13,121)	(52,625)
Effect of different tax rates for foreign subsidiaries	213	309
Share of results of joint venture	(971)	(328)
(Over)/under provision in respect of prior years	(527)	348
Others	509	(476)
	3,951	2,596

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\$35.4 million (2022: US\$40.4 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 2023

10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Note	Group 2023 US\$'000	Group 2022 US\$'000
Stevedorage expenses		98,725	137,284
Bunker expenses		78,120	109,271
Short-term lease expenses	24	20,825	30,909
Depreciation of right-of-use assets	24	87,042	100,712
Depreciation of property, plant and equipment	12	12,040	7,425
Impairment loss on right-of-use assets	24	12,161	–
Amortisation of intangible assets	13	401	428
Depreciation of investment properties	11	35	35
(Write back of) allowance for impairment on receivables, net	17	(641)	110
Directors' fees		245	517
Audit fee:			
Auditors of the Company		192	159
Member firms of the auditors of the Company		60	62
Other auditors		37	36
Non-audit fee:			
Auditors of the Company		33	35
Other auditors		23	20
<u>Employee benefits:</u>			
Wages, salaries and benefits		20,236	26,442
Central Provident Fund and other pension costs		1,778	1,711
		<u>22,014</u>	<u>28,153</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. INVESTMENT PROPERTIES

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Cost:				
At 1 January and 31 December	1,524	1,524	897	897
Accumulated depreciation and impairment:				
At 1 January	591	556	394	368
Depreciation for the year	35	35	26	26
At 31 December	626	591	420	394
Carrying amount:				
At 31 December	898	933	477	503

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 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 2023 and 31 December 2022 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Fair value of investment properties (Level 3 of the fair value hierarchy)	2,833	2,583	2,015	1,874

Level 3 refers to input for the asset and liability that are not based on observable market data (unobservable inputs).

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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Rental income derived from investment properties	46	66	44	39
Direct operating expenses (including repairs and maintenance)	64	48	48	32

There is no indication of impairment in FY2023 and FY2022 as the fair value of the properties is higher than its carrying value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. PROPERTY, PLANT AND EQUIPMENT

	Vessels US\$'000	Vessel improve- ment US\$'000	Deferred charges US\$'000	Assets under construction US\$'000	Containers US\$'000
Group					
Cost:					
At 1 January 2022	92,797	721	3,538	–	2,700
Additions	27,103	–	3,533	13,297	–
Disposals	–	–	–	–	–
Written off	–	(149)	(3,538)	–	–
Acquisition of subsidiary (Note 14)	–	–	–	–	–
Translation difference	(734)	–	(80)	(5)	–
At 31 December 2022	119,166	572	3,453	13,292	2,700
Additions	85,647	24	3,263	9,806	–
Disposals	–	–	–	–	(1)
Written off	–	–	–	–	–
Adjustment (Note 14)	–	–	–	–	–
Translation difference	819	–	112	2	–
At 31 December 2023	205,632	596	6,828	23,100	2,699
Accumulated depreciation and impairment:					
At 1 January 2022	66,430	721	3,006	–	826
Depreciation for the year	3,805	–	1,761	–	600
Disposals	–	–	–	–	–
Written off	–	(149)	(3,538)	–	–
Translation difference	(37)	–	(29)	–	–
At 31 December 2022	70,198	572	1,200	–	1,426
Depreciation for the year	6,426	2	1,891	–	403
Disposals	–	–	–	–	–
Written off	–	–	–	–	–
Translation difference	57	–	47	–	–
At 31 December 2023	76,681	574	3,138	–	1,829
Carrying amount:					
At 31 December 2023	128,951	22	3,690	23,100	870
At 31 December 2022	48,968	–	2,253	13,292	1,274

Motor vehicles US\$'000	Equipment US\$'000	Furniture and fittings US\$'000	Renovation US\$'000	Land US\$'000	Properties US\$'000	Warehouse US\$'000	Total US\$'000
465	7,517	1,050	868	29,169	8,263	2,071	149,159
279	541	9	265	–	–	288	45,315
(212)	(136)	–	–	–	–	–	(348)
–	(268)	(37)	–	–	–	–	(3,992)
–	469	–	–	12,452	–	4,482	17,403
(15)	(384)	(29)	(8)	(967)	(213)	(955)	(3,390)
517	7,739	993	1,125	40,654	8,050	5,886	204,147
40	2,990	6	1,675	–	6	42	103,499
(43)	(783)	–	–	–	–	–	(827)
–	(43)	(2)	(265)	–	–	–	(310)
–	1,461	–	–	341	–	3,232	5,034
(1)	(1)	(2)	(3)	124	(33)	28	1,045
513	11,363	995	2,532	41,119	8,023	9,188	312,588
350	7,074	990	798	–	1,675	276	82,146
57	287	27	83	–	239	566	7,425
(169)	(135)	–	–	–	–	–	(304)
–	(267)	(36)	–	–	–	–	(3,990)
(11)	(299)	(26)	(6)	–	(36)	(527)	(971)
227	6,660	955	875	–	1,878	315	84,306
75	1,567	2	47	–	238	1,389	12,040
(43)	(782)	–	–	–	–	–	(825)
–	(36)	(2)	(110)	–	–	–	(148)
(1)	45	(1)	(2)	–	(3)	44	186
258	7,454	954	810	–	2,113	1,748	95,559
255	3,909	41	1,722	41,119	5,910	7,440	217,029
290	1,079	38	250	40,654	6,172	5,571	119,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

	Vessels US\$'000	Vessel improve- ment US\$'000	Deferred charges US\$'000	Assets under construction US\$'000	Containers US\$'000
Company					
Cost:					
At 1 January 2022	43,781	572	2,142	–	2,700
Additions	–	–	2,021	13,200	–
Disposals	–	–	–	–	–
Written off	–	–	(2,142)	–	–
At 31 December 2022	43,781	572	2,021	13,200	2,700
Additions	–	–	1,010	9,900	–
Disposals	–	–	–	–	(1)
Written off	–	–	–	–	–
At 31 December 2023	43,781	572	3,031	23,100	2,699
Accumulated depreciation:					
At 1 January 2022	27,104	572	1,611	–	826
Depreciation for the year	2,104	–	1,077	–	600
Disposals	–	–	–	–	–
Written off	–	–	(2,142)	–	–
At 31 December 2022	29,208	572	546	–	1,426
Depreciation for the year	2,092	–	1,016	–	403
Disposals	–	–	–	–	–
Written off	–	–	–	–	–
At 31 December 2023	31,300	572	1,562	–	1,829
Carrying amount:					
At 31 December 2023	12,481	–	1,469	23,100	870
At 31 December 2022	14,573	–	1,475	13,200	1,274

Motor vehicles US\$'000	Equipment US\$'000	Furniture and fittings US\$'000	Renovation US\$'000	Land US\$'000	Properties US\$'000	Total US\$'000
223	5,598	191	667	28,431	4,525	88,830
263	105	–	265	–	–	15,854
(164)	–	–	–	–	–	(164)
–	(110)	–	–	–	–	(2,252)
322	5,593	191	932	28,431	4,525	102,268
–	514	–	1,664	–	–	13,088
–	(182)	–	–	–	–	(183)
–	(3)	–	(265)	–	–	(268)
322	5,922	191	2,331	28,431	4,525	114,905
166	5,300	191	667	–	891	37,328
43	176	–	66	–	130	4,196
(123)	–	–	–	–	–	(123)
–	(110)	–	–	–	–	(2,252)
86	5,366	191	733	–	1,021	39,149
53	214	–	31	–	130	3,939
–	(182)	–	–	–	–	(182)
–	(3)	–	(110)	–	–	(113)
139	5,395	191	654	–	1,151	42,793
183	527	–	1,677	28,431	3,374	72,112
236	227	–	199	28,431	3,504	63,119

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

- (a) The carrying amount of motor vehicles of the Group under lease liabilities as at 31 December 2023 amounted to US\$231,000 (2022: US\$257,000).
- (b) The Group's vessels, land and properties with carrying amount of US\$129,262,000 (2022: US\$70,906,000) and the Company's land and properties with carrying amount of US\$31,803,000 (2022: US\$31,935,000) have been placed under legal mortgage to secure the Company's and subsidiaries' bank term loans (Note 21).
- (c) The following shows the carrying amount of the vessels of the Group being chartered out on time charter basis under operating leases:

	Group	
	2023	2022
	US\$'000	US\$'000
Cost	93,928	65,029
Accumulated depreciation	(34,149)	(29,855)
Carrying amount	59,779	35,174

The depreciation charge for vessels chartered out on time charter basis under operating leases in the year is US\$4,189,000 (2022: US\$2,362,000).

The charter hire income for the year amounted to US\$18,033,000 (2022: US\$10,426,000).

- (d) During the financial year 31 December 2023, the Group acquired property, plant and equipment with aggregate cost of US\$103,499,000 (2022: US\$45,315,000) of which US\$35,000 (2022: US\$157,000) was acquired by means of finance lease. Cash payment of US\$103,465,000 (2022: US\$45,157,000) was made to purchase property, plant and equipment of the Group.
- (e) The Group's land includes US\$12,689,000 (2022: US\$12,223,000) pertaining to several plots of land in Indonesia, with Building Use Rights (HGB) for period ranging from 20 to 30 years. Management believes that there will be no difficulty in the extension of land rights, since all the land was acquired legally and supported by sufficient evidence of ownership. The remaining land pertains to freehold land in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. INTANGIBLE ASSETS

	Goodwill US\$'000	Customer relationship US\$'000	Computer software US\$'000	Club membership US\$'000	Total US\$'000
Group					
Cost:					
At 1 January 2022	–	–	1,610	–	1,610
Acquisition of subsidiary (Note 14)	22	–	–	–	22
Additions	–	–	20	202	222
At 31 December 2022	22	–	1,630	202	1,854
Adjustment (Note 14)	(22)	670	–	–	648
Additions	–	–	920	–	920
At 31 December 2023	–	670	2,550	202	3,422
Amortisation:					
At 1 January 2022	–	–	924	–	924
Amortisation for the year	–	–	424	4	428
At 31 December 2022	–	–	1,348	4	1,352
Amortisation for the year	–	–	390	11	401
At 31 December 2023	–	–	1,738	15	1,753
Carrying amount:					
At 31 December 2023	–	670	812	187	1,669
At 31 December 2022	22	–	282	198	502

In FY2022, a provisional goodwill of US\$22,000 arising from the acquisition of PT Samudera Logistics Pte Ltd ("SLS") was allocated to the SLS's CGU.

During the financial year 31 December 2023, the purchase price allocation ("PPA") for the share acquisition of SLS was completed (within one year from the acquisition date), a gain on bargain purchase from the acquisition was recognised. This resulted in a reversal of the provisional goodwill and recognition of US\$670,000 arising from customer relationship.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. INTANGIBLE ASSETS (CONT'D)

	Computer software US\$'000	Club membership US\$'000	Total US\$'000
Company			
Cost:			
At 1 January 2022	1,610	–	1,610
Additions	20	202	222
At 31 December 2022	1,630	202	1,832
Additions	920	–	920
At 31 December 2023	2,550	202	2,752
Amortisation:			
At 1 January 2022	924	–	924
Amortisation for the year	424	4	428
At 31 December 2022	1,348	4	1,352
Amortisation for the year	390	11	401
At 31 December 2023	1,738	15	1,753
Carrying amount:			
At 31 December 2023	812	187	999
At 31 December 2022	282	198	480

The intangible assets included above have finite useful lives, over which the assets are amortised. The amortisation period for computer software and club membership incurred is 3 years and 18 years.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. SUBSIDIARIES

	Company	
	2023 US\$'000	2022 US\$'000
Unquoted equity shares at cost (As at 1 Jan)	100,008	80,538
Addition during the year	50	19,470
Less: Allowance for impairment	(43,476)	(43,476)
	56,582	56,532

Addition

a) Capital contributions

During the financial year 31 December 2023, the Company has made capital contributions of US\$50,000 in a wholly owned subsidiary, Samudera Ships Investment Pte Ltd.

In FY2022, the Company has made capital contributions in the following:

- (i) US\$9,922,000 in a wholly owned subsidiary, Samudera Tankers Pte Ltd.
- (ii) US\$37,000 in a wholly owned subsidiary, Ocean Ships Investment Pte Ltd.
- (iii) US\$7,000 in a wholly subsidiary, Ocean Technologies Pte Ltd.
- (iv) US\$4,000 in a subsidiary, Samudera Ship Management Pte Ltd and the non-controlling interests has made the corresponding contribution of US\$2,900.

b) Cash consideration

On 30 April 2022, the Group transferred cash consideration of US\$9,500,000 for 50% interest in the voting shares of SLS, a company incorporated in Indonesia that specialises in warehousing and third-party logistics & distribution centre.

For consolidation purpose, the Group has elected to measure the non-controlling interests in SLS at fair value at the proportionate share of its interest in SLS's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. SUBSIDIARIES (CONT'D)

The fair value of the identifiable assets and liabilities of SLS as at the date of acquisition were as follow:

	US\$'000
Assets	
Property, plant & equipment	22,437
Cash and cash equivalents	2,102
Trade receivables	2,467
Intangible asset	670
Other current assets	117
Other non-current assets	240
	<u>28,033</u>
Liabilities	
Trade payables	53
Other payables	1,226
Tax payables	171
Loan payables	332
Employee benefits obligation	739
	<u>2,521</u>
Total identifiable net assets at fair value	25,512
Non-controlling Interest (50%)	12,756
Gain on bargain purchase from acquisition	<u>(3,256)</u>
Purchase consideration transferred	<u>9,500</u>

Based on the PPA performed, a gain on bargain purchase gain from acquisition of US\$3,256,000 was recognised.

Movement in allowance for impairment:

	Company	
	2023	2022
	US\$'000	US\$'000
Balance at end of the year	<u>(43,476)</u>	<u>(43,476)</u>

At end of each reporting period, the Company carried out a review of the recoverable amount of its investments in subsidiaries. During the financial year 31 December 2023 and 31 December 2022, no allowance or reversal of impairment was recognised in profit or loss in respect of the investment in subsidiaries to bring the carrying value of the investment to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	
			2023 %	2022 %	2023 US\$'000	2022 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⁾	Providing containerised cargo services	Singapore	100	100	712	712
Samudera Ships Investment Pte Ltd ("SSIPL") ⁽¹⁾	Owning and chartering of vessels	Singapore	100	100	50	–
Samudera Tankers Pte Ltd ("ST") ⁽¹⁾	Owning and chartering of vessels	Singapore	100	100	9,922	9,922
Ocean Ships Investment Pte Ltd ("OSI") ⁽¹⁾	Owning and chartering of vessels	Singapore	100	100	37	37
Ocean Technologies Pte Ltd ("OT") ⁽¹⁾	Data analytics services	Singapore	100	100	7	7
Samudera Ship Management Pte Ltd ("SSM") ⁽¹⁾	Ship management services	Singapore	60	60	4	4
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⁾	Providing container shipping services	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest		Cost of investment held by the Company	
			2023	2022	2023	2022
			%	%	US\$'000	US\$'000
Samudera Shipping Line (India) Pvt Ltd ("SSLI")	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) (4)}	Owning and chartering of vessels	Indonesia	49	49	7,292	7,292
PT Samudera Logistics Services ("SLS") ^{(2) (3)}	Warehousing activity	Indonesia	50	50	9,500	9,500
<u>Held by subsidiaries</u>						
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	–	–
					100,058	100,008

(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 shareholders, the Group has the ability to direct the relevant activities of the entities unilaterally and hence the Group has control over the entities.

(4) There is no material change or amendment to the terms of the shareholders' agreement in the financial year. There is also no change in the relevant laws and regulation in Indonesia which would affect the basis for consolidation of the accounts of SSI with the accounts of the Group. SSI continues to be consolidated as part of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. SUBSIDIARIES (CONT'D)

The rationale for the use of shareholders' agreement, the associated risks and the actions taken by the Company to mitigate such risks are set out in the Company's Circular to Shareholders dated 6 April 2021.

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	
		2023	2022	2023	2022	2023	2022
		%	%	US\$'000	US\$'000	US\$'000	US\$'000
SSS	Indonesia	5	5	46	8	1,433	1,992
SLS	Indonesia	50	50	(445)	422	11,694	9,083
Individually immaterial subsidiaries with non-controlling interests				202	634	1,781	1,966
Total				(197)	1,064	14,908	13,041

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. SUBSIDIARIES (CONT'D)

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

	SSS		SLS	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Current assets	28,602	40,417	5,090	4,776
Non-current assets	1,060	1,080	23,615	17,344
Current liabilities	997	1,650	2,929	2,875
Non-current liabilities	–	–	2,388	1,079
Net assets	28,665	39,847	23,388	18,166
Equity attributable to owners of the subsidiary	27,232	37,855	11,694	9,083
Non-controlling interests	1,433	1,992	11,694	9,083
Total equity	28,665	39,847	23,388	18,166
Total revenue	934	1,380	11,940	6,894
Total expenses	(16)	(1,222)	(12,830)	(6,050)
Profit (loss) for the year	918	158	(890)	844
Attributable to:				
Owners of the subsidiary	872	150	(445)	422
Non-controlling interests	46	8	(445)	422
Other comprehensive income for the year	–	–	12	(20)
Attributable to:				
Owners of the subsidiary	–	–	6	(10)
Non-controlling interests	–	–	6	(10)
Total comprehensive profit for the year	918	158	(878)	824
Attributable to:				
Owners of the subsidiary	872	150	(439)	412
Non-controlling interests	46	8	(439)	412
Dividends paid to non-controlling interest	605	340	328	51
Net cash inflow from operating activities	8,437	10,097	1,230	629
Net cash inflow (outflow) from investing activities	2,049	3,627	(2,171)	(464)
Net cash outflow from financing activities	(12,100)	(6,800)	(1,539)	(357)
Net cash outflow	(1,614)	6,924	(2,480)	(192)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. JOINT VENTURE

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Joint venture				
Unquoted equity shares	26,158	26,158	26,917	26,917
Share of post-acquisition profits	13,377	7,666	–	–
Share of hedging reserve	651	1,726	–	–
	40,186	35,550	26,917	26,917

In December 2022, the Company made an additional equity investment (“2nd tranche”) in its associate (Note A) of US\$14,800,000 representing an additional 25% of equity interest and increasing its total equity interest in LNG East-West Shipping Company (Singapore) Pte. Limited (“LNG EW”) to 50%. Upon completion of the acquisition, LNG EW became a joint venture of the Group. Bargain purchase gain of US\$3,051,000 was recognised in “Share of results of joint venture/associate” line item of profit or loss of the Group in FY2022.

Details of the joint venture are as follows:

Name	Principal activities	Country of incorporation	Proportion of ownership interest	
			2023	2022
			%	%
LNG EW ⁽¹⁾	Owning, managing and chartering of vessels and ship brokering	Singapore	50	50

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

Impairment

There is no indicator of impairment in FY2023 and the fair value of the investment investment are higher than its carrying value.

In FY2022, the Group carried out a review of the recoverable amount of its investment in joint venture. The review led to the recognition of an impairment loss of US\$2,594,000 on the goodwill of its previously held 25% equity investment (“1st tranche”) in LNG EW, reducing the carrying amount of the Group’s investment to its recoverable amount. The impairment loss was recognised in “Share of results of joint venture/associate” line item of profit or loss of the Group for the financial year. No impairment loss recognised for the investment in the joint venture at Company level.

The recoverable amount of the investment in joint venture was determined based on value-in-use calculations. 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 of historical trend. 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. The cash flows was discounted at 7.31%. 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 vessel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. JOINT VENTURE (CONT'D)

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:

	Discount rate		Charter rate	
	Increase	(Decrease)	Increase	(Decrease)
	US\$'000	US\$'000	US\$'000	US\$'000
31 December 2022	(291)	293	1,308	(1,308)

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

	Group	
	2023	2022
	US\$'000	US\$'000
Joint venture		
Current assets	26,987	23,321
Non-current assets	111,508	116,699
Total assets	138,495	140,020
Current liabilities	11,498	11,120
Non-current liabilities	46,929	58,104
Total liabilities	58,427	69,224
Net assets	80,068	70,796
<i>From date of step-acquisition:</i>		
Revenue	26,953	–
Profit for the year	11,422	–
Other comprehensive income for the year	(2,150)	–
Total comprehensive income for the year	9,272	–
Group's share of result for the year	5,711	–

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. JOINT VENTURE (CONT'D)

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

	2023	2022
	US\$'000	US\$'000
Joint venture		
Net assets	80,068	70,796
Proportion of the Group's ownership interest	50%	50%
Share of net assets	40,034	35,398
Goodwill (included in cost of investment)	130	130
Other costs (included in cost of investment)	22	22
Carrying amount of the Group's interest in joint venture	40,186	35,550

Note A:

Reconciliation of the Group's share of results of LNG EW recognised in the consolidated financial statements as an associate prior to becoming joint venture in December 2022:

	2022
	US\$'000
Associate	
Revenue	24,285
Profit for the year	5,899
Other comprehensive income for the year	5,125
Total comprehensive income for the year	11,024
Group's share of results for the year	1,475

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Call and fixed deposits	320,805	280,802	283,463	247,206
Cash at bank and on hand	37,910	100,053	25,244	83,283
	358,715	380,855	308,707	330,489

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

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and bank balances (as above)	358,715	380,855	308,707	330,489
Less: Pledged deposits (Note A)	(1,446)	(1,299)	(1,364)	(1,218)
	357,269	379,556	307,343	329,271

Note A:

The Group's and Company's fixed deposits totaling US\$1,446,000 (2022: US\$1,299,000) and US\$1,364,000 (2022: US\$1,218,000) respectively have been pledged to certain banks to secure bankers' guarantee facilities of US\$4,828,000 (2022: US\$4,731,000) and US\$4,119,000 (2022: US\$4,030,000) given to suppliers of goods and services in the ordinary course of business.

17. TRADE RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables – third parties	81,337	156,799	72,634	148,158
Due from immediate holding company	3,371	5,103	3,348	5,077
Due from subsidiaries		–	2,302	5,900
Due from related companies	11,867	9,601	8,451	8,074
Due from non-controlling interest of a subsidiary	968	1	–	–
	97,543	171,504	86,735	167,209
Less: Allowance for expected credit loss	(4,331)	(5,091)	(3,507)	(4,218)
	93,212	166,413	83,228	162,991

Trade receivables are non-interest bearing and the average credit period given to customers are 30 to 60 days (2022: 30 to 60 days). For terms and conditions relating to related parties, refer to Note 33.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. TRADE RECEIVABLES (CONT'D)

Expected credit losses ("ECL")

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 2022	1,618	3,553	5,171
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	(272)	382	110
Foreign exchange gain or losses	(21)	(4)	(25)
Write off	–	(165)	(165)
Balance as at 31 December 2022	1,325	3,766	5,091
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	(586)	(55)	(641)
Foreign exchange gain or losses	1	(2)	(1)
Write off	–	(118)	(118)
Balance as at 31 December 2023	740	3,591	4,331
Company			
Balance as at 1 January 2022	908	3,049	3,957
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	192	228	420
Write off	–	(159)	(159)
Balance as at 31 December 2022	1,100	3,118	4,218
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	(601)	(110)	(711)
Balance as at 31 December 2023	499	3,008	3,507

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 36(b)(iii) for information about credit exposures on trade receivables due from third party, immediate holding company, subsidiaries and related companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Other receivables	986	383	201	56
Deposits	1,424	1,033	68	68
Loans to employees	21	37	–	–
Insurance claims receivable	721	437	–	–
	3,152	1,890	269	124

19. DUE FROM SUBSIDIARIES (NON-TRADE)

	Company	
	2023	2022
	US\$'000	US\$'000
Due from subsidiaries	57,824	5,785
Less: Loss allowance	(232)	(680)
	57,592	5,105
Less: Current portion	(53,196)	(1,981)
Non-current portion	4,396	3,124

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

An amount of US\$576,000 (2022: US\$593,000) which was interest-bearing at 1.65% (2022: 1.65%) per annum.

- An amount of US\$1,000,000 (2022: US\$Nil) which was interest-bearing at 4.80% per annum.
- An amount of US\$3,027,000 (2022: US\$3,602,000) which was interest-bearing at 1.50% (2022: 1.75%) above SOFR per annum.

Movement in loss allowance

	Company	
	2023	2022
	US\$'000	US\$'000
Balance at beginning of the year	680	1,088
Write back of allowance during the year	(448)	(408)
Balance at end of the year	232	680

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Lubricant oil	518	506	138	202
Bunker	819	1,480	667	1,346
	1,337	1,986	805	1,548

21. BANK TERM LOANS AND BORROWING

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Current – secured at amortised cost</u>				
<i>Amounts due not later than one year</i>				
Bank term loans	9,171	4,749	809	791
<u>Non-current – secured at amortised cost</u>				
<i>Amounts due:</i>				
<i>Later than one year but not later than five years</i>				
Bank term loans	31,293	17,031	3,235	3,164
<i>Later than five years</i>				
Bank term loans	27,150	7,286	6,600	7,219
	58,443	24,317	9,835	10,383
Total	67,614	29,066	10,644	11,174

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

Bank term loans

(a) *The Company*

	2023	2022
	US\$'000	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.	8,182	8,583
(ii) SGD5,170,000 repayable in 119 monthly instalments commencing May 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.	2,462	2,591
	<u>10,644</u>	<u>11,174</u>

Revolving loan

The Company has unutilised revolving credit facility amounting to SGD5,000,000. Interest is payable at certain margin above SIBOR per annum. The tenure is subject to an annual review at the bank's discretion.

(b) *Subsidiaries*

	2023	2022
	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.	22	106
(ii) USD8,750,000 repayable in 20 quarterly instalments commencing April 2022. Interest is payable at certain margin above SOFR per annum.	6,065	7,775
(iii) USD9,730,000 repayable in 20 quarterly instalments commencing December 2022. Interest is payable at certain margin above SOFR per annum.	7,690	9,585
(iv) Indonesia Rupiah ("IDR") 21,000,000,000 repayable in 72 monthly instalments commencing June 2017. Interest is payable at Prime Lending Rate less 0.75% per annum.	–	131
(v) Indonesia Rupiah ("IDR") 28,000,000,000 repayable in 36 monthly instalments commencing July 2023 with an option to extend for another 12 months. Interest is payable at Prime Lending Rate of the bank per annum.	1,460	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

Bank term loans (cont'd)

(b) Subsidiaries (cont'd)

	2023 US\$'000	2022 US\$'000
(vi) Malaysia Ringgit ("MYR") 1,960,000 repayable in 117 monthly instalments commencing November 2019. Interest is payable at certain margin above Cost of Fund per annum.	239	295
(vii) USD41,930,000 repayable in 40 quarterly instalments commencing December 2023. Interest is payable at certain margin above SOFR per annum.	41,494	–
	56,970	17,892
Total	67,614	29,066

Demand loan

A subsidiary has an unutilised demand loan amounting to IDR10,000,000,000. Interest is payable at Prime Lending Rate of the bank per annum. The tenure is 12 months commencing July 2023.

The bank term loans are secured as follows:

1. Bank term loans (a)(i) to (a)(ii), (b)(i)
 - legal mortgage over properties of the Company and the subsidiary (Note 12);
 - assignment of insurance; and
 - assignment of income or proceeds of sale if any.
2. Bank term loan (b)(ii) to b(iii), b(vii)
 - corporate guarantees from the Company;
 - legal mortgages over certain vessels of the subsidiaries (Note 12);
 - assignment of income from charter hire contracts; and
 - assignment of insurance of the vessels.
3. Bank term loans (b)(iv) to b(v)
 - legal mortgage over land of the subsidiary (Note 12); and
 - assignment of insurance.
4. Bank term loan (b)(vi)
 - 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 6.95% (2022: 6.22%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

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.

	1 January 2023 US\$'000	Financing cash flows US\$'000	Non-cash movement		31 December 2023 US\$'000
			New leases US\$'000	Foreign exchange movement US\$'000	
Group					
Bank term loans and borrowing (Note 21)	29,066	38,351	–	197	67,614
Loans from NCI of subsidiaries (Note 23)	814	(430)	–	(16)	368
Lease liabilities (Note 24)	159,065	(88,689)	113,355	44	183,775
Total	188,945	(50,768)	113,355	225	251,757

	1 January 2022 US\$'000	Financing cash flows US\$'000	Non-cash movement		31 December 2022 US\$'000
			New leases US\$'000	Foreign exchange movement US\$'000	
Group					
Bank term loans and borrowing (Note 21)	17,684	11,578	–	(196)	29,066
Loans from NCI of subsidiaries (Note 23)	1,244	(430)	–	–	814
Lease liabilities (Note 24)	140,503	(103,947)	122,531	(22)	159,065
Total	159,431	(92,799)	122,531	(218)	188,945

22. TRADE PAYABLES

The average credit period granted by suppliers ranged from 30 to 60 days (2022: 30 to 60 days). No interest is charged on the outstanding balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. OTHER PAYABLES AND LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Accrued operating expenses	53,523	76,798	45,651	66,991
Other payables (Note (i))	2,690	1,920	1,380	171
Contract liabilities	6,589	5,971	5,432	5,939
	<u>62,802</u>	<u>84,689</u>	<u>52,463</u>	<u>73,101</u>

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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Amounts included in contract liabilities at the beginning of the year	5,971	7,429	5,939	6,910

(i) Derivatives

In the financial year ended 31 December 2023, the Group and Company hold derivative liabilities amounting to US\$12,000 (2022: US\$6,000) which are included in other payables.

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Derivative assets</i>				
Interest rate swap (Note A)	–	–	–	–
<i>Derivative liabilities</i>				
<i>(From other payables (Note 23)):</i>				
Foreign currency forward contracts (Note B)	12	6	–	–

Note A: Interest rate swap (cash flow hedge)

Since FY2022, the bank loans had been fully repaid and the Group and the Company have no more variable debt designated as hedged item as of year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. OTHER PAYABLES AND LIABILITIES (CONT'D)

(i) Derivatives (cont'd)

Note A: Interest rate swap (cash flow hedge) (cont'd)

The net effect of the fair value change in cash flow hedge pertains to:

	2023 US\$'000	2022 US\$'000
Group		
Total hedging gain recognised in OCI	–	20
Gain reclassified from OCI to profit or loss	–	(23)
	–	(3)
Company		
Total hedging gain recognised in OCI	–	20
Gain reclassified from OCI to profit or loss	–	(23)
	–	(3)

The amount of OCI reclassified to profit or loss is recognised to "Other operating income" line in the statement of profit or loss in FY2022.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 36(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 less than 6 months.

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

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. 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 from 2 to 9 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:

	Motor vehicles US\$'000	Equipment US\$'000	Vessels US\$'000	Containers US\$'000	Properties US\$'000	Land US\$'000	Total US\$'000
Group							
As at 1 January 2023	53	359	150,797	2,713	746	4,654	159,322
Additions	34	80	116,520	2,854	1,356	–	120,844
Written off	(18)	–	(7,443)	–	–	(25)	(7,486)
Depreciation expense	(34)	(189)	(84,734)	(1,270)	(668)	(147)	(87,042)
Impairment loss (a)	–	–	(12,161)	–	–	–	(12,161)
Translation difference	–	4	–	34	6	–	44
As at 31 December 2023	35	254	162,979	4,331	1,440	4,482	173,521
As at 1 January 2022	–	140	132,154	2,015	297	4,724	139,330
Additions	61	342	124,080	3,681	610	110	128,884
Written off	–	–	(6,512)	(1,642)	–	–	(8,154)
Depreciation expense	(8)	(128)	(98,925)	(1,339)	(132)	(180)	(100,712)
Translation difference	–	5	–	(2)	(29)	–	(26)
As at 31 December 2022	53	359	150,797	2,713	746	4,654	159,322

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. LEASES (CONT'D)

Right-of-use Assets (cont'd)

	Equipment US\$'000	Vessels US\$'000	Containers US\$'000	Total US\$'000
Company				
As at 1 January 2023	67	150,797	1,266	152,130
Additions	–	116,520	–	116,520
Written off	–	(7,443)	–	(7,443)
Depreciation expense	(25)	(84,734)	(401)	(85,160)
Impairment loss (a)	–	(12,161)	–	(12,161)
As at 31 December 2023	42	162,979	865	163,886
As at 1 January 2022	92	132,154	926	133,172
Additions	–	124,080	2,748	126,828
Written off	–	(6,512)	(1,642)	(8,154)
Depreciation expense	(25)	(98,925)	(766)	(99,716)
As at 31 December 2022	67	150,797	1,266	152,130

Lease liabilities

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

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
As at 1 January	159,065	140,503	151,501	134,086
Additions	120,841	129,042	116,484	126,986
Written off	(7,486)	(6,512)	(7,443)	(6,512)
Payments	(97,487)	(108,786)	(95,441)	(107,612)
Interest expense	8,798	4,840	8,401	4,549
Translation difference	44	(22)	(1)	4
As at 31 December	183,775	159,065	173,501	151,501
Current	41,473	86,375	39,365	85,306
Non-current	142,302	72,690	134,136	66,195
	183,775	159,065	173,501	151,501

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. LEASES (CONT'D)

- (a) During the financial year 31 December 2023, the Group and the Company carried out a review of the recoverable amount of its right-of-use ("ROU") vessels, in consideration of the declining trend in the freight rates and charter rates over the leased terms. The review led to the recognition of an impairment loss of US\$12,161,000 for one of its ROU vessels, which has been recognised in profit or loss, and included in cost of sales (Note 10).

Value-in-use

The recoverable amount of the right-of-use vessels were determined based on past performance and expectations of the market development. Cash inflows are based on existing freight rate, projected lifted volume and operational expenditure of the ROU vessel and management's estimate of the average freight rates over the recent observable shipping industry cycle. A period of a year and a half for cash flow projections is prepared consistent with the remaining lease term. The cash flows was discounted at 10.85%.

Sensitivity analysis

Based on the value in use calculations for ROU vessel 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		Freight rate	
	Increase	(Decrease)	Increase	(Decrease)
	US\$'000	US\$'000	US\$'000	US\$'000
31 December 2023	(7)	7	148	(148)

The following are the amounts recognised in profit or loss:

	Group	
	2023	2022
	US\$'000	US\$'000
Depreciation expense on right-of-use assets	87,042	100,712
Impairment loss on right-of-use assets	12,161	–
Interest expense on lease liabilities	8,798	4,840
Expense relating to short-term leases	20,825	30,909

The maturity analysis of lease liabilities are disclosed in Note 36(b)(vi). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 34(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. LEASES (CONT'D)

Group as lessor

In FY2022, the Group has sub-leased containers that has been presented as a right-of-use assets and recognised a gain of US\$10,000 on derecognition of the right-of-use asset pertaining to the containers.

In FY2023, the Group has recognised finance income on lease receivables of US\$211,000 (2022: US\$45,000).

The following table sets out a maturity analysis of lease receivables, showing the discounted lease payments to be received after the reporting date.

	Group and Company	
	2023	2022
	US\$'000	US\$'000
Within one year	465	464
Within second to fifth years	1,303	1,768
Total lease receivables	1,768	2,232
Less : unearned interest income	(413)	(624)
Net investment in lease receivables	1,355	1,608

25. 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 plans

Indonesia (SSI and SLS)

SSI and SLS are domiciled in Indonesia, both provide defined benefit pension plans, 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.6/2023 of Indonesia. The additional benefits under the Law are unfunded. In addition, SSI and SLS also provide their employees with other unfunded long-term benefit in the form of vacation leave based on the number of years of service.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Defined benefit plans (cont'd)

Indonesia (SSI and SLS) (cont'd)

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.

The number of employees entitled to the benefits are 492 as of 31 December 2023 and 427 as of 31 December 2022.

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

	2023	2022
Mortality rate	IMT 4 ⁽¹⁾	IMT 4 ⁽¹⁾
Normal pension age	56 years	56 years
Salary incremental rate	7.0% per annum	7.0% per annum
Discount rate	6.75% per annum	7.0% per annum
Expected return on investment rate	10.0% per annum	10.0% per annum
Resignation rate	5.0% up to age 35 and reducing linearly to 0% at age 56	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. 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	
	2023	2022
	US\$'000	US\$'000
Current service cost	155	11
Interest cost	43	38
Past service (income) cost	(101)	61
Remeasurement on the net defined benefit liability	97	110

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	
	2023	2022
	US\$'000	US\$'000
Remeasurement on the net defined benefit liability:		
Actuarial losses arising from changes in financial assumptions	14	12
Actuarial gains arising from changes in demographic assumptions	(4)	–
Actuarial (gains) losses arising from changes in experience adjustments	(59)	23
Adjustments arising from settlement of defined benefit plan	48	(55)
Components of defined benefit costs recognised in other comprehensive income	(1)	(20)

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

	Group	
	2023	2022
	US\$'000	US\$'000
Present value of unfunded obligations	651	665
Fair value of plan assets	(13)	(11)
Net liability recognised	638	654

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	Group	
	2023	2022
	US\$'000	US\$'000
Opening defined benefit obligation	665	–*
Retirement benefit obligations adjustment	(15)	526
Current service cost	155	11
Past service cost	(101)	61
Interest cost	42	38
Remeasurement gains (losses):		
From changes in financial assumptions	14	12
From experience adjustments	(59)	23
From experience adjustments	(4)	–
Benefit paid	(46)	(6)
Closing defined benefit obligation	651	665

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

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

	Group	
	2023	2022
	US\$'000	US\$'000
Opening fair value of plan assets	11	–
Interest income	3	1
Remeasurement gain (loss):		
Return on plan assets (excluding interest income)	(1)	10
Closing fair value of plan assets	13	11

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

	Group	
	2023	2022
	US\$'000	US\$'000
Deposit	–*	–*
Equity instruments	2	4
Debt instruments	8	5
Other assets	3	2
Total	13	11

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. 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 and SLS fund the cost of the entitlements expected to be earned on a yearly basis. Employees pay a fixed 4% of pensionable salary. The residual contribution (including back service payments) is paid by SSI and SLS. Apart from paying the costs of the entitlements, SSI and SLS are 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 2023 is 11 years (2022: 10 years).

26. DUE TO NON-CONTROLLING INTERESTS OF SUBSIDIARIES

These balances are unsecured and include the following terms:

- An amount of US\$Nil (2022: US\$430,000) which is interest-bearing at 1.50% (2022: 1.50%) per annum.
- An amount of US\$368,000 (2022: US\$384,000) which is interest-bearing at 3.50% (2022: 3.50%) per annum.

27. SHARE CAPITAL

	Group and Company 2023 and 2022	
	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.

28. TREASURY SHARES

	Group and Company 2023 and 2022	
	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. OTHER RESERVES AND FOREIGN CURRENCY TRANSLATION RESERVE

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Other reserves – Statutory and mandatory reserve (a)	24	16	–	–
Other reserves – Hedging reserve (b)	651	1,726	–	–
Other reserves – Employee benefits obligation reserve (c)	(33)	(20)	–	–
	642	1,722	–	–
Foreign currency translation reserve (d)	(1,365)	(2,337)	–	–

(a) Other reserves – Statutory and mandatory 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.

A subsidiary in Indonesia is required to set aside a certain amount of its net income each year as mandatory reserve if there is retained earnings, until the reserve reaches at least 20% of the issued and paid-up capital.

(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 and the joint venture which is designated as hedging instruments in cash flow hedges that is determined to be an effective hedge.

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at beginning of the year	1,726	448	–	3
Net change in hedging reserve	–	(3)	–	(3)
Share of net change in joint venture's hedging reserve	(1,075)	1,281	–	–
Balance at end of the year	651	1,726	–	–

(c) Other reserves – Employee benefits obligation reserve

The employee benefits obligation reserve represents the effects of the remeasurement of defined benefit obligation (Note 25).

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. 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\$101,036,000 (2022: US\$322,035,000) and the weighted average number of shares in issue during the financial year is 538,038,199 (2022: 538,038,199).

	Group	
	2023	2022
Basic and diluted earnings per share (cents)	18.82	59.85

31. DIVIDENDS

	Group and Company	
	2023	2022
	US\$'000	US\$'000

Declared and paid during the year:

Interim dividend paid: 2.0 Singapore cents per ordinary share (tax exempt) in respect of current financial year (2022: 7.0 Singapore cents per ordinary share (tax exempt) in respect of financial year ended 31 December 2022)	8,091	27,291
Special dividend paid : 24.25 Singapore cents per ordinary share (tax exempt) in respect of previous financial year (Special tax exempt dividend for financial year ended 31 December 2021 of 12.75 Singapore cents per ordinary share)	97,366	49,353
Final dividend paid: 0.75 Singapore cents per ordinary share (tax exempt) in respect of previous financial year (2022: 0.75 Singapore cents per ordinary share (tax exempt) in respect of financial year ended 31 December 2021)	3,010	2,903

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:

Special tax exempt dividend for financial year ended 31 December 2023 of 8.0 Singapore cents per share, total dividend payable amounting to SGD 43,043,000 (Special tax exempt dividend for financial year ended 31 December 2022 of 24.25 Singapore cents per share, total dividend payable amounting to SGD 130,474,000)	32,608	96,647
Final one-tier tax exempt dividend for financial year ended 31 December 2023 of 1.00 Singapore cents per share, total dividend payable amounting to SGD5,380,000 (Final one-tier tax exempt dividend for financial year ended 31 December 2022 of 0.75 Singapore cents per share, total dividend payable amounting to SGD4,035,000)	4,076	2,989

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. 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 Indonesia 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 (2022: US\$2,200,000), 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 36(b)(iii) for information about credit exposures on amounts due from immediate holding company, subsidiaries and related companies.

The Company holds an unsecured, repayable on demand, interest-bearing loan due to subsidiary. As at year end, the outstanding loan amounted to US\$2,200,000 (2022: US\$2,200,000).

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

	Group	
	2023	2022
	US\$'000	US\$'000
Expenses		
<u>Immediate holding company:</u>		
Vessel charter hire	2,881	3,248
Office rental	7	5
<u>Related companies:</u>		
Agency commissions	2,610	2,550
Ship management fees	223	467
Vessel charter hire	5,835	7,070
Container depot storage/repair	151	150
Slot space purchase	9	5
System development and maintenance	566	370
Car rental	37	44
Building maintenance and security services	567	193
Income		
<u>Related companies:</u>		
Vessel charter hire	6,259	6,142

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. 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	
	2023	2022
	US\$'000	US\$'000
Expenses		
Fees paid to a director of the immediate holding company	74	89
Compensation of directors and key management personnel		
Short-term employee benefits	3,313	4,311
Pension contributions	40	30
Total	3,353	4,341
Comprise:		
Executive directors of the Company	2,368	2,623
Key management personnel (excluding executive directors of the Company)	985	1,718
	3,353	4,341

34. COMMITMENTS

(a) Capital commitments

	Group	
	2023	2022
	US\$'000	US\$'000
Capital expenditure contracted but not provided	54,240	52,800

During the financial year 31 December 2023, the Group entered into Memorandums of Agreement ("MOA") to purchase two ethylene gas vessels amounting to US\$12,600,000. These vessels are expected to be delivered in 2024.

In FY2022, the Group entered into MOA to purchase two newbuild container vessels amounting to US\$66,000,000. These vessels are expected to be delivered in 2024.

The commitment balances represent the remaining outstanding amounts contracted but not yet due for these vessels.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. COMMITMENTS (CONT'D)

(b) *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 two 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	
	2023	2022
	US\$'000	US\$'000
Within one year	15,905	12,465
In the second to third years inclusive	6,194	15,467
	22,099	27,932

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

The future lease payments for these non-cancellable lease contracts are as follows:

	Group	
	2023	2022
	US\$'000	US\$'000
Future minimum lease payments:		
– Not more than one year	65,528	134,702
– More than one year but not more than five years	113,809	182,077
– More than five years	60,872	77,255
	240,209	394,034

35. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. SEGMENT INFORMATION (CONT'D)

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

	Container Shipping US\$'000	Bulk and Tanker US\$'000	Agencies and Logistics US\$'000	Eliminations US\$'000	Group US\$'000
<u>31 December 2023</u>					
Revenue:					
– External customers	545,009	18,264	19,658	–	582,931
– Inter-segment	295	–	2,975	(3,270)	–
	<u>545,304</u>	<u>18,264</u>	<u>22,633</u>	<u>(3,270)</u>	<u>582,931</u>
Segment results	92,166	3,812	4,210	(3,079)	97,109
Finance income	12,320	689	449	(359)	13,099
Finance costs	(9,231)	(1,567)	(505)	359	(10,944)
Share of results of joint venture	–	5,711	–	–	5,711
Profit (Loss) before tax	95,255	8,645	4,154	(3,079)	104,975
Income tax expense					<u>(3,951)</u>
Profit after tax					<u>101,024</u>
Segment assets	749,979	73,927	85,901	–	909,807
Unallocated assets					<u>379</u>
					<u>910,186</u>
Segment liabilities	(300,244)	(17,650)	(21,743)	–	(339,637)
Unallocated liabilities					<u>(3,089)</u>
					<u>(342,726)</u>
Capital expenditure	73,964	27,968	2,488	–	104,420
Depreciation of property, plant and equipment	4,961	4,209	2,870	–	12,040
Depreciation of right-of-use assets	85,160	–	1,882	–	87,042
Impairment of right-of-use assets	12,161	–	–	–	12,161
Amortisation of intangible assets	401	–	–	–	401
Depreciation of investment properties	26	–	9	–	35
Write back for impairment on receivables, net	(570)	(4)	(67)	–	(641)

NOTES TO THE FINANCIAL STATEMENTS

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35. SEGMENT INFORMATION (CONT'D)

	Container Shipping US\$'000	Bulk and Tanker US\$'000	Agencies and Logistics US\$'000	Eliminations US\$'000	Group US\$'000
<u>31 December 2022</u>					
Revenue:					
– External customers	961,340	10,721	18,533	–	990,594
– Inter-segment	2,090	–	3,821	(5,911)	–
	<u>963,430</u>	<u>10,721</u>	<u>22,354</u>	<u>(5,911)</u>	<u>990,594</u>
Segment results	321,663	1,933	3,681	(215)	327,062
Finance income	2,039	204	337	(61)	2,519
Finance costs	(5,114)	(415)	(350)	61	(5,818)
Share of results of joint venture/associate	–	1,932	–	–	1,932
Profit (Loss) before tax	318,588	3,654	3,668	(215)	325,695
Income tax expense					<u>(2,596)</u>
Profit after tax					<u>323,099</u>
Segment assets	761,542	72,928	53,529	–	887,999
Unallocated assets					<u>338</u>
					<u>888,337</u>
Segment liabilities	(273,746)	(24,154)	(15,646)	–	(313,546)
Unallocated liabilities					<u>(1,848)</u>
					<u>(315,394)</u>
Capital expenditure	16,076	28,614	846	–	45,536
Depreciation of property, plant and equipment	4,197	2,405	823	–	7,425
Depreciation of right-of-use assets	99,715	–	997	–	100,712
Amortisation of intangible assets	428	–	–	–	428
Depreciation of investment properties	26	–	9	–	35
Allowance for (write back of) impairment on receivables, net	444	(236)	(98)	–	110

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35. 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	
	2023	2022
	US\$'000	US\$'000
Indonesia	215,372	352,951
South East Asia (excluding Indonesia)	248,324	441,653
Middle East and Indian Sub-continent	83,905	175,423
Far East	7,534	8,863
Others	9,532	983
Total revenue for Container Shipping and Agencies and Logistics	<u>564,667</u>	<u>979,873</u>

- (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 one customer in 2023 (2022: two) that contribute greater than 10% of the total revenue of the Group.

	Revenue	
	2023	2022
	US\$'000	US\$'000
Customer A	293,314	329,046
Customer B	–	105,164

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.

NOTES TO THE FINANCIAL STATEMENTS

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36. 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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Financial assets at amortised cost	456,694	551,022	451,151	500,317
Financial liabilities				
Financial liabilities at amortised cost	332,398	306,915	252,876	268,725
Derivative financial liabilities	12	6	–	–
	332,410	306,921	252,876	268,725

(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\$22,081,000 (2022: US\$79,494,000) and US\$9,410,000 (2022: US\$60,254,000) for the Group and the Company respectively.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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, Indonesia, 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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
SGD	40,476	23,206	16,671	75,205
IDR	1,739	1,152	5,893	4,857
INR	–	–	541	2,357
THB	–	–	1,587	756
AED	12	12	1,122	–
Others	118	18	83	103

	Company			
	Liabilities		Assets	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
SGD	40,316	22,704	16,547	75,158
IDR	564	480	–	–
INR	–	–	541	2,357
THB	–	–	1,587	756
AED	12	12	1,122	–
Others	17	18	44	95

NOTES TO THE FINANCIAL STATEMENTS

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36. 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% (2022: 10%) increase and decrease in the exchange rate of SGD, IDR and INR 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, IDR and INR and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis of monetary items denominated in other currencies are not significant.

	Group		Company	
	Strengthen/ (weaken) in exchange %	Effect on profit before tax US\$'000	Strengthen/ (weaken) in exchange %	Effect on profit before tax US\$'000
2023				
Singapore dollar	10	(2,380)	10	(2,377)
	(10)	2,380	(10)	2,377
Indonesian rupiah	10	415	10	(56)
	(10)	(415)	(10)	56
Indian rupee	10	54	10	54
	(10)	(54)	(10)	(54)
2022				
Singapore dollar	10	5,200	10	5,245
	(10)	(5,200)	(10)	(5,245)
Indonesian rupiah	10	371	10	(48)
	(10)	(371)	(10)	48
Indian rupee	10	236	10	236
	(10)	(236)	(10)	(236)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(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.

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, 21, 24 and 26.

Interest rate sensitivity

The following table demonstrates the sensitivity to a 25 basis points (2022: 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 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
2023				
Singapore dollar	25	(14)	25	(14)
	(25)	14	(25)	14
United States dollar	25	526	25	580
	(25)	(526)	(25)	(580)
2022				
Singapore dollar	25	85	25	85
	(25)	(85)	(25)	(85)
United States dollar	25	418	25	405
	(25)	(418)	(25)	(405)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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)

Managing interest rate benchmark reform and associated risk

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). As at 31 December 2023, the Group had exposures to SIBOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STs) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has identified the Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark to replace SIBOR in Singapore. The timeline for SORA to replace SIBOR is by the end of December 2024.

In response to the announcements, management monitors and manages the transition to the new reference rates and evaluates the extent to which contracts reference IBOR cash flows and how to manage the communication about interest rate benchmark reform with counterparties. The management reports any major risks arising from interest rate benchmark reform to the Company's Board of Directors.

(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 2023, 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 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 US\$'000	Loss allowance US\$'000	Net carrying amount US\$'000
Group						
<u>31 December 2023</u>						
Trade receivables	17	(i)	Lifetime ECL	81,337	(4,252)	77,085
Other receivables and deposit	18	Performing (ii)	12 month	3,152	–	3,152
Due from immediate holding company (non-trade)	32	Performing (ii)	12 month	260	–	260
Due from immediate holding company (trade)	17	(i)	Lifetime ECL	3,371	(22)	3,349
Due from related companies (trade)	17	(i)	Lifetime ECL	11,867	(57)	11,810
Due from non-controlling interest of subsidiary (trade)	17	(i)	Lifetime ECL	968	–	968
Lease receivables	24	Performing (ii)	12 month	1,355	–	1,355
				<u>102,310</u>	<u>(4,331)</u>	<u>97,979</u>
<u>31 December 2022</u>						
Trade receivables	17	(i)	Lifetime ECL	156,799	(4,998)	151,801
Other receivables and deposit	18	Performing (ii)	12 month	1,890	–	1,890
Due from immediate holding company (non-trade)	32	Performing (ii)	12 month	256	–	256
Due from immediate holding company (trade)	17	(i)	Lifetime ECL	5,103	(36)	5,067
Due from related companies (trade)	17	(i)	Lifetime ECL	9,601	(57)	9,544
Due from non-controlling interest of subsidiary (trade)	17	(i)	Lifetime ECL	1	–	1
Lease receivables	24	Performing (ii)	12 month	1,608	–	1,608
				<u>175,258</u>	<u>(5,091)</u>	<u>170,167</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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)

	Internal Note	credit rating	12-month or lifetime ECL	Gross carrying amount US\$'000	Loss allowance US\$'000	Net carrying amount US\$'000
Company						
<u>31 December 2023</u>						
Trade receivables	17	(i)	Lifetime ECL	72,634	(3,400)	69,234
Other receivables and deposit	18	Performing (ii)	12 month	269	–	269
Due from immediate holding company (trade)	32	(i)	Lifetime ECL	3,348	(22)	3,326
Due from subsidiaries (trade)	17	(i)	Lifetime ECL	2,302	(28)	2,274
Due from subsidiaries (non-trade)	19	Performing (iii)	12 month	57,592	–	57,592
Due from related companies (trade)	17	(i)	Lifetime ECL	8,451	(57)	8,394
Lease receivables	24	Performing (ii)	12 month	1,355	–	1,355
				<u>145,951</u>	<u>(3,507)</u>	<u>142,444</u>
<u>31 December 2022</u>						
Trade receivables	17	(i)	Lifetime ECL	148,158	(4,074)	144,084
Other receivables and deposit	18	Performing (ii)	12 month	124	–	124
Due from immediate holding company (trade)	32	(i)	Lifetime ECL	5,077	(36)	5,041
Due from subsidiaries (trade)	17	(i)	Lifetime ECL	5,900	(51)	5,849
Due from subsidiaries (non-trade)	19	Performing (iii)	12 month	5,105	–	5,105
Due from related companies (trade)	17	(i)	Lifetime ECL	8,074	(57)	8,017
Lease receivables	24	Performing (ii)	12 month	1,608	–	1,608
				<u>174,046</u>	<u>(4,218)</u>	<u>169,828</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 the Company has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and the 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), other receivables, deposits and lease receivables, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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			
	2023		2022	
	US\$'000	% of total	US\$'000	% of total
By customers:				
Main line operators	68,655	89.0	139,524	92.0
Agents	1,512	2.0	1,128	0.7
Others	6,918	9.0	11,149	7.3
	77,085	100.0	151,801	100.0

	Company			
	2023		2022	
	US\$'000	% of total	US\$'000	% of total
By customers:				
Main line operators	64,971	93.8	135,530	94.1
Agents	2,053	3.0	1,572	1.1
Others	2,210	3.2	6,982	4.8
	69,234	100.0	144,084	100.0

At the end of the reporting period, approximately 30.0% (2022: 49.8%) of the Group's and 33.4% (2022: 52.5%) Company's trade receivables were due from 5 (2022: 5) major customers who are main line operators located in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 2023

	Current US\$'000	Days past due				Total US\$'000
		<30 days US\$'000	30-60 days US\$'000	60-90 days US\$'000	>91 days US\$'000	
Estimated total gross carrying amount at default	75,081	2,253	151	127	3,725	81,337
Expected credit loss	(500)	(109)	(26)	(20)	(3,597)	(4,252)

31 December 2022

	Current US\$'000	Days past due				Total US\$'000
		<30 days US\$'000	30-60 days US\$'000	60-90 days US\$'000	>91 days US\$'000	
Estimated total gross carrying amount at default	146,865	5,428	390	230	3,886	156,799
Expected credit loss	(1,020)	(152)	(79)	(54)	(3,693)	(4,998)

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 2023 and 31 December 2022, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 2023						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		80,237	–	–	–	80,237
Due from related companies		15,419	–	–	–	15,419
Due from NCI of subsidiary		968	–	–	–	968
Variable interest rate instruments:						
Cash and bank balances	0.05-5.75	361,819	–	–	(3,104)	358,715
Lease receivables		465	1,303	–	(413)	1,355
Total financial assets		458,908	1,303	–	(3,517)	456,694

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 % p.a.	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000	Adjustment US\$'000	Total US\$'000
Group						
31 December 2023						
Financial liabilities						
Non-interest bearing:						
Trade payables		24,025	–	–	–	24,025
Other payables and liabilities		56,213	–	–	–	56,213
Due to related companies		415	–	–	–	415
Fixed interest rate instruments:						
Lease liabilities	2.55-14.15	50,236	173,041	–	(39,502)	183,775
Due to NCI of subsidiaries	3.50	52	316	–	–	368
Variable interest rate instruments:						
Bank term loans	6.95	13,622	44,276	30,412	(20,696)	67,614
Total financial liabilities		144,563	217,633	30,412	(60,198)	332,410

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 % p.a.	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000	Adjustment US\$'000	Total US\$'000
Group						
31 December 2022						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		153,691	–	–	–	153,691
Due from related companies		14,867	–	–	–	14,867
Due from NCI of subsidiary		1	–	–	–	1
Variable interest rate instruments:						
Cash and bank balances	0.15-5.60	381,996	–	–	(1,141)	380,855
Lease receivables		464	1,768	–	(624)	1,608
Total financial assets		551,019	1,768	–	(1,765)	551,022
Financial liabilities						
Non-interest bearing:						
Trade payables		39,100	–	–	–	39,100
Other payables and liabilities		78,718				78,718
Due to related companies		158	–	–	–	158
Fixed interest rate instruments:						
Lease liabilities	2.55-14.15	89,596	72,278	5,828	(8,637)	159,065
Due to NCI of subsidiaries	2.44	54	760	–	–	814
Variable interest rate instruments:						
Bank term loans	6.22	6,317	20,661	9,098	(7,010)	29,066
Total financial liabilities		213,943	93,699	14,926	(15,647)	306,921

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 % p.a.	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000	Adjustment US\$'000	Total US\$'000
Company						
31 December 2023						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		69,503	–	–	–	69,503
Due from related companies		67,145	–	–	–	67,145
Fixed interest rate instruments:						
Due from subsidiary	1.30	671	994	–	(89)	1,576
Lease receivables	14.15	465	1,303	–	(413)	1,355
Variable interest rate instruments:						
Cash and bank balances	0.05-5.75	311,759	–	–	(3,052)	308,707
Due from subsidiary	4.43	1,364	2,013	–	(512)	2,865
Total financial assets		450,907	4,310	–	(4,066)	451,151
Financial liabilities						
Non-interest bearing:						
Trade payables		18,855	–	–	–	18,855
Other payables and liabilities		47,031	–	–	–	47,031
Due to related companies		2,845	–	–	–	2,845
Fixed interest rate instruments:						
Lease liabilities	2.55-14.15	47,725	162,653	–	(36,877)	173,501
Variable interest rate instruments:						
Bank term loans	5.43	1,373	5,343	7,465	(3,537)	10,644
Total financial liabilities		117,829	167,996	7,465	(40,414)	252,876

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. 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 % p.a.	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000	Adjustment US\$'000	Total US\$'000
Company						
31 December 2022						
Financial assets						
Non-interest bearing:						
Trade and other receivables and deposits		144,208	–	–	–	144,208
Due from related companies		19,817	–	–	–	19,817
Fixed interest rate instruments:						
Due from subsidiary	1.65	98	377	150	(32)	593
Lease receivables		464	1,768	–	(624)	1,608
Variable interest rate instruments:						
Cash and bank balances	1.07-4.79	331,469	–	–	(980)	330,489
Due from subsidiary	6.11	1,180	2,842	–	(420)	3,602
Total financial assets		497,236	4,987	150	(2,056)	500,317
Financial liabilities						
Non-interest bearing:						
Trade payables		36,237	–	–	–	36,237
Other payables and liabilities		67,162	–	–	–	67,162
Due to related companies		2,651	–	–	–	2,651
Fixed interest rate instruments:						
Lease liabilities	2.55-14.15	88,233	69,294	43	(6,069)	151,501
Variable interest rate instruments:						
Bank term loans	5.53	1,395	5,147	9,028	(4,396)	11,174
Total financial liabilities		195,678	74,441	9,071	(10,465)	268,725

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. 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).

	Date of valuation	Fair value measurement using			
		Total US\$'000	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable input (Level 3) US\$'000
Liabilities measured at fair value:					
<i>Derivative financial liabilities:</i>					
Foreign currency forward contracts	31 December 2023	12	–	12	–
Foreign currency forward contracts	31 December 2022	6	–	6	–
Liabilities for which fair value are disclosed:					
Amounts due to NCI	31 December 2023	400	–	400	–
Amounts due to NCI	31 December 2022	830	–	830	–

Amounts due to NCI

The carrying amounts due to NCI of subsidiaries is US\$400,000 (2022: US\$830,000). 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.

Derivative assets and liabilities

The carrying amount of derivative financial liabilities is US\$12,000 (2022: US\$6,000). The Group enters into derivative financial instruments with reputable financial institutions. Foreign currency forward contracts are valued using valuation techniques, which employ the use of market observable inputs. As at 31 December 2023, the mark-to-market value of derivative liabilities positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

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 value of the bank loans approximate fair value as these balances are of variable interest rate.

38. 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 2023 and 31 December 2022.

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.

39. SIGNIFICANT SUBSEQUENT EVENT

On 15 January 2024, the Group incorporated a wholly-owned subsidiary in Australia, Samudera Australia Pty Ltd.

The Group has taken delivery of one of its ethylene gas vessels, Sinar Ternate, on 12 March 2024.

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 15 March 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

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.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital*
1 – 99	13	0.26%	339	0.00%
100 – 1,000	218	4.34%	139,921	0.03%
1,001 – 10,000	2,935	58.48%	14,829,245	2.76%
10,001 – 1,000,000	1,827	36.40%	81,167,631	15.08%
1,000,001 and above	26	0.52%	441,901,063	82.13%
	5,019	100.00%	538,038,199	100.00%

PERCENTAGE OF SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 18 March 2024, approximately 34.08% 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.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%*
1	PT SAMUDERA INDONESIA TBK	351,180,000	65.27
2	CITIBANK NOMINEES SINGAPORE PTE LTD	13,744,034	2.55
3	DBS NOMINEES (PRIVATE) LIMITED	13,072,100	2.43
4	RAFFLES NOMINEES (PTE.) LIMITED	12,673,469	2.36
5	PHILLIP SECURITIES PTE LTD	5,563,955	1.03
6	OCBC SECURITIES PRIVATE LIMITED	4,487,918	0.83
7	IFAST FINANCIAL PTE. LTD.	3,771,300	0.70
8	MAYBANK SECURITIES PTE. LTD.	3,685,700	0.69
9	BANI MAULANA MULIA	3,504,400	0.65
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,767,900	0.51
11	HSBC (SINGAPORE) NOMINEES PTE LTD	2,759,929	0.51
12	CHU SIEW HOONG CHRISTOPHER	2,690,000	0.50
13	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,572,600	0.48
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,378,900	0.44
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,169,500	0.40
16	JUSTIN TEO ZHIWEI	2,105,200	0.39
17	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,584,600	0.29
18	BPSS NOMINEES SINGAPORE (PTE.) LTD.	1,460,000	0.27
19	LIM HOCK BENG	1,400,000	0.26
20	UOB KAY HIAN PRIVATE LIMITED	1,394,400	0.26
		434,965,905	80.82

* The percentage of shareholdings is calculated based on the Company's total number of 538,038,199 issued shares as at 18 March 2024 (i.e. excluding 1,093,000 treasury shares) and there is no subsidiary holdings as at 18 March 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 18 March 2024)

Name	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
PT Samudera Indonesia Tbk	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 18 March 2024 (i.e. excluding 1,093,000 treasury shares) and there is no subsidiary holdings as at 18 March 2024.
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 15.19% and 37.85% 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 held at Marina Bay Sands, Level 4 Roselle Junior Ballroom 4611, 10 Bayfront Avenue Singapore 018956 on **Monday, 29 April 2024, 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 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a special one-tier tax exempt dividend of 8.0 Singapore cents per ordinary share for the financial year ended 31 December 2023. (FY2022: special one-tier tax exempt dividend of 24.25 Singapore cents per ordinary share) **(Resolution 2)**
3. To declare a final one-tier tax exempt dividend of 1.0 Singapore cents per ordinary share for the financial year ended 31 December 2023. (FY2022: 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 Tan Meng Toon	[See Explanatory Note (i)]	(Resolution 5)
Ms Lee Lay Eng Juliana	[See Explanatory Note (i)]	(Resolution 6)
5. To re-appoint Mr Low Chee Wah as a Director of the Company pursuant to Article 97 of the Constitution of the Company. [See Explanatory Note (i)] **(Resolution 7)**
6. To approve the payment of Directors’ fees of S\$25,667 for the financial year ended 31 December 2023 (being pro-rated Directors’ fees payable to the Independent Director, Mr Low Chee Wah, who was appointed on 1 August 2023). **(Resolution 8)**
7. To approve the payment of Directors’ fees of S\$492,800 for the financial year ending 31 December 2024 to be paid quarterly in arrears. (FY2023: S\$431,200) **(Resolution 9)**
8. 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 10)**
9. 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:

10. 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,

NOTICE OF ANNUAL GENERAL MEETING

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 (ii)] **(Resolution 11)**

11. **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 page 4 and 5 of the Appendix to the Annual Report to Shareholders dated 12 April 2024 (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**");

NOTICE OF ANNUAL GENERAL MEETING

- (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 (iii)]

(Resolution 12)

By Order of the Board

Eunice Hooi Lai Fann
Company Secretary
Singapore, 12 April 2024

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 Director and Chairman of the Company.
 - (b) Mr Tan Meng Toon will, upon re-appointment, remain as the Executive Director, Group Business Operations of the Company and will be considered non-independent.
 - (c) Ms Lee Lay Eng Juliana will, upon re-appointment, remain as the Non-Executive Director of the Company and will be considered independent.

The Ordinary Resolution 7 above, relates to the re-appointment of Mr Low Chee Wah, who is retiring pursuant to Article 97 of the Company's Constitution. Mr Low Chee Wah will, upon re-appointment, remain as the Non-Executive Director of the Company and will be considered independent.

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 AGM, can be found in the FY2023 Annual Report under "Board of Directors" section.

- (ii) The Ordinary Resolution 11 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM 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.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) The Ordinary Resolution 12 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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

NOTES:

1. Printed copies of the Request Form, this Notice of AGM and the accompanying Proxy Form **will** be mailed to shareholders.
2. Printed copies of the Company's FY2023 Annual Report and the Appendix to the Annual Report dated 12 April 2024 **will not** be mailed to shareholders. Instead, these documents will be made available 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/samuderashippingline/td/en/2/shareholdersmeeting>.

Shareholders who wishes to request for a printed copy of the Company's FY2023 Annual Report and the accompanying Appendix dated 12 April 2024 may do so by completing, signing and returning the Request Form to the Company **no later than 18 April 2024** by way of (i) post to the registered office of the Company at 6 Raffles Quay, #25-01, Singapore 048580 or (ii) email to the Company at gmp.ssl@samudera.id.

3. (i) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. Where such member appoints two (2) proxies, the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
- (ii) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy, failing which, the appointment shall be invalid.

"**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 1970, 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 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, 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.

NOTICE OF ANNUAL GENERAL MEETING

4. CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 17 April 2024**, being seven (7) working days prior to 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.

Shareholders are requested to arrive early to facilitate the registration process. Please bring along your NRIC/passport so as to enable the Company to verify your identity.

5. A proxy need not be a member of the Company.
6. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. If the appointor is a corporation, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.
7. A member can appoint the Chairman of the AGM as his/her/its proxy **but** this is **not** mandatory.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting (whether to vote in favour of or against), or abstentions from voting in respect of a resolution in the Proxy Form, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

8. **Submission of Proxy Form – by 10.00 a.m. on 26 April 2024**

The Proxy Forms must be submitted to the Company in any one of the following manner not less than seventy-two (72) hours before the time appointed for holding the AGM i.e. **by 10.00 a.m. on Friday, 26 April 2024**, and failing which, the Proxy Form(s) will be treated as invalid:

- (a) **if submitted by post**, be lodged at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) **if submitted electronically**, be submitted via email to the Company at gmp.ssl@samudera.id 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 provide above.

Completion and submission of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form(s) to the AGM.

NOTICE OF ANNUAL GENERAL MEETING

SUBMISSION OF QUESTIONS IN ADVANCE OF THE AGM

Shareholders may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM to the Company in advance of the AGM. Such questions must be submitted to the Company **by 18 April 2024** via email to the Company at gmp.ssl@samudera.id or by post to 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:

- (i) the Shareholder's full name;
- (ii) the Shareholder's address; and
- (iii) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

The Company will upload its response to the substantial and relevant questions from shareholders on the SGXNet and the Company's website **before 24 April 2024**, being at least 48 hours prior to the proxy form submission deadline for the AGM.

The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) substantial and relevant questions which are received from shareholders after its response on 24 April 2024, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company's responses to all subsequent questions addressed at the AGM together with the minutes of the AGM, will be posted on the SGXNet and the Company's website within one (1) month after the date of the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) 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 proxies and representatives appointed 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 (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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 2023:

- (i) proposed special one-tier tax exempt dividend of 8.0 Singapore cents per ordinary share; and
- (ii) proposed final one-tier tax exempt dividend of 1.0 Singapore cents per ordinary share,

(collectively "**Proposed Special Dividend and Final Dividend**") at the Company's Annual General Meeting to be held on 29 April 2024 ("**AGM**"), the Share Transfer Books and Register of Members of the Company will be closed on Wednesday, 8 May 2024 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 Special Dividend and Final 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 Special Dividend and Final Dividend.

The Proposed Special Dividend and Final Dividend, if approved by the shareholders at the AGM, will be paid on Wednesday, 15 May 2024.

BY ORDER OF THE BOARD

Eunice Hooi Lai Fann
Company Secretary
Singapore, 12 April 2024

SAMUDERA SHIPPING LINE LTD

(Company Registration No. 199308462C)
(Incorporated In The Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Annual General Meeting ("AGM") of Samudera Shipping Line Ltd (the "Company") will be held at Marina Bay Sands, Level 4 Roselle Junior Ballroom 4611, 10 Bayfront Avenue Singapore 018956.
2. For CPFIS/SRS investors who have used their CPF/SRS monies to buy the Company'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. CPFIS/SRS investors should contact their respective CPF Agent Bank/SRS Operators to submit their votes by **5.00 p.m.** on **17 April 2024**.
3. **Please read the notes to the Proxy 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(s):

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the AGM as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held on **Monday, 29 April 2024 at 10.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

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 2023			
2	Payment of proposed special one-tier tax exempt dividend for the financial year ended 31 December 2023			
3	Payment of proposed final one-tier tax exempt dividend for the financial year ended 31 December 2023			
4	Re-appointment of Mr Masli Mulia as a Director			
5	Re-appointment of Mr Tan Meng Toon as a Director			
6	Re-appointment of Ms Lee Lay Eng Juliana as a Director			
7	Re-appointment of Mr Low Chee Wah as a Director			
8	Approval of payment of Directors' fees of S\$25,667 for the financial year ended 31 December 2023 (being pro-rated Directors' fees payable to the Independent Director, Mr Low Chee Wah, who was appointed on 1 August 2023)			
9	Approval of payment of Directors' fees of S\$492,800 for the financial year ending 31 December 2024, payable quarterly in arrears			
10	Re-appointment of Messrs Ernst & Young LLP as Auditors and authorising the Directors to fix their remuneration			
11	Authority to Issue Shares			
12	Renewal of Shareholders' Mandate for Interested Person Transactions			

⁽¹⁾ Voting would be conducted by Poll. 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 _____ 2024

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. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.
2. Printed copy of this Proxy Form **will** be mailed to members. This Proxy Form is also available to members 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/samuderashippinglined/en/2/shareholdersmeeting>.
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, 2001), 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. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. Where such member appoints two (2) proxies, the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy shall be specified in the Proxy Form. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
5. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, 1967.
6. A member can appoint the Chairman of the AGM as his/her/its proxy **but this is not** mandatory.
If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting (whether to vote in favour of or against), or abstentions from voting in respect of a resolution in the Proxy Form, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
7. A proxy need not be a member of the Company.
8. This Proxy Form must be submitted to the Company in any one of the following manner not less than seventy-two (72) hours before the time appointed for holding the AGM i.e. **by 10.00 a.m. on Friday, 26 April 2024**, and failing which, the Proxy Form(s) will be treated as invalid:
 - (a) **if submitted by post**, be lodged at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) **if submitted electronically**, be submitted via email to the Company's Share Registrar at gmp.ssl@samudera.id 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.
Members are strongly encouraged to submit the completed Proxy Forms electronically via email.
9. Completion and submission of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant Proxy Form(s) to the AGM.
10. The Proxy Form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form 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 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.
11. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its authorised representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
12. All members will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2024.

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 any 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



SAMUDERA SHIPPING LINE LTD
ANNUAL REPORT 2023 (FINANCIAL)

6 Raffles Quay #25-01
Singapore 048580
Tel: (65) 6403 1687
Co. Reg. No.: 199308462C

samudera.id/ssl



12 April 2024

This Appendix is circulated to the Shareholders together with the Company's annual report. The purpose of this Appendix is to provide Shareholders with information pertaining to and to explain the rationale for the proposed renewal of the Shareholders' Mandate (as defined in this Appendix) to be tabled at the AGM to be held at Marina Bay Sands, Level 4 Roselle Junior Ballroom 4611, 10 Bayfront Avenue, Singapore 018956, on 29 April 2024 at 10.00am.

The notice of the AGM and the proxy form are enclosed with the annual report.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.



SAMUDERA SHIPPING LINE LTD

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

**APPENDIX IN RELATION TO DETAILS OF
THE PROPOSED RENEWAL OF
THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS**

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DEFINITIONS

The following definitions apply throughout this Appendix unless the context otherwise requires:

“AGM”	: The annual general meeting of the Company, notice of which is set out on pages 136 to 141 of the Financial Report.
“Annual Report”	: The annual report of the Company for the financial year ended 31 December 2023.
“AR (Financial)”	: The annual report (financial) of the Company for the financial year ended 31 December 2023 and which is attached to the Annual Report.
“Audit Committee”	: The audit committee of the Company.
“Board”	: The board of directors of the Company for the time being.
“CDP”	: The Central Depository (Pte.) Limited.
“Chapter 9”	: Has the meaning ascribed to it in Annexure 1.
“Companies Act”	: The Companies Act 1967 of Singapore, as amended or modified from time to time.
“Company” or “SSL”	: Samudera Shipping Line Ltd.
“Directors”	: The directors of the Company as at the Latest Practicable Date.
“Group”	: The Company, its subsidiaries and associated companies.
“Interested Persons”	: Means the interested persons as listed in paragraph 4 of this Appendix.
“Interested Person Transactions”	: Has the meaning ascribed to it in paragraph 5 of this Appendix.
“Latest Practicable Date”	: 18 March 2024 being the latest practicable date prior to the date of this Appendix.
“Listing Manual”	: The SGX-ST listing manual, as amended or modified from time to time.
“NTA”	: Net tangible assets.
“PT Panurjwan”	: PT Perusahaan Pelayaran Nusantara Panurjwan.
“PT MTKI”	: PT Masaji Tatanan Kontainer Indonesia.
“PT SET”	: PT Samudera Energi Tangguh.
“PTSI”	: PT Samudera Indonesia Tbk, the immediate holding company of the Company.
“PTSI Group”	: PTSI, its subsidiaries and/or associated companies (excluding the Group).

“PTSISM”	: PT Samudera Indonesia Ship Management.
“PTSAI”	: PT Samudera Agencies Indonesia.
“Securities Account”	: A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent.
“SFA”	: The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
“SGX-ST”	: Singapore Exchange Securities Trading Limited.
“Shareholders”	: Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall mean the depositors whose Securities Accounts are credited with Shares.
“Shareholders’ Mandate” or “IPT Mandate”	: A general mandate from Shareholders pursuant to Chapter 9 of the Listing Manual permitting the Group to enter into certain types of recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with specified classes of the Company’s Interested Persons.
“Shares”	: Ordinary shares in the capital of the Company.
“SSM”	: Samudera Ship Management Pte. Ltd.
“Tanggung”	: PT Samudera Indonesia Tangguh, the ultimate holding company of the Company.
“Tanggung Group”	: Tangguh, its subsidiaries and associated companies (excluding the PTSI Group and the Group).
“USD” and “US cents”	: United States dollars and cents respectively.
“%” or “per cent.”	: Percentage or per centum.
“S\$” and “cents”	: Singapore Dollars and cents, respectively.

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

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

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

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date respectively, unless otherwise stated.

Unless otherwise stated, the average exchange rate between USD and S\$ for financial year ended 31 December 2023 was USD1.00: S\$1.34. This exchange rate should not be construed as a representation that the USD amounts would have been, or could be, converted into S\$ at the rate stated, or at all and vice versa.

LETTER TO SHAREHOLDERS

SAMUDERA SHIPPING LINE LTD

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

Date: 12 April 2024

Directors as at the Latest Practicable Date:

Masli Mulia (Chairman, Non-Independent and Non-Executive Director)
Bani Maulana Mulia (Executive Director and Group Chief Executive Officer)
Ridwan Hamid (Executive Director, Group Business Support)
Tan Meng Toon (Executive Director, Group Business Operations)
Quah Ban Huat (Lead Independent and Non-Executive Director)
Nicholas Peter Ballas (Independent and Non-Executive Director)
Ng Chee Keong (Independent and Non-Executive Director)
Lee Lay Eng Juliana (Independent and Non-Executive Director)
Low Chee Wah (Independent and Non-Executive Director)

Registered Office:

6 Raffles Quay #25-01
Singapore 048580

To: Shareholders of
Samudera Shipping Line Ltd

Dear Sir / Madam

PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

- 1.1 The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the AGM for, the renewal of the Shareholders' Mandate.
- 1.2 The Shareholders' Mandate was last obtained at the annual general meeting held on 28 April 2023, such Shareholders' Mandate being expressed to take effect until the date of the forthcoming annual general meeting.
- 1.3 The Directors proposed that the Shareholders' Mandate be renewed at the AGM to be held on 29 April 2024. The Shareholders' Mandate (if renewed) shall take effect until the next annual general meeting of the Company.

2. CHAPTER 9 OF THE LISTING MANUAL

Under Chapter 9 of the Listing Manual, where an issuer or any of its subsidiaries (other than subsidiaries that are listed on the SGX-ST or an approved exchange) or associated companies (other than an associated company that is listed on the SGX-ST or on an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company) proposes to enter into a transaction with the issuer's interested persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain financial materiality thresholds. However, an issuer may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with the listed company's interested persons. Transactions conducted under such a shareholders' mandate are subject to the disclosure requirements in Rule 920 of the Listing Manual but are not separately

subject to the financial materiality thresholds. General information pertaining to Chapter 9 of the Listing Manual, including the said financial materiality thresholds and the meanings of certain terms, is summarised in the Annexure 1 to this Appendix.

3. RATIONALE FOR THE SHAREHOLDERS' MANDATE

The Shareholders' Mandate and its renewal on an annual basis will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions with the specified interested persons arise, thereby avoiding the loss of business opportunities and reducing substantially, the administrative time, inconvenience and expenses associated with the convening of such meetings on an ad hoc basis.

Tanggung Group and PTSI Group

The Tangguh Group and PTSI Group have been long established in Indonesia. Both the Tangguh Group and the PTSI Group have strong network in Indonesia and are renowned in the shipping industry. Both the Tangguh Group and the PTSI Group have experienced and competent staff and are capable of providing a wide range of services. Engaging the Tangguh Group and/or PTSI Group allows the Group to tap on the goodwill, market share, expertise and resources of Tangguh Group and/or PTSI Group in Indonesia. This benefits the Group in terms of its sales and marketing and is cost effective as it reduces the recruitment, training and administration costs which the Group would otherwise have to incur.

4. CLASSES OF INTERESTED PERSONS

The Interested Person Transactions which are to be covered by the Shareholders' Mandate consist of transactions for the provision to and obtaining of services from the following Interested Persons:

- (a) PTSI Group. PTSI is a controlling shareholder of SSL and holds approximately 65.27% of the issued shares of SSL as at the Latest Practicable Date;
- (b) Tangguh Group. Tangguh is the ultimate holding company of the Company;
- (c) PTSISM, a 99.93% subsidiary of PTSI;
- (d) SSM, an associate of PTSI¹;
- (e) PT Panurjwan, a subsidiary of Tangguh;
- (f) PT MTKI, an indirect subsidiary of PTSI;
- (g) PTSAI, a 90% subsidiary of PTSI; and
- (h) PT SET, a 93.47% subsidiary of Tangguh.

5. TYPES OF INTERESTED PERSON TRANSACTIONS

5.1 The interested person transactions that will be covered by this Shareholders' Mandate are set out below ("**Interested Person Transactions**"). Transactions by the Group with Interested Persons which do not fall within the ambit of this proposed IPT Mandate or such other Interested Person Transactions mandate as approved by Shareholders shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

- (a) The provision of shipping agency services to the Group by PTSI Group and/or Tangguh Group. As at the Latest Practicable Date, the shipping agency services is provided by PTSAI;
- (b) The provision of ship management services by PTSISM and SSM to the Group;

¹ The Company owns 60% of the issued and paid up share capital of SSM. The remaining 40% of the issued and paid up share capital of SSM is held by PTSISM.

- (c) The charter-in of vessels by the Group from PTSI Group and/or Tangguh Group. As at the Latest Practicable Date, the Group charter in vessels from PTSI and PT Panurjwan;
- (d) The charter-out of vessels by the Group to Tangguh Group and/or PTSI Group. As at the Latest Practicable Date, the Group charter-out vessels to PT SET;
- (e) The leasing of office premises by the Group from PTSI Group. As at the Latest Practicable Date, the leasing of office premises is from PTSI;
- (f) The provision of stevedoring services by PTSI Group to the Group; and
- (g) The provision of container depot services by PTSI Group to the Group. As at the Latest Practicable Date, the container depot services is provided by PT MTKI.

6. CONTROLS AND REVIEW PROCEDURES FOR THE INTERESTED PERSON TRANSACTIONS UNDER THE SHAREHOLDERS' MANDATE

The Company has in place internal control procedures to ensure that transactions with the Interested Persons are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Audit Committee confirms that the procedures have not changed since the last renewal of the Shareholders' Mandate at the annual general meeting of the Company held on 28 April 2023.

(a) Internal Guidelines

The Audit Committee has worked with management team of the Company to establish internal guidelines in relation to such transactions so as to enhance the Company's corporate governance and internal controls. The Audit Committee has and may from time to time modify the internal guidelines set out below to adapt to the circumstances and/or businesses of the Group.

In respect of a renewal or revision of an existing transaction or if a new transaction is to be entered into pursuant to the Shareholders' Mandate, the management team of the Company will assess, for purposes of submitting a report to the Audit Committee (as provided for below), whether the existing terms, revised terms or the terms of the new transaction (as the case may be) are on normal commercial terms by adopting the following procedures:

(i) Ship Agency Services

The ship agency services commission payable by the Group to PTSI Group and/or Tangguh Group would consist of variable and fixed components.

The commission rates payable by the Group to PTSI Group and/or Tangguh Group in respect of the variable component of the ship agency services is reviewed yearly to ensure that they are consistent with normal commercial rates by comparing such rates against the commission rates that the Group pays to other third party agents for similar services. The primary factor that is taken into consideration in selecting PTSI Group and/or Tangguh Group is that PTSI Group and/or Tangguh Group are established groups of companies with a strong network in Indonesia.

The commission rates payable to PTSI Group and/or Tangguh Group in respect of the fixed component of the ship agency services is reviewed yearly to ensure that they are purely on reimbursement basis. The above fixed reimbursement has been approved by the Audit Committee.

(ii) Ship Management Services

The management team of the Company will endeavour to obtain comparative quotes from the market as and when the Group enters into new contract for ship management services, renew and/or amend contract for ship management services. The Audit Committee shall review annually the ship management fees payable by the Group. In the event that comparative quotes cannot be obtained, the management team of the Company will determine whether the ship management fees payable are on normal commercial terms based on the industry knowledge and experience of the management team of the Company and their understanding of the general industry practice.

(iii) Leases

The rates and terms of leases with PTSI Group are reviewed prior to entering or renewing the leases. Leases with PTSI Group are in relation to office space in Jakarta. In ascertaining the rentals for the leases with the PTSI Group, factors such as the available facilities, tenure of the lease, the area of the leased premises and any other relevant factors that may affect the rental rates or terms of the lease will be taken into consideration.

Leases between PTSI Group and other third party tenants in the same building(s) will be used as a basis for comparison to ensure that the terms of the leases with PTSI Group are not more favourable to PTSI Group than those terms extended to such third parties.

The Group may also obtain quotes from third party lessors for similar space or buildings that are of similar or comparable standing within the same vicinity.

(iv) Stevedoring Services

The stevedoring rates payable by the Group to PTSI Group are reviewed yearly by comparing quotes obtained through the following process:

- Firstly, the Group will endeavor to obtain quotes from third party service providers operating in the same or nearby location.
- Alternatively, the Group may obtain the rates that PTSI Group charges to other customers.

The stevedoring rates obtained will then be used as a comparison to ensure that the rates charged/proposed by PTSI Group are comparable to normal commercial rates taking into account relevant factors such as the types of services and the existing infrastructure (access roads and the remoteness/location of the facility) which would have an effect on costs and efficiencies.

(v) Container Depot Services

The rates for container depot, container storage, maintenance and repair services payable by the Group to PTSI Group is reviewed yearly by comparison against quotes from third parties to the Group. A factor that is taken into consideration in determining the rates is the range of services that the vendor is able to provide. If a vendor is able to provide a more comprehensive range of services such as chemical cleaning, storage, lift on/lift off and trucking, it would be more efficient to acquire the services from one vendor.

Alternatively, when quotations cannot be obtained from third parties, the rates for container depot services are compared against the prevailing rates PTSI Group charges to its other third party customers.

(vi) Charter-out Hire Agreements with Tangguh Group and/or PTSI Group

The Group will make comparison with the charter hire rates and commissions (broker commission and addressee commission) paid by the Group to other unrelated parties as well as the terms of such transactions in other instances where the Group charter-out vessels.

(vii) Charter-in Hire Agreements with Tangguh Group and/or PTSI Group

The Group will endeavour to obtain at least one (1) quote from independent shipbrokers or other ship owners for vessels which are of similar specifications and age to the vessels chartered-in from the Tangguh Group and/or PTSI Group before entering into or renewing a time charter agreement.

If such quotes from independent shipbrokers or other ship owners are not available, the management team of the Company will conduct a comparison between the charter rates for the particular vessel in issue against charter rates for similar vessels operated by the Group.

In the event quotes from independent shipbrokers or other ship owners are not available and the Group does not operate similar vessels, the management team of the Company (the Company will designate any one of its executive directors at that material time to be responsible for these actions) will use a cost-plus margin or revenue minus costs approach to determine the charter hire rates.

In determining whether the above margin is reasonable, the management team of the Company will form its commercial view on the potential revenue that the Group will make from chartering of a particular vessel and whether the charter hire fees payable by the Group to Tangguh Group and/or PTSI Group are on normal commercial terms, based on the industry knowledge and experience of the management team of the Company and their understanding of the general industry practice. The Audit Committee will take into account the commercial view of the management team of the Company to determine whether the margin is reasonable.

With their findings (with or without the quotes from independent third parties as stated above (as applicable)), the management team of the Company will submit a report with the relevant supporting documents to the Audit Committee for the Audit Committee's consideration. The Audit Committee will then authorise the continuation of the Interested Person Transactions and/or changes to existing Interested Person Transactions and/or the entering into of new Interested Person Transactions if the Audit Committee is satisfied that the Interested Person Transactions are on normal commercial terms and will not be prejudicial to the interest of the Company and its minority Shareholders.

Further to the above, whenever the Audit Committee is required to authorise the continuation of the Interested Person Transactions and/or changes to existing Interested Person Transactions and/or the entering into of new Interested Person Transactions, the Audit Committee together with the management team of the Company will also conduct reviews to ensure that the procedures have been adhered to and if at any time the Audit Committee is of the view that the review procedures have become insufficient and/or inappropriate, the Audit Committee will take such action as it deems appropriate and/or institute additional procedure as necessary to ensure that the future Interested Person Transactions of a similar nature are on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders. If at any time the Audit Committee is of the view that the review procedures are insufficient, inappropriate and/or are unable to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to its Shareholders to seek a fresh mandate.

(b) Abstention from Participating in Review Process

If a member of the Board has an interest in an Interested Person Transaction, he shall abstain from participating in the Company's internal review and approval process in relation to that Interested Person Transaction.

(c) Register and Internal Audit Plan

The Company will maintain a register of Interested Person Transactions carried out with Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into) pursuant to the Shareholders' Mandate and the Company's annual internal audit plan will incorporate a review of such Interested Person Transactions entered into in the relevant financial year and report the results to Audit Committee. The Audit Committee will review these Interested Person Transactions on a quarterly basis. Other than the above, there will also be periodic reporting to the Audit Committee as and when the Company enters into and/or renew Interested Person Transactions.

(d) Disclosures

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will:

- (i) disclose the Shareholders' Mandate in its annual report, giving details of the aggregate value of the Interested Person Transactions conducted pursuant to the Shareholders' Mandate during the financial year; and
- (ii) announce the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders' Mandate for the relevant financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report.

The disclosure will include the name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions, presented to indicate the aggregate value of all interested person transactions during the financial year under review (excluding interested person transactions less than S\$100,000 and Interested Person Transactions conducted under the Shareholders' Mandate) and the aggregate value of all Interested Person Transactions, conducted under the Shareholders' Mandate (excluding Interested Person Transactions less than S\$100,000).

7. VALIDITY PERIOD OF THE SHAREHOLDERS' MANDATE

The proposed Shareholders' Mandate will take effect from the date of the passing of the ordinary resolution relating thereto to be proposed at the AGM and will continue in force until the next annual general meeting of the Company. Where relevant, approval from Shareholders will be sought for the subsequent renewal of the Shareholders' Mandate, subject to satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions.

8. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee (comprising Independent Directors Quah Ban Huat, Nicholas Peter Ballas, Ng Chee Keong and Lee Lay Eng Juliana) is of the view that the terms of the Interested Person Transactions set out in paragraph 5.1 above are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Audit Committee is also of the view that the procedures referred to in paragraph 6 of this Appendix are sufficient to ensure that the Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. However, should the Audit Committee subsequently find that the existing procedures require material changes and are no longer relevant, the Audit Committee will recommend to the Board that a Shareholders' meeting be convened for Shareholders' approval in respect of a fresh mandate.

9. DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN THE INTERESTED PERSON TRANSACTIONS

As at the Latest Practicable Date:

(a) Directors' Interest

Masli Mulia is Commissioner of PTSI and Tangguh.

Bani Maulana Mulia is President Director of PTSI and Tangguh and President Commissioner of PTSISM, PT Panurjwan, PT MTKI, PT SET and PTSAL.

Ridwan Hamid is Finance Director of PTSI and Tangguh and Commissioner of PTSISM, PT Panurjwan, PT SET and PTSAL.

(b) Controlling Shareholder's Interests

PTSI is an Interested Person and a controlling shareholder of the Company (PTSI's shareholding interests in SSL is set out in page 135 of the AR (Financial)). Accordingly, PTSI and its associates shall abstain from voting on the resolution in respect of the Shareholders' Mandate.

Save as set out in the Annual Report, AR (Financial) and this Appendix, none of the Directors or controlling shareholders of the Company or any of their associates have any interest in the Interested Person Transactions set out in paragraph 5.1 above. The Directors or controlling shareholders of the Company or any of their associates who are required to abstain from voting in respect of the Shareholders' Mandate shall decline to accept appointment as proxies for Shareholders to vote on the resolution in respect of the Shareholders' Mandate unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the resolution.

10. DIRECTORS' RECOMMENDATION

For the reasons set out in paragraph 3, the Directors (save for Masli Mulia, Bani Maulana Mulia and Ridwan Hamid who are abstaining from making recommendations) are of the opinion that the proposed Shareholders' Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the resolution relating to the renewal of the Shareholders' Mandate. For this purpose, the Directors are Tan Meng Toon, Quah Ban Huat, Nicholas Peter Ballas, Ng Chee Keong, Lee Lay Eng Juliana and Low Chee Wah.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

12. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) Annual Report; and
- (b) AR (Financial)

Yours faithfully

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

Ridwan Hamid
Executive Director, Group Business Support

ANNEXURE 1

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

The following is a summary of Chapter 9 of the Listing Manual ("**Chapter 9**"). This summary does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the more detailed information contained in the Listing Manual.

1. INTRODUCTION

Chapter 9 applies to transactions entered into between a listed company or any of its subsidiaries (other than a subsidiary that is listed on the SGX-ST or an approved exchange (as defined below)) or associated companies (other than an associated company that is listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) (as defined below), has control over the associated company) with a party who is an interested person of the listed company.

2. TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

"approved exchange": means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

"associate": (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

- (i) his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parent);
- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

"associated company": means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

<i>“chief executive officer”:</i>	means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the issuer;
<i>“control”:</i>	means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
<i>“controlling shareholder”:</i>	means a person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company (unless otherwise excepted by SGX-ST); or (b) in fact exercises control over a company;
<i>“interested person”:</i>	means a director, chief executive officer or controlling shareholder of the listed company, or an associate of such director, chief executive officer or controlling shareholder.

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS’ APPROVAL

Save for certain interested person transactions which are excluded under Chapter 9, an immediate announcement and/or Shareholders’ approval would be required in respect of transactions with interested persons if the value of the interested person transaction is equal to or exceeds certain financial materiality thresholds.

An immediate announcement is required where:

- (a) the value of a proposed interested person transaction is equal to, or more than, 3% of the listed group’s latest audited consolidated NTA; or
- (b) the aggregate value of all interested person transactions entered into with the same interested person during the same financial year, is equal to, or more than, 3% of the listed group’s latest audited consolidated NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year.

Shareholders’ approval (in addition to an immediate announcement) is required where:

- (a) the value of a proposed interested person transaction is equal to, or more than, 5% of the listed group’s latest audited consolidated NTA; or
- (b) the value of a proposed interested person transaction, when aggregated with other interested person transaction entered into with the same interested person during the same financial year, is equal to, or more than, 5% of the listed group’s latest audited consolidated NTA. The aggregation will exclude any interested person transaction that has been approved by Shareholders previously, or is the subject of aggregation with another interested person transaction that has been previously approved by Shareholders.

The requirements for an immediate announcement and/or Shareholders' approval do not apply to interested person transactions below S\$100,000 each.

For illustration purposes, based on the Company's latest audited accounts for the financial year ended 31 December 2023, the Group's latest audited NTA as at 31 December 2023 was USD550,883,000 or equivalent to S\$738,183,000. Accordingly, in relation to the Company, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:

- (a) the interested person transaction is of a value equal to, or more than, USD27,544,000 or equivalent to S\$36,909,000 being 5% of the Group's latest audited NTA; or
- (b) the interested person transaction, when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, USD27,544,000 or equivalent to S\$36,909,000. The aggregation will exclude any interested person transaction that has been approved by Shareholders previously, or is the subject of aggregation with another interested person transaction that has been approved by Shareholders.

4. SHAREHOLDERS' MANDATE

Part VIII of Chapter 9 permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.

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