

# SAMUDERA SHIPPING LINE LTD

Company Registration: 199308462C

(Incorporated in the Republic of Singapore)

## FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2013

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

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

The Board of Directors announces the unaudited results of the Group for the financial period ended 31 March 2013.

#### 1 a)(i) Income Statement for the period ended 31 March 2013

	Note	Group		+ / (-) %
		1Q 2013 US\$'000	1Q 2012 US\$'000	
Revenue		96,315	110,449	(12.8)
Cost of sales		(96,709)	(109,199)	(11.4)
<b>Gross (loss)/profit</b>		<b>(394)</b>	<b>1,250</b>	(131.5)
Other operating income	(A)	904	191	373.3
Marketing expenses		(1,934)	(1,707)	13.3
Administrative expenses		(1,720)	(1,998)	(13.9)
Other operating expenses	(B)	(60)	(58)	3.4
<b>Loss from operations</b>		<b>(3,204)</b>	<b>(2,322)</b>	38.0
Finance income		20	53	(62.3)
Finance expense		(902)	(1,122)	(19.6)
<b>Operating loss</b>		<b>(4,086)</b>	<b>(3,391)</b>	20.5
Share of results of associates		390	343	13.7
<b>Loss before tax</b>		<b>(3,696)</b>	<b>(3,048)</b>	21.3
Income tax expense		(627)	(761)	(17.6)
<b>Loss after tax</b>		<b>(4,323)</b>	<b>(3,809)</b>	13.5
<b>Attributable to:</b>				
Owners of the Company		(4,423)	(3,864)	14.5
Non-controlling interests		100	55	81.8
<b>Loss after tax</b>		<b>(4,323)</b>	<b>(3,809)</b>	13.5

n.m. = not meaningful

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

	Group		+ / (-) %
	1Q 2013 US\$'000	1Q 2012 US\$'000	
Loss after tax for the period is arrived at after charging (crediting) the following:			
- Depreciation of property, plant and equipment	6,339	6,418	(1.2)
- Allowance for doubtful trade debts	281	178	57.9
- Write back of allowance for doubtful trade debts	(269)	(149)	80.5
- Finance expenses - interest on borrowings	902	1,122	(19.6)
(A) Other operating income			
- Foreign exchange gain	671	-	n.m.
- Rental income	74	70	5.7
- Gain on disposal of property, plant and equipment	5	4	25.0
- Gain on disposal of investment securities	39	47	(17.0)
- Other income	115	70	64.3
	<u>904</u>	<u>191</u>	373.3

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

(B) Other operating expenses  
- Foreign exchange loss  
- Other expenses

<b>Group</b>		
<b>1Q 2013</b>	<b>1Q 2012</b>	<b>+ / (-)</b>
<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
-	(25)	n.m.
(60)	(33)	81.8
<u>(60)</u>	<u>(58)</u>	3.4

## 1 a)(iii) Statement of Comprehensive Income for the period ended 31 March 2013

**Loss after tax for the financial period**

Share of net changes in associated company's hedging reserve  
Currency translation from foreign operations

**Total comprehensive loss for the period**

**Total comprehensive loss attributable to:**

Equity holders of the Company  
Non-controlling interests

<b>Group</b>		
<b>1Q 2013</b>	<b>1Q 2012</b>	
<b>US\$'000</b>	<b>US\$'000</b>	
(4,323)	(3,809)	
684	558	
(137)	135	
<u>(3,776)</u>	<u>(3,116)</u>	
<b>(3,889)</b>	<b>(3,150)</b>	
113	34	
<u>(3,776)</u>	<u>(3,116)</u>	

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

## Balance Sheets as at

	Group		Company	
	31 Mar 13 US\$'000	31 Dec 12 US\$'000	31 Mar 13 US\$'000	31 Dec 12 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	5,760	5,510	1,902	2,209
Trade receivables	66,983	65,573	45,168	48,397
Prepaid operating expenses	16,413	15,566	7,850	7,108
Other receivables and deposits	6,436	10,568	356	341
Due from immediate holding company (non-trade)	2,087	2,087	-	-
Due from immediate holding company (trade)	3,248	1,793	1,324	226
Due from subsidiaries (trade)	-	-	1,382	4,564
Due from subsidiaries (non-trade)	-	-	3,060	3,324
Due from related company (trade)	1,896	2,013	417	401
Cash and bank balances	31,573	29,658	15,961	16,258
	<b>134,396</b>	<b>132,768</b>	<b>77,420</b>	<b>82,828</b>
<b>Non-current assets</b>				
Subsidiaries	-	-	72,732	72,732
Associates	4,489	3,415	12,117	12,117
Property, plant and equipment	344,848	350,272	150,140	152,137
Deferred tax assets	40	40	-	-
	<b>349,377</b>	<b>353,727</b>	<b>234,989</b>	<b>236,986</b>
<b>Total assets</b>	<b>483,773</b>	<b>486,495</b>	<b>312,409</b>	<b>319,814</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	30,044	28,510	21,621	19,766
Other payables and liabilities	26,817	22,141	10,836	10,661
Due from subsidiary (trade)	-	-	122	122
Due from subsidiary (non-trade)	-	-	3,825	3,825
Due to immediate holding company (trade)	2	2	-	-
Due to related companies (trade)	4,988	3,695	128	125
Finance leases	290	309	46	48
Bank term loans (secured)	24,468	24,497	13,225	13,249
Income tax payable	2,468	2,401	513	505
	<b>89,077</b>	<b>81,555</b>	<b>50,316</b>	<b>48,301</b>
<b>Non-current liabilities</b>				
Finance leases	401	451	136	150
Bank term loans (secured)	157,933	164,351	78,902	82,482
Deferred tax liabilities	3	3	-	-
	<b>158,337</b>	<b>164,805</b>	<b>79,038</b>	<b>82,632</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	68,761	68,761	68,761	68,761
Treasury shares	(174)	(174)	(174)	(174)
Retained earnings	182,695	187,118	114,468	120,294
Capital reserve	26	26	-	-
Foreign currency translation reserve	(12,001)	(11,851)	-	-
Other reserves	(7,880)	(8,564)	-	-
Equity attributable to owners of the Company	231,427	235,316	183,055	188,881
Non-controlling interests	4,932	4,819	-	-
<b>Total equity</b>	<b>236,359</b>	<b>240,135</b>	<b>183,055</b>	<b>188,881</b>
<b>Total liabilities and equity</b>	<b>483,773</b>	<b>486,495</b>	<b>312,409</b>	<b>319,814</b>

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

	As at 31 Mar 2013		As at 31 Dec 2012	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	24.76	-	24.81	-
Amount repayable after one year	158.33	-	164.80	-
	<u>183.09</u>	<u>-</u>	<u>189.61</u>	<u>-</u>

### Details of any collateral

The Group's borrowings are secured by means of:

- > Corporate guarantees from the Company
- > Legal mortgages over certain vessels of the Company and the subsidiaries
- > Legal charges over certain bank accounts of the Company and the subsidiaries
- > Assignment of income derived from certain charter hire contracts of the subsidiaries
- > Assignment of insurance of certain vessels of the Company and the subsidiaries
- > Legal mortgages over freehold properties of the Company
- > Assignment of insurance, title and interest of freehold properties of the Company

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

## **Cashflow Statement for the period**

	Group	
	1Q 2013 US\$'000	1Q 2012 US\$'000
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(3,696)	(3,048)
Adjustments:		
Depreciation of property, plant and equipment	6,339	6,418
Gain on disposal of property, plant and equipment	(5)	(4)
Gain on disposal of investment securities	(39)	(47)
Allowance for doubtful trade debts	281	178
Write back of allowance for doubtful trade debts	(269)	(149)
Finance expense	902	1,122
Finance income	(20)	(53)
Share of results of associates	(390)	(343)
Currency realignment	(383)	378
Operating profit before working capital changes	2,720	4,452
(Increase)/ decrease in:		
Inventories	(249)	(736)
Trade receivables	(1,422)	5,847
Other receivables and deposits	4,132	(18)
Prepaid operating expenses	(847)	(2,672)
Due from immediate holding company	(1,455)	(827)
Due from related companies	117	(180)
Increase/ (decrease) in:		
Trade payables	1,535	277
Other payables and liabilities	4,676	(1,095)
Due to related companies	1,293	(9)
Due to immediate holding company	(1)	(50)
Cash generated from operations	10,499	4,989
Interest paid	(902)	(1,122)
Income tax paid	(557)	(511)
<b>Net cash generated from operating activities</b>	<b>9,040</b>	<b>3,356</b>
<b>Cash flows from investing activities</b>		
Interest income received	20	53
Proceeds from disposal of property, plant and equipment	336	4
Proceeds from disposal of investment securities	39	1,075
Acquisition of property, plant and equipment	(1,207)	(3,670)
<b>Net cash used in investing activities</b>	<b>(812)</b>	<b>(2,538)</b>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase creditors	(87)	(78)
Proceeds from bank term loans	-	8,065
Repayment of bank term loans	(6,088)	(14,042)
Decrease in pledged deposits	5,260	1,981
Additional investment in a subsidiary by a non-controlling interest	-	118
<b>Net cash used in from financing activities</b>	<b>(915)</b>	<b>(3,956)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,313</b>	<b>(3,138)</b>
Effect of exchange rate changes on cash and cash equivalents	(138)	71
Cash and cash equivalents at the beginning of the period	16,412	22,610
<b>Cash and cash equivalents at the end of the period</b>	<b>23,587</b>	<b>19,543</b>

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## Cashflow Statement for the period (continued)

	Group	
	1Q 2013 US\$'000	1Q 2012 US\$'000
Cash and bank balances (current)	31,573	25,597
Cash and bank balances (non-current)	-	245
Less: Pledged deposits	(7,986)	(6,299)
<b>Cash and cash equivalents at the end of the period</b>	<b>23,587</b>	<b>19,543</b>

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

## Statements of Changes in Equity for the period ended 31 March 2013

	Share Capital	Treasury Shares	Capital Reserves	Other Reserves	Translation Reserve	Retained Earnings	Attributable to Equity holders	Non- Controlling Interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>GROUP</b>									
<b>Balance as at 31 Dec 2012</b>	68,761	(174)	26	(8,564)	(11,851)	187,118	235,316	4,819	240,135
Total comprehensive income/ (loss) for the period	-	-	-	684	(150)	(4,423)	(3,889)	113	(3,776)
<b>Balance as at 31 Mar 2013</b>	<b>68,761</b>	<b>(174)</b>	<b>26</b>	<b>(7,880)</b>	<b>(12,001)</b>	<b>182,695</b>	<b>231,427</b>	<b>4,932</b>	<b>236,359</b>
<b>Balance as at 31 Dec 2011</b>	68,761	(174)	-	(8,369)	(11,837)	184,266	232,647	4,501	237,148
Total comprehensive income/ (loss) for the period	-	-	-	558	156	(3,864)	(3,150)	34	(3,116)
Additional investment in subsidiary by non-controlling interests	-	-	-	-	-	-	-	118	118
<b>Balance as at 31 Mar 2012</b>	<b>68,761</b>	<b>(174)</b>	<b>-</b>	<b>(7,811)</b>	<b>(11,681)</b>	<b>180,402</b>	<b>229,497</b>	<b>4,653</b>	<b>234,150</b>

## COMPANY

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 31 Dec 2012</b>	68,761	(174)	120,294	188,881
Total comprehensive loss for the period	-	-	(5,826)	(5,826)
<b>Balance as at 31 Mar 2013</b>	<b>68,761</b>	<b>(174)</b>	<b>114,468</b>	<b>183,055</b>
<b>Balance as at 31 Dec 2011</b>	68,761	(174)	121,098	189,685
Total comprehensive loss for the period	-	-	(4,692)	(4,692)
<b>Balance as at 31 Mar 2012</b>	<b>68,761</b>	<b>(174)</b>	<b>116,406</b>	<b>184,993</b>

- 1 d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the three months ended 31 March 2013, there was no change in the Company's share capital.

As at 31 March 2013, the total issued share capital of the Company was 539,131,199 ordinary shares which include 1,093,000 ordinary shares held as treasury shares.

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

Total number of issued shares excluding treasury shares as at 31 March 2013 was 538,038,199 (31 Dec 2012: 538,038,199) shares.

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2012.

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

The Group has adopted all the new/ revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning on or after 1 January 2013. The adoption of these new/ revised FRS does not have any material impact to the Group financial statements.

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

Earnings (loss) per ordinary share for the period based on net profit attributable to shareholders:

- (i) Based on weighted average number of ordinary shares in issue  
(ii) On a fully diluted basis

Group	
1Q 2013	1Q 2012
US cents	US cents
(0.82)	(0.72)
(0.82)	(0.72)

Earnings per ordinary share for the quarter ended 31 March 2013 is computed based on the weighted average number of issued ordinary shares (excluding treasury shares) during the period of 538,038,199 (1Q 2012: 538,038,199).

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

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

Group		Company	
31 Mar 13	31 Dec 12	31 Mar 13	31 Dec 12
US cents	US cents	US cents	US cents
43.01	43.74	34.02	35.11

Net asset value per ordinary share as at 31 Mar 2013 and 31 Dec 2012 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199.

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**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business.**

**It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Income statement**

Group revenue for the first quarter ended 31 March 2013 ("1Q13") decreased 12.8% to US\$96.3 million, from US\$110.4 million in the corresponding period in 2012 ("1Q12"), weighed down by lower contribution from the regional container shipping business. The Indonesia domestic container shipping and bulk carrier, offshore and tanker businesses were fairly stable.

Revenue from the Group's regional container shipping business decreased 19.3% to US\$63.0 million in 1Q13, compared to US\$78.1 million in 1Q12, on reduced container volume handled during the quarter by 17.3% to 254,400 TEUs, from 307,600 TEUs a year ago. While the first quarter is customarily a low season for the shipping industry, the segment was also impacted by increased competition from long-haul main-line operators deploying their idle capacity in regional waters.

The Indonesia domestic container shipping business turned in revenue of US\$14.6 million in 1Q13, versus US\$14.7 million a year ago. The business handled more cargo and completed more voyages year-on-year despite operating lesser vessels following the write-off of Sinar Jombang in the 2012 financial year ("FY12"). Container volume handled rose 2.9% to 39,100 TEUs, from 38,000 TEUs in 1Q12. However, the year-on-year strengthening of US dollar against Indonesia rupiah eroded the resulting increase in revenue in Indonesia rupiah when translated to the Group's reporting currency.

Revenue from the bulk carrier, offshore and tanker business improved 5.6% to US\$17.8 million in 1Q13, from US\$16.8 million in the preceding corresponding quarter, in spite of a smaller fleet following the disposal of three bulk carriers between May and July 2012, as well as the write-off of a bulk carrier in FY12. The disposal was in line with the Group's strategy to reduce its exposure to under-performing assets. The revenue improvement was mainly due to full employment of all the vessels in the segment during the quarter under review.

Cost of services for the Group fell 11.4%, mainly due to decrease in overall container volume handled, drop in bunker price and charter-in rate in the container shipping business.

The Group registered foreign exchange gain of US\$671,000 in 1Q13, versus a loss of US\$25,000 in 1Q12, as the US dollar strengthened against Singapore dollar.

Financial expenses decreased by 19.6% to US\$0.9 million, from US\$1.1 million, as a result of loan repayments.

Taking the above into consideration, the Group incurred loss after tax of US\$4.4 million in 1Q13, compared to US\$3.9 million in 1Q12.

**Balance sheet**

Other receivables and deposits fell by 39.1% to US\$6.4 million, from US\$10.6 million, mainly due to the receipt of insurance claim for Sinar Jombang, the container vessel, which caught fire and was written off in 2012.

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

Not applicable.



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**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Conditions are set to remain challenging for the regional container shipping segment, aggravated by increased competition in the intra-Asia routes, depressed freight rates arising from the vessel oversupply situation, as well as volatility in bunker prices. With the impending expiry of a number of charter-in contracts in the year ahead, the segment will be able to benefit from the current low charter rates and renew these contracts at lower rates. The Group will also actively review and restructure the segment's services to optimize profitability. Along with this, the Group has reconditioned certain vessels to optimize their fuel consumption.

The Indonesia domestic container shipping segment should continue to enjoy healthy demand, driven by a growing Indonesian economy. On the other hand, high bunker prices could take a serious toll on the segment's cost of operations. The Group will continue to tap its synergistic relationship with its parent company, Samudera Indonesia, to grow this business where possible.

The Group's bulk carrier, offshore and tanker business should remain gainfully employed in the ensuing months, and this, along with vessel operations and management services offered, should contribute to the improvement of this segment's profitability. Nevertheless, excess tonnage in the market remains a concern and could exert downward pressure on charter rates.

The Group will continue its strategy of maximizing its fleet utilization by deploying its capacity more efficiently and enhancing its service network.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on? No

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year? No

***(c) Date payable***

Not applicable

***(d) Books closure date***

Not applicable

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

Not applicable.

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## 13. Interested Person Transactions

<b>(A) Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (Mandated transactions)</b>	<b>1Q 2013 US\$'000</b>	<b>1Q 2012 US\$'000</b>
<b><u>PT. Samudera Indonesia Tbk and its subsidiary</u></b>		
Provision of services - Agency Commission	597	685
Provision of services - Office rental	37	35
<b><u>PT. Samudera Indonesia Ship Management</u></b>		
Provision of services - Ship Management Fees	258	306
<b><u>PT. Panuriwan</u></b>		
Provision of services - Building rental	7	7
Provision of services - Charter hire	406	285
<b><u>PT. Masaji Tatanan Container</u></b>		
Provision of services - Container depot	209	222
<b><u>PT. Prima Nur Panuriwan</u></b>		
Provision of services - Stevedorage	1,318	1,360
<b><u>PT. Tankindo Perdana</u></b>		
Provision of services - Charter hire	79	79
<b>(B) Aggregate value of all interested person transactions during the financial period under review excluding transactions conducted under shareholders' mandate pursuant to Rule 920 (Non-Mandated transactions)</b>	<b>1Q 2013 US\$'000</b>	<b>1Q 2012 US\$'000</b>
<b><u>PT. Silkargo Line</u></b>		
Provision of services - Charter hire	756	-
<b><u>PT. Masaji Tatanan Container</u></b>		
Provision of services - Land lease	99	152

## 14. Negative Assurance Confirmation Pursuant To Rule 705(4) of the Listing Manual

We, David Batubara and Anwarsyah, being two Directors of SAMUDERA SHIPPING LINE LTD (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 Mar 2013 to be false or misleading.

On behalf of the Board of Directors,

David Batubara  
Executive Director and CEO

Anwarsyah  
Executive Director and CFO

## BY ORDER OF THE BOARD

Hermawan F Herman  
Executive Director

24 April 2013