

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015

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 period ended 31 March 2015.

1 a)(i) Income Statement for the period ended 31 March 2015

	Note	Group		+ / (-) %
		1Q 2015 US\$'000	1Q 2014 US\$'000	
Revenue		80,368	86,218	(6.8)
Cost of sales		(71,666)	(81,918)	(12.5)
Gross profit		8,702	4,300	102.4
Other operating income	(A)	1,435	236	508.1
Marketing expenses		(2,045)	(1,497)	36.6
Administrative expenses		(1,429)	(1,380)	3.6
Other operating expenses	(B)	(89)	(254)	(65.0)
Profit from operations		6,574	1,405	367.9
Finance income		81	54	50.0
Finance expense		(589)	(711)	(17.2)
Operating profit		6,066	748	711.0
Share of results of associates		394	342	15.2
Profit before tax		6,460	1,090	492.7
Income tax expense		(331)	(646)	(48.8)
Profit after tax		6,129	444	1280.4
Attributable to:				
Owners of the Company		6,120	414	1378.3
Non-controlling interests		9	30	(70.0)
Profit after tax		6,129	444	1280.4
n.m. = not meaningful				

1 a)(ii) Notes to the Income Statement

	Group		+ / (-) %
	1Q 2015 US\$'000	1Q 2014 US\$'000	
Profit after tax for the period is arrived at after charging (crediting) the following:			
- Depreciation of property, plant and equipment	6,177	6,080	1.6
- Depreciation of investment properties	6	6	0.0
- Allowance for doubtful trade debts	166	160	3.8
- Write back of allowance for doubtful trade debts	(111)	(235)	(52.8)
- Finance expenses - interest on borrowings	589	711	(17.2)
(A) Other operating income			
- Rental income	104	66	57.6
- Net of foreign exchange gains	1,151	-	n.m.
- Gain on disposal of plant, property and equipment	25	30	(16.7)
- Gain on disposal of investment at fair value through profit and loss- investment securities	25	24	4.2
- Others	130	116	12.1
	1,435	236	508.1

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

	Group		+ / (-) %
	1Q 2015	1Q 2014	
	US\$'000	US\$'000	
(B) Other operating expenses			
- Net of foreign exchange loss	-	(254)	n.m.
- Other expenses	(89)	-	n.m.
	<u>(89)</u>	<u>(254)</u>	(65.0)

1 a)(iii) **Statement of Comprehensive Income for the period ended 31 March 2015**

	Group	
	1Q 2015	1Q 2014
	US\$'000	US\$'000
Profit after tax for the period	6,129	444
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of associate	(205)	76
Exchange differences on translation of foreign operations	(16)	81
	<u>(221)</u>	<u>157</u>
Other comprehensive income for the period, net of tax	<u>(221)</u>	<u>157</u>
Total comprehensive income for the period	<u>5,908</u>	<u>601</u>
Total comprehensive income attributable to:		
Owners of the Company	5,912	550
Non-controlling interests	(4)	51
	<u>5,908</u>	<u>601</u>

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

Balance Sheets as at

	Group		Company	
	31 Mar 15 US\$'000	31 Dec 14 US\$'000	31 Mar 15 US\$'000	31 Dec 14 US\$'000
ASSETS				
Current assets				
Inventories	4,421	3,951	1,525	1,327
Trade receivables	45,885	50,536	37,693	42,958
Prepaid operating expenses	10,824	8,921	5,552	4,729
Other receivables and deposits	2,512	2,616	574	547
Due from immediate holding company (non-trade)	2,087	2,087	-	-
Due from immediate holding company (trade)	1,439	1,059	1,439	1,059
Due from subsidiaries (trade)	-	-	1,551	3,038
Due from subsidiaries (non-trade)	-	-	1,233	1,233
Due from related companies (trade)	2,116	2,142	354	436
Cash and bank balances	59,015	52,343	43,596	33,734
	128,299	123,655	93,517	89,061
Non-current assets				
Subsidiaries	-	-	72,380	72,380
Associate	6,845	6,656	12,117	12,117
Property, plant and equipment	301,862	305,814	135,192	136,675
Investment properties	702	708	702	708
Employee benefits	658	687	-	-
	310,067	313,865	220,391	221,880
Total assets	438,366	437,520	313,908	310,941
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	20,322	18,354	14,809	13,641
Other payables and liabilities	21,699	23,072	13,589	15,109
Due to immediate holding company (trade)	400	41	-	-
Due to subsidiary (non-trade)	-	-	3,825	3,825
Due to related companies (trade)	2,525	1,428	562	275
Finance leases	42	44	36	38
Bank term loans (secured)	23,784	23,896	13,076	13,136
Income tax payable	2,248	2,560	566	597
	71,020	69,395	46,463	46,621
Non-current liabilities				
Finance leases	55	68	51	62
Bank term loans (secured)	105,745	112,418	51,101	54,998
Deferred tax liability	14	15	-	-
	105,814	112,501	51,152	55,060
Capital, reserves and non-controlling interests				
Share capital	68,761	68,761	68,761	68,761
Treasury shares	(174)	(174)	(174)	(174)
Retained earnings	204,282	198,162	147,706	140,673
Foreign currency translation reserve	(12,250)	(12,247)	-	-
Other reserves	(4,008)	(3,803)	-	-
Capital reserve	26	26	-	-
Equity attributable to owners of the Company	256,637	250,725	216,293	209,260
Non-controlling interests	4,895	4,899	-	-
Total equity	261,532	255,624	216,293	209,260
Total liabilities and equity	438,366	437,520	313,908	310,941

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

	As at 31 Mar 2015		As at 31 Dec 2014	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	23.83	-	23.94	-
Amount repayable after one year	105.80	-	112.49	-
	<u>129.63</u>	<u>-</u>	<u>136.43</u>	<u>-</u>

Details of any collateral

The Group's borrowings are secured by means of:

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

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

Cashflow Statement for the period ended

	Group	
	1Q 2015 US\$'000	1Q 2014 US\$'000
Cash flows from operating activities		
Profit before tax	6,460	1,090
Adjustments:		
Depreciation of property, plant and equipment	6,177	6,080
Depreciation of investment properties	6	6
Gain on disposal of property, plant and equipment	(25)	(30)
Net gain on disposal of investments at fair value through profit or loss - investment securities	(25)	(24)
Allowance for doubtful trade debts	166	160
Write back of doubtful trade debts	(111)	(235)
Finance costs	589	711
Finance income	(81)	(54)
Share of results of associates	(394)	(342)
Net foreign exchange gain	(893)	406
Operating profit before working capital changes	11,869	7,768
(Increase) decrease in:		
Inventories	(470)	(141)
Trade receivables	4,596	4,435
Other receivables and deposits	104	487
Prepaid operating expenses	(1,901)	432
Due from immediate holding company	(380)	(67)
Due from related companies	26	(154)
Increase (decrease) in:		
Trade payables	1,968	(2,064)
Other payables and liabilities	(1,345)	(1,024)
Due to related companies	1,097	(135)
Due to immediate holding company	360	(623)
Cash generated from operations	15,924	8,914
Interest paid	(589)	(711)
Income tax paid	(629)	(584)
Net cash generated from operating activities	14,706	7,619
Cash flows from investing activities		
Interest income received	81	54
Proceeds from disposal of property, plant and equipment	25	2,245
Proceeds from disposal of investments at fair value through profit or loss - investment securities	2,672	2,638
Purchase of property, plant and equipment	(2,208)	(1,294)
Purchase of investments at fair value through profit or loss - investment securities	(2,647)	(2,614)
Net cash (used in) generated from investing activities	(2,077)	1,029
Cash flows from financing activities		
Repayment of finance leases	(11)	(57)
Repayment of bank term loans	(5,943)	(5,960)
(Increase)/Decrease in pledged deposits	(1)	47
Net cash used in financing activities	(5,955)	(5,970)
Net increase in cash and cash equivalents	6,674	2,678
Effect of exchange rate changes on cash and cash equivalents	(3)	60
Cash and cash equivalents at the beginning of the period	46,141	27,891
Cash and cash equivalents at the end of the period	52,812	30,629

Cashflow Statement for the period ended (continued)

	Group	
	1Q 2015 US\$'000	1Q 2014 US\$'000
Cash and bank balances (current)	59,015	37,928
Less: Pledged deposits	(6,203)	(7,299)
Cash and cash equivalents at the end of the period	52,812	30,629

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 2015

	Share Capital	Treasury Shares	Capital Reserve	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
GROUP									
Balance as at 31 Dec 2014	68,761	(174)	26	(3,803)	(12,247)	198,162	250,725	4,899	255,624
Profit for the period	-	-	-	-	-	6,120	6,120	9	6,129
Other comprehensive loss for the period	-	-	-	(205)	(3)	-	(208)	(13)	(221)
Total	-	-	-	(205)	(3)	6,120	5,912	(4)	5,908
Balance as at 31 Mar 2015	68,761	(174)	26	(4,008)	(12,250)	204,282	256,637	4,895	261,532
Balance as at 31 Dec 2013	68,761	(174)	26	(4,847)	(12,161)	183,875	235,480	4,754	240,234
Profit for the period	-	-	-	-	-	414	414	30	444
Other comprehensive income for the period	-	-	-	76	60	-	136	21	157
Total	-	-	-	76	60	414	550	51	601
Balance as at 31 Mar 2014	68,761	(174)	26	(4,771)	(12,101)	184,289	236,030	4,805	240,835

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
COMPANY				
Balance as at 31 Dec 2014	68,761	(174)	140,673	209,260
Profit for the period, representing total comprehensive income for the period	-	-	7,033	7,033
Total	-	-	7,033	7,033
Balance as at 31 Mar 2015	68,761	(174)	147,706	216,293
Balance as at 31 Dec 2013	68,761	(174)	122,206	190,793
Profit for the period, representing total comprehensive income for the period	-	-	729	729
Total	-	-	729	729
Balance as at 31 Mar 2014	68,761	(174)	122,935	191,522

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 quarter ended 31 Mar 2015, there was no change in the Company's share capital.

As at 31 Mar 2015, total issued share capital of the Company was 539,131,199 (31 Mar 2014: 539,131,199) ordinary shares which include 1,093,000 (31 Mar 2014: 1,093,000) ordinary shares held as treasury shares.

As at 31 Mar 2015, there were no outstanding convertibles (31 Mar 2014: Nil).

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

Total number of issued shares excluding treasury shares as at 31 Mar 2015 was 538,038,199 (31 Dec 2014: 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.**

Other than the adoption of certain revisions to Financial Reporting Standards("FRS"), the new FRS and Interpretation of FRS ("INT FRS") that are mandatory for the financial year beginning 1 Jan 2015, the Group has adopted the same accounting policies and methods of computation for the current period as those adopted for the audited financial statements for the financial year ended 31 Dec 2014.

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 adoption of the various revised FRS, new FRS and INT FRS effective for the financial year beginning on 1 Jan 2015 does not have a material financial effect on the Group and the Company.

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

Earnings per ordinary share of the Group based on net profit attributable to the owners of the Company

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

Group	
Q1 2015	Q1 2014
US cents	US cents
1.14	0.08
1.14	0.08

Earnings per ordinary share for the quarter ended 31 Mar 2015 is computed based on the number of issued ordinary shares (excluding treasury shares) during the period of 538,038,199 (31 Mar 2014: 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 15	31 Dec 14	31 Mar 15	31 Dec 14
US cents	US cents	US cents	US cents
47.70	46.60	40.20	38.89

Net asset value per ordinary share as at 31 Mar 2015 and 31 Dec 2014 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement

The Group registered revenue of USD80.4 million for the first quarter ended 31 March 2015 ("1Q15"), a 6.8% decline from USD86.2 million in the previous corresponding quarter ("1Q14") on lower revenue from both its container shipping and bulk & tanker businesses.

Revenue for the container shipping business segment fell 3.1% to USD69.2 million in 1Q15, from USD71.5 million a year ago. This was driven by a 6.6% decline in container volume handled to 280,000 TEUs in 1Q15. This reflected the Group's efforts to exit non-profitable services, especially the Indonesia domestic routes.

Revenue from the bulk & tanker business recorded a 26.5% decline to USD10.5 million from USD14.3 million, as the Group operated fewer vessels in 1Q15 following the disposal of non-performing vessels in 2014, the non-renewal of the charter-in contract of a chemical tanker upon its expiry at end-2014, as well as the scheduled docking and repair of some vessels during the period.

Cost of services declined 12.4% to USD71.7 million in 1Q15, from USD81.9 million in 1Q14, largely due to lower container volume handled, fewer vessels operated in the bulk & tanker business, the sharp decline in bunker price and the renewal of part of the Group's chartered fleet at lower charter rates. On the back of significantly lower costs, the Group recorded a 102.4% increase in gross profit to USD 8.7 million, compared to USD4.3 million in 1Q14.

Profit from operations rose 367.9% to USD6.6 million, mainly due to the higher gross profit, and a USD1.2 million gain on foreign exchange versus a USD0.3 million loss in 1Q14 following the strengthening of the US dollar against the Singapore dollar.

Taking into account the above, net profit for 1Q15 increased to USD6.1 million, compared to that of USD0.4 million recorded in 1Q14

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

Not applicable

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

The Group expects the operating environment to remain challenging. In the regional container shipping business, freight rates are likely to remain under pressure in view of prevailing competition among vessels operators. However, lower bunker price and charter-in rates should help mitigate the situation. In the meantime, the Group will continue to actively manage its network to ensure that it is responsive to changing demand trends in all its trade routes. It will also keep a lookout for new opportunities to expand its geographical footprint.

While tanker charter rates have remained relatively stable, the bulk and tanker business is expected to be adversely affected by the depressed charter rates of bulk carriers, due to the oversupply situation.

The Group will continue to actively manage its fleet composition and deployment strategy in order to maximize the utilization and return on all of its vessels.

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.

13. Interested Person Transactions

(A) Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (Mandated transactions)	1Q 2015 US\$'000	1Q 2014 US\$'000
Expenses		
<u>PT. Samudera Indonesia Tbk and its subsidiary</u>		
Agency commission	631	598
Office rental	21	28
<u>PT. Samudera Indonesia Ship Management</u>		
Ship management fees	283	293
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Building rental	-	1
<u>PT. Masaji Tatanan Container</u>		
Container depot	49	133
<u>PT. Prima Nur Panuriwan</u>		
Stevedorage charges	-	10
<u>PT. Tankindo Perdana</u>		
Vessel charter hire	43	78
<u>PT. Samudera Energi Tangguh</u>		
Vessel charter hire	41	788
(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)	1Q 2015 US\$'000	1Q 2014 US\$'000
Expenses		
<u>PT. Masaji Tatanan Container</u>		
Land lease	-	64
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Freight expenses	66	-
Revenue		
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Vessel charter hire	1,040	-
Fixed slot	-	1,374

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

We, Asmari Herry Prayitno and Hermawan F Herman, 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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Hermawan F Herman
Executive Director, Finance
28 April 2015