

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MAR 2016

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 Mar 2016.

1 a)(i) Income Statement for the period ended 31 Mar 2016

	Note	Group		+ / (-) %
		1Q 2016 US\$'000	1Q 2015 US\$'000	
Revenue		68,085	80,368	(15.3)
Cost of sales		(61,702)	(71,666)	(13.9)
Gross profit		6,383	8,702	(26.6)
Other operating income	(A)	215	1,435	(85.0)
Marketing expenses		(1,588)	(2,045)	(22.3)
Administrative expenses		(1,162)	(1,429)	(18.7)
Other operating expenses	(B)	(570)	(89)	540.4
Profit from operations		3,278	6,574	(50.1)
Finance income		72	81	(11.1)
Finance costs		(500)	(589)	(15.1)
Operating profit		2,850	6,066	(53.0)
Share of results of associate		397	394	0.8
Profit before tax		3,247	6,460	(49.7)
Income tax expense		(339)	(331)	2.4
Profit after tax		2,908	6,129	(52.6)
Attributable to:				
Owners of the Company		2,877	6,120	(53.0)
Non-controlling interests		31	9	244.4
Profit after tax		2,908	6,129	(52.6)

n.m. = not meaningful

1 a)(ii) Notes to the Income Statement

	Group		+ / (-) %
	1Q 2016 US\$'000	1Q 2015 US\$'000	
Profit after tax for the period is arrived at after charging (crediting) the following:			
- Depreciation of property, plant and equipment	5,171	6,177	(16.3)
- Depreciation of investment properties	6	6	0.0
- Allowance for doubtful trade debts	228	166	37.3
- Write back of allowance for doubtful trade debts	(152)	(111)	36.9
- Finance costs - interest on borrowings	500	589	(15.1)
(A) Other operating income			
- Rental income	84	104	(19.2)
- Net foreign exchange gains	-	1,151	(100.0)
- Gain on disposal of plant, property and equipment	19	25	(24.0)
- Gain on disposal of investment at fair value through profit and loss- investment securities	13	25	(48.0)
- Others	99	130	(23.8)
	<u>215</u>	<u>1,435</u>	(85.0)

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

	Group		+ / (-)
	1Q 2016	1Q 2015	
	US\$'000	US\$'000	%
(B) Other operating expenses			
- Net of foreign exchange loss	(544)	-	n.m.
- Others	(26)	(89)	(70.8)
	<u>(570)</u>	<u>(89)</u>	n.m.

1 a)(iii) **Statement of Comprehensive Income for the period ended 31 Mar 3016**

	Group	
	1Q 2016	1Q 2015
	US\$'000	US\$'000
Profit after tax for the period	2,908	6,129
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive loss of associate	(513)	(205)
Exchange differences on translation of foreign operations	88	(16)
	<u>(425)</u>	<u>(221)</u>
Other comprehensive loss for the period, net of tax	<u>(425)</u>	<u>(221)</u>
Total comprehensive income for the period	<u>2,483</u>	<u>5,908</u>
Total comprehensive income attributable to:		
Owners of the Company	2,428	5,912
Non-controlling interests	55	(4)
	<u>2,483</u>	<u>5,908</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 16	31 Dec 15	31 Mar 16	31 Dec 15
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and bank balances	53,530	45,411	33,469	23,633
Trade receivables	49,699	53,771	41,114	45,442
Prepaid operating expenses	12,004	8,491	5,066	4,624
Other receivables and deposits	1,779	1,945	420	438
Investment securities	-	990	-	-
Due from immediate holding company (non-trade)	2,087	2,087	-	-
Due from immediate holding company (trade)	3,456	4,551	3,455	4,551
Due from subsidiaries (trade)	-	-	2,054	3,576
Due from subsidiaries (non-trade)	-	-	1,782	1,820
Due from related companies (trade)	2,377	2,653	135	138
Inventories	3,126	3,374	945	1,139
	<u>128,058</u>	<u>123,273</u>	<u>88,440</u>	<u>85,361</u>
Assets classified as held for sale	2,762	2,762	-	-
	<u>130,820</u>	<u>126,035</u>	<u>88,440</u>	<u>85,361</u>
Non-current assets				
Investment properties	676	682	676	682
Property, plant and equipment	262,799	265,936	127,844	129,530
Subsidiaries	-	-	69,169	69,169
Associate	7,176	7,292	10,099	10,099
Deferred tax assets	29	29	-	-
	<u>270,680</u>	<u>273,939</u>	<u>207,788</u>	<u>209,480</u>
Total assets	<u>401,500</u>	<u>399,974</u>	<u>296,228</u>	<u>294,841</u>
LIABILITIES AND EQUITY				
Current liabilities				
Bank term loans	21,303	21,954	11,617	12,055
Trade payables	21,492	17,283	15,258	13,392
Other payables and liabilities	21,121	20,527	11,224	13,529
Due to subsidiary (trade)	-	-	84	68
Due to subsidiary (non-trade)	-	-	-	43
Due to immediate holding company (trade)	64	170	-	-
Due to related companies (trade)	788	1,070	372	512
Finance leases	45	44	37	35
Income tax payable	1,786	1,803	649	609
	<u>66,599</u>	<u>62,851</u>	<u>39,241</u>	<u>40,243</u>
Non-current liabilities				
Bank term loans	80,026	84,734	35,097	37,420
Finance leases	28	36	15	23
Retirement benefit obligations	305	310	-	-
Deferred tax liabilities	4	4	-	-
	<u>80,363</u>	<u>85,084</u>	<u>35,112</u>	<u>37,443</u>
Capital, reserves and non-controlling interests				
Share capital	68,761	68,761	68,761	68,761
Treasury shares	(174)	(174)	(174)	(174)
Retained earnings	198,080	195,203	153,288	148,568
Capital reserve	26	26	-	-
Other reserves	(4,526)	(4,013)	-	-
Foreign currency translation reserve	(12,363)	(12,427)	-	-
Equity attributable to owners of the Company	<u>249,804</u>	<u>247,376</u>	<u>221,875</u>	<u>217,155</u>
Non-controlling interests	4,734	4,663	-	-
Total equity	<u>254,538</u>	<u>252,039</u>	<u>221,875</u>	<u>217,155</u>
Total liabilities and equity	<u>401,500</u>	<u>399,974</u>	<u>296,228</u>	<u>294,841</u>

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

	As at 31 Mar 2016		As at 31 Dec 2015	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	21.35	-	22.00	-
Amount repayable after one year	80.05	-	84.77	-
	<u>101.40</u>	<u>-</u>	<u>106.77</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 2016	1Q 2015
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	3,247	6,460
Adjustments:		
Depreciation of property, plant and equipment	5,171	6,177
Depreciation of investment properties	6	6
Gain on disposal of property, plant and equipment	(19)	(25)
Net gain on disposal of investments at fair value through profit or loss - investment securities	(13)	(25)
Allowance for doubtful trade debts	228	166
Write back of doubtful trade debts	(152)	(111)
Finance costs	500	589
Finance income	(72)	(81)
Share of results of associates	(397)	(394)
Net foreign exchange loss (gain)	725	(893)
Operating profit before working capital changes	9,224	11,869
Decrease (increase) in:		
Inventories	248	(470)
Trade receivables	3,996	4,596
Other receivables and deposits	166	104
Prepaid operating expenses	(3,513)	(1,901)
Due from immediate holding company	1,095	(380)
Due from related companies	276	26
Increase (decrease) in:		
Trade payables	4,209	1,968
Other payables and liabilities	589	(1,345)
Due to related companies	(283)	1,097
Due to immediate holding company	(105)	360
Cash generated from operations	15,902	15,924
Interest paid	(500)	(589)
Income tax paid	(387)	(629)
Net cash from operating activities	15,015	14,706
Cash flows from investing activities		
Interest income received	72	81
Proceeds from disposal of property, plant and equipment	19	25
Proceeds from disposal of investments at fair value through profit or loss - investment securities	1,003	2,672
Purchase of property, plant and equipment	(2,030)	(2,208)
Purchase of investments at fair value through profit or loss - investment securities	-	(2,647)
Net cash used in investing activities	(936)	(2,077)
Cash flows from financing activities		
Repayment of finance leases	(11)	(11)
Repayment of bank term loans	(6,029)	(5,943)
Increase in pledged deposits	(27)	(1)
Additional investment in a subsidiary by a non-controlling interest	16	-
Net cash used in financing activities	(6,051)	(5,955)
Net increase in cash and cash equivalents	8,028	6,674
Effects of exchange rate changes on the balance of cash held in foreign currencies	63	(3)
Cash and cash equivalents at the beginning of the period	34,095	46,141
Cash and cash equivalents at the end of the period	42,186	52,812
Cash and bank balances (current)	53,530	59,015
Less: Pledged deposits	(11,344)	(6,203)
Cash and cash equivalents at the end of the period	42,186	52,812

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 Mar 2016

	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 2015	68,761	(174)	26	(4,013)	(12,427)	195,203	247,376	4,663	252,039
Profit for the period	-	-	-	-	-	2,877	2,877	31	2,908
Other comprehensive loss for the period	-	-	-	(513)	64	-	(449)	24	(425)
Total	-	-	-	(513)	64	2,877	2,428	55	2,483
Transactions with owners, recognised directly in equity									
Additional investment in subsidiary by non-controlling interest	-	-	-	-	-	-	-	16	16
Total	-	-	-	-	-	-	-	16	16
Balance as at 31 Mar 2016	68,761	(174)	26	(4,526)	(12,363)	198,080	249,804	4,734	254,538
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

	Share Capital	Treasury Shares	Retained Earnings	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
COMPANY				
Balance as at 31 Dec 2015	68,761	(174)	148,568	217,155
Profit for the period, representing total comprehensive income for the period	-	-	4,720	4,720
Total	-	-	4,720	4,720
Balance as at 31 Mar 2016	68,761	(174)	153,288	221,875
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

- 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 2016, there was no change in the Company's share capital.

As at 31 Mar 2016, total issued share capital of the Company was 539,131,199 (31 Mar 2015: 539,131,199) ordinary shares which include 1,093,000 (31 Mar 2015: 1,093,000) ordinary shares held as treasury shares.

As at 31 Mar 2016, there were no outstanding convertibles (31 Mar 2015: 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 2016 was 538,038,199 (31 Dec 2015: 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 2016, 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 2015.

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 2016 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 2016	Q1 2015
US cents	US cents
0.53	1.14
0.53	1.14

Earnings per ordinary share for the quarter ended 31 Mar 2016 is computed based on the number of issued ordinary shares (excluding treasury shares) during the period of 538,038,199 (31 Mar 2015: 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 16	31 Dec 15	31 Mar 16	31 Dec 15
US cents	US cents	US cents	US cents
46.43	45.98	41.24	40.36

Net asset value per ordinary share as at 31 Mar 2016 and 31 Dec 2015 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 recorded revenue of USD68.1 million for the first quarter ended 31 March 2016 ("1Q16"), representing a 15.3% decline from USD80.4 million in the previous corresponding quarter ("1Q15"). The decline reflected lower revenue contribution from both its container shipping and bulk & tanker business segments.

Volume handled by the Group's container shipping business increased 2.4% to 287,000 TEUs. Nevertheless, in view of declining freight rates, revenue from the container shipping business fell 14.3% to USD59.4 million in 1Q16, from USD69.2 million in 1Q15.

Revenue from the bulk & tanker business declined by 27.7% to USD7.6 million in 1Q16, compared to USD10.5 million a year ago, as the Group operated fewer vessels in 1Q16 and charter-out rates declined.

Cost of services declined 13.9% to USD61.7million, compared to USD71.7 million in 1Q15. The Group benefited from lower bunker price and lower container handling costs as a result of weaker regional currencies against the Group's reporting currency during that period. However, these were partially offset by higher charter-in rates for some of the container vessels.

In view of the above, gross profit registered a 26.6% decrease to USD6.4 million in 1Q16, versus USD8.7 million in 1Q15. Consequently, gross profit margin also fell to 9.4%, from 10.8%.

The Group recorded a foreign exchange loss of USD0.5 million in 1Q16, compared to a USD1.2 million gain in 1Q15 due mainly to balance sheet revaluation of loans and liabilities at the end of the quarter.

The Group recorded net profit attributable to owners of USD2.9 million in 1Q16, compared to USD6.1 million in 1Q15.

Balance sheet

Prepaid operating expenses increased by 41.4% mainly due to payments made for docking of certain vessels of the Group and renewal of insurances of the Group vessels.

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.

Competition in the industry is expected to remain intense, which will continue to put freight rates under pressure.

In the meantime, the Group continues to identify ways to maintain its competitiveness and to strengthen its position in regional waters, by seeking out opportunities with regional and domestic operators.

While tanker business has remained relatively stable, the malaise over the bulk shipping business is expected to continue given the oversupply situation.

The Group will continue to work on improving operational efficiency and asset utilisation. It is taking the opportunity to rejuvenate its fleet by disposing of some under-performing or aging vessels, and acquiring or chartering in younger 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 2016 US\$'000	1Q 2015 US\$'000
Expenses		
<u>PT. Samudera Indonesia Tbk and its subsidiary</u>		
Agency commissions ⁽¹⁾	550	631
Office rental	21	21
Vessel charter hire	330	-
<u>PT. Samudera Indonesia Ship Management</u>		
Ship management fees	282	283
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Vessel charter hire	365	-
<u>PT. Masaji Tatanan Container</u>		
Container depot	43	49
<u>PT. Tankindo Perdana</u>		
Vessel charter hire	-	43
<u>PT. Samudera Energi Tangguh</u>		
Vessel charter hire	41	41
(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)		
Expenses		
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Freight expenses	26	66
Revenue		
<u>PT. Perusahaan Pelayaran Nusantara Panuriwan</u>		
Vessel charter hire	928	1,040

⁽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.

14. Confirmation that the Issuer has procured undertakings from its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

15. Negative Assurance Confirmation Pursuant To Rule 705(5) 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 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Hermawan F Herman
Executive Director, Finance
27 April 2016