

SAMUDERA SHIPPING LINE LTD

(Company Registration: 199308462C)

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2005

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

1 (a)(i) 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 2005.

	The Group		
	1Q 2005	1Q 2004	+ / (-)
	S\$'000	S\$'000	%
Turnover	155,637	130,861	18.9
Cost of services	(128,423)	(123,785)	3.7
Gross Profit	27,214	7,076	n.m.
Marketing expenses	(2,930)	(1,396)	n.m.
Administrative expenses	(2,713)	(2,962)	(8.4)
Other operating income	508	3,391	(85.0)
Other operating expenses	(408)	(98)	n.m.
Profit from operations	21,671	6,011	n.m.
Finance expenses, net	(194)	(1,043)	(81.4)
Operating profit	21,477	4,968	n.m.
Share of results of associated company	163	89	83.1
Profit before tax	21,640	5,057	n.m.
Tax	(212)	(118)	79.7
Profit after tax	21,428	4,939	n.m.
Attributable to:			
Equity holders of the Company	21,307	4,929	n.m.
Minority interests	121	10	n.m.
Net profit attributable to shareholders	21,428	4,939	n.m.

n.m. = not meaningful

1 (a)(ii) Notes to the Income Statements

	The Group		
	1Q 2005	1Q 2004	+ / (-)
	S\$'000	S\$'000	%
(A) Other operating income before disposal of fixed assets including interest income	842	678	24.2
(B) Interest on borrowings	708	782	(9.5)
(C) Depreciation and amortisation	(4,081)	(4,173)	(2.2)
(D) Write back of doubtful trade debts	115	106	8.5
(E) Foreign exchange gain (loss)	173	(523)	n.m.
(F) Gain on disposal of fixed assets	7	2,975	n.m.
(G) Unrealised (loss) gain in investment securities	(408)	47	n.m.

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.

	The Group		The Company	
	31 Mar 05	31 Dec 04	31 Mar 05	31 Dec 04
	S\$'000	S\$'000	S\$'000	S\$'000
Capital and reserves attributable to equity holders of the Company				
Share capital (457,675,000 shares @ \$0.10 each)	45,768	45,768	45,768	45,768
Share premium	53,432	53,432	53,432	53,432
Share redemption reserve	504	504	504	504
Capital reserve	267	267	-	-
Translation reserve	448	(225)	-	-
Other reserve	(872)	-	-	-
Accumulated profits	165,570	144,263	125,759	107,026
	<u>265,117</u>	<u>244,009</u>	<u>225,463</u>	<u>206,730</u>
Minority interests	1,994	1,862	-	-
Total equity	<u>267,111</u>	<u>245,871</u>	<u>225,463</u>	<u>206,730</u>
Non-current assets				
Subsidiaries	-	-	75,753	75,717
Associated company	953	853	283	283
Fixed assets	146,471	141,058	1,472	1,538
Deferred charges	5,283	6,261	-	-
Other non-current assets	41	41	36	36
	<u>152,748</u>	<u>148,213</u>	<u>77,544</u>	<u>77,574</u>
Current assets				
Stocks	2,475	2,281	-	-
Trade debtors	96,230	88,170	87,612	78,581
Other debtors, deposits and prepayments	22,914	31,822	16,107	12,993
Due from subsidiaries (trade)	-	-	1,973	1,593
Due from subsidiaries (non-trade)	-	-	16,090	10,043
Due from related companies (trade)	1,102	176	702	-
Investment securities	22,655	19,960	22,655	19,960
Call and fixed deposits	37,625	25,768	35,477	23,375
Cash and bank balances	40,053	46,700	21,264	37,210
	<u>223,054</u>	<u>214,877</u>	<u>201,880</u>	<u>183,755</u>
Current liabilities				
Trade creditors	30,829	31,354	25,805	26,229
Other creditors and accruals	25,138	24,972	18,559	18,271
Due to related companies (trade)	2,079	2,664	-	387
Due to minority shareholders of a subsidiary (non-trade)	61	61	-	-
Hire purchase creditors, current portion	105	126	38	63
Bank term loans (secured), current portion	11,331	12,984	999	986
Provision for tax	704	922	306	291
	<u>70,247</u>	<u>73,083</u>	<u>45,707</u>	<u>46,227</u>
Net current assets	152,807	141,794	156,173	137,528
Non-current liabilities				
Due to subsidiary (non-trade)	-	-	8,143	8,143
Hire purchase creditors, non-current portion	235	373	111	229
Bank term loans (secured), non-current portion	38,209	43,763	-	-
Net assets	<u>267,111</u>	<u>245,871</u>	<u>225,463</u>	<u>206,730</u>

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

	As at 31 Mar 2005		As at 31 Dec 2004	
	Secured S\$ mil	Unsecured S\$ mil	Secured S\$ mil	Unsecured S\$ mil
Amount repayable in one year or less, or on demand	11.44	-	13.11	-
Amount repayable after one year	38.44	-	44.14	-
	<u>49.88</u>	<u>-</u>	<u>57.25</u>	<u>-</u>

Details of any collateral

The Group's borrowings are secured by ways of:

- > Corporate guarantee from Company's immediately holding Company, PT Samudera Indonesia Tbk.
- > Corporate guarantee from Company
- > Legal mortgages over certain vessels of the Company and its subsidiaries
- > Legal charges over certain bank accounts
- > Assignment of income derived from certain charter hire contracts of subsidiaries
- > Assignment of insurance of certain vessels of the subsidiaries

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

	Q1 2005 S\$'000	Q1 2004 S\$'000
Cash flows from operating activities		
Profit before tax	21,640	5,057
Adjustments:		
Amortisation of deferred charges	1,426	1,139
Depreciation of fixed assets	2,655	3,034
Gain on disposal of fixed assets	(7)	(2,975)
Write back of provision for doubtful trade debts	(115)	(106)
Loss on disposal of investment securities	-	98
Interest expenses	708	782
Interest income	(341)	(262)
Share of results of associated company	(163)	(89)
Unrealised loss (gain) on investment securities	408	(47)
Operating profit before working capital changes	<u>26,211</u>	<u>6,631</u>
(Increase) decrease in:		
Stocks	(194)	6
Trade debtors	(8,046)	87
Other debtors, deposits and prepayments	8,909	(1,632)
Due from related companies	(926)	(332)
Increase (decrease) in:		
Trade creditors	(625)	679
Other creditors and accruals	(707)	(3,707)
Due to related companies	(585)	1,515
Due to immediate holding company	-	452
Due to minority shareholders of a subsidiary	1	-
Cash generated from operations	<u>24,038</u>	<u>3,699</u>
Interest paid	(708)	(782)
Income tax paid	(377)	135
Net cash generated from operating activities	<u>22,953</u>	<u>3,052</u>
Cash flows from investing activities		
Interest income received	341	262
Acquisition of fixed assets	(7,400)	(1,775)
Proceeds from disposal of fixed assets	198	21,193
Additions to deferred charges	(360)	(2,738)
Purchase of investment securities	(3,104)	(2,197)
Proceeds from disposal of investment securities	-	940
Net cash used in investing activities	<u>(10,325)</u>	<u>15,685</u>
Cash flows from financing activities		
Repayment of hire purchase liabilities	(160)	(9)
Repayment of bank term loans	(7,207)	(4,092)
Net cash used in financing activities	<u>(7,367)</u>	<u>(4,101)</u>
Net increase in cash and cash equivalents	5,261	14,636
Effect of exchange rate changes on cash and cash equivalents	(51)	(10)
Cash and cash equivalents at the beginning of the period	<u>72,468</u>	<u>32,451</u>
Cash and cash equivalents at the end of the period	<u>77,678</u>	<u>47,077</u>

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 financial year.

Statement of Changes in Equity for the period ended 31 March

	Share Capital	Share Premium	Share Redemption Reserve	Capital Reserve	Translation Reserve	Other Reserve	Accumulated Profits	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP									
Balance as at 1 January 2005	45,768	53,432	504	267	(225)	-	144,263	1,862	245,871
Effect of adoption of FRS 39	-	-	-	-	-	(1,511)	-	-	(1,511)
Currency translation	-	-	-	-	673	-	-	11	684
Net profit for the period	-	-	-	-	-	-	21,307	121	21,428
Net unrealised gains on revaluation of cash flow hedges	-	-	-	-	-	639	-	-	639
Balance as at 31 March 2005	45,768	53,432	504	267	448	(872)	165,570	1,994	267,111
Balance as at 1 January 2004	45,768	53,432	504	267	3,635	-	92,173	1,429	197,208
Currency translation	-	-	-	-	(570)	-	-	(9)	(579)
Net profit for the period	-	-	-	-	-	-	4,929	10	4,939
Balance as at 31 March 2004	45,768	53,432	504	267	3,065	-	97,102	1,430	201,568

	Share Capital	Share Premium	Share Redemption Reserve	Accumulated Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COMPANY					
Balance as at 1 January 2005	45,768	53,432	504	107,026	206,730
Net profit for the period	-	-	-	18,733	18,733
Balance as at 31 March 2005	45,768	53,432	504	125,759	225,463
Balance as at 1 January 2004	45,768	53,432	504	62,852	162,556
Net profit for the period	-	-	-	3,661	3,661
Balance as at 31 March 2004	45,768	53,432	504	66,513	166,217

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 2005, there was no change in the Company's share capital (2004: 457,675,000 shares).

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.

On 1 January 2005, the Group and the Company adopted Financial Reporting Standard (FRS) 1, Presentation of Financial Statements and FRS 39, Financial Instruments Recognition and Measurement. The Statement of Changes of Equity of the Group has included the movement of minority interests as required by FRS 1. The changes in fair value of interest rate swap agreements representing cash flow hedges have been included in the Statement of Changes in Equity of the Group as required by FRS 39. The adoption of FRS 1 and FRS 39 did not have material impact to the Consolidated Profit and Loss account for the current period.

Except for the above, the Group has applied the same accounting policies and methods of computation in the financial statements of the current financial reporting period as in the audited financial statements for the year ended 31 December 2004.

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.

Not applicable.

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 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 Figures	
1Q 2005	1Q 2004
4.66 cents	1.08 cents
N.A.	N.A.

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 backing per ordinary share based on issued share capital as at the end of period

Group		Company	
31 Mar 2005	31 Dec 2004	31 Mar 2005	31 Dec 2004
58.36 cents	53.72 cents	49.26 cents	45.17 cents

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.

The Group's revenue increased by 18.9% to \$155.6 mil in Q1 2005 compared to the same period of the previous year. This is mainly due to increase in revenue from sub-let of container vessels, improved freight rates and from new tanker, Sinar Tokyo which was delivered in Sept 2004. In addition, the Group's new subsidiary in Thailand which started operation in May 2004 and a subsidiary in India that has expanded its business activity in Q1 2005, contributed additional revenue to the Logistics business.

The increase in bunker and charter hire cost resulted in a net increase of 3.7% to the Group's cost of services compared to the same period last year.

As a result of the above, the Group's profit after tax for Q1 2005 increased by \$ 16.5 mil to \$21.4 mil as compared to the same period last year.

The Group has finalised and received the proceeds from the insurance claim, in respect of Sinar Andalas, a vessel which capsized during the Tsunami in Aceh, Indonesia.

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.

Freight rates remain strong while charter hire cost is still at a high level. The Company will continue to explore new routes and long haul services through joint cooperation with partners. Starting from May 2005, the Company will launch a weekly service connecting China, Singapore and Indian Subcontinent.

During first quarter 2005, the Group entered into 5-year long-term charter contracts for 3 new build container vessels, which will be delivered in stages between 2007 and 2008. In addition, in June 2005 the Group will take delivery of one new build container vessel of about 1,050 teus capacity, which is also on a 5-year long term charter. These contracted charter hire rates are significantly lower than the current spot market rates.

The Group has entered into contracts to build four self-propelled barges, for coal and container transportation which are expected to be delivered at end of 2005. These carriers are intended to serve domestic operations within the Indonesian region.

MT Sinar Tokyo which was delivered in Sept 2004, will give full year impact in 2005.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No interim dividend has been declared for the period ended 31 March 2005.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

17. Interested Person Transactions

Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	1Q 2005 S\$'000	1Q 2004 S\$'000
Provision of services - Agency Commission		
PT. Samudera Indonesia Tbk	1,060	1,167
Provision of services - Management Fee		
PT. Samudera Indonesia Tbk	214	186
Provision of services - Ship Management Fees		
PT. Samudera Indonesia Ship Management	235	313
Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	1Q 2005 S\$'000	1Q 2004 S\$'000
nil		

BY ORDER OF THE BOARD

ANWARSYAH
Executive Director

Dated this 27 April 2005