

SAMUDERA SHIPPING LINE LTD
(Company Registration: 199308462C)

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2007

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 2007.

	The Group		
	1Q 2007	1Q 2006	+ / (-)
	S\$'000	S\$'000	%
Turnover	139,294	172,717	(19.4)
Cost of services	(123,215)	(156,875)	(21.5)
Gross profit	16,079	15,842	1.5
Other operating income	130	482	(73.0)
Marketing expenses	(2,693)	(2,833)	(4.9)
Administrative expenses	(2,952)	(2,890)	2.1
Other operating expenses	(1,290)	(3,831)	(66.3)
Profit from operations	9,274	6,770	37.0
Finance income	984	1,148	(14.3)
Finance expenses	(1,789)	(607)	n.m.
Operating profit	8,469	7,311	15.8
Share of results of associated companies	27	34	(20.6)
Profit before tax	8,496	7,345	15.7
Tax	(411)	(555)	(25.9)
Profit after tax	8,085	6,790	19.1
Attributable to:			
Equity holders of the Company	7,991	6,600	21.1
Minority interests	94	190	(50.5)
	8,085	6,790	19.1

n.m. = not meaningful

1 a)(ii) Notes to the Income Statements

	The Group		
	1Q 2007	1Q 2006	+ / (-)
	S\$'000	S\$'000	%
(A) Depreciation	(4,079)	(3,351)	21.7
(B) Write back of allowance for doubtful trade debts	6	31	(80.6)
(C) Other operating expenses			
- Claim expense	(87)	(17)	411.8
- Foreign exchange loss	(1,199)	(3,736)	(67.9)
- Other expenses	(4)	(78)	(94.9)
	(1,290)	(3,831)	(66.3)

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 07 S\$'000	31 Dec 06 S\$'000	31 Mar 07 S\$'000	31 Dec 06 S\$'000
Capital and reserves attributable to equity holders of the Company				
Share capital	99,704	99,704	99,704	99,704
Capital reserve	267	267	-	-
Translation reserve	(9,477)	(7,941)	-	-
Other reserves	(435)	(527)	-	-
Accumulated profits	213,353	205,362	160,782	155,065
	<u>303,412</u>	<u>296,865</u>	<u>260,486</u>	<u>254,769</u>
Minority interests	2,321	2,239	-	-
Total equity	305,733	299,104	260,486	254,769
Non-current assets				
Subsidiaries	-	-	79,543	79,543
Associated companies	17,849	17,742	17,853	17,853
Fixed assets	234,410	230,732	29,152	29,363
Deferred taxation	295	296	-	-
Call and fixed deposits	9,044	9,933	9,044	9,933
	<u>261,598</u>	<u>258,703</u>	<u>135,592</u>	<u>136,692</u>
Current assets				
Stocks	2,326	2,512	-	-
Trade debtors	77,125	70,936	64,945	57,471
Other debtors	3,833	2,916	1,687	2,209
Advance and prepaid expenses	14,835	22,025	9,402	9,604
Due from subsidiaries (trade)	-	-	4,489	3,195
Due from subsidiaries (non-trade)	-	-	8,431	14,714
Due from related companies (trade)	36	59	2	2
Investment securities	7,764	8,538	7,764	8,538
Call and fixed deposits	77,810	68,089	71,503	63,099
Cash and bank balances	23,855	34,043	11,626	14,134
	<u>207,584</u>	<u>209,118</u>	<u>179,849</u>	<u>172,966</u>
Current liabilities				
Trade creditors	28,775	27,470	22,068	20,852
Other creditors	3,517	1,431	-	-
Other liabilities	14,935	17,248	8,755	8,971
Due to subsidiaries	-	-	799	516
Due to ultimate holding company	151	1,229	88	1,229
Due to related companies (trade)	1,601	1,711	-	-
Hire purchase creditors	80	92	40	34
Bank term loans (secured)	14,920	16,853	1,080	1,080
Provision for tax	3,807	3,586	2,182	2,024
	<u>67,786</u>	<u>69,620</u>	<u>35,012</u>	<u>34,706</u>
Net current assets	139,798	139,498	144,837	138,260
Non-current liabilities				
Hire purchase creditors	216	193	153	123
Bank term loans (secured)	95,447	98,904	19,790	20,060
Net assets	305,733	299,104	260,486	254,769

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

	As at 31 Mar 2007		As at 31 Dec 2006	
	Secured S\$ million	Unsecured S\$ million	Secured S\$ million	Unsecured S\$ million
Amount repayable in one year or less, or on demand	15.00	-	16.95	-
Amount repayable after one year	95.66	-	99.10	-
	<u>110.66</u>	<u>-</u>	<u>116.05</u>	<u>-</u>

Details of any collateral

The Group's borrowings are secured by means of:

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

	Q1 2007 S\$'000	Q1 2006 S\$'000
Cash flows from operating activities		
Profit before tax	8,496	7,345
Adjustments:		
Depreciation of fixed assets	4,079	3,351
Gain on disposal of fixed assets	(1)	-
Loss / (gain) on disposal of investment securities	1	(230)
Write back of allowance for doubtful trade debts	(6)	(31)
Interest expense	1,789	607
Interest income	(984)	(1,148)
Share of results of associated companies	(27)	(34)
Unrealised (gain) / loss on investment securities	(99)	38
Operating profit before working capital changes	<u>13,248</u>	<u>9,898</u>
(Increase) / decrease in:		
Stocks	186	(197)
Trade debtors	(6,183)	2,036
Other debtors	(916)	(1,069)
Advance and prepaid expenses	7,190	(2,206)
Due from related companies	23	(1,284)
Increase / (decrease) in:		
Trade creditors	1,304	(3,133)
Other creditors	2,082	1,238
Other liabilities	(2,313)	(1,806)
Due to related companies	(110)	345
Due to immediate holding company	(1,078)	-
Cash generated from operations	<u>13,433</u>	<u>3,822</u>
Interest paid	(1,789)	(607)
Income tax paid	(186)	(901)
Net cash generated from operating activities	<u>11,458</u>	<u>2,314</u>
Cash flows from investing activities		
Interest income received	984	1,148
Proceeds from disposal of fixed assets	14	-
Proceeds from disposal of investment securities	770	3,830
Acquisition of fixed assets	(10,372)	(7,999)
Net cash used in investing activities	<u>(8,604)</u>	<u>(3,021)</u>
Cash flows from financing activities		
Repayment of hire purchase creditors	(31)	(45)
Increase in pledged deposits	(1,244)	(1,009)
Decrease in call and fixed deposits (non-current)	889	2,042
Repayment of bank term loans	(4,188)	(3,892)
Net cash used in financing activities	<u>(4,574)</u>	<u>(2,904)</u>
Net decrease in cash and cash equivalents	<u>(1,720)</u>	<u>(3,611)</u>
Effect of exchange rate changes on cash and cash equivalents	10	(54)
Cash and cash equivalents at the beginning of the period	<u>97,906</u>	<u>131,741</u>
Cash and cash equivalents at the end of the period	<u>96,196</u>	<u>128,076</u>
Call and fixed deposits (current)	77,810	63,544
Cash and bank balance (current)	23,855	70,352
Less Pledged deposits	(5,469)	(5,820)
Cash and cash equivalents at the end of the period	<u>96,196</u>	<u>128,076</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	Share	Share	Capital	Translation	Other	Accumulated	Minority	Total
	Capital	Premium	Redemption Reserve	Reserve	Reserve	Reserves	Profits	Interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP									
Balance as at 1 Jan 2007	99,704	-	-	267	(7,941)	(527)	205,362	2,239	299,104
Currency translation	-	-	-	-	(1,536)	2	-	(12)	(1,546)
Net unrealised gains on revaluation of cash flow hedges	-	-	-	-	-	90	-	-	90
Net profit for the period	-	-	-	-	-	-	7,991	94	8,085
Balance as at 31 Mar 2007	99,704	-	-	267	(9,477)	(435)	213,353	2,321	305,733
Balance as at 1 Jan 2006	44,928	53,432	1,344	267	1,571	(477)	209,325	2,179	312,569
Effect of amendment to Companies Act	54,776	(53,432)	(1,344)	-	-	-	-	-	-
Currency translation	-	-	-	-	(3,527)	15	-	29	(3,483)
Net profit for the period	-	-	-	-	-	-	6,600	190	6,790
Net unrealised gains on revaluation of cash flow hedges	-	-	-	-	-	243	-	-	243
Balance as at 31 Mar 2006	99,704	-	-	267	(1,956)	(219)	215,925	2,398	316,119
COMPANY									
Balance as at 1 Jan 2007	99,704	-	-	-	-	-	155,065	-	254,769
Net profit for the period	-	-	-	-	-	-	5,717	-	5,717
Balance as at 31 Mar 2007	99,704	-	-	-	-	-	160,782	-	260,486
Balance as at 1 Jan 2006	44,928	53,432	1,344	-	-	-	160,905	-	260,609
Effect of amendment to Companies Act	54,776	(53,432)	(1,344)	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	4,045	-	4,045
Balance as at 31 Mar 2006	99,704	-	-	-	-	-	164,950	-	264,654

As a result of the Companies (Amendment) Act 2005, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of share premium account and share redemption reserve account have been transferred to the Company's share capital account in 2006.

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 Mar 2007, there was no change in the Company's share capital.

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 2006, except as described in paragraph 5.

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 2007. These FRS include FRS 107, Financial Instruments: Disclosures and Amendments to FRS 1, Presentation of Financial Statements (Capital Disclosures). 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 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	
Q1 2007	Q1 2006
1.48 cents	1.22 cents
1.48 cents	1.22 cents

Earnings per share for the quarters ended 31 Mar 07 and 31 Mar 06 is calculated based on the number of issued ordinary shares of 539,131,199.

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

Group		Company	
31 Mar 07	31 Dec 06	31 Mar 07	31 Dec 06
56.28 cents	55.06 cents	48.32 cents	47.26 cents

Net asset value per ordinary share as at 31 Mar 07 and 31 Dec 2006 is calculated based on the number of issued ordinary shares of 539,131,199.

**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.**

For the first quarter ended 31 March 2007, the net profit of the Group increased by 19.1% to \$8.1m. This was after taking into account a foreign exchange loss of \$1.2m (compared to an exchange loss of \$3.7m in the same period previous year) and an increase in interest expense of \$1.2m arising from additional loan to finance the purchase of vessels and property.

Despite a decrease in container volume by about 4.7% and drop in container freight rates, the Group registered a slight increase in gross profit from \$15.8m to \$16.1m. This was mainly due to the discontinuation of China-India-Middle East Express (CIX) Service and reduction in the number of ships deployed in China-India (CSI) Service from 3 to 1 vessel, both of which were loss-making services. Despite a deliberate reduction in container volume by about 26,000 teus from the above-mentioned services, the overall container volume dropped only by 17,000 teus from 358,000 teus in Q1 2006 to 341,000 teus in Q1 2007, mainly due to increase in other areas including inter-island container shipping in Indonesia.

The improvement in gross profit was also partly due to a reduction in bunker and charter-hire expenses.

The revenue of Industrial Shipping rose by 33.6% to \$15.4m due mainly to the addition of two new chemical tankers in H2 2006. The increase in revenue of Industrial Shipping is mitigated partly by the impact of a drop in freight rates and reduction in container volume. As a result, the overall revenue of the Group dropped by 19.4% from \$172.7m to \$139.3m.

There was an increase in trade debtors by \$6.2m caused mainly by changes in the settlement system of some of our customers, which has subsequently been rectified and payments were received after the period reported on. Despite an increase in the trade debtors, the Group generated a strong surplus of \$11.5m from operating activities, mainly due to a reduction in advance and prepaid expenses by \$7.2m resulting from delivery of vessels which were previously under construction.

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.

Going forward, freight rates are expected to be competitive, due to new deliveries of vessel in the shipping industry, while bunker prices are expected to remain volatile.

In the Container Shipping business, the Group launched its Chittagong Express Service (CGX) in March 2007. This service is expected to extend the Group's coverage of the Indian Sub-continent and seize the significance of Chittagong being an increasingly important feeder port in the Indian Sub-continent.

The Group plans to introduce additional services, which are now under study.

Two chemical tankers, Sinar Busan and Sinar Agra which were delivered in H2-2006 have begun to contribute positively to the Industrial Shipping business of the Group and it is expected that they continue the positive contribution.

In its Industrial Shipping business, the Group is exploring investment opportunities for new building of dry bulk vessels, product /chemical tankers as well as cement carriers.

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.

Not applicable.

**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 2007
S\$'000**

**1Q 2006
S\$'000**

PT. Samudera Indonesia Tbk

Provision of services - Agency Commission 1,098 1,100
Provision of services - Management Fee 214 221

PT. Samudera Indonesia Ship Management

Provision of services - Ship Management Fees 227 237

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 2007
S\$'000**

**1Q 2006
S\$'000**

PT. Samudera Indonesia Tbk

Provision of services - Agency Commission 52 -

PT. Panuriwan

Provision of services - Building rental 9 9
Provision of services - Charter hire 330 356

PT. Masaji Tatanan Container

Provision of services - Depot storage / Repair 60 29

PT. Prima Nur Panuriwan

Provision of services - Stevedorage 1,101 786

18. Confirmation by the Board

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the financial results of the First Quarter ended 31 March 2007 of the Group and the Company to be false or misleading.

BY ORDER OF THE BOARD

ANWARSYAH
Executive Director

Dated this 30 April 2007