

**SAMUDERA SHIPPING LINE LTD**  
(Company Registration: 199308462C)

**THIRD QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 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 30 September 2007.

	<b>The Group</b>		
	<b>3Q 2007</b>	<b>3Q 2006</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Turnover	149,023	164,420	(9.4)
Cost of services	(129,958)	(154,270)	(15.8)
<b>Gross profit</b>	<b>19,065</b>	<b>10,150</b>	87.8
Other operating income	345	1,678	(79.4)
Marketing expenses	(3,055)	(2,710)	12.7
Administrative expenses	(3,143)	(2,874)	9.4
Other operating expenses	(1,576)	(930)	69.5
<b>Profit from operations</b>	<b>11,636</b>	<b>5,314</b>	n.m
Finance income	822	938	(12.4)
Finance expenses	(1,702)	(1,513)	12.5
<b>Operating profit</b>	<b>10,756</b>	<b>4,739</b>	n.m
Share of results of associated companies	70	26	n.m
<b>Profit before tax</b>	<b>10,826</b>	<b>4,765</b>	n.m
Tax	(402)	(727)	(44.7)
<b>Profit after tax</b>	<b>10,424</b>	<b>4,038</b>	n.m
<b>Attributable to:</b>			
Equity holders of the Company	10,210	3,941	n.m
Minority interests	214	97	n.m
	<b>10,424</b>	<b>4,038</b>	n.m

n.m. = not meaningful

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

	<b>The Group</b>		
	<b>3Q 2007</b>	<b>3Q 2006</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(A) Depreciation	(4,326)	(3,975)	8.8
(B) (Allowance) / Write back for doubtful trade debts	(149)	1	n.m
(C) Other operating expenses			
- Claim expenses	-	(104)	n.m
- Foreign exchange loss	(1,554)	(450)	n.m
- Unrealised loss on investment securities	-	(368)	n.m
- Other expenses	(22)	(8)	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	
	30 Sep 07 S\$'000	31 Dec 06 S\$'000	30 Sep 07 S\$'000	31 Dec 06 S\$'000
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	99,704	99,704	99,704	99,704
Capital reserve	267	267	-	-
Translation reserve	(11,201)	(7,941)	-	-
Other reserves	(607)	(527)	-	-
Accumulated profits	223,702	205,362	167,175	155,065
	<u>311,865</u>	<u>296,865</u>	<u>266,879</u>	<u>254,769</u>
<b>Minority interests</b>	2,196	2,239	-	-
<b>Total equity</b>	<b>314,061</b>	<b>299,104</b>	<b>266,879</b>	<b>254,769</b>
<b>Non-current assets</b>				
Subsidiaries	-	-	79,620	79,543
Associated companies	17,651	17,742	17,852	17,853
Fixed assets	228,293	230,732	31,205	29,363
Deferred taxation	291	296	-	-
Fixed deposits	8,925	9,933	8,925	9,933
	<u>255,160</u>	<u>258,703</u>	<u>137,602</u>	<u>136,692</u>
<b>Current assets</b>				
Stocks	2,585	2,512	-	-
Trade debtors	84,565	70,936	69,245	57,471
Other debtors	5,979	2,916	1,562	2,209
Advance and prepaid expenses	28,403	22,025	21,469	9,604
Due from subsidiaries (trade)	-	-	4,956	3,195
Due from subsidiaries (non-trade)	-	-	9,903	14,714
Due from related companies (trade)	35	59	2	2
Investment securities	6,527	8,538	6,527	8,538
Fixed deposits	71,137	68,089	63,649	63,099
Cash and bank balances	22,540	34,043	13,000	14,134
	<u>221,771</u>	<u>209,118</u>	<u>190,313</u>	<u>172,966</u>
<b>Current liabilities</b>				
Trade creditors	33,776	27,470	25,914	20,852
Other creditors	1,521	1,431	-	-
Other liabilities	19,994	17,248	9,962	8,971
Due to subsidiaries	-	-	624	516
Due to ultimate holding company	256	1,229	246	1,229
Due to related companies (trade)	994	1,711	-	-
Hire purchase creditors	75	92	36	34
Bank term loans (secured)	12,680	16,853	1,285	1,080
Provision for tax	3,035	3,586	1,751	2,024
	<u>72,331</u>	<u>69,620</u>	<u>39,818</u>	<u>34,706</u>
<b>Net current assets</b>	<b>149,440</b>	<b>139,498</b>	<b>150,495</b>	<b>138,260</b>
<b>Non-current liabilities</b>				
Hire purchase creditors	199	193	120	123
Bank term loans (secured)	90,340	98,904	21,098	20,060
<b>Net assets</b>	<b>314,061</b>	<b>299,104</b>	<b>266,879</b>	<b>254,769</b>

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

	As at 30 Sep 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	12.76	-	16.95	-
Amount repayable after one year	90.54	-	99.10	-
	<u>103.30</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.

	Q3 2007 S\$'000	Q3 2006 S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	10,826	4,765
Adjustments:		
Depreciation of fixed assets	4,326	3,975
Gain on disposal of fixed assets	(15)	-
Gain on sale of investment property	-	(946)
Gain on disposal of investment securities	-	(696)
Allowance for doubtful trade debts	206	-
Write back of allowance for doubtful trade debts	(57)	(1)
Interest expense	1,702	1,513
Interest income	(822)	(938)
Share of results of associated companies	(70)	(26)
Unrealised (gain) / loss on investment securities	(161)	368
Operating profit before working capital changes	15,935	8,014
(Increase) / decrease in:		
Stocks	(110)	(159)
Trade debtors	(2,865)	5,989
Other debtors	(1,163)	(359)
Advance and prepaid expenses	(12,877)	(1,647)
Due from related companies	2	(641)
Increase / (decrease) in:		
Trade creditors	4,176	(1,408)
Other creditors	485	(2,514)
Other liabilities	2,310	6,387
Due to related companies	(148)	(198)
Due to immediate holding company	(265)	(467)
Cash generated from operations	5,480	12,997
Interest paid	(1,702)	(1,513)
Income tax paid	(861)	(288)
<b>Net cash generated from operating activities</b>	<b>2,917</b>	<b>11,196</b>
<b>Cash flows from investing activities</b>		
Interest income received	822	938
Proceeds from disposal of fixed assets	65	-
Proceeds from sale of investment property	-	14,527
Proceeds from disposal of investment securities	152	5,349
Dividend received from associated company	98	-
Dividend paid to minority shareholder	(133)	-
Acquisition of fixed assets	(3,547)	(59,002)
Acquisition of investment property	-	(13,579)
Additional investment in subsidiary	(77)	-
<b>Net cash used in investing activities</b>	<b>(2,620)</b>	<b>(51,767)</b>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase creditors	(42)	(23)
Repayment of bank term loans	(4,162)	(13,111)
Proceeds from bank term loans	2,053	61,483
Decrease (Increase) in pledged deposits	1,640	(2,636)
Decrease (increase) fixed deposits (non-current)	238	(2,896)
<b>Net cash (used in) generate from financing activities</b>	<b>(273)</b>	<b>42,817</b>
<b>Net increase in cash and cash equivalents</b>	<b>24</b>	<b>2,246</b>
Effect of exchange rate changes on cash and cash equivalents	(186)	(211)
Cash and cash equivalents at the beginning of the period	90,055	86,590
<b>Cash and cash equivalents at the end of the period</b>	<b>89,893</b>	<b>88,625</b>
Fixed deposits (current)	71,137	70,242
Cash and bank balance (current)	22,540	24,350
Less Pledged deposits	(3,784)	(5,967)
<b>Cash and cash equivalents at the end of the period</b>	<b>89,893</b>	<b>88,625</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 financial year.

Statement of Changes in Equity for the period ended 30 September

	Share Capital S\$'000	Capital Reserve S\$'000	Translation Reserve S\$'000	Other Reserves S\$'000	Accumulated Profits S\$'000	Minority Interests S\$'000	Total Equity S\$'000
<b>GROUP</b>							
Balance as at 1 Jul 2007	99,704	267	(7,818)	1,613	213,492	2,166	309,424
Currency translation	-	-	(3,383)	2	-	(51)	(3,432)
Net unrealised loss on revaluation of cash flow hedges	-	-	-	(2,222)	-	-	(2,222)
Net profit for the period	-	-	-	-	10,210	214	10,424
Dividend paid	-	-	-	-	-	(133)	(133)
<b>Balance as at 30 Sept 2007</b>	<b>99,704</b>	<b>267</b>	<b>(11,201)</b>	<b>(607)</b>	<b>223,702</b>	<b>2,196</b>	<b>314,061</b>
Balance as at 1 Jul 2006	99,704	267	(3,493)	(69)	199,875	2,151	298,435
Currency translation	-	-	(698)	1	-	(7)	(704)
Net unrealised loss on revaluation of cash flow hedges	-	-	-	(149)	-	-	(149)
Net profit for the period	-	-	-	-	3,941	97	4,038
Dividend paid	-	-	-	-	-	-	-
<b>Balance as at 30 Sept 2006</b>	<b>99,704</b>	<b>267</b>	<b>(4,191)</b>	<b>(217)</b>	<b>203,816</b>	<b>2,241</b>	<b>301,620</b>

	Share Capital S\$'000	Accumulated Profits S\$'000	Total Equity S\$'000
<b>COMPANY</b>			
Balance as at 1 Jul 2007	99,704	160,462	260,166
Net profit for the period	-	6,713	6,713
<b>Balance as at 30 Sept 2007</b>	<b>99,704</b>	<b>167,175</b>	<b>266,879</b>
Balance as at 1 Jul 2006	99,704	147,569	247,273
Net profit for the period	-	9,110	9,110
<b>Balance as at 30 Sept 2006</b>	<b>99,704</b>	<b>156,679</b>	<b>256,383</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 30 Sept 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	
Q3 2007	Q3 2006
1.89 cents	0.73 cents
1.89 cents	0.73 cents

Earnings per share for the quarters ended 30 Sept 07 and 30 Sept 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	
30 Sept 07	31 Dec 06	30 Sept 07	31 Dec 06
57.85 cents	55.06 cents	49.50 cents	47.26 cents

Net asset value per ordinary share as at 30 Sept 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.**

Container volume handled by the Group in Q3 2007 rose by 2.0% to 371,000 teus compared to Q3 2006 despite a drop by about 21,000 teus due to:

- (a) discontinuation of its China-India-Middle East Express (CIX) Service in Q4 2006; and
- (b) reduction in the number of ships deployed in its China-India (CSI) Service substantially in Q4 2006.

The overall increase in volume by 2.0% was due mainly to an increase in volume by about 6.0% from its other existing services and a further increase of about 2.1% from its new service i.e. Chittagong Express, launched earlier this year.

Although the container volume increased, the Group's turnover declined 9.4% to \$149m, mainly due to the shift in container volume mix towards a higher proportion of shorter haul cargo. This decline in revenue was however, partially mitigated by a 9.7% increase in Industrial Shipping revenue to \$15.9m arising from an additional ship and better vessels utilization

The Group's cost of services fell 15.8%, driven by the Group's rationalization of its shipping services. Through this rationalization exercise, the Group managed to reduce the number of vessels operated, which in turn led to a lowering of vessel related costs, such as charter hire cost, bunker expense and port charges.

As a result of the above, the Group's gross profit improved 87.8% to \$19.1m.

The 79.4% decrease in other operating income takes into consideration an aggregate non-recurring gain of \$1.6m on the disposal of an investment property and investment securities in Q3 2006.

Foreign exchange loss increased from \$0.5m to \$1.6m as a result of a weaker US Dollar against Singapore Dollar.

Despite the decrease in operating income and increase in foreign exchange loss, the Group reported a 2.6 fold profit after tax of \$10.4m as compared with the same period the previous year.

Subsequent to the purchase agreement for two container vessels, 1740 teu, the Group placed a deposit amounting to approximately \$12.6m which is currently recorded as advance and prepaid expenses in Q3 2007.

**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.**

Bunker price has increased and is expected to remain high. In order to minimize the impact of bunker price increase, the Group has entered into a forward contract to hedge part of its bunker consumption. In addition, the Group has implemented bunker surcharge to its customers in Q3 2007.

The Group entered into an agreement to purchase two 1740-teu container vessels in September 2007. These vessels will be built by Guangzhou Wenchong in China and are expected to be delivered in the 4th quarter of 2008. In addition to this purchase, the Group is also considering to purchase more vessels as part of its efforts to better manage its vessel operating costs.

In the industrial shipping business, the Group is exploring investment opportunities for new building of dry bulk vessels, product/ chemical tankers as well as cement carrier.

The Group established two new offices in Ho Chi Minh, Vietnam and Kolkata, India respectively. A third office in Chennai, India is due to be operational in the near future. These establishments are expected to reinforce the Group's position in the region and provide a platform for it to develop its businesses and better control going forward.

**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)	3Q 2007 S\$'000	3Q 2006 S\$'000
<b><u>PT. Samudera Indonesia Tbk and its subsidiary</u></b>		
Provision of services - Agency Commission	1,301	1,239
Provision of services - Management Fee	-	216
<b><u>PT. Samudera Indonesia Ship Management</u></b>		
Provision of services - Ship Management Fees	221	282
<b>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)</b>		
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>PT. Samudera Indonesia Tbk</u></b>		
Provision of services - Agency Commission	50	-
Provision of services - Office rental	72	-
<b><u>PT. Panurjwan</u></b>		
Provision of services - Building rental	9	9
Provision of services - Charter hire	393	357
<b><u>PT. Masaji Tatanan Container</u></b>		
Provision of services - Depot storage / Repair	49	98
<b><u>PT. Prima Nur Panurjwan</u></b>		
Provision of services - Stevedorage	1,024	1,071

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

We, Randy Effendi and Hamdi Adnan, 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 Third Quarter ended 30 September 2007 to be false or misleading.

On behalf of the Board of Directors,

Randy Effendi  
Chairman

Hamdi Adnan  
Executive Director

BY ORDER OF THE BOARD

ANWARSYAH  
29 October 2007