

# SAMUDERA SHIPPING LINE LTD

Company Registration: 199308462C

(Incorporated in the Republic of Singapore)

## FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2010

### 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 financial period ended 31 March 2010.

#### 1 a)(i) Income Statement for the period ended 31 March 2010

	Note	Group		+ / (-) %
		1Q 2010 US\$'000	1Q 2009 US\$'000	
Turnover		82,933	80,533	3.0
Cost of services		(81,107)	(76,519)	6.0
<b>Gross profit</b>		<b>1,826</b>	<b>4,014</b>	(54.5)
Other operating income	(A)	792	217	265.0
Marketing expenses		(1,494)	(1,569)	(4.8)
Administrative expenses		(1,894)	(2,197)	(13.8)
Other operating expenses	(B)	(56)	(404)	(86.1)
<b>(Loss)/Profit from operations</b>		<b>(826)</b>	<b>61</b>	n.m.
Finance income		37	119	(68.9)
Finance expense		(639)	(1,305)	(51.0)
<b>Operating loss</b>		<b>(1,428)</b>	<b>(1,125)</b>	26.9
Share of results of associated companies		329	193	70.5
<b>Loss before tax</b>		<b>(1,099)</b>	<b>(932)</b>	17.9
Taxation		(326)	(95)	243.2
<b>Loss after tax</b>		<b>(1,425)</b>	<b>(1,027)</b>	38.8
<b>Attributable to:</b>				
Equity holders of the Company		(1,479)	(1,103)	34.1
Non-controlling interests		54	76	(28.9)
<b>Loss after tax</b>		<b>(1,425)</b>	<b>(1,027)</b>	38.8

n.m. = not meaningful

#### 1 a)(ii) Notes to the Income Statement

	Group		+ / (-) %
	1Q 2010 US\$'000	1Q 2009 US\$'000	
Profit for the period is arrived at after charging (crediting) the following:			
- Depreciation of fixed assets	4,491	4,114	9.2
- Allowance for doubtful trade debts	136	107	27.1
- Write back of allowance for doubtful trade debts	(136)	(63)	115.9
- Finance expenses - interest on borrowings	639	1,305	(51.0)
(A) Other operating income			
- Foreign exchange gain	197	125	57.6
- Rental Income	66	71	(7.0)
- Dividend Income	355	-	n.m
- Gain on disposal of subsidiary	161	-	n.m
- Other income	13	21	(38.1)
	<b>792</b>	<b>217</b>	265.0

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

	<u>Group</u>		+ / (-) %
	<u>1Q 2010</u> <u>US\$'000</u>	<u>1Q 2009</u> <u>US\$'000</u>	
(B) Other operating expenses			
- Realized loss on investment securities	(17)	-	n.m.
- Unrealized loss on investment securities	-	(256)	n.m.
- Fair value loss on derivative financial instruments	-	(35)	n.m.
- Other expenses	(39)	(113)	(65.5)
	<u>(56)</u>	<u>(404)</u>	(86.1)

## 1 a)(iii) Statement of Comprehensive Income for the period ended 31 Mar 2010

	<u>Group</u>	
	<u>1Q 2010</u> <u>US\$'000</u>	<u>1Q 2009</u> <u>US\$'000</u>
<b>Loss after tax for the period</b>	<b>(1,425)</b>	<b>(1,027)</b>
Net unrealised gain on revaluation of cashflow hedges	18	4
Share of net changes in associated company's hedging reserve	(334)	1,643
Currency translation from foreign operations	167	(129)
<b>Total comprehensive (loss)/ income for the period</b>	<b>(1,574)</b>	<b>491</b>
<b>Total comprehensive (loss)/ income attributable to:</b>		
Equity holders of the Company	<b>(1,960)</b>	<b>447</b>
Non-controlling interests	386	44
	<u>(1,574)</u>	<u>491</u>

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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 10 US\$'000	31 Dec 09 US\$'000	31 Mar 10 US\$'000	31 Dec 09 US\$'000
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	68,761	68,761	68,761	68,761
Treasury shares	(174)	(174)	(174)	(174)
Accumulated profits	163,740	165,226	111,677	114,469
Foreign currency translation reserve	(11,584)	(11,488)	-	-
Other reserves	(4,046)	(3,700)	-	-
	<u>216,697</u>	<u>218,625</u>	<u>180,264</u>	<u>183,056</u>
<b>Non-controlling interests</b>	2,672	2,834	-	-
<b>Total equity</b>	<b><u>219,369</u></b>	<b><u>221,459</u></b>	<b><u>180,264</u></b>	<b><u>183,056</u></b>
<b>Non-current assets</b>				
Subsidiaries	-	-	54,549	54,549
Associated companies	7,310	7,302	12,312	12,312
Fixed assets	245,139	249,313	126,556	127,924
Deferred taxation	30	30	-	-
Fixed deposits	259	273	-	-
	<u>252,738</u>	<u>256,918</u>	<u>193,417</u>	<u>194,785</u>
<b>Current assets</b>				
Stocks	2,155	2,062	-	-
Trade debtors	40,158	37,374	28,073	25,876
Advance payments for vessels purchase	78,517	78,403	-	-
Prepayments	13,177	13,934	5,817	6,417
Other debtors	5,339	6,204	425	1,089
Due from immediate holding company	673	670	-	-
Due from subsidiaries (trade)	-	-	4,855	3,906
Due from subsidiaries (non-trade)	-	-	23,853	22,048
Due from related company	425	-	112	-
Due from associated company	-	1,714	-	1,714
Due from minority shareholders of a subsidiary	48	48	48	48
Investment securities	-	494	-	494
Fixed deposits	27,942	29,705	25,157	28,072
Cash and bank balances	14,912	16,593	6,393	8,039
	<u>183,346</u>	<u>187,201</u>	<u>94,733</u>	<u>97,703</u>
<b>Current liabilities</b>				
Trade creditors	23,840	24,511	15,610	15,439
Other creditors and liabilities	13,117	13,584	4,577	4,584
Due to immediate holding company (trade)	840	581	670	512
Due to related companies (trade)	2,058	1,904	10	8
Hire purchase creditors	205	207	47	46
Bank term loans (secured)	15,086	15,167	8,011	8,005
Provision for tax	1,923	1,901	391	371
	<u>57,069</u>	<u>57,855</u>	<u>29,316</u>	<u>28,965</u>
<b>Net current assets</b>	<b>126,277</b>	<b>129,346</b>	<b>65,417</b>	<b>68,738</b>
<b>Non-current liabilities</b>				
Hire purchase creditors	855	903	92	103
Bank term loans (secured)	158,791	163,902	78,478	80,364
<b>Net assets</b>	<b><u>219,369</u></b>	<b><u>221,459</u></b>	<b><u>180,264</u></b>	<b><u>183,056</u></b>

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

	As at 31 Mar 2010		As at 31 Dec 2009	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	15.29	-	15.37	-
Amount repayable after one year	159.65	-	164.81	-
	<u>174.94</u>	<u>-</u>	<u>180.18</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

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- 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

	Group	
	1Q 2010 US\$'000	1Q 2009 US\$'000
<b>Cash flows from operating activities</b>		
Loss before tax	(1,099)	(932)
Adjustments:		
Depreciation of fixed assets	4,491	4,114
Loss on disposal of investment securities	17	-
Gain on disposal of subsidiary	(161)	-
Allowance for doubtful trade debts	136	107
Write back of allowance for doubtful trade debts	(136)	(63)
Interest expense	639	1,305
Interest income	(37)	(119)
Share of results of associated companies	(329)	(193)
Unrealised loss on investment securities	-	256
Unrealised loss on derivative financial instruments	-	35
Fixed assets written off	-	5
Currency realignment	101	(764)
Operating profit before working capital changes	3,622	3,751
(Increase)/ decrease in:		
Stocks	(342)	(22)
Trade debtors	(2,784)	8,716
Other debtors	742	(390)
Prepayments and advance payments for vessels purchase	631	(4,115)
Due from immediate holding company	(3)	675
Due from related companies	(425)	-
Due from associated company	1,714	(172)
Increase/ (decrease) in:		
Trade creditors	(514)	1,688
Other creditors and liabilities	(196)	(3,947)
Due to related companies	-	(262)
Due to immediate holding company	413	(72)
Cash generated from operations	2,858	5,850
Interest paid	(639)	(1,305)
Income tax paid	(336)	(169)
<b>Net cash generated from operating activities</b>	<b>1,883</b>	<b>4,376</b>
<b>Cash flows from investing activities</b>		
Interest income received	37	119
Acquisition of fixed assets	(427)	(941)
Dividend paid to minority shareholders	(355)	-
Proceeds from disposal of investment securities	478	-
Proceeds from disposal of subsidiary	155	-
<b>Net cash used in investing activities</b>	<b>(112)</b>	<b>(822)</b>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase creditors	(51)	(51)
Repayment of bank term loans	(5,289)	(4,305)
(Increase) decrease in pledged deposits	(470)	149
<b>Net cash used in financing activities</b>	<b>(5,810)</b>	<b>(4,207)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,039)</b>	<b>(653)</b>
Effect of exchange rate changes on cash and cash equivalents	112	(98)
Cash and cash equivalents at the beginning of the period	39,610	64,761
<b>Cash and cash equivalents at the end of the period</b>	<b>35,683</b>	<b>64,010</b>

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## Cashflow Statement for the period (continued)

	Group	
	1Q 2010 US\$'000	1Q 2009 US\$'000
Fixed deposits	28,201	48,601
Cash and bank balance (current)	14,912	17,727
Less: Pledged deposits	(7,430)	(2,318)
<b>Cash and cash equivalents at the end of the period</b>	<b>35,683</b>	<b>64,010</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.

## Statements of Changes in Equity for the period ended 31 Mar

	Share Capital	Treasury Shares	Other Reserves	Translation Reserve	Accumulated Profits	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
<b>GROUP</b>								
<b>Balance as at 31 Dec 2009</b>	68,761	(174)	(3,700)	(11,488)	165,226	218,625	2,834	221,459
Total comprehensive income/ (loss) for the year	-	-	(332)	(149)	(1,479)	(1,960)	386	(1,574)
Disposal of subsidiary	-	-	(21)	53	-	32	(193)	(161)
Dividend paid	-	-	-	-	-	-	(355)	(355)
Fair value of loan	-	-	7	-	(7)	-	-	-
<b>Balance as at 31 Mar 2010</b>	<b>68,761</b>	<b>(174)</b>	<b>(4,046)</b>	<b>(11,584)</b>	<b>163,740</b>	<b>216,697</b>	<b>2,672</b>	<b>219,369</b>
<b>Balance as at 31 Dec 2008</b>	68,761	-	(8,874)	(11,577)	179,469	227,779	2,795	230,574
Total comprehensive income/ (loss) for the year	-	-	1,647	(97)	(1,103)	447	44	491
<b>Balance as at 31 Mar 2009</b>	<b>68,761</b>	<b>-</b>	<b>(7,227)</b>	<b>(11,674)</b>	<b>178,366</b>	<b>228,226</b>	<b>2,839</b>	<b>231,065</b>

	Share Capital	Treasury Shares	Accumulated Profits	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
<b>COMPANY</b>				
<b>Balance as at 31 Dec 2009</b>	68,761	(174)	114,469	183,056
Total comprehensive loss for the period	-	-	(2,792)	(2,792)
<b>Balance as at 31 Mar 2010</b>	<b>68,761</b>	<b>(174)</b>	<b>111,677</b>	<b>180,264</b>
<b>Balance as at 31 Dec 2008</b>	68,761	-	129,285	198,046
Total comprehensive income for the period	-	-	(2,083)	(2,083)
<b>Balance as at 31 Mar 2009</b>	<b>68,761</b>	<b>-</b>	<b>127,202</b>	<b>195,963</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 31 March 2010, there was no change in the Company's share capital.

As at 31 March 2010, the total issued share capital of the Company was 539,131,199 ordinary shares which include 1,093,000 ordinary shares held as treasury shares.

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- 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 March 2010 was 538,038,199 (31 Dec 2009: 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.**

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 2009.

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 2010. 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	
1Q 2010	1Q 2009
US cents	US cents
(0.27)	(0.20)
(0.27)	(0.20)

Earnings per ordinary share for the quarter ended 31 March 2010 and 31 March 2009 is computed based on the number of issued ordinary shares (excluding treasury shares) during the period of 538,038,199 (1Q 2009: 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 per ordinary share based on issued share capital as at the end of the period

Group		Company	
31 Mar 10	31 Dec 09	31 Mar 10	31 Dec 09
US cents	US cents	US cents	US cents
40.28	40.63	33.50	34.02

Net asset value per ordinary share as at 31 Mar 2010 and 31 Dec 2009 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199.

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**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.**

Group revenue increased by 3.0% to US\$82.9 million for the three months ended 31 March 2010 (1Q10), as compared to US\$80.5 million for 1Q09. This was mostly due to an increase in activity almost across all its business segments.

As a result of improving global trade activity, overall container volume handled by the Group grew 20.4% to 334,000 teus in 1Q10 from 278,000 teus in 1Q09. The Group registered an improvement mainly from its NKX service, which ply the Singapore – Nhavasheva – Karachi – Pipavav – Colombo – Penang route.

Revenue from the Industrial Shipping business rose 18.0% mainly due to the addition of four off-shore support vessels supporting the LNG terminal in Indonesia which commenced operation in March 2009.

In line with the increase in revenue, cost of services rose 6.0% to US\$81.1 million, from US\$76.5 million. This was largely due to higher bunker prices and stevedoring charges for the container shipping business. As a result, gross profit for 1Q10 declined 54.5% to US\$1.8 million, from US\$4.0 million in 1Q09.

Other operating expenses fell to US\$56,000 in 1Q10, from US\$404,000 in 1Q09 when the Group booked an unrealized loss on investment securities. No such loss was recognized in 1Q10. Other operating income for 1Q10 saw a substantial increase to US\$792,000 from US\$217,000 largely due to dividend income received.

The Group's financial income in 1Q10 decreased 68.9% to US\$37,000 from US\$119,000, due to lower year-on-year interest rates, which resulted in less interest being earned on lower cash and cash balances, as compared to 1Q09.

At the close of 1Q10, the Group registered a net loss attributable to equity holders of the Company of US\$1.5 million, as compared to a net loss of US\$1.1 million in 1Q09.

**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.**

Amid signs of a recovery in global trade activity, container shipping volumes have seen some improvement. This is supported by the 15.1% year-on-year growth in PSA's container traffic in the Q1 2010. The Group expects this trend to continue.

Despite the positive trend, the Group is adopting a cautious stance for the rest of the year, as issues such as idle containership capacity and newbuildings on order continue to plague the industry.

With bunker prices expected to remain volatile, the Group will continue its efforts to manage this by entering into hedging contract whenever appropriate. At the current moment about 20% of its bunker consumption is hedged for one to three months for the period ending in June 2010.

In response to the implementation of cabotage law for chemical tankers in January 2010, the Group re-flagged one of its chemical tankers, Sinar Agra, to the Indonesian flag, and subsequently secured a time-charter contract for it. The Group is also planning to re-flag another tanker, Sinar Emas.

The contract of the four harbour tugs supporting the operation of the Tangguh LNG Terminal at Bintuni Bay, Indonesia, has been extended. This should provide the Group with a steady revenue stream from these vessels for the duration of the contract extension.



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## 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 2010 US\$'000	1Q 2009 US\$'000
	<b><u>PT. Samudera Indonesia Tbk and its subsidiary</u></b>		
	Provision of services - Agency Commission	662	444
	Provision of services - Office rental	25	20
	<b><u>PT. Samudera Indonesia Ship Management</u></b>		
	Provision of services - Ship Management Fees	223	222
	<b><u>PT. Panurjwan</u></b>		
	Provision of services - Building rental	7	5
	Provision of services - Charter hire	315	238
	<b><u>PT. Masaji Tatanan Container</u></b>		
	Provision of services - Container depot	97	102
	<b><u>PT. Prima Nur Panurjwan</u></b>		
	Provision of services - Stevedorage	681	830
(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-Mandate transactions)	US\$'000	US\$'000
	<b><u>PT. Silkargo Indonesia</u></b>		
	Sale of Subsidiary, Silkargo LLC	380	-

# **SAMUDERA SHIPPING LINE LTD**

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## **14. 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 period ended 31 March 2010 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**  
Executive Director

**28 April 2010**