



COSCO CORPORATION (SINGAPORE) LIMITED
(Company Registration no:- 196100159G)

Unaudited Third Quarter Financial Statement Announcement for the Period Ended 30 September 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & 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.

(i) Income Statement

	Group					
	S\$'000		%	S\$'000		%
	Q3 2008	Q3 2007		YTD 2008	YTD 2007	
Turnover	987,734	546,995	81	2,752,527	1,415,122	95
Cost of sales	(785,798)	(363,719)	116	(2,104,531)	(987,157)	113
Gross profit	201,936	183,276	10	647,996	427,965	51
Other gains - net						
- Miscellaneous [1]	56,453	21,423	164	124,895	76,102	64
Expenses						
- Distribution	(21,434)	(19,865)	8	(74,728)	(46,821)	60
- Administrative	(53,055)	(38,377)	38	(144,365)	(97,791)	48
- Finance (Interest)	(1,451)	(2,601)	(44)	(4,821)	(9,540)	(49)
Share of profit of associated companies [2]	198	158	25	505	444	14
Profit before income tax [3]	182,647	144,014	27	549,482	350,359	57
Income tax expense [4]	(24,117)	(3,786)	537	(67,443)	(28,092)	140
Net profit	158,530	140,228	13	482,039	322,267	50
Attributable to:						
Equity holders of the Company	113,890	97,748	17	326,475	220,083	48
Minority interests	44,640	42,480	5	155,564	102,184	52
Net profit	158,530	140,228	13	482,039	322,267	50
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)						
- basic	5.09	4.37	16	14.58	9.87	48
- diluted	5.08	4.33	17	14.54	9.84	48

(ii) Breakdown and Explanatory Notes to Income Statement

NM denotes not meaningful.

[1] Other net miscellaneous gains comprise the following:

	Q3 2008	Q3 2007	Change	YTD 2008	YTD 2007	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of scrap materials	38,952	17,467	123	95,518	44,467	115
Gain on dilution of interest in a subsidiary	-	-	-	-	1,610	NM
Gain on disposal of financial assets, available for sale	-	1	NM	-	7	NM
Net (loss)/gain on disposal of property, plant and equipment	(614)	(1,631)	(62)	2,811	(1,861)	NM
Dividend income	-	588	NM	1,110	588	89
Interest income	8,657	3,665	136	25,487	9,086	181
Foreign exchange gain/(loss)	7,760	1,530	407	(4,749)	6,081	NM
Fair value (loss)/gain on forward currency contracts	(74)	(404)	(82)	(30)	10,463	NM
Sundry income	1,772	207	756	4,748	5,661	(16)
	<u>56,453</u>	<u>21,423</u>	164	<u>124,895</u>	<u>76,102</u>	64

[2] Share of profit of associated companies is after tax and minority interests.

[3] Profit before income tax is arrived at after (charging)/crediting:

	Q3 2008	Q3 2007	Change	YTD 2008	YTD 2007	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on borrowings	(1,451)	(2,601)	(44)	(4,821)	(9,540)	(49)
Depreciation	(29,524)	(24,032)	23	(83,631)	(59,596)	40
Reversal/(Allowance for) of impairment of receivables	86	-	NM	(5,328)	4	NM
Property, plant and equipment written off	(1,948)	(62)	NM	(1,956)	(133)	NM

[4] Adjustment for over provision of tax in respect of prior years:

	Q3 2008	Q3 2007	Change	YTD 2008	YTD 2007	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax	897	3,923	(77)	822	3,920	(79)
Deferred tax	1	-	NM	73	-	NM

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.

	Group		Company	
	S\$'000	S\$'000	S\$'000	S\$'000
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
Current assets				
Cash and cash equivalents	1,545,190	1,082,794	130,940	108,604
Forward currency contracts	23,182	33,523	-	-
Trade and other receivables	1,939,681	828,075	788	733
Inventories	1,027,625	443,328	-	-
Construction contract work-in-progress	61,481	43,132	-	-
Trading properties	-	977	-	-
	4,597,159	2,431,829	131,728	109,337
Non-current assets				
Forward currency contracts	2,601	8,778	-	-
Trade and other receivables	-	-	65,669	65,868
Financial assets, available for sale	3,260	3,067	-	-
Club memberships	477	479	236	236
Investments in associated companies	2,441	1,794	-	-
Investments in subsidiaries	-	-	284,399	284,399
Investment properties	12,318	11,472	-	-
Property, plant and equipment	1,882,179	1,478,453	847	932
Intangible assets	9,537	9,302	-	-
Deferred tax assets	23,165	21,996	-	-
	1,935,978	1,535,341	351,151	351,435
Total assets	6,533,137	3,967,170	482,879	460,772
Current liabilities				
Forward currency contracts	7,580	-	-	-
Trade and other payables	4,554,199	2,416,393	13,766	7,021
Current income tax liabilities	43,792	24,040	776	969
Borrowings	162,354	111,528	-	-
Provision for other liabilities	8,919	5,064	-	-
	4,776,844	2,557,025	14,542	7,990
Non-current liabilities				
Forward currency contracts	18,194	42,264	-	-
Borrowings	26,482	64,910	-	-
Provision for other liabilities	-	65	-	65
Deferred income tax liabilities	151	152	-	-
	44,827	107,391	-	65
Total liabilities	4,821,671	2,664,416	14,542	8,055

Net assets	1,711,466	1,302,754	468,337	452,717
Shareholders' equity				
Share capital	270,608	266,852	270,608	266,852
Statutory and other reserves	132,465	82,806	37,107	24,554
Retained earnings	762,401	590,249	160,622	161,311
	1,165,474	939,907	468,337	452,717
Minority interests	545,992	362,847	-	-
Total equity	1,711,466	1,302,754	468,337	452,717

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/09/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
33,100,000	129,254,000	19,748,000	91,780,000

Amount repayable after one year

As at 30/09/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
26,482,000	-	64,910,000	-

Details of any collateral

The collaterals for secured borrowings comprised the group's vessels and motor vehicles with net book value totalling \$145,080,000 (2007: \$160,515,000 include leasehold land and building).

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

	Group	
	S\$'000	
	Q3 2008	Q3 2007
<u>Cash flow from operating activities</u>		
Net profit	158,530	140,228
Adjustments for:		
Income tax expense	24,117	3,786
Share of profit from associated companies	(198)	(158)
Depreciation	29,524	24,032
Employees share option expense	4,554	3,335
Fair value loss on forward currency contracts	74	404

Net loss on disposal of property, plant and equipment	614	1,631
Property, plant and equipment written off	1,948	62
Gain on disposal of financial assets, available for sale	-	(1)
Dividend income	-	(588)
Interest expense (financing)	1,451	2,601
Interest income (investing)	(8,657)	(3,665)
	211,957	171,667
Changes in working capital:		
Inventories and construction contract work-in-progress	(147,816)	(193,060)
Trade and other receivables	(389,159)	(162,241)
Trade and other payables	738,803	422,853
Provision for other liabilities	1,653	(311)
Exchange differences	(45,884)	(253)
Cash generated from operations	369,554	238,655
Income tax paid	(11,783)	(12,726)
Net cash from operating activities	357,771	225,929
<u>Cash flows from investing activities</u>		
Proceeds from liquidation of an associated company	-	3
Proceeds from disposal of property, plant and equipment	3,526	1,330
Proceeds from disposal of financial assets, available for sale	-	1
Purchase of property, plant and equipment	(169,233)	(99,672)
Purchase of investment properties	(1,061)	-
Dividend received	-	588
Interest received	4,054	3,590
Net cash used in investing activities	(162,714)	(94,160)
<u>Cash flows from financing activities</u>		
Repayment of borrowings	(11,730)	(107,487)
Proceeds from borrowings	-	1,000
Repayment of finance lease liabilities	(5)	(9)
Decrease in cash collateral	2	384
Dividends paid to minority shareholders of subsidiaries	-	(13,431)
Proceeds from issuance of ordinary shares	160	1,709
Interest paid	(2,054)	(3,630)
Net cash used in financing activities	(13,627)	(121,464)
Net increase in cash and cash equivalents	181,430	10,305
Cash and cash equivalents at the beginning of the financial period	1,292,920	459,342
Effects of currency translation on cash and cash equivalents	55,387	(6,530)
Cash and cash equivalents at the end of the financial period	1,529,737	463,117
Cash and cash equivalents represented by:		
Cash at bank and on hand	576,266	212,373
Short-term bank deposits	968,924	255,153
Less: Cash collaterals	(15,453)	(4,409)
	1,529,737	463,117

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.

	Share Capital S\$'000	Statutory and other reserves S\$'000	Retained Earnings S\$'000	Minority Interests S\$'000	Total S\$'000
The Group					
Balance at 1 July 2008	270,448	77,240	647,706	473,094	1,468,488
Currency translation differences	-	51,476	-	28,258	79,734
Net gain recognised directly in equity	-	51,476	-	28,258	79,734
Net profit	-	-	113,890	44,640	158,530
Total recognised gains	-	51,476	113,890	72,898	238,264
Employee share option scheme:					
- value of employee services	-	4,554	-	-	4,554
- proceeds from shares issued	160	-	-	-	160
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
At 30 September 2008	270,608	132,465	762,401	545,992	1,711,466
Balance at 1 July 2007	264,541	80,923	394,227	263,057	1,002,748
Currency translation differences	-	(13,777)	-	(5,009)	(18,786)
Net loss recognised directly in equity	-	(13,777)	-	(5,009)	(18,786)
Net profit	-	-	97,748	42,480	140,228
Total recognised (loss)/gains	-	(13,777)	97,748	37,471	121,442
Employee share option scheme:					
- value of employee services	-	3,335	-	-	3,335
- proceeds from shares issued	1,709	-	-	-	1,709
Minority share of increase in registered capital of a subsidiary	-	-	-	27,036	27,036
Dividend declared by subsidiaries to minority shareholders of subsidiaries	-	-	-	(915)	(915)
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
At 30 September 2007	266,250	69,676	492,780	326,649	1,155,355
The Company					
Balance at 1 July 2008	270,448	32,553	115,127	-	418,128
Net profit	-	-	45,495	-	45,495
Employee share option scheme:					
- value of employee services	-	4,554	-	-	4,554
- proceeds from shares issued	160	-	-	-	160
At 30 September 2008	270,608	37,107	160,622	-	468,337
Balance at 1 July 2007	264,541	17,883	176,608	-	459,032
Net loss	-	-	(8,210)	-	(8,210)
Employee share option scheme:					
- value of employee services	-	3,335	-	-	3,335

- proceeds from shares issued	1,709	-	-	-	1,709
At 30 September 2007	266,250	21,218	168,398	-	455,866

- 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 Q3 2008, the issued and paid-up capital of the Company was increased from \$270,448,482 to \$270,608,382. This was due to the allotment and issue of 130,000 ordinary shares at \$1.23 each from the exercise of option granted in 2006 under the Cosco Group Employees' Share Option Scheme 2002 ("Scheme").

During Q3 2008, 2,380,000 shares options were lapsed. The outstanding share options under the Scheme as at 30 September 2008 was 37,680,000 (2007: 20,340,000).

- 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.**

As at 30 September 2008, share capital of the Company comprised 2,239,244,954 ordinary shares (2007: 2,237,664,954).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company does not have any treasury 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.

- 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 adopted the same accounting policies and method of computation in the financial statement for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2007.

- 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.**

	Group			
	Q3 2008	Q3 2007	YTD 2008	YTD 2007
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	5.09	4.37	14.58	9.87
Weighted average number of ordinary shares('000)	2,239,245	2,236,995	2,238,853	2,228,824
(ii) On a fully diluted basis (cents per share)	5.08	4.33	14.54	9.84
Adjusted weighted average number of ordinary shares ('000)	2,240,646	2,256,692	2,246,101	2,236,259

NOTES:

The earnings per ordinary share is calculated by dividing the consolidated profit attributable to the equity holders of the Company over the weighted average number of ordinary shares in issue during the financial period.

The fully diluted earnings per share is arrived at after taking into consideration the potential ordinary shares arising from the exercise of outstanding share options which would dilute the basic earnings per share.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
Net asset value per ordinary share (cents)	52.05	42.00	20.92	20.23

The number of ordinary shares outstanding for the computation of net asset value per ordinary share is 2,239,244,954 (2007: 2,237,664,954).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Overview

The Group turned in further growth for the three months ended 30 September 2008. Turnover jumped 81% to \$987.7 million and net profit attributable to equity holders of the Company rose 17% to \$113.9 million in Q3 2008 on expansion of the ship repair, ship building and marine engineering segment and stronger dry bulk shipping performance.

For the nine months ended 30 September 2008, Group turnover surged 95% to \$2.8 billion, surpassing the \$2.3 billion achieved for the whole of FY2007. Backed by growth across major business segments, net profit attributable to equity holders of the Company expanded 48% to \$326.5 million, just shy of the \$336.6 million chalked up in the whole of FY2007.

Turnover

Group turnover jumped 81% from \$547.0 million in Q3 2007 to \$987.7 million in Q3 2008 propelled by strong ship repair, ship building and marine engineering order book and higher dry bulk shipping freight rates.

	Q3 2008		Q3 2007		Change
	S\$' million	%	S\$' million	%	%
Ship repair, ship building and marine engineering	909.9	92.1	487.8	89.2	+86.5
Dry bulk shipping	72.5	7.4	53.3	9.7	+36.0
Shipping agency and others	5.3	0.5	5.9	1.1	-10.2
Total	987.7	100.0	547.0	100.0	+80.6

Ship repair, ship building and marine engineering turnover grew 87% to \$909.9 million in Q3 2008 compared to Q3 2007 buoyed by high value conversion and offshore marine engineering projects and the progressive recognition of ship building revenue.

Dry bulk shipping turnover rose 36% to \$72.5 million in Q3 2008 lifted by more favorable charter rates renewed in the earlier part of the year.

Turnover from shipping agency and others fell \$0.6 million or 10% due mainly to lower agency commission.

Ship repair, ship building and marine engineering business continued to account for the bulk of Group turnover with 92.1% contribution in Q3 2008. Dry bulking shipping and shipping agency and others accounted for the remaining 7.4% and 0.5% of Group turnover respectively.

Compared to nine months ended 30 September 2007, turnover registered a 95% growth from \$1.4 billion in YTD 2007 to \$2.8 billion in YTD 2008. Supported by buoyant ship repair, ship building and marine engineering and dry bulk shipping performances, the YTD 2008 turnover has already exceeded the turnover of \$2.3 billion accomplished for the whole of FY2007.

Profitability

Gross profit rose 10% from \$183.3 million in Q3 2007 to \$201.9 million in Q3 2008 on the back of higher turnover. Gross profit margin was lower at 20.4% (Q3 2007: 33.5%) due to higher material costs and lower margin from the new ship building business.

Miscellaneous gain comprised mainly gain from the sale of scrap materials, interest income and foreign exchange gain.

Distribution and administrative costs rose in line with the expanding business volume and rising cost environment. Interest expense decreased 44% due to reduction in bank borrowings in Q3 2008 compared to Q3 2007.

Higher income tax expense is due to more taxable earnings derived from ship repair, ship building and marine engineering operations in People's Republic of China ("PRC").

Minority interests increased due to higher contributions from its partly owned PRC subsidiaries involved in ship repair, ship building and marine engineering operations.

Overall, net profit attributable to equity holders of the Company rose 17% from \$97.7 million in Q3 2007 to \$113.9 million in Q3 2008.

Compared to YTD 2007, net profit attributable to equity holders of the Company rose 48% from \$220.1 million to \$326.5 million in YTD 2008 boosted by growth across the Group major business segments.

Balance Sheet and Cash Flow

Cash and cash equivalents increased from \$1.1 billion as at 31 December 2007 to \$ 1.5 billion in Q3 2008 mainly due to more advances received from customers as the Group secured more shipbuilding and offshore marine engineering contracts. Please refer to Cash Flow Statement in Note 1(c) above for more details.

The increases in Trade and other receivables, Inventories and Construction contract work-in-progress are mainly due to the increase in volume of ship repair, ship building and marine engineering businesses.

Property, plant and equipment increased from \$1.5 billion as at 31 December 2007 to \$1.9 billion in Q3 2008 as a result of the ongoing facility expansion of the major shipyards in COSCO Shipyard Group Co., Ltd (CSG) and its subsidiaries.

Trade and other payables include advances received from customers of \$2.9 billion (2007: \$1.6 billion), rose from \$2.4 billion as at 31 December 2007 to \$4.6 billion in Q3 2008 as more advances were collected from ship building and offshore marine engineering projects.

Total borrowings increased from \$176.4 million as at 31 December 2007 to \$188.8 million in Q3 2008 due to additional funding procured for business expansion.

Shareholder's equity rose from \$939.9 million as at 31 December 2007 to \$ 1.2 billion in Q3 2008 mainly due to the transfer of YTD 2008 profits to retained earnings and increase in currency translation reserves.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results for Q3 2008 are in line with the commentary made in paragraph 10 of the Group's Second Quarter Financial Statement Announcement released on 4 August 2008.

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.

Having already surpassed the full-year 2007 revenue with its YTD 2008 results, the Group maintains its focus on building up its high-value ship repair, ship building and marine engineering order book for top-line growth.

To boost bottom-line prospects, the Group will continue to enhance operational efficiencies and cost management as it takes advantage of the slumping raw material prices to improve profit margins. Notably, steel prices have tumbled more than 10% from their June 2008 peak. The Group expects to benefit from this softening steel input cost.

The Group currently has an order book of US\$8.1 billion for progressive delivery up to 2011. Initial advance payments required upon signing of contract have been collected from all the respective customers. Saved as previously announced on 9 April 2008, there has so far been no cancellation of order by any customer.

With reference to the floating, production, drilling, storage and off-loading (FPDSO) vessel contracted by MPF Corp. Ltd ("MPF"), which has sought bankruptcy protection in the United States and Bermuda, the Group has to-date collected the first 3 of 4 installments, with the fourth (and final) installment, due to be paid upon the delivery of the vessel expected on 15 December 2008. As the Group has to date not received any indication from MPF that it is unwilling or unable to make payment of the last installment, the Group will continue to perform its obligations under the contract. Should MPF not make its final payment, the Group has the right under the contract to sell the vessel at a public or private sale. Based on current market prices, proceeds from the sale of the vessel would be more than sufficient to cover the sum of the outstanding installment.

The Group expects to deliver the first of ten 57,000 dwt dry bulk carriers contracted by certain subsidiaries of the wider COSCO group by 31 December 2008. The remaining 9 carriers, which are being constructed simultaneously at the Zhoushan shipyard, will be delivered progressively in 2009. To date, all the other remaining vessel building contracts being undertaken by the Company's subsidiaries at Dalian and Guangdong are proceeding according to original schedule.

The Group is also closely monitoring the weakening Baltic Dry Index (BDI) which recently fell to below 2,000 points. As current charter contracts had been locked in based on the higher freight rates earlier on 1+1 year basis, the Group does not expect any material negative impact from the falling BDI in the short term. However, should such declining trend persist, it may affect the Group's shipping earnings.

The Group expects operating environment to be challenging in the near to medium term given the uncertain global economic climate. Amidst these difficult conditions, the Group will adopt a more cautious approach in its cost management while accelerating its efforts to better manage investment risks and opportunities.

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.

No interim dividend has been declared/recommended for Q3 2008.

13. Interested Person Transactions

Pursuant to Rule 907 of the Listing Manual, the following interested person transactions were entered into during the financial year:

Name of interested person	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	S\$'000	S\$'000	
		Q3 2008	YTD 2008
<u>Between Subsidiaries and:</u>			
Chimbusco Dalian Branch		3,562	6,941
Chimbusco Guangzhou Branch		125	1,663
Chimbusco Lianyungang Branch		627	627
Cosco (Cayman) Mercury Co., Ltd		-	342
Cosco (HK) Investment & Development Co., Ltd		-	108
Cosco (HK) Shipping Co., Ltd		61,893	122,391
Cosco Bulk Carrier Co., Ltd		71,853	199,422
Cosco Container Lines Co., Ltd		3,252	10,712
Cosco Finance Co., Ltd		23,688	750,312
Cosco Nantong Steel Co., Ltd		852	1,977
Cosco Network (Beijing) Ltd		-	350
Cosco Shanghai Container Shipping Agency Co., Ltd		151	930
Cosco Shanghai Ship Management Co., Ltd		8,724	23,657
Cosco Shipping Co., Ltd		428	1,020
Dalian Ocean Shipping Company		400	400
Guangzhou Ocean Shipping Company		26,871	82,559
Han Yuan Technical Service Centre		-	429
Nantong Chimbusco Marine Bunker		1,027	2,487
Nantong Cosco Khi Ship Engineering Co., Ltd		-	301
Nantong Cosco Ship Equipment			

Company		2,147	5,814
Qingdao Manning Co-operation Ltd		596	1,765
Qingdao Ocean Shipping Company		8,850	54,756
Shanghai Ocean Crew Co., Ltd		1,159	3,558
Shanghai Ocean Shipping Company		2,541	7,604
Shanghai Puyuan Shipping Co., Ltd		-	999
Shenzhen Ocean Shipping Company		151	1,783
Tianjin Tianhui Shipping & Enterprise Co.,Ltd		2,773	2,773
Tianjin Yuanhua Shipping Co., Ltd		3,390	3,390
Tosco Keymax International Ship Management Co., Ltd		10,269	16,676
Xiamen Ocean Shipping Company		-	355
	Nil	235,329	1,306,101

BY ORDER OF THE BOARD

Mr Jiang Li Jun
Vice Chairman and President
30/10/2008

CONFIRMATION BY THE BOARD

We 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 third quarter 2008 financial results to be false or misleading.

On behalf of the directors

Mr Jiang Li Jun
Vice Chairman and President

Mr Min Jian Guo
Director and Vice President

30/10/2008