



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

**Unaudited First Quarter Financial Statement Announcement for the Financial Period Ended 31 March 2009**

**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) Consolidated Statement of Comprehensive Income**

	<b>Group</b>		
	<b>S\$'000</b>		<b>%</b>
	<b>Q1 2009</b>	<b>Q1 2008</b>	<b>Change</b>
Turnover	714,410	717,656	(0)
Cost of sales	(597,474)	(517,034)	16
Gross profit	116,936	200,622	(42)
Other gains - net			
- Miscellaneous [1]	2,594	6,026	(57)
Expenses			
- Distribution	(12,078)	(16,852)	(28)
- Administrative	(45,619)	(39,497)	15
- Finance (Interest)	(12,452)	(1,752)	611
Share of profit of associated companies [2]	110	113	(3)
Profit before income tax [3]	49,491	148,660	(67)
Income tax expense [4]	(10,699)	(21,105)	(49)
<b>Profit for the period</b>	<b>38,792</b>	<b>127,555</b>	<b>(70)</b>
<b>Other comprehensive income/(loss):</b>			
Currency translation differences	84,736	(18,387)	NM
<b>Total comprehensive income</b>	<b>123,528</b>	<b>109,168</b>	<b>13</b>
<b>Profit attributable to:</b>			
<b>Equity holders of the Company</b>	<b>33,151</b>	<b>83,884</b>	<b>(60)</b>
Minority interests	5,641	43,671	(87)
Profit for the period	38,792	127,555	(70)

<b>Total comprehensive income attributable to:</b>			
<b>Equity holders of the Company</b>	<b>89,193</b>	<b>67,817</b>	<b>32</b>
Minority interests	34,335	41,351	(17)
Total comprehensive income for the period	123,528	109,168	13
<b>Earnings per share for profit attributable to the equity holders of the Company</b> (expressed in cents per share)			
- basic	1.48	3.75	(61)
- diluted	1.48	3.73	(60)

**(ii) Breakdown and Explanatory Notes to Consolidated Statement of Comprehensive Income**

NM denotes not meaningful.

[1] Other net miscellaneous gains comprise the following:

	<b>Group</b>		
	S\$'000		%
	Q1 2009	Q1 2008	Change
Sale of scrap materials	15,816	18,215	(13)
Net loss on disposal of property, plant and equipment	(69)	(158)	(56)
Interest income from deposits	12,122	4,908	147
Currency exchange gain/(loss) - net	10,654	(18,392)	NM
Net fair value (loss)/gain on forward currency contracts	(38,804)	46	NM
Sundry income	2,875	1,407	104
	2,594	6,026	(57)

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

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

	<b>Group</b>		
	S\$'000		%
	Q1 2009	Q1 2008	Change
Interest on borrowings	(12,452)	(1,752)	611
Depreciation	(37,214)	(27,205)	37
Reversal of impairment of trade and other receivables	482	3	NM
Reversal of inventory write-down	588	-	NM
Property, plant and equipment written off	(18)	(8)	125

[4] Adjustment for over/(under) provision of tax in respect of prior years:

	Group		
	S\$'000		%
	Q1 2009	Q1 2008	Change
Income tax	178	(176)	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	
	31/03/2009 S\$'000	31/12/2008 S\$'000	31/03/2009 S\$'000	31/12/2008 S\$'000
<b>Current assets</b>				
Cash and cash equivalents	2,132,341	1,880,316	152,658	130,823
Forward currency contracts	7,668	10,063	-	-
Trade and other receivables	1,801,247	1,570,108	85,389	80,596
Inventories	943,931	945,601	-	-
Construction contract work-in-progress	153,288	170,143	-	-
Other current assets	13,102	19,792	161	175
	<b>5,051,577</b>	<b>4,596,023</b>	<b>238,208</b>	<b>211,594</b>
<b>Non-current assets</b>				
Forward currency contracts	-	1,441	-	-
Trade and other receivables	-	-	69,680	65,594
Financial assets, available for sale	3,852	3,630	-	-
Club memberships	477	473	237	236
Investments in associated companies	2,365	2,577	-	-
Investments in subsidiaries	-	-	289,968	289,968
Investment properties	12,230	12,217	-	-
Property, plant and equipment	2,266,289	2,081,950	875	896
Intangible assets	9,610	9,546	-	-
Deferred income tax assets	101,234	91,417	-	-
	<b>2,396,057</b>	<b>2,203,251</b>	<b>360,760</b>	<b>356,694</b>
<b>Total assets</b>	<b>7,447,634</b>	<b>6,799,274</b>	<b>598,968</b>	<b>568,288</b>
<b>Current liabilities</b>				
Forward currency contracts	33,208	3,506	-	-
Trade and other payables	4,404,597	4,441,900	16,156	14,871
Current income tax liabilities	54,187	61,348	4,756	4,885
Borrowings	33,875	45,278	-	-
Provision for other liabilities	22,131	20,156	-	-
	<b>4,547,998</b>	<b>4,572,188</b>	<b>20,912</b>	<b>19,756</b>
<b>Non-current liabilities</b>				
Forward currency contracts	12,217	6,375	-	-
Borrowings	1,142,900	611,364	-	-

Deferred income tax liabilities	180	180	-	-
	1,155,297	617,919	-	-
<b>Total liabilities</b>	5,703,295	5,190,107	20,912	19,756
<b>Net assets</b>	1,744,339	1,609,167	578,056	548,532
<b>Shareholders' equity</b>				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	226,381	167,904	45,105	41,865
Retained earnings	739,648	705,692	262,343	236,059
<b>Total shareholders' equity</b>	1,236,637	1,144,204	578,056	548,532
Minority interests	507,702	464,963	-	-
	1,744,339	1,609,167	578,056	548,532

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

**Amount repayable in one year or less, or on demand**

As at 31/03/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
25,666,000	8,209,000	25,085,000	20,193,000

**Amount repayable after one year**

As at 31/03/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
24,163,000	1,118,737,000	25,218,000	586,146,000

**Details of any collateral**

The collaterals for secured borrowings include the group's cash, leasehold land and buildings, motor vessels and motor vehicles with net book value totalling \$ 130,011,000 (2008: \$125,344,000).

**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	
	Q1 2009 S\$'000	Q1 2008 S\$'000
Cash flows from operating activities		
Net profit	38,792	127,555

Adjustments for:		
Income tax expense	10,699	21,105
Depreciation of property, plant and equipment and investment properties	37,214	27,205
Reversal of impairment of trade and other receivables	(482)	(3)
Reversal of inventory write-down	(588)	-
Net fair value loss/(gain) on forward currency contracts	38,804	(46)
Property, plant and equipment written off	18	8
Employees share option expense	3,240	2,834
Net loss on disposal of property, plant and equipment	69	158
Share of profit of associated companies	(110)	(113)
Interest expense (financing)	12,452	1,752
Interest income (investing)	(12,122)	(4,908)
	127,986	175,547
Changes in working capital:		
Inventories and construction contract work-in-progress	19,113	(326,676)
Trade and other receivables	(236,713)	(261,878)
Trade and other payables	(36,230)	677,388
Other current assets	6,690	(4,177)
Provision for other liabilities	1,975	1,019
Exchange differences	(110,880)	10,635
Cash generated from operations	(228,059)	271,858
Income tax paid	(22,048)	(12,542)
<b>Net cash (used in)/provided by operating activities</b>	<b>(250,107)</b>	<b>259,316</b>
<u>Cash flows from investing activities</u>		
Proceeds from disposal of property, plant and equipment	784	163
Purchase of property, plant and equipment	(97,094)	(121,978)
Interest received	18,687	5,012
<b>Net cash used in investing activities</b>	<b>(77,623)</b>	<b>(116,803)</b>
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	496,969	15,549
Repayment of borrowings	(15,374)	(2,708)
Repayment of finance lease liabilities	(5)	(6)
Minority shareholder's contribution for the equity interest in a newly incorporated subsidiary	8,404	5,115
Increase in cash collateral	(880)	(11,138)
Dividends paid to minority shareholders of subsidiaries	(4,073)	(20)
Proceeds from issuance of ordinary shares	-	2,604
Interest paid	(11,709)	(2,254)
<b>Net cash provided by financing activities</b>	<b>473,332</b>	<b>7,142</b>
<b>Net increase in cash and cash equivalents</b>	<b>145,602</b>	<b>149,655</b>
Cash and cash equivalents at the beginning of the financial year	1,865,833	1,078,586
Effects of currency translation on cash and cash equivalents	105,543	(15,882)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>2,116,978</b>	<b>1,212,359</b>
<b>Cash and cash equivalents represented by:</b>		
Cash at bank and on hand	616,206	418,257
Short-term bank deposits	1,516,135	809,448
Less: Cash collaterals	(15,363)	(15,346)
	2,116,978	1,212,359

- 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
<b>The Group</b>					
<b>Balance at</b>					
<b>1 January 2009</b>	270,608	167,904	705,692	464,963	1,609,167
Total comprehensive income for the period	-	56,042	33,151	34,335	123,528
Employee share option scheme:					
- value of employee services	-	3,240	-	-	3,240
Minority shareholder's interest in a newly incorporated subsidiary	-	-	-	8,404	8,404
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
<b>At 31 March 2009</b>	<b>270,608</b>	<b>226,381</b>	<b>739,648</b>	<b>507,702</b>	<b>1,744,339</b>
<b>1 January 2008</b>					
<b>1 January 2008</b>	266,852	82,806	590,249	362,847	1,302,754
Total comprehensive (loss)/income for the period	-	(16,067)	83,884	41,351	109,168
Employee share option scheme:					
- value of employee services	-	2,834	-	-	2,834
- proceeds from share issued	2,604	-	-	-	2,604
Minority shareholder's interest in a newly incorporated subsidiary	-	-	-	14,206	14,206
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
<b>At 31 March 2008</b>	<b>269,456</b>	<b>68,768</b>	<b>674,938</b>	<b>418,404</b>	<b>1,431,566</b>

<b>The Company</b>					
<b>At 1 January 2009</b>	270,608	41,865	236,059	-	548,532
Total comprehensive income	-	-	26,284	-	26,284
Employee share option scheme:					
- value of employee services	-	3,240	-	-	3,240
<b>At 31 March 2009</b>	<b>270,608</b>	<b>45,105</b>	<b>262,343</b>	<b>-</b>	<b>578,056</b>
<b>At 1 January 2008</b>	266,852	24,554	161,311	-	452,717

Total comprehensive loss	-	-	(12,591)	-	(12,591)
Employee share option scheme:					
- value of employee services	-	2,834	-	-	2,834
- proceeds from shares issued	2,604	-	-	-	2,604
<b>At 31 March 2008</b>	269,456	27,388	148,720	-	445,564

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

There was no change in the issued and paid-up capital of the Company since the previous period reported on.

The outstanding share options under the Cosco Group Employees' Share Option Scheme as at 31 March 2009 were 37,300,000 (2008: 37,300,000).

- 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 31 March 2009, share capital of the Company comprised 2,239,244,954 ordinary shares (2008: 2,239,244,954).

- 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.**

Except as disclosed in Paragraph 5 below, 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 2008.

**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.**

On 1 January 2009, the Group and the Company adopted the following new/revised FRS and interpretation of FRS ("INT FRS") which are effective for annual periods beginning on or after 1 January 2009.

The following are the new or amended FRS that are relevant to the Group:

- (i) FRS 1 (Revised) Presentation of Financial Statements
- (ii) Amendments to FRS 23 Borrowing Costs
- (iii) FRS 108 Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements. However, there is a change in presentation of the Consolidated Statement of Comprehensive Income under FRS 1 (Revised).

**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.**

	<b>Group</b>	
	Q1 2009	Q1 2008
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	1.48	3.75
Weighted average number of ordinary shares('000)	2,239,245	2,238,198
(ii) On a fully diluted basis (cents per share)	1.48	3.73
Adjusted weighted average number of ordinary shares('000)	2,239,245	2,250,424

**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.**

	<b>Group</b>		<b>Company</b>	
	31/03/2009	31/12/2008	31/03/2009	31/12/2008
Net asset value per ordinary share (Cents)	55.23	51.10	25.81	24.50

The number of ordinary shares outstanding for the computation of net asset value per ordinary share is 2,239,244,954 (2008: 2,239,244,954)

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**

Group turnover held up at \$714.4 million for Q1 2009 against the backdrop of a difficult business climate during the quarter. The Group remained profitable with a net profit attributable to equity holders of \$33.2 million.

### **Turnover**

Group turnover inched down just 0.4% to \$714.4 million in Q1 2009 from \$717.7 million in Q1 2008 due mainly to a decline in dry bulk shipping revenue.

Ship repair, ship building and marine engineering operations delivered an increase of 1.8% in turnover to \$665.0 million in Q1 2009. This was on the back of progressive revenue recognition for the Group's high-value offshore marine engineering and ship conversion projects, as well as contribution from the ship building segment. Cosco Guangdong and Cosco Dalian shipyards are now undertaking new shipbuilding work in addition to Cosco Zhoushan shipyard. In Q1 2008, only Cosco Zhoushan shipyard had shipbuilding work.

Turnover from dry bulk shipping business decreased by 22% to \$46.2 million in Q1 2009 due to the lower charter-hire rates as compared to the same period last year. The Baltic Dry Index (BDI), which is a measure of shipping costs for commodities, rebounded moderately from a low of 773 points on 1 January 2009 to 2,225 points on 6 March 2009 before retreating to 1,615 points on 31 March 2009. In comparison, the BDI was at a relatively high level of about 8,000 points in Q1 2008.

Ship repair, ship building and marine engineering business remained the largest revenue contributor, representing 93% of Group turnover in Q1 2009. Dry bulk shipping and shipping agency and others accounted for the remaining 7%.

### **Profitability**

Gross profit decreased by 42% from \$200.6 million in Q1 2008 to \$116.9 million in Q1 2009 due to the lower charter rates of dry bulk shipping and the lower profit contributions from ship repair, ship building and marine engineering business as a result of higher operational costs.

Other gains comprised gain from the disposal of scrap metal, interest income, currency exchange gain and net fair value loss on forward currency contracts. Other gains fell 57% to \$2.6 million in Q1 2009 mainly due to the impact of net fair value loss on forward currency contracts.

Distribution and administrative costs rose in line with the marginal increase in the turnover of ship repair, ship building and marine engineering operations. Interest expense increased by \$10.7 million to \$12.5 million in Q1 2009 due to higher bank borrowings in Q1 2009 compared to Q1 2008.

Income tax expense decrease due to the lower profits for some of the Company's subsidiaries in the People's Republic of China ("PRC"). Effective tax rate increased from 14.2% in Q1 2008 to 21.6% in Q1 2009 due to lower tax-exempt shipping profits and higher tax rate for certain subsidiaries in PRC.

Minority interests decreased due to lower contributions from its PRC subsidiaries involved in ship repair, ship building and marine engineering operations.

Overall, net profit attributable to equity holders of the Company decreased by 60% from \$83.9 million in Q1 2008 to \$33.2 million in Q1 2009 due to lower profit contributions from dry bulk shipping and ship repair, ship building and marine engineering operations.

#### **Balance Sheet and Cash Flow**

*(31 March 2009 vs. 31 December 2008)*

Cash and cash equivalent increased from \$1.9 billion as at 31 December 2008 to \$2.1 billion as at 31 March 2009 mainly due to more bank borrowings procured for the expansion of the shipyard facilities. Please refer to item 1 ( c ) Cash Flow Statement for more details.

The increase in trade and other receivables was mainly due to increase in advances paid to suppliers and increase in receivables from customers as further progress is made in the construction projects of ship building and marine engineering operations. Trade and other receivables included advances paid to suppliers of \$876.5 million as of 31 March 2009 (31 December 2008: \$743.1 million).

Property, plant & equipment increased from \$2.1 billion as at 31 December 2008 to \$2.3 billion as at 31 March 2009 as a result of ongoing facilities expansion of the major shipyards in COSCO Shipyard Group Co., Ltd ("CSG").

Trade and other payables which included advances from customers of \$2.6 billion as at 31 March 2009 (31 December 2008: \$2.8 billion) remained almost unchanged at \$4.4 billion.

Total borrowings increased from \$656.6 million as at 31 December 2008 to \$1.2 billion as at 31 March 2009 due to additional funding procured for the expansion of the Group's major shipyards.

Shareholder's equity rose from \$1.6 billion as at 31 December 2008 to \$1.7 billion as at 31 March 2009 mainly due to the transfer of Q1 2009 profits to retained earnings and increase in currency translation reserves. The increase in currency translation reserves is due to the strengthening of Renminbi ("RMB") against Singapore dollar ("SGD").

**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 Q1 2009 are in line with the commentary made in paragraph 10 of the Group's Full Year Financial Statement and Dividend Announcement released on 23 February 2009.

**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.**

For the rest of 2009, we expect operating conditions to continue to be challenging in this uncertain global economic environment. Even though the array of economic stimulus packages recently meted out by various countries seem to start showing some positive results, our Group believes it is too premature to conclude that the economy and our industry will turn the corner anytime soon.

We expect our dry bulk shipping performance to continue to feel the negative impact of the deteriorating Baltic Dry Index ("BDI") which is showing little sign of recovery. Our ship building operations also continue to be plagued by high material and operational costs. We expect ship building profit margin to remain depressed.

The lower trade and economic activities have also taken a toll on our ship repair and conversion business as our Group braces for more subdued business volume due to the economic downturn.

The Group has an order book of US\$7.0 billion as of 31 March 2009 with progressive delivery up to first half of 2012. This order book is subject to revision from any cancellation of orders or new orders that may arise. Cosco Guangdong has recently delivered its first new build ship, a 57,000 dwt bulk carrier M.V. APJ KAIS, on 28 April 2009. This is the largest ever bulk carrier in terms of tonnage capacity built in southern China measuring 189.99 meters long, 32.26 meters wide and 19 meters high. This is a milestone that indicates our all-round progress in shipbuilding techniques, engineering and equipment.

The Group will continue to focus on expanding its shipyard capabilities and efficiencies, while keeping a vigilant eye on the rapidly changing operating environment.

Due to the uncertain global economic environment, the management expects earnings for FY2009 to be substantially lower as compared to FY2008.

**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 by the Directors in Q1 2009.

### 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
<u>Between Subsidiaries and:</u>		
Chimbusco (S) Pte Ltd		468
Chimbusco Dalian Branch		1,041
Cosco (Cayman) Mercury Co., Ltd		567
Cosco (HK) Shipping Co., Ltd		4,750
Cosco Bulk Carrier Co., Ltd		37,871
Cosco Bulk Carrier Holdings (Cayman) Limited		11,820
Cosco Container Lines Co., Ltd		5,837
Cosco Finance Co., Ltd		136,565
Cosco Nantong Steel Co., Ltd		2,182
Cosco Shipping Co., Ltd		101
Cosco Wallem Ship Management Co., Ltd		175
Guangzhou Ocean Shipping Company		3,931
Nantong Cosco Ship Equipment Company		1,762
Qingdao Manning Co-operation Ltd		628
Qingdao Ocean Shipping Company		3,965
Shanghai Ocean Crew Co., Ltd		1,299
Shanghai Ocean International Trading Co., Ltd		738
Shanghai Ocean Shipping Company		1,886
Shanghai Pan-Asia Shipping Company		926
Shenzhen Ocean Shipping Company		154
Xiamen Ocean Shipping Company		456
<b>Total</b>	<b>Nil</b>	<b>217,122</b>

**BY ORDER OF THE BOARD**

Mr Jiang Li Jun  
Vice Chairman and President  
07/05/2009

## **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 financial period ended 31 March 2009 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

07/05/2009