



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

Unaudited Second Quarter Financial Statement Announcement for the Period Ended 30 June 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 Income Statement

	Group					
	S\$'000		% Change	S\$'000		% Change
	Q2 2009	Q2 2008		1H 2009	1H 2008	
Turnover	718,532	1,047,137	(31)	1,432,942	1,764,793	(19)
Cost of sales	(639,243)	(801,699)	(20)	(1,236,717)	(1,318,733)	(6)
Gross profit	79,289	245,438	(68)	196,225	446,060	(56)
Other gains - net						
- Miscellaneous [1]	41,825	62,416	(33)	44,419	68,442	(35)
Expenses						
- Distribution	(23,041)	(36,442)	(37)	(35,119)	(53,294)	(34)
- Administrative	(18,621)	(51,813)	(64)	(64,240)	(91,310)	(30)
- Finance (Interest)	(11,922)	(1,618)	637	(24,374)	(3,370)	623
Share of profit of associated companies [2]	12	194	(94)	122	307	(60)
Profit before income tax [3]	67,542	218,175	(69)	117,033	366,835	(68)
Income tax expense [4]	(15,431)	(22,221)	(31)	(26,130)	(43,326)	(40)
Profit for the period	52,111	195,954	(73)	90,903	323,509	(72)
Profit attributable to: Equity holders of the Company	37,028	128,701	(71)	70,179	212,585	(67)
Minority interests	15,083	67,253	(78)	20,724	110,924	(81)
Profit for the period	52,111	195,954	(73)	90,903	323,509	(72)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)						

- basic	1.65	5.75	(71)	3.13	9.50	(67)
- diluted	1.65	5.72	(71)	3.13	9.45	(67)

(ii) Breakdown and Explanatory Notes to Consolidated Income Statement

NM denotes not meaningful.

[1] Other net miscellaneous gains comprise the following:

	Q2 2009	Q2 2008	Change	1H 2009	1H 2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of scrap materials	16,414	38,351	(57)	32,230	56,566	(43)
Net gain/(loss) on disposal of property, plant and equipment	26	3,583	(99)	(43)	3,425	NM
Dividend income	299	1,110	(73)	299	1,110	(73)
Interest income from deposits	9,180	11,922	(23)	21,302	16,830	27
Currency exchange gain/(loss) - net	8,628	5,883	47	19,282	(12,509)	NM
Net fair value gain/(loss) on forward currency contracts	1,857	(2)	NM	(36,947)	44	NM
Sundry income	5,421	1,569	246	8,296	2,976	179
	41,825	62,416	(33)	44,419	68,442	(35)

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

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

	Q2 2009	Q2 2008	Change	1H 2009	1H 2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on borrowings	(11,922)	(1,618)	637	(24,374)	(3,370)	623
Depreciation	(36,944)	(26,902)	37	(74,158)	(54,107)	37
Reversal of/(Allowance for) impairment of trade and other receivables	25,855	(5,417)	NM	26,337	(5,414)	NM
(Allowance for)/Reversal of inventory write-down	(3)	-	NM	585	-	NM
Property, plant and equipment written off	-	-	-	(18)	(8)	125

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

	Q2 2009	Q2 2008	Change	1H 2009	1H 2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax	531	101	426	709	(75)	NM
Deferred tax	-	72	(100)	-	72	(100)

(iii) Consolidated Statement of Comprehensive Income

	Group					
	S\$'000		%	S\$'000		%
	Q2 2009	Q2 2008	Change	1H 2009	1H 2008	Change
Profit for the period	52,111	195,954	(73)	90,903	323,509	(72)
Other comprehensive (loss)/income:						
Currency translation differences	(72,328)	9,612	NM	12,408	(8,775)	NM
Total comprehensive (loss)/income	(20,217)	205,566	(110)	103,311	314,734	(67)
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(10,112)	132,813	(108)	79,081	200,630	(61)
Minority interests	(10,105)	72,753	(114)	24,230	114,104	(79)
Total comprehensive (loss)/income for the period	(20,217)	205,566	(110)	103,311	314,734	(67)

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
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
Current assets				
Cash and cash equivalents	1,874,755	1,880,316	63,231	130,823
Forward currency contracts	3,673	10,063	-	-
Trade and other receivables	1,721,352	1,570,108	81,225	80,596
Inventories	809,252	945,601	-	-
Construction contract work-in-progress	133,693	170,143	-	-
Other current assets	11,595	19,792	86	175
	4,554,320	4,596,023	144,542	211,594
Non-current assets				
Forward currency contracts	-	1,441	-	-
Trade and other receivables	-	-	66,220	65,594
Financial assets, available for sale	3,662	3,630	-	-
Club memberships	424	473	188	236
Investments in associated				

companies	1,886	2,577	-	-
Investments in subsidiaries	-	-	289,968	289,968
Investment properties	12,035	12,217	-	-
Property, plant and equipment	2,239,234	2,081,950	842	896
Intangible assets	9,556	9,546	-	-
Deferred income tax assets	95,051	91,417	-	-
	2,361,848	2,203,251	357,218	356,694
Total assets	6,916,168	6,799,274	501,760	568,288
Current liabilities				
Forward currency contracts	27,541	3,506	-	-
Trade and other payables	4,064,100	4,441,900	15,734	14,871
Current income tax liabilities	21,802	61,348	4,557	4,885
Borrowings	11,148	45,278	-	-
Provision for other liabilities	23,674	20,156	-	-
	4,148,265	4,572,188	20,291	19,756
Non-current liabilities				
Forward currency contracts	10,392	6,375	-	-
Borrowings	1,191,457	611,364	-	-
Deferred income tax liabilities	179	180	-	-
	1,202,028	617,919	-	-
Total liabilities	5,350,293	5,190,107	20,291	19,756
Net assets	1,565,875	1,609,167	481,469	548,532
Shareholders' equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	178,436	167,904	45,105	41,865
Retained earnings	620,734	705,692	165,756	236,059
Shareholders' equity	1,069,778	1,144,204	481,469	548,532
Minority interests	496,097	464,963	-	-
Total equity	1,565,875	1,609,167	481,469	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 30/06/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
7,480,000	3,668,000	25,085,000	20,193,000

Amount repayable after one year

As at 30/06/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
21,719,000	1,169,738,000	25,218,000	586,146,000

Details of any collateral

The collaterals for secured borrowings include the group's cash, vessels and motor vehicles with net book value totalling \$120,411,000 (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	
	S\$'000	
	Q2 2009	Q2 2008
<u>Cash flow from operating activities</u>		
Net profit	52,111	195,954
Adjustments for:		
Income tax expense	15,431	22,221
Depreciation of property, plant and equipment and investment properties	36,944	26,902
(Reversal of)/Allowance for impairment of trade and other receivables	(25,855)	5,417
Allowance for inventory write-down	3	-
Net fair value (gain)/loss on forward currency contracts	(1,857)	2
Employees share option expense	-	5,165
Net gain on disposal of property, plant and equipment	(26)	(3,583)
Share of profit from associated companies	(12)	(194)
Dividend income	(299)	(1,110)
Interest expense (financing)	11,922	1,618
Interest income (investing)	(9,180)	(11,922)
	79,182	240,470
Changes in working capital:		
Trading properties	-	977
Inventories and construction contract work-in-progress	154,271	(128,155)
Trade and other receivables	98,492	(438,894)
Trade and other payables	(338,096)	722,783
Other current assets	1,507	(8,753)
Provision for other liabilities	1,543	1,119
Exchange differences	92,068	(6,304)
Cash generated from operations	88,967	383,243
Income tax paid	(46,532)	(23,169)
Net cash provided by operating activities	42,435	360,074
<u>Cash flows from investing activities</u>		
Proceeds from disposal of property, plant and equipment	9,813	7,653
Purchase of property, plant and equipment	(124,631)	(134,645)
Proceeds from disposal of financial assets, available-for-sale	49	-

Dividend received	448	1,110
Interest received	16,639	2,287
Net cash used in investing activities	(97,682)	(123,595)
Cash flows from financing activities		
Repayment of borrowings	(22,726)	(726)
Proceeds from borrowings	81,543	6,527
Repayment of finance lease liabilities	(5)	(6)
Decrease/(Increase) in cash collateral	10,915	(110)
Dividends paid to shareholders of the Company	(156,747)	(156,738)
Dividends paid to minority shareholders of subsidiaries	(1,624)	(18,881)
Minority shareholder's contribution for the equity interest in a newly incorporated subsidiary	-	9,092
Proceeds from issuance of ordinary shares	-	992
Interest paid	(12,299)	(1,196)
Net cash used in financing activities	(100,943)	(161,046)
Net (decrease)/increase in cash and cash equivalents	(156,190)	75,433
Cash and cash equivalents at the beginning of the financial period	2,116,978	1,212,359
Effects of currency translation on cash and cash equivalents	(90,482)	5,128
Cash and cash equivalents at the end of the financial period	1,870,306	1,292,920
Cash and cash equivalents represented by:		
Cash at bank and on hand	719,956	217,947
Short-term bank deposits	1,154,799	1,090,428
Less: Cash collaterals	(4,449)	(15,455)
	1,870,306	1,292,920

- 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 April 2009	270,608	226,381	739,648	507,702	1,744,339
Total comprehensive (loss)/income for the period	-	(47,140)	37,028	(10,105)	(20,217)
Dividend declared by subsidiaries to minority shareholders of subsidiaries	-	-	-	(1,500)	(1,500)
Dividend for 2008	-	-	(156,747)	-	(156,747)
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
At 30 June 2009	270,608	178,436	620,734	496,097	1,565,875

1 April 2008	269,456	68,768	674,938	418,404	1,431,566
Total comprehensive income for the period	-	4,112	128,701	72,753	205,566
Employee share option scheme:					
- value of employee services	-	5,165	-	-	5,165
- proceeds from shares issued	992	-	-	-	992
Increase in minority's interest of a subsidiary	-	-	-	180	180
Dividend declared by subsidiaries to minority shareholders of subsidiaries	-	-	-	(18,243)	(18,243)
Dividend for 2007	-	-	(156,738)	-	(156,738)
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
At 30 June 2008	270,448	77,240	647,706	473,094	1,468,488
The Company					
At 1 April 2009	270,608	45,105	262,343	-	578,056
Total comprehensive income	-	-	60,160	-	60,160
Dividend for 2008	-	-	(156,747)	-	(156,747)
At 30 June 2009	270,608	45,105	165,756	-	481,469
At 1 April 2008	269,456	27,388	148,720	-	445,564
Total comprehensive income	-	-	123,145	-	123,145
Employee share option scheme:					
- value of employee services	-	5,165	-	-	5,165
- proceeds from shares issued	992	-	-	-	992
Dividend for 2007	-	-	(156,738)	-	(156,738)
At 30 June 2008	270,448	32,553	115,127	-	418,128

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.

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

During Q2 2009, 730,000 share options granted under the Cosco Group Employees' Share Option Scheme 2002 ("Scheme 2002") were lapsed.

The outstanding share options under the Scheme 2002 as at 30 June 2009 were 36,570,000 (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 30 June 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.**

	Group			
	Q2 2009	Q2 2008	1H 2009	1H 2008
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	1.65	5.75	3.13	9.50
Weighted average number of ordinary shares('000)	2,239,245	2,239,115	2,239,245	2,238,657
(ii) On a fully diluted basis (cents per share)	1.65	5.72	3.13	9.45
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,248,052	2,239,245	2,249,714

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. For Q2 2009 and 1H 2009, the outstanding share options do not have any dilutive effect on the earnings per share as the exercise prices for the outstanding share options were higher than the average market price during the financial period.

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	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
Net asset value per ordinary share (cents)	47.77	51.10	21.50	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

The Group achieved net profit attributable to equity holders of \$37.0 million on turnover of \$718.5 million in Q2 2009 despite another challenging quarter for the industry. For 1H 2009, Group net profit attributable to equity holders amounted to \$70.2 million on turnover of \$1.4 billion.

Turnover

Group turnover declined 31% to \$718.5 million in Q2 2009 from \$1.0 billion in Q2 2008 mainly due to less revenue recognized from ship repair, ship building and marine engineering projects and lower dry bulk shipping revenue.

Ship repair, ship building and marine engineering operations fell 30.4% to \$681.3 million in Q2 2009 on lower revenue from ship repair and conversion projects due to the global economic downturn.

Turnover from dry bulk shipping business decreased 45.2% to \$33.5 million in Q2 2009 on lower charter-hire rates compared to Q2 2008. The Baltic Dry Index (BDI), a measure of shipping costs for commodities, rebounded partially from 1,574 points as at 1 April 2009 to 4,291 points on 3 June 2009, hitting its highest level since 29 September 2008, before retreating to 3,757 points on 30 June 2009. In comparison, the BDI was hovering at a relatively high level of around 8,000 points in Q2 2008 with a record high of 11,793 points on 20 May 2008.

Ship repair, ship building and marine engineering business remained the largest revenue contributor, representing 94.8% of Group turnover in Q2 2009. Dry bulk shipping and shipping agency and others accounted for the remaining 5.2%.

For 1H 2009, Group turnover fell 18.8% to \$1.4 billion from \$1.8 billion in 1H 2008 on declines in revenues from shipping, ship repair, shipbuilding and marine engineering owing to the global economic downturn.

Profitability

Gross profit fell 67.7% from \$245.4 million in Q2 2008 to \$79.3 million in Q2 2009 due to the lower dry bulk shipping charter rates and lower profit contributions from ship repair, ship building and marine engineering business led by higher operational costs and a difficult business environment.

Other gains comprised gain from the disposal of scrap metal, interest income, currency exchange gain and net fair value gain on forward currency contracts. Other gains fell 33.0% to \$41.8 million in Q2 2009 mainly due to the lower sales value of scrap materials led by a 40% plunge in steel market prices from those of Q2 2008.

Distribution and administrative costs fell in line with lower turnover. The reversal of impairment of trade and other receivables of \$25.9 million also led to the decrease in administrative costs. Interest expense increased \$10.3 million to \$11.9 million in Q2 2009 due to the additional bank borrowings to fund shipyard expansion.

Income tax expense decreased 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 10.2% in Q2 2008 to 22.9% in Q2 2009 due to lower tax-exempt shipping profits and higher tax rates for certain subsidiaries in the PRC.

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

Overall, net profit attributable to equity holders of the Company decreased 71.2% from \$128.7 million in Q2 2008 to \$37.0 million in Q2 2009 due to lower profit contributions from dry bulk

shipping and ship repair, ship building and marine engineering operations. Compared to 1H 2008, net profit attributable to equity holders of the Company fell 67.0% from \$212.6 million to \$70.2 million in 1H 2009.

Balance Sheet and Cash Flow

(30 June 2009 vs. 31 December 2008)

Cash and cash equivalents remained almost unchanged at \$1.9 billion as compared to the balance as at 31 December 2008. Please refer to note 1(c) Cash Flow Statement for more details.

The increase in trade and other receivables from \$1.6 billion to \$1.7 billion was mainly due to increase in advances paid to suppliers (from \$743.1 million to \$894.4 million).

Property, plant & equipment increased from \$2.1 billion to \$ 2.2 billion as a result of ongoing facilities expansion of the major shipyards in COSCO Shipyard Group Co., Ltd (“CSG”).

The decrease in trade and other payables from \$4.4 billion to \$4.1 billion was mainly due to the decrease in advances from customers (from \$2.8 billion to \$2.4 billion).

Total borrowings increased from \$656.6 million to \$1.2 billion due to additional funding procured for the ongoing expansion of the Group’s major shipyards.

Shareholder’s equity remained almost unchanged at \$1.1 billion as at 30 June 2009 after the payment of dividends in May 2009.

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 Q2 2009 are in line with the commentary made in paragraph 10 of the Group’s First Quarter Financial Statement Announcement released on 07 May 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.

The Group maintains a cautious outlook for the rest of 2009. While taking some comfort from signs of slight improvement in the global economic outlook in recent months, the Group expects overall operating conditions to continue to be challenging amidst the ongoing uncertainties. The Group believes that confidence will not be restored until clearer and more concrete evidence of real recovery from the current economic doldrums.

The IMF (International Monetary Fund) has just revised down its global GDP forecast for 2009 and upgraded its outlook for 2010. The world economy is expected to contract 1.4% in 2009 instead of the 1.3% decline predicted in April and this would be the deepest recession in more than 60 years. The IMF now foresees a 2.5% rebound in global growth in 2010, which is up from a 1.9% growth estimate in April 2009, as signs are emerging that the rate of output decline has moderated after two quarters of unprecedented global economic contraction that carried through this year’s first quarter.

The Group expects its dry bulk shipping performance to continue to be adversely affected by the relatively weak BDI as the global economy stumbles on its road to recovery. Due to lagging effect, the Group’s ship building order flow and ship repair and conversion business volume are expected to remain subdued until any pickup in global trade and economic activities takes hold. Meanwhile, the Group will continue to increase efficiency while strengthening control on expenses in face of the high material and operational costs and low profit margin.

The Group has an order book of US\$6.8 billion as of 30 June 2009 with progressive delivery up to first half of 2012 which will keep the Group's shipyards busy. This order book is subject to revision from any cancellation of orders or new orders that may arise. The Group has announced on 15 July 2009 the cancellation of eight 57,000 dwt bulk carriers and the total value of the cancelled orders is US\$ 298.7 million.

To ensure that it is ready to take advantage of the demand recovery when the economic uptick does happen, the Group will continue to focus on expanding its shipyard capabilities and efficiencies, while monitoring the rapidly evolving operating environment closely.

Due to the uncertain global economic environment, the Group expects earnings for FY2009 to be substantially lower than 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 for Q2 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	
		Q2 2009	1H 2009
<u>Between Subsidiaries and:</u>			
Chimbusco (S) Pte Ltd		-	468
Chimbusco Dalian Branch		2,787	3,828
Chimbusco Guangzhou Branch		268	268
Cosco (Cayman) Mercury Co., Ltd		-	567
Cosco (HK) Shipping Co., Ltd		3,794	8,544
Cosco Bulk Carrier Co., Ltd		17,686	55,557
Cosco Bulk Carrier Holdings (Cayman) Limited		40,402	52,222
Cosco Container Lines Co., Ltd		2,288	8,125
Cosco Finance Co., Ltd		266,008	402,573
Cosco Logistics (Nantong)		118	118
Cosco Nantong Steel Co., Ltd		269	2,451
Cosco Shanghai Ship Management Co., Ltd		1,485	1,485
Cosco Shipping Co., Ltd		-	101
Cosco Southern Asphalt Shipping Co., Ltd		149	149
Cosco Wallem Ship Management Co., Ltd		-	175
Dalian Yuan Chang Shipping Co., Ltd		746	746
Guangzhou Ocean Shipping Company		4,676	8,607
Nantong Chimbusco Marine Bunker		330	330
Nantong Cosco Khi Ship Engineering Co., Ltd		246	246
Nantong Cosco Ship Equipment Company		1,315	3,077
Nantong Yuantong Container Warehouse and Transportation Co., Ltd		136	136
Qingdao Manning Co-operation Ltd		640	1,268
Qingdao Ocean Shipping Company		3,834	7,799
Shanghai Ocean Crew Co., Ltd		1,177	2,476
Shanghai Ocean International Trading Co., Ltd		-	738
Shanghai Ocean Shipping Company		1,889	3,775
Shanghai Pan-Asia Shipping Company		-	926
Shenzhen Ocean Shipping Company		280	434
Xiamen Ocean Shipping Company		-	456
Total	Nil	350,523	567,645

	As at 30/06/2009	As at 31/12/2008
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	152,927	10,064
- Short-term bank deposits	763,085	567,868
	912,012	577,932

BY ORDER OF THE BOARD

Mr Jiang Li Jun
Vice Chairman and President
3/8/2009

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 second quarter 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 and Vice President

3/8/2009