



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

Unaudited Third Quarter Financial Statement Announcement for the Period Ended 30 September 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
	Q3 2009	Q3 2008		YTD 2009	YTD 2008	
Turnover	752,003	987,734	(24)	2,184,945	2,752,527	(21)
Cost of sales	(671,531)	(785,798)	(15)	(1,917,759)	(2,104,531)	(9)
Gross profit	80,472	201,936	(60)	267,186	647,996	(59)
Other gains - net						
- Miscellaneous [1]	28,325	56,453	(50)	72,744	124,895	(42)
Expenses						
- Distribution	(7,008)	(21,434)	(67)	(32,616)	(74,728)	(56)
- Administrative	(51,832)	(53,055)	(2)	(116,072)	(144,365)	(20)
- Finance (Interest)	(11,589)	(1,451)	699	(35,963)	(4,821)	646
Share of profit of associated companies [2]	64	198	(68)	186	505	(63)
Profit before income tax [3]	38,432	182,647	(79)	155,465	549,482	(72)
Income tax expense [4]	(12,442)	(24,117)	(48)	(38,572)	(67,443)	(43)
Profit for the period	25,990	158,530	(84)	116,893	482,039	(76)
Profit attributable to: Equity holders of the Company	22,283	113,890	(80)	92,462	326,475	(72)
Minority interests	3,707	44,640	(92)	24,431	155,564	(84)
Profit for the period	25,990	158,530	(84)	116,893	482,039	(76)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)						

- basic	1.00	5.09	(80)	4.13	14.58	(72)
- diluted	1.00	5.08	(80)	4.13	14.54	(72)

(ii) Breakdown and Explanatory Notes to Consolidated Income Statement

NM denotes not meaningful.

[1] Other net miscellaneous gains comprise the following:

	Q3 2009	Q3 2008	Change	YTD 2009	YTD 2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of scrap materials	17,685	38,952	(55)	49,915	95,518	(48)
Net (loss)/gain on disposal of property, plant and equipment	(130)	(614)	(79)	(173)	2,811	(106)
Dividend income	8	-	NM	307	1,110	(72)
Interest income from deposits	6,228	8,657	(28)	27,530	25,487	8
Currency exchange (loss)/gain - net	(4,979)	7,760	(164)	14,303	(4,749)	NM
Net fair value gain/(loss) on forward currency contracts	6,585	(74)	NM	(30,362)	(30)	NM
Sundry income	2,928	1,772	65	11,224	4,748	136
	28,325	56,453	(50)	72,744	124,895	(42)

[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 2009	Q3 2008	Change	YTD 2009	YTD 2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on borrowings	(11,589)	(1,451)	699	(35,963)	(4,821)	646
Depreciation	(38,620)	(29,524)	31	(112,778)	(83,631)	35
(Allowance for)/Reversal of impairment of trade and other receivables	(433)	86	NM	25,904	(5,328)	NM
(Allowance for)/Reversal of inventory write-down	(6)	-	NM	579	-	NM
Property, plant and equipment written off	(22)	(1,948)	(99)	(40)	(1,956)	(98)

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

	Q3 2009	Q3 2008	Change	YTD 2009	YTD 2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax	(1,744)	897	(294)	(1,035)	822	(226)
Deferred tax	(497)	1	NM	(497)	73	NM

(iii) Consolidated Statement of Comprehensive Income

	Group					
	S\$'000		%	S\$'000		%
	Q3 2009	Q3 2008	Change	YTD 2009	YTD 2008	Change
Profit for the period	25,990	158,530	(84)	116,893	482,039	(76)
Other comprehensive (loss)/income:						
Currency translation differences	(35,848)	79,734	NM	(23,440)	70,959	NM
Total comprehensive (loss)/income	(9,858)	238,264	(104)	93,453	552,998	(83)
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(868)	165,366	(101)	78,213	365,996	(79)
Minority interests	(8,990)	72,898	(112)	15,240	187,002	(92)
Total comprehensive (loss)/income for the period	(9,858)	238,264	(104)	93,453	552,998	(83)

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
	30/09/2009	31/12/2008	30/09/2009	31/12/2008
Current assets				
Cash and cash equivalents	1,471,168	1,880,316	101,990	130,823
Forward currency contracts	1,912	10,063	-	-
Trade and other receivables	1,878,664	1,570,108	35,036	80,596
Inventories	714,874	945,601	-	-

Construction contract work-in-progress	119,186	170,143	-	-
Other current assets	12,652	19,792	357	175
	4,198,456	4,596,023	137,383	211,594
Non-current assets				
Forward currency contracts	-	1,441	-	-
Trade and other receivables	-	-	64,503	65,594
Financial assets, available for sale	3,569	3,630	-	-
Club memberships	422	473	188	236
Investments in associated companies	1,900	2,577	-	-
Investments in subsidiaries	-	-	289,968	289,968
Investment properties	11,890	12,217	-	-
Property, plant and equipment	2,252,701	2,081,950	808	896
Intangible assets	9,529	9,546	-	-
Deferred income tax assets	91,652	91,417	-	-
	2,371,663	2,203,251	355,467	356,694
Total assets	6,570,119	6,799,274	492,850	568,288
Current liabilities				
Forward currency contracts	18,686	3,506	-	-
Trade and other payables	3,745,158	4,441,900	14,580	14,871
Current income tax liabilities	25,667	61,348	2,251	4,885
Borrowings	27,479	45,278	-	-
Provision for other liabilities	22,732	20,156	-	-
	3,839,722	4,572,188	16,831	19,756
Non-current liabilities				
Forward currency contracts	10,689	6,375	-	-
Borrowings	1,158,771	611,364	-	-
Deferred income tax liabilities	179	180	-	-
	1,169,639	617,919	-	-
Total liabilities	5,009,361	5,190,107	16,831	19,756
Net assets	1,560,758	1,609,167	476,019	548,532
Shareholders' equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	154,480	167,904	45,105	41,865
Retained earnings	643,822	705,692	160,306	236,059
Shareholders' equity	1,068,910	1,144,204	476,019	548,532
Minority interests	491,848	464,963	-	-
Total equity	1,560,758	1,609,167	476,019	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 30/09/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
7,287,000	20,192,000	25,085,000	20,193,000

Amount repayable after one year

As at 30/09/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
18,725,000	1,140,046,000	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 \$85,948,000 (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	
	Q3 2009	Q3 2008
<u>Cash flow from operating activities</u>		
Net profit	25,990	158,530
Adjustments for:		
Income tax expense	12,442	24,117
Depreciation of property, plant and equipment and investment properties	38,620	29,524
Allowance for/(Reversal of) impairment of trade and other receivables	433	(86)
Allowance for inventory write-down	6	-
Net fair value (gain)/loss on forward currency contracts	(6,585)	74
Negative goodwill written off	(15)	-
Employees share option expense	-	4,554
Net loss on disposal of property, plant and equipment	130	614
Property, plant and equipment written off	22	1,948
Share of profit from associated companies	(64)	(198)
Dividend income	(8)	-
Interest expense (financing)	11,589	1,451
Interest income (investing)	(6,228)	(8,657)
	76,332	211,871
Changes in working capital:		
Inventories and construction contract work-in-progress	108,878	(147,816)
Trade and other receivables	(154,918)	(384,677)
Trade and other payables	(310,161)	738,803
Other current assets	(1,057)	(4,396)
Provision for other liabilities	(942)	1,653

Exchange differences	44,018	(45,884)
Cash (used in)/generated from operations	(237,850)	369,554
Income tax paid	(7,535)	(11,783)
Net cash (used in)/provided by operating activities	(245,385)	357,771
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	7,551	3,526
Purchase of property, plant and equipment	(109,985)	(169,233)
Purchase of investment properties	-	(1,061)
Dividend received	311	-
Interest received	3,043	4,054
Net cash used in investing activities	(99,080)	(162,714)
Cash flows from financing activities		
Repayment of borrowings	(1,959)	(11,730)
Proceeds from borrowings	1,932	-
Repayment of finance lease liabilities	(5)	(5)
Decrease in cash collateral	700	2
Proceeds from minority shareholders for increase in registered capital of a subsidiary	4,756	-
Dividends paid to minority shareholders of subsidiaries	(7,766)	-
Proceeds from issuance of ordinary shares	-	160
Interest paid	(11,548)	(2,054)
Net cash used in financing activities	(13,890)	(13,627)
Net (decrease)/increase in cash and cash equivalents	(358,355)	181,430
Cash and cash equivalents at the beginning of the financial period	1,870,306	1,292,920
Effects of currency translation on cash and cash equivalents	(44,532)	55,387
Cash and cash equivalents at the end of the financial period	1,467,419	1,529,737
Cash and cash equivalents represented by:		
Cash at bank and on hand	444,430	576,266
Short-term bank deposits	1,026,738	968,924
Less: Cash collaterals	(3,749)	(15,453)
	1,467,419	1,529,737

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 2009	270,608	178,436	620,734	496,097	1,565,875
Total comprehensive (loss)/income for the period	-	(23,151)	22,283	(8,990)	(9,858)
Minority share of increase in					

registered capital of a subsidiary	-	-	-	4,756	4,756
Decrease in minority's interest of a subsidiary	-	-	-	(15)	(15)
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
At 30 September 2009	270,608	154,480	643,822	491,848	1,560,758
1 July 2008	270,448	77,240	647,706	473,094	1,468,488
Total comprehensive income for the period	-	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
The Company					
At 1 July 2009	270,608	45,105	165,756	-	481,469
Total comprehensive income	-	-	(5,450)	-	(5,450)
At 30 September 2009	270,608	45,105	160,306	-	476,019
At 1 July 2008	270,448	32,553	115,127	-	418,128
Total comprehensive income	-	-	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

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 Q3 2009, 900,000 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 September 2009 were 35,670,000 (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 September 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			
	Q3 2009	Q3 2008	YTD 2009	YTD 2008
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	1.00	5.09	4.13	14.58
Weighted average number of ordinary shares('000)	2,239,245	2,239,245	2,239,245	2,238,853
(ii) On a fully diluted basis (cents per share)	1.00	5.08	4.13	14.54
Adjusted weighted average number of ordinary shares ('000)	2,239,259	2,240,646	2,239,245	2,246,101

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 YTD 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	
	30/09/2009	31/12/2008	30/09/2009	31/12/2008
Net asset value per ordinary share (cents)	47.74	51.10	21.26	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

Against the backdrop of a sluggish business environment, the Group remained profitable with net profit attributable to equity holders of \$22.3 million on turnover of \$752.0 million in Q3 2009. For the nine months ended 30 September 2009, Group net profit attributable to equity holders amounted to \$92.5 million on turnover of \$2.2 billion.

Turnover

Group turnover fell 23.9% to \$752.0 million in Q3 2009 from \$987.7 million in Q3 2008 on lower revenue recognized from ship repair, ship conversion and marine engineering projects and reduced dry bulk shipping revenue.

Turnover from shipyard operations dropped 20.7% to \$721.3 million in Q3 2009 as ship repair and conversion projects were adversely affected by the global economic slump.

Turnover from dry bulk shipping business decreased 63.2% to \$26.7 million in Q3 2009 as expired long-term charters were leased on short-term basis at new lower rates. The Baltic Dry Index (BDI), a measure of shipping costs for commodities, started the quarter at 3,742 points as at 1 July 2009 and deteriorated to 2,220 points on 30 September 2009 after hitting the quarter low of 2,163 points on 24 September 2009. By comparison, the BDI started at 9,379 on 1 July 2008 and slid to 3,217 points on 30 September 2008.

Ship repair, ship building and marine engineering business continued to contribute to the bulk of revenue, forming 95.9% of Group turnover in Q3 2009. Dry bulk shipping and shipping agency and others accounted for the remaining 4.1%.

For the first nine months ended 30 September 2009, Group turnover dwindled 20.6% to \$2.2 billion from \$2.8 billion for the corresponding period in 2008 as slower global trades continued to hurt the Group's businesses across the board.

Profitability

Gross profit waned 60.1% from \$201.9 million in Q3 2008 to \$80.5 million in Q3 2009 mainly due to lower dry bulk shipping charter rates and lower profit contributions from ship repair, ship building and marine engineering business plagued by higher operational costs and a difficult business environment.

Other gains comprised gain from the disposal of scrap metal, interest income and net fair value gain on forward currency contracts. Other gains fell 50.0% to \$28.3 million in Q3 2009 mainly due to the lower sales value of scrap materials.

Distribution and administrative expenses fell in line with lower turnover. Interest expense increased by \$10.1 million to \$11.6 million in Q3 2009 as the Group took on 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 13.2% in Q3 2008 to 32.4% in Q3 2009 mainly 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 80.4% from \$113.9 million in Q3 2008 to \$22.3 million in Q3 2009 as all key operations were stifled by the economic downturn.

Compared to YTD 2008, net profit attributable to equity holders of the Company fell 71.7% from \$326.5 million to \$92.5 million for first nine months of 2009.

Balance Sheet and Cash Flow

(30 September 2009 vs. 31 December 2008)

Cash and cash equivalents decreased from \$1.9 billion to \$1.5 billion mainly due to more settlements of trade payables. Please refer to note 1(c) Cash Flow Statement for more details.

The increase in trade and other receivables from \$1.6 billion to \$1.9 billion was mainly due to increase in advances paid to suppliers (from \$743.1 million to \$891.4 million).

Property, plant & equipment increased from \$2.1 billion to \$2.3 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 \$3.7 billion was mainly due to the decrease in advances from customers (from \$2.8 billion to \$2.1 billion) and refunds to customers for cancellation of shipbuilding contracts.

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 September 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 Q3 2009 are in line with the commentary made in paragraph 10 of the Group's Second Quarter Financial Statement Announcement released on 3 August 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 the Group believes that the worst of the recession is probably behind us, there is a great deal of uncertainty about the pace of economic recovery, and any solid market upturn appears elusive for the next few quarters.

The IMF (International Monetary Fund) has recently raised its forecast, predicting that the world economy will contract at a slower pace of 1.1% in 2009, compared to the 1.4% contraction predicted in July 2009. The IMF has also lifted its global growth projection for 2010 from 2.5% to 3.1 %, driven mainly by Asia's emerging economies – China and India. IMF added that the global recovery "will be weak by historical standards and the current rebound will be sluggish, credit constrained and for quite some time, jobless."

Despite the recent rise in BDI, prospect for the shipping industry is expected to remain foggy for the near term. Freight rates look unlikely to stage any strong rebound anytime soon as the economic

recovery remains tentative and as new tonnage capacities come on stream amidst trickling seaborne trade. Prior long-term charters locked in at higher rates have all expired and the Group is chartering out its vessels on new short-term leases at new lower rates. Shipbuilding also faces challenging operating conditions as the shipping industry is in a downturn.

The Group has an order book of US\$6.3 billion as of 30 September 2009 with progressive delivery up to 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.

To enhance its long-term competitiveness, the Group will continue to focus on expanding and upgrading its shipyard capabilities and efficiencies as it keeps a tight lid on costs in face of the high material and operational costs and low profit margin.

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 Q3 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	Q3 2009	YTD 2009
<u>Between Subsidiaries and:</u>			
Chimbusco (S) Pte Ltd	-	-	468
Chimbusco Dalian Branch	2,819	-	6,647
Chimbusco Guangzhou Branch	512	-	780
Chimbusco Lianyungang Branch	319	-	319
Cosco (Cayman) Mercury Co., Ltd	561	-	1,128
Cosco (HK) Shipping Co., Ltd	3,718	-	12,262
Cosco Bulk Carrier Co., Ltd	14,371	-	69,928
Cosco Bulk Carrier Holdings (Cayman) Limited	18,579	-	70,801
Cosco Container Lines Co., Ltd	2,020	-	10,145
Cosco Finance Co., Ltd	3,668	-	406,241
Cosco Logistics (Nantong)	157	-	275
Cosco Nantong Steel Co., Ltd	-	-	2,451
Cosco Shanghai Ship Management Co., Ltd	-	-	1,485
Cosco Shipping Co., Ltd	320	-	421
Cosco Southern Asphalt Shipping Co., Ltd	-	-	149
Cosco Wallem Ship Management Co., Ltd	-	-	175
Dalian Haven Automation Co., Ltd	347	-	347
Dalian Yuan Chang Shipping Co., Ltd	214	-	960
Guangzhou Ocean Shipping Company	5,327	-	13,934
Nantong Chimbusco Marine Bunker	-	-	330
Nantong Cosco Khi Ship Engineering Co., Ltd	-	-	246
Nantong Cosco Ship Equipment Company	1,513	-	4,590
Nantong Yuantong Container Warehouse and Transportation Co., Ltd	-	-	136
Qingdao Manning Co-operation Ltd	637	-	1,905
Qingdao Ocean Shipping Company	2,207	-	10,006
Shanghai Ocean Crew Co., Ltd	1,223	-	3,699
Shanghai Ocean International Trading	-	-	-

Co., Ltd		1,242	1,980
Shanghai Ocean Shipping Company		1,859	5,634
Shanghai Pan-Asia Shipping Company		-	926
Shenzhen Ocean Shipping Company		-	434
Xiamen Ocean Shipping Company		867	1,323
Total	Nil	62,480	630,125

	As at 30/09/2009	As at 31/12/2008
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	64,991	10,064
- Short-term bank deposits	619,590	567,868
	684,581	577,932

BY ORDER OF THE BOARD

Mr Jiang Li Jun
Vice Chairman and President
3/11/2009

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 third quarter 2009 financial results to be false or misleading.

On behalf of the directors

Mr Jiang Li Jun
Vice Chairman and President

Mr Ma Gui Chuan
Executive Director

3/11/2009