



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

Unaudited Second Quarter Financial Statement Announcement for the Period Ended 30 June 2010

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		%	S\$'000		%
	Q2 2010	Q2 2009		Change	1H 2010	
Turnover	962,456	718,532	34	1,797,487	1,432,942	25
Cost of sales	(841,592)	(648,754)	30	(1,598,172)	(1,246,228)	28
Gross profit	120,864	69,778	73	199,315	186,714	7
Other income (net) [1]	54,277	41,825	30	87,866	44,419	98
Expenses						
- Distribution	(12,644)	(13,530)	(7)	(24,701)	(25,608)	(4)
- Administrative	(36,869)	(18,621)	98	(75,332)	(64,240)	17
- Finance (Interest)	(11,570)	(11,922)	(3)	(23,546)	(24,374)	(3)
Share of (loss)/profit of associated companies [2]	(114)	12	NM	(193)	122	NM
Profit before income tax [3]	113,944	67,542	69	163,409	117,033	40
Income tax expense [4]	(14,394)	(15,431)	(7)	(25,716)	(26,130)	(2)
Net profit	99,550	52,111	91	137,693	90,903	51
Attributable to:						
Equity holders of the Company	68,381	37,028	85	100,093	70,179	43
Non-controlling interests	31,169	15,083	107	37,600	20,724	81
Net profit	99,550	52,111	91	137,693	90,903	51
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)						
- basic	3.05	1.65	85	4.47	3.13	43
- diluted	3.05	1.65	85	4.47	3.13	43

(ii) Breakdown and Explanatory Notes to Consolidated Income Statement

[1] Other income (net) comprises the following:

	Q2 2010	Q2 2009	Change	1H 2010	1H 2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of scrap materials	27,257	16,414	66	40,004	32,230	24
Net gain/(loss) on disposal of property, plant and equipment	161	26	519	1,049	(43)	NM
Dividend income	-	299	NM	-	299	NM
Interest income from deposits	3,273	9,180	(64)	6,858	21,302	(68)
Currency exchange gain - net	19,744	8,628	129	25,670	19,282	33
Net fair value gain/(loss) on forward currency contracts	603	1,857	(68)	3,570	(36,947)	NM
Compensation received from customers	49	4,451	(99)	1,298	4,451	(71)
Government grants	812	439	85	2,657	976	172
Sundry income	2,378	531	348	6,760	2,869	136
	54,277	41,825	30	87,866	44,419	98

NM denotes not meaningful.

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

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

	Q2 2010	Q2 2009	Change	1H 2010	1H 2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on borrowings	(11,570)	(11,922)	(3)	(23,546)	(24,374)	(3)
Depreciation and amortisation	(40,842)	(36,944)	11	(82,110)	(74,158)	11
Net reversal of impairment of trade and other receivables	4,044	25,855	(84)	7,248	26,337	(72)
Reversal of/(Allowance for) inventory write-down	260	(3)	NM	260	585	(56)
Write-off for property, plant and equipment	(70)	-	NM	(72)	(18)	300
Expected losses recognised on construction contracts	(14,812)	-	NM	(14,812)	-	NM

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

	Q2 2010	Q2 2009	Change	1H 2010	1H 2009	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax	5,856	531	1,003	5,835	709	723
Deferred tax	11	-	NM	11	-	NM

(iii) Consolidated Statement of Comprehensive Income

	Group					
	S\$'000		%	S\$'000		%
	Q2 2010	Q2 2009	Change	1H 2010	1H 2009	Change
Net Profit	99,550	52,111	91	137,693	90,903	51
Other comprehensive income/(loss):						
Financial assets, available-for-sale						
- Net fair value losses	(180)	-	NM	(241)	-	NM
Currency translation differences arising from consolidation	8,244	(72,328)	(111)	2,283	12,408	(82)
Total comprehensive income/(loss) for the period	107,614	(20,217)	(632)	139,735	103,311	35
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	72,655	(10,112)	NM	100,486	79,081	27
Non-controlling interests	34,959	(10,105)	NM	39,249	24,230	62
Total comprehensive income/(loss) for the period	107,614	(20,217)	NM	139,735	103,311	35

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
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Current assets				
Cash and cash equivalents	1,373,715	1,549,175	107,983	134,511
Forward currency contracts	-	944	-	-
Trade and other receivables	1,698,508	1,452,240	19,913	236
Inventories	578,240	677,568	-	-
Construction contract work-in-progress	121,831	199,385	-	-
Other current assets	12,071	6,573	161	220
	3,784,365	3,885,885	128,057	134,967
Non-current assets				
Trade and other receivables	-	-	64,025	64,285
Financial assets, available-for-sale	3,702	4,034	-	-
Club memberships	554	492	156	156
Investments in associated companies	1,400	1,922	-	-

Investments in subsidiaries	-	-	290,813	290,813
Investment properties	15,176	11,786	-	-
Property, plant and equipment	2,321,645	2,349,098	713	775
Intangible assets	9,528	9,525	-	-
Deferred expenditure	1,043	1,061	-	-
Deferred income tax assets	156,308	158,523	-	-
	2,509,356	2,536,441	355,707	356,029
Total assets	6,293,721	6,422,326	483,764	490,996
Current liabilities				
Forward currency contracts	9,944	14,448	-	-
Trade and other payables	3,160,867	3,559,006	16,457	16,767
Current income tax liabilities	35,828	84,136	1,609	549
Borrowings	595,262	176,262	-	-
Provision for other liabilities	44,362	36,436	-	-
	3,846,263	3,870,288	18,066	17,316
Non-current liabilities				
Borrowings	762,432	938,946	-	-
Deferred income tax liabilities	2,941	2,400	2,775	2,198
	765,373	941,346	2,775	2,198
Total liabilities	4,611,636	4,811,634	20,841	19,514
Net assets	1,682,085	1,610,692	462,923	471,482
Shareholders' equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	172,814	174,030	45,105	45,105
Retained earnings	673,929	639,404	147,210	155,769
Shareholders' equity	1,117,351	1,084,042	462,923	471,482
Non-controlling interests	564,734	526,650	-	-
Total equity	1,682,085	1,610,692	462,923	471,482

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

Amount repayable in one year or less, or on demand

As at 30/06/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
76,870,000	518,392,000	7,261,000	169,001,000

Amount repayable after one year

As at 30/06/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
13,772,000	748,660,000	17,454,000	921,492,000

Details of any collateral

The collaterals for secured borrowings include the group's cash, trade receivables, vessels and motor vehicles with net book value totalling \$155,046,000 (2009: \$80,741,000).

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 2010	Q2 2009
<u>Cash flows from operating activities</u>		
Net profit	99,550	52,111
Adjustments for:		
Income tax expense	14,394	15,431
Depreciation of property, plant and equipment and investment properties	40,842	36,944
Reversal of impairment of trade and other receivables	(4,044)	(25,855)
(Reversal of)/Allowance for inventory write-down	(260)	3
Net fair value gain on forward currency contracts	(603)	(1,857)
Write-off for property, plant and equipment	70	-
Net gain on disposal of property, plant and equipment	(161)	(26)
Expected losses recognised on construction contracts	14,812	-
Share of loss/(profit) from associated companies	114	(12)
Dividend income	-	(299)
Interest expense (financing)	11,570	11,922
Interest income (investing)	(3,273)	(9,180)
	173,011	79,182
Changes in working capital:		
Inventories and construction contract work-in-progress	25,407	154,271
Trade and other receivables	(220,050)	98,492
Trade and other payables	(56,711)	(338,096)
Other current assets	1,310	1,507
Provision for other liabilities	5,095	1,543
Exchange differences	(5,949)	92,068
Cash (used in)/generated from operations	(77,887)	88,967
Income tax paid	(57,527)	(46,532)
Net cash (used in)/provided by operating activities	(135,414)	42,435
<u>Cash flows from investing activities</u>		
Proceeds from disposal of property, plant and equipment	444	9,813
Purchase of property, plant and equipment	(30,400)	(124,631)
Proceeds from disposal of financial assets, available-for-sale	-	49
Dividend received	-	448
Interest received	4,720	16,639
Net cash used in investing activities	(25,236)	(97,682)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	348,109	81,543
Repayment of borrowings	(97,968)	(22,726)
Repayment of finance lease liabilities	(5)	(5)
Decrease in cash collateral	19	10,915

Interest paid	(12,479)	(12,299)
Dividends paid to shareholders of the Company	(67,177)	(156,747)
Dividends paid to non-controlling shareholders of subsidiaries	(1,001)	(1,624)
Net cash provided by/(used in) financing activities	169,498	(100,943)
Net increase/(decrease) in cash and cash equivalents	8,848	(156,190)
Cash and cash equivalents at the beginning of the financial period	1,354,616	2,116,978
Effects of currency translation on cash and cash equivalents	6,713	(90,482)
Cash and cash equivalents at the end of the financial period	1,370,177	1,870,306
Cash and cash equivalents represented by:		
Cash at bank and on hand	758,473	719,956
Short-term bank deposits	615,242	1,154,799
Less: Bank deposits pledged	(3,538)	(4,449)
	1,370,177	1,870,306

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	Non-controlling interests S\$'000	Total S\$'000
The Group					
Balance at 1 April 2010	270,608	169,344	671,921	530,035	1,641,908
Total comprehensive income for the period	-	4,274	68,381	34,959	107,614
Dividend declared by subsidiaries to non-controlling shareholders of subsidiaries	-	-	-	(260)	(260)
Dividend for 2009	-	-	(67,177)	-	(67,177)
Transfer from asset revaluation reserve to retained earnings	-	(804)	804	-	-
At 30 June 2010	270,608	172,814	673,929	564,734	1,682,085
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 non-controlling 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
The Company					
At 1 April 2010	270,608	45,105	155,499	-	471,212
Total comprehensive income	-	-	58,888	-	58,888

Dividend for 2009	-	-	(67,177)	-	(67,177)
At 30 June 2010	270,608	45,105	147,210	-	462,923
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

- 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 2010, 580,000 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 2010 were 34,400,000 (30 June 2009: 36,570,000).

- 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 2010, share capital of the Company comprised 2,239,244,954 ordinary shares (31 December 2009: 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 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 January 2010, the Group and the Company adopted the following new/revised Financial Reporting Standards (“FRS”) which are effective for annual periods beginning on or after 1 July 2009.

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

- (i) Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- (ii) FRS 27 (Revised) Consolidated and Separate Financial Statements
- (iii) FRS 103 (Revised) Business Combinations

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.

On 1 January 2010, the estimated useful life of motor vessels was changed from 15 years to 20 years as it reflects more fairly the estimated useful life of these assets. The change in accounting estimate has been applied prospectively subsequent to that date. Accordingly, the adoption of the change in accounting estimate has no effect in prior years. The net book value of property, plant and equipment as at 30 June 2010 and the profit before income tax for the period ended 30 June 2010 had been increased by the same amount of approximately \$7,005,000 by way of a decrease in depreciation charge for the period as a result of such change.

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 2010	Q2 2009	1H 2010	1H 2009
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	3.05	1.65	4.47	3.13
Weighted average number of ordinary shares(‘000)	2,239,245	2,239,245	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	3.05	1.65	4.47	3.13
Adjusted weighted average number of ordinary shares (‘000)	2,239,802	2,239,245	2,239,588	2,239,245

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 Q2 2009 and 1H 2009.

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	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Net asset value per ordinary share (cents)	49.90	48.41	20.67	21.06

The number of ordinary shares outstanding for the computation of net asset value per ordinary share is 2,239,244,954 (2009: 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 an 84.7% jump in net profit attributable to equity holders to \$68.4 million on turnover rise of 33.9% to \$962.5 million in Q2 2010 despite another challenging quarter for the industry. For 1H 2010, Group net profit attributable to equity holders climbed 42.6% to \$100.1 million on turnover rise of 25.4% to \$1.8 billion.

Turnover

Group turnover increased 33.9% to \$962.5 million in Q2 2010 from \$718.5 million in Q2 2009 mainly due to higher revenue recognized from ship building and marine engineering projects and higher dry bulk shipping revenue.

Turnover from shipyard operations increased 35.5% to \$923.5 million in Q2 2010 from \$681.3 million in Q2 2009. This was on the back of higher progressive revenue recognition for the Group's ship building and offshore marine engineering projects. The Group delivered 10 bulk carriers in Q2 2010. Of these, COSCO Zhoushan shipyard delivered 5 bulk carriers, COSCO Dalian shipyard delivered 3 bulk carriers while COSCO Guangdong shipyard delivered the remaining 2 bulk carriers. In addition, COSCO Nantong shipyard delivered 1 jack-up rig, "Super M2", in June 2010.

Turnover from dry bulk shipping business increased 6.3% to \$35.6 million in Q2 2010 due to higher charter rates. The Baltic Dry Index (BDI), which is a measure of shipping costs for commodities, rebounded moderately from 2,991 points on 1 April 2010 to hit the highest level in the quarter at 4,209 points on 26 May 2010 before retreating to 2,406 points on 30 June 2010. The average BDI for Q2 2010 was at 3,307 points as compared with 2,714 points in Q2 2009.

Shipyard business remained the biggest revenue contributor, forming 95.9 % of Group turnover in Q2 2010.

Profitability

Gross profit increased 73.2% from \$69.8 million in Q2 2009 to \$120.9 million in Q2 2010 due to higher dry bulk charter rates and higher profit contributions from ship building and marine engineering projects on the back of higher turnover.

Other income comprised gain from the disposal of scrap metal, interest income, currency exchange gain and net fair value gain/loss on forward currency contracts. Compared to Q2 2009, other income increased by 29.8% to \$54.3 million in Q2 2010 mainly due to higher sales value of scrap materials and higher net currency exchange gain.

The 98.0% increase in administrative costs to \$36.9 million was mainly due to lower net reversal of impairment of trade and other receivables of \$4.0 million in Q2 2010 as compared to \$25.9 million in Q2 2009.

Interest expense decreased by 3.0% to \$11.6 million in Q2 2010 due to lower interest rates.

The decrease in income tax expense by 6.7% to \$14.4 million was mainly due to higher tax-exempt shipping profits.

Overall, net profit attributable to equity holders of the Company increased 84.7% from \$37.0 million in Q2 2009 to \$68.4 million in Q2 2010 due to higher profit contributions from dry bulk shipping and shipyard operations. Compared to 1H 2009, net profit attributable to equity holders of the Company increased 42.6% from \$70.2 million to \$100.1 million in 1H 2010.

Balance Sheet and Cash Flow

(30 June 2010 vs 31 December 2009)

Cash and cash equivalent decreased from \$1.5 billion to \$1.4 billion mainly due to cash used for operating activities, purchase of new plant and equipment and payment of dividends. Please refer to note 1 (c) Cash Flow Statement for more details.

The increase in trade and other receivables from \$1.5 billion to \$1.7 billion was mainly due to the increase in advances paid to suppliers (from \$679.2 million to \$804.3 million).

Property, plant & equipment remained relatively unchanged at \$2.3 billion despite the facility expansions of the major shipyards in COSCO Shipyard Group Co., Ltd ("CSG") due to depreciation.

The decrease in trade and other payables from \$3.6 billion to \$3.2 billion was mainly due to the decrease in advances received from customers (from \$1.8 billion to \$1.2 billion).

Total borrowings increased from \$1.1 billion to \$1.4 billion due to additional borrowings procured to finance shipyard operations.

Shareholders' equity increased \$33.3 million mainly due to increase in retained earnings.

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 2010 are in line with the commentary made in paragraph 10 of the Group's First Quarter Financial Statement Announcement released on 06 May 2010.

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 successfully delivered 18 bulk carriers in the 1st half of 2010. Of these, COSCO Guangdong shipyard delivered 4 bulk carriers, COSCO Dalian shipyard delivered 7 bulk carriers and COSCO Zhoushan shipyard delivered 7 bulk carriers. In addition, COSCO Nantong shipyard delivered 1 jack-up rig, "Super M2", in June 2010. The Group will continue to focus on deliveries while it upgrades its shipyard capabilities to improve operational efficiency and productivity.

The Group has an order book of US\$5.5 billion with progressive deliveries up to 1st quarter of 2013 which will keep the Group's shipyards busy. This order book is subject to revision from any cancelation of orders or new orders that may arise. On 15 June 2010, COSCO Dalian shipyard and COSCO Guangdong shipyard signed 11 contracts and 4 letters of intent totaling over US\$440 million with 4 European shipowners to build 15 units of bulk carriers, 4 of which are 82,000 dwt and 11 of which are 57,000 dwt each. The effectiveness of these contracts is dependent on certain conditions including the receipt of the initial deposits from the shipowners. As at 31 July 2010, 7 of these shipbuilding contracts totaling over US\$200 million have become effective.

Nevertheless, the Group maintains a cautious outlook for the rest of 2010 as business, industry and private demand conditions remain uncertain, and as various governments begin unwinding some of their stimulus measures amidst a fragile global economic recovery pressured by the recent fiscal crisis and financial market turmoil in parts of Europe.

The International Monetary Fund (IMF), in its latest World Economic Outlook report released on 8 July 2010, warned of dangers ahead for the recovering global economy and is predicting that world GDP (Gross Domestic Product) growth would be around 4.5 per cent this year and slowing slightly to 4.3 per cent next year. It identified the dangers as coming from financial system shocks and over-rapid fiscal consolidation with recent indicators pointing to some slowdown of demand.

China's pace of economic growth is expected to slow down as new restrictive economic policies are being used to curb inflation and the over-heating of the property market. The gradual appreciation of the Yuan against the United States Dollar (USD), after the recent loosening of the Yuan's peg to the USD, and a potential rise in general Chinese labor wages as influenced by labor shortages and unrests in some manufacturing enterprises in China may together put new pressure on the operating margins of the Group's shipyard operations.

The BDI ended the quarter at 2,406 points after taking a 24-day loss to 43% from its peak of 4,209 points in May 2010. This is the index's longest losing streak since August 2005 and the BDI may remain under pressure as an abundant supply of new ships hit the global market.

The Group will continue to leverage on the strength of its diversified business to remain competitive and to consolidate its strategic position in the industry.

Barring any unforeseen circumstances, the Group expects to stay profitable in 2010.

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 2010.

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	
		Q2 2010	1H 2010
<u>Between Subsidiaries and:</u>			
Chimbusco Dalian Branch		4,357	6,889
Chimbusco Guangzhou Branch		1,711	3,080
Chimbusco Lianyungang Branch		285	285
Chimbusco Zhoushan Branch		2,849	2,849
Cosbulk International Trading Co., Ltd		101	410
Cosco (Cayman) Mercury Co., Ltd		-	132
Cosco (HK) Shipping Co., Ltd		301	3,312
Cosco Bulk Carrier Co., Ltd		1,589	7,738
Cosco Bulk Carrier Holdings (Cayman) Limited		5,860	12,832
Cosco Container Lines Co., Ltd		2,534	4,793
Cosco Finance Co., Ltd		207,124	209,312
Cosco International Trade Ltd		102	102
Cosco Nantong Steel Co., Ltd		2,426	5,577
Cosco Shanghai Ship Management Co., Ltd		4,125	4,125
Dalian Ocean Shipping Company		-	968
Dalian Yuan Chang Shipping Co., Ltd		-	200
Guangzhou Ocean Shipping Company		8,738	20,642

Nantong Chimbusco Marine Bunker Nantong Cosco Ship Equipment Company		100	671
Qingdao Manning Co-operation Ltd		1,621	3,871
Qingdao Ocean Shipping Company		584	1,166
Shanghai Cosco-Shokuyu Shipping Company		1,225	1,753
Shanghai Ocean Crew Co., Ltd		-	124
Shanghai Ocean International Trading Co., Ltd		1,172	2,340
Shanghai Ocean Shipping Company		-	267
Xiamen Ocean Shipping Company		1,442	2,885
		-	229
Total	Nil	248,246	296,552

	As at 30/06/2010	As at 31/12/2009
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	181,270	168,493
- Short-term bank deposits	412,712	616,031
	593,982	784,524

BY ORDER OF THE BOARD

Mr Jiang Li Jun
Vice Chairman and President
2/8/2010

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 2010 financial results to be false or misleading.

On behalf of the directors

Mr Jiang Li Jun
Vice Chairman and President

Mr Ma Gui Chuan
Director

2/8/2010