



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

Unaudited Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31 December 2011

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		% Change
	S\$'000		
	2011	2010	
Sales	4,162,921	3,861,445	8
Cost of sales	(3,782,127)	(3,385,358)	12
Gross profit	380,794	476,087	(20)
Other income (net) [1]	218,626	178,253	23
Expenses			
- Distribution	(64,004)	(50,172)	28
- Administrative	(201,861)	(160,164)	26
- Finance	(46,713)	(42,131)	11
Share of profit/(loss) of associated companies [2]	717	(27)	NM
Profit before income tax [3]	287,559	401,846	(28)
Income tax expense [4]	(74,195)	(43,240)	72
Net profit	213,364	358,606	(41)
Profit attributable to:			
Equity holders of the Company	139,671	248,837	(44)
Non-controlling interests	73,693	109,769	(33)
	213,364	358,606	(41)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)			
- Basic	6.24	11.11	(44)
- Diluted	6.24	11.11	(44)

(ii) Breakdown and Explanatory Notes to Consolidated Income Statement

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

	2011	2010	Change
	S\$'000	S\$'000	%
Sale of scrap materials	95,198	90,284	5
Net gain on disposal of subsidiaries	9,261	-	NM
Net gain on disposal of property, plant and equipment	105	743	(86)
Dividend income	2	20	(90)
Interest income	28,548	13,882	106
Currency exchange gain - net	50,606	25,655	97
Net fair value gain on forward currency contracts	-	13,253	NM
Reversal of impairment in value of transferable club memberships	-	16	NM
Compensation received from customers	15,981	15,055	6
Government grants	5,574	4,038	38
Sundry income	13,351	15,307	(13)
	218,626	178,253	23

NM denotes not meaningful.

[2] Share of profit/(loss) of associated companies is after tax.

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

	2011	2010	Change
	S\$'000	S\$'000	%
Interest on borrowings	(46,713)	(42,131)	11
Depreciation and amortisation	(164,088)	(168,426)	(3)
Net reversal of impairment of trade and other receivables	1,140	31,241	(96)
Allowance for inventory write-down	(18,144)	(572)	NM
Write-off for property, plant and equipment	(249)	(136)	83
Expected losses recognised on construction contracts	(150,377)	(64,822)	132

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

	2011	2010	Change
	S\$'000	S\$'000	%
Income tax	37,138	25,243	47
Deferred tax	(10,017)	(2,898)	246

(iii) Consolidated Statement of Comprehensive Income

	Group		
	S\$'000		%
	2011	2010	Change
Net Profit	213,364	358,606	(41)
Other comprehensive (loss)/income:			
Available-for-sale financial assets			
- Net fair value losses	(52)	(279)	(81)
Reclassification of currency translation reserves on disposal of subsidiaries	233	-	NM
Currency translation differences arising from consolidation	92,314	(100,144)	NM
Total comprehensive income for the year	305,859	258,183	18
Total comprehensive income attributable to:			
Equity holders of the Company	192,186	181,752	6
Non-controlling interests	113,673	76,431	49
	305,859	258,183	18

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
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Current assets				
Cash and cash equivalents	1,585,268	867,201	125,851	116,957
Forward currency contracts	4,728	-	-	-
Trade and other receivables	2,010,450	1,976,663	4,476	2,895
Inventories	491,484	518,035	-	-
Construction contract work-in-progress	148,098	182,728	-	-
Other current assets	6,935	4,155	192	205
	4,246,963	3,548,782	130,519	120,057
Non-current assets				
Trade and other receivables	63,867	49,089	-	-
Available-for-sale financial assets	4,407	3,434	-	-
Club memberships	390	557	172	172
Investments in associated companies	4,102	3,569	-	-
Investments in subsidiaries	-	-	369,666	374,037
Investment properties	14,405	14,619	-	-
Property, plant and equipment	2,412,126	2,207,952	924	650
Intangible assets	9,526	9,468	-	-

Deferred expenditure	3,211	3,169	-	-
Deferred income tax assets	241,513	212,703	-	-
	2,753,547	2,504,560	370,762	374,859
Total assets	7,000,510	6,053,342	501,281	494,916
Current liabilities				
Forward currency contracts	4,728	-	-	-
Trade and other payables	2,697,294	3,144,533	18,236	17,620
Current income tax liabilities	66,460	72,766	372	245
Borrowings	1,668,322	555,148	-	-
Provision for other liabilities	59,430	45,049	-	-
	4,496,234	3,817,496	18,608	17,865
Non-current liabilities				
Borrowings	498,090	437,065	-	-
Deferred income tax liabilities	5,712	4,304	5,582	4,056
	503,802	441,369	5,582	4,056
Total liabilities	5,000,036	4,258,865	24,190	21,921
Net assets	2,000,474	1,794,477	477,091	472,995
Equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	181,320	103,950	45,105	45,105
Retained earnings	849,305	824,059	161,378	157,282
Shareholders' equity	1,301,233	1,198,617	477,091	472,995
Non-controlling interests	699,241	595,860	-	-
Total equity	2,000,474	1,794,477	477,091	472,995

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

Amount repayable in one year or less, or on demand

As at 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
231,026,000	1,437,296,000	47,340,000	507,808,000

Amount repayable after one year

As at 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
99,202,000	398,888,000	9,322,000	427,743,000

Details of any collateral

The collaterals for secured borrowings comprise the Group's cash, trade receivables, vessels and motor vehicles with net book value totalling \$357,696,000 (2010: \$115,095,000).

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	
	2011	2010
<u>Cash flows from operating activities</u>		
Net profit	213,364	358,606
Adjustments for:		
Income tax expense	74,195	43,240
Depreciation and amortisation	164,088	168,426
Net reversal of impairment of trade and other receivables	(1,140)	(31,241)
Allowance for inventory write-down	18,144	572
Reversal of impairment in value of transferable club memberships	-	(16)
Net gain on disposal of subsidiaries	(9,261)	-
Net gain on disposal of property, plant and equipment	(105)	(743)
Expected losses recognised on construction contracts	150,377	64,822
Write-off for property, plant and equipment	249	136
Net fair value gain on forward currency contracts	-	(13,253)
Share of (profit)/loss from associated companies	(717)	27
Dividend income	(2)	(20)
Interest expense (financing)	46,713	42,131
Interest income (investing)	(28,548)	(13,882)
	627,357	618,805
Changes in working capital:		
Inventories and construction contract work-in-progress	43,037	171,920
Trade and other receivables	(59,307)	(552,397)
Trade and other payables	(572,730)	(469,060)
Other current assets	(2,780)	2,418
Deferred expenditure	-	(2,193)
Provision for other liabilities	14,381	8,613
Exchange differences	2,361	66,029
Cash generated from/(used in) operations	52,319	(155,865)
Income tax paid	(103,978)	(109,234)
Net cash used in operating activities	(51,659)	(265,099)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(257,898)	(176,105)
Proceeds from disposal of property, plant and equipment	1,638	11,200
Purchase of investment properties	(3)	(10)
Purchase of transferable club memberships	-	(61)
Purchase of available-for-sale financial assets	(824)	-
Net cash outflows on disposal of subsidiaries	(3,957)	(3,950)
Dividends received	119	648
Interest received	25,831	20,022
Net cash used in investing activities	(235,094)	(148,256)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	2,033,907	838,819
Repayments of borrowings	(918,576)	(899,945)

Repayments of finance lease liabilities	(3)	(17)
Decrease in bank deposits pledged	1,761	266
Interest paid	(43,683)	(41,750)
Dividends paid to equity holders of the Company	(89,570)	(67,177)
Dividends paid to non-controlling interests of subsidiaries	(7,116)	(2,499)
Net cash provided by/(used in) financing activities	976,720	(172,303)
Net increase/(decrease) in cash and cash equivalents	689,967	(585,658)
Cash and cash equivalents at beginning of financial year	863,913	1,545,621
Effects of currency translation on cash and cash equivalents	30,168	(96,050)
Cash and cash equivalents at end of financial year	1,584,048	863,913
Cash and cash equivalents represented by:		
Cash at bank and on hand	603,948	261,309
Short-term bank deposits	981,320	605,892
Less: Bank deposits pledged	(1,220)	(3,288)
	1,584,048	863,913

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					
At 1 January 2011	270,608	103,950	824,059	595,860	1,794,477
Total comprehensive income for the year	-	52,515	139,671	113,673	305,859
Disposal of subsidiaries	-	-	-	(1,093)	(1,093)
Dividend declared by subsidiaries to non-controlling interests of subsidiaries	-	-	-	(9,199)	(9,199)
Dividend for 2010	-	-	(89,570)	-	(89,570)
Transfer from asset revaluation reserve to retained earnings	-	(3,218)	3,218	-	-
Transfer from retained earnings to statutory reserves	-	28,073	(28,073)	-	-
At 31 December 2011	270,608	181,320	849,305	699,241	2,000,474
At 1 January 2010	270,608	174,030	639,404	526,650	1,610,692
Total comprehensive income for the year	-	(67,085)	248,837	76,431	258,183
Disposal of subsidiaries	-	-	-	(6,057)	(6,057)
Dividend declared by subsidiaries to non-controlling interests of subsidiaries	-	-	-	(1,164)	(1,164)
Dividend for 2009	-	-	(67,177)	-	(67,177)
Transfer from asset revaluation reserve to retained earnings	-	(3,218)	3,218	-	-
Transfer from retained earnings to statutory reserves	-	223	(223)	-	-
At 31 December 2010	270,608	103,950	824,059	595,860	1,794,477

The Company					
At 1 January 2011	270,608	45,105	157,282	-	472,995
Total comprehensive income for the year	-	-	93,666	-	93,666
Dividend for 2010	-	-	(89,570)	-	(89,570)
At 31 December 2011	270,608	45,105	161,378	-	477,091
At 1 January 2010	270,608	45,105	155,769	-	471,482
Total comprehensive income for the year	-	-	68,690	-	68,690
Dividend for 2009	-	-	(67,177)	-	(67,177)
At 31 December 2010	270,608	45,105	157,282	-	472,995

- 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 FY 2011, 2,640,000 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 31 December 2011 were 28,310,000 (2010: 30,950,000).

- 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 December 2011, share capital of the Company comprised 2,239,244,954 ordinary shares (2010: 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.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2010.

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

Not Applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	2011	2010
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	6.24	11.11
Weighted average number of ordinary shares ('000)	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	6.24	11.11
Adjusted weighted average number of ordinary shares ('000)	2,239,405	2,239,903

NOTES:

Basic earnings per ordinary share is calculated by dividing the net profit attributable to the equity holders of the Company over the weighted average number of ordinary shares outstanding during the financial year.

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

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

	Group		Company	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net asset value per ordinary share (cents)	58.11	53.53	21.31	21.12

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2010: 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 increased by 7.8% in FY 2011 to \$4.2 billion while net profit attributable to equity holders of the Company decreased by 43.9% to \$139.7 million.

The increase in turnover was mainly due to higher revenue contributions from ship building and marine engineering projects. The lower net profit attributable to equity holders of the Company was mainly due to lower profit contributions from dry bulk shipping and the higher costs incurred in shipyard operations.

Turnover

Turnover from shipyard operations increased 10.1% to \$4.1 billion in FY 2011 due to higher revenue contributions from ship building and marine engineering projects. The Group delivered 34 bulk carriers in FY 2011. COSCO Dalian shipyard delivered 14 bulk carriers, COSCO Zhoushan shipyard delivered 12 bulk carriers while COSCO Guangdong shipyard delivered 8 bulk carriers. Also notably, COSCO Nantong shipyard delivered 2 windmill turbine installation vessels and 3 shuttle tankers, while COSCO Dalian shipyard delivered 2 heavy lift vessels and COSCO Zhoushan shipyard delivered 2 car carriers in 2011.

Turnover from dry bulk shipping and other businesses decreased 52.9% to \$66.8 million in FY 2011 mainly due to lower charter rates. The Baltic Dry Index (BDI), a measure of shipping costs for commodities, started the year 2011 at 1,698 points and ended the year at 1,738 points, with the year's average being 1,548 points, which is a 43.8% decrease from the 2010 average BDI of 2,758 points.

Shipyard business remained the biggest revenue contributor, forming 98.4% of Group turnover in FY 2011. Dry bulk shipping and others accounted for the remaining 1.6%.

Profitability

Gross profit decreased 20.0% from \$476.1 million in FY 2010 to \$380.1 million in FY 2011 mainly due to lower dry bulk shipping income as a result of lower BDI and higher operational costs in shipyard business.

The higher shipyard operational costs included expected losses of \$150.4 million (FY 2010: \$64.8 million) on construction contracts which was mainly due to the impact of higher costs of raw materials and labor and, additionally, "learning curve" costs for offshore marine engineering projects involving new product types.

Other income comprised mainly gain from the sale of scrap materials, compensation received from customers, interest income, foreign currency exchange gain and net fair value gain on forward currency contracts. Other income increased 22.6% to \$218.6 million in FY2011 mainly due to higher interest income, an increase in currency exchange gain and one-off net gain on disposal of subsidiaries.

Distribution costs rose 27.6% in line with new orders secured and rising costs.

The 26.0% increase in administrative costs to \$201.9 million was mainly due to lower reversal of impairment of trade and other receivables of \$1.1 million in 2011 as compared to \$31.2 million in 2010 and allowance for inventory write-down. The allowance for inventory write-down of \$18.1 million in 2011 included an amount of \$14.6 million due to the continuation of work on a cancelled shipbuilding contract for which construction of the vessel had already been in progress (and for which the net compensation received from the customer of \$15.2 million has been included in other income).

Interest expense increased by 10.9% to \$46.7 million in 2011 is mainly due to additional bank borrowings to fund shipyard operations.

The increase in income tax expense by 71.6% to \$74.2 million in 2011 was mainly due to lower tax-exempt shipping profits and deferred tax benefit recognized. Under the recently approved local tax incentive scheme granted to some of the subsidiaries of COSCO Shipyard Group Co., Ltd ("CSG"), the concessionary tax rate was reduced to 15.0% from 22.0%.

As a result of the above, net profit attributable to equity holders of the Company decreased 43.9% from \$248.8 million in FY 2010 to \$139.7 million in FY 2011.

Balance Sheet and Cash Flow

(31 December 2011 vs 31 December 2010)

Cash and cash equivalents increased from \$867.2 million to \$1.6 billion mainly due to net cash provided by more bank borrowings procured to finance shipyard operating activities. Please refer to note 1(c) Cash Flow Statement for more details.

Trade and other receivables remained relatively unchanged at \$2.0 billion. Advances paid to suppliers decreased marginally from \$858.8 million to \$804.8 million.

Property, plant and equipment increased by \$204.1 million to \$2.4 billion mainly due to the expansion in shipyard facilities.

Trade and other payables decreased \$477.2 million to \$2.7 billion mainly due to decrease in advances received from customers (from \$1.2 billion to \$465.3 million), partially offset by increase in trade payables and other accruals for operating expenses.

Total borrowings increased from \$992.2 million to \$2.2 billion due to additional funding procured for business operations.

Equity rose by \$102.6 million to \$1.3 billion as at 31 December 2011 due to the transfer of FY 2011 profits to retained earnings, partially offset by the payment of dividends in May 2011.

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

Not Applicable.

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.

As at 31 December 2011, the Group's order book stood at US\$6.1 billion with progressive deliveries up to first half 2014. This order book is subject to revision from any new orders or cancellation of orders that may arise.

New orders received in 2011 amounting to US\$2.0 billion include 2 (82,000 dwt) bulk carriers, 4 special purpose carriers, 3 self erecting tender drilling rigs, 2 jack-up drilling rigs, 2 Sevan 650 drilling units, 1 semisubmersible barge and 1 Octabuoy topside module. In 2011, the Group successfully delivered a total of 34 bulk carriers, 2 windmill turbine installation vessels, 2 multipurpose heavy lift carriers, 2 (5,000 units) car carriers and 3 shuttle tankers.

The Group maintains a cautious outlook for 2012 as the global economy remains fragile with growing concerns over the sovereign-debt crisis in Europe and its possible impact on the global economy. The International Monetary Fund (IMF) in an update of World Economic Outlook report dated 24 January 2012 lowered the forecast for global growth for 2012 to 3.3 percent from a September 2011 forecast of 4.0 percent, and warned that the European debt crisis threatens to derail the world economy.

In the face of global economic uncertainties, the Group's customers may be reluctant to commit new orders for vessels in the short term and may exert even greater pressure on the prices of new vessels.

The appreciation of the Chinese Yuan against the United States Dollar (USD), rising interest rates in China, a potential rise in wages exacerbated by a labor crunch in China and increases in prices of raw materials collectively can significantly compromise operating margins of the Group's shipyard operations.

As the Group continues construction in 2012 on new ship building contracts that were secured in 2010 at relatively lower contract values (due to the slumping bulk carrier shipping market then) compared to those secured in 2008 and 2009, the Group expects the operating margins on new shipbuilding projects to be under even greater pressure notwithstanding improving gains in efficiency and productivity.

In offshore marine engineering operations, the Group aims to enhance its offerings. It is currently one of the largest marine engineering groups in the People's Republic of China with 14 outstanding offshore marine projects in its order book as at 31 December 2011. This includes 1 deep-water drillship, 1 semi-submersible barge, 1 wind turbine installation vessel, 1 shuttle tanker, 2 semi-submersibles, 2 jack-up rigs, 3 Sevan 650 drilling units and 3 tender rigs. However, as a relatively new entrant, the Group expects to incur higher costs as it scales the "learning curve" in its offshore marine engineering projects on new product types. Progressively, the Group will gather expertise and capabilities to reach out to a broader customer base, laying a firmer foundation for long-term sustainable growth in offshore and marine engineering operations.

The Group will continue to focus on deliveries as it upgrades its shipyard capabilities and efficiencies.

The Baltic Dry Index (BDI) registered 1,693 points at the start of 2011, descended to a low of 1,043 points in February 2011 and recovered to 1,738 points at the close of the year. The BDI averaged 1,548 points in 2011 which was a 43.8% lower than the average of 2,758 points achieved in 2010. On 6 February 2012, BDI reached a 25-year low of 647 points. Against the background of continuing global economic uncertainties, any rebound in the BDI in 2012 may remain subdued as expansion in the global bulk carrier fleet is expected to outpace demand, thereby impacting the Group's dry bulk business.

Overall, the Group expects business and operating conditions in 2012 to be even more difficult and challenging than those in 2011.

The Group will strive to leverage on the strength of its diversified business to remain competitive and fortify its strategic market position.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Ordinary Share First and Final Dividend (Proposed)
Dividend Type	Cash
Dividend Rate	3.0 cents per ordinary share (tax-exempt one-tier)
Tax Rate	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Ordinary Share First and Final Dividend
Dividend Type	Cash
Dividend Rate	4.0 cents per ordinary share (tax-exempt one-tier)
Tax Rate	N.A.

(c) Date payable

Details on payment of dividend and related book closure date will be announced in due course.

(d) Books closure date

Refer to 11(c).

12. If no dividend has been declared/recommended, a statement to that effect.

Not Applicable.

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) Business segments

	Shipping S\$'000	Ship repair, ship building and marine engineering activities S\$'000	All other segments S\$'000	Total for continuing operations S\$'000
Financial year ended 31 December 2011				
Sales:				
- External sales	65,995	4,096,118	808	4,162,921
- Inter-segment sales	-	745	98,427	99,172
	65,995	4,096,863	99,235	4,262,093
Elimination				(99,172)
				4,162,921
Segment results	33,398	298,372	1,785	333,555
Finance expense				(46,713)
Share of profit of associated companies				717
Profit before income tax				287,559
Income tax expense				(74,195)
Net profit				213,364
Other segment items				
Capital expenditure				
– property, plant and equipment	3,403	253,873	622	257,898
Depreciation and amortisation	11,875	151,565	648	164,088
Allowance for inventory write-down	-	18,144	-	18,144
Net reversal of impairment of trade and other receivables	-	(1,140)	-	(1,140)
Expected losses recognised on construction contracts	-	150,377	-	150,377
Segment assets	151,634	5,591,389	26,145	5,769,168
Associated companies				4,102
Short-term bank deposits				981,320
Available-for-sale financial assets				4,407
Deferred income tax assets				241,513
Consolidated total assets				7,000,510
Segment liabilities	16,168	2,742,035	3,249	2,761,452
Borrowings				2,166,412
Current income tax liabilities				66,460
Deferred income tax liabilities				5,712
Consolidated total liabilities				5,000,036
Consolidated net assets				2,000,474

Financial year ended 31 December 2010				
Sales:				
- External sales	128,605	3,719,483	13,357	3,861,445
- Inter-segment sales	-	336	64,894	65,230
	128,605	3,719,819	78,251	3,926,675
Elimination				(65,230)
				3,861,445
Segment results	83,417	369,886	(9,299)	444,004
Finance expense				(42,131)
Share of loss of associated companies				(27)
Profit before income tax				401,846
Income tax expense				(43,240)
Net profit				358,606
Other segment items				
Capital expenditure				
– property, plant and equipment	1,624	174,185	296	176,105
Depreciation and amortisation	14,280	153,245	901	168,426
Allowance for inventory write-down	-	572	-	572
Net reversal of impairment of trade and other receivables	-	(31,241)	-	(31,241)
Expected losses recognised on construction contracts	-	64,822	-	64,822
Segment assets	190,998	4,976,390	60,356	5,227,744
Associated companies				3,569
Short-term bank deposits				605,892
Available-for-sale financial assets				3,434
Deferred income tax assets				212,703
Consolidated total assets				6,053,342
Segment liabilities	23,527	3,132,749	33,306	3,189,582
Borrowings				992,213
Current income tax liabilities				72,766
Deferred income tax liabilities				4,304
Consolidated total liabilities				4,258,865
Consolidated net assets				1,794,477

(b) Geographical segments

The Group's business segments operate in three main geographical areas:

- People's Republic of China – the operations in this area are principally in ship repair, ship building and marine engineering activities;
- Singapore – the operations in this area are principally in shipping, shipping agency, ship repair and marine related activities, rental of property; and
- Malaysia – the operations in this area were principally in shipping agency activities.

Sales are based on the country in which the services are rendered to the customer. Non-current assets are shown by the geographical area where the assets are located.

	<u>Sales for continuing operations</u>		<u>Non-current assets</u>	
	\$'000		\$'000	
	2011	2010	2011	2010
People's Republic of China	4,084,582	3,711,802	2,589,970	2,330,568
Singapore *	78,339	147,433	163,577	173,903
Malaysia	-	2,210	-	89
	4,162,921	3,861,445	2,753,547	2,504,560

* The Group's shipping companies operate in worldwide shipping routes. Hence, it would not be meaningful to allocate sales to any geographical segments for shipping activities.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

See Paragraph 8 above.

15. A breakdown of sales

	2011 S\$'000	2010 S\$'000	Change %
(a) Sales reported for first half year	2,006,719	1,797,487	12
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	109,230	137,693	(21)
(c) Sales reported for second half year	2,156,202	2,063,958	4
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	104,134	220,913	(53)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	67,177	89,570
Preference	-	-
Total	67,177	89,570

The Directors proposed a first and final tax-exempt one-tier ordinary dividend of 3 cents per ordinary share (2010: first and final tax-exempt one-tier ordinary dividend of 4 cents per ordinary share) amounting to a total of \$67,177,000 (2010: \$89,570,000), based on current number of shares issued as of 31 December 2011, will be recommended for the shareholders' approval at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend, which will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.

17. 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 Dalian Branch		11,767
Chimbusco Guangzhou Branch		6,395
Chimbusco Lianyungang Branch		1,258
Chimbusco Shipping Co., Ltd		198
Chimbusco Zhoushan Branch		12,022
Cosco (HK) Investment & Development Co., Ltd		117
Cosco (HK) Shipping Co., Ltd		4,571
Cosco Bulk Carrier Co., Ltd		6,967
Cosco Container Lines Co., Ltd		6,370
Cosco Finance Co., Ltd		914,981
Cosco International Ship Trading Co., Ltd		957
Cosco International Trade Ltd		356
Cosco Jiangsu International Freight Co., Ltd		899
Cosco Logistics (Nantong)		454
Cosco Nantong Steel Co., Ltd	2,712	8,541
Cosco Petroleum Pte Ltd		403
Cosco Shanghai Ship Management Co., Ltd		7,483
Cosco Shipping Co., Ltd		210
Dalian Ocean Shipping Company		204
Guangzhou Ocean Shipping Company		6,502
Lianyungang Ocean Shipping Company		1,750
Nantong Chimbusco Marine Bunker		3,592
Nantong Cosco Khi Ship Engineering Co., Ltd		529
Nantong Cosco Ship Equipment Company		5,903
Nantong Yuantong Container Warehouse and Transportation Co., Ltd		232
Qingdao Manning Co-operation Ltd		2,572
Qingdao Ocean Shipping Company		538
Shanghai Ocean Crew Co., Ltd		4,685
Shanghai Ocean Industrial Corporation		2,160
Shanghai Pan-Asia Shipping Company		542
Shenzhen Ocean Shipping Company		440
Tosco Keymax International Ship Management Co., Ltd		194
Total	2,712	1,013,792

	As at 31/12/2011	As at 31/12/2010
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	409,222	85,045
- Short-term bank deposits	765,759	388,500
	1,174,981	473,545

18. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in COSCO Corporation (Singapore) Limited (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mr Wu Zi Heng
Vice Chairman and President
23/2/2012

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 year ended 31 December 2011 financial results to be false or misleading.

On behalf of the directors

Mr Wu Zi Heng
Vice Chairman and President

Mr Tom Yee Lat Shing
Director

23/2/2012