



Unaudited Second Quarter Financial Statement Announcement for the Financial Period Ended 30 June 2012

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 2012	Q2 2011		1H 2012	1H 2011	
Turnover	975,338	996,047	(2)	1,954,061	2,006,719	(3)
Cost of sales	(857,928)	(920,900)	(7)	(1,737,845)	(1,819,530)	(4)
Gross profit	117,410	75,147	56	216,216	187,189	16
Other income (net) [1]	33,983	61,422	(45)	78,307	91,749	(15)
Expenses						
- Distribution	(18,952)	(13,075)	45	(34,102)	(26,451)	29
- Administrative	(39,690)	(38,710)	3	(82,562)	(83,781)	(1)
- Finance	(26,051)	(9,075)	187	(47,816)	(17,206)	178
Share of profit of associated companies [2]	159	151	5	352	245	44
Profit before income tax [3]	66,859	75,860	(12)	130,395	151,745	(14)
Income tax expense [4]	(18,319)	(25,049)	(27)	(35,427)	(42,515)	(17)
Net profit	48,540	50,811	(4)	94,968	109,230	(13)
Attributable to:						
Equity holders of the Company	27,612	31,863	(13)	55,439	68,950	(20)
Non-controlling interests	20,928	18,948	10	39,529	40,280	(2)
Net profit	48,540	50,811	(4)	94,968	109,230	(13)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)						
- basic	1.23	1.42	(13)	2.48	3.08	(19)
- diluted	1.23	1.42	(13)	2.48	3.08	(19)

(ii) Consolidated Statement of Comprehensive Income

	Group					
	S\$'000		%	S\$'000		%
	Q2 2012	Q2 2011	Change	1H 2012	1H 2011	Change
Net Profit	48,540	50,811	(4)	94,968	109,230	(13)
Other comprehensive income/(loss):						
Financial assets, available-for-sale						
- Net fair value (loss)/gain	(14)	(11)	27	5	(8)	NM
Reclassification of currency translation reserves on disposal of subsidiaries	-	233	NM	-	233	NM
Currency translation differences arising from consolidation	(4,415)	(24,643)	(82)	(60,682)	(42,226)	44
Total comprehensive income for the period	44,111	26,390	67	34,291	67,229	(49)
Total comprehensive income attributable to:						
Equity holders of the Company	25,340	15,189	67	18,267	40,224	(55)
Non-controlling interests	18,771	11,201	68	16,024	27,005	(41)
	44,111	26,390	67	34,291	67,229	(49)

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

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

	Q2 2012	Q2 2011	Change	1H 2012	1H 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of scrap materials	19,986	29,075	(31)	36,320	49,495	(27)
Net gain on disposal of subsidiaries	-	9,261	NM	-	9,261	NM
Net gain on disposal of property, plant and equipment	44	80	(45)	-	200	NM
Rental income	789	954	(17)	1,860	1,685	10
Dividend income	400	-	NM	400	-	NM
Interest income	12,888	4,881	164	22,598	9,896	128
Currency exchange (loss)/gain - net	(1,441)	13,912	NM	13,847	11,912	16
Net fair value gain on forward currency contracts	-	2,301	NM	-	5,240	NM
Government grants	501	105	377	1,821	219	732
Sundry income	816	853	(4)	1,461	3,841	(62)
	33,983	61,422	(45)	78,307	91,749	(15)

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 2012	Q2 2011	Change	1H 2012	1H 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on borrowings	(26,051)	(9,075)	187	(47,816)	(17,206)	178
Depreciation and amortisation	(44,812)	(40,876)	10	(89,572)	(82,073)	9
Net reversal of impairment of trade and other receivables	2,602	1,001	160	1,001	1,152	(13)
Net reversal of inventory write-down	950	325	192	2,162	184	NM
Write-off for property, plant and equipment	(45)	(58)	(22)	(81)	(61)	33
Net reversal of/(allowance for) expected losses recognised on construction contracts	15,856	(7,914)	NM	2,054	(28,262)	NM

[4] Income tax expense attributable to profit is made up of:

	Q2 2012	Q2 2011	Change	1H 2012	1H 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
- Current income tax expense attributable to profit from current financial period	15,491	13,164	18	32,599	30,630	6
- Current financial period deferred tax charges due to change in tax rate on deferred tax benefit	23,548	47,702	(51)	23,548	47,702	(51)
- Adjustment for (over)/under provision of tax in respect of prior years:						
Current Income tax	(39,858)	(35,817)	11	(39,858)	(35,817)	11
Deferred tax	19,138	-	NM	19,138	-	NM
	18,319	25,049	(27)	35,427	42,515	(17)

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
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
Current assets				
Cash and cash equivalents	1,367,735	1,585,268	90,549	125,851
Forward currency contracts	-	4,728	-	-
Trade and other receivables	2,468,431	2,010,450	17,331	4,476
Inventories	455,592	491,484	-	-
Construction contract work-in-progress	136,704	148,098	-	-
Other current assets	13,976	6,935	108	192
	4,442,438	4,246,963	107,988	130,519
Non-current assets				
Trade and other receivables	52,564	63,867	-	-
Financial assets, available-for-sale	4,267	4,407	-	-
Club memberships	387	390	172	172

Investments in associated companies	4,182	4,102	-	-
Investments in subsidiaries	-	-	369,666	369,666
Investment properties	13,984	14,405	-	-
Property, plant and equipment	2,296,163	2,412,126	857	924
Intangible assets	9,492	9,526	-	-
Deferred expenditure	3,095	3,211	-	-
Deferred income tax assets	226,254	241,513	-	-
	2,610,388	2,753,547	370,695	370,762
Total assets	7,052,826	7,000,510	478,683	501,281
Current liabilities				
Forward currency contracts	-	4,728	-	-
Trade and other payables	2,578,064	2,697,294	17,805	18,236
Current income tax liabilities	26,907	66,460	880	372
Borrowings	1,280,197	1,668,322	-	-
Provision for other liabilities	58,920	59,430	-	-
	3,944,088	4,496,234	18,685	18,608
Non-current liabilities				
Borrowings	1,135,299	498,090	-	-
Deferred income tax liabilities	6,250	5,712	6,120	5,582
	1,141,549	503,802	6,120	5,582
Total liabilities	5,085,637	5,000,036	24,805	24,190
Net assets	1,967,189	2,000,474	453,878	477,091
Equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	163,543	181,320	45,105	45,105
Retained earnings	818,172	849,305	138,165	161,378
Shareholders' equity	1,252,323	1,301,233	453,878	477,091
Non-controlling interests	714,866	699,241	-	-
Total equity	1,967,189	2,000,474	453,878	477,091

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

Amount repayable in one year or less, or on demand

As at 30/06/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
348,883,000	931,314,000	231,026,000	1,437,296,000

Amount repayable after one year

As at 30/06/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
152,463,000	982,836,000	99,202,000	398,888,000

Details of any collateral

The collaterals for secured borrowings comprise the Group's cash and trade receivables with net book value totalling \$501,618,000 (2011: \$357,696,000 include vessels).

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 2012	Q2 2011
<u>Cash flows from operating activities</u>		
Net profit	48,540	50,811
Adjustments for:		
Income tax expense	18,319	25,049
Depreciation and amortisation	44,812	40,876
Net reversal of impairment of trade and other receivables	(2,602)	(1,001)
Net reversal of inventory write-down	(950)	(325)
Net gain on disposal of subsidiaries	-	(9,261)
Net gain on disposal of property, plant and equipment	(44)	(80)
Net (reversal of)/allowance for expected losses recognised on construction contracts	(15,856)	7,914
Write-off for property, plant and equipment	45	58
Net fair value gain on forward currency contracts	-	(2,301)
Share of profit of associated companies	(159)	(151)
Dividend income	(400)	-
Finance expense	26,051	9,075
Interest income	(12,888)	(4,881)
	104,868	115,783
Changes in working capital:		
Inventories and construction contract work-in-progress	77,162	42,227
Trade and other receivables	(203,499)	(183,355)
Trade and other payables	(81,896)	228,885
Other current assets	(4,132)	2,908
Deferred expenditure	10	23
Provision for other liabilities	4,948	451
Exchange differences	2,467	6,754
Cash (used in)/generated from operations	(100,072)	213,676
Income tax paid	(21,599)	(45,255)
Net cash (used in)/provided by operating activities	(121,671)	168,421
<u>Cash flows from investing activities</u>		
Disposal of subsidiaries, net of cash disposed of	-	(3,957)
Purchase of property, plant and equipment	(35,573)	(46,950)
Proceeds from disposal of property, plant and equipment	(831)	87
Dividend received	400	-
Interest received	11,765	6,901
Net cash used in investing activities	(24,239)	(43,919)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	440,271	536,163
Repayments of borrowings	(807,304)	(346,930)
Repayments of finance lease liabilities	-	(1)
(Increase)/decrease in bank deposits pledged	(7,865)	699
Interest paid	(22,890)	(9,732)
Dividends paid to shareholders of the Company	(67,177)	(89,570)
Dividends paid to non-controlling interests of subsidiaries	-	(1,152)
Net cash (used in)/provided by financing activities	(464,965)	89,477
Net (decrease)/increase in cash and cash equivalents	(610,875)	213,979
Cash and cash equivalents at beginning of financial period	1,967,295	829,332
Effects of currency translation on cash and cash equivalents	(7,063)	(13,694)
Cash and cash equivalents at end of financial period	1,349,357	1,029,617

Cash and cash equivalents represented by:		
Cash at bank and on hand	397,226	567,617
Short-term bank deposits	970,509	465,164
Less: Bank deposits pledged	(18,378)	(3,164)
	1,349,357	1,029,617

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 April 2012	270,608	145,652	877,900	696,494	1,990,654
Total comprehensive income for the period	-	(2,272)	27,612	18,771	44,111
Dividend declared by subsidiaries to non-controlling interests of subsidiaries	-	-	-	(399)	(399)
Dividend for 2011	-	-	(67,177)	-	(67,177)
Transfer from asset revaluation reserve to retained earnings	-	(804)	804	-	-
Transfer from retained earnings to statutory reserves	-	20,967	(20,967)	-	-
At 30 June 2012	270,608	163,543	818,172	714,866	1,967,189
At 1 April 2011	270,608	101,476	851,568	611,496	1,835,148
Total comprehensive income for the period	-	(16,674)	31,863	11,201	26,390
Disposal of subsidiaries	-	-	-	(1,093)	(1,093)
Dividend declared by subsidiaries to non-controlling interests of subsidiaries	-	-	-	(4,109)	(4,109)
Dividend for 2010	-	-	(89,570)	-	(89,570)
Transfer from asset revaluation reserve to retained earnings	-	(804)	804	-	-
Transfer from retained earnings to statutory reserves	-	14,639	(14,639)	-	-
At 30 June 2011	270,608	98,637	780,026	617,495	1,766,766
The Company					
At 1 April 2012	270,608	45,105	155,839	-	471,552
Total comprehensive income for the period	-	-	49,503	-	49,503
Dividend for 2011	-	-	(67,177)	-	(67,177)
At 30 June 2012	270,608	45,105	138,165	-	453,878
At 1 April 2011	270,608	45,105	154,031	-	469,744
Total comprehensive income for the period	-	-	95,055	-	95,055
Dividend for 2010	-	-	(89,570)	-	(89,570)
At 30 June 2011	270,608	45,105	159,516	-	475,229

- 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 2012, 500,000 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 2012 were 26,210,000 (30 June 2011: 28,810,000).

- 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 2012, share capital of the Company comprised 2,239,244,954 ordinary shares (31 December 2011: 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 statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2011.

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 2012, the Group and the Company adopted the following revised Financial Reporting Standards (“FRS”) which are effective for annual periods beginning on or after 1 July 2011.

The following are the revised FRS that are relevant to the Group:

- (i) Amendments to FRS 107 Disclosures – *Transfers of Financial Assets*
- (ii) Amendments to FRS 1 *Presentation of Financial Statements*

The adoption of the revised FRS does not have a significant impact on the financial statements of the Group.

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 2012	Q2 2011	1H 2012	1H 2011
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	1.23	1.42	2.48	3.08
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)	1.23	1.42	2.48	3.08
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,517	2,239,245	2,239,524

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 period.

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

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

	Group		Company	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
Net asset value per ordinary share (cents)	55.93	58.11	20.27	21.31

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2011: 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 \$27.6 million on turnover of \$975.3 million in Q2 2012 against the backdrop of a difficult business climate during the quarter. For 1H 2012, Group net profit attributable to equity holders amounted to \$55.4 million on turnover of \$2.0 billion.

Turnover

Group turnover inched down 2.1% to \$975.3 million in Q2 2012 from \$996.0 million in Q2 2011 due to a decline in shipyard revenue.

Turnover from shipyard operations decreased marginally by 2.2% to \$960.8 million in Q2 2012 from \$981.8 million in Q2 2011 mainly due to lower revenue contribution from ship building segment which more than offset the growth in revenue from ship repair and marine engineering segments. The Group delivered 8 bulk carriers in Q2 2012. Of these, COSCO Zhoushan shipyard delivered 4 bulk carriers, COSCO Guangdong shipyard delivered 3 bulk carriers and COSCO Dalian shipyard delivered 1 bulk carrier.

Turnover from dry bulk shipping and other businesses increased marginally by 2.8% from \$14.2 million in Q2 2011 to \$14.6 million in Q2 2012 due to contribution from other businesses which more than offset the decline in dry bulk shipping revenue. Current short-term rates were significantly lower than the more favorable charter rates received in Q2 2011. The Baltic Dry Index (BDI), which is a measure of shipping costs for commodities, started Q2 2012 at 934 points and ended the quarter slightly higher at 1,004 points. In Q2 2012, the BDI averaged 1,023 points which is a 25.8% decrease from the average of Q2 2011 of 1,379 points.

Shipyard business remained the biggest revenue contributor, forming 98.5% of Group turnover in Q2 2012.

Profitability

Gross profit increased 56.2% from \$75.1 million in Q2 2011 to \$117.4 million in Q2 2012 mainly due to higher profit contributions from ship repair & conversion and marine engineering projects.

Other income comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others. Compared to Q2 2011, other income decreased by 44.7% to \$34.0 million in Q2 2012 mainly due to lower sale value of scrap materials and a one-off net gain on disposal of subsidiaries in Q2 2011.

Distribution costs rose by 44.9% to \$19.0 million mainly due to additional marketing and promotional activities.

Interest expense increased by 187.1% to \$26.1 million in Q2 2012 due to higher bank borrowings to fund shipyard operations.

The decrease in income tax expense by 26.9% to \$18.3 million was mainly due to lower tax rate for shipyard operations and a lower deferred tax benefit adjustment. Under the recently approved local tax incentive scheme granted to some of the subsidiaries of COSCO Shipyard Group. Ltd ("CSG"), the concessionary tax rate was reduced from 25% to 15%.

Overall, net profit attributable to equity holders of the Company decreased 13.3% from \$31.9 million in Q2 2011 to \$27.6 million in Q2 2012 mainly due to lower profit contributions from dry bulk shipping operations.

Compared to 1H 2011, net profit attributable to equity holders of the Company decreased 19.6% from \$68.9 million to \$55.4 million in 1H 2012.

Balance Sheet and Cash Flow

(30 June 2012 vs 31 December 2011)

Cash and cash equivalents decreased from \$1.6 billion to \$1.4 billion mainly due to payment of dividends and payment of trade and other payables. Please refer to note 1(c) Cash Flow Statement for more details.

Trade and other receivables increased \$458.0 million to \$2.5 billion mainly due to increase in construction contracts in the marine engineering segment. Advances paid to suppliers increased marginally from \$804.8 million to \$815.7 million.

Property, plant & equipment decreased by \$116.0 million to \$2.3 billion mainly due to depreciation.

Trade and other payables decreased marginally by \$119.2 million to \$2.6 billion. Advances received from customers increased from \$465.3 million to \$514.9 million.

Total borrowings increased by \$249.0 million to \$2.4 billion due to additional funding procured to finance shipyard operations.

Shareholder's equity decreased \$48.9 million mainly due to payment of dividends in May 2012.

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 30 June 2012, the Group's order book stood at US\$5.9 billion with progressive deliveries up to 2014. This order book is subject to revision from any new orders, cancellations or rescheduling of orders that may arise.

New orders received in 1st half 2012 amounting to US\$1.0 billion include 1 wind turbine installation vessel, 1 tender rig, 1 semi-submersible accommodation vessel, 2 pipelay heavylift offshore construction vessels, 2 tender barges, 3 bulk carriers and 4 platform supply vessels.

The Group successfully delivered 20 dry bulk carriers in the first half of 2012. Of these, COSCO Zhoushan shipyard delivered 9 bulk carriers, COSCO Guangdong shipyard delivered 6 bulk carriers and COSCO Dalian shipyard delivered 5 bulk carriers. In addition, COSCO Nantong shipyard delivered 2 offshore marine engineering vessels - the Sevan Brasil, a cylindrical drilling unit, and a shuttle tanker.

As the Group continues construction in 2012 on new ship building contracts that were secured in 2010 at low contract values due to the slumping bulk carrier shipping market then, 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. Offshore marine projects in its order book as at 30 June 2012 include 1 deep-water drillship, 1 semi-submersible barge, 1 semi-submersible accommodation vessel, 2 wind turbine installation vessels, 2 semi submersibles, 2 jack-up rigs, 2 pipelay vessels, 2 Sevan 650 drilling units, 2 tender barge, 4 tender rigs and 4 platform supply vessels. However, as a relatively new entrant, the Group expects to incur higher costs during the execution of 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 BDI started the year 2012 at 1,624 points and ended the first half at 1,004 points after reaching a 25-year low of 647 points on 6 February 2012. In the first half of 2012, the BDI averaged 942 points, which is a 31.3% decrease from the average of the corresponding period in 2011 of 1,371 points. Any rebound in BDI is likely to be subdued as expansion in the global bulk carrier fleet continues to outpace demand.

The Group maintains a cautious outlook for 2012 as the state of global economy remains fragile with ongoing concerns over the economic situation in Europe, continuing geopolitical uncertainties and weakening global economic growth. With excess capacity in the shipping industry and the uncertain global economic conditions, shipowners may be reluctant to place new orders for vessels and the Group may experience a decline in new orders in ship building. Overall, the Group expects business and operating conditions for the rest of 2012 to remain difficult and challenging.

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/recommendeded, a statement to that effect.

No interim dividend has been declared/recommended by the Directors in Q2 2012.

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 2012	1H 2012	Q2 2012	1H 2012
<u>Between Subsidiaries and:</u>				
Chimbusco Dalian Branch			4,119	9,988
Chimbusco Guangzhou Branch			1,840	3,321
Chimbusco Lianyungang Branch			461	953
Chimbusco Shanghai Branch			293	293
Chimbusco Zhoushan Branch			2,574	5,072
Cosco (Cayman) Mercury Co., Ltd			-	154
Cosco (HK) Shipping Co., Ltd			1,785	5,239
Cosco Bulk Carrier Co., Ltd			1,405	2,665
Cosco Container Lines Co., Ltd			6,653	10,542
Cosco Finance Co., Ltd			386,865	887,835
Cosco Logistics (Nantong)			-	156
Nantong COSCO Heavy Industry Co., Ltd	3,743	3,743	144	144
Cosco Nanjing Marine Equipment & Fittings Works			147	147
Cosco Petroleum Pte Ltd			-	1,226
Cosco Shipping Co., Ltd			206	206
Cosco Wallem Ship Management Co., Ltd			-	120
Dalian Ocean Shipping Company			-	596
Dalian Yuan Chang Shipping Co., Ltd			429	429
Nantong Cosco Ship Equipment Company			-	1,266
Qingdao Manning Co-operation Ltd			808	1,629
Qingdao Ocean Shipping Company			823	1,111
Shanghai Ocean Crew Co., Ltd			1,208	2,412
Shanghai Puyuan Shipping Co.,Ltd			109	109
Shenzhen Ocean Shipping Company			-	1,267
Xiamen Mintai Ferry Co., Ltd			250	680
Xiamen Ocean Shipping Company			461	891
Total	3,743	3,743	410,580	938,451

	As at 30/06/2012	As at 31/12/2011
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	34,448	409,222
- Short-term bank deposits	745,906	765,759
	780,354	1,174,981
Loan from a fellow subsidiary, Cosco Finance Co., Ltd	5,176	5,766

BY ORDER OF THE BOARD

Mr Wu Zi Heng
Vice Chairman and President
1/8/2012

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 period ended 30 June 2012 financial results to be false or misleading.

On behalf of the directors

Mr Wu Zi Heng
Vice Chairman and President

Mr Liu Lian An
Director

1/8/2012