



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

Unaudited Third Quarter Financial Statement Announcement for the Financial Period Ended 30 September 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		%	S\$'000		%
	Q3 2012	Q3 2011		Change	YTD 2012	
Turnover	937,002	969,844	(3)	2,891,063	2,976,563	(3)
Cost of sales	(821,892)	(886,043)	(7)	(2,559,737)	(2,705,573)	(5)
Gross profit	115,110	83,801	37	331,326	270,990	22
Other income (net) [1]	31,342	70,094	(55)	109,649	161,843	(32)
Expenses						
- Distribution	(20,691)	(19,886)	4	(54,793)	(46,337)	18
- Administrative	(49,667)	(55,823)	(11)	(132,229)	(139,604)	(5)
- Finance	(25,715)	(13,361)	92	(73,531)	(30,567)	141
Share of profit of associated companies [2]	144	154	(6)	496	399	24
Profit before income tax [3]	50,523	64,979	(22)	180,918	216,724	(17)
Income tax expense [4]	(8,878)	(14,976)	(41)	(44,305)	(57,491)	(23)
Net profit	41,645	50,003	(17)	136,613	159,233	(14)
Attributable to:						
Equity holders of the Company	26,556	32,188	(17)	81,995	101,138	(19)
Non-controlling interests	15,089	17,815	(15)	54,618	58,095	(6)
Net profit	41,645	50,003	(17)	136,613	159,233	(14)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)						
- basic	1.19	1.44	(17)	3.66	4.52	(19)
- diluted	1.19	1.44	(17)	3.66	4.52	(19)

(ii) Consolidated Statement of Comprehensive Income

	Group					
	S\$'000		%	S\$'000		%
	Q3 2012	Q3 2011	Change	YTD 2012	YTD 2011	Change
Net Profit	41,645	50,003	(17)	136,613	159,233	(14)
Other comprehensive income/(loss):						
Financial assets, available-for-sale						
- Net fair value loss	(23)	(43)	(47)	(18)	(51)	(65)
Reclassification of currency translation reserves on disposal of subsidiaries	-	-	NM	-	233	NM
Currency translation differences arising from consolidation	(37,489)	127,006	NM	(98,171)	84,780	NM
Total comprehensive income for the period	4,133	176,966	(98)	38,424	244,195	(84)
Total comprehensive income attributable to:						
Equity holders of the Company	2,807	109,482	(97)	21,074	149,706	(86)
Non-controlling interests	1,326	67,484	(98)	17,350	94,489	(82)
	4,133	176,966	(98)	38,424	244,195	(84)

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

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

	Q3 2012	Q3 2011	Change	YTD 2012	YTD 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of scrap materials	12,667	22,048	(43)	48,987	71,543	(32)
Net gain on disposal of subsidiaries	-	-	NM	-	9,261	NM
Net gain on disposal of property, plant and equipment	89	2	NM	89	202	(56)
Rental income	535	782	(32)	2,395	2,467	(3)
Dividend income	9	-	NM	409	-	NM
Interest income	8,000	6,977	15	30,598	16,873	81
Currency exchange gain – net	144	19,534	(99)	13,991	31,446	(56)
Net fair value gain on forward currency contracts	-	498	NM	-	5,738	NM
Compensation received from customers	608	15,249	(96)	608	15,537	(96)
Government grants	6,548	4,951	32	8,369	5,170	62
Sundry income	2,742	53	NM	4,203	3,606	17
	31,342	70,094	(55)	109,649	161,843	(32)

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:

	Q3 2012	Q3 2011	Change	YTD 2012	YTD 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on borrowings	(25,715)	(13,361)	92	(73,531)	(30,567)	141
Depreciation and amortisation	(44,636)	(39,767)	12	(134,208)	(121,863)	10
Net (allowance for)/reversal of trade and other receivables	(3,678)	504	NM	(2,677)	1,656	NM
Net (allowance for)/reversal of inventory write-down	(790)	(14,592)	(95)	1,372	(14,408)	NM
Write-off for property, plant and equipment	(22)	(1)	NM	(103)	(62)	66
Net reversal of/(allowance for) expected losses recognised on construction contracts	8,884	(47,390)	NM	10,938	(75,652)	NM

[4] Income tax expense includes the crediting/(charging) of the following:

	Q3 2012	Q3 2011	Change	YTD 2012	YTD 2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Adjustment for (under)/over provision of tax in respect of prior years:						
Income tax	(33)	(219)	(85)	39,825	35,598	12
Deferred tax	(267)	-	NM	(19,405)	-	NM

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
	30/09/2012	31/12/2011	30/09/2012	31/12/2011
Current assets				
Cash and cash equivalents	1,548,327	1,585,268	86,369	125,851
Forward currency contracts	-	4,728	-	-
Trade and other receivables	2,694,932	2,010,450	16,834	4,476
Inventories	407,197	491,484	-	-
Construction contract work-in-progress	115,634	148,098	-	-
Income tax receivables	20,692	-	-	-
Other current assets	11,464	6,935	338	192
	4,798,246	4,246,963	103,541	130,519
Non-current assets				
Trade and other receivables	53,064	63,867	-	-
Financial assets, available-for-sale	4,156	4,407	-	-
Club memberships	383	390	172	172
Investments in associated companies	4,245	4,102	-	-

Investments in subsidiaries	-	-	369,666	369,666
Investment properties	13,768	14,405	-	-
Property, plant and equipment	2,237,274	2,412,126	827	924
Intangible assets	9,473	9,526	-	-
Deferred expenditure	3,033	3,211	-	-
Deferred income tax assets	178,177	241,513	-	-
	2,503,573	2,753,547	370,665	370,762
Total assets	7,301,819	7,000,510	474,206	501,281
Current liabilities				
Forward currency contracts	-	4,728	-	-
Trade and other payables	2,440,698	2,697,294	17,360	18,236
Current income tax liabilities	1,549	66,460	957	372
Borrowings	1,457,201	1,668,322	-	-
Provision for other liabilities	56,735	59,430	-	-
	3,956,183	4,496,234	18,317	18,608
Non-current liabilities				
Borrowings	1,367,606	498,090	-	-
Deferred income tax liabilities	6,708	5,712	6,578	5,582
	1,374,314	503,802	6,578	5,582
Total liabilities	5,330,497	5,000,036	24,895	24,190
Net assets	1,971,322	2,000,474	449,311	477,091
Equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	138,891	181,320	45,105	45,105
Retained earnings	845,631	849,305	133,598	161,378
Shareholders' equity	1,255,130	1,301,233	449,311	477,091
Non-controlling interests	716,192	699,241	-	-
Total equity	1,971,322	2,000,474	449,311	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 30/09/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
434,719,000	1,022,482,000	231,026,000	1,437,296,000

Amount repayable after one year

As at 30/09/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
529,964,000	837,642,000	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 \$964,950,000 (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	
	Q3 2012	Q3 2011
<u>Cash flows from operating activities</u>		
Net profit	41,645	50,003
Adjustments for:		
Income tax expense	8,878	14,976
Depreciation and amortisation	44,636	39,767
Net allowance for/(reversal of) trade and other receivables	3,678	(504)
Net allowance for inventory write-down	790	14,592
Net gain on disposal of property, plant and equipment	(89)	(2)
Net (reversal of)/allowance for expected losses recognised on construction contracts	(8,884)	47,390
Write-off for property, plant and equipment	22	1
Net fair value gain on forward currency contracts	-	(498)
Share of profit of associated companies	(144)	(154)
Dividend income	(9)	-
Finance expense	25,715	13,361
Interest income	(8,000)	(6,977)
	108,238	171,955
Changes in working capital:		
Inventories and construction contract work-in-progress	68,677	(68,750)
Trade and other receivables	(230,852)	128,183
Trade and other payables	(126,730)	(295,129)
Other current assets	2,513	(285)
Deferred expenditure	41	-
Provision for other liabilities	(2,185)	9,826
Exchange differences	(3,826)	(13,759)
Cash used in operations	(184,124)	(67,959)
Income tax paid	(9,475)	(16,005)
Net cash used in operating activities	(193,599)	(83,964)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(30,293)	(60,443)
Proceeds from disposal of property, plant and equipment	1,032	250
Dividend received	126	-
Interest received	7,994	6,083
Net cash used in investing activities	(21,141)	(54,110)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	715,781	691,599
Repayments of borrowings	(266,377)	(266,703)
Decrease/(increase) in bank deposits pledged	961	(310)
Interest paid	(26,967)	(11,368)
Dividends paid to non-controlling interests of subsidiaries	(402)	(3,686)
Net cash provided by financing activities	422,996	409,532
Net increase in cash and cash equivalents	208,256	271,458
Cash and cash equivalents at beginning of financial period	1,349,357	1,029,617
Effects of currency translation on cash and cash equivalents	(26,703)	53,352
Cash and cash equivalents at end of financial period	1,530,910	1,354,427

Cash and cash equivalents represented by:		
Cash at bank and on hand	747,843	642,013
Short-term bank deposits	800,484	715,888
Less: Bank deposits pledged	(17,417)	(3,474)
	1,530,910	1,354,427

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 July 2012	270,608	163,543	818,172	714,866	1,967,189
Total comprehensive income for the period	-	(23,749)	26,556	1,326	4,133
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
Transfer from retained earnings to statutory reserves	-	(98)	98	-	-
At 30 September 2012	270,608	138,891	845,631	716,192	1,971,322
At 1 July 2011					
Total comprehensive income for the period	-	77,294	32,188	67,484	176,966
Transfer from asset revaluation reserve to retained earnings	-	(806)	806	-	-
Transfer from retained earnings to statutory reserves	-	147	(147)	-	-
At 30 September 2011	270,608	175,272	812,873	684,979	1,943,732
The Company					
At 1 July 2012	270,608	45,105	138,165	-	453,878
Total comprehensive income for the period	-	-	(4,567)	-	(4,567)
At 30 September 2012	270,608	45,105	133,598	-	449,311
At 1 July 2011					
Total comprehensive income for the period	-	-	2,458	-	2,458
Dividend for 2010	-	-	-	-	-
At 30 September 2011	270,608	45,105	161,974	-	477,687

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 2012, 3,160,000 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 2012 were 23,050,000 (30 September 2011: 28,510,000)

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 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			
	Q3 2012	Q3 2011	YTD 2012	YTD 2011
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	1.19	1.44	3.66	4.52
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)	1.19	1.44	3.66	4.52
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,299	2,239,245	2,239,468

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. For Q3 2012 and YTD 2012, 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	
	30/092012	31/12/2011	30/092012	31/12/2011
Net asset value per ordinary share (cents)	56.05	58.11	20.07	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 \$26.6 million on turnover of \$937.0 million in Q3 2012. For the nine months ended 30 September 2012, Group net profit attributable to equity holders amounted to \$82.0 million on turnover of \$2.9 billion.

Turnover

Group turnover inched down 3.4% to \$937.0 million in Q3 2012 from \$969.8 million in Q3 2011 due to a decrease in shipyard and dry bulk shipping revenue.

Turnover from shipyard operations decreased marginally by 3.3% to \$923.5 million in Q3 2012 from \$954.7 million in Q3 2011 mainly due to lower revenue contribution from ship building & ship repair segments which more than offset the growth in revenue from marine engineering segment. The Group delivered 10 bulk carriers in Q3 2012. Of these, COSCO Zhoushan and COSCO Dalian shipyard delivered 4 bulk carriers each while COSCO Guangdong shipyard delivered 2 bulk carriers. In addition, COSCO Nantong shipyard delivered one deep water semi-submersible drilling rig.

Turnover from dry bulk shipping and other businesses decreased by 11.2% from \$15.2 million in Q3 2011 to \$13.5 million in Q3 2012 as the current short-term rates were significantly lower than the more favorable charter rates received in Q3 2011. The Baltic Dry Index (BDI), which is a measure of shipping costs for commodities, started Q3 2012 at 660 points and ended the quarter slightly higher at 766 points. In Q3 2012, the BDI averaged 845 points which was 44.9% lower from the average of 1,533 points in Q3 2011.

Shipyard business remained the biggest revenue contributor, forming 98.6% of Group turnover in Q3 2012.

Profitability

Gross profit increased 37.4% from \$83.8 million in Q3 2011 to \$115.1 million in Q3 2012 mainly due to higher profit contributions from marine engineering projects.

Other income comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others. Compared to Q3 2011, other income decreased by 55.3% to \$31.3 million in Q3 2012 mainly due to lower sale value of scrap materials and a one-off compensation received from customers in Q3 FY 2011.

Administration costs decreased by 11.0% to \$49.7 million mainly due to lower allowance for inventory write-down.

Interest expense increased by 92.5% to \$25.7 million in Q3 2012 due to higher bank borrowings to fund shipyard operations.

The decrease in income tax expense by 40.7% to \$8.9 million was mainly due to lower tax rate for shipyard operations. 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 17.5% from \$32.2 million in Q3 2011 to \$26.6 million in Q3 2012 mainly due to lower contributions from other income.

Compared to the first nine months in 2011, net profit attributable to equity holders of the Company decreased 18.9% from \$101.1 million to \$82.0 million in the first nine months in 2012.

Balance Sheet and Cash Flow

(30 September 2012 vs 31 December 2011)

Cash and cash equivalents remained unchanged at \$1.5 billion. Please refer to note 1(c) Cash Flow Statement for more details.

Trade and other receivables increased \$684.5 million to \$2.7 billion mainly due to increase in construction contracts in the marine engineering segment. Advances paid to suppliers increased marginally from \$804.8 million to \$836.1 million.

Property, plant & equipment decreased by \$174.9 million to \$2.2 billion mainly due to depreciation.

Trade and other payables decreased by \$256.6 million to \$2.4 billion mainly due to payment of trade payables and lower advances received from customers which decreased from \$465.3 million to \$372.0 million.

Total borrowings increased by \$658.4 million to \$2.8 billion due to additional funding procured to finance shipyard operations.

Shareholder's equity decreased \$46.1 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 September 2012, the Group's order book stood at US\$5.7 billion with progressive deliveries up to 2014. This order book is subject to revision from any new or cancellation of orders that may arise.

New orders received in first nine months 2012 amounting to US\$1.2 billion include 1 wind turbine installation vessel, 1 jack-up drilling rig, 1 jack-up barge, 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 30 dry bulk carriers in the first nine months of 2012. Of these, COSCO Zhoushan shipyard delivered 13 bulk carriers, COSCO Dalian shipyard delivered 9 bulk carriers and COSCO Guangdong shipyard delivered 8 bulk carriers. In addition, COSCO Nantong shipyard delivered 3 offshore marine engineering vessels - the Sevan Brasil, a cylindrical drilling unit, 1 shuttle tanker and 1 deep water semi-submersible drilling rig.

As the Group continues construction in 2012 on new ship building contracts that were secured in 2010 and 2011 at low contract values due to the slumping bulk carrier shipping market then, the Group expects operating margins on these new shipbuilding projects to continue to be under great 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 September 2012 include 1 deep-water drillship, 1 semi-submersible barge, 1 semi-submersible accommodation vessel, 1 jack-up barge, 1 semi submersible, 2 wind turbine installation vessels, 2 pipelay vessels, 2 Sevan 650 drilling units, 2 tender barge, 3 jack-up rigs, 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 nine months at 766 points after reaching a 25-year low of 647 points on 6 February 2012. In the first nine months of 2012, the BDI averaged 904 points, which is a 36.7% decrease from the average of the corresponding period in 2011 of 1,427 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 the rest of 2012 as the state of global economy remains fragile with persisting concerns over the economic situation in Europe, geopolitical uncertainties and weakening global economic growth. With excess capacity in the shipping industry and the uncertain global economic conditions against the backdrop of warnings from various bodies of a deterioration in global economic growth, including that in Asia, which may lead to a global recession, shipowners may be reluctant to place new orders for vessels and the Group may experience a decline in new orders in ship building and/or face greater downward pressure on operating margins.

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/recommended, a statement to that effect.

No interim dividend has been declared/recommended for Q3 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	
	Q3 2012	YTD 2012	Q3 2012	YTD 2012
<u>Between Subsidiaries and:</u>				
Chimbusco Dalian Branch	-	-	3,219	13,207
Chimbusco Guangzhou Branch	-	-	450	3,771
Chimbusco Lianyungang Branch	-	-	379	1,332
Chimbusco Shanghai Branch	-	-	-	293
Chimbusco Zhoushan Branch	-	-	2,634	7,706
Cosco (Cayman) Mercury Co., Ltd	-	-	-	154
Cosco (HK) Shipping Co., Ltd	-	-	1,153	6,392
Cosco Bulk Carrier Co., Ltd	-	-	647	3,312
Cosco Bulk Carrier Holdings (Cayman) Limited	-	-	982	982
Cosco Container Lines Co., Ltd	-	-	3,756	14,298
Cosco Far-Reaching Shipping Co.,Ltd	-	-	102	102
Cosco Finance Co., Ltd	-	-	129,229	1,017,064
Cosco Logistics (Nantong)	-	-	1,130	1,286
Nantong COSCO Heavy Industry Co., Ltd	-	3,743	436	580
Cosco Nanjing Marine Equipment & Fittings Works	-	-	-	147
Cosco Petroleum Pte Ltd	-	-	312	1,538
Cosco Shipping Co., Ltd	-	-	513	719
Cosco Wallem Ship Management Co., Ltd	-	-	-	120
Dalian Ocean Shipping Company	-	-	-	596
Dalian Yuan Chang Shipping Co., Ltd	-	-	-	429
Nantong Chimbusco Marine Bunker	-	-	929	929
Nantong Cosco Ship Equipment Company	-	-	873	2,139
Qingdao Manning Co-operation Ltd	-	-	806	2,435
Qingdao Ocean Shipping Company	-	-	-	1,111
Shanghai Ocean Crew Co., Ltd	-	-	1,189	3,601
Shanghai Pan-Asia Shipping Company	-	-	409	409
Shanghai Puyuan Shipping Co.,Ltd	-	-	-	109
Shenzhen Ocean Shipping Company	-	-	562	1,829
Xiamen Mintai Ferry Co., Ltd	-	-	-	680
Xiamen Ocean Shipping Company	-	-	426	1,317
Total	-	3,743	150,136	1,088,587

	As at 30/09/2012	As at 31/12/2011
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	507,907	409,222
- Short-term bank deposits	570,172	765,759
	1,078,079	1,174,981
Loan from a fellow subsidiary, Cosco Finance Co., Ltd	14,841	5,766

BY ORDER OF THE BOARD

Mr Wu Zi Heng
Vice Chairman and President
2/11/2012

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 September 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

2/11/2012