



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

Unaudited Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31 December 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
	2012	2011	
Sales	3,734,261	4,162,921	(10)
Cost of sales	(3,249,358)	(3,782,127)	(14)
Gross profit	484,903	380,794	27
Other income (net) [1]	122,567	218,626	(44)
Expenses			
- Distribution	(82,268)	(64,004)	29
- Administrative	(196,175)	(201,861)	(3)
- Finance	(99,986)	(46,713)	114
Share of profit of associated companies [2]	580	717	(19)
Profit before income tax [3]	229,621	287,559	(20)
Income tax expense [4]	(59,842)	(74,195)	(19)
Net profit	169,779	213,364	(20)
Profit attributable to:			
Equity holders of the Company	105,685	139,671	(24)
Non-controlling interests	64,094	73,693	(13)
	169,779	213,364	(20)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)			
- Basic	4.72	6.24	(24)
- Diluted	4.72	6.24	(24)

(ii) Consolidated Statement of Comprehensive Income

	Group		
	S\$'000		%
	2012	2011	Change
Net Profit	169,779	213,364	(20)
Other comprehensive income/(loss):			
Available-for-sale financial assets - Net fair value gain/(loss)	37	(52)	NM
Reclassification of currency translation reserves on disposal of subsidiaries	-	233	(100)
Currency translation differences arising from consolidation	(92,713)	92,314	NM
Total comprehensive income for the year	77,103	305,859	(75)
Total comprehensive income attributable to:			
Equity holders of the Company	47,450	192,186	(75)
Non-controlling interests	29,653	113,673	(74)
	77,103	305,859	(75)

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

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

	2012	2011	Change
	S\$'000	S\$'000	%
Sale of scrap materials	60,636	95,198	(36)
Net gain on disposal of subsidiaries	-	9,261	(100)
Net (loss)/gain on disposal of property, plant and equipment	(661)	105	NM
Rental income	2,924	3,095	(6)
Dividend income	407	2	NM
Interest income	39,413	28,548	38
Currency exchange gain - net	675	50,606	(99)
Compensation received from customers	918	15,981	(94)
Government grants	10,329	5,574	85
Sundry income	7,926	10,256	(23)
	122,567	218,626	(44)

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:

	2012	2011	Change
	S\$'000	S\$'000	%
Interest on borrowings	(99,986)	(46,713)	114
Depreciation and amortisation	(178,980)	(164,088)	9
Net (allowance for)/reversal of impairment of trade and other receivables	(7,814)	1,140	NM
Net allowance for inventory write-down	(2,013)	(18,144)	(89)
Allowance for impairment of property, plant and equipment	(8,131)	-	NM
Allowance for impairment of transferable club memberships	(73)	-	NM
Write-off for property, plant and equipment	(230)	(249)	(8)
Net reversal of/(allowance for) expected losses recognised on construction contracts	28,564	(150,377)	NM

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

	2012	2011	Change
	S\$'000	S\$'000	%
Income tax	39,460	37,139	6
Deferred tax	(12,233)	(10,017)	22

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
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Current assets				
Cash and cash equivalents	1,692,836	1,585,268	83,905	125,851
Forward currency contracts	-	4,728	-	-
Trade and other receivables	2,738,701	2,010,450	16,877	4,476
Inventories	352,183	491,484	-	-
Construction contract work-in-progress	93,009	148,098	-	-
Other current assets	11,865	6,935	191	192
	4,888,594	4,246,963	100,973	130,519
Non-current assets				
Trade and other receivables	44,344	63,867	-	-
Available-for-sale financial assets	4,244	4,407	-	-
Club memberships	310	390	99	172
Investments in associated companies	4,235	4,102	-	-
Investments in subsidiaries	-	-	370,269	369,666
Investment properties	11,730	14,405	-	-

Property, plant and equipment	2,225,689	2,412,126	905	924
Intangible assets	9,477	9,526	-	-
Deferred expenditure	3,020	3,211	-	-
Deferred income tax assets	201,914	241,513	-	-
	2,504,963	2,753,547	371,273	370,762
Total assets	7,393,557	7,000,510	472,246	501,281
Current liabilities				
Forward currency contracts	-	4,728	-	-
Trade and other payables	2,244,367	2,697,294	17,886	18,236
Current income tax liabilities	10,383	66,460	896	372
Borrowings	1,467,910	1,668,322	-	-
Provision for other liabilities	55,719	59,430	-	-
	3,778,379	4,496,234	18,782	18,608
Non-current liabilities				
Borrowings	1,558,541	498,090	-	-
Deferred income tax liabilities	7,432	5,712	7,302	5,582
	1,565,973	503,802	7,302	5,582
Total liabilities	5,344,352	5,000,036	26,084	24,190
Net assets	2,049,205	2,000,474	446,162	477,091
Equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	152,927	181,320	45,105	45,105
Retained earnings	857,971	849,305	130,449	161,378
Shareholders' equity	1,281,506	1,301,233	446,162	477,091
Non-controlling interests	767,699	699,241	-	-
Total equity	2,049,205	2,000,474	446,162	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 31/12/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
378,215,000	1,089,695,000	231,026,000	1,437,296,000

Amount repayable after one year

As at 31/12/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
453,327,000	1,105,214,000	99,202,000	398,888,000

Details of any collateral

The collaterals for secured borrowings comprise the Group's trade receivables with net book value totalling \$1,006,722,000 (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	
	2012	2011
<u>Cash flows from operating activities</u>		
Net profit	169,779	213,364
Adjustments for:		
Income tax expense	59,842	74,195
Depreciation and amortisation	178,980	164,088
Net allowance for/(reversal of) impairment of trade and other receivables	7,814	(1,140)
Net allowance for inventory write-down	2,013	18,144
Allowance for impairment of property, plant and equipment	8,131	-
Allowance for impairment of transferable club memberships	73	-
Net gain on disposal of subsidiaries	-	(9,261)
Net loss/(gain) on disposal of property, plant and equipment	661	(105)
Net (reversal of)/allowance for expected losses recognised on construction contracts	(28,564)	150,377
Write-off for property, plant and equipment	230	249
Share of profit of associated companies	(580)	(717)
Dividend income	(407)	(2)
Interest expense (financing)	99,986	46,713
Interest income (investing)	(39,413)	(28,548)
	458,545	627,357
Changes in working capital:		
Inventories and construction contract work-in-progress	192,377	43,037
Trade and other receivables	(711,138)	(59,307)
Trade and other payables	(430,111)	(572,730)
Other current assets	(4,930)	(2,780)
Provision for other liabilities	(3,711)	14,381
Exchange differences	925	2,361
Cash (used in)/generated from operations	(498,043)	52,319
Income tax paid	(82,123)	(103,978)
Net cash used in operating activities	(580,166)	(51,659)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(122,656)	(257,898)
Proceeds from disposal of property, plant and equipment	8,943	1,638
Purchase of investment properties	-	(3)
Purchase of available-for-sale financial assets	-	(824)
Net cash outflows on disposal of subsidiaries	-	(3,957)
Dividends received	691	119
Interest received	33,816	25,831
Net cash used in investing activities	(79,206)	(235,094)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	2,434,479	2,033,907
Repayments of borrowings	(1,469,975)	(918,576)
Repayments of finance lease liabilities	-	(3)
Proceeds from non-controlling interests for increase in registered capital of a subsidiary	39,200	-
(Increase)/decrease in bank deposits pledged	(16,344)	1,761
Interest paid	(93,504)	(43,683)
Dividends paid to equity holders of the Company	(67,177)	(89,570)
Dividends paid to non-controlling interests of subsidiaries	(893)	(7,116)
Net cash provided by financing activities	825,786	976,720

Net increase in cash and cash equivalents	166,414	689,967
Cash and cash equivalents at beginning of financial year	1,584,048	863,913
Effects of currency translation on cash and cash equivalents	(75,190)	30,168
Cash and cash equivalents at end of financial year	1,675,272	1,584,048
Cash and cash equivalents represented by:		
Cash at bank and on hand	858,707	603,948
Short-term bank deposits	834,129	981,320
Less: Bank deposits pledged	(17,564)	(1,220)
	1,675,272	1,584,048

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 2012	270,608	181,320	849,305	699,241	2,000,474
Total comprehensive income for the year	-	(58,235)	105,685	29,653	77,103
Contribution by non-controlling interests for increase in registered capital of a subsidiary	-	-	-	39,200	39,200
Dividend declared by subsidiaries to non-controlling interests of subsidiaries	-	-	-	(395)	(395)
Dividend for 2011	-	-	(67,177)	-	(67,177)
Transfer from asset revaluation reserve to retained earnings	-	(3,218)	3,218	-	-
Transfer from retained earnings to statutory reserves	-	33,060	(33,060)	-	-
At 31 December 2012	270,608	152,927	857,971	767,699	2,049,205
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

The Company					
At 1 January 2012	270,608	45,105	161,378	-	477,091
Total comprehensive income for the year	-	-	36,248	-	36,248
Dividend for 2011	-	-	(67,177)	-	(67,177)
At 31 December 2012	270,608	45,105	130,449	-	446,162
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

- 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 2012, 8,760,000 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 2012 were 19,550,000 (31 December 2011: 28,310,000).

- 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 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	
	2012	2011
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	4.72	6.24
Weighted average number of ordinary shares ('000)	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	4.72	6.24
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,405

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. For 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	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Net asset value per ordinary share (cents)	57.23	58.11	19.92	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 \$105.7 million on turnover of \$3.7 billion in 2012.

Turnover

Group turnover decreased 10.3% to \$3.7 billion in 2012 from \$4.2 billion in 2011 owing to a decrease in shipyard and dry bulk shipping revenue.

In 2012, turnover from shipyard operations decreased by 10.1% to \$3.7 billion from \$4.1 billion in 2011. This is due to lower revenue contribution from the ship building segment which more than offset the growth in revenue from marine engineering segment.

The Group delivered 32 bulk carriers in 2012. Of these, COSCO Zhoushan shipyard delivered 13 bulk carriers, COSCO Dalian shipyard delivered 9 bulk carriers and COSCO Guangdong shipyard delivered 10 bulk carriers. In addition, COSCO Nantong shipyard delivered 5 offshore marine engineering vessels - the Sevan Brasil, a cylindrical drilling unit, 1 shuttle tanker, 1 wind turbine installation vessel, 1 tender rig and 1 deep water semi-submersible drilling rig. Cosco Zhoushan shipyard delivered 1 semi-submersible barge.

Turnover from dry bulk shipping and other businesses declined by 19.6% from \$66.8 million in 2011 to \$53.7 million in 2012 as the current short-term rates were significantly lower than the more favorable charter rates received in 2011.

The BDI started the year 2012 at 1,624 points and ended the year at 699 points after reaching a 25-year low of 647 points on 3 February 2012. The BDI averaged 920 points, which is a 40.6% decrease from the average of 2011 of 1,549 points.

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

Profitability

Gross profit increased 27.3% from \$380.8 million in 2011 to \$484.9 million in 2012 mainly due to higher profit contributions from shipyard operations.

Other income comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others. Compared to 2011, other income decreased by 43.9% to \$122.6 million in 2012 mainly due to lower sale value of scrap materials and a one-off compensation received from customers in FY 2011.

Distribution costs rose by 28.5% to \$82.3 million mainly due to additional marketing and promotional activities.

Interest expense increased by 114.0% to \$99.9 million in 2012 due to higher bank borrowings deployed to fund shipyard operations.

Net profit attributable to equity holders of the Company decreased 24.3% from \$139.7 million in 2011 to \$105.7 million in 2012.

Balance Sheet and Cash Flow

(31 December 2012 vs 31 December 2011)

Cash and cash equivalents increased from \$1.6 billion to \$1.7 billion. Please refer to note 1(c) Cash Flow Statement for more details.

Trade and other receivables increased \$728.3 million to \$2.7 billion mainly due to increase in construction contracts due from customers in the marine engineering segment. Advances paid to suppliers decreased from \$804.8 million to \$672.8 million.

Property, plant & equipment decreased by \$186.4 million to \$2.2 billion mainly due to depreciation.

Trade and other payables decreased by \$452.9 million to \$2.2 billion mainly due to payment of trade payables and lower advances received from customers which decreased from \$465.3 million to \$387.2 million.

Total borrowings increased by \$860.0 million to \$3.0 billion due to additional funding procured to finance shipyard operations.

Shareholder's equity decreased marginally by \$19.7 million to \$1.3 billion mainly due to the payment of dividends in May 2012, partially offset by FY 2012 profits.

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 2012, the Group's order book stood at US\$6.1 billion with progressive deliveries up to 2015. This order book is subject to revision from any new or cancellation of orders that may arise.

New orders received in 2012 amounting to US\$2.0 billion include 1 FPSO, 1 wind turbine installation vessel, 1 jack-up drilling rig, 1 jack-up barge, 1 tender rig, 1 semi-submersible accommodation vessel, 1 semi-submersible accommodation rig, 2 pipelay heavylift offshore construction vessels, 2 tender barges, 5 bulk carriers and 8 platform supply vessels.

As the Group continues construction in 2013 on new ship building contracts that were secured in 2010 to 2012 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 31 December 2012 include 1 deep-water drillship, 1 FPSO, 1 semi-submersible accommodation rig, 1 semi-submersible accommodation vessel, 1 jack-up barge, 1 semi submersible, 1 wind turbine installation vessels, 2 pipelay vessels, 2 Sevan 650 drilling units, 2 tender barge, 3 jack-up rigs, 3 tender rigs and 8 platform supply vessels. However, for new product types, as a relatively new entrant, the Group expects to incur higher costs during the execution of offshore marine engineering projects on such new product types.

As an early mover in the offshore marine segment among Chinese shipyards and with the experience and expertise gained over the years, the Group is now a leading player among Chinese shipyards in the offshore marine segment. Since 2008, the Group has delivered 15 offshore projects, including 2 Sevan 650 cylindrical deep water drilling units, 1 deep water semi-submersible drilling rig, 1 jack-up rig, 1 tender rig, 1 accommodation and work barge, 4 shuttle tankers, 3 wind turbine installation vessels, 1 semi-submersible barge and 1 FSO. With the benefit of the experience and expertise gained over the years, the Group is now better positioned to understand and meet customers' expectations. The Group will continue in its strive to gather expertise and capabilities to reach out to a broader customer base to lay an even firmer foundation for long-term sustainable growth in offshore and marine engineering operations. This will however have to take place amidst an increasing number of players in the offshore marine engineering segment.

The BDI started the year 2012 at 1,624 points and ended the year at 699 points after reaching a 25-year low of 647 points on 3 February 2012. The BDI averaged 920 points, which is a 40.6% decrease from the average of 2011 of 1,549 points. Any rebound in BDI is likely to be subdued as expansion in the global bulk carrier fleet continues to outpace demand.

With excess capacity in the shipping industry and the uncertain and weak global economic condition, shipowners may be reluctant to place new orders for vessels and the Group may experience a decline in new orders in ship building which may lead to excess shipyard capacity.

The Group maintains a cautious outlook for 2013 as the state of the global economy remains uncertain with the possibility of prolonged economic stagnation in Europe, continuing geopolitical uncertainties and weak recovery in global economic growth. The further depreciation of the United States Dollar against the Chinese Yuan and a potential rise in general Chinese wages, prices of raw materials as well as higher financing costs, and the entry of new players especially in the offshore marine segment, together may exert greater downward pressure on the operating margins of the shipyard operations of the Group.

Overall, the Group expects even more difficult and challenging business and operating conditions in 2013.

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	2.0 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	3.0 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 2012				
Sales:				
- External sales	52,839	3,680,544	878	3,734,261
- Inter-segment sales	-	563	49,433	49,996
	52,839	3,681,107	50,311	3,784,257
Elimination				(49,996)
				3,734,261
Segment results	6,096	332,629	(9,698)	329,027
Finance expense				(99,986)
Share of profit of associated companies				580
Profit before income tax				229,621
Income tax expense				(59,842)
Net profit				169,779
Other segment items				
Capital expenditure				
– property, plant and equipment	976	121,382	298	122,656
Depreciation and amortisation	11,477	166,851	652	178,980
Net allowance for inventory write- down	-	2,013	-	2,013
Net allowance for impairment in trade and other receivables	-	7,814	-	7,814
Net reversal of expected losses recognised on construction contracts	-	(28,564)	-	(28,564)
Allowance for impairment of property, plant and equipment	-	8,131	-	8,131
Segment assets	133,451	6,192,572	23,012	6,349,035
Associated companies				4,235
Short-term bank deposits				834,129
Available-for-sale financial assets				4,244
Deferred income tax assets				201,914
Consolidated total assets				7,393,557
Segment liabilities	14,188	2,282,699	3,199	2,300,086
Borrowings				3,026,451
Current income tax liabilities				10,383
Deferred income tax liabilities				7,432
Consolidated total liabilities				5,344,352
Consolidated net assets				2,049,205

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
Net allowance for inventory write-down	-	18,144	-	18,144
Net reversal of impairment of trade and other receivables	-	(1,140)	-	(1,140)
Net allowance for 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

(b) Geographical segments

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

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

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	
	2012	2011	2012	2011
People's Republic of China Singapore *	3,663,535	4,084,582	2,360,699	2,589,970
	70,726	78,339	144,264	163,577
	3,734,261	4,162,921	2,504,963	2,753,547

* 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

	FY 2012 S\$'000	FY 2011 S\$'000	Change %
(a) Sales reported for first half year	1,954,061	2,006,719	(3)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	94,968	109,230	(13)
(c) Sales reported for second half year	1,780,200	2,156,202	(17)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	74,811	104,134	(28)

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	44,785	67,177
Preference	-	-
Total	44,785	67,177

The Directors proposed a first and final tax-exempt one-tier ordinary dividend of 2 cents per ordinary share (2011: first and final tax-exempt one-tier ordinary dividend of 3 cents per ordinary share) amounting to a total of \$44,785,000 (2011: \$67,177,000), based on current number of shares issued as of 31 December 2012, 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 2013.

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	-	16,473
Chimbusco Guangzhou Branch	-	5,642
Chimbusco Lianyungang Branch	-	1,530
Chimbusco Shanghai Branch	-	478
Chimbusco Zhoushan Branch	-	9,277
Cosco (Cayman) Mercury Co., Ltd	-	254
Cosco (HK) Shipping Co., Ltd	-	6,503
Cosco Bulk Carrier Co., Ltd	-	4,539
Cosco Bulk Carrier Holdings (Cayman) Limited	-	977
Cosco Container Lines Co., Ltd	-	16,320
	-	1,018,53
Cosco Finance Co., Ltd	-	5
Cosco Far-Reaching Shipping Co.,Ltd	-	102
Cosco Holdings (S) Pte Ltd	149	-
Cosco Jiangsu International Freight Co., Ltd	-	1,801
Cosco Logistics (Nantong)	-	3,489
Cosco Nanjing Marine Equipment & Fittings Works	-	145
Cosco Petroleum Pte Ltd	-	2,989
Cosco Shipping Co., Ltd	-	1,392
Cosco Wallem Ship Management Co., Ltd	-	120
Dalian Ocean Shipping Company	-	587
Dalian Yuan Chang Shipping Co., Ltd	-	424
Nantong Chimbusco Marine Bunker	-	2,138
Nantong COSCO Heavy Industry Co., Ltd	3,703	1,624
Nantong Cosco Ship Equipment Company	-	2,871
Qingdao Manning Co-operation Ltd	-	3,202
Qingdao Ocean Shipping Company	-	1,463
Shanghai Ocean Crew Co., Ltd	-	4,789
Shanghai Pan-Asia Shipping Company	-	840
Shanghai Puyuan Shipping Co., Ltd	-	108
Shanghai Puyuan Shipping Co.,Ltd	-	1,984
Tianjin Yuanhua Shipping Co., Ltd	-	407
Tosco Keymax International Ship Management Co., Ltd	-	283
Xiamen Mintai Ferry Co., Ltd	-	673
Xiamen Ocean Shipping Company	-	1,306
Total	3,852	1,113,265

	As at 31/12/2012	As at 31/12/2011
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	187,552	409,222
- Short-term bank deposits	407,625	765,759
	595,177	1,174,981
Loan from a fellow subsidiary, Cosco Finance Co., Ltd	33,712	5,766

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
21/2/2013

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 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

21/2/2013