



中远投资 (新加坡) 有限公司

COSCO CORPORATION (SINGAPORE) LIMITED

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Press Release

1Q 2013 Results: Financial Quarter ended 31 March 2013

	1Q 2013	1Q 2012	Chg
	S\$'000	S\$'000	%
Turnover	732,995	978,723	(25)
Gross Profit	78,619	98,806	(20)
Pre-tax profit	21,359	63,536	(66)
Net profit <i>(attributable to equity holders of the Company)</i>	9,744	27,827	(65)
Diluted EPS <i>(cents)</i>	0.44	1.24	(65)

Highlights:

- Group achieved net profit attributable to equity holders of \$9.7m on turnover of \$733.0m in spite of the challenging operating conditions in Q1 2013.
- Group turnover fell 25.0% on decline in shipyard revenues.
- Turnover from shipyard operations decreased 25.5% to \$719.2m due mainly to lower revenue contributions from ship building projects.
- Turnover from dry bulk shipping and other businesses increased 7.8% to \$13.8m.
- Gross profit fell 20.4% to \$78.6 million in Q1 2013 mainly due to lower profit contributions from dry bulk shipping and shipyard operations.
- Net profit attributable to equity holders of the Company slipped 65% to \$9.7m.
- The Group will continue to enhance capabilities and efficiencies.

SINGAPORE (3 May 2013) – Singapore Exchange (“SGX”) mainboard-listed COSCO Corporation (Singapore) Limited (“COSCO” or the “Company”), a leading ship repair & marine engineering and shipping group, today announced its 1st quarter financial results for the 3 months ended 31 March 2013.

Group turnover fell 25.0% to \$733.0 million in Q1 2013 from \$978.7 million in Q1 2012 owing to a decrease in shipyard revenue. Turnover from shipyard operations decreased 25.5% to \$719.2 million in Q1 2013 from \$965.9 million in Q1 2012 due to lower revenue contribution from the ship repair and ship building segment. The Group successfully delivered 7 bulk carriers in Q1 2013. Turnover from dry bulk shipping and other businesses recovered 7.8% from \$12.8 million in Q1 2012 to \$13.8 million in Q1 2013.

Gross profit decreased 20.4% from \$98.8 million in Q1 2012 to \$78.6 million in Q1 2013 mainly due to lower profit contributions from dry bulk shipping and shipyard operations. Other income which comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others decreased 75.4% to \$10.9 million in Q1 2013 mainly due to lower sale value of scrap materials.

Distribution costs and administration costs decreased 37.6% and 26.3% respectively in line with the decline in revenue. Interest expense increased by 25.3% to \$27.2 million in Q1 2013 due to higher bank borrowings deployed to fund shipyard operations.

Overall, net profit attributable to equity holders of the Company decreased 65.0% from \$27.8 million in Q1 2012 to \$9.7 million in Q1 2013.

As at 31 March 2013, the Group’s order book stood at US\$6.4 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 Q1 2013 amounting to about US\$254.0 million include 1 semi-submersible tender assist drilling rig and 2 platform supply vessels. 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.

In dry bulk shipping, we expect that any rebound in BDI is likely to be subdued as expansion in the global bulk carrier fleet continues to outpace demand.

Captain Wu Zi Heng, Vice Chairman and President of the Company said, “As global economic outlook remains cloudy, our Group expects even more difficult and challenging business and operating conditions in 2013. The Group will continue to focus on enhancing its offerings by gathering expertise and capabilities to reach out to a broader customer base. As a leading player among Chinese shipyards in the offshore marine segment, the Group is well-positioned to meet customers’ expectations.”

About COSCO Corporation (Singapore) Ltd

Listed on the main board of the SGX, COSCO Corporation (Singapore) Ltd (“COSCO”) is a leading ship repair, shipbuilding & marine engineering and dry bulk shipping group. The Group owns 51% of the largest shipyard group in China, COSCO Shipyard Group, and a fleet of 11 dry bulk carriers. COSCO is the listed subsidiary of China Ocean Shipping (Group) Company, the largest shipping group in China.

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