



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

Unaudited Second Quarter Financial Statement Announcement for the Financial Period Ended 30 June 2013

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		%
	Q2 2013	Q2 2012		Change	1H 2013	
Turnover	890,326	975,338	(9)	1,623,321	1,954,061	(17)
Cost of sales	(794,536)	(857,928)	(7)	(1,448,912)	(1,737,845)	(17)
Gross profit	95,790	117,410	(18)	174,409	216,216	(19)
Other income (net) [1]	15,980	33,983	(53)	26,890	78,307	(66)
Expenses						
- Distribution	(19,274)	(18,952)	2	(28,732)	(34,102)	(16)
- Administrative	(47,688)	(39,690)	20	(79,302)	(82,562)	(4)
- Finance	(28,404)	(26,051)	9	(55,679)	(47,816)	16
Share of profit of associated companies [2]	84	159	(47)	261	352	(26)
Profit before income tax [3]	16,488	66,859	(75)	37,847	130,395	(71)
Income tax credit/(expense) [4]	2,442	(18,319)	NM	(3,375)	(35,427)	(90)
Net profit	18,930	48,540	(61)	34,472	94,968	(64)
Attributable to:						
Equity holders of the Company	12,041	27,612	(56)	21,785	55,439	(61)
Non-controlling interests	6,889	20,928	(67)	12,687	39,529	(68)
Net profit	18,930	48,540	(61)	34,472	94,968	(64)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)						
- basic	0.54	1.23	(56)	0.97	2.48	(61)
- diluted	0.54	1.23	(56)	0.97	2.48	(61)

(ii) Consolidated Statement of Comprehensive Income

	Group					
	S\$'000		%	S\$'000		%
	Q2 2013	Q2 2012	Change	1H 2013	1H 2012	Change
Net Profit	18,930	48,540	(61)	34,472	94,968	(64)
Other comprehensive income/(loss):						
Available-for-sale financial assets - Net fair value (loss)/gain	(51)	(14)	264	(71)	5	NM
Currency translation differences arising from consolidation	65,189	(4,415)	NM	101,121	(60,682)	NM
Total comprehensive income for the period	84,068	44,111	91	135,522	34,291	295
Total comprehensive income attributable to:						
Equity holders of the Company	50,056	25,340	98	81,131	18,267	344
Non-controlling interests	34,012	18,771	81	54,391	16,024	239
	84,068	44,111	91	135,522	34,291	295

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

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

	Q2 2013	Q2 2012	Change	1H 2013	1H 2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sale of scrap materials	13,196	19,986	(34)	20,766	36,320	(43)
Net gain on disposal of property, plant and equipment	365	44	730	382	-	NM
Rental income	434	789	(45)	760	1,860	(59)
Dividend income	-	400	(100)	-	400	(100)
Interest income	8,691	12,888	(33)	15,253	22,598	(33)
Currency exchange (loss)/gain - net	(10,172)	(1,441)	606	(14,486)	13,847	NM
Government grants	815	501	63	1,417	1,821	22
Sundry income	2,651	816	225	2,798	1,461	92
	15,980	33,983	(53)	26,890	78,307	(66)

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 2013	Q2 2012	Change	1H 2013	1H 2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest on borrowings	(28,404)	(26,051)	9	(55,679)	(47,816)	16
Depreciation and amortisation	(45,476)	(44,812)	1	(90,369)	(89,572)	1
Net (allowance for)/reversal of impairment of trade and other receivables	(3,627)	2,602	NM	439	1,001	(56)
Net reversal of/(allowance for) inventory write-down	712	950	(25)	(391)	2,162	(NM)
Write-off for property, plant and equipment	(144)	(45)	220	(147)	(81)	81
Net (allowance for)/reversal of expected losses recognised on construction contracts	(808)	15,856	NM	(789)	2,054	NM

[4] Income tax (credit)/expense attributable to profit is made up of:

	Q2 2013	Q2 2012	Change	1H 2013	1H 2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
- Profit from current financial period						
Current income tax	5,087	5,577	(9)	35,417	67,431	(47)
Deferred income tax	179	33,462	(99)	(24,334)	(11,284)	116
	5,266	39,039	(87)	11,083	56,147	(80)
- (Over)/under provision in prior financial years						
Current income tax	(3,922)	(39,858)	(90)	(3,922)	(39,858)	(90)
Deferred income tax	(3,786)	19,138	NM	(3,786)	19,138	NM
	(7,708)	(20,720)	(63)	(7,708)	(20,720)	(63)
	(2,442)	18,319	NM	3,375	35,427	(90)

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
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Current assets				
Cash and cash equivalents	1,826,179	1,692,836	56,675	83,905
Trade and other receivables	3,481,820	2,738,701	31,491	16,877
Inventories	381,754	352,183	-	-
Construction contract work-in-progress	124,420	93,009	-	-
Other current assets	17,751	11,865	61	191
	5,831,924	4,888,594	88,227	100,973
Non-current assets				
Trade and other receivables	36,168	44,344	-	-
Available-for-sale financial assets	4,374	4,244	-	-
Club memberships	315	310	99	99
Investments in associated companies	4,732	4,235	-	-
Investments in subsidiaries	-	-	370,269	370,269
Investment properties	11,712	11,730	-	-
Property, plant and equipment	2,268,307	2,225,689	837	905
Intangible assets	9,529	9,477	-	-
Deferred expenditure	3,088	3,020	-	-
Deferred income tax assets	241,917	201,914	-	-
	2,580,142	2,504,963	371,205	371,273
Total assets	8,412,066	7,393,557	459,432	472,246
Current liabilities				
Trade and other payables	2,495,420	2,244,367	17,833	17,886
Current income tax liabilities	31,169	10,383	1,620	896
Borrowings	1,272,621	1,467,910	-	-
Provision for other liabilities	56,055	55,719	-	-
	3,855,265	3,778,379	19,453	18,782
Non-current liabilities				
Borrowings	2,409,239	1,558,541	-	-
Deferred income tax liabilities	7,865	7,432	7,735	7,302
	2,417,104	1,565,973	7,735	7,302
Total liabilities	6,272,369	5,344,352	27,188	26,084
Net assets	2,139,697	2,049,205	432,244	446,162
Equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	232,064	152,927	45,105	45,105
Retained earnings	815,180	857,971	116,531	130,449
Shareholders' equity	1,317,852	1,281,506	432,244	446,162
Non-controlling interests	821,845	767,699	-	-
Total equity	2,139,697	2,049,205	432,244	446,162

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

Amount repayable in one year or less, or on demand

As at 30/06/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
252,646,000	1,019,975,000	378,215,000	1,089,695,000

Amount repayable after one year

As at 30/06/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
901,935,000	1,507,304,000	453,327,000	1,105,214,000

Details of any collateral

The collaterals for secured borrowings comprise the Group's trade receivables with net book value totalling \$1,154,581,000 (2012: \$1,006,722,000).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	S\$'000	
	Q2 2013	Q2 2012
<u>Cash flows from operating activities</u>		
Net profit	18,930	48,540
Adjustments for:		
Income tax expense	(2,442)	18,319
Depreciation and amortisation	45,476	44,812
Net allowance for/(reversal of) impairment of trade and other receivables	3,627	(2,602)
Net reversal of inventory write-down	(712)	(950)
Net gain on disposal of property, plant and equipment	(365)	(44)
Net allowance for/(reversal of) expected losses recognised on construction contracts	808	(15,856)
Write-off for property, plant and equipment	144	45
Share of profit of associated companies	(84)	(159)
Dividend income	-	(400)
Interest expense (financing)	28,404	26,051
Interest income (investing)	(8,691)	(12,888)
	85,095	104,868
Changes in working capital:		
Inventories and construction contract work-in-progress	11,269	77,162
Trade and other receivables	(329,175)	(203,499)
Trade and other payables	195,089	(81,896)
Other current assets	(810)	(4,132)
Deferred expenditure	-	10
Provision for other liabilities	696	4,948
Exchange differences	46,809	2,467
Cash generated from/(used in) operations	8,973	(100,072)
Income tax paid	(12,118)	(21,599)
Net cash used in operating activities	(3,145)	(121,671)

Cash flows from investing activities		
Purchase of property, plant and equipment	(13,078)	(36,404)
Proceeds from disposal of property, plant and equipment	457	-
Dividend received	-	400
Interest received	11,658	11,765
Net cash used in investing activities	(963)	(24,239)
Cash flows from financing activities		
Proceeds from borrowings	1,077,365	440,271
Repayments of borrowings	(907,921)	(807,304)
Increase in bank deposits pledged	(249)	(7,865)
Interest paid	(30,066)	(22,890)
Dividends paid to shareholders of the Company	(44,785)	(67,177)
Dividend paid to non-controlling interests of subsidiaries	(203)	-
Net cash provided by/(used in) financing activities	94,141	(464,965)
Net increase/(decrease) in cash and cash equivalents	90,033	(610,875)
Cash and cash equivalents at beginning of financial period	1,673,892	1,967,295
Effects of currency translation on cash and cash equivalents	43,937	(7,063)
Cash and cash equivalents at end of financial period	1,807,862	1,349,357
Cash and cash equivalents represented by:		
Cash at bank and on hand	744,783	397,226
Short-term bank deposits	1,081,396	970,509
Less: Bank deposits pledged	(18,317)	(18,378)
	1,807,862	1,349,357

- 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 2013	270,608	173,453	868,520	788,078	2,100,659
Total comprehensive income for the period	-	38,015	12,041	34,012	84,068
Dividend declared by subsidiaries to non-controlling interests of subsidiaries	-	-	-	(245)	(245)
Dividend for 2012	-	-	(44,785)	-	(44,785)
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
Transfer from retained earnings to statutory reserves	-	21,401	(21,401)	-	-
At 30 June 2013	270,608	232,064	815,180	821,845	2,139,697

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
The Company					
At 1 April 2013	270,608	45,105	129,965	-	445,678
Total comprehensive loss for the period	-	-	31,351	-	31,351
Dividend for 2012	-	-	(44,785)	-	(44,785)
At 30 June 2013	270,608	45,105	116,531	-	432,244
At 1 April 2012	270,608	45,105	155,839	-	471,552
Total comprehensive loss 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

- 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 2013, 880,000 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 2013 were 15,770,000 (30 June 2012: 26,210,000).

- 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 2013, share capital of the Company comprised 2,239,244,954 ordinary shares (31 December 2012: 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 period as compared with the audited financial statements for the financial year ended 31 December 2012.

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 2013, the Group and the Company adopted the Financial Reporting Standard ("FRS") 113 *Fair Value Measurement* which is effective for annual periods beginning on or after 1 January 2013.

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 2013	Q2 2012	1H 2013	1H 2012
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	0.54	1.23	0.97	2.48
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)	0.54	1.23	0.97	2.48
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,245	2,239,245	2,239,245

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. 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 current financial period reported on and the corresponding period of the immediately preceding financial year.

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	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Net asset value per ordinary share (cents)	58.85	57.23	19.30	19.92

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2012: 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 \$12.0 million on turnover of \$890.3 million in Q2 2013. For 1H 2013, Group net profit attributable to equity holders amounted to \$21.8 million on turnover of \$1.6 billion.

Turnover

Group turnover declined by 8.7% to \$890.3 million in Q2 2013 from \$975.3 million in Q2 2012 due to the decline in dry bulk shipping and shipyard revenue.

Turnover from shipyard operations decreased by 8.7% to \$877.2 million in Q2 2013 from \$960.8 million in Q2 2012 mainly due to lower revenue contribution from ship building and ship repair segments which more than offset the growth in revenue from marine engineering segment. The Group delivered 7 bulk carriers in Q2 2013. Of these, COSCO Zhoushan shipyard delivered 4 bulk carriers, COSCO Dalian shipyard delivered 2 bulk carriers and COSCO Guangdong shipyard delivered 1 bulk carrier. In addition, COSCO Nantong shipyard delivered 2 tender rigs.

Turnover from dry bulk shipping and other businesses declined by 10.3% from \$14.6 million in Q2 2012 to \$13.1 million in Q2 2013 as the current short-term rates were lower than the more favorable charter rates received in Q2 2012. The Baltic Dry Index (BDI), which is a measure of shipping costs for commodities, started Q2 2013 at 896 points and ended the quarter slightly higher at 1,171 points. In Q2 2013, the BDI averaged 888 points which is a 13.2% decrease from the average of Q2 2012 of 1,023 points.

Shipyard business remained the biggest revenue contributor, forming 98.5% of Group turnover in Q2 2013.

Profitability

Gross profit decreased 18.4% from \$117.4 million in Q2 2012 to \$95.8 million in Q2 2013 mainly due to lower profit contributions from dry bulk shipping and shipyard operations.

Other income comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others. Compared to Q2 2012, other income decreased by 53.0% to \$16.0 million in Q2 2013 mainly due to lower sale value of scrap materials and an exchange loss of \$10.2 million (Q2 2012: exchange loss of \$1.4 million). The exchange loss of \$10.2 million in Q2 2013 was mainly due to the strengthening of the Chinese Yuan against the United States Dollar.

Administrative costs rose by 20.2% to \$47.7 million mainly due to allowance for impairment of trade and other receivables of \$3.6 million (Q2 2012: net reversal of impairment of trade and other receivables of \$2.6 million).

Interest expense increased by 9.0% to \$28.4 million in Q2 2013 due to higher bank borrowings to fund shipyard operations.

The tax credit of \$2.4 million in Q2 2013 was mainly due to the adjustment for over provision in prior financial years of \$7.7 million. The over provision is due to the approval of local tax incentive scheme granted to certain shipyards such as COSCO Guangdong Shipyard, which resulted in the actual concessionary tax rate to reduce from 25% to 15%.

Overall, net profit attributable to equity holders of the Company decreased 56.4% from \$27.6 million in Q2 2012 to \$12.0 million in Q2 2013 mainly due to lower profit contributions from dry bulk shipping and shipyard operations.

Compared to 1H 2012, net profit attributable to equity holders of the Company decreased 60.7% from \$55.4 million to \$21.8 million in 1H 2013.

Balance Sheet and Cash Flow

(30 June 2013 vs 31 December 2012)

Cash and cash equivalents increased from \$1.7 billion to \$1.8 billion mainly due to higher bank borrowings to fund shipyard operations. Please refer to Note 1(c) Cash Flow Statement for more details.

Trade and other receivables increased \$743.1 million to \$3.5 billion mainly due to higher construction contracts due from customers in the marine engineering segment and an increase in advances paid to suppliers (from \$672.8 million to \$880.3 million).

Trade and other payables increased \$251.0 million to \$2.5 billion mainly due to higher accruals for operating expenses and an increase in advances received from customers (from \$391.7 million to \$478.2 million).

Total borrowings increased by \$655.4 million to \$3.6 billion due to additional funding procured to finance shipyard operations.

Shareholder's equity increased marginally by \$36.3 million mainly due to increase in currency translation reserve and the transfer of 1H 2013 profits to retained earnings and partially offset by the payment of dividends in May 2013.

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 2013, the Group's order book stood at US\$6.7 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 first half 2013 include 1 semi-submersible tender assist drilling rig, 1 LNG vessel, 1 floatover launch barge, 1 floating accommodation unit and 2 platform supply vessels.

The Group successfully delivered 14 bulk carriers in the first half of 2013. Of these, COSCO Zhoushan shipyard delivered 6 bulk carriers, COSCO Dalian shipyard delivered 5 bulk carriers and COSCO Guangdong delivered 3 bulk carriers. In addition, COSCO Nantong shipyard delivered 2 tender rigs.

As the Group continues construction in the rest of 2013 on new ship building contracts that were secured since 2010 at low contract values due to the slumping 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 is currently one of the largest marine engineering groups in the People's Republic of China. Offshore marine projects in its order book cover a wide product range that includes deep-water drillship, FPSO, semi-submersible accommodation rig and vessel, jack-up barge and tender barge, float-over launch barge, wind turbine installation vessel, pipelay vessel, Sevan 650 drilling unit, tender rig and jack-up rig, platform supply vessel and others. 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. With the benefit of such experience and expertise gained over the years, the Group is now better positioned to understand and meet customers' expectations.

Nevertheless, as the Group's offerings move further up the value chain in the offshore marine segment, it will be subject to further technical challenges in the production of higher value products.

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 2013 at 698 points and ended the first half at 1,171 points. The BDI averaged 842 points for first half 2013, which is a 10.6% decrease from the average of the corresponding period in 2012 of 942 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 conditions, 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 rest of 2013 as the state of the global economy remains uncertain with the possibility of a protracted recession in Europe, slowdown of economic growth in

emerging market economies, slowing credit, and persistently subdued global economic growth. Moreover, the availability and cost of credit may tighten further, particularly if there is an unwinding of monetary policy stimulus, and this may adversely affect the ability of customers to meet their financial obligations. Any further strengthening of the Chinese Yuan against the United States Dollar and potential rise in general Chinese wages, prices of raw materials required for production as well as higher financing costs, and the entry of new players especially in the offshore marine segment, together may exert even greater downward pressure on the operating margins of the shipyard operations of the Group.

Overall, the Group continues to expect 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? 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.

Not Applicable.

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 2013	1H 2013	Q2 2013	1H 2013
<u>Between Subsidiaries and:</u>				
Chimbusco Dalian Branch	-	-	2,308	7,151
Chimbusco Guangzhou Branch	-	-	334	714
Chimbusco Zhoushan Branch	-	-	2,727	3,976
Cosco (Cayman) Mercury Co., Ltd	-	-	1,168	1,367
Cosco (HK) Investment & Development Co., Ltd	-	-	170	170
Cosco (HK) Shipping Co., Ltd	-	-	3,181	4,199
Cosco Bulk Carrier Co., Ltd	-	-	2,528	3,697
Cosco Container Lines Co., Ltd	-	-	2,431	4,518
Cosco Far-Reaching Shipping Co.,Ltd	-	-	394	556
Cosco Finance Co., Ltd	-	-	591,442	655,566
Cosco Jiangsu International Freight Co., Ltd	-	-	1,730	2,986
Cosco Logistics (Nantong)	-	-	1,031	1,031
Nantong COSCO Heavy Industry Co., Ltd	-	-	118	118
Cosco Petroleum Pte Ltd	-	-	2,094	4,105
Cosco Shipping Co., Ltd	-	-	7,123	9,030
Cosco Wallem Ship Management Co., Ltd	-	-	618	618
Dalian Ocean Shipping Company	-	-	344	750
Nantong Chimbusco Marine Bunker	-	-	1,445	2,401
Nantong Cosco Ship Equipment Company	-	-	-	480
Qingdao Manning Co-operation Ltd	-	-	802	1,599
Qingdao Ocean Shipping Company	-	-	999	1,253
Shanghai Ocean Crew Co., Ltd	-	-	1,186	2,355
Shanghai Ocean Shipping Company	-	-	-	370
Shenzhen Ocean Shipping Company	-	-	925	925
Xiamen Mintai Ferry Co., Ltd	-	-	-	347
Xiamen Ocean Shipping Company	-	-	-	655
Total	-	-	625,098	710,937

	As at 30/06/2013	As at 31/12/2012
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	162,452	187,552
- Short-term bank deposits	443,917	407,625
	606,369	595,177
Loan from a fellow subsidiary, Cosco Finance Co., Ltd	34,704	33,712

BY ORDER OF THE BOARD

Mr Wu Zi Heng
Vice Chairman and President
1/8/2013

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 period ended 30 June 2013 financial results to be false or misleading.

On behalf of the directors

Mr Wu Zi Heng
Vice Chairman and President

Mr Tom Yee Lat Shing
Director

1/8/2013