



Unaudited Full Year Financial Statement and Dividend Announcement for the Financial Year Ended 31 December 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		Change %
	2013 S\$'000	2012 S\$'000	
Turnover	3,508,134	3,734,261	(6)
Cost of sales	(3,186,946)	(3,249,358)	(2)
Gross profit	321,188	484,903	(34)
Other income (net) [1]	110,138	122,567	(10)
Expenses			
- Distribution	(66,523)	(82,268)	(19)
- Administrative	(193,423)	(196,175)	(1)
- Finance	(110,845)	(99,986)	11
Share of profit of associated companies [2]	407	580	(30)
Profit before income tax [3]	60,942	229,621	(73)
Income tax expense [4]	(8,157)	(59,842)	(86)
Net profit	52,785	169,779	(69)
Profit attributable to:			
Equity holders of the Company	30,615	105,685	(71)
Non-controlling interests	22,170	64,094	(65)
	52,785	169,779	(69)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)			
- Basic	1.37	4.72	(71)
- Diluted	1.37	4.72	(71)

(ii) Consolidated Statement of Comprehensive Income

	Group		
	2013 S\$'000	2012 S\$'000	Change %
Net Profit	52,785	169,779	(69)
Other comprehensive income/(loss):			
Available-for-sale financial assets			
- Net fair value (loss)/gain	(92)	37	NM
Currency translation differences arising from consolidation	118,317	(92,713)	NM
Total comprehensive income for the year	171,010	77,103	122
Total comprehensive income attributable to:			
Equity holders of the Company	99,053	47,450	109
Non-controlling interests	71,957	29,653	143
	171,010	77,103	122

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

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

	2013 S\$'000	2012 S\$'000	Change %
Sale of scrap materials	44,178	60,636	(27)
Net gain/(loss) on disposal of property, plant and equipment	666	(661)	NM
Rental income	2,379	2,924	(19)
Dividend income	503	407	24
Interest income	44,712	39,413	13
Currency exchange (loss)/gain - net	(18,933)	675	NM
Net fair value gain on forward currency contracts	750	-	NM
Compensation received from customers	17,452	918	1,801
Government grants	14,678	10,329	42
Sundry income	3,753	7,926	(53)
	110,138	122,567	(10)

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:

	2013	2012	Change
	S\$'000	S\$'000	%
Interest on borrowings	(110,845)	(99,986)	11
Depreciation and amortisation	(183,611)	(178,980)	3
Net allowance for impairment of trade and other receivables	(5,228)	(7,814)	(33)
Net allowance for inventory write-down	(23,678)	(2,013)	NM
Allowance for impairment of property, plant and equipment	(110)	(8,131)	(99)
Allowance for impairment of transferable club memberships	(11)	(73)	(85)
Write-off for property, plant and equipment	(469)	(230)	104
Provision for onerous contract	(144)	-	NM
Net (allowance for)/reversal of expected losses recognised on construction contracts	(85,717)	28,564	NM

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

	2013 S\$'000	2012 S\$'000	Change %
Income tax	10,004	39,460	(75)
Deferred tax	1,022	(12,233)	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	
	31/12/2013 S\$'000	31/12/2012 S\$'000	31/12/2013 S\$'000	31/12/2012 S\$'000
Current assets				
Cash and cash equivalents	2,028,397	1,692,836	54,408	83,905
Forward currency contracts	770	-	-	-
Trade and other receivables	2,911,828	2,738,701	31,758	16,877
Inventories	1,046,764	352,183	-	-
Construction contract work-in-progress	208,366	93,009	-	-
Other current assets	15,235	11,865	176	191
	6,211,360	4,888,594	86,342	100,973
Non-current assets				
Trade and other receivables	36,874	44,344	-	-
Available-for-sale financial assets	4,391	4,244	-	-
Club memberships	303	310	88	99
Investments in associated companies	4,826	4,235	-	-
Investments in subsidiaries	-	-	370,988	370,269
Investment properties	11,293	11,730	-	-
Property, plant and equipment	2,227,868	2,225,689	768	905

Intangible assets	9,539	9,477	-	-
Deferred expenditure	3,066	3,020	-	-
Deferred income tax assets	225,212	201,914	-	-
	2,523,372	2,504,963	371,844	371,273
Total assets	8,734,732	7,393,557	458,186	472,246
Current liabilities				
Trade and other payables	2,695,911	2,244,367	18,149	17,886
Current income tax liabilities	25,288	10,383	1,531	896
Borrowings	1,926,065	1,467,910	-	-
Provision for other liabilities	55,396	55,719	-	-
	4,702,660	3,778,379	19,680	18,782
Non-current liabilities				
Borrowings	1,856,463	1,558,541	-	-
Deferred income tax liabilities	528	7,432	398	7,302
	1,856,991	1,565,973	398	7,302
Total liabilities	6,559,651	5,344,352	20,078	26,084
Net assets	2,175,081	2,049,205	438,108	446,162
Equity				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	245,139	152,927	45,105	45,105
Retained earnings	820,027	857,971	122,395	130,449
Shareholders' equity	1,335,774	1,281,506	438,108	446,162
Non-controlling interests	839,307	767,699	-	-
Total equity	2,175,081	2,049,205	438,108	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 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
666,244,000	1,259,821,000	378,215,000	1,089,695,000

Amount repayable after one year

As at 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
453,597,000	1,402,866,000	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 \$1,119,841,000 (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	
	2013 S\$'000	2012 S\$'000
<u>Cash flows from operating activities</u>		
Net profit	52,785	169,779
Adjustments for:		
Income tax expense	8,157	59,842
Depreciation and amortisation	183,611	178,980
Net allowance for impairment of trade and other receivables	5,228	7,814
Net allowance for inventory write-down	23,678	2,013
Allowance for impairment of property, plant and equipment	110	8,131
Allowance for impairment of transferable club memberships	11	73
Net (gain)/loss on disposal of property, plant and equipment	(666)	661
Net allowance for/(reversal of) expected losses recognised on construction contracts	85,717	(28,564)
Provision for onerous contracts	144	-
Write-off for property, plant and equipment	469	230
Net fair value gain on forward currency contracts	(750)	-
Share of profit of associated companies	(407)	(580)
Dividend income	(503)	(407)
Interest expense (financing)	110,845	99,986
Interest income (investing)	(44,712)	(39,413)
	423,717	458,545
Changes in working capital:		
Inventories and construction contract work-in-progress	(833,616)	192,377
Trade and other receivables	(160,444)	(711,138)
Trade and other payables	365,518	(430,111)
Other current assets	(3,370)	(4,930)
Provision for other liabilities	(323)	(3,711)
Exchange differences	89,691	925
Cash used in operations	(118,827)	(498,043)
Income tax paid	(11,598)	(82,123)
Net cash used in operating activities	(130,425)	(580,166)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(61,855)	(122,656)
Proceeds from disposal of property, plant and equipment	10,620	8,943
Dividends received	613	691
Interest received	34,451	33,816
Net cash used in investing activities	(16,171)	(79,206)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	2,103,985	2,434,479
Repayments of borrowings	(1,542,339)	(1,469,975)
Proceeds from non-controlling interests for increase in registered capital of a subsidiary	-	39,200
Decrease/(Increase) in bank deposits pledged	14,207	(16,344)
Interest paid	(110,662)	(93,504)
Dividends paid to equity holders of the Company	(44,785)	(67,177)
Dividends paid to non-controlling interests of subsidiaries	(634)	(893)
Net cash provided by financing activities	419,772	825,786
Net increase in cash and cash equivalents	273,176	166,414
Cash and cash equivalents at beginning of financial year	1,675,272	1,584,048
Effects of currency translation on cash and cash equivalents	76,592	(75,190)
Cash and cash equivalents at end of financial year	2,025,040	1,675,272

Cash and cash equivalents represented by:		
Cash at bank and on hand	689,502	858,707
Short-term bank deposits	1,338,895	834,129
Less: Bank deposits pledged	(3,357)	(17,564)
	2,025,040	1,675,272

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 2013	270,608	152,927	857,971	767,699	2,049,205
Total comprehensive income for the year	-	68,438	30,615	71,957	171,010
Dividend declared by subsidiaries to non-controlling interests of subsidiaries	-	-	-	(349)	(349)
Dividend for 2012	-	-	(44,785)	-	(44,785)
Transfer from asset revaluation reserve to retained earnings	-	(3,218)	3,218	-	-
Transfer from retained earnings to statutory reserves	-	26,992	(26,992)	-	-
At 31 December 2013	270,608	245,139	820,027	839,307	2,175,081
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
The Company					
At 1 January 2013	270,608	45,105	130,449	-	446,162
Total comprehensive income for the year	-	-	36,731	-	36,731
Dividend for 2012	-	-	(44,785)	-	(44,785)
At 31 December 2013	270,608	45,105	122,395	-	438,108
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

- 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 2013, 6,340,000 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 2013 were 13,210,000 (31 December 2012: 19,550,000).

- 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 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 year ended 31 December 2013 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	
	2013	2012
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	1.37	4.72
Weighted average number of ordinary shares ('000)	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	1.37	4.72
Adjusted weighted average number of ordinary shares ('000)	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 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. 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 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	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net asset value per ordinary share (cents)	59.65	57.23	19.56	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 \$30.6 million on turnover of \$3.5 billion in 2013.

Turnover

Group turnover decreased 6.1% to \$3.5 billion in 2013 from \$3.7 billion in 2012 owing to a decrease in shipyard revenue.

In 2013, turnover from shipyard operations decreased by 6.1% to \$3.5 billion from \$3.7 billion in 2012. This was due to lower revenue contribution from the ship repair and ship building which more than offset the growth in revenue from marine engineering.

The Group successfully delivered 17 bulk carriers in 2013. Of these, COSCO Zhoushan shipyard delivered 6 bulk carriers, COSCO Dalian shipyard delivered 6 bulk carriers and COSCO Guangdong shipyard delivered 5 bulk carriers. Additionally, COSCO Nantong shipyard delivered 2 tender rigs, COSCO Guangdong shipyard delivered 2 special purpose carriers and COSCO Qidong shipyard delivered 1 Ultra-Deepwater Cylindrical Drilling Rig and 2 barges.

Turnover from dry bulk shipping and other businesses increased marginally by 3.6% from \$53.7 million in 2012 to \$ 55.6 million in 2013.

The BDI started the year 2013 at 698 points and ended the year at 2,277 points. The BDI averaged 1,206 points for FY 2013, which is a 31.4% increase from the average of 2012 of 918 points. The BDI increase was driven mainly by stronger demand in the Capesize dry bulk carrier sector and our dry bulk shipping fleet comprises Handymax and Panamax carriers.

Shipyard business remained the biggest revenue contributor, forming 98.4% of Group turnover in 2013.

Profitability

Gross profit decreased 33.8% from \$484.9 million in 2012 to \$321.2 million in 2013 mainly due to higher inventory write-downs and provision for expected losses recognized on construction contracts which resulted in lower profit contributions from ship building and marine engineering.

Other income comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others. Compared to 2012, other income decreased by 10.1% to \$110.1 million in 2013 mainly due to lower sales value of scrap and exchange loss of \$18.9 million (2012: exchange gain of \$0.7 million) which were partially offset by a one-off compensation received from customers in FY 2013. The exchange loss of \$18.9 million was mainly due to the strengthening of the Chinese Yuan against the United States Dollar.

Distribution costs decreased by 19.1% to \$66.5 million, owing to less marketing and promotional activities.

Interest expense increased by 10.9% to \$110.8 million in 2013 due to higher bank borrowings deployed to fund shipyard operations.

On 17 October 2013, the Group made an announcement on the DP3 Deepwater Drillship contract stating that the shipowner has served notice of termination and submitted a request for arbitration in

London for which the shipowner claimed for a refund of the first installment of the contract amounting to US\$110 million paid by the shipowner together with interests thereon, damages and interest thereon, indemnity for future losses, further or other relief and costs. Given the current stage of arbitration proceedings, it is difficult to quantify the eventual financial impact of the arbitration at this point in time.

Net profit attributable to equity holders of the Company decreased 71.0% from \$105.7 million in 2012 to \$30.6 million in 2013.

Balance Sheet and Cash Flow

(31 December 2013 vs 31 December 2012)

Cash and cash equivalents increased from \$1.7 billion to \$2.0 billion mainly due to increase in bank borrowings procured to finance shipyard operating activities. Please refer to Note 1(c) Cash Flow Statement for more details.

Trade and other receivables increased \$165.7 million to \$2.9 billion mainly due to higher construction contracts due from customers in the marine engineering segment. Advances paid to suppliers decreased from \$672.8 million to \$595.6 million.

Trade and other payables increased \$451.5 million to \$2.7 billion mainly due to higher accruals for operating expenses and an increase in advances received from customers (from \$391.7 million to \$558.8 million).

Total borrowings increased by \$756.1 million to \$3.8 billion due to additional funding procured for shipyard operations.

Shareholder's equity increased marginally by \$54.3 million mainly due to an increase in currency translation reserve and the transfer of 2013 profits to retained earnings. This was 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 31 December 2013, the Group's order book stood at US\$7.8 billion with progressive deliveries up to 2016. This order book is subject to revision from any new or cancellation of orders that may arise.

New orders received in 2013 include 1 semi-submersible tender assist drilling rig, 1 semi-submersible accommodation rig, 1 LNG vessel, 1 float-over launch barge, 1 stinger barge, 1 cargo and training ship, 2 floating accommodation units, 2 salvage lifting vessels, 2 module carriers, 3 semisubmersible accommodation vessels, 4 jack-up drilling rigs, 5 oil tankers, 7 bulk carriers, and 10 platform supply vessels.

The Group successfully delivered 17 bulk carriers in 2013. Of these, COSCO Zhoushan shipyard delivered 6 bulk carriers, COSCO Dalian shipyard delivered 6 bulk carriers and COSCO Guangdong shipyard delivered 5 bulk carriers. Additionally, COSCO Nantong shipyard delivered 2 tender rigs, COSCO Guangdong shipyard delivered 2 special purpose carriers and COSCO Qidong shipyard delivered 1 Ultra-Deepwater Cylindrical Drilling Rig and 2 barges.

As the Group continues construction in 2014 on new ship building contracts that were secured since 2011 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 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, jack-up rig, platform supply vessel and others. For new product types, the Group expects to incur higher costs during execution.

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. This will however have to take place amidst an increasing number of players in the offshore marine engineering segment.

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 nevertheless continue to strive for greater 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.

The BDI started the year 2013 at 698 points and ended the year at 2,277 points. The BDI averaged 1,206 points for FY 2013, which is a 31.4% increase from the average of the 2012 of 918 points. Any rebound in BDI is likely to be subdued as expansion in the global bulk carrier fleet continues to outpace demand.

With continuing excess capacity in the shipping industry and continuing uncertainty in global economic conditions, the Group may experience a decline in new orders in ship building which may lead to excess shipyard capacity.

On 17 October 2013, the Group made an announcement on the DP3 Deepwater Drillship contract stating that the shipowner has served notice of termination and submitted a request for arbitration in London for which the shipowner claimed for a refund of the first installment of the contract amounting to US\$110 million paid by the shipowner together with interests thereon, damages and interest thereon, indemnity for future losses, further or other relief and costs. Given the current stage of arbitration proceedings, it remains difficult to quantify the eventual financial impact of the arbitration at this point in time. Notwithstanding the arbitration proceedings, the first instalment of US\$110 million was refunded to the shipowner together with payment of interest thereon amounting to US\$8.1 million on 13 January 2014.

The Group maintains a cautious outlook for 2014 as the state of the global economy remains uncertain with the possibility of a prolonged period of fragile global economic growth. Moreover, the availability and cost of credit may tighten, particularly with the unwinding of monetary policy stimulus which 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, may exert even greater downward pressure on the operating margins of the shipyard operations of the Group.

Overall, the Group continues to expect difficult and challenging business and operating conditions in 2014.

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	1.0 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	2.0 cents per ordinary share (tax-exempt one-tier)
Tax Rate	N.A.

(c) Date payable

The proposed First and Final dividend, if approved at the Annual General Meeting to be held on 23 April 2014, will be paid on 21 May 2014.

(d) Books closure date

Notice is hereby given that, subject to the approval of shareholders to the First and Final Dividend being obtained at the Annual General Meeting to be held on 23 April 2014, the Transfer Books and the Register of Members of the Company will be closed on 5 May 2014 for the preparation of dividend warrants for shareholders of ordinary shares registered in the books of the Company.

Duly completed registrable transfers of ordinary shares in the capital of the Company ("Shares") received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5:00 p.m. on 2 May 2014 will be entitled to the proposed First and Final Dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5:00 p.m. on 2 May 2014 will be entitled to the proposed First and Final Dividend.

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 2013				
Sales:				
- External sales	54,731	3,452,505	898	3,508,134
- Inter-segment sales	-	1,741	33,951	35,692
	54,731	3,454,246	34,849	3,543,826
Elimination				(35,692)
				3,508,134
Segment results	1,075	173,154	(2,849)	171,380
Finance expense				(110,845)
Share of profit of associated companies				407
Profit before income tax				60,942
Income tax expense				(8,157)
Net profit				52,785
Other segment items				
Capital expenditure				
– Property, plant and equipment	2,536	59,318	1	61,855
Depreciation and amortisation	11,397	171,553	661	183,611
Net allowance for inventory write-down	-	23,678	-	23,678
Net allowance for impairment in trade and other receivables	839	4,389	-	5,228
Net allowance for expected losses recognised on construction contracts	-	85,717	-	85,717
Provision for onerous contract	144	-	-	144
Allowance for impairment of property, plant and equipment	-	110	-	110
Segment assets	127,895	7,006,632	26,881	7,161,408
Associated companies				4,826
Short-term bank deposits				1,338,895
Available-for-sale financial assets				4,391
Deferred income tax assets				225,212
Consolidated total assets				8,734,732
Segment liabilities	15,450	2,733,256	2,601	2,751,307
Borrowings				3,782,528
Current income tax liabilities				25,288
Deferred income tax liabilities				528
Consolidated total liabilities				6,559,651
Consolidated net assets				2,175,081

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

(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.

	Sales for continuing operations		Non-current assets	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
People's Republic of China	3,435,034	3,663,535	2,385,232	2,360,699
Singapore *	73,100	70,726	138,140	144,264
	3,508,134	3,734,261	2,523,372	2,504,963

* 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.

Revenue of approximately \$491,272,000 (2012: \$671,334,000) is derived from a single customer. This revenue is attributable to the People's Republic of China ship repair, ship building and marine engineering activities segment.

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

	2013 S\$'000	2012 S\$'000	Change %
(a) Sales reported for first half year	1,623,321	1,954,061	(17)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	34,472	94,968	(64)
(c) Sales reported for second half year	1,884,813	1,780,200	6
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	18,313	74,811	(76)

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	22,392	44,785
Preference	-	-
Total	22,392	44,785

The Directors proposed a first and final tax-exempt one-tier ordinary dividend of 1 cent per ordinary share (2012: first and final tax-exempt one-tier ordinary dividend of 2 cents per ordinary share) amounting to a total of \$22,392,000 (2012: \$44,785,000), based on current number of shares issued as of 31 December 2013, 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 2014.

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	-	17,772
Chimbusco Guangzhou Branch	-	2,446
Chimbusco Shanghai Branch	-	1,091
Chimbusco Zhoushan Branch	-	5,236
Cosco (Cayman) Mercury Co., Ltd	-	1,388
Cosco (HK) Insurance Brokers Ltd	-	248
Cosco (HK) Investment & Development Co., Ltd	-	170
Cosco (HK) Shipping Co., Ltd	-	9,010
Cosco (JM) Aluminium Co., Ltd	-	164
Cosco Bulk Carrier Co., Ltd	-	11,514
Cosco Bulk Tianjin Forwarding Co., Ltd	-	242
Cosco Container Lines Co., Ltd	-	7,593
Cosco Finance Co., Ltd	-	1,111,073
Cosco Far-Reaching Shipping Co.,Ltd	-	753
Cosco Jiangsu International Freight Co., Ltd	-	4,663
Cosco Logistics (Nantong)	-	2,908
Cosco Logistics Dalian Co., Ltd	-	793
Cosco Petroleum Pte Ltd	-	7,640
Cosco Shipping Co., Ltd	-	23,237
Cosco Southern Asphalt Shipping Co., Ltd	-	156
Cosco Wallem Ship Management Co., Ltd	-	1,077
Dalian Ocean Shipping Company	-	1,587
Guangdong Ocean Shipping Company	-	137
Myanmar Cosco Limited	-	133
Nantong Chimbusco Marine Bunker	-	5,832
Nantong COSCO Heavy Industry Co., Ltd	-	323
Nantong Cosco Ship Equipment Company	-	1,831
Qingdao Manning Co-operation Ltd	-	3,219
Qingdao Ocean Shipping Company	-	1,700
Shanghai Ocean Crew Co., Ltd	-	4,788
Shanghai Ocean Shipping Company	-	380
Shenzhen Ocean Shipping Company	-	1,623
Xiamen Mintai Ferry Co., Ltd	-	326
Xiamen Ocean Shipping Company	-	1,288
Total	-	1,232,341

	As at 31/12/2013 S\$'000	As at 31/12/2012 S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	286,908	187,552
- Short-term bank deposits	439,612	407,625
	726,520	595,177
Loan from a fellow subsidiary, Cosco Finance Co., Ltd	2,086	33,712

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
24/2/2014

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 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

24/2/2014