



**Unaudited First Quarter Financial Statement Announcement for the Financial Period Ended 31 March 2014**

**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**

	<b>Group</b>		
	<b>S\$'000</b>		<b>% Change</b>
	<b>Q1 2014</b>	<b>Q1 2013</b>	
Sales	1,039,386	732,995	42
Cost of sales	(943,667)	(654,376)	44
Gross profit	95,719	78,619	22
Other income (net) [1]	20,492	10,910	88
Expenses			
- Distribution	(18,957)	(9,458)	100
- Administrative	(40,704)	(31,614)	29
- Finance	(27,574)	(27,275)	1
Share of profit of associated companies [2]	74	177	(58)
Profit before income tax [3]	29,050	21,359	36
Income tax expense	(6,063)	(5,817)	4
<b>Net profit</b>	<b>22,987</b>	<b>15,542</b>	<b>48</b>
<b>Profit attributable to:</b>			
<b>Equity holders of the Company</b>	<b>12,625</b>	<b>9,744</b>	<b>30</b>
Non-controlling interests	10,362	5,798	79
	22,987	15,542	48
<b>Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)</b>			
- Basic	0.56	0.44	27
- Diluted	0.56	0.44	27

(ii) Consolidated Statement of Comprehensive Income

	Group		
	S\$'000		%
	Q1 2014	Q1 2013	Change
<b>Net Profit</b>	22,987	15,542	48
<b>Other comprehensive (loss) / income:</b>			
Available-for-sale financial assets - Net fair value loss	(6)	(20)	(70)
Currency translation differences arising from consolidation	(58,433)	35,932	NM
<b>Total comprehensive loss for the period</b>	(35,452)	51,454	NM
<b>Total comprehensive (loss) / income attributable to:</b>			
<b>Equity holders of the Company</b>	<b>(20,082)</b>	<b>31,075</b>	NM
Non-controlling interests	(15,370)	20,379	NM
	(35,452)	51,454	NM

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

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

	Q1 2014	Q1 2013	Change
	S\$'000	S\$'000	%
Sale of scrap materials	8,968	7,570	18
Net gain on disposal of property, plant and equipment	107	17	NM
Rental income	316	326	(3)
Interest income	13,093	6,562	100
Currency exchange loss - net	(88)	(4,314)	NM
Fair value loss on forward currency contracts	(4,804)	-	NM
Compensation received from customers	753	-	NM
Government grants	1,748	602	190
Sundry income	399	147	171
	20,492	10,910	88

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:

	Q1 2014	Q1 2013	Change
	S\$'000	S\$'000	%
Interest on borrowings	(27,574)	(27,275)	1
Depreciation and amortisation	(37,519)	(44,893)	(16)
Net (allowance for)/reversal of impairment of trade and other receivables	(40)	4,066	NM
Net reversal of /(allowance for) inventory write-down	439	(1,103)	(140)
Write-off for property, plant and equipment	(52)	(3)	NM
Provision for onerous contract	(25)	-	NM
Net reversal of expected losses recognised on construction contracts	2,981	19	NM

[4] Adjustment for over provision of tax in respect of prior years:

	2014 S\$'000	2013 S\$'000	Change %
Income tax	125	-	NM

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	S\$'000	S\$'000	S\$'000	S\$'000
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
<b>Current assets</b>				
Cash and cash equivalents	1,929,589	2,028,397	52,372	54,408
Forward currency contracts	-	770	-	-
Trade and other receivables	3,427,427	2,911,828	30,836	31,758
Inventories	1,110,952	1,046,764	-	-
Construction contract work-in-progress	168,419	208,366	-	-
Other current assets	19,229	15,235	154	176
	6,655,616	6,211,360	83,362	86,342
<b>Non-current assets</b>				
Trade and other receivables	24,119	36,874	-	-
Available-for-sale financial assets	4,251	4,391	-	-
Club memberships	303	303	88	88
Investments in associated companies	4,751	4,826	-	-
Investments in subsidiaries	-	-	371,138	370,988
Investment properties	11,093	11,293	-	-
Property, plant and equipment	2,137,149	2,227,868	734	768
Intangible assets	9,508	9,539	-	-
Deferred expenditure	2,979	3,066	-	-
Deferred income tax assets	247,074	225,212	-	-
	2,441,227	2,523,372	371,960	371,844

<b>Total assets</b>	9,096,843	8,734,732	455,322	458,186
<b>Current liabilities</b>				
Forward currency contracts	3,913	-	-	-
Trade and other payables	2,634,965	2,695,911	17,916	18,149
Current income tax liabilities	63,446	25,288	1,485	1,531
Borrowings	2,255,856	1,926,065	-	-
Provision for other liabilities	60,809	55,396	-	-
	5,018,989	4,702,660	19,401	19,680
<b>Non-current liabilities</b>				
Borrowings	1,937,493	1,856,463	-	-
Deferred income tax liabilities	732	528	603	398
	1,938,225	1,856,991	603	398
<b>Total liabilities</b>	6,957,214	6,559,651	20,004	20,078
<b>Net assets</b>	2,139,629	2,175,081	435,318	438,108
<b>Equity</b>				
Share capital	270,608	270,608	270,608	270,608
Statutory and other reserves	211,627	245,139	45,105	45,105
Retained earnings	833,457	820,027	119,605	122,395
Shareholders' equity	1,315,692	1,335,774	435,318	438,108
Non-controlling interests	823,937	839,307	-	-
<b>Total equity</b>	2,139,629	2,175,081	435,318	438,108

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

**Amount repayable in one year or less, or on demand**

As at 31/03/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
958,816,000	1,297,040,000	666,244,000	1,259,821,000

**Amount repayable after one year**

As at 31/03/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
382,017,000	1,555,476,000	453,597,000	1,402,866,000

**Details of any collateral**

The collaterals for secured borrowings comprise the Group's trade receivables with net book value totalling \$1,340,833,000 (2013: \$1,119,841,000).

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

	<b>Group</b>	
	<b>S\$'000</b>	
	<b>Q1 2014</b>	<b>Q1 2013</b>
<u>Cash flows from operating activities</u>		
Net profit	22,987	15,542
Adjustments for:		
Income tax expense	6,063	5,817
Depreciation and amortisation	37,519	44,893
Net allowance for/(reversal of) impairment of trade and other receivables	40	(4,066)
Net (reversal of)/allowance for inventory write-down	(439)	1,103
Net gain on disposal of property, plant and equipment	(107)	(17)
Net reversal of expected losses recognised on construction contracts	(2,981)	(19)
Provision for onerous contracts	25	-
Write-off for property, plant and equipment	52	3
Net fair value loss on forward currency contracts	4,804	-
Share of profit of associated companies	(74)	(177)
Interest expense (financing)	27,574	27,275
Interest income (investing)	(13,093)	(6,562)
	82,370	83,792
Changes in working capital:		
Inventories and construction contract work-in-progress	(23,802)	(72,641)
Trade and other receivables	(503,895)	(412,205)
Trade and other payables	(55,065)	56,681
Other current assets	(3,994)	(5,076)
Provision for other liabilities	5,414	(360)
Exchange differences	(51,168)	19,923
Cash used in operations	(550,140)	(329,886)
Income tax paid	3,815	(88)
<b>Net cash used in operating activities</b>	<b>(546,325)</b>	<b>(329,974)</b>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(9,960)	(5,483)
Proceeds from disposal of property, plant and equipment	220	63
Interest received	14,009	10,629
<b>Net cash provided by investing activities</b>	<b>4,269</b>	<b>5,209</b>
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	941,694	530,095
Repayments of borrowings	(416,107)	(207,294)
Increase in bank deposits pledged	(1,485)	(504)
Interest paid	(30,375)	(27,189)
Dividends paid to non-controlling interests of subsidiaries	-	(200)
<b>Net cash provided by financing activities</b>	<b>493,727</b>	<b>294,908</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(48,329)</b>	<b>(29,857)</b>
Cash and cash equivalents at beginning of financial period	2,025,040	1,675,272
Effects of currency translation on cash and cash equivalents	(51,964)	28,477
<b>Cash and cash equivalents at end of financial period</b>	<b>1,924,747</b>	<b>1,673,892</b>
<b>Cash and cash equivalents represented by:</b>		
Cash at bank and on hand	436,122	1,056,539
Short-term bank deposits	1,493,467	635,421
Less: Bank deposits pledged	(4,842)	(18,068)
	<b>1,924,747</b>	<b>1,673,892</b>

- 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
<b>The Group</b>					
<b>At 1 January 2014</b>	270,608	245,139	820,027	839,307	2,175,081
Total comprehensive (loss)/ income for the period	-	(32,707)	12,625	(15,370)	(35,452)
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
<b>At 31 March 2014</b>	<b>270,608</b>	<b>211,627</b>	<b>833,457</b>	<b>823,937</b>	<b>2,139,629</b>
<b>At 1 January 2013</b>					
Total comprehensive income for the period	-	21,331	9,744	20,379	51,454
Transfer from asset revaluation reserve to retained earnings	-	(805)	805	-	-
<b>At 31 March 2013</b>	<b>270,608</b>	<b>173,453</b>	<b>868,520</b>	<b>788,078</b>	<b>2,100,659</b>
<b>The Company</b>					
<b>At 1 January 2014</b>	270,608	45,105	122,395	-	438,108
Total comprehensive loss for the period	-	-	(2,790)	-	(2,790)
<b>At 31 March 2014</b>	<b>270,608</b>	<b>45,105</b>	<b>119,605</b>	<b>-</b>	<b>435,318</b>
<b>At 1 January 2013</b>					
Total comprehensive loss for the period	-	-	(484)	-	(484)
<b>At 31 March 2013</b>	<b>270,608</b>	<b>45,105</b>	<b>129,965</b>	<b>-</b>	<b>445,678</b>

- 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 Q1 2014, 100,000 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 March 2014 were 13,110,000 (31 March 2013: 16,650,000).

**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 March 2014, share capital of the Company comprised 2,239,244,954 ordinary shares (31 December 2013: 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 2013.

**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 2014, the Group and the Company adopted the following new financial reporting standards ("FRS") which are effective for annual periods beginning on or after 1 January 2014.

The following are the FRS that are relevant to the Group:

- (i) FRS 110 *Consolidated Financial Statements*
- (ii) FRS 111 *Joint Arrangements*
- (iii) FRS 112 *Disclosure of Interests in Other Entities*

The adoption of the new FRS does not have a significant impact on the financial statements of the Group.

On 1 January 2014, the Group revised its estimated useful lives of certain assets within leasehold land and buildings, plant and machinery and docks and quays after conducting an operational review of their useful lives. As a result, there was a change in the expected useful lives of these assets. The change in accounting estimate has been applied prospectively subsequent to that date. Accordingly, the adoption of the change in accounting estimate has no effect in prior years. The net book value of property, plant and equipment as at 31 March 2014 and the profit before income tax for the financial period ended 31 March 2014 had been increased by the same amount of approximately

\$9,390,000 by way of a decrease in depreciation charge for the financial period as a result of such change.

**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	
	Q1 2014	Q1 2013
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	0.56	0.44
Weighted average number of ordinary shares('000)	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	0.56	0.44
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 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	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Net asset value per ordinary share (cents)	58.76	59.65	19.44	19.56

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2013: 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 \$12.6 million on turnover of \$1.04 billion in Q1 2014.

### **Turnover**

Group turnover increased 41.8% to \$1.04 billion in Q1 2014 from \$733.0 million in Q1 2013 owing to an increase in shipyard revenue.

In Q1 2014, turnover from shipyard operations increased by 43.2% to \$1.03 billion from \$719.2 million in Q1 2013, owing to higher revenue contribution from ship repair and marine engineering offsetting the decline in revenue from ship building.

The Group delivered 3 bulk carriers in Q1 2014. Of these, COSCO Dalian shipyard delivered 1 bulk carrier, COSCO Guangdong shipyard delivered 2 bulk carriers. Additionally, COSCO Guangdong shipyard delivered 1 livestock carrier and COSCO Nantong shipyard delivered 1 tender rig, 1 pipelay heavy lift vessel and 1 wind turbine installation vessel.

Turnover from dry bulk shipping and other businesses decreased 16.9% from \$13.8 million in Q1 2013 to \$11.8 million in Q1 2014 due to less voyage and more time charters in dry bulk shipping. The BDI started the year 2014 at 2,113 points and ended Q1 2014 at 1,362 points. The BDI averaged 1,371 points for Q1 2014, which is a 72.2% increase from the average of Q1 2013 of 796 points.

Shipyard business remained the biggest revenue contributor, making up 98.9% of Group turnover in Q1 2013.

### **Profitability**

Gross profit increased 21.8% from \$78.6 million in Q1 2013 to \$95.7 million in Q1 2014 mainly due to higher 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 Q1 2013, other income increased 87.8% to \$20.5 million in Q1 2014 mainly due to higher interest income and partially offset by fair value loss on forward currency contracts of \$4.8 million (Q1 2013: nil).

Distribution and administration costs increased 100.4% and 28.8% respectively in line with the increase in revenue.

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.

On 1 January 2014, the Group revised its estimated useful lives of certain assets within leasehold land and buildings, plant and machinery and docks and quays after conducting an operational review of their useful lives. As a result, there was a change in the expected useful lives of these assets.

The change in accounting estimate has been applied prospectively subsequent to that date. The Group's profit before income tax for Q1 2014 had been increased by approximately \$9,390,000 by way of a decrease in depreciation charge for the financial period as a result of such change.

Net profit attributable to equity holders of the Company increased 29.6% from \$9.7 million in Q1 2013 to \$12.6 million in Q1 2014.

### **Balance Sheet and Cash Flow**

(31 March 2014 vs 31 December 2013)

Cash and cash equivalents decreased from \$2.0 billion to \$1.9 billion. Please refer to note 1(c) Cash Flow Statement for more details.

Trade and other receivables increased \$502.8 million to \$3.4 billion mainly owing to higher construction contracts due from customers in the marine engineering segment and an increase in advances paid to suppliers (from \$595.6 million to \$779.1 million).

Trade and other payables decreased \$60.9 million to \$2.6 billion mainly due to a decrease in advances received from customers (from \$558.8 million to \$439.8 million).

Total borrowings increased \$410.8 million to \$4.2 billion due to additional funding procured to finance shipyard operations.

Shareholder's equity decreased marginally by \$20.0 million to \$1.3 billion mainly due to decrease in currency translation reserve and partially offset by the transfer of Q1 2014 profits to retained earnings.

**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 March 2014, the Group's order book stood at US\$ 7.6 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 Q1 2014 include 2 livestock carriers and 2 platform supply vessels.

As the Group continues construction in 2014 on new ship building contracts that were secured in recent years 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, 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.

The Group was an early mover in the offshore marine segment among Chinese shipyards and is now a leading player among Chinese shipyards in the offshore marine segment. With the benefit of its experience and expertise gained over the years, the Group is now well-positioned to understand and

meet customers' expectations. Nevertheless, competition is intensifying as there is an increasing number of players in the offshore marine engineering segment.

As the Group's offerings continue to 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 Baltic Dry Index (BDI) averaged 1371 points in Q1 2014, an increase of 72.2% from the average of 796 points in Q1 2013. The Baltic Exchange Handysize Index (BHSI) averaged 689 points in Q1 2014, an increase of 49.1% from the average of 462 points in Q1 2013. The Baltic Exchange Supramax Index (BSI) averaged 1112 points in Q1 2014, an increase of 43.9% from the average of 773 points in Q1 2013. Currently, the Group's dry bulk shipping fleet comprises Panamax and Handymax carriers.

Due to new tonnage accumulation in the past years, any possible market recovery in the dry bulk shipping segment will be a slow process with uncertainty. The Group may thus continue to face pressure 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 with continuing uncertainty over the state of the global economy and 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? No

### ***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year? No

### **(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No interim dividend has been declared/recommended by the Directors in Q1 2014.

**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
<u>Between Subsidiaries and:</u>		
Chimbusco Guangzhou Branch	-	592
Chimbusco Zhoushan Branch	-	1,572
China Marine Bunker (Dalian) Co., Ltd	-	991
Cosco (HK) Shipping Co., Ltd	-	3,242
Cosco Air Service TianJin Ltd	-	332
Cosco Bulk Carrier Co., Ltd	-	2,490
Cosco Bulk Carrier Holdings (Cayman) Limited	-	574
Cosco Container Lines Co., Ltd	-	2,546
Cosco International Trade Ltd	-	103
Cosco Logistic (GZ) Heavy Transportation	-	178
Cosco Logistics (Nantong)	-	893
Cosco Logistics Dalian Co., Ltd	-	108
Cosco Finance Co., Ltd	-	453,376
Cosco Shipping Co., Ltd	-	340
Cosco Wallem Ship Management Co., Ltd	-	119
Dalian Ocean Shipping Company	-	704
Nantong Chimbusco Marine Bunker	-	4,347
Nantong Cosco Ship Equipment Company	-	287
Qingdao Manning Co-operation Ltd	-	821
Qingdao Ocean Shipping Company	-	116
Shanghai Ocean Crew Co., Ltd	-	1,204
Shenzhen Ocean Shipping Company	-	492
<b>Total</b>	-	<b>475,427</b>

	<b>As at 31/03/2014</b>	<b>As at 31/12/2013</b>
	S\$'000	S\$'000
Balances placed with a fellow subsidiary, Cosco Finance Co., Ltd :		
- Cash at bank	130,826	286,908
- Short-term bank deposits	365,088	439,612
	495,914	726,520
Loan from a fellow subsidiary, Cosco Finance Co., Ltd	2,023	2,086

**BY ORDER OF THE BOARD**

Mr Wu Zi Heng  
Vice Chairman and President  
30/4/2014

## **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 period ended 31 March 2014 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

30/4/2014