



# 中远投资 (新加坡) 有限公司

## COSCO CORPORATION (SINGAPORE) LIMITED

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### Press Release

### 2Q 2015 Results: Financial Quarter ended 30 June 2015

	2Q 2015	2Q 2014	Chg	1H 2015	1H 2014	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	<b>853,526</b>	1,146,522	<b>(26)</b>	<b>1,844,698</b>	2,185,908	<b>(16)</b>
Gross Profit	<b>59,050</b>	91,977	<b>(36)</b>	<b>132,055</b>	187,696	<b>(30)</b>
Pre-tax (loss) / profit	<b>(11,890)</b>	37,003	<b>NM</b>	<b>(4,566)</b>	66,053	<b>NM</b>
Net (loss) / profit (attributable to equity holders of the Company)	<b>(4,762)</b>	14,302	<b>NM</b>	<b>(3,996)</b>	26,927	<b>NM</b>
Diluted EPS (cents)	<b>(0.21)</b>	0.64	<b>NM</b>	<b>(0.18)</b>	1.20	<b>NM</b>

### Highlights:

- The Group recorded \$4.8m in net loss attributable to equity holders of the Company due to losses in shipyard and shipping operations amidst unfavourable market conditions – low crude oil price, languid dry bulk shipping and slump in shipbuilding.
- Group turnover fell 26% to \$853.5m owing to decreases in shipyard and shipping revenues.
- Turnover from shipyard operations dropped 26% to \$843.4m on lower revenue contribution from marine engineering, partially offset by an increase in ship building revenue recognition.
- Turnover from dry bulk shipping and other businesses declined 18% to \$10.1m owing to lower charter rates.
- Gross profit fell 36% to \$59.0 million due to lower profit contributions from shipyard and shipping operations.
- The Group will continue to focus on moving up the value chain and increasing efficiencies.

**SINGAPORE (31<sup>st</sup> July 2015)** – Singapore Exchange (“SGX”) mainboard-listed COSCO Corporation (Singapore) Limited (“COSCO” or the “Company”), a leading ship repair & marine engineering and shipping group, today announced its 2<sup>nd</sup> quarter financial results for the 3 months ended 30 June 2015.

Group turnover decreased 25.6% to \$853.5 million in Q2 2015 from \$1.1 billion in Q2 2014 owing to decreases in shipyard and shipping revenues.

Turnover from shipyard operations decreased 25.6% to \$843.4 million in Q2 2015 from \$1.1 billion in Q2 2014 on lower revenue contribution from marine engineering, partially offset by an increase in revenue from ship building segment. The Group delivered 3 bulk carriers and 1 anchor handling tug supply vessel in Q2 2015.

Turnover from dry bulk shipping and other businesses decreased by 17.8% from \$12.3 million in Q2 2014 to \$10.1 million in Q2 2015 as the current short-term rates were lower than the more favorable charter rates received in Q2 2014.

Gross profit decreased 35.8% from \$92.0 million in Q2 2014 to \$59.0 million in Q2 2015 due to lower profit contributions from shipyard and shipping operations. Other income comprising gain from the disposal of scrap metal, interest income and others decreased by 35.3% to \$19.9 million in Q2 2015 mainly due to lower sale value of scrap materials and lower interest income. Interest expense increased by 13.8% to \$40.2 million in Q2 2015 due to higher bank borrowings to fund shipyard operations

Overall, the Group recorded net loss attributable to equity holders of the Company of \$4.8 million in Q2 2015 compared to net profit of \$14.3 million in Q2 2014 due to losses in shipyard and shipping operations mainly attributable to unfavourable market conditions. The low crude oil prices over recent months had adversely impacted the global marine industry. Languid dry bulk shipping market put pressures on the Group’s dry bulk fleet while the shipbuilding market slump negatively affected the Company’s shipyards. In 1H 2015, the group recorded net loss attributable to equity holders of the Company of \$4.0 million compared to net profit of \$26.9 million in 1H2014.

Captain Wu Zi Heng, Vice Chairman and President of the Company said, “The Group expects present difficult and challenging business and operating conditions to persist. We will continue to focus on moving up the value chain and increasing efficiencies.”

As at 30 June 2015, the Group’s order book stood at US\$8.1 billion with progressive deliveries up to 2017. This order book is subject to revision from any new, cancellation, variation or rescheduling of orders that may arise. New orders received in 1H 2015 include 7 container vessels, 1 shuttle tanker, 1 module carrier, 1 tanker assist / emergency response / rescue / field support vessel, 1 research vessel and 1 FPSO conversion.

While the Group has accumulated substantial experience in the offshore marine segment, it will still face fresh operational challenges in the production of higher value products. The Group will continue to broaden its customer base for long-term sustainable growth in offshore marine engineering and new shipbuilding operations.

The Group expects business conditions for the rest of 2015 to remain difficult.

#### **About COSCO Corporation (Singapore) Ltd**

Listed on the main board of the SGX, COSCO Corporation (Singapore) Ltd (“COSCO”) is a leading offshore marine engineering, shipbuilding, ship repair & conversion and dry bulk shipping group. The Group owns 51% of a large shipyard group in China, COSCO Shipyard Group, and a fleet of 10 dry bulk carriers. COSCO is the listed subsidiary of China Ocean Shipping (Group) Company, the largest shipping group in China.

#### **For further information, please contact:**

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