



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

**Full Year Financial Statement And Dividend Announcement for the Financial Year Ended 31 December 2004**

**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) Income Statement**

	<b>Group</b>		
	S\$'000		%
	FY 2004	FY 2003	Change
Turnover	116,346	91,942	27
Cost of sales	(58,842)	(56,337)	4
Gross profit	57,504	35,605	62
Other operating income	4,000	1,497	167
Distribution costs	(1,052)	(1,273)	(17)
Administrative expenses	(12,527)	(11,155)	12
Other operating expenses	(290)	(1,165)	(75)
Exceptional gain	448	340	32
Operating profit	48,083	23,849	102
Finance costs-net	(10,767)	(10,780)	0
Share of results of associated companies before tax	36,434	17,578	107
Amortisation of goodwill of an associated company	(579)	(579)	0
Profit before tax	73,171	30,068	143
Income tax expense	(6,142)	(4,919)	25
Profit from ordinary activities after tax	67,029	25,149	167
Minority interest	(830)	(862)	(4)
Net profit for the financial year	66,199	24,287	173

**(ii) Breakdown and Explanatory Notes to Income Statement**

	<b>Group</b>		
	S\$'000		%
	FY 2004	FY 2003	Change
Profit before tax is arrived at after (charging)/crediting:			
Investment income	36	16	125
Other income including interest income	4,561	1,684	171
Interest on borrowings	(9,860)	(10,808)	(9)
Depreciation and amortisation	(24,083)	(24,132)	0
Provision for doubtful debts and bad debts written off	0	(1,121)	NM
Impairment in value of other long-term investments	(50)	(36)	39
Property, plant and equipment written off	(240)	(8)	2,900
Foreign exchange (loss)/gain	(1,504)	(176)	755
The Group's exceptional gain comprises:			
Profit on disposal of a subsidiary	0	23	NM
Profit on disposal of property, plant and equipment	8,010	46	17,313
Impairment in value of trading and investment properties	(7,562)	(9,383)	(19)
Reimbursement from previous immediate holding company for share of loss on completed properties for sale	0	9,654	NM
Adjustment for under provision of tax in respect of prior years:			
Income tax	(137)	(1,292)	(89)
Deferred tax	(194)	(378)	(49)

**NOTES:**

NM denotes not meaningful.

Certain comparative figures have been reclassified to conform with current year's presentation.

**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.**

	<b>Group</b>		<b>Company</b>	
	S\$'000	S\$'000	S\$'000	S\$'000
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
<b>Current assets</b>				
Cash and cash equivalents	94,046	86,124	41,954	53,407

Trade and other receivables	20,083	22,200	16,941	2,356
Income tax recoverable	73	272	-	-
Trading properties [1]	23,215	615	0	0
	137,417	109,211	58,895	55,763
<b>Non-current assets</b>				
Deferred expenditure	847	0	847	0
Non-trade receivables	830	1,064	0	200
Other investments	503	558	150	200
Investments in associated companies	83,168	69,810	55,967	58,212
Investments in subsidiaries	0	0	141,308	171,054
Investment properties [1]	0	30,275	0	0
Property, plant and equipment	321,294	352,774	381	473
Deferred income tax assets	0	201	0	0
	406,642	454,682	198,653	230,139
<b>Total assets</b>	544,059	563,893	257,548	285,902
<b>Current liabilities</b>				
Trade and other payables	49,600	54,170	9,098	20,399
Borrowings [2]	26,598	43,317	500	5,068
Provision for other liabilities and charges	2,467	2,288	0	0
Current income tax liabilities	1,670	1,519	655	616
	80,335	101,294	10,253	26,083
<b>Non-current liabilities</b>				
Provision for other liabilities and charges	4,125	4,493	97	107
Borrowings [2]	135,805	183,922	0	26,869
Deferred income tax liabilities	230	252	0	0
	140,160	188,667	97	26,976
<b>Total liabilities</b>	220,495	289,961	10,350	53,059
<b>Net assets</b>	323,564	273,932	247,198	232,843
<b>Shareholders' equity</b>				
Share capital	217,029	179,647	217,029	179,647
Reserves [3]	(10,410)	25,780	537	27,499
Retained profits	115,309	65,867	29,632	25,697
<b>Total shareholders' equity</b>	321,928	271,294	247,198	232,843
Minority interest	1,636	2,638	0	0
	323,564	273,932	247,198	232,843

NOTES:

[1] During the financial year, these Investment Properties were reclassified as Trading Properties. These properties were written down by \$6,362,000 to its estimated recoverable amounts prior to the reclassification. To reflect the market value as at 31 December 2004, a further impairment charge of \$1,200,000 was made to these properties.

[2] The decrease in Borrowings is due to scheduled repayment of loans.

[3] Reserves comprise:

	Group		Company	
	S\$'000	S\$'000	S\$'000	S\$'000
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
Non-distributable reserves:				
- Share premium	10	26,972	10	26,972
- Foreign currency translation reserve	(13,845)	(4,643)	0	0
- Statutory reserve	3,356	3,382	0	0
Distributable reserve				
- Realised surplus on long-term investments	69	69	527	527
Total reserves	(10,410)	25,780	537	27,499

Refer to 1 (d) (i) for movements in reserves.

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

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

As at 31/12/2004	As at 31/12/2003
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Secured	Unsecured	Secured	Unsecured
26,098,000	500,000	38,249,000	5,068,000

**Amount repayable after one year**

As at 31/12/2004	As at 31/12/2003
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Secured	Unsecured	Secured	Unsecured
135,805,000	0	176,422,000	7,500,000

**Details of any collateral**

Secured borrowings are generally secured by the group's leasehold land and buildings, motor vessels, motor vehicles, investment properties and trading property with net book values totalling \$293,793,000 (2003: \$376,792,000).

**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	
	FY 2004	FY 2003
<u>Cash flow from operating activities</u>		
Profit before tax and share of results of associated companies	37,316	13,069
Adjustments for:		
Depreciation of property, plant and equipment	23,535	23,462
Depreciation of investment properties	114	151
Impairment in value of trading properties	1,200	15
Impairment in value of investment properties	6,362	0
Impairment in value of transferable country club memberships	50	36
Impairment in value of completed properties for sale	0	9,368
Negative goodwill written off	(274)	0
Gain on disposal of property, plant and equipment	(8,010)	(46)
Property, plant and equipment written off	240	8
Gain on disposal of subsidiaries	0	(23)
Preference shares dividend (financing)	6	1,041
Interest expense (financing)	9,854	9,766
Interest income (investing)	(597)	(203)
Operating cash flow before working capital changes	69,796	56,644
Changes in operating assets and liabilities, net of effects from disposal of subsidiaries:		
Receivables	(3,725)	7,276
Payables	7,176	1,724
Exchange differences	(2,262)	(1,295)
Cash generated from operations	70,985	64,349
Income tax paid	(864)	(1,543)
<b>Net cash inflow from operating activities</b>	<b>70,121</b>	<b>62,806</b>
<u>Cash flows from investing activities</u>		
Net cash outflow from disposal of subsidiaries	0	(2,181)
Payment to minority shareholder for acquisition of additional shares in a subsidiary	(800)	0
Proceeds from disposal of property, plant and equipment	18,412	187
Payments for purchase of property, plant and equipment	(8,587)	(31,546)
Payment for purchase of an associated company	0	(18,245)
Increase in deferred expenditure	(215)	0
Interest received	599	204
Dividend income received from associated companies	14,543	3,778
Purchase of transferable club memberships	0	(116)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>23,952</b>	<b>(47,919)</b>
<u>Cash flows from financing activities</u>		
Repayment of borrowings	(56,978)	(48,344)
Proceeds from borrowings	13,000	26,852
Redemption of RCCPS	(55)	0
Repayment of finance lease liabilities	(23)	(20)
Decrease in cash collateral	87	565
Dividends paid to shareholders of the Company	(7,230)	(3,411)
Dividends paid to holders of RCCPS	(6)	(1,229)
Dividends paid to minority shareholders of subsidiaries	(746)	(738)
Repayment of loan from previous immediate holding company	0	(6,925)
Repayment of loan by related corporations	0	58,691
Repayment of amount due to a related corporation	(13,957)	0

Proceeds from issuance of ordinary shares	976	21,116
Interest paid	(8,613)	(8,748)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(73,545)</b>	<b>37,809</b>
<b>Net increase in cash and cash equivalents held</b>	<b>20,528</b>	<b>52,696</b>
Cash and cash equivalents at the beginning of the financial period	70,798	18,102
<b>Cash and cash equivalents at the end of the financial period</b>	<b>91,326</b>	<b>70,798</b>
<b>Cash and cash equivalents represented by:</b>		
Bank and cash balances	63,356	73,222
Short-term bank deposits	30,690	12,902
Less: Bank overdrafts	0	(12,519)
Less: Cash collateral	(2,720)	(2,807)
	<b>91,326</b>	<b>70,798</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	Translation Reserves	Other Reserves	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>					
Balance at 1 January 2004	179,647	(4,643)	30,423	65,867	271,294
Net loss not recognised in income statement					
- Foreign currency translation differences	0	(9,696)	0	0	(9,696)
Net profit for the financial year	0	0	0	66,199	66,199
Total recognised losses and gains for the financial year	0	(9,696)	0	66,199	56,503
Transfer from retained profits to reserves	0	494	(26)	(468)	0
Dividend for 2003	0	0	0	(7,230)	(7,230)
Issue of share capital	974	0	2	0	976
Conversion of RCCPS	257	0	128	0	385
Bonus issue of 1 ordinary share for every 5 existing ordinary shares of \$0.20 each	36,151	0	(27,092)	(9,059)	0
Balance at 31 December 2004	217,029	(13,845)	3,435	115,309	321,928
Balance at 1 January 2003	124,945	(229)	11,254	48,373	184,343
Net loss not recognised in income statement					
- Foreign currency translation differences	0	(4,414)	0	0	(4,414)

Net profit for the financial year	0	0	0	24,287	24,287
Total recognised losses and gains for the financial year	0	(4,414)	0	24,287	19,873
Transfer from retained profits	0	0	3,382	(3,382)	0
Dividend for 2002	0	0	0	(3,411)	(3,411)
Issue of share capital	21,542	0	(426)	0	21,116
Conversion of RCCPS into ordinary shares	33,160	0	16,213	0	49,373
Balance at 31 December 2003	179,647	(4,643)	30,423	65,867	271,294
<b>The Company</b>					
Balance at 1 January 2004	179,647	0	27,499	25,697	232,843
Net profit for the financial year	0	0	0	20,224	20,224
Dividend for 2003	0	0	0	(7,230)	(7,230)
Issue of share capital	974	0	2	0	976
Conversion of RCCPS	257	0	128	0	385
Bonus issue of 1 ordinary share for every 5 existing ordinary shares of \$0.20 each	36,151	0	(27,092)	(9,059)	0
Balance at 31 December 2004	217,029	0	537	29,632	247,198
Balance at 1 January 2003	124,945	0	11,712	29,103	165,760
Net loss for the financial year	0	0	0	5	5
Dividend for 2002	0	0	0	(3,411)	(3,411)
Issue of share capital	21,542	0	(426)	0	21,116
Conversion of RCCPS into ordinary shares	33,160	0	16,213	0	49,373
Balance at 31 December 2003	179,647	0	27,499	25,697	232,843

**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.**

During 2004, the issued and paid-up capital of the Company increased from S\$179,647,532 to S\$217,029,495. This increase is from:-

- the allotment and issue of 4,870,000 ordinary shares of \$0.20 each from the exercise of option under the Cosco Group Employees' Share Option Scheme;
- the allotment and issue of 1,282,740 ordinary shares of \$0.20 each as a result of the conversion of Redeemable Cumulative Convertible Preference Shares (RCCPS); and
- the bonus issue of 180,757,078 ordinary shares of \$0.20 each on the basis of 1 bonus share for every 5 existing ordinary shares held at the book closure date, 30 April 2004.

As of 16 November 2004, a total of 256,548 RCCPS had been converted to Ordinary share and the balance of 36,665 RCCPS had been fully redeemed.

The outstanding share options under the Cosco Group Employees' Share Option Scheme as at 31 December 2004 were 16,130,000 (2003: 6,590,000).

**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.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current year compared with the audited financial statements for the financial year ended 31 December 2003.

**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.**

Not Applicable

**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	
	FY 2004	FY 2003
(i) Based on the weighted average number of ordinary shares on issue	6.11 cents	2.70 cents
(ii) On a fully diluted basis	6.10 cents	2.69 cents

**NOTES:**

The earnings per ordinary share is calculated by dividing the consolidated profit after taxation, minority interests and preference dividend by the weighted average number of ordinary shares in issue 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 (2003: includes RCCPS) which would dilute the basic earnings per share.

The comparative figures for earnings per ordinary share had been adjusted to account for the effect of bonus issue in FY2004.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	31/12/2004	31/12/2003	31/12/2004	31/12/2003
Net asset value per ordinary share	29.67 cents	25.17 cents	22.78 cents	21.60 cents

The comparative figures for Net asset value per ordinary share had been adjusted to account for the effect of bonus issue.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
**(a) 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; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **Overview**

In FY 2004, the Group made significant progress in expanding its core shipping and ship repair businesses.

#### **Turnover**

Group turnover expanded by 27% from \$91.9m to \$116.3m in FY2004, on the back of strong contributions from the dry bulk shipping business. Charter hire income grew 36.8% to \$92.2m compared with \$67.4m in FY2003 aided by strong demand and high freight rates secured on renewals of charter hire contracts. Dry bulk shipping remained the largest turnover contributor, representing 79.3% of Group turnover in FY2004.

#### **Profitability**

Strong profit growth was achieved with margin expansions on all profit levels:-

	FY2004	FY2003	Change
Gross profit	\$57.5m	\$35.6m	+62%
Gross profit margin	49.4%	38.7%	
Operating profit	\$48.1m	\$23.8m	+102%
Operating profit margin	41.3%	25.9%	
Pre-tax profit	\$73.2m	\$30.1m	+143%

Pre-tax profit margin	62.9%	32.7%	
Net profit	\$66.2m	\$24.3m	+173%
Net profit margin	56.9%	26.4%	

In FY2004, gross profit improved by 62% from \$35.6m in FY2003 to \$57.5m, owing to firmer charter hire rates and higher turnover.

As core businesses continue to post strong growth, capable management and control keep expenses in check. Distribution expenses dipped 17% mainly due to better cost control while administrative expenses increased by 12%, in tandem with a surge in business activity. Other operating income rose 167% to \$4m mainly due to insurance claims.

Exceptional gain comprises the profit of \$8m from the sale of MV Sea Swan net of a provision of \$7.6m on Telok Ayer properties to bring it in line with appraised market valuations with a view of eventual disposal.

The Group's operating profit more than doubled to \$48.0m from \$23.8m previously.

Share of profits from associates more than doubled to \$36.4m from \$17.6m in FY2003. This was brought about by strong growth in COSCO Nantong and COSCO Dalian. COSCO Nantong added an additional berth and COSCO Dalian booked a full 12 month contribution in FY2004 compared with 5 months in FY2003.

Income tax expense increased by 25% to \$6.1m from \$4.9m in FY2003 owing to higher taxable earnings from associates COSCO Nantong and COSCO Dalian. Additionally, COSCO Dalian, which was exempted from corporate taxation in FY2003, attracted a concession rate of tax of 12% in FY2004.

The corporate tax rate for the year was 20%. However, the effective tax rate of the Group was 8.4%, which was about half of 16.4% applicable for FY2003. This is due to higher shipping profits which are exempted from corporate tax.

Net profit increased substantially by 173% to \$66.2m from \$24.3m previously.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group's results for FY2004 are in line with the commentary made in paragraph 10 of the Group's Third Quarter Financial Statement released on 08 November 2004.

**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.**

Restructuring efforts to bring the Group into the fore of the shipyard and shipping business are bearing fruit. The Directors expect significant contributions from the ship repair, ship conversion and dry bulk shipping businesses.

On 1 January 2005, the Company completed the acquisition of 51% interest in COSCO Shipyard Group Co., Ltd, which is one of the largest ship repair and conversion groups in the People's Republic of China (PRC), with 7 strategic locations along its long coast line. This is a significant step forward in growing the Group's ship repair and conversion business. For FY2005, Group turnover will be substantially boosted by the contribution from its ship repair and conversion businesses in the PRC.

The shipyard business is both a profit stabilizer and growth engine. The Group is now the largest shipyard operator in the PRC, with the completion of its acquisition of a 51% interest in COSCO Shipyard Group. The Group will grow the shipyard business leveraging on its cost competitiveness and burgeoning demand for its services.

Two new berths at COSCO Zhoushan Shipyard will be completed in May 2005, bringing the total number of berths to three. These new berths will commence operations in June 2005.

A new 300,000 dwt floating dock is currently being constructed at COSCO Dalian Shipyard. When completed in 2005, the Group will have a total capacity of 1,200,000 dwt. This is a 30% increase over the capacity in 2004. The new floating dock will be operationally ready by end 2005.

Whilst growing the shipyard business, the Group will also expand its bulk shipping fleet to position its core business on an expansion path. The dry bulk market is expected to remain firm in 2005 and renewals of charters will be at favourable rates. The Group also expects to benefit from firm charter rates when two new vessels of 74,000 dwt each are added to the fleet in the second quarter of 2005.

Barring unforeseen circumstances, the Group expects FY2005 turnover and net profit to be higher than FY2004.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Ordinary Share Final (Proposed)	Preference Share Dividend (Paid)
Dividend Type	Cash	Cash
Dividend Rate	2.0 cents per ordinary share (one-tier tax)	5.7 cents per preference share (less tax)
Par value of shares	\$0.20	\$0.01
Tax Rate	N.A.	20%

### (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 Final	Preference Share Dividend (Paid)
Dividend Type	Cash	Cash
Dividend Rate	1.0 cents per ordinary share (less tax)	5.7 cents per preference share (less tax)
Par value of shares	\$0.20	\$0.01
Tax Rate	20%	22%

### (c) Date payable

Details on payment of proposed dividend and related books closure date will be announced in due course.

The dividend of 5.7 cents per Redeemable Convertible Cumulative Preference share par value \$0.01 less 20% Singapore income tax had been paid on 16 November 2004 in accordance with the terms of the preference shares.

**(d) Books closure date**

Refer to 11(c).

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

Not Applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**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 repairing and marine related activities S\$'000	Rental of property and property trading S\$'000	Investment holding S\$'000	Group S\$'000
<b>Year ended 31 December 2004</b>					
Revenue	111,242	3,878	1,226	0	116,346
Segment result	51,913	206	41	(4,525)	47,635
Exceptional gain					448
Finance income					597
Finance costs					(9,860)
Foreign exchange gain loss					(1,504)
Share of results of associated companies before tax					36,434
Amortisation of goodwill of an associated company					(579)
Profit before tax					73,171
Income tax expenses					(6,142)
Group profit from ordinary activities					67,029
Minority interests					(830)
Net profit after tax and minority					66,199

interests					
Segment assets	364,756	7,102	45,403	43,630	460,891
Associated companies					83,168
Consolidated total assets					544,059
Segment liabilities	50,212	1,347	446	4,188	56,193
Borrowings					162,402
Current income tax liabilities					1,670
Deferred income tax liabilities					230
Consolidated total liabilities					220,495
Capital Expenditure	14,565	58	8	38	14,669
Depreciation of property, plant and equipment	22,588	265	557	125	23,535
Depreciation of investment properties	0	0	113	0	113
<b>Year ended 31 December 2003</b>					
Revenue	86,278	2,839	2,825	0	91,942
Segment result	26,477	475	905	(4,348)	23,509
Exceptional gain					340
Finance income					204
Finance costs					(10,808)
Foreign exchange loss					(176)
Share of results of associated companies					17,578
Amortisation of goodwill of an associated company before tax					(579)
Profit before tax					30,068
Income tax expenses					(4,919)
Group profit from ordinary activities					25,149
Minority interests					(862)
Net profit after tax and minority interests					24,287
Segment assets	379,442	6,498	53,526	54,416	493,882
Associated companies					69,810
Deferred income tax assets					201
Consolidated total assets					563,893
Segment liabilities	43,750	521	466	16,215	60,952
Borrowings					227,238
Current income tax liabilities					1,519
Deferred income tax liabilities					252
Consolidated total liabilities					289,961
Capital Expenditure	31,508	3	29	6	31,546
Depreciation of property, plant and equipment	22,453	269	617	123	23,462
Depreciation of investment	0	0	151	0	151

properties					
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**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**

Refer to note 8.

**15. A breakdown of sales**

	Group		
	FY2004 S\$'000	FY2003 S\$'000	Change %
(a) Sales reported for first half year	52,214	43,854	19
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	31,180	8,526	266
(c) Sales reported for second half year	64,132	48,088	33
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	35,849	16,623	116

**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 (Paid)	7,230	3,411
Preference (Paid)	6	1,041
Total	7,236	4,452

The Directors proposed a first and final exempt (one-tier) dividend of 2 cents per share (2003: 1 cent per share) amounting to a total of \$21,703,000 based on current number of shares issued as of 31 December 2004 (2003: \$7,230,000) for the shareholders approval at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2005.

**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	Aggregate value of all interested person transactions conducted under shareholders' mandate

	(excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000	S\$'000
<u>Between Subsidiaries and:</u>		<u>FY 2004</u>
Cosco Container Lines		13,674
Cosco Bulk Carrier Co.		208
Cosco Chartering and Shipbroking (UK) Ltd		9,007
Guangzhou Ocean Crew Co.		1,759
Nantong Cosco KHI Engineering Co., Ltd		9,390
Qingdao Ocean Crew Co.		1,289
Shanghai Ocean Crew Co.		2,199
Chimbusco (S) Pte Ltd		113
		<u>37,639</u>
<u>Between Associated companies of the Group and:</u>		
Cosco Shipyard Group Co., Ltd		3,635
Cosco Nantong Steel Co., Ltd		470
Cosco Bulk Carrier Co.		2,980
Cosco Dalian		1,850
Cosco Hongkong		1,367
Cosco Container Lines		1,029
Rikky Ocean Governor Nantong Co. Ltd		258
Diesel Marine Nantong Ltd		114
Nantong Cosco Clavon		852
Antisepsis Engineering Ltd		
		<u>12,555</u>

**BY ORDER OF THE BOARD**

Mr Ji Haisheng  
President  
21/02/2005