



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

**Unaudited Third Quarter Financial Statement Announcement for the Period Ended 30 September 2006**

**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		%	S\$'000		%
	<b>Q3 2006</b>	<b>Q3 2005</b>		<b>YTD 2006</b>	<b>YTD 2005</b>	
Turnover	317,772	235,090	35	850,713	610,389	39
Cost of sales	(214,560)	(159,587)	34	(579,714)	(416,598)	39
Gross profit	103,212	75,503	37	270,999	193,791	40
Other gains, net						
- Miscellaneous [1]	13,757	11,765	17	37,863	34,447	10
- Exceptional gains	19,213	16,060	20	25,202	16,114	56
Expenses						
- Distribution	(8,362)	(6,760)	24	(23,922)	(17,683)	35
- Administrative	(26,041)	(17,258)	51	(65,156)	(46,247)	41
- Finance	(5,083)	(4,372)	16	(15,973)	(11,516)	39
- Other	(89)	(68)	31	(277)	(113)	145
Share of profit of associated companies [2]	143	126	13	432	377	15
Profit before income tax	96,750	74,996	29	229,168	169,170	35
Income tax expense [3]	(3,898)	(5,676)	(31)	(13,473)	(15,112)	(11)
Profit for the financial period	92,852	69,320	34	215,695	154,058	40
<b>Attributable to:</b>						
<b>Equity holders of the Company</b>	<b>71,483</b>	<b>56,566</b>	26	<b>160,068</b>	<b>121,724</b>	32
Minority interest	21,369	12,754	68	55,627	32,334	72
	92,852	69,320	34	215,695	154,058	40
<b>Earnings per share for profit attributable to the equity holders of the Company</b> (expressed in cents per share)						

- basic	3.23	2.58	25	7.26	5.58	30
- diluted	3.22	2.57	25	7.24	5.56	30

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

	Group					
	S\$'000		%	S\$'000		%
	Q3 2006	Q3 2005	Change	YTD 2006	YTD 2005	Change
Profit before tax is arrived at after (charging)/crediting:						
Investment income	2	-	NM	2	173	(99)
Other income including interest income	13,755	11,765	17	37,861	34,274	10
Interest on borrowings	(4,589)	(3,952)	16	(13,171)	(10,397)	27
Depreciation and amortisation	(15,017)	(12,666)	19	(46,946)	(39,008)	20
Allowance for impairment of receivables and bad debts written off	(21)	-	NM	(108)	(5)	2,060
Property, plant and equipment written off	(68)	(67)	1	(169)	(108)	56
Foreign exchange loss	(494)	(420)	18	(2,802)	(1,119)	150
The Group's exceptional gains comprise the following:						
Gain on disposal of a jointly operated vessel	-	16,017	NM	-	16,017	NM
Gain on disposal of property, plant and equipment [4]	19,213	43	44,581	25,202	97	25,881
Adjustments for over/(under) provision of income tax in respect of prior years	3,899	(1)	NM	7,467	(13)	NM

**NOTES:**

NM denotes not meaningful.

[1] Other miscellaneous gains include investment income, interest income, fair value gain on derivative financial instruments and other income.

[2] Share of profit of associated companies is after tax and minority interest.

[3] The decrease in income tax expense is mainly due to tax rebates received from the tax authority of the People's Republic of China ("PRC").

[4] The gain on disposal of property, plant and equipment is mainly due to the gain from the disposal of the remaining three dry bulk carriers in Q3 2006, offset partially by loss on disposal of other property, plant and equipment.

**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>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>30/09/2006</b>	<b>31/12/2005</b>	<b>30/09/2006</b>	<b>31/12/2005</b>
<b>Current assets</b>				
Cash and cash equivalents	231,161	160,420	26,245	6,016
Trade and other receivables [1]	241,499	150,651	831	498
Inventories [1]	204,843	107,992	-	-
Trading properties [2]	670	19,270	-	-
Derivative financial instruments [3]	84	-	-	-
	<b>678,257</b>	<b>438,333</b>	<b>27,076</b>	<b>6,514</b>
<b>Non-current assets</b>				
Trade and other receivables	-	-	81,399	99,828
Available-for-sale financial assets	2,249	2,304	-	-
Derivative financial instruments [3]	42	-	-	-
Club memberships	373	377	141	141
Investments in associated companies	3,206	2,813	1,000	1,000
Investments in subsidiaries	-	-	256,259	208,244
Property, plant and equipment	1,055,125	949,352	622	535
Intangible assets	9,339	9,357	-	-
	<b>1,070,334</b>	<b>964,203</b>	<b>339,421</b>	<b>309,748</b>
<b>Total assets</b>	<b>1,748,591</b>	<b>1,402,536</b>	<b>366,497</b>	<b>316,262</b>
<b>Current liabilities</b>				
Trade and other payables [1]	402,338	281,323	5,709	4,172
Current income tax liabilities	10,100	7,435	314	201
Borrowings	87,996	107,666	-	-
Provision for other liabilities and charges	5,631	4,280	-	-
	<b>506,065</b>	<b>400,704</b>	<b>6,023</b>	<b>4,373</b>
<b>Non-current liabilities</b>				
Borrowings	365,090	302,173	-	-
Provision for other liabilities and charges	3,687	4,005	78	86
Deferred income tax liabilities	204	205	-	-
	<b>368,981</b>	<b>306,383</b>	<b>78</b>	<b>86</b>
<b>Total liabilities</b>	<b>875,046</b>	<b>707,087</b>	<b>6,101</b>	<b>4,459</b>

<b>Net assets</b>	873,545	695,449	360,396	311,803
<b>Equity</b>				
<b>Capital and reserves attributable to the shareholders of the Company</b>				
Share capital	239,907	219,753	239,907	219,753
Share premium [4]	-	8,834	-	8,834
Revaluation and other reserves	48,859	60,634	10,487	5,309
Retained earnings	348,554	230,484	110,002	77,907
	637,320	519,705	360,396	311,803
Minority interest	236,225	175,744	-	-
<b>Total equity</b>	873,545	695,449	360,396	311,803

**NOTES:**

- [1] The increases in Trade and other receivables, Inventories and Trade and other payables of the Group are mainly due to the increase in volume and higher-value contracts projects undertaken by Cosco Shipyard Group Co., Ltd (“CSG”).
- [2] The decrease in Trading properties is due to the disposal of Telok Ayer Properties in Q1 2006.
- [3] Derivative financial instruments relate to the fair value of the Group’s forward currency contracts.
- [4] With effect from 30 January 2006, the concepts of “par value” and “authorised share capital” were abolished under the Companies (Amendment) Act 2005. The amount standing to the credit of the Company’s share premium account as at 30 January 2006 became part of the Company’s share capital.

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

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

As at 30/09/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
19,263,000	68,733,000	28,298,000	79,368,000

**Amount repayable after one year**

As at 30/09/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
132,036,000	233,054,000	116,718,000	185,455,000

### Details of any collateral

Secured borrowings are generally secured by the group's leasehold land and buildings, motor vessels, motor vehicles and trading properties with net book values totalling \$247,058,000 (2005: \$275,081,000).

### 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	
	Q3 2006	Q3 2005
<b><u>Cash flow from operating activities</u></b>		
Profit before tax	96,750	74,996
Adjustments for:		
Depreciation of property, plant and equipment	15,017	12,666
Gain on disposal of property, plant and equipment	(19,213)	(43)
Property, plant and equipment written off	68	67
Fair value gains on derivative financial instruments	(126)	-
Employees share option expense	1,444	1,372
Share of profit of associated companies	(143)	(126)
Interest expense (financing)	4,589	3,952
Interest income (investing)	(1,363)	(668)
Operating cash flow before working capital changes	97,023	92,216
Changes in operating assets and liabilities, net of effects from disposal of subsidiaries:		
Inventories	(64,375)	(19,753)
Trade and other receivables	(32,973)	(13,454)
Trade and other payables	37,750	49,724
Exchange differences	3,254	5,162
Cash generated from operations	40,679	113,895
Income tax paid	(2,741)	(3,760)
<b>Net cash from operating activities</b>	<b>37,938</b>	<b>110,135</b>
<b><u>Cash flows from investing activities</u></b>		
Proceeds from disposal of property, plant and equipment	40,708	253
Purchase of property, plant and equipment	(68,255)	(61,730)
Interest received	1,332	664
<b>Net cash used in investing activities</b>	<b>(26,215)</b>	<b>(60,813)</b>
<b><u>Cash flows from financing activities</u></b>		
Repayment of borrowings	(13,790)	(36,735)
Proceeds from borrowings	24,144	4,749
Repayment of finance lease liabilities	(10)	(19)
Increase in cash collateral	(2,109)	(18)
Dividends paid to minority shareholders of subsidiaries	(124)	(1,555)
Proceeds from minority shareholders for increase in registered share capital of a subsidiary	14,261	-
Proceeds from issuance of ordinary shares	1,845	1,867

Interest paid	(4,667)	(6,483)
<b>Net cash from / (used in) financing activities</b>	<b>19,550</b>	<b>(38,194)</b>
<b>Net increase in cash and cash equivalents held</b>	<b>31,273</b>	<b>11,128</b>
Cash and cash equivalents at the beginning of the financial period	196,213	174,735
<b>Cash and cash equivalents at the end of the financial period</b>	<b>227,486</b>	<b>185,863</b>
<b>Cash and cash equivalents represented by:</b>		
Bank and cash balances	83,080	85,866
Short-term bank deposits	148,081	101,584
Less: Cash collateral	(3,675)	(1,587)
	<b>227,486</b>	<b>185,863</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.

	← Attributable to equity holders of the Company →				Minority interest	Total Equity
	Share capital	Share premium	Revaluation and other reserves	Retained earnings		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group Balance at 1 July 2006</b>	238,062	-	42,747	276,288	199,369	756,466
Currency translation differences	-	-	5,451	-	3,408	8,859
Net income recognised directly in equity	-	-	5,451	-	3,408	8,859
Net profit for the period	-	-	-	71,483	21,369	92,852
<b>Total recognised gains</b>	-	-	5,451	71,483	24,777	101,711
Employee share option scheme:						
- value of employee services	-	-	1,444	-	-	1,444
- proceeds from shares issued	1,845	-	-	-	-	1,845
Minority interest's share of increase in registered capital of a subsidiary	-	-	-	-	46,132	46,132
Dividend declared by	-	-	-	-	(34,053)	(34,053)

subsidiaries to minority shareholders of subsidiaries						
Transfer from reserves to retained earnings	-	-	(808)	808	-	-
Transfer of statutory reserves from retained earnings	-	-	25	(25)	-	-
<b>At 30 September 2006</b>	239,907	-	48,859	348,554	236,225	873,545
<b>Balance at 1 July 2005</b>	218,569	5,214	38,572	154,975	147,456	564,786
Currency translation differences	-	-	6,966	-	3,877	10,843
Net income recognised directly in equity	-	-	6,966	-	3,877	10,843
Net profit for the period	-	-	-	56,566	12,754	69,320
<b>Total recognised gains</b>	-	-	6,966	56,566	16,631	80,163
Employee share option scheme:						
- value of employee services	-	-	1,372	-	-	1,372
- proceeds from shares issued	508	2,037	(678)	-	-	1,867
Transfer of statutory reserves from retained earnings	-	-	22	(22)	-	-
<b>At 30 September 2005</b>	219,077	7,251	46,254	211,519	164,087	648,188
<b>The Company</b>						
<b>Balance at 1 July 2006</b>	238,062	-	9,043	78,891	-	325,996
Total recognised gains	-	-	-	31,111	-	31,111
Employee share option scheme:						
- value of employee services	-	-	1,444	-	-	1,444
- proceeds from shares issued	1,845	-	-	-	-	1,845
<b>At 30 September 2006</b>	239,907	-	10,487	110,002	-	360,396
<b>Balance at 1 July 2005</b>	218,569	5,214	3,901	40,830	-	268,514

Total recognised gains	-	-	-	(3,544)	-	(3,544)
Employee share option scheme:						
- value of employee services	-	-	1,372	-	-	1,372
- proceeds from shares issued	508	2,037	(678)	-	-	1,867
<b>At 30 September 2005</b>	<b>219,077</b>	<b>7,251</b>	<b>4,595</b>	<b>37,286</b>	<b>-</b>	<b>268,209</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.**

During Q3 2006, the issued and paid-up capital of the Company was increased from \$238,062,577 to \$239,906,932. This was due to the allotment and issue of:

- 2,680,000 ordinary shares at \$0.3675 each from the exercise of option granted in 2004 under the Cosco Group Employees' Share Option Scheme ("Scheme"); and
- 1,065,000 ordinary shares at \$0.807 each from the exercise of option granted in 2005 under the Scheme.

The outstanding share options under the Scheme as at 30 September 2006 were 27,810,000 (2005: 21,450,000 after sub-division of shares).

As at 30 September 2006, share capital of the Company comprised 2,213,924,954 ordinary shares (2005: 2,197,534,954 after sub-division of 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.**

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 2005.



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			
	Q3 2006	Q3 2005	YTD 2006	YTD 2005
(i) Based on the weighted average number of ordinary shares on issue	3.23 cents	2.58 cents	7.26 cents	5.58 cents
Weighted average number of ordinary shares	2,212,964,954	2,188,701,620	2,206,202,177	2,179,832,732
(ii) On a fully diluted basis	3.22 cents	2.57 cents	7.24 cents	5.56 cents
Adjusted weighted average number of ordinary shares	2,219,406,901	2,202,657,648	2,209,832,508	2,189,266,870

**NOTES:**

The earnings per ordinary share is calculated by dividing the consolidated profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The fully diluted earnings per share is arrived at after taking into consideration the potential ordinary shares arising from the exercise of outstanding share options which would dilute the basic earnings per share.

The comparative figures for earnings per ordinary share and weighted average number of ordinary shares in issue and outstanding have been adjusted to account for the effect of sub-division of ordinary shares which was approved by shareholders at an Extraordinary General Meeting held on 17 January 2006.

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	
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
Net asset value per ordinary share	28.79 cents	23.65 cents	16.28 cents	14.19 cents

The number of ordinary shares outstanding for the computation of net asset value per ordinary share is 2,213,924,954 (2005: 2,197,534,954).

The comparative figures for net asset value per ordinary share and number of ordinary shares outstanding have been adjusted to account for the effect of sub-division of ordinary shares which was approved by shareholders at an Extraordinary General Meeting held on 17 January 2006.

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.**

#### **Turnover**

Group turnover increased 35% from \$235.1m in 3Q 2005 to \$317.8m in Q3 2006 on the back of strong growth in the Group's core ship repair and marine engineering business. For the first 9 months of 2006, group turnover grew 39% to \$850.7m compared to the corresponding period in 2005.

#### **Turnover by Activities (Q3 2006 vs Q3 2005)**

	Q3 2006		Q3 2005		Change
	S\$m	%	S\$m	%	%
Ship Repair & Marine Engineering	276.0	86.8	189.2	80.5	+45.9
Dry Bulk Shipping	37.1	11.7	41.1	17.5	-9.8
Shipping Agency	4.6	1.5	4.5	1.9	+2.2
Others	0.1	-	0.3	0.1	-66.7
<b>Group Total</b>	<b>317.8</b>	<b>100.0</b>	<b>235.1</b>	<b>100.0</b>	<b>+35.2</b>

#### **Turnover by Activities (YTD 2006 vs YTD 2005)**

	YTD 2006		YTD 2005		Change
	S\$m	%	S\$m	%	%
Ship Repair & Marine Engineering	705.1	82.9	494.1	80.9	+42.7
Dry Bulk Shipping	113.1	13.3	101.9	16.7	+11.0
Shipping Agency	13.5	1.6	13.4	2.2	+0.7
Others	19.1	2.2	1.0	0.2	NM
<b>Group Total</b>	<b>850.7</b>	<b>100.0</b>	<b>610.4</b>	<b>100.0</b>	<b>+39.4</b>

As the Group continues to deliver more high-value ship repair and marine engineering projects, their turnover expanded significantly by 45.9% to \$276.0m in Q3 2006 compared to Q3 2005.

Dry bulk shipping turnover declined by 9.8% in Q3 2006, compared to the same period last year, owing to softer charter-hire rates. However, dry bulk shipping turnover for the first 9 months of 2006 was 11.1% higher against the corresponding period in 2005 as more ships were deployed.

#### **Profitability**

Gross profit rose 37% from \$75.5m in Q3 2005 to \$103.2m in Q3 2006 on the back of higher turnover. Gross profit margin improved slightly to 32.5% in Q3 2006 compared to 32.1% in Q3

2005 due to the higher gross margin ship repair projects which was partially offset by the effect of softer charter-hire rates in dry bulk shipping.

Exceptional gains in Q3 2006 included \$19.4m from the sale of the remaining three dry bulk carriers. These were delivered to the buyer in Q3 2006.

Distribution and administrative costs increased in line with the rising volume of repair business handled. Finance costs increased due to higher interest rates and increase in borrowings by Cosco Shipyard Group.

The effective tax rate in Q3 2006 of 4.0% was lower compared to 7.6% in Q3 2005. The lower effective tax rate was attributed to tax rebates received from the PRC tax authority.

Net profit attributable to equity holders of the Company rose 26% to \$71.5m in Q3 2006 on strong contributions from the ship repair and marine engineering business and one-off exceptional gain from the sale of the remaining three dry bulk carriers.

Net profit attributable to equity holders of the Company for the first 9 months of FY2006 of \$160m came close to net profit achieved for the whole of FY 2005.

**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 Q3 2006 are in line with the commentary made in paragraph 10 of the Group's Second Quarter Financial Statement Announcement released on 31 July 2006.

**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.**

The Group has been expanding its capacity to meet the rapidly rising demand for offshore marine engineering work. This includes the following:

**a. Capacity expansion in Q3 2006**

Modification of an existing 150,000 dwt drydock to 300,000 dwt at Zhoushan shipyard was completed in Q3 2006. Also, at Zhoushan shipyard a 350 metre berth was completed in August 2006 and commenced operations in September 2006.

**b. Ongoing expansion of shipyard facilities**

- i. Levelling and preparation of approximately 1 million square metres of land for offshore engineering facilities at Zhoushan shipyard. This is expected to be completed in Q4 2006.
- ii. Construction of dust-free workshop facilities at Dalian shipyard. When completed in Q4 2006, it will be used for high-value offshore engineering projects.
- iii. Construction of engineering workshop at Nantong shipyard. This will be completed in Q4 2006.
- iv. Construction of 2 drydocks totalling 380,000 dwt at Zhoushan Shipyard. These will increase CSG's docking capacity by 28% to 1,730,000 dwt when completed by Q2 2007.

At the same time, the Group secured high-value ship repair, conversion and offshore marine engineering projects, underscoring its capabilities in specialised and technically demanding work. Projects secured in Q3 2006 include amongst others:

- a. Conversion of six tankers from single to double hull;
- b. Construction of a floating, storage and offloading vessel;
- c. Conversion of 2 heavy lift vessels; and
- d. Construction of a hull of floating, drilling, production, storage and offloading vessel with option for one additional unit.

Barring unforeseen circumstances, the Group is confident that FY 2006's performance will be substantially better than that achieved in FY 2005.

**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 Q3 2006.

**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	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)

	pursuant to Rule 920)	
	S\$'000	
	S\$'000	
	<b>Q3 2006</b>	<b>YTD 2006</b>
<u>Between Subsidiaries and:</u>		
Chimbusco (S) Pte Ltd	-	579
Chimbusco Dalian Branch	4,141	9,845
Cosco (Hongkong) Shipping Co., Ltd	804	2,174
Cosco Bulk Carrier Co., Ltd	7,907	9,153
Cosco Chartering and Shipbroking (UK) Ltd	5,447	13,414
Cosco Container Lines	3,337	10,631
Cosco LianYunGang Navi.Repair Dept	-	111
Cosco Nantong Steel Co., Ltd	834	1,934
Cosco Shanghai Ship Management Co., Ltd	109	109
Cosco Shipping Co., Ltd	126	944
Dalian Ocean Shipping	0	313
Guangzhou Ocean Shipping	403	1,805
Jiangsu Ocean Shipping Company	205	205
Nantong Chimbusco Marine Bunker	682	1,890
Nantong Cosco Khi Ship Engineering Co.,Ltd	-	3,262
Penavico-Nantong	138	317
Qingdao Manning Co-operation Ltd	337	921
Qingdao Ocean Shipping	-	366
Shanghai Ocean Crew Co.	631	2,086
Shanghai Ocean Shipping	1,917	6,211
Shanghai Pan-Asia Shipping	-	234
Tianjin TianHui Shipping & Enterprise Co.,Ltd	-	105
Xiamen Ocean Shipping	196	468
Xing Yuan Pte Ltd	-	105
	NIL	27,214
		67,182

**BY ORDER OF THE BOARD**

Mr Ji Haisheng  
Vice Chairman and President  
30/10/2006

## **CONFIRMATION BY THE BOARD**

We, Ji Haisheng and Min Jianguo being two directors of Cosco Corporation (Singapore) Limited (the "Company"), do hereby confirm on behalf of the directors 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 third quarter 2006 financial results to be false or misleading.

On behalf of the directors

Mr Ji Haisheng  
Vice Chairman and President

Mr Min Jianguo  
Director

30/10/2006