



中远投资(新加坡)有限公司

COSCO CORPORATION (SINGAPORE) LIMITED

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Press Release

FY 2013 Results: Financial Year ended 31 December 2013

	FY 2013	FY 2012	Chg
	S\$'000	S\$'000	%
Turnover	3,508,134	3,734,261	(6)
Gross Profit	321,188	484,903	(34)
Pre-tax profit	60,942	229,621	(73)
Net profit <i>(attributable to equity holders of the Company)</i>	30,615	105,685	(71)
Diluted EPS <i>(cents)</i>	1.37	4.72	(71)

Highlights:

- Group turnover fell 6.1% to \$3.5bn on lower ship repair and ship building revenues in spite of higher marine engineering and shipping revenues.
- Turnover from dry bulk shipping and other businesses increased by 3.6% to \$55.6 million on improved short-term charter rates.
- Gross profit fell 33.8% to \$321.2m mainly due to lower profit contributions from ship building and marine engineering segments on inventory write-down and provisions for expected losses.
- Net profit attributable to equity holders of the Company declined 71.0% to \$30.6m as a result.

SINGAPORE (24 February 2014) – Singapore Exchange (“SGX”) mainboard-listed COSCO Corporation (Singapore) Limited (“COSCO” or the “Company”), a leading offshore marine engineering, ship building, ship repair & conversion and dry bulk shipping group, today announced its financial results for the full year ended 31 December 2013.

Group turnover decreased 6.1% to \$3.5 billion in FY 2013 from \$3.7 billion in FY 2012 on lower shipyard revenue. Turnover from shipyard operations dropped 6.1% to \$3.5 billion from \$3.7 billion in FY 2012 due to lower revenue contribution from the ship repair and ship building segments which more than offset the growth in revenue from marine engineering segment. The Group delivered 17 bulk carriers, 2 tender rigs, 2 special purpose carriers, 1 ultra-deepwater cylindrical drilling rig, and 2 barges in FY 2013. Turnover from dry bulk shipping and other businesses inched up 3.6% from \$53.7 million in 2012 to \$55.6 million in 2013 on improved short-term charter rates for the Group’s Handymax and Panamax carriers.

Gross profit decreased 33.8% from \$484.9 million in FY 2012 to \$321.2 million in FY 2013 mainly due to lower profit contributions from ship building and marine engineering segments as a result of inventory write-down and provisions for expected losses recognized on construction contracts. Other income which comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others fell 10.1% to \$110.1 million in FY 2013 mainly due to lower sales value of scrap and exchange loss of \$18.9 million (FY 2012: exchange gain of \$0.7 million) on the strengthening of the Chinese Yuan against the United States Dollar

Administrative costs decreased 1.4% to \$193.4 million as the Group kept expenses in check. Interest expense increased 10.9% to \$110.8 million in FY 2013 due to higher bank borrowings to fund shipyard operations. Distribution costs decreased by 19.1% to \$66.5 million, owing mainly to less marketing and promotional activities.

As a result, net profit attributable to equity holders of the Company declined 71.0% from \$105.7 million in FY 2012 to \$30.6 million in FY 2013.

Captain Wu Zi Heng, Vice Chairman and President of the Company said, “With the many uncertainties still clouding the global economy, our Group is prepared for a marketplace fraught with limited visibility. We will continue to increase our competitiveness by improving productivity and capability to help the Group mitigate adverse industry conditions.”

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 rig, 5 oil tankers, 7 bulk carriers, and 10 platform supply vessels. 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.

The Group will continue its strive to gather 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.

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.

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