



中远投资(新加坡)有限公司

COSCO CORPORATION (SINGAPORE) LIMITED

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Press Release

Q3 2014 Results: Financial Quarter ended 30 September 2014

	Q3 2014	Q3 2013	Chg	YTD 2014	YTD 2013	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover	1,158,982	989,433	17	3,344,890	2,612,754	28
Gross Profit	56,673	73,205	(23)	244,369	247,614	(1)
Pre-tax profit	8,435	23,996	(65)	74,488	61,843	20
Net profit <i>(attributable to equity holders of the Company)</i>	7,147	4,224	69	34,074	26,009	31
Diluted EPS <i>(cents)</i>	0.32	0.19	68	1.52	1.16	31

Highlights:

- Group net profit attributable to equity holders increased 69.2% to \$7.1m.
- Group turnover rose 17.1% to \$1.2bn on increase in shipyard and dry bulk shipping revenues.
- Turnover from shipyard operations increased 17.2% to \$1.1bn on the back of higher revenue contribution from marine engineering segment.
- Turnover from dry bulk shipping and other businesses increased 11.2% to \$14.9m on higher short-term charter rates.
- Gross profit decreased 22.6% to \$56.7m on lower profit contributions from shipyard operations.
- The Group maintains a cautious outlook for the remainder of 2014.

SINGAPORE (3 Nov 2014) – 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 3rd quarter financial results for the 3 months ended 30 September 2014.

Group turnover increased 17.1% to \$1.2 billion in Q3 2014 from \$989.4 million in Q3 2013 on the back of increases in shipyard and dry bulk shipping revenues.

Turnover from shipyard operations increased 17.2% to \$1.1 billion in Q3 2014 from \$976.0 million in Q3 2013 mainly due to growth in revenue from marine engineering segment which more than offset the lower revenue contribution from ship building & ship repair segments. The Group delivered 1 bulk carrier, 1 livestock carrier and 1 jack-up rig in Q3 2014.

Turnover from dry bulk shipping and other businesses increased 11.2% from \$13.4 million in Q3 2013 to \$14.9 million in Q3 2014 as most of the current short-term charter rates were higher than those received in Q3 2013.

Gross profit decreased 22.6% from \$73.2 million in Q3 2013 to \$56.7 million in Q3 2014 mainly due to lower profit contributions from shipyard operations. Other income comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others. Compared to Q3 2013, other income decreased by 17.7% to \$32.7 million in Q3 2014 mainly due to the absence of one-off compensation received from customers in Q3 2013.

Interest expense increased by 12.5% to \$31.3 million in Q3 2014 due to higher bank borrowings used to fund shipyard operations. The decrease in income tax expense by 87.9% to \$0.9 million in Q3 2014 was mainly due to adjustment for over provision of tax in respect of prior year’s lower profit contributions from shipyard operations and higher tax-exempt shipping profits.

Overall, net profit attributable to equity holders of the Company increased 69.2% from \$4.2 million in Q3 2013 to \$7.1 million in Q3 2014. Compared to first nine months in 2013, net profit attributable to equity holders of the Company increased 31.0% from \$26.0 million to \$34.1 million in the first nine months in 2014.

Captain Wu Zi Heng, Vice Chairman and President of the Company said, “Our Group has performed steadily in yet another testing quarter for the industry. For the remainder of 2014, our Group maintains a cautious outlook given the persistent weaknesses in the state of the global economy and global economic growth.”

As at 30 September 2014, the Group’s order book stood at US\$ 8.9 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 first 9 months of 2014 include 9 bulk carriers, 8 platform supply vessels, 4 emergency response/rescue/field support vessels, 4 subsea supply vessels, 2 livestock carriers, 1 jack-up rig, 1 accommodation barge, 1 floating accommodation unit and 1 module carrier. 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 dry bulk shipping, the Group expects the positive impact from any rebound in BDI to be subdued as expansion in the global bulk carrier fleet continues to outpace demand.

The Group continues to expect difficult and challenging business and operating conditions to persist for the rest of 2014.

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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