中远投资(新加坡)有限公司

COSCO CORPORATION (SINGAPORE) LIMITED

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Press Release

FY 2014 Results: Financial Year ended 31 December 2014

	FY 2014	FY 2013	Chg
	S$'000	S$'000	%
Turnover	**4,260,705**	3,508,134	**21**
Gross Profit	**291,041**	321,188	**(9)**
Pre-tax profit	**17,251**	60,942	**(72)**
Net profit *(attributable to equity holders of the Company)*	**20,893**	30,615	**(32)**
Diluted EPS *(cents)*	**0.93**	1.37	**(32)**

Highlights:

- Group turnover rose 21.5% to $4.3bn on increase in shipyard revenue.
- Turnover from shipyard operations increased 21.9% to $4.2bn on the back of higher revenue contribution from marine engineering and ship building segments.
- Turnover from dry bulk shipping and other businesses fell 5.6% to $52.5m on lower charter rates.
- Gross profit decreased 9.4% to $291.0m due mainly to higher inventory write-down.
- Group net profit attributable to equity holders dropped 31.8% to $20.9m amidst difficult business conditions.
- The Group expects challenging business and operating conditions to persist into 2015.

SINGAPORE (16 February 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 financial results for the full year ended 31 December 2014.

Group turnover increased 21.5% to $4.3 billion in FY 2014 from $3.5 billion in FY 2013 supported by increase in shipyard revenue.

Turnover from shipyard operations increased 21.9% to $4.2 billion in FY 2014 from $3.5 billion in FY 2013 on growth in revenue from marine engineering and ship building segments. The Group delivered 8 bulk carriers, 2 livestock carriers, 2 tender barges, 2 pipelay heavy lift vessels, 1 platform supply vessel, 1 wind turbine installation vessel, 1 tender rig, 1 jack-up rig, 1 float-over launch barge and 1 stinger barge in FY 2014.

Turnover from dry bulk shipping and other businesses decreased marginally by 5.6% from $55.6 million in FY 2013 to $52.5 million in FY 2014 on decreased charter rates.

Gross profit decreased 9.4% from $321.2 million in FY 2013 to $291.0 million in FY 2014 mainly due to a one-off inventory write-down related to a discontinued Octabuoy hull and topside module project with a customer, ATP Oil and Gas (UK) Limited, which went under company voluntary arrangement (CVA) in the UK.

Other income comprised gain from the disposal of scrap metal, interest income, net currency exchange gain/(loss) and others. Interest expense increased by 15.2% to $127.7 million in FY 2014 due to higher bank borrowings deployed to fund shipyard operations.

Overall, net profit attributable to equity holders of the Company decreased 31.8% from $30.6 million in FY 2013 to $20.9 million in FY 2014.

Captain Wu Zi Heng, Vice Chairman and President of the Company said, "Our Group maintains a cautious outlook for 2015. The global offshore market has slowed down significantly. Many oil majors have started to cut expenditure leading to fewer orders for deep water rigs. In addition, a number of offshore rigs and supply vessels delivered in past months have not secured contracts for lease yet. Under such challenging circumstances, new orders have declined. All these developments have taken place against the background of weak global economic conditions which, in the latter half of 2014, were accompanied by steep falls in crude oil prices."

As at 31 December 2014, the Group's order book stood at US$8.4 billion with progressive deliveries up to 2017. This order book is subject to revision from any new or cancellation of orders that may arise. New orders received in 2014 include 9 bulk carriers, 8 platform supply vessels, 4 emergency response/rescue/field support vessels, 4 subsea supply vessels, 3 livestock carriers, 1 jack-up rig, 1 accommodation barge, 1 floating accommodation unit and 1 module carrier.

As the Group continues construction in 2015 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.

The Group expects difficult and challenging business and operating conditions to persist into 2015.

About COSCO Corporation (Singapore) Ltd

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

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