中远投资(新加坡)有限公司

COSCO CORPORATION (SINGAPORE) LIMITED

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Press Release

1Q 2015 Results: Financial Quarter ended 31 March 2015

	1Q 2015	1Q 2014	Chg
	S$'000	S$'000	%
Turnover	**991,172**	1,039,386	**(5)**
Gross Profit	**73,005**	95,719	**(24)**
Pre-tax profit	**7,324**	29,050	**(75)**
Net profit *(attributable to equity holders of the Company)*	**766**	12,625	**(94)**
Diluted EPS *(cents)*	**0.03**	0.56	**(95)**

Highlights:

- Group turnover fell 5% to $991m on decrease in shipyard and dry bulk shipping revenues.
- Turnover from shipyard operations dropped 5% to $981 due to lower revenue contributions from marine engineering and ship repair business.
- Turnover from dry bulk shipping and other businesses fell 12% to $10m on lower charter rates.
- Gross profit decreased 24% to $73m on lower profit contributions from dry bulk shipping and shipyard operations.
- Group net profit attributable to equity holders decreased 94% to $0.8m as operating conditions continued to deteriorate.
- The Group expects challenging business and operating conditions to persist in 2015.

SINGAPORE (30 April 2015) – Singapore Exchange ("SGX") mainboard-listed COSCO Corporation (Singapore) Limited ("COSCO" or the "Company"), a leading offshore marine engineering, shipbuilding, ship repair & conversion and dry bulk shipping group, today announced its financial results for the first quarter ended 31 March 2015.

Group turnover decreased 4.6% to $991.2 million in Q1 2015 from $1.04 billion in Q1 2014 owing to falls in shipyard and dry bulk shipping revenues.

Turnover from shipyard business decreased 4.6% to $980.8 million from $1.03 billion in Q1 2014 on lower revenue contribution from marine engineering and ship repair projects partially offset by an increase in revenue from the ship building segment. The Group delivered 5 bulk carriers, 3 platform supply vessel, 1 oil tanker, 1 semi-submersible accommodation vessel and 1 floating accommodation unit in Q1 2015.

Turnover from dry bulk shipping and other businesses decreased 11.9% from $11.8 million in Q1 2014 to $10.4 million in Q1 2015 on decreased charter rates.

Gross profit fell 23.7% from $95.7 million in Q1 2014 to $73.0 million in Q1 2015 due to lower profit contributions from dry bulk shipping and shipyard operations.

Other income which comprised gain from the disposal of scrap metal, interest income, and others decreased 20.5% to $20.1 million in Q1 2015 mainly due to lower sales value of scrap materials and interest income. Interest expense increased 40.6% to $38.8 million in Q1 2015 due to higher bank borrowings to fund shipyard operations.

As a result, net profit attributable to equity holders of the Company decreased 93.9% from $12.6 million in Q1 2014 to $0.8 million in Q1 2015.

Captain Wu Zi Heng, Vice Chairman and President of the Company said, "The persistent industry slowdown continued to put tremendous pressure on our performance in Q1 2015. Against such headwind, our Group continued to step up our efforts in contract negotiations and managed to secure new orders in Q1 2015 which include 7 container vessels, 1 shuttle tanker and 1 module carrier. As at 31 March 2015, our order book stood at US$8.1 billion with progressive deliveries up to 2017."

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.

Over the past year, the global offshore market has slowed down significantly. Many oil majors have 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. 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 to multi-year lows.

Amidst weakness in the state of the global economy, the Group expects difficult and challenging business and operating conditions to persist in 2015.

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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