中远投资（新加坡）有限公司

COSCO CORPORATION (SINGAPORE) LIMITED

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Press Release

2Q 2016 Results: Financial Quarter ended 30 June 2016

	2Q 2016	2Q 2015	Chg	1H 2016	1H 2015	Chg
	S$'000	S$'000	%	S$'000	S$'000	%
Turnover	**762,916**	853,526	**(11)**	**1,485,210**	1,844,698	**(19)**
Gross Profit	**11,521**	59,050	**(80)**	**100,811**	132,055	**(24)**
Pre-tax profit/(loss)	**(61,806)**	(11,890)	**420**	**(73,848)**	(4,566)	**1,517**
Net Loss *(Attributable to equity holders of the Company)*	**(36,806)**	(4,762)	**673**	**(51,200)**	(3,996)	**1,181**
Diluted EPS*(cents)*	**(1.64)**	(0.21)	**681**	**(2.29)**	(0.18)	**1,172**

Highlights:

- Sluggish marine engineering and shipping markets continued to put pressure on the Group's performance. The Group recorded $36.8m in net loss attributable to equity holders of the Company due to losses in its shipyard and shipping operations.
- Group turnover fell 11% to $762.9m weighed down by decreases in shipyard and shipping revenues.
- Turnover from shipyard operations dropped 11% to $754.6m on lower revenue contribution from marine engineering.
- Turnover from dry bulk shipping and other businesses declined 18% to $8.3m due to lower charter rates.
- Gross profit fell 80% to $11.5 million depressed by lower profit contribution from shipyard operations and losses from shipping business.

SINGAPORE 5 August 2016 – 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 2nd quarter financial results for the 3 months ended 30 June 2016.

Group turnover decreased 10.6% to $762.9 million in Q2 2016 from $853.5 million in Q2 2015 owing to decreases in shipyard and shipping revenues.

Turnover from shipyard operations decreased 10.5% to $754.6 million in Q2 2016 from $843.4 million in Q2 2015 on lower revenue contribution from marine engineering, partially offset by an increase in revenue from ship building segment. The Group delivered 2 oil tankers, 2 module carriers and 1 livestock carrier in Q2 2016.

Turnover from dry bulk shipping and other businesses decreased 17.8% from $10.1 million in Q2 2015 to $8.3 million in Q2 2016 as the current short-term rates were lower than the more favorable charter rates secured in Q2 2015.

Gross profit decreased 80.5% from $59.0 million in Q2 2015 to $11.5 million in Q2 2016 due to lower profit contributions from its shipyards and losses from shipping operations.

Other income comprising gain from the disposal of scrap metal, interest income and others decreased by 25.9% to $14.7 million in Q2 2016 mainly due to lower sales value of scrap materials and lower interest income. Administrative expenses decreased 60.3% to $13.0 million mainly due to net reversal of impairment of trade and other receivables of $15.3 million. Interest expense increased 30.9% to $52.6 million in Q2 2016 due to higher bank borrowings to fund shipyard operations.

Overall, the Group recorded net loss attributable to equity holders of the Company of $36.8 million in Q2 2016 compared to net loss of $4.8 million in Q2 2015 due to losses in shipyard and shipping operations mainly attributable to unfavourable market conditions. In 1H 2015, the group recorded net loss attributable to equity holders of the Company of $51.2 million in 1H 2016 compared to net loss of $4.0 million in 1H 2015.

Captain Wu Zi Heng, Vice Chairman and President of the Company said, "The bearish industry outlook looms large in the near term as external weaknesses beyond our control continue to brew across our markets. The offshore marine industry remains weak due to persistently low crude oil prices. The shipbuilding industry continues to falter on over-capacity amidst a weak global economy. Subdued global economic conditions have led to depressed shipping rates. To build long-term sustainable growth under such conditions, our Group will focus on improving our expertise and capabilities"

As at 30 June 2016, the Group's order book stood at approximately US$7.6 billion with progressive deliveries up to 2018. These include modules of drillship and FPSO contracts for certain Brazilian customers which amount to approximately US$1.4 billion. This order book is subject to revision from any new, cancellation, variation or scheduling of orders that may arise. New orders received in 1H 2016 include 1 trailing suction hopper dredger, 1 self-elevating workover unit, 2 crude oil tankers and 4 container vessels..

With the macroeconomic headwinds at the forefront of its concerns, the Group expects these difficult and challenging business and operating conditions to persist or even worsen. As such, 2016 will remain a very difficult year for the Group.

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.

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