



中远投资（新加坡）有限公司

COSCO CORPORATION (SINGAPORE) LIMITED

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Press Release

1Q06 Results: 3 months ended 31 March 2006

Breaking New Ground in Offshore Marine Engineering

Turnover Up 63% to Record High; Net Profit Up 46%

	1Q 2006	1Q 2005	Change
	S\$'000	S\$'000	
Sales	267,592	164,578	+63%
Gross profit	82,378	46,903	+76%
Pre-tax profit	58,277	36,721	+59%
Net profit attributable to equity holders	37,582	25,799	+46%
Earnings per share (cents)	1.71	1.19	+44%

Highlights:

- Group sales jumped 63% to historical quarterly high \$267.6m fueled by strong performances from its ship repair and dry bulk shipping businesses.
- Ship repair sales leaped 53% to \$203.0 million driven by high value contracts and shipyard capacity upgrades.
- Gross profit soared 76% to \$82.4 million on higher sales and margin expansion; Net profit attributable to equity holders rose 46% to \$37.6 million.
- Group made further progress in offshore marine engineering business by securing new high-value rig-building and ship repair & conversion contracts totaling S\$219 million.
- Zhoushan shipyard remains on track for expansion and contributions.

- **Group remains optimistic of its prospects in FY2006 given the buoyant international ship repair & conversion market and oil & gas sector.**

SINGAPORE (2 May 2006) – Singapore Exchange (“SGX”) mainboard-listed COSCO Corporation (Singapore) Limited (“COSCO” or the “Company”), a leading ship repair & marine engineering and shipping group, is pleased to announce another record high sales and strong profit in 1Q 2006 on ground-breaking contributions from its ship repair & marine engineering business.

Group sales jumped 63% from \$164.6 million in 1Q 2005 to \$267.6m in 1Q 2006 mainly fueled by strong performances of its ship repair and dry bulk shipping businesses. Ship repair sales jumped 53% from \$132.6 million in 1Q 2005 to \$203.0 million in 1Q 2006 driven by increase in the number of high value contracts secured and completed during the quarter, as well as the Group’s shipyard capacity upgrades. Bulk shipping sales increased 47% from \$26.6 million in 1Q 2005 to \$39.3 million in 1Q 2006 due to contributions from two additional ships which joined the fleet in mid 2005. Ship repair and shipping constituted 76.6% and 14.7% of Group sales respectively in 1Q 2006.

Gross profit rose 76% from \$46.9 million in 1Q 2005 to \$82.4 million in 1Q 2006 on higher sales and margin expansion. Group overall gross margin improved from 28.4% in 1Q 2005 to 30.8% in 1Q 2006 on the back of better ship repair margin from 22.0% in 1Q 2005 to 28.9% in 1Q 2006 as more complex and high value contracts were secured.

Overall Group net profit attributable to equity holders rose 46% from \$25.8 million in 1Q 2005 to \$37.6 million in 1Q 2006.

Mr Ji Hai Sheng, Vice Chairman & President of COSCO Corporation said, “We are optimistic of our prospects in FY2006 given the buoyant international ship repair & conversion market and oil & gas sector. Clearly underscoring our Group’s offshore marine engineering and ship repair & conversion capabilities, our Group successfully secured a number of new high-value rig-building and ship repair & conversion contracts in the last two months totaling US\$137.15 million (S\$219 million) in value.

These include the construction of the lower pontoons of two units of semi-submersible rigs, single to double-hull ship conversions and four specialized ship repair & conversions.”

“The rig pontoon fabrication and rig accommodation work have commenced in April 2006 with delivery scheduled in April 2007. The single to double-hull ship conversions and most of the specialized ship repair & conversion works have commenced in April 2006 and are targeted to complete progressively in the 2nd and 3rd quarters of FY2006. In a bid to further enhance our Group’s ship repair & marine engineering capacity, our Zhoushan shipyard upgrading work remains on track for progressive completions in 2006 and mid-2007.” added Mr. Ji.

About COSCO Corporation (Singapore) Ltd

Listed on the main board of the Singapore Exchange, COSCO Corporation is a diversified group with core activities in shipping and shipping related services. The Group operates 16 bulk carriers and majority stake in the largest shipyard group in China, operates shipping agencies as well as provides marine engineering and ship repair services. COSCO Corporation is the listed subsidiary of China Ocean Shipping (Group) Company, the largest shipping group in China.

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