



**中远投资 (新加坡) 有限公司**  
**COSCO CORPORATION (SINGAPORE) LIMITED**  
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**Press Release**

**FY 2016 Results: Financial Year ended 31 December 2016**

	<b>FY 2016</b>	<b>FY 2015</b>	<b>Chg</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+/(-) %</b>
Turnover	<b>2,557,359</b>	3,519,773	<b>(27)</b>
Gross Loss	<b>(317,331)</b>	(214,785)	<b>48</b>
Loss before Income Tax	<b>(877,765)</b>	(901,166)	<b>(3)</b>
Net Loss <i>(Attributable to equity holders of the Company)</i>	<b>(466,499)</b>	(569,958)	<b>(18)</b>
Diluted EPS( <i>cents</i> )	<b>(20.83)</b>	(25.45)	<b>(18)</b>

**Highlights:**

- The Group recorded net loss attributable to equity holders of \$466.5m on turnover of \$2.6bn in 2016 amidst the marine and shipping industry slump.
- Group turnover decreased 27% to \$2.6bn owing to decrease in shipyard and shipping revenue.
- Turnover from shipyard operations decreased 27% to \$2.5bn on lower revenue contributions from ship repair, ship building and marine engineering.
- Turnover from dry bulk shipping and other businesses declined 23% to \$30.5m.
- Gross loss increased 48% to \$317.3m in 2016 due to losses from shipping and shipyard operations, which recorded lower revenue and incurred inventory write-downs.
- Overall, the Group recorded net loss attributable to equity holders of the Company to \$466.5m in 2016 from net loss of \$570.0m in 2015 due to losses in shipyard and shipping operations.

**SINGAPORE 24 February 2017** – Singapore Exchange (“SGX”) mainboard-listed COSCO Corporation (Singapore) Limited (“COSCO” or the “Company”), an offshore marine engineering, shipbuilding, ship repair & conversion and dry bulk shipping group, today announced its financial results for the full year ended 31 December 2016.

Group turnover decreased 27.3% to \$2.6 billion in 2016 from \$3.5 billion in 2015 owing to decrease in shipyard and shipping revenues.

Turnover from shipyard operations decreased 27.4% to \$2.5 billion in 2016 from \$3.5 billion in 2015 due to lower revenue contribution from ship repair, ship building and marine engineering. The Group delivered 18 projects in 2016, namely 4 oil tankers, 3 livestock carriers, 2 platform supply vessels, 3 module carriers, 2 jack-up rigs, 1 emergency, response & rescue vessel, 1 salvage lifting vessel, 1 cargo & training ship, and 1 semi-submersible accommodation vessel.

Turnover from dry bulk shipping and other businesses decreased 22.6% from \$39.4 million in 2015 to \$30.5 million in 2016. The Group also scrapped one of its dry bulk carriers in October 2016.

Gross loss increased 48% to \$317.3 million in 2016 from \$214.8 million in 2015 due to losses from shipping and shipyard operations, which recorded revenue decreases and inventory write-downs.

Other income comprising gain from the disposal of scrap metal, interest income and others increased 8.9% to \$88.6 million in 2016 mainly due to higher government grants, partially offset by lower sales value of scrap materials and lower interest income.

Administrative expenses decreased by \$187.5 million to \$335.0 million in 2016 mainly due to the decrease in allowance for impairment of trade and other receivables from customers in the offshore marine engineering segment. Interest expense increased 34.7% to \$224.8 million in 2016 due to higher bank borrowings used to fund shipyard operations.

Overall, the Group narrowed its net loss attributable to equity holders of the Company to \$466.5 million in 2016 from net loss of \$570.0 million in 2015 as losses in shipyard and shipping operations were partially cushioned by an increase in other income and decrease in trade provision.

Mr. Gu Jing Song, Vice Chairman and President of the Company said, “FY 2017 continues to be tough-sailing for our Group under cloudy skies and tumultuous external headwinds engulfing the shipping and marine industries. Amidst continuing weakness in the state of the global economy, challenging market conditions and depressed crude oil prices, an increasing number of the Group's customers may be unable to meet their contractual payment obligations to the Group.”

New orders received in 2016 include 1 trailing suction hopper dredger, 1 self-elevating workover unit, 2 crude oil tankers and 7 container vessels. As at 31 December 2016, the Group's gross order book stood at approximately US\$6.4 billion with progressive deliveries up to 2019. These include modules of drillship and FPSO contracts for certain Brazilian customers which amount to approximately US\$1.27 billion. It also includes several offshore marine engineering projects which have been substantially completed in construction but are yet to be delivered due to customers' requests for extension of delivery. This order book continues to be subject to revision from any new, cancellation, variation or scheduling of orders that may arise.

The Group expects possible decline in new orders and more project delivery delays or request for deferments from some customers.

As announced in December 2016, our Company has been informed by our parent company that the China COSCO Shipping Corporation group will be restructuring its shipyard businesses. The objective of the shipyard business restructuring is to centralise operations and management.

The Company has now been informed the Parent Group plans to acquire the Company's equity interests in COSCO Shipyard Group Co. Ltd., COSCO (Nantong) Shipyard Co. Ltd. and COSCO (Dalian) Shipyard Co. Ltd. The plans relating to the proposed acquisition will be further reviewed and determined after further necessary work, including a valuation of the assets to be acquired, has been completed. The Company has also been informed by its parent company that it will remain supportive of the Company's future development.

The Group expects difficult and challenging business and operating conditions to persist or even worsen. As such, 2017 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 9 dry bulk carriers. COSCO is the listed subsidiary of China COSCO Shipping Corporation Ltd.

**For further information, please contact:**

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