



**COSCO SHIPPING INTERNATIONAL
(SINGAPORE) CO., LTD.**

(Incorporated in the Republic of Singapore)
(Company Registration no: 196100159G)

Condensed Interim Financial Statements
For the six months and full year ended 31
December 2022



COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.
(Company Registration no: 196100159G)

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A. Condensed consolidated statement of profit or loss

		Group					
	Note	2H 2022	2H 2021	Change	FY2022	FY2021	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Sales	6	93,194	103,587	(10)	185,643	198,463	(6)
Cost of sales		(72,201)	(79,812)	(10)	(144,401)	(151,287)	(5)
Gross profit		20,993	23,775	(12)	41,242	47,176	(13)
Other income	7	2,891	3,262	(11)	4,241	5,853	(28)
- Interest income		1,038	58	1690	1,225	127	865
- Others		1,853	3,204	(42)	3,016	5,726	(47)
Other gains and losses	7	109	16,816	(99)	511	17,164	(97)
Expenses							
- Distribution		(1,618)	(1,799)	(10)	(3,060)	(3,111)	(2)
- Administrative		(112,578)	(14,130)	697	(124,785)	(27,522)	353
- (Impairment loss)/reversal of impairment on financial assets		(73)	2	NM	(79)	26	NM
- Impairment of goodwill		(98,989)	-	NM	(98,989)	-	NM
- Others		(13,516)	(14,132)	(4)	(25,717)	(27,548)	(7)
- Finance		(6,289)	(3,883)	62	(10,232)	(7,455)	37
Share of profit of associated companies		3,351	1,044	221	7,520	2,412	212
(Loss)/profit before income tax	7	(93,141)	25,085	NM	(84,563)	34,517	NM
Income tax expense	8	(1,268)	(1,469)	(14)	(3,197)	(3,674)	(13)
(Loss)/profit for the year		(94,409)	23,616	NM	(87,760)	30,843	NM
(Loss)/profit attributable to:							
Equity holders of the Company		(94,798)	23,281	NM	(88,600)	30,112	NM
Non-controlling interests		389	335	16	840	731	15
		(94,409)	23,616	NM	(87,760)	30,843	NM
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company							
(expressed in cents per share)							
- Basic (loss)/earnings per share	10	(4.23)	1.04	NM	(3.96)	1.34	NM
- Diluted (loss)/earnings per share	10	(4.23)	1.04	NM	(3.96)	1.34	NM

NM denotes not meaningful.

B. Condensed consolidated statement of comprehensive income

	2H 2022 \$'000	2H 2021 \$'000	Change %	Group FY2022 \$'000	FY2021 \$'000	Change %
(Loss)/profit for the period	(94,409)	23,616	NM	(87,760)	30,843	NM
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- (Losses)/gains	(4,452)	693	NM	(4,977)	965	NM
- Reclassification on disposal of a subsidiary	-	8,663	NM	-	8,663	NM
Other comprehensive (loss)/income, net of tax	(4,452)	9,356	NM	(4,977)	9,628	NM
Total comprehensive (loss)/income	(98,861)	32,972	NM	(92,737)	40,471	NM
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(99,183)	32,629	NM	(93,296)	39,837	NM
Non-controlling interests	322	343	(6)	559	634	(12)
	(98,861)	32,972	NM	(92,737)	40,471	NM

C. Condensed Balance Sheets – Group and Company

		Group		Company	
	Note	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Current assets					
Cash and cash equivalents		106,682	108,008	78,309	83,879
Trade and other receivables		44,620	52,971	306	7,497
Inventories		599	325	-	-
Income tax receivables		249	137	-	-
		<u>152,150</u>	<u>161,441</u>	<u>78,615</u>	<u>91,376</u>
Non-current assets					
Trade and other receivables		379	424	-	-
Investments in associated companies		58,803	55,251	49,019	49,019
Investments in subsidiaries		-	-	428,503	528,681
Investment properties	12	28,387	40,793	-	-
Property, plant and equipment	13	669,916	696,205	45	58
Intangible assets	14	16,281	119,411	-	-
Deferred tax assets		111	10	-	-
		<u>773,877</u>	<u>912,094</u>	<u>477,567</u>	<u>577,758</u>
Total assets		<u>926,027</u>	<u>1,073,535</u>	<u>556,182</u>	<u>669,134</u>
Current liabilities					
Trade and other payables		35,895	53,249	44,104	58,825
Current income tax liabilities		4,543	3,810	69	-
Borrowings	15	30,976	71,955	-	34,069
Provisions		802	1,111	-	-
		<u>72,216</u>	<u>130,125</u>	<u>44,173</u>	<u>92,894</u>
Non-current liabilities					
Trade and other payables		337	8,070	-	-
Borrowings	15	297,939	286,251	72,069	38,000
Provisions		1,535	1,106	-	-
Deferred income tax liabilities		61,242	62,773	-	-
		<u>361,053</u>	<u>358,200</u>	<u>72,069</u>	<u>38,000</u>
Total liabilities		<u>433,269</u>	<u>488,325</u>	<u>116,242</u>	<u>130,894</u>
Net assets		<u>492,758</u>	<u>585,210</u>	<u>439,940</u>	<u>538,240</u>
Equity					
Share capital	16	270,608	270,608	270,608	270,608
Other reserves		38,386	34,924	45,105	45,105
Retained earnings		180,028	268,628	124,227	222,527
Shareholders' equity		<u>489,022</u>	<u>574,160</u>	<u>439,940</u>	<u>538,240</u>
Non-controlling interests		3,736	11,050	-	-
Total equity		<u>492,758</u>	<u>585,210</u>	<u>439,940</u>	<u>538,240</u>

D. Condensed Statements of Changes in Equity – Group and Company

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000	Total \$'000
Group					
At 1 January 2022	270,608	34,924	268,628	11,050	585,210
Loss/(profit) for the year	-	-	(88,600)	840	(87,760)
Other comprehensive loss for the year	-	(4,696)	-	(281)	(4,977)
Total comprehensive (loss)/income for the year	-	(4,696)	(88,600)	559	(92,737)
Acquisition of additional interests in subsidiaries [2]	-	88	-	(7,588)	(7,500)
Dividend declared by a subsidiary to minority shareholder	-	-	-	(285)	(285)
Derecognition of redemption liability [2]	-	8,185	-	-	8,185
Accretion of redemption liability [1]	-	(115)	-	-	(115)
Total transactions with owners, recognised directly in equity	-	8,158	-	(7,873)	285
At 31 December 2022	270,608	38,386	180,028	3,736	492,758
At 1 January 2021	270,608	25,560	238,732	10,416	545,316
Profit for the year	-	-	30,112	731	30,843
Other comprehensive income/(loss) for the year	-	9,725	-	(97)	9,628
Total comprehensive income for the year	-	9,725	30,112	634	40,471
Disposal of a subsidiary	-	216	(216)	-	-
Accretion of redemption liability [1]	-	(577)	-	-	(577)
Total transactions with owners, recognised directly in equity	-	(361)	(216)	-	(577)
At 31 December 2021	270,608	34,924	268,628	11,050	585,210

[1] On 14 February 2020 (the "Acquisition Date"), the Group acquired 80% of the issued share capital of each of Guper Integrated Logistics Sdn. Bhd., Gems Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. (collectively the Newly Acquired Malaysia Subsidiaries) for a total consideration of RM88,000,000 (equivalent to \$29,610,000). Pursuant to the shareholder agreements entered into for the acquisition of the Newly Acquired Malaysia Subsidiaries, a forward purchase contract is deemed to have been entered into which entitled the Group to acquire the remaining 20% interests in the Newly Malaysia Subsidiaries. On Acquisition Date, accordingly, the Group recognised an amount of \$7,038,000 which represents the present value of the estimated consideration payable upon the exercise of the forward purchase contract. During the financial year, the Group remeasured the redemption liability based on the terms of the shareholder agreements and recognised an accretion charge amounting to \$115,000 (2021: \$577,000) by debiting Other reserves.

D. Condensed Statements of Changes in Equity – Group and Company (continued)

[2] On 12 September 2022, the Group exercised the forward purchase contract to acquire the remaining 20% interests in the Newly Acquired Malaysia Subsidiaries, except for Guper Integrated Logistics Sdn. Bhd., where 17.56% interest was acquired, for a total consideration of RM23,930,000 (equivalent to \$7,500,000) and derecognised the related redemption liability accordingly.

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Company				
At 1 January 2022	270,608	45,105	222,527	538,240
Total comprehensive loss for the year	-	-	(98,300)	(98,300)
At 31 December 2022	<u>270,608</u>	<u>45,105</u>	<u>124,227</u>	<u>439,940</u>
At 1 January 2021	270,608	45,105	209,024	524,737
Total comprehensive income for the year	-	-	13,503	13,503
At 31 December 2021	<u>270,608</u>	<u>45,105</u>	<u>222,527</u>	<u>538,240</u>

E. Condensed consolidated statement of cash flows

	Group	
Note	FY2022 \$'000	FY2021 \$'000
Cash flows from operating activities		
(Loss)/profit for the year	(87,760)	30,843
Adjustments for:		
- Income tax expense	3,197	3,674
- Amortisation of intangible assets	4,049	4,057
- Depreciation of property, plant and equipment	32,094	34,113
- Depreciation of investment properties	7,494	9,011
- Impairment/(reversal of impairment) of trade and other receivables	79	(26)
- Impairment of goodwill	98,989	-
- Write-off on property, plant and equipment	375	-
- Gain on disposal of property, plant and equipment	(401)	(165)
- Gain on disposal of a subsidiary	-	(16,445)
- Gain on termination of lease	(72)	(29)
- Rental waiver (financing)	-	(1,990)
- Share of profit of associated companies	(7,520)	(2,412)
- Interest expense	10,232	7,455
- Interest income	(1,225)	(127)
- Exchange differences	77	515
	<u>59,608</u>	<u>68,474</u>
Changes in working capital:		
- Inventories	(274)	150
- Trade and other receivables	1,130	(2,984)
- Trade and other payables	(7,701)	(3,433)
- Provisions	-	(168)
Cash provided by operations	<u>52,763</u>	<u>62,039</u>
Income tax paid	<u>(3,826)</u>	<u>(3,540)</u>
Net cash provided by operating activities	<u>48,937</u>	<u>58,499</u>
Cash flows from investing activities		
Deferred consideration paid in relation to acquisition of subsidiaries	(2,000)	(1,000)
Additions to property, plant and equipment	(16,030)	(26,067)
Disposal of property, plant and equipment	593	769
Disposal of a subsidiary, net of cash disposed	-	21,214
Disposal of club membership	-	92
Interest received	1,023	132
Dividend received from associated companies	9,871	2,011
Net cash used in investing activities	<u>(6,543)</u>	<u>(2,849)</u>
Cash flows from financing activities		
Acquisition of non-controlling interests in subsidiaries	(7,500)	-
Proceeds from borrowings	10,904	17,558
Repayment of borrowings	(18,174)	(16,375)
Repayment of lease liabilities	(18,233)	(17,771)
Decrease in bank deposits pledged	5	392
Interest paid	(9,722)	(7,801)
Dividend paid to non-controlling interest of a subsidiary	(285)	-
Net cash used in financing activities	<u>(43,005)</u>	<u>(23,997)</u>

E. Condensed consolidated statement of cash flows (continued)

	Group	
	FY2022	FY2021
	\$'000	\$'000
Net (decrease)/increase in cash and cash equivalents	(611)	31,653
Cash and cash equivalents at beginning of financial year	107,074	75,007
Effects of currency translation on cash and cash equivalents	(710)	414
Cash and cash equivalents at end of financial year	105,753	107,074
Cash and cash equivalents represented by:		
Cash at bank and on hand	34,424	49,074
Short-term bank deposits	72,258	58,934
	106,682	108,008
Less: Bank deposits pledged	(929)	(934)
Cash and cash equivalents per consolidated statement of cash flows	105,753	107,074

E. Condensed consolidated statement of cash flows (continued)

Note A – Disposal of a subsidiary

On 28 December 2021, the Group disposed of its 60% equity interest in COSCO SHIPPING Bulk (South East Asia) Pte Ltd (formerly known as "COSCO SHIPPING (Singapore) Pte Ltd") ("COSCO SHIPPING Bulk SEA") for a consideration of US\$42,391,000 (equivalent to S\$57,482,000). The 40% retained interest is accounted as an investment in associate.

The effects of the disposal on the cash flows of the Group were:

	Group 2021 \$'000
Carrying amounts of assets and liabilities disposed of:	
Cash and cash equivalents	36,268
Trade and other receivables	10,565
Inventories	337
Property, plant and equipment	34,257
Total assets	<u>81,427</u>
Trade and other payables	3,297
Current income tax liabilities	5
Total liabilities	<u>3,302</u>
Net assets disposed of	<u>78,125</u>
	Group 2021 \$'000
Net assets disposed of (as above)	78,125
Reclassification of currency translation reserve	8,663
Gain on disposal of subsidiary	16,445
Amount accounted for as associated company	(38,321)
Amount accounted for as dividend receivable ⁽¹⁾	<u>(7,430)</u>
Sales consideration from disposal	57,482
Less: Cash and cash equivalents in subsidiary disposed of	<u>(36,268)</u>
Net cash inflow on disposal	<u>21,214</u>

⁽¹⁾ The amount accounted for as dividend receivable relates to the distributable profits recorded by COSCO SHIPPING Bulk SEA for the period from 1 July 2021 to 31 December 2021 which shall be declared as dividends to the Company pursuant to the Sale and Purchase agreement entered into by the Company and the purchaser, COSCO (H.K.) Shipping Co., Limited on 30 September 2021. The dividend shall be declared and paid within 10 business days of the issuance of the audited financial statements.

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

COSCO SHIPPING International (Singapore) Co., Ltd. (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 30 Cecil Street, Prudential Tower, #26-01, Singapore 049712.

The principal activities of the Company are those of investment holding. The principal activities of its subsidiaries are mainly as follows:

- Investment holding
- Shipping
- Ship repair and marine engineering activities
- Logistics
- Property management

2. Significant accounting policies

2.1 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.2 New and amended standards adopted by the Group

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s last annual financial statements for the financial year ended 31 December 2021, except for the adoption of new and revised standards effective as of 1 January 2022 including those as disclosed below:

- *Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use*
- *Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract*

The adoption of the above new or amended SFRS(I)s and Interpretations of SFRS(I) (“INT SFRS(I)”) did not have any significant impact on the condensed consolidated interim financial statements of the Group.

2. Significant accounting policies (continued)

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in Note 14 – impairment test of goodwill: key assumptions underlying recoverable amounts.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

4.1 Business segments

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
6 months ended 31 December 2022						
Sales:						
- External sales	-	10,410	75,375	7,409	-	93,194
- Inter-segment sales	-	-	-	344	7,000	7,344
	-	10,410	75,375	7,753	7,000	100,538
Elimination						(7,344)
						93,194
Segment results	-	2,323	(91,998)	1,415	(2,981)	(91,241)
Interest income	-	-	54	-	984	1,038
Interest expense	-	(25)	(4,905)	-	(1,359)	(6,289)
Share of profit of associated companies	1,802	-	1,549	-	-	3,351
Profit/(loss) before income tax	1,802	2,298	(95,300)	1,415	(3,356)	(93,141)
Income tax expense						(1,268)
Net loss						(94,409)
Other segment items						
Additions to property, plant and equipment	-	1,965	9,996	33	12	12,006
Amortisation of intangible assets	-	-	2,022	-	-	2,022
Disposal of investment properties	-	-	-	(4,137)	-	(4,137)
Depreciation of property, plant and equipment	-	229	15,022	292	13	15,556
Depreciation of investment properties	-	-	2,673	382	-	3,055
Impairment of goodwill	-	-	98,989	-	-	98,989
Net provision/(reversal) of impairment for trade and other receivables	-	-	54	19	-	73

4. Segment information (continued)

4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
6 months ended 31 December 2021						
Sales:						
- External sales	16,959	6,553	74,363	5,712	-	103,587
- Inter-segment sales	-	-	-	192	7,430	7,622
	16,959	6,553	74,363	5,904	7,430	111,209
Elimination						(7,622)
						103,587
Segment results	7,349	1,125	6,336	743	12,313	27,866
Interest income	19	-	35	-	4	58
Interest expense	-	(26)	(3,229)	-	(628)	(3,883)
Share of profit of associated companies	-	-	1,044	-	-	1,044
Profit before income tax	7,368	1,099	4,186	743	11,689	25,085
Income tax expense						(1,469)
Net profit						23,616
Other segment items						
Additions to property, plant and equipment	648	536	14,386	175	7	15,752
Additions to Investment, properties	-	-	3,788	7,692	-	11,480
Amortisation of intangible assets	-	-	2,028	-	-	2,028
Depreciation of property, plant and equipment	2,273	383	15,462	254	18	18,390
Depreciation of investment properties	-	-	1,469	3,004	-	4,473
Net (reversal)/provision of impairment for trade and other receivables	-	(10)	23	(15)	-	(2)

4. Segment information (continued)

4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
Financial year ended 31 December 2022						
Sales:						
- External sales	-	18,556	152,606	14,481	-	185,643
- Inter-segment sales	-	-	-	689	9,313	10,002
	-	18,556	152,606	15,170	9,313	195,645
Elimination						(10,002)
						185,643
Segment results	-	3,789	(82,986)	2,379	(6,258)	(83,076)
Interest income	-	1	97	-	1,127	1,225
Interest expense		(50)	(8,144)		(2,038)	(10,232)
Share of profit of associated companies	4,546	-	2,974	-	-	7,520
Profit/(loss) before income tax	4,546	3,740	(88,059)	2,379	(7,169)	(84,563)
Income tax expense						(3,197)
Net loss						(87,760)
Other segment items						
Additions to property, plant and equipment	-	3,787	12,206	130	12	16,135
Amortisation of intangible assets	-	-	4,049	-	-	4,049
Disposal of investment properties	-	-	-	(4,137)	-	(4,137)
Depreciation of property, plant and equipment	-	609	31,062	398	25	32,094
Depreciation of investment properties	-	-	6,731	763	-	7,494
Impairment of goodwill	-	-	98,989	-	-	98,989
Net provision for impairment of trade and other receivables	-	-	78	1	-	79
Segment assets	-	16,773	726,782	44,882	78,676	867,113
Associated companies						58,803
Deferred tax assets						111
Consolidated total Assets						926,027
Segment liabilities	-	2,582	9,071	23,456	3,460	38,569
Borrowings						328,915
Current income tax liabilities						4,543
Deferred income tax liabilities						61,242
Consolidated total liabilities						433,269
Consolidated net assets						492,758

4 Segment information (continued)

4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
Financial year ended 31 December 2021						
Sales:						
- External sales	27,435	12,534	146,007	12,487	-	198,463
- Inter-segment sales	-	-	-	402	15,857	16,259
	<u>27,435</u>	<u>12,534</u>	<u>146,007</u>	<u>12,889</u>	<u>15,857</u>	<u>214,722</u>
Elimination						<u>(16,259)</u>
						<u>198,463</u>
Segment results	9,382	2,375	17,324	1,533	8,819	39,433
Interest income	46	-	68	-	13	127
Interest expense	-	(52)	(6,159)	-	(1,244)	(7,455)
Share of profit of associated companies	-	-	2,412	-	-	2,412
Profit before income tax	<u>9,428</u>	<u>2,323</u>	<u>13,645</u>	<u>1,533</u>	<u>7,588</u>	<u>34,517</u>
Income tax expense						<u>(3,674)</u>
Net profit						<u>30,843</u>
Other segment items						
Additions to property, plant and equipment	5,149	908	40,620	406	31	47,114
Additions to investment properties	-	-	3,788	7,692	-	11,480
Amortisation of intangible assets	-	-	4,057	-	-	4,057
Depreciation of property, plant and equipment	4,060	753	28,880	377	43	34,113
Depreciation of investment properties	-	-	2,961	6,050	-	9,011
Net (reversal)/provision for impairment of trade and other receivables	-	(34)	23	(15)	-	(26)
Segment assets	-	13,248	881,766	31,797	91,463	1,018,274
Associated companies						55,251
Deferred tax assets						10
Consolidated total Assets						<u>1,073,535</u>
Segment liabilities	-	1,844	23,490	23,224	14,978	63,536
Borrowings						358,206
Current income tax liabilities						3,810
Deferred income tax liabilities						62,773
Consolidated total liabilities						<u>488,325</u>
Consolidated net assets						<u>585,210</u>

4 Segment information (continued)

4.2 Geographical segments

The Group's business segments operate in two main geographical areas:

1. Singapore - the operations in this area are principally in shipping, ship repair and marine engineering related activities, logistics, property management; and
2. Malaysia - the operations in this area are principally in logistics activities.

Sales are based on the country in which the services are rendered to the customer. Non-current assets are shown by the geographical area where the assets are located.

	Sales				Non-current assets	
	2H 2022 \$'000	2H 2021 \$'000	FY 2022 \$'000	FY 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Singapore *	77,099	84,604	151,243	162,336	697,758	821,625
Malaysia	16,095	18,983	34,400	36,127	76,008	90,459
	93,194	103,587	185,643	198,463	773,766	912,084

* The Group's shipping companies operate in worldwide shipping routes. Hence, it would not be meaningful to allocate sales to any geographical segments for shipping activities.

Revenues of approximately \$30,668,000 for the financial year ended 31 December 2022 (2021: \$31,242,000) are derived from one (2021: one) single external customer. These revenues are attributable to the Singapore Logistics segment (2021: Singapore Logistics segments).

4.3 A breakdown of sales

	FY 2022 \$'000	FY 2021 \$'000	Change %
(a) Sales reported for first half year	92,449	94,876	(3)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	6,649	7,227	(8)
(c) Sales reported for second half year	93,194	103,587	(10)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	(94,409)	23,616	NM

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	Group		Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Financial assets at amortised cost	149,021	158,792	78,518	91,280
Financial liabilities at amortised cost	363,590	418,878	116,173	130,894

6. Sales

Revenue of the Group is analysed as follows:

	2H 2022 \$'000	2H 2021 \$'000	2022 \$'000	2021 \$'000
Ship repair and marine engineering	10,410	6,553	18,556	12,534
Shipping – charter hire	-	16,959	-	27,435
Logistics management services	67,275	64,869	133,548	127,824
Rental Income				
- Logistics management services	8,100	10,159	19,058	18,848
- Property management services	7,409	6,792	14,481	13,567
Less: rental concessions	-	(1,745)	-	(1,745)
	93,194	103,587	185,643	198,463

Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following segments and geographical regions. Revenue is based on the country in which the services are rendered to the customer. In relation to the Group's shipping activities, the Group operates in worldwide shipping routes. Hence, it would not be meaningful to allocate and present sales to any geographical regions for shipping activities.

	← Revenue recognised →		
	At a point in time \$'000	Over time \$'000	Total \$'000
<u>6 months ended 31 December 2022</u>			
i) Ship repair and marine engineering - Singapore	-	10,410	10,410
ii) Logistics management services			
- Singapore	29,863	23,832	53,695
- Malaysia	12,638	942	13,580
	42,501	24,774	67,275
Total sales	42,501	35,184	77,685
<u>6 months ended 31 December 2021</u>			
i) Ship repair and marine engineering - Singapore	-	6,553	6,553
ii) Shipping - charter hire - Worldwide	-	16,959	16,959
iii) Logistics management services			
- Singapore	29,253	19,240	48,493
- Malaysia	15,696	680	16,376
	44,949	19,920	64,869
Total sales	44,949	43,432	88,381

6. Sales (continued)

Disaggregation of revenue (continued)

	← Revenue recognised →		
	At a point in time \$'000	Over time \$'000	Total \$'000
<u>Full year ended 31 December 2022</u>			
i) Ship repair and marine engineering - Singapore	-	18,556	18,556
ii) Logistics management services			
- Singapore	60,601	43,709	104,310
- Malaysia	27,270	1,968	29,238
	<u>87,871</u>	<u>45,677</u>	<u>133,548</u>
Total sales	<u>87,871</u>	<u>64,233</u>	<u>152,104</u>
<u>Full year ended 31 December 2021</u>			
i) Ship repair and marine engineering - Singapore	-	12,534	12,534
ii) Shipping - charter hire - Worldwide	-	27,435	27,435
iii) Logistics management services			
- Singapore	58,279	38,787	97,066
- Malaysia	29,301	1,457	30,758
	<u>87,580</u>	<u>40,244</u>	<u>127,824</u>
Total sales	<u>87,580</u>	<u>80,213</u>	<u>167,793</u>

7. (Loss)/profit before taxation

7.1 Breakdown and explanatory notes to Consolidated Income Statement

[1] Other income comprises the following:

	2H 2022	2H 2021	Change	FY2022	FY2021	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	1,038	58	1,690	1,225	127	865
Government grants	218	2,820	(92)	884	4,927	(82)
Rental income	74	117	(37)	148	199	(26)
Sales of scrap material	1,230	12	NM	1,236	36	NM
Sundry income	331	255	30	748	564	33
Other income	2,891	3,262	(11)	4,241	5,853	(28)

Government grants mainly comprised of rental waivers, Jobs Support Scheme, property tax rebate and foreign worker levy rebate under the various support measures granted by the Singapore Government to help businesses cushion the negative impact of the COVID-19 pandemic. The related rental waiver granted to tenants was recognised as a reduction of sales whereas the related costs incurred in relation to the government grants were separately included in the cost of sales and expenses in accordance with the Group's accounting policy.

[2] Other gains and losses comprises the following:

	2H 2022	2H 2021	Change	FY2022	FY2021	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Foreign exchange (loss)/gain	(162)	(47)	NM	38	(158)	NM
Gain on termination of lease	72	18	NM	72	29	NM
Gain on disposal of property, plant and equipment	199	146	36	401	165	143
Gain on disposal of a subsidiary	-	16,445	NM	-	16,445	NM
Gain on sale of bunker stock	-	254	NM	-	683	NM
Other gains and losses	109	16,816	NM	511	17,164	NM

7. (Loss)/profit before taxation (continued)

7.1 Breakdown and explanatory notes to Consolidated Income Statement (continued)

[3] (Loss)/profit before income tax is arrived at after charging:

	2H 2022 \$'000	2H 2021 \$'000	Change %	FY2022 \$'000	FY2021 \$'000	Change %
Interest on borrowings	(6,289)	(3,883)	62	(10,232)	(7,455)	37
Amortisation of intangible assets	(2,022)	(2,028)	0	(4,049)	(4,057)	0
Depreciation of property, plant and equipment	(15,556)	(18,390)	(15)	(32,094)	(34,113)	(6)
Depreciation of investment properties	(3,055)	(4,473)	(32)	(7,494)	(9,011)	(17)
Write-off on property, plant and equipment	(375)	-	100	(375)	-	100
Impairment of goodwill	(98,989)	-	100	(98,989)	-	100
(Impairment)/reversal of impairment of trade and other receivables	(73)	2	NM	(79)	26	NM

7.2 Related party transaction

The Company is controlled by China COSCO SHIPPING Corporation Limited (“COSCO SHIPPING”), the parent group and a state-owned enterprise established in the PRC.

COSCO SHIPPING itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with amendment to SFRS(I) 1-24, other government-related entities and their subsidiaries (other than COSCO SHIPPING group companies), directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are also defined as related parties of the Group.

On that basis, related parties include COSCO SHIPPING and its subsidiaries, other government-related entities and their subsidiaries directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and COSCO SHIPPING as well as their close family members. For the purpose of the related party transactions disclosures, the Group applies the exemption on disclosure of related party transactions as allowed under SFRS(I) 1-24.

The transactions conducted with government-related entities are based on terms agreed between the parties.

In addition to the related party information and transactions disclosed elsewhere in the condensed interim consolidated financial statements, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the financial year.

7. Profit before taxation (continued)

7.2 Related party transaction (continued)

	FY2022 \$'000	FY2021 \$'000
<u>Revenue</u>		
Sales to fellow subsidiaries	21,164	14,232
Sales to related parties	-	1,218
Service income received from fellow subsidiaries	3,399	3,693
Commission received/receivable from fellow subsidiaries	54	68
<u>Expenditure</u>		
Purchases from fellow subsidiaries	4,422	12,601
Purchases from related parties	-	267
Rental paid/payable to fellow subsidiaries	789	1,196
Vessel rental paid to a fellow subsidiary	-	1,532
Crew wages paid/payable to fellow subsidiaries	-	3,232
Service expenses paid/payable to fellow subsidiaries	1,070	1,686
Interest paid/payable to a fellow subsidiary	1,096	656
Insurance premium paid/payable to a fellow subsidiary	140	873
Commission paid/payable to fellow subsidiaries	-	107
Purchase of property, plant and equipment from a fellow subsidiary	157	382

8. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	2H 2022 \$'000	2H 2021 \$'000	FY2022 \$'000	FY2021 \$'000
Current income tax	2,346	2,601	5,778	5,202
Deferred income tax	(14)	(1,001)	(1,497)	(1,352)
	<u>2,332</u>	<u>1,600</u>	<u>4,281</u>	<u>3,850</u>
(Over)/under provision in prior financial years:				
- Current income tax	(1,323)	(476)	(1,340)	(504)
- Deferred income tax	259	345	256	328
	<u>1,268</u>	<u>1,469</u>	<u>3,197</u>	<u>3,674</u>

9. Dividend

No dividend declared for the financial year ended 31 December 2022 and 31 December 2021.

10. Earnings per share

	2H 2022	2H 2021	Group FY2022	FY2021
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	(4.23)	1.04	(3.96)	1.34
Weighted average number of ordinary shares('000)	2,239,245	2,239,245	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	(4.23)	1.04	(3.96)	1.34
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,245	2,239,245	2,239,245

Basic earnings per ordinary share is calculated by dividing the net profit attributable to the equity holders of the Company over the weighted average number of ordinary shares outstanding during the financial period.

There are no dilutive potential ordinary shares outstanding.

11. Net Asset Value

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Net asset value per ordinary share (cents)	21.84	25.64	19.65	24.04

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2021: 2,239,244,954).

12. Investment properties

Investment properties comprise of:

- (i) three office units and two industrial properties leased to non-related parties under leasing arrangements; and
- (ii) right-of-use assets for commercial and industrial properties which the Group leases and further sub-lease out to third parties for monthly lease payments.

Investment properties are stated at cost less accumulated depreciation as the Group has elected to adopt the cost model method to measure its investment properties.

13. Property, plant and equipment

Property, plant and equipment includes right-of use assets for land and building, equipment and vehicles which the Group acquired under leasing arrangements for purpose of its logistics and ship repair and marine engineering operations.

During the financial year, the Group acquired assets amounting to \$16,135,000 (2021: \$47,114,000) and disposed of assets amounting to \$13,560,000 (2021: S\$11,151,000).

14. Intangible assets

	Goodwill arising on consolidation	Contract- based intangible asset	Customer relationships intangible assets	Total
	\$'000	\$'000	\$'000	\$'000
Group				
At 31 December 2022				
Cost	98,989	3,644	36,116	138,749
Accumulated amortisation and impairment	(98,989)	(3,644)	(19,835)	(122,468)
Net book value	-	-	16,281	16,281
12 months ended 31 December 2022				
Opening net book amount	98,989	-	20,422	119,411
Amortisation charge during the period	-	-	(4,049)	(4,049)
Impairment charge during the period	(98,989)	-	-	(98,989)
Currency translation differences	-	-	(92)	(92)
Closing net book value	-	-	16,281	16,281
At 31 December 2021				
Cost	98,989	3,644	36,116	138,749
Accumulated amortisation and impairment	-	(3,644)	(15,694)	(19,338)
Net book value	98,989	-	20,422	119,411

Impairment of goodwill

Goodwill is tested for impairment annually. An impairment loss is recognised when the carrying amount of a cash-generating unit ("CGU"), including the goodwill, exceeds the recoverable amount of the CGU.

During the financial year, the Group has recognised an impairment charge of S\$98,989,000, based on the recoverable amount determined using the fair value less cost to sell ("FVLCTS") calculation. The impairment charge arose from the logistics CGU under Cogent Holdings Pte. Ltd. following the rise in interest rates and inflation rates, and the economic uncertainty brought about by the recent macroeconomic and geopolitical events.

Significant judgements are used to estimate the revenue growth rates, terminal growth rate and post-tax discount rate applied in the discounted cash flow calculation used to determine FVLCTS. In making these estimates, management has considered past performance, its expectations of market and industry developments in Singapore and other Southeast Asia countries, as well as other observable market inputs.

14. Intangible assets (Continued)

Key assumptions used in FVLCTS calculation:

	2022
Revenue growth rate	3.8% to 10.0%
Terminal growth rate	3.0%
Discount rate	<u>10.2%</u>

The change of the following magnitude on the key assumptions will result in a further impairment charge to property, plant and equipment and other intangible assets to be recognised as at 31 December 2022:

	Higher/(lower) %	Impairment \$'000
Deviation in forecasted revenue growth rate	(1.0)	(25,478)
Terminal growth rate	(1.5)	(67,749)
Discount rate	0.3	<u>(19,970)</u>

15. Borrowings

	Group		Company	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
<i>Current</i>				
Bank borrowings (unsecured)	2,365	36,242	-	34,069
Bank borrowings (secured)	16,021	16,058	-	-
Lease liabilities (secured)	12,590	19,655	-	-
	<u>30,976</u>	<u>71,955</u>	<u>-</u>	<u>34,069</u>
<i>Non-current</i>				
Bank borrowings (unsecured)	55,964	18,261	34,069	-
Bank borrowings (secured)	125,253	136,713	-	-
Loan from a fellow subsidiary (unsecured)	38,000	38,000	38,000	38,000
Lease liabilities (secured)	78,722	93,277	-	-
	<u>297,939</u>	<u>286,251</u>	<u>72,069</u>	<u>38,000</u>
Total borrowings	<u>328,915</u>	<u>358,206</u>	<u>72,069</u>	<u>72,069</u>

The borrowings of the Group and of the Company amounting to \$237,603,000 and \$72,069,000 respectively (2021: \$245,274,000 and \$72,069,000) have variable interest rates that are contractually repriced within 1 to 3 months (2021: 1 to 3 months) from the balance sheet date.

(a) Security granted

At the balance sheet date, total borrowings include secured liabilities of \$232,586,000 (31 December 2021: \$265,703,000) for the Group.

15. Borrowings (continued)

Bank borrowings are secured by:

- (i) certain bank deposits; and
- (ii) certain property, plant and equipment.

Lease liabilities are secured over the Group's right-of-use assets classified within property, plant and equipment and investment properties.

- (b) Fair value of non-current borrowings

As at 31 December 2022 and 31 December 2021, the carrying amounts of non-current borrowings, which are at variable rates, approximated their fair values.

16. Share Capital

	Issued share capital	
	No. of ordinary shares '000	Amount \$'000
Beginning and end of interim period	2,239,245	270,608

There was no change in the issued and paid-up capital of the Company since the previous period reported on.

On 22 April 2021, share options to subscribe for 2,959,000 ordinary shares in the Company at an exercise price of \$0.334 per ordinary share were granted to employees pursuant to the COSCO SHIPPING Group Executives Share Option Scheme (the "Option Scheme").

During the financial year ended 31 December 2022, 9,780,100 share options granted under the Option Scheme were lapsed.

Movements in the number of unissued ordinary shares under option at the end of 31 December 2022 are as follows:

As at 31 December 2022

Options relating to the Option Scheme	Number outstanding at 1 January 2022	Number of options issued during the financial year	Number of options exercised during the financial year	Number of options cancelled/ lapsed during the financial year	Number of outstanding options at 31 December 2022
2020 Options	11,198,200	-	-	(8,460,200)	2,738,000
2021 Options	1,972,700	-	-	(1,319,900)	652,800
	<u>13,170,900</u>	<u>-</u>	<u>-</u>	<u>(9,780,100)</u>	<u>3,390,800</u>

The outstanding share options under Cosco Group Employees' Share Option Scheme as at 31 December 2022 were 3,390,800 (31 December 2021: 13,170,900).

The Company did not hold any treasury shares as at 31 December 2022.

17. Arbitration proceeding

On 20 November 2020, a subsidiary of the Company, SH Cogent Logistics Pte Ltd (“SHCL”), received a Final Arbitral Award (the “Award”) dated 18 November 2020 in relation to an arbitration proceeding commenced by its subsidiary against a crane specialist for breach of contract. Pursuant to the Award, the Tribunal has, in summary, ordered that the following be paid by the crane specialist to SHCL:

1. The sum of S\$2,117,000 together with simple interest at a rate of 5.33% per annum from 22 December 2015 until full and final payment; and
2. The sum of S\$1,834,000 in aggregate (being 70% of SHCL’s share of the costs of the arbitration and 70% of SHCL’s legal fees, expenses and disbursement in relation to the arbitration) with simple interest at a rate of 5.33% per annum from the date of the Award until full and final payment.

On 18 December 2020, the crane specialist made an application (the “Application”) for a correction of the Award, making of an additional award for claims not dealt with in the Award as well as for the Tribunal to give an interpretation under SIAC 2016 rules.

On 9 February 2021, the Tribunal issued its decision on the Application under which the Application was rejected, except for a minor downward revision for an amount of S\$7,490 that was initially awarded in favor of the Group under the Award.

On 5 May 2021, the crane specialist made applications to the High Court of Singapore to set aside the Award, to set aside the order obtained by SHCL for leave to enforce the Award, as well as to set aside the enforcement proceedings commenced by SHCL. The enforcement proceedings taken out by SHCL have also been stayed in the interim pending the crane specialist’s applications, which are to be heard by the High Court of Singapore.

On 25 January 2022, the High Court of Singapore dismissed the crane specialist’s applications to set aside the Award and to set aside the order obtained by SHCL for leave to enforce the Award.

On 24 February 2022, the crane specialist filed a notice of appeal against the High Court’s decision.

On 18 October 2022, the Singapore Court of Appeal has dismissed the crane specialist’s appeal in its entirety with costs.

As there is material uncertainty in relation to the recoverability of the outstanding sums under the Award, the Award granted to the Group on 18 November 2020 has not been recognised in the Group’s consolidated financial statements for the financial year ended 31 December 2021 and 31 December 2022.

G. Other information required by listing Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of COSCO SHIPPING International (Singapore) Co., Ltd. and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Sales	Group					
	2H 2022 S\$'000	2H 2021 S\$'000	Change %	FY2022 S\$'000	FY2021 S\$'000	Change %
Logistics	75,375	74,363	1	152,606	146,007	5
Shipping	-	16,959	NM	-	27,435	NM
Property management	7,409	5,712	30	14,481	12,487	16
Ship repair and marine engineering	10,410	6,553	59	18,556	12,534	48
	93,194	103,587	(10)	185,643	198,463	(6)

2H 2022

Group revenue for 2H 2022 totalled \$93.2 million, 10% lower than 2H 2021. The decrease in revenue was mainly due to the absence of Shipping revenue resulting from the disposal of 60% shareholdings in a former Shipping subsidiary, COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. ("COSCO SHIPPING Bulk SEA", formerly known as COSCO SHIPPING (Singapore) Pte. Ltd.) in December 2021. The remaining 40% shareholdings in COSCO SHIPPING Bulk SEA is accounted as an associated company and equity accounted for the share of associated company's profit. Excluding the revenue from COSCO SHIPPING Bulk SEA of \$17.0 million in 2H 2021, revenue in 2H 2022 increased by 7.6% as compared to 2H 2021 mainly due to higher revenue from Property management and Ship repair and marine engineering activities.

Gross profit decreased by 12% from \$23.8 million in 2H 2021 to \$21.0 million in 2H 2022 mainly due to lower margins as a result of higher operational costs and the deconsolidation of the disposed Shipping subsidiary.

Other income was lower by 11% from \$3.3 million in 2H 2021 to \$2.9 million in 2H 2022 mainly due to lower government grants under the Government Rental Relief Framework and various support measures in relation to the COVID-19 pandemic.

Other gains and losses in 2H 2022 was lower than 2H 2021 mainly due to the gain on disposal of a subsidiary in 2H 2021.

Distribution expenses decreased by 10% in 2H 2022 as compared to 2H 2021 mainly due to reduction of marketing and corporate functions. Administrative expenses increased by 697% in 2H 2022 mainly due to the impairment of goodwill, offset by the deconsolidation of the administrative expenses of the disposed Shipping subsidiary.

Finance costs increased by 62% to \$6.3 million in 2H 2022 mainly due to higher borrowing costs resulting from increase in interest rates.

Group loss before tax for 2H 2022 was \$93.1 million, which was a swing of \$118.2 million from 2H 2021. The reduction in profits was mainly due to impairment charge of goodwill in 2H 2022 and partly offset by the gain on disposal of a subsidiary in 2H 2021.

FY 2022

Group revenue for FY 2022 totalled \$185.6 million, 6% lower than FY 2021. Excluding revenue from Shipping, Group revenue was about 9% or \$14.6 million higher in FY 2022 as compared to FY 2021 mainly due to increase in revenue from Property management and Ship repair and marine engineering segments.

Logistics activities accounted for about 82% of the Group's revenue in FY 2022. Revenue from logistics activities increased by 5% to \$152.6 million mainly due to higher revenue contribution from transportation and warehousing resulting from higher volume of business activities from key customers; partially offset by lower revenue from automotive logistics resulting from lower volume of new vehicles storage.

Revenue from property management increased by 16% or \$2.0 million to \$14.5 million mainly due to average higher occupancy for the Group's retail properties in FY 2022 and lower revenue in FY 2021 resulted from rental waiver of \$1.7 million granted to tenants under the Government Rental Relief Framework. No rental waiver granted to tenants in FY 2022.

The increase in revenue from Ship repair and marine engineering was driven by an increase in volume of ship repair jobs in Singapore and more marine engineering fabrication jobs due to improvement in offshore marine engineering sector.

Costs and Profitability

Cost of sales decreased by 5% in FY 2022 mainly due to the deconsolidation of the costs of sales of the disposed Shipping subsidiary.

Gross profit was 13% lower in FY 2022 as compared to FY 2021 mainly due to lower margins as a result of higher operational costs and the deconsolidation of the disposed Shipping subsidiary.

The decrease in other income was mainly due to lower government grants under the Government Rental Relief Framework and various support measures in relation to the COVID-19 pandemic, partly offset by an increase in interest income. Interest income increased by 865% in FY 2022 mainly due to increase in interest rates for bank deposits and cash at bank.

Other gains and losses in FY 2022 was lower than FY 2021 mainly due to the gain on disposal of a subsidiary in FY 2021.

Distribution expenses decreased by 2% mainly due to lower marketing cost. Administrative expenses increased by 353% mainly due to the impairment of goodwill, offset by the deconsolidation of the administrative expenses of the disposed Shipping subsidiary.

Finance costs increased by 37% to \$10.2 million mainly due to higher borrowing costs resulting from increase in interest rates.

Share of profit of associated companies of \$7.5 million was contributed by the Group's 40% shareholdings in COSCO SHIPPING Bulk SEA, 40% shareholdings PT. Ocean Global Shipping Logistics and the 30% shareholdings in SINOVNL Company Limited. The increase in share of profit of associated companies was mainly due to the equity accounting for the Group's remaining 40% shareholdings in COSCO SHIPPING Bulk SEA in FY 2022, following the disposal of the Group's 60% shareholdings in end December 2021.

Income tax expense decreased by 13% to \$3.2 million mainly due to lower profits in FY 2022.

Overall, net loss attributable to equity holders was \$88.6 million in FY 2022 as compared to net profit of \$30.1 million in FY 2021. The net loss was mainly due to impairment of goodwill, lower profit margins, lower government grants and higher interest expense, partly offset by an increase in share of profits of associated companies and increase in interest income.

Balance Sheet

(31 December 2022 vs 31 December 2021)

Cash and cash equivalents decreased from \$108.0 million to \$106.7 million mainly due to net cash provided by operating activities, offset by the repayment of borrowings and interest payments and acquisition of non-controlling interests in subsidiaries. Please refer to Consolidated Statement of Cash Flows for more details.

Trade and other receivables decreased by \$8.4 million to \$45.0 million (31 December 2021: \$53.4 million). The decrease in trade and other receivables was mainly due to receipt of dividend receivable of \$7.4 million from an associated company in FY 2022.

Property, plant and equipment decreased by \$26.3 million to \$669.9 million mainly due to depreciation expense recognised in FY 2022.

Trade and other payables decreased by \$25.1 million to \$36.2 million mainly due to the payments of trade payables.

Total borrowings decreased by \$29.3 million to \$328.9 million mainly due to the repayment of bank borrowings and lease liabilities.

Shareholder's equity decreased by \$85.0 million to \$489.0 million mainly due to loss arising from impairment of goodwill in FY 2022.

Cash Flow

Net cash provided by operating activities for FY 2022 was \$48.9 million. This was mainly due to operating profits generated during the financial year. Please refer to Consolidated Statement of Cash Flows for details.

Net cash used in investing activities for FY 2022 was \$6.5 million. This was mainly due to dividends received from associated companies, partly offset by the payments for property, plant and equipment.

Net cash used in financing activities for FY 2022 was \$43.0 million. This was mainly due to the repayment of borrowings and interest payments and acquisition of non-controlling interests in subsidiaries.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Globally, the number of reported new COVID-19 cases has been declining since late December 2022. Singapore's COVID-19 situation has remained stable in recent months and COVID-19 measures have been stepped down. However, the emergence of new COVID-19 variants remains possible. The conflict between Russia and Ukraine, which has been ongoing for more than a year, could cause further global supply chain disruptions and even more price pressures, affecting global economic recovery and growth and resulting in further uncertainties to the global economic situation. In the world economic outlook published by the International Monetary Fund in January 2023, global economic growth in 2023 is likely to fall to 2.9% from 3.4% in 2022. Against such background, the Group shall continue to engage in synergistic collaboration among its businesses and optimisation of its operations and diversified portfolio to ensure profitability while remaining agile.

On 12 September 2022, the Company announced that its subsidiary, SH Cogent Logistics Pte Ltd (“SH Cogent”), had completed the acquisition of a further 17.56% of the issued and paid-up share capital of Guper Integrated Logistics Sdn. Bhd. and the remaining 20% of the issued and paid-up share capital of each of Gems Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. The completion of the acquisition enables SH Cogent to better synergise the collaboration of the Group’s business operations and opportunities both in Singapore and Malaysia, thereby promoting the Group’s logistics business integration in Malaysia and laying a solid foundation for business growth going forward. SH Cogent is currently working towards seeking the necessary approval to acquire the remaining 2.44 % of the issued and paid-up share capital of Guper Integrated Logistics Sdn. Bhd. not owned by SH Cogent.

With regards to the Jurong Island Chemical Logistics Facility (“JICLF”), SH Cogent has fulfilled the requirements set out in the letter of intent issued by the Singapore Economic Development Board (“EDB”) for the first phase of the development of JICLF. The Group has thus submitted an application to EDB and JTC Corporation for the Direct Allocation of Industrial Land of an additional 2.5 hectares plot of land of approximately 62,500 square metres of corresponding built-up area to develop the second phase of the JICLF. The Company will update shareholders as and when there are material developments in this matter.

The Company will continue to expand its logistical networks through strategic acquisitions and investments as and when opportunities arise, taking into account the target’s scale and scope, historical performance, growth potential, and synergies with the Group’s existing logistics operations, as it strives to become the best-integrated logistics player in the South and Southeast Asian region. It will continue to stay focused on sustainable development and growth so as to create value for its shareholders.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

The Company is evaluating various strategic moves to expand its business, ensure sustainable growth and create long-term shareholders’ value. As such, the Board has resolved not to recommend payment of dividend for FY 2022.

7. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year

Not applicable.

8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Sales	Group					
	2H 2022 S\$'000	2H 2021 S\$'000	Change %	FY2022 S\$'000	FY2021 S\$'000	Change %
Logistics	75,375	74,363	1	152,606	146,007	5
Shipping	-	16,959	NM	-	27,435	NM
Property management	7,409	5,712	30	14,481	12,487	16
Ship repair and marine engineering	10,410	6,553	59	18,556	12,534	48
	93,194	103,587	(10)	185,643	198,463	(6)

The Group has 4 main business segments, namely Logistics, Shipping, Property management and Ship repair and marine engineering.

2H 2022

Logistics activities accounted for about 81% of the Group's revenue in 2H 2022. Revenue from logistics activities increased marginally to \$75.4 million mainly due to higher revenue from warehousing, transportation services and container depot management services resulting from higher volume of business activities. The Logistics segment profit before tax for 2H 2022 was \$3.7 million before impairment of goodwill as compared to \$4.2 million in 2H 2021 mainly due to higher fuels and utilities cost, higher interest expense and lower government grants received and partly offset by lower staff costs for logistics business activities.

Revenue from shipping activities decreased to \$Nil in 2H 2022 mainly due to the absence of Shipping revenue resulting from the disposal of 60% shareholdings in a former Shipping subsidiary, COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. ("COSCO SHIPPING Bulk SEA", formerly known as COSCO SHIPPING (Singapore) Pte. Ltd.) in December 2021. The remaining 40% shareholdings in COSCO SHIPPING Bulk SEA is accounted as an associated company and equity accounted for the share of associated company's profit.

Revenue from property management increased by 30% to \$7.4 million mainly due to lower rental waiver granted to tenants under the Government Rental Relief Framework and higher occupancy for the Group's retail properties in FY 2022 as compared to FY 2021. The segment profit before tax for Property management was a profit of \$1.4 million in 2H 2022 as compared to a profit of \$0.7 million in 2H 2021. The improvement in profit was mainly due to lower rental waiver granted and higher occupancy for the Group's retail properties.

Revenue from ship repair and marine engineering increased by 59% was driven by an increase in volume of ship repair jobs in Singapore and more marine engineering fabrication jobs due to improvement in offshore marine engineering sector. Profit from Ship repair and marine engineering segment was higher in 2H 2022 mainly due to increase in volume of ship repair jobs in Singapore and higher other income from sale of scrap of materials.

FY 2022

Logistics activities accounted for about 82% of the Group's revenue in FY 2022. Revenue from logistics activities increased by 5% to \$152.6 million mainly due to higher revenue contribution from warehousing, transportation services and container depot management services resulting from higher volume of business activities from key customers partly offset by lower revenue from transportation services in Malaysia. The Logistics segment profit before tax for FY 2022 was \$10.9 million before impairment of goodwill as compared to \$13.6 million in FY 2021 mainly due to the higher fuels and utilities cost, higher interest expense and lower government grants received and partly offset by lower staff costs for FY2022.

Revenue from shipping activities decreased to \$Nil in FY 2022 mainly due to the absence of Shipping revenue resulting from the disposal of 60% shareholdings in a former Shipping subsidiary, COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. ("COSCO SHIPPING Bulk SEA", formerly known as COSCO SHIPPING (Singapore) Pte. Ltd.) in December 2021. The remaining 40% shareholdings in COSCO SHIPPING Bulk SEA is accounted as an associated company and equity accounted for the share of associated company's profit.

Revenue from property management increased by 16% or \$2.0 million to \$14.5 million mainly due to average higher occupancy for the Group's retail properties in FY 2022 and lower revenue in FY 2021 resulted from rental waiver of \$1.7 million granted to tenants under the Government Rental Relief Framework. The segment profit before tax for Property management was \$2.4 million in FY 2022 as compared to \$1.5 million in FY 2021. The improvement in profitability was mainly due to lower rental waiver granted and higher occupancy for the Group's retail properties.

The increase in revenue from Ship repair and marine engineering was driven by an increase in volume of ship repair jobs in Singapore and more marine engineering fabrication jobs due to improvement in offshore marine engineering sector. Profit from Ship repair and marine engineering segment was higher in FY 2022 mainly due to increase in volume of ship repair in Singapore and higher other income from sale of scrap of materials.

9. Interested Person Transactions

Pursuant to Rule 907 of the Listing Manual, the following interested person transactions were entered into during the financial year:

Name of interested person	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		FY 2022 \$'000	FY 2022 \$'000	
Cosco Shipping Seafarer Management Co, Ltd.-Qingdao Branch	Subsidiaries of Controlling Shareholders		5,403	
Cosco (Cayman) Mercury Co., Ltd			307	
Cosco (Qidong) Offshore Co., Ltd			2,268	
Cosco (Shanghai) Shipyard Co., Ltd			528	
Cosco Shipping Lines (Singapore) Pte Ltd				127
Refined Success Limited.				8,197
Cosco Shipping Energy Transportation Co Ltd				549
OOCL (Vietnam) Co., Ltd.				223
COSCO SHIPPING (Hong Kong) Insurance Brokers Limited				492
COSCO SHIPPING (South East Asia) Pte Ltd				1,096
Shanghai Ocean Shipping Company				
Golden Land (26) Pte Ltd				755
Golden Land (27) Pte Ltd				351
Cosco Shipping (Singapore) Petroleum Pte Ltd				2,571
COSCO SHIPPING LINES				
EMIRATES LLC				112
ASL SHIPPING & LOGISTIC (INDIA) PVT LTD				123
CETUS SHIPPING CO., LIMITED				951
COSCO SHIPPING SPECIALIZED CARRIERS CO., LTD				637
Chimbusco International Petroleum (S) Pte Ltd				5,412
Golden Logistics & Storage Sdn. Bhd.				373
Cosco Shipping Lines Co., Ltd				686
COSCO SHIPPING BULK CO., LTD				1,266
HAINAN HAISHENG SHIPPING CO.LTD				3,476
天津中海华润航运有限公司				958
COSCO SHIPPING TECHNOLOGY CO., LTD.				513
COSCO (CAYMAN) VENUS CO LTD			40,049	
Total		40,562	36,861	

10. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in COSCO SHIPPING International (Singapore) Co., Ltd. (the "Company") or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

11. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive offices in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

CONFIRMATION BY THE BOARD

We hereby confirm on behalf of the directors of the company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the company which may render the financial year ended 31 December 2022 financial results to be false or misleading.

On behalf of the directors

Mr Zhu Jian Dong
Chairman and President

Mr Guo Hua Wei
Director

1/3/2023