



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

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

Condensed Interim Financial Statements  
For the six months ended 30 June 2022



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

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**A. Condensed consolidated statement of profit or loss**

	Note	Group		Change %
		6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	
Sales	6	92,449	94,876	(3)
Cost of sales		(72,200)	(71,475)	1
Gross profit		20,249	23,401	(13)
Other income	7			
- Interest income		187	69	171
- Others		1,163	2,522	(54)
		1,350	2,591	(48)
Other gains and losses	7	402	348	16
Expenses				
- Distribution		(1,442)	(1,312)	10
- Administrative				
- (Impairment loss)/reversal of impairment on financial assets		(6)	24	NM
- Others		(12,201)	(13,416)	(9)
		(12,207)	(13,392)	(9)
- Finance		(3,943)	(3,572)	10
Share of profit of associated companies		4,169	1,368	205
Profit before income tax	7	8,578	9,432	(9)
Income tax expense	8	(1,929)	(2,205)	(13)
<b>Profit for the period</b>		<b>6,649</b>	<b>7,227</b>	(8)
<b>Profit attributable to:</b>				
Equity holders of the Company		6,198	6,831	(9)
Non-controlling interests		451	396	14
		6,649	7,227	(8)
<b>Earnings per share for profit attributable to the equity holders of the Company</b> (expressed in cents per share)				
- Basic earnings per share	10	0.28	0.31	(10)
- Diluted earning per share	10	0.28	0.31	(10)

NM denotes not meaningful.

## B. Condensed consolidated statement of comprehensive income

	Group		
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	Change %
<b>Profit for the period</b>	<b>6,649</b>	7,227	(8)
<b>Other comprehensive (loss)/income:</b> Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation - (Losses)/gains	<u>(525)</u>	<u>272</u>	NM
<b>Other comprehensive (loss)/income, net of tax</b>	<u>(525)</u>	<u>272</u>	NM
<b>Total comprehensive income</b>	<u><b>6,124</b></u>	<u>7,499</u>	(18)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	5,888	7,208	(18)
Non-controlling interests	<u>236</u>	<u>291</u>	(19)
	<u><b>6,124</b></u>	<u>7,499</u>	(18)

## C. Condensed Balance Sheets – Group and Company

	Note	Group		Company	
		30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
<b>Current assets</b>					
Cash and cash equivalents		115,800	108,008	81,759	83,879
Trade and other receivables		45,753	52,971	86	7,497
Inventories		329	325	-	-
Income tax receivables		-	137	-	-
		<b>161,882</b>	<b>161,441</b>	<b>81,845</b>	<b>91,376</b>
<b>Non-current assets</b>					
Trade and other receivables		379	424	-	-
Investments in associated companies		57,911	55,251	49,019	49,019
Investments in subsidiaries		-	-	528,681	528,681
Investment properties	12	36,007	40,793	-	-
Property, plant and equipment	13	676,192	696,205	48	58
Intangible assets	14	117,344	119,411	-	-
Deferred tax assets		98	10	-	-
		<b>887,931</b>	<b>912,094</b>	<b>577,748</b>	<b>577,758</b>
<b>Total assets</b>		<b>1,049,813</b>	<b>1,073,535</b>	<b>659,593</b>	<b>669,134</b>
<b>Current liabilities</b>					
Trade and other payables		58,282	53,249	50,986	58,825
Current income tax liabilities		4,160	3,810	10	-
Borrowings	15	68,767	71,955	34,069	34,069
Provisions		1,111	1,111	-	-
		<b>132,320</b>	<b>130,125</b>	<b>85,065</b>	<b>92,894</b>
<b>Non-current liabilities</b>					
Trade and other payables		-	8,070	-	-
Borrowings	15	264,132	286,251	38,000	38,000
Provisions		1,226	1,106	-	-
Deferred income tax liabilities		61,201	62,773	-	-
		<b>326,559</b>	<b>358,200</b>	<b>38,000</b>	<b>38,000</b>
<b>Total liabilities</b>		<b>458,879</b>	<b>488,325</b>	<b>123,065</b>	<b>130,894</b>
<b>Net assets</b>		<b>590,934</b>	<b>585,210</b>	<b>536,528</b>	<b>538,240</b>
<b>Equity</b>					
Share capital	16	270,608	270,608	270,608	270,608
Other reserves		34,499	34,924	45,105	45,105
Retained earnings		274,826	268,628	220,815	222,527
Shareholders' equity		<b>579,933</b>	<b>574,160</b>	<b>536,528</b>	<b>538,240</b>
Non-controlling interests		11,001	11,050	-	-
<b>Total equity</b>		<b>590,934</b>	<b>585,210</b>	<b>536,528</b>	<b>538,240</b>

## 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
<b>Group</b>					
<b>At 1 January 2022</b>	270,608	34,924	268,628	11,050	585,210
Profit for the period	-	-	6,198	451	6,649
Other comprehensive loss for the period	-	(310)	-	(215)	(525)
Total comprehensive (loss)/income for the period	-	(310)	6,198	236	6,124
Accretion of redemption liability [1]	-	(115)	-	-	(115)
Dividend declared to non-controlling interests of a subsidiary	-	-	-	(285)	(285)
<b>At 30 June 2022</b>	<b>270,608</b>	<b>34,499</b>	<b>274,826</b>	<b>11,001</b>	<b>590,934</b>
<b>At 1 January 2021</b>	270,608	25,560	238,732	10,416	545,316
Profit for the period	-	-	6,831	396	7,227
Other comprehensive income/(loss) for the period	-	377	-	(105)	272
Total comprehensive income for the period	-	377	6,831	291	7,499
Accretion of redemption liability [1]	-	(263)	-	-	(263)
<b>At 30 June 2021</b>	<b>270,608</b>	<b>25,674</b>	<b>245,563</b>	<b>10,707</b>	<b>552,552</b>

[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. Accordingly, the Group recognised the redemption liability based on the present value of the estimated consideration payable upon the exercise of the forward purchase contract. On 30 June 2022, the Group remeasured the redemption liability based on the terms of the shareholder agreements and recognised an accretion charge amounting to \$115,000 by debiting Other reserves (30 June 2021: debit Other reserves of \$263,000).

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Company</b>				
<b>At 1 January 2022</b>	270,608	45,105	222,527	538,240
Total comprehensive loss for the period	-	-	(1,712)	(1,712)
<b>At 30 June 2022</b>	<b>270,608</b>	<b>45,105</b>	<b>220,815</b>	<b>536,528</b>
<b>At 1 January 2021</b>	270,608	45,105	209,024	524,737
Total comprehensive income for the period	-	-	4,240	4,240
<b>At 30 June 2021</b>	<b>270,608</b>	<b>45,105</b>	<b>213,264</b>	<b>528,977</b>

## E. Condensed consolidated statement of cash flows

	Group	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
<b>Cash flows from operating activities</b>		
Profit for the period	6,649	7,227
Adjustments for:		
- Income tax expense	1,929	2,205
- Amortisation of intangible assets	2,027	2,029
- Depreciation of property, plant and equipment	16,538	15,723
- Depreciation of investment properties	4,439	4,538
- Impairment loss/(reversal of impairment) of trade and other receivables	6	(24)
- Gain on disposal of property, plant and equipment	(202)	(19)
- Gain on modification of lease	-	(11)
- Share of profit of associated companies	(4,169)	(1,368)
- Interest expense	3,943	3,572
- Interest income	(187)	(69)
- Exchange differences	(669)	(67)
	<u>30,304</u>	<u>33,736</u>
Changes in working capital:		
- Inventories	(4)	(128)
- Trade and other receivables	(95)	(1,046)
- Trade and other payables	(4,861)	(6,076)
	<u>25,344</u>	<u>26,486</u>
Cash provided by operations	25,344	26,486
Income tax paid	(2,992)	(2,315)
<b>Net cash provided by operating activities</b>	<u>22,352</u>	<u>24,171</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(2,064)	(16,932)
Disposal of property, plant and equipment	286	600
Disposal of club membership	-	92
Dividend received	10,136	1,427
Interest received	149	71
<b>Net cash provided by/(used in) investing activities</b>	<u>8,507</u>	<u>(14,742)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	287	9,746
Repayment of borrowings	(9,227)	(7,588)
Repayment of lease liabilities	(10,204)	(9,723)
Decrease/(increase) in bank deposits pledged	2	(2)
Interest paid	(3,862)	(3,735)
Dividend paid to non-controlling interest of a subsidiary	(285)	-
<b>Net cash used in financing activities</b>	<u>(23,289)</u>	<u>(11,302)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	7,570	(1,873)
Cash and cash equivalents at beginning of financial period	107,074	75,007
Effects of currency translation on cash and cash equivalents	224	535
<b>Cash and cash equivalents at end of financial period</b>	<u>114,868</u>	<u>73,669</u>

**E. Condensed consolidated statement of cash flows (continued)**

	<b>Group</b>	
	<b>6 months ended 30 June 2022 \$'000</b>	<b>6 months ended 30 June 2021 \$'000</b>
<b>Cash and cash equivalents represented by:</b>		
Cash at bank and on hand	<b>45,154</b>	54,919
Short-term bank deposits	<b>70,646</b>	20,078
	<b>115,800</b>	74,997
Less: Bank deposits pledged	<b>(932)</b>	(1,328)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>114,868</b>	73,669



## **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 and associated companies 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 ended 30 June 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 revised 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.

### **2.3 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	Others \$'000	Total \$'000
<b>Financial period ended 30 June 2022</b>						
<b>Sales:</b>						
- External sales	-	8,146	77,231	7,072	-	92,449
- Inter-segment sales	-	-	-	345	2,313	2,658
		8,146	77,231	7,417	2,313	95,107
Elimination						(2,658)
						92,449
<b>Segment results</b>	-	1,466	9,012	964	(3,277)	8,165
Interest income	-	1	43	-	143	187
Interest expense	-	(25)	(3,239)	-	(679)	(3,943)
Share of profit of associated companies	2,744	-	1,425	-	-	4,169
Profit/(loss) before income tax	2,744	1,442	7,241	964	(3,813)	8,578
Income tax expense						(1,929)
<b>Net profit</b>						6,649
<b>Other segment items</b>						
Additions to property, plant and equipment	-	1,822	2,210	97	-	4,129
Amortisation of intangible assets	-	-	2,027	-	-	2,027
Depreciation of property, plant and equipment	-	380	16,040	106	12	16,538
Depreciation of investment properties	-	-	4,058	381	-	4,439
Net impairment loss/(reversal for impairment) of trade and other receivables	-	-	24	(18)	-	6
<b>Segment assets</b>	-	19,621	861,932	27,826	82,425	991,804
Associated companies	42,064	-	15,847	-	-	57,911
Deferred tax assets						98
<b>Consolidated total assets</b>						1,049,813
<b>Segment liabilities</b>	-	3,287	23,541	18,975	14,816	60,619
Borrowings						332,899
Current income tax liabilities						4,160
Deferred income tax liabilities						61,201
<b>Consolidated total liabilities</b>						458,879
<b>Consolidated net assets</b>						590,934

#### 4 Segment information (continued)

##### 4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	Others \$'000	Total \$'000
<b>Financial period ended 30 June 2021</b>						
<b>Sales:</b>						
- External sales	10,476	5,981	71,644	6,775	-	94,876
- Inter-segment sales	-	-	-	210	8,427	8,637
	10,476	5,981	71,644	6,985	8,427	103,513
Elimination						(8,637)
						94,876
<b>Segment results</b>	2,033	1,250	10,988	790	(3,494)	11,567
Interest income	27	-	33	-	9	69
Interest expense	-	(26)	(2,930)	-	(616)	(3,572)
Share of profit of associated companies	-	-	1,368	-	-	1,368
Profit/(loss) before income tax	2,060	1,224	9,459	790	(4,101)	9,432
Income tax expense						(2,205)
<b>Net profit</b>						7,227
<b>Other segment items</b>						
Additions to property, plant and equipment	4,501	372	26,234	231	24	31,362
Amortisation of intangible assets	-	-	2,029	-	-	2,029
Depreciation of property, plant and equipment	1,787	370	13,418	123	25	15,723
Depreciation of investment properties	-	-	1,492	3,046	-	4,538
Net reversal for impairment of trade and other receivables	-	(24)	-	-	-	(24)
<b>Segment assets</b>	68,186	20,582	886,655	25,839	7,830	1,009,092
Associated companies	-	-	16,469	-	-	16,469
Deferred tax assets						20
<b>Consolidated total assets</b>						1,025,581
<b>Segment liabilities</b>	7,458	1,614	28,650	16,456	4,413	58,591
Borrowings						348,225
Current income tax liabilities						2,779
Deferred income tax liabilities						63,434
<b>Consolidated total liabilities</b>						473,029
<b>Consolidated net assets</b>						552,552

#### 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	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Singapore *	74,144	77,732	806,925	819,583
Malaysia	18,305	17,144	80,908	85,431
	<b>92,449</b>	94,876	<b>887,833</b>	905,014

\* 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 \$14,678,000 (6 months ended 30 June 2021: \$15,946,000) are derived from one (6 months ended 30 June 2021: one) single external customer. These revenues are attributable to the Singapore Logistics segment.

#### 5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Financial assets at amortised cost	159,237	158,792	81,808	91,280
Financial liabilities at amortised cost	390,589	418,878	123,055	130,894

## 6. Sales

Revenue of the Group is analysed as follows:

	<b>6 months ended 30 June 2022 \$'000</b>	6 months ended 30 June 2021 \$'000
Ship repair and marine engineering	<b>8,146</b>	5,981
Shipping - charter hire	-	10,476
Logistics management services	<b>66,273</b>	62,955
Rental income		
- Logistics management services	<b>10,958</b>	8,689
- Property management services	<b>7,072</b>	6,775
	<b>92,449</b>	94,876

### 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
<b><u>6 months ended 30 June 2022</u></b>			
i) Ship repair and marine engineering - Singapore	-	8,146	8,146
ii) Shipping - charter hire - Worldwide	-	-	-
iii) Logistics management services			
- Singapore	30,738	19,877	50,615
- Malaysia	14,632	1,026	15,658
	45,370	20,903	66,273
Total sales	45,370	29,049	74,419
<b><u>6 months ended 30 June 2021</u></b>			
i) Ship repair and marine engineering - Singapore	-	5,981	5,981
ii) Shipping - charter hire - Worldwide	-	10,476	10,476
iii) Logistics management services			
- Singapore	29,026	19,547	48,573
- Malaysia	13,605	777	14,382
	42,631	20,324	62,955
Total sales	42,631	36,781	79,412

## 7. Profit before taxation

### 7.1 Breakdown and explanatory notes to consolidated statement of profit or loss

[1] Other income comprises the following:

	<b>6 months ended 30 June 2022 \$'000</b>	<b>6 months ended 30 June 2021 \$'000</b>	<b>Change %</b>
Interest income	<b>187</b>	69	171
Government grants	<b>666</b>	2,107	(68)
Rental income	<b>74</b>	82	(10)
Sundry income	<b>423</b>	333	27
Other income	<b>1,350</b>	2,591	(48)

[2] Other gains and losses comprises the following:

	<b>6 months ended 30 June 2022 \$'000</b>	<b>6 months ended 30 June 2021 \$'000</b>	<b>Change %</b>
Foreign exchange gain/(loss)	<b>200</b>	(111)	NM
Gain on modification of lease	-	11	NM
Gain on disposal of property, plant and equipment	<b>202</b>	19	963
Gain on sale of bunker stock	-	429	NM
Other gains and losses	<b>402</b>	348	16

## 7. Profit before taxation (continued)

### 7.1 Breakdown and explanatory notes to consolidated statement of profit or loss (continued)

[3] Profit before income tax is arrived at after charging:

	<b>6 months ended 30 June 2022 \$'000</b>	6 months ended 30 June 2021 \$'000	Changes %
Interest on borrowings	<b>(3,943)</b>	(3,572)	10
Amortisation of intangible assets	<b>(2,027)</b>	(2,029)	(0)
Depreciation of property, plant and equipment	<b>(16,538)</b>	(15,723)	5
Depreciation of investment properties	<b>(4,439)</b>	(4,538)	(2)
(Impairment loss)/reversal of impairment of trade and other receivables	<b>(6)</b>	24	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 interim financial period.



## 7. Profit before taxation (continued)

### 7.2 Related party transaction (continued)

	<b>6 months ended 30 June 2022 \$'000</b>	6 months ended 30 June 2021 \$'000
<u>Revenue</u>		
Sales to fellow subsidiaries	<b>10,253</b>	7,684
Sales to related parties	<b>567</b>	639
Service income received from fellow subsidiaries	<b>1,741</b>	1,740
Commission received/receivable from fellow subsidiaries	<b>33</b>	32
<u>Expenditure</u>		
Purchases from fellow subsidiaries	<b>2,609</b>	3,590
Purchases from related parties	<b>203</b>	154
Rental paid/payable to fellow subsidiaries	<b>403</b>	598
Vessel rental paid to a fellow subsidiary	-	1,519
Crew wages paid/payable to fellow subsidiaries	-	1,444
Service expenses paid/payable to fellow subsidiaries	<b>459</b>	724
Interest paid/payable to a fellow subsidiary	<b>361</b>	324
Insurance premium paid/payable to a fellow subsidiary	-	354
Purchase of Property, plant and equipment from a fellow subsidiary	<b>512</b>	39

## 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:

	<b>6 months ended 30 June 2022 \$'000</b>	6 months ended 30 June 2021 \$'000
Current income tax	3,432	2,601
Deferred tax	(1,483)	(351)
	<u>1,949</u>	<u>2,250</u>
Overprovision in prior financial years:		
- Current income tax	(17)	(28)
- Deferred income tax	(3)	(17)
	<u>1,929</u>	<u>2,205</u>

## 9. Dividend

No dividend declared for the financial period ended 30 June 2022 and 30 June 2021.

## 10. Earnings per share

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	<b>0.28</b>	0.31
Weighted average number of ordinary shares('000)	<b>2,239,245</b>	2,239,245
(ii) On a fully diluted basis (cents per share)	<b>0.28</b>	0.31
Adjusted weighted average number of ordinary shares ('000)	<b>2,239,245</b>	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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per ordinary share (cents)	<b>25.90</b>	25.64	<b>23.96</b>	24.04

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (31 December 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 six months ended 30 June 2022, the Group acquired assets amounting to \$4,129,000 (30 June 2021: \$31,362,000) and disposed of assets amounting to \$8,171,000 (30 June 2021: \$1,119,000).

### 14. Intangible assets

	Goodwill arising on consolidati on \$'000	Contract- based intangible asset \$'000	Customer relationships intangible assets \$'000	Total \$'000
<b>Group</b>				
<b>At 30 June 2022</b>				
Cost	98,989	3,644	36,060	138,693
Accumulated amortisation and impairment	-	(3,644)	(17,705)	(21,349)
Net book value	<u>98,989</u>	<u>-</u>	<u>18,355</u>	<u>117,344</u>
<b>6 months ended 30 June 2022</b>				
Opening net book amount	98,989	-	20,422	119,411
Amortisation charge during the period	-	-	(2,027)	(2,027)
Currency translation differences	-	-	(40)	(40)
Closing net book value	<u>98,989</u>	<u>-</u>	<u>18,355</u>	<u>117,344</u>
<b>At 31 December 2021</b>				
Cost	98,989	3,644	36,116	138,749
Accumulated amortisation and impairment	-	(3,644)	(15,694)	(19,338)
Net book value	<u>98,989</u>	<u>-</u>	<u>20,422</u>	<u>119,411</u>

#### Impairment testing of Goodwill

Goodwill that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. No impairment indicators were identified as at 30 June 2022 based on the CGU's business performance. The Group performed its annual impairment test in December 2021. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

## 15. Borrowings

	Group		Company	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
<i>Current</i>				
Bank borrowings (unsecured)	35,943	36,242	34,069	34,069
Bank borrowings (secured)	16,037	16,058	-	-
Lease liabilities (secured)	16,787	19,655	-	-
	<b>68,767</b>	<b>71,955</b>	<b>34,069</b>	<b>34,069</b>
<i>Non-current</i>				
Bank borrowings (unsecured)	17,348	18,261	-	-
Bank borrowings (secured)	128,819	136,713	-	-
Loan from a fellow subsidiary (unsecured)	38,000	38,000	38,000	38,000
Lease liabilities (secured)	79,965	93,277	-	-
	<b>264,132</b>	<b>286,251</b>	<b>38,000</b>	<b>38,000</b>
Total borrowings	<b>332,899</b>	<b>358,206</b>	<b>72,069</b>	<b>72,069</b>

The borrowings of the Group and of the Company amounting to \$236,147,000 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 (2020: 1 to 3 months) from the balance sheet date.

### (a) Security granted

At the balance sheet date, total borrowings include secured liabilities of \$241,608,000 (31 December 2021: \$265,703,000) for the Group.

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

## 16. Share Capital

	<u>Issued share capital</u>	
	<u>No. of ordinary shares '000</u>	<u>Amount \$'000</u>
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.

During the financial period ended 30 June 2022, 194,700 share options granted under the COSCO SHIPPING Group Executives Share Option Scheme (the "Option Scheme") were lapsed.

Movements in the number of unissued ordinary shares under option at the end of 30 June 2022 are as follows:

### As at 30 June 2022

<u>Options relating to the Option Scheme</u>	<u>Number outstanding at 1 January 2022</u>	<u>Number of options issued during the financial period</u>	<u>Number of options exercised during the financial period</u>	<u>Number of options cancelled/ lapsed during the financial period</u>	<u>Number of outstanding options at 30 June 2022</u>
2020 Options	11,198,200	-	-	(194,700)	11,003,500
2021 Options	1,972,700	-	-	-	1,972,700
	<u>13,170,900</u>	<u>-</u>	<u>-</u>	<u>(194,700)</u>	<u>12,976,200</u>

The outstanding share options under the Option Scheme as at 30 June 2022 were 12,976,200 (30 June 2021: 13,984,900).

The Company did not hold any treasury shares as at 30 June 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 \$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 \$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 \$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 23 February 2022, the crane specialist filed a notice of appeal against the High Court’s decision.

As there is material uncertainty in relation to the final outcome of the proceedings, the Award granted to the Group on 18 November 2020 has not been recognised in the Group’s consolidated financial statements for the financial period ended 30 June 2022.

## **18. Subsequent events**

On 29 July 2022, the Company announced that its subsidiary, SH Cogent Logistics Pte Ltd (“SH Cogent”), had issued buy-out notices to acquire 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 Son. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. not owned by SH Cogent (collectively, the “Exit Shares”) pursuant to the terms set out in the shareholders’ agreements dated 13 August 2019. The purchase consideration for the acquisitions shall be determined in accordance with the formula set out in the shareholders’ agreements and finalised after the completion of the special audit of the target companies. Completion of the sale and purchase of the Exit Shares shall take place on a day falling the 30th business day after the date of the buy-out notice or such other day as may be mutually agreed between the parties.

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## G. Other information required by Listing Rule Appendix 7.2

### 1. Review

The condensed consolidated balance sheet of COSCO SHIPPING International (Singapore) Co., Ltd. and its subsidiaries as at 30 June 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 six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Sales

	Group		
	6 months ended 30 June 2022 (the "1H 2022") \$'000	6 months ended 30 June 2021 (the "1H 2021") \$'000	Change %
Logistics	77,231	71,644	8
Property management	7,072	6,775	4
Ship repair and marine engineering	8,146	5,981	36
	92,449	84,400	10
Shipping	-	10,476	NM
Total revenue	92,449	94,876	(3)

Group revenue for 1H 2022 totalled \$92.4 million, 3% lower than 1H 2021. The marginal decline 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 revenue from Shipping, Group revenue was about 10% or \$8.0 million higher in 1H 2022 as compared to 1H 2021 mainly due to increase in revenue from Logistics, Ship repair and marine engineering segments.

Logistics activities accounted for about 84% of the Group's revenue in 1H 2022. Revenue from logistics activities increased by 8% to \$77.2 million mainly due to higher revenue from warehousing and transportation services resulting from higher volume of business activities, partly offset by lower revenue from automotive logistics services.

Revenue from property management increased marginally by 4% to \$7.1 million mainly due to average higher occupancy for the Group's retail properties in 1H 2022 as compared to 1H 2021.

Revenue from Ship repair and marine engineering increased by 36% 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 increased by 1% in 1H 2022 mainly due to higher revenue in Logistics and Ship repair and marine engineering segments and higher operational costs, partly offset by the the deconsolidation of the costs of sales of the disposed Shipping subsidiary.

Gross profit was 13% lower in 1H 2022 as compared to 1H 2021 mainly due to lower margins as a result of higher operational costs and the deconsolidation of the disposed Shipping subsidiary.

Other income decreased by 48% to \$1.4 million in 1H 2022 was 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 1H 2022 was higher than 1H 2021 mainly due to higher foreign exchange gain and gain on disposal of property, plant and equipment.

Distribution expenses increased by 10% mainly due to higher staff costs for marketing. Administrative expenses decreased by 9% mainly due to the deconsolidation of the administrative expenses of the disposed Shipping subsidiary.

Finance costs increased by 10% to \$3.9 million mainly due to higher borrowing costs resulting from increase in interest rates.

Share of profit of associated companies of \$4.2 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 (formerly known as Tan-Cang-COSCO-OOCL Logistics 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 1H 2022, following the disposal of the Group's 60% shareholdings in end December 2021.

Income tax expense decreased by 13% to \$1.9 million mainly due to lower profits in 1H 2022. The effective tax rate was lower in 1H 2022 as compared to 1H 2021 mainly due to higher tax exempt profits.

Overall, net profit attributable to equity holders was \$6.2 million, 9% lower than 1H 2021 mainly due to lower profit margins and lower government grants, partly offset by an increase in share of profits of associated companies.

### **Balance Sheet**

(30 June 2022 vs 31 December 2021)

Cash and cash equivalents increased from \$108.0 million to \$115.8 million mainly due to net cash provided by operating and investing activities, partly offset by the repayment of borrowings and interest payments. Please refer to Consolidated Statement of Cash Flows for more details.

Trade and other receivables decreased by \$7.3 million to \$46.1 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 1H 2022.

Property, plant and equipment decreased by \$20.0 million to \$676.2 million mainly due to depreciation expense recognised in 1H 2022.

Trade and other payables decreased by \$3.0 million to \$58.3 million mainly due to the payments of trade payables.

Total borrowings decreased by \$25.3 million to \$332.9 million mainly due to the repayment of bank borrowings and lease liabilities. The Group's gearing ratio (net of cash) decreased from 0.44 times at the end of 2021 to 0.37 times as at 30 June 2022 mainly due to an improvement in cash positions and lower borrowings.

Shareholder's equity increased by \$5.8 million to \$579.9 million mainly due to profits in 1H 2022.



## Cash Flow

Net cash provided by operating activities for 1H 2022 was \$22.4 million. This was mainly due to operating profits generated during the financial period. Please refer to Consolidated Statement of Cash Flows for details.

Net cash provided by investing activities for 1H 2022 was \$8.5 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 1H 2022 was \$23.3 million. This was mainly due to the repayment of borrowings and interest payments.

**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.**

The possible emergence of new COVID-19 variants and the ongoing conflict between Russia and Ukraine could cause further global supply chain disruptions and even more price pressures, affecting global economic recovery and growth. Interest rates across the world will also be expected to go up as countries tighten their monetary policy in view of the rising inflation rates. As such, there is still a high level of uncertainty in terms of the length and depth of the economic impact on the Group's financial performance. Navigating the challenges ahead, 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 29 July 2022, the Company announced that its subsidiary, SH Cogent Logistics Pte Ltd ("SH Cogent"), had issued buy-out notices to acquire 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 Son. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. not owned by SH Cogent (collectively, the "Exit Shares") pursuant to the terms set out in the shareholders' agreements dated 13 August 2019. The Board believes that acquiring the Exit Shares is in line with the Group's overall growth and development strategy.

With regards to the Jurong Island Chemical Logistics Facility ("JICLF"), the Group successfully obtained the temporary occupancy permit for the first phase of the development of JICLF ("Phase One") in the first half of 2021. Pursuant to the letter of intent issued by the Singapore Economic Development Board ("EDB"), the Group may no later than four (4) years from the start of operations of Phase One submit an application for EDB's support of the Group's application to JTC Corporation for the Direct Allocation of Industrial Land of an additional 2.5 hectares plot of land of approximately 62,500 sqm of corresponding built-up area to develop the second phase of the JICLF. The Company will update the 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 1H 2022.

## 7. Interested Person Transactions

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

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)	
		1H 2022 \$'000	1H 2022 \$'000	
<u>Between Subsidiaries and:</u>				
Cosco (Cayman) Mercury Co., Ltd	Subsidiaries of Controlling Shareholders	-	307	
Cosco Shipping Energy Transportation Co Ltd		-	419	
Cosco (Qidong) Offshore Co., Ltd		-	963	
Cosco (Shanghai) Shipyard Co., Ltd		-	528	
Cosco Shipping Lines (Singapore) Pte Ltd		-	127	
Cosco Shipping Technology Co., Ltd.		513	-	
Cosco Shipping (South East Asia) Pte Ltd		-	361	
Shanghai Ocean Shipping Company Golden Land (26) Pte Ltd		-	387	
Golden Logistics & Storage Sdn. Bhd.		-	101	
		513	3,193	
<u>Between Associated companies and:</u>				
Cosco Shipping Seafarers Management Co., Ltd.			-	2,695
Refined Success Limited			-	2,529
Cosco Shipping (Singapore) Petroleum			-	946
Cosco Shipping Lines Emirates LLC			-	110
Cosco Shipping (HongKong) Insurance Brokers Limited		-	200	
Golden Land (27) Pte Ltd		-	204	
Chimbusco International Petroleum (S) Pte Ltd		-	1,403	
ASL Shipping & Logistics (India) Pvt Ltd		-	121	
CETUS Shipping Co., Limited		-	951	
OOCL (Vietnam) Co., Ltd		-	119	
Hainan Haisheng Shipping Co. Ltd.		-	3,410	
		-	12,688	
<b>Total</b>		<b>513</b>	<b>15,881</b>	

**8. 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 officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Mr Zhu Jian Dong  
Chairman and President  
12/8/2022

## **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 period ended 30 June 2022 financial results to be false or misleading.

On behalf of the directors

Mr Zhu Jian Dong  
Chairman and President

Mr Ang Swee Tian  
Director

12/8/2022