COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

KALEIDOSCOPE OF OPPORTUNITY

ANNUAL REPORT 2023

VISION

To become the best-integrated shipping and logistics service provider in South and Southeast Asia.

MISSION

To provide customers with professional one-stop shipping and logistics solutions.

Investor Relations Contact
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CORPORATE PROFILE

COSCO SHIPPING International (Singapore) Co., Ltd., along with its subsidiaries (referred to as the "**Group**"), aspires to establish itself as a leading integrated logistics service provider with a significant footprint in both South and Southeast Asia.

One of our notable subsidiaries, Cogent Holdings Pte. Ltd. ("**Cogent**"), which we acquired in 2018, takes pride in serving a diverse clientele, ranging from local SMEs to multinational corporations. As the owner of Cogent Logistics Hub, Singapore's largest one-stop integrated logistics hub, its core operations encompass warehousing, container depot services automotive logistics, transportation, and property management within Singapore.

To align with our expansion goals of fostering collaborative relationships within the region's logistics landscape, Cogent oversees all subsidiaries in Malaysia through its wholly-owned subsidiary, SH Cogent Logistics Pte Ltd. These subsidiaries include SH Cogent Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd., East West Freight Services Sdn. Bhd., Gems Logistics Sdn. Bhd., Guper Integrated Logistics Sdn. Bhd, and Golden Logistics & Storage Sdn. Bhd. This strategic expansion of Cogent enhanced our logistics services in Malaysia to encompass container haulage, freight forwarding, forwarding agency services, container depot operations, and warehousing.

COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd. ("**CSME**"), a subsidiary of the Company, engages in ship repair and marine engineering activities, including annual inspection, ship store supply, fabrication work services, and production of outfitting components.

We also offer property management services through Harrington Property Pte Ltd, a wholly-owned subsidiary of our Company. Furthermore, we have a 40% ownership in PT Ocean Global Shipping Logistics, an Indonesian shipping logistics company specializing in services such as logistics, freight forwarding, ship agency, and container depot services.

The Company's subsidiary, COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd., owns 30% of SINOVNL Company Limited (formerly known as TAN CANG-COSCO-OOCL Logistics Company Limited). This Vietnamese company offers storage and warehouse services, container station and depot services, equipment maintenance and repair, and freight transport agency services.

Since 2022, we have held a 40% ownership in COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd., an associated company. They specialize in dry bulk shipping, primarily focusing on voyage charter and time charter arrangements.

In March 2023, we established Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. with a 49% stake, amplifying our commitment to expanding regional logistics in South and Southeast Asia. Leveraging our globalized container service network, particularly in the realm of specialized "door-to-door" supply chain solutions, we are poised to enhance customer global reach. This joint venture, supported by COSCO SHIPPING Holdings Co., Ltd., strategically positions our logistics business unit to spearhead the development of the Southeast Asia digital supply chain market. Focused on providing diverse and digitally-driven supply chain solutions, this move solidifies COSCO SHIPPING International Singapore's pivotal role in advancing logistics infrastructure and operation management, paving the way for broader and more technologically-advanced future business development.

In December 2023, SH Cogent Logistics Pte Ltd successfully acquired 100% of Golden Logistics & Storage Sdn. Bhd. from COSCO SHIPPING (South East Asia) Pte. Ltd. ("COSCO SHIPPING SEA"). This strategic transfer of shares aims to synergize the strengths of both companies, enhancing operational efficiency and expanding service offerings in the competitive logistics market. The move positions them for future growth and innovation, solidifying their presence as key players in the industry.

The Company is ultimately controlled by China COSCO SHIPPING Corporation Limited ("**Parent Company**"), a state-owned enterprise headquartered in the People's Republic of China ("**PRC**").

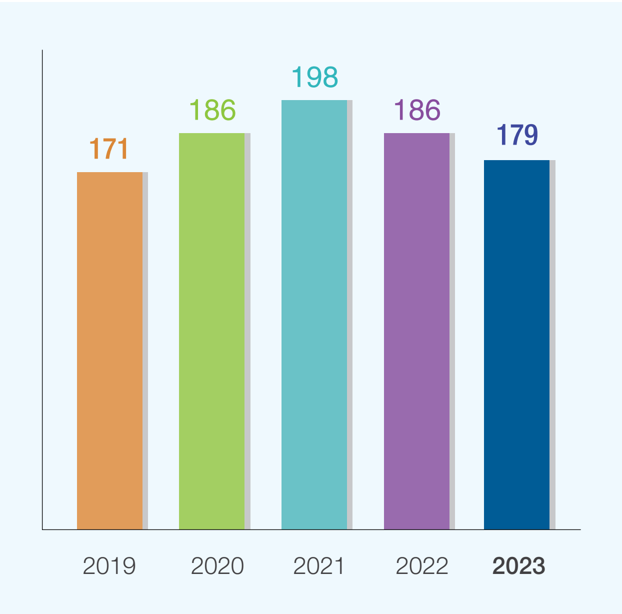
CORPORATE STRUCTURE

COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

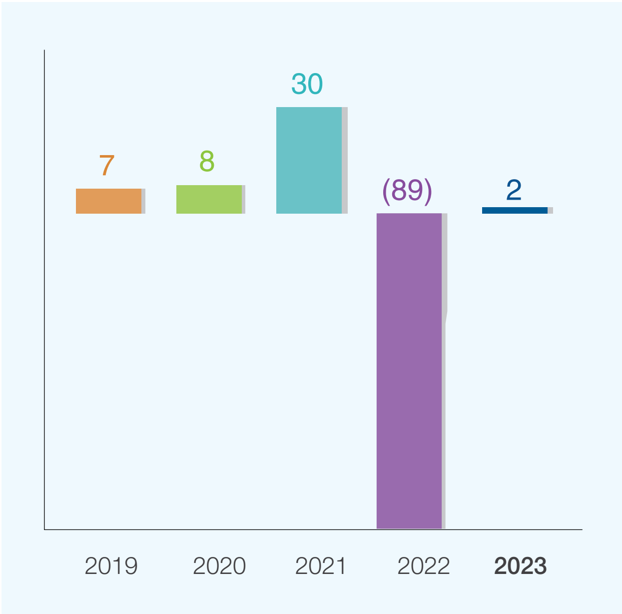
- Cogent Holdings Pte. Ltd. 100%
  - Cogent Integrated Supply Chain Pte. Ltd. 100%
  - Cogent Automotive Logistics Pte. Ltd. 100%
  - Cogent Jurong Island Pte. Ltd. 100%
  - SH Cogent Logistics Pte Ltd 100%
    - Cogent Land Capital Pte. Ltd. 100%
      - Cogent Realty Capital Pte. Ltd. 100%
    - Cogent Container Depot Pte. Ltd. 100%
    - Cogent Tank Depot Pte. Ltd. 100%
    - SH Cogent Logistics Sdn. Bhd. 100%
    - Golden Logistics & Storage Sdn. Bhd. 100%
    - Gems Logistics Sdn. Bhd. 100%
    - Dolphin Shipping Agency Sdn. Bhd. 100%
    - East West Freight Services Sdn. Bhd. 100%
    - Guper Integrated Logistics Sdn. Bhd. 97.56%
- Harrington Property Pte Ltd 100%
- COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd. 90%
  - COSCO SHIPPING Engineering Pte. Ltd. 100%
- COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd. 50%
  - SINOVNL Company Limited 30%
- PT. Ocean Global Shipping Logistics 40%
- COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. 40%
- Goldlead Supply Chain Development (Southeast Asia) Pte Ltd 49%

FINANCIAL HIGHLIGHTS

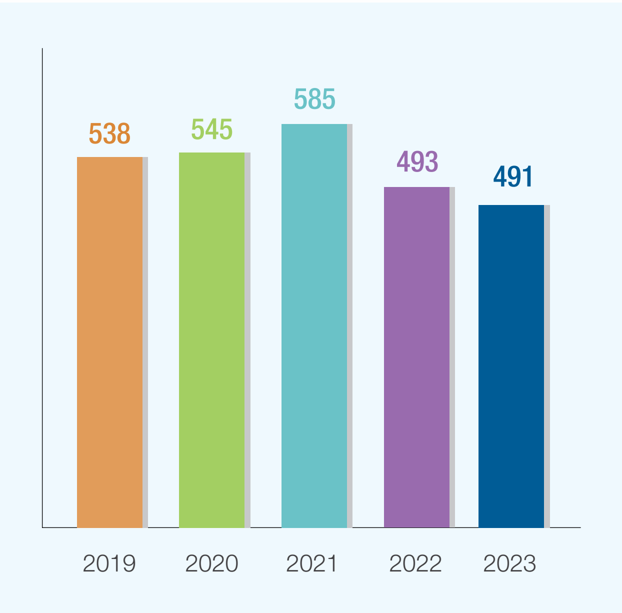
Revenue ($'million)



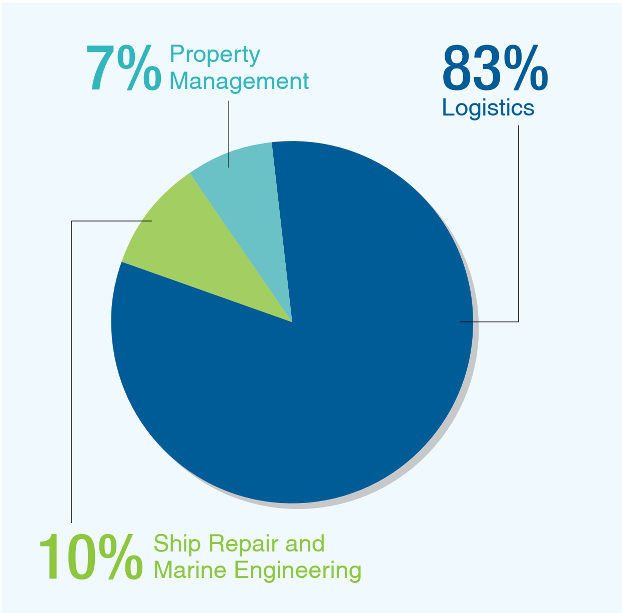
Net Profit / (Loss) Attributable to Equity Holders ($'million)



Net Assets ($'million)



Revenue by Activities (%)



FINANCIAL HIGHLIGHTS

2,239.2
Number of Shares (million)

0.4
Gearing Ratio (Net of cash)(times)

0.08
Basic Earnings per Share (cents)

0.4
Return on Equity (%)

21.0
Net Tangible Assets per Share (cents)

0.2
Return on Assets (%)

21.8
Net Assets Value per Share (cents)

5-YEAR PROFIT OR LOSS ACCOUNTS ($'million)	2019	2020	2021	2022	2023
Revenue	171.5	185.8	198.5	185.6	178.7
Total profit / (loss)	7.7	9.1	30.8	(87.8)	2.6
Profit / (Loss) attributable to equity holders of the Company	7.4	8.3	30.1	(88.6)	1.9

OTHER KEY STATISTICS	2019	2020	2021	2022	2023
Number of Shares (million)	2,239.2	2,239.2	2,239.2	2,239.2	2,239.2
Basic Earnings / (loss) per Share (cents)	0.3	0.4	1.3	(4.0)	0.08
Net Tangible Assets per Share (cents)	18.1	18.1	20.1	20.9	21.0
Net Assets Value per Share (cents)	24.0	23.9	25.6	21.8	21.8
Gearing Ratio (net of cash)(times)	0.4	0.5	0.4	0.5	0.4
Return on Equity (%)	1.4	1.6	5.4	(16.7)	0.4
Return on Assets (%)	0.8	0.8	2.9	(9.5)	0.2

STRATEGICALLY EVOLVING:

ENHANCING OUR PORTFOLIO FOR GROWTH

As we strategically evolve and enhance our portfolio for growth, our unwavering commitment to refining it through strategic investments and acquisitions equips us to seamlessly blend profitability with business agility.

CHAIRMAN AND PRESIDENT'S STATEMENT

Dear Shareholders,

I am delighted to take this opportunity to offer you an overview of our company's performance throughout the fiscal year 2023. Despite encountering various global challenges, I am happy to report on our progress and our outlook going forward. In 2023, the global economy has not fully emerged from the shadow cast by the COVID-19 pandemic. The conflict between Russia and Ukraine persists, while armed clashes have reignited between Israel and Palestine in the Middle East. Meanwhile, inflation and bank interest rates remain high, contributing to a continued slowdown in global economic growth. According to the IMF report released in January 2024, the global economy grew at a rate of 3.1% in 2023, lower than the 3.5% in 2022.

Last year, Singapore's economic growth also slowed down. According to statistics from Singapore's Ministry of Trade and Industry ("**MTI**"), Singapore's economic growth rate was 1.2% in 2023, lower than the 3.6% growth rate in 2022. In 2023, the wholesale and retail trade, transport, and warehousing industries in Singapore grew by 1.1%, also lower than the 3.6% in 2022.

During the same period, the Group achieved a turnover of S$178.7 million, a decrease of 4% compared to 2022. Out of the total turnover, the revenue from comprehensive logistics business was S$148.2 million, accounting for 83%; revenue from ship repair, inspection, supply, and steel fabrication business was S$18 million, accounting for 10%; property management revenue was S$12.5 million, accounting for 7%. Despite our concerted efforts, the net profit attributable to shareholders of the Group in 2023 was S$1.9 million. Excluding the one-time impairment of goodwill in 2022, there was a year-on-year decline in net profit attributable to shareholders in 2023. The main reasons were the decline in income from The Grandstand commercial center, significant increases in bank interest, and lower contribution from associated companies. It is important to highlight that our team diligently worked towards achieving positive outcomes. Despite our unwavering commitment and best endeavors, we faced challenges that impacted our results. However, we remain steadfast in our dedication to addressing these challenges and improving our performance moving forward.

BUSINESS OPERATIONS

According to statistics from Singapore's MTI, the growth rate of the wholesale & retail trade and transportation & storage industries in Singapore was only 1.1% in 2023 due to the slowdown in economic growth. At the same time, the decline in international container market volume had a negative impact on local import and export container volume in Singapore compared to 2022. The decline in market container volume negatively affected the Company's container transport, depot, and warehousing business. In 2023, due to high bank interest rates, the Company's finance expenses increased significantly. In addition, due to high inflation, the Company's utility, and fuel costs also saw significant increases. Facing these challenges, the Company sought ways to increase revenue, reduce costs, and strive to maintain stable production and operations.

Cogent Holdings strengthened its marketing efforts and secured over 150 new clients throughout the year. Notably, these efforts bore fruit with the addition of esteemed partners such as Maersk, CMA, JNC Line, and Suttons, while also seeking to reduce costs. Such accomplishments underscore our unwavering commitment and tireless dedication to boost our operations. The Company established a Cost Audit Committee to analyze major expenditure items such as vehicle maintenance, insurance, fuel, water, electricity, and interest rates, and also saved on manpower costs through departmental integration and adjustment of human resource allocation. Additionally, the Company strengthened its digital supply chain construction, continued to promote digital transformation, actively promoted end-to-end digital products, and expanded its services.

CHAIRMAN AND PRESIDENT'S STATEMENT

> We will continue to create greater value for our shareholders and realize the long-term sustainable development of the Company.

Zhu Jian Dong
Chairman and President

In 2023, as Chinese shipyards gradually resumed normal production, there was a decline in the overall volume of ship repair, inspection, and supply activities in Singapore and the Southeast Asian region. Consequently, the marine engineering ship service business also experienced some level of impact. COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd ("**CSME**") overcame difficulties and persisted in providing customers with high-quality repair, inspection, and supply services. Amidst the resurgence in the marine market, CSME capitalized on the opportunity with unwavering determination and resilience. Consequently, CSME not only navigated through challenging times but also experienced growth in steel fabrication construction orders, surpassing those of 2022.

In terms of property management, The Grandstand commercial center ceased operations at the end of 2023, and the land was returned to the government. In line with market changes, Harrington Property raised rents when renewing leases with its tenants, thereby resulting in an increase in revenue.

In 2023, several of the Company's joint ventures had contributed to the Group's profits. Among them was COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. which overcame difficulties in the declining bulk cargo market, seized market highs with the help of major shareholders, entered into charter parties, made efforts to control ship operating costs, and achieved returns which exceeded the market average. PT Ocean Global Shipping Logistics actively expanded its market while strictly controlling its operating costs. The year saw a decrease in trailer and prime mover rental fees, self-owned vehicle costs, and expenses for machinery equipment maintenance and spare parts procurement, resulting in good returns.

KEY ACCOMPLISHMENTS IN 2023

Establishment of Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. ("Goldlead")

In March 2023, the Group and its related enterprise Supply Fortune Limited signed a joint venture agreement to establish Goldlead. After the establishment of the joint venture company, the Group was able to leverage on the available resources of COSCO SHIPPING Holdings Co Ltd to expand its supply chain business in Southeast Asia and increase end-to-end services in the region. Goldlead undertakes specific work in investing and operating platforms for digital supply chain business in Southeast Asia. To facilitate the further development of Goldlead, both shareholders are negotiating to increase their investments to enable Goldlead to invest and operate more digital supply chain infrastructure and facilities in the future.

Acquisition of Golden Logistics & Storage Sdn. Bhd ("Golden Logistics")

Golden Logistics, a Malaysian company, is a subsidiary of COSCO SHIPPING (South East Asia) Pte Ltd. Golden Logistics is mainly engaged in ship agency, freight forwarding and logistics business. In December 2023, SH Cogent Logistics Pte Ltd, the Company's subsidiary signed an

CHAIRMAN AND PRESIDENT'S STATEMENT

agreement with COSCO SHIPPING (South East Asia) Pte Ltd to acquire 100% equity of Golden Logistics. The acquisition promotes further integration of Cogent's business in Malaysia, improves operational efficiency, and provides customers with a wider range of comprehensive logistics services.

Jurong Island Logistics Hub Phase 2 ("JILH II")

In respect of the JILH II, the Company has recently completed its feasibility study report and risk assessment report of the project and is in continuous communication with relevant parties, shareholders, and the Singapore government departments. Once the relevant approval procedures are completed, the project will commence construction.

The Grandstand Commercial Center

At the end of 2023, the Company ceased operation of The Grandstand commercial center and the land was returned to the relevant government authority. Cogent Automotive Logistics Pte Ltd continues to conduct automobile sales and storage operations at other locations and will also conduct online automobile showroom operations through the SuperApp digital platform.

Establishment of Strategic and Sustainable Development Committee

In 2023, the Singapore government departments attached greater importance to sustainable development work and raised higher requirements for sustainable development reports of listed companies. In order to effectively carry out various sustainable development tasks of the Company, the Strategic Development Committee under the Company's board of directors was reorganized and established as the Strategic and Sustainable Development Committee in October 2023, to better plan and guide various sustainable development tasks of the Company at the board level. In addition, the Company also established a sustainable development working group responsible for specific sustainable development tasks of the Company.

Change of Independent Directors

In early 2023, the Singapore Exchange Limited ("**SGX**") revised the listing manual, stipulating that the term of office of independent directors of listed companies cannot exceed 9 years. At that time, the tenure of the then three independent directors of the Company, Dr Wang Kai Yuen, Mr Er Kwong Wah and Mr Ang Swee Tian, had exceeded 9 years. In accordance with the requirements of the SGX, the Company completed the change of independent directors in 2023. The then independent directors Dr Wang Kai Yuen, Mr Er Kwong Wah and Mr Ang Swee Tian resigned as directors, and Mr Lim Lee Meng, Dr Chen Seow Phun, John and Mr Hoon Tai Meng were appointed as independent directors of the Company.

FUTURE ECONOMIC OUTLOOK

According to the IMF's World Economic Outlook released in January 2024, global economic growth in 2024 is expected to be 3.1%, unchanged from 2023, mainly because the economies of the United States and some developing countries are more resilient, and China is implementing policies to support economic recovery. This year, the pace of global inflation is expected to decline faster than expected. According to forecasts by the MTI, Singapore's economic growth rate in 2024 is expected to be in the range of 1% to 3%.

CHAIRMAN AND PRESIDENT'S STATEMENT

FUTURE DEVELOPMENT DIRECTION AND BUSINESS OUTLOOK

The Company's future development goal is to become an outstanding comprehensive logistics and supply chain service enterprise in Southeast Asia. The Company will continue to strengthen management, continuously improve customer service levels, and gradually expand its market share in Singapore, Malaysia, and other Southeast Asian regions.

In 2024, the Company will focus on advancing the JILH II. The project covers an area of 25,000 square meters, with a construction area of no less than 62,500 square meters. Plans include the construction of general warehouses, hazardous goods warehouses, heavy container depots, sky depot, trailer and prime mover parking lots, and other logistics infrastructure. After the completion of JILH II, the Company's comprehensive logistics service capabilities will be greatly enhanced, helping the Company to gain a larger market share in the Singapore logistics market. At the same time, the Company is also negotiating with partners to establish joint ventures to continue to expand container repair services. The Company will continue to expand cross-border transportation business between Singapore and Malaysia and promote the digital transformation of automobile logistics.

In the future, the logistics supply chain business will focus on advancing digitalization. Leading in digital transformation will be crucial for maintaining competitiveness and growing market share. In 2024, Goldlead will focus on the development of digital supply chain infrastructure and facilities in Southeast Asia, continue to research and promote the investment and construction of warehouses, depots, trailers and prime movers, and other logistics infrastructure and resources in Singapore, Malaysia, Thailand, Vietnam, and other regions, laying a foundation for the sustained and stable growth of logistics and supply chain business in these regions in the future.

In 2024, CSME will strengthen market development efforts, strive for more ship repair, inspection, and supply orders from COSCO SHIPPING's fleets and external shipowners through collaborative efforts. Our joint ventures, COSCO SHIPPING Bulk Southeast Asia Pte. Ltd., PT Ocean Global Shipping Logistics and SINOVNL, will continue to work hard to increase revenue, control costs, and continue to contribute to the Group.

Dear Shareholders, in 2024, the Company will continue to work hard, steadily advance the JILH II, promote digital supply chain construction and digital transformation, adhere to green energy conservation and carbon reduction, and strive to achieve better performance to create better returns for shareholders. On this occasion, on behalf of the Company's board of directors and management, I would like to thank all employees for their hard work over the past year and thank all shareholders and the community for their valuable support to the Company over the years.

Zhu Jian Dong
Chairman and President

SUSTAINABILITY INTEGRATION:

ELEVATING VALUE FOR SHAREHOLDERS

As we focus on sustainability integration to elevate value for shareholders, our commitment lies in seamlessly embedding sustainability into our operations and growth strategies, ensuring a continuous delivery and enhancement of value.

OPERATIONS REVIEW

Prime Mover from Cogent Holdings' Transportation Fleet

Warehouse Operations

Logistics

In 2023, integrated logistics remains the Company's primary business focus. The Company conducts integrated logistics operations through its wholly-owned subsidiary, Cogent Holdings Pte. Ltd. ("**Cogent**"), in Singapore and Malaysia. In addition, the Company also provides logistics services in Indonesia and Vietnam through its associated companies PT Ocean Global Shipping Logistics and SINOVNL Company Ltd.

Cogent operates 8 subsidiaries in Singapore and 6 subsidiaries in Malaysia, all engaged in integrated logistics operations and property management services. With a total staff count of over 700, these subsidiaries provide services including land transportation, warehousing, container and tank depots, automotive logistics, bulk cargo transportation and supply chain management. As of the conclusion of 2023, Cogent operates 249 prime movers and 894 trailers across both countries, boasting a collective annual container transport trucking capacity of 185,000 TEUs. Furthermore, Cogent possesses 10 warehouses spanning a total area of 250,000 square meters, alongside 10 container depots with a stacking capacity of 30,075 TEUs. Additionally, Cogent manages 7 car warehouses in Singapore, offering a combined storage capacity for 4,500 vehicles.

The decrease in import and export volume in Singapore and Malaysia, coupled with notable rises in bank interest rates and utility expenses, has exerted significant pressure on the Group's production and operations in 2023. In Singapore, Cogent bolstered its marketing initiatives and successfully acquired over 150 new clients within the same fiscal year. While prioritizing customer service, Cogent adjusted service fees for land transportation, warehousing, and depot services in response to increased production and operational costs, resulting in elevated operating income. Furthermore, the Company intensified efforts in cost control to mitigate overall expenditure. In Malaysia, Cogent meticulously managed various expenses including insurance fees and procurement costs for newly acquired prime movers through competitive bidding, securing additional contracts for supply chain and container trailer trucking services.

OPERATIONS REVIEW

Reception & common area of tenanted office at Suntec Tower Two

Ship Repair and Marine Engineering

COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd. ("**CSME**"), a subsidiary of the Company, engages in ship repair and marine engineering activities, including annual inspection, ship store supply, fabrication work services, and production of outfitting components. In recent years, the Company has successfully expanded its ship repair and inspection services from Singapore, Malaysia and Indonesia to Philippines, Vietnam, Thailand, Sri Lanka, India, Bangladesh, and Saudi Arabia. The Company has also started to improve its ERP system to improve the efficiency and started to use the financial management system. In 2023, the new workshop and office building project was completed and rented to a business partner, SATOMAS for use.

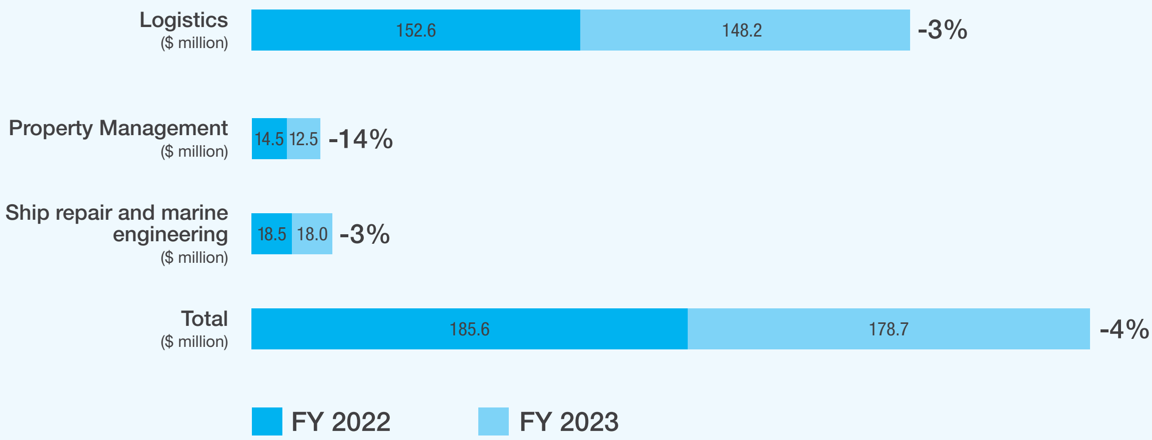
Property Management

Cogent manages the Grandstand, a one million square feet state property and one of the largest shopping and lifestyle hubs in Singapore through their subsidiary, Cogent Land Capital Pte. Ltd. The Grandstand was closed at the end of 2023, and the leased land was returned to the Government. The Group also owns office units in Suntec City, operated under the Company's wholly-owned subsidiary, Harrington Property Pte Ltd. The office units are currently rented out. In 2023, the revenue of this subsidiary has also increased by a large margin with the rental increment.

Dry Bulk Shipping

As an associated company, COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. ("**COSCO SHIPPING Bulk SEA**") has three Supramax vessels with a total tonnage of 163,000 tonnes and an average age of 18 years as of 31 December 2023. The Baltic Dry Index ("**BDI**") started the year at 1250 points and ended 2023 at 2094 points, averaging 1378 points for the entire year, lower than the average of 1934 points in 2022. Facing market difficulties, COSCO SHIPPING Bulk SEA has been making great efforts to increase revenue and reduce costs. Taking advantage of the market opportunities, it has successfully signed shipping contracts with clients at higher charter rates than the market average. Meanwhile, it has also managed to reduce crewing, bunkering, and repairing costs by a large margin.

FINANCIAL REVIEW



Sales

Group revenue for FY 2023 totalled $178.7 million, 4% lower than FY 2022. The decline in revenue is primarily attributed to decreases in revenue from Logistics, Property management and Ship repair and marine engineering segments.

Logistics activities accounted for approximately 83% of the Group's revenue in FY 2023. However, revenue from logistics activities decreased by 3% to $148.2 million. The decrease was primarily due to a reduced revenue contribution from transportation and warehousing services in both Singapore and Malaysia, stemming from reduced business activity levels among key clients. This decrease was partially mitigated by increased revenue from the container depot, driven by an increased volume of Lift on/Lift off (LOLO) activities.

Revenue from property management decreased by 14% or $2.0 million to $12.5 million mainly due to reduction of occupancy rate at the Grandstand shopping mall, which the lease for the state land has expired on 31 December 2023.

The decrease in revenue from Ship repair and marine engineering was driven by a decrease in volume of ship repair jobs in Singapore.

Costs and Profitability

The cost of sales decreased by 4%, aligned with the drop in revenue as compared to FY2022.

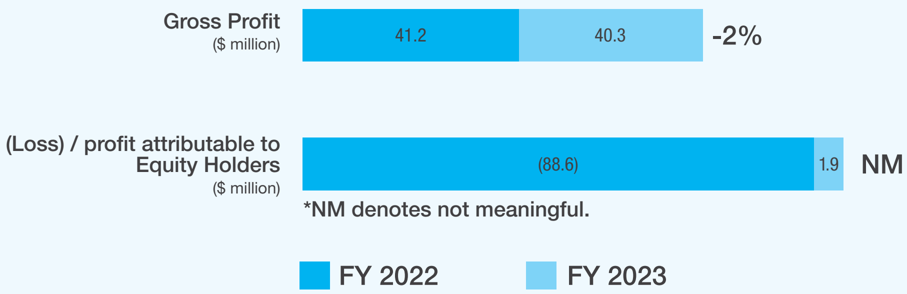
The gross profit margin remained relatively constant as compared to FY2022.

The decrease in other income was mainly due to lower sales of scrap material which was a one-off event in FY 2022, and drop in government grant, partly offset by an increase in interest income. Interest income increased by 57% in FY 2023 mainly due to increase in interest rates for bank deposits and cash at bank.

In FY 2023, other gains and losses were lower compared to FY 2022, primarily due to a decrease in gains from the disposal of property, plant, and equipment, along with foreign exchange losses.

Distribution expenses increased by 14%, mainly due to higher staffing costs. Administrative expenses decreased by 79% mainly due to the impairment of goodwill in FY2022. Excluding the impact of the goodwill impairment in FY2022, there is no significant movement in administrative expenses compared to FY2022.

FINANCIAL REVIEW



Finance costs increased by 33% to $13.7 million mainly due to higher borrowing costs resulting from increase in interest rates.

Share of profit of associated companies of $5.1 million was contributed by the Group's 40% shareholdings in COSCO SHIPPING Bulk SEA , 40% shareholdings in PT. Ocean Global Shipping Logistics and the 30% shareholdings in SINOVNL Company Limited. The decrease in share of profit of associated companies was mainly due to lower profit contribution from COSCO SHIPPING Bulk SEA. The Baltic Dry Index (BDI), a measure of shipping costs for commodities, averaged 1,378 points in FY 2023, a decrease of 29% from the average of 1,934 points in FY 2022.

Income tax expense decreased by 5% to $3.0 million mainly due to lower profits in FY 2023 (excluding the impact of goodwill impairment in FY 2022).

In FY 2023, the net profit attributable to equity holders amounted to $1.9 million, a significant increase compared to the net loss of $88.6 million in FY 2022. The substantial rise in net profit was primarily attributed to the recognition of goodwill impairment in FY2022. Excluding the impact of the goodwill impairment in FY 2022, the net profit witnessed an 82% decrease compared to FY2022. This decline was mainly attributed to the reduction in the occupancy rate at the Grandstand shopping mall, higher interest expenses, lower share of profits from associated companies, partially offset by an increase in interest income.

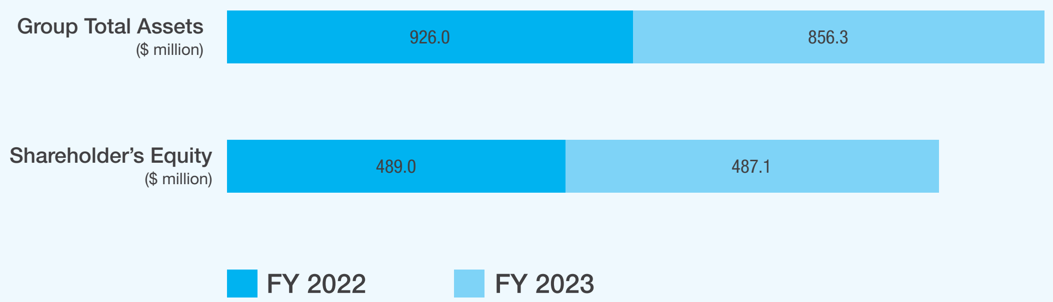
Balance Sheet

(31 December 2023 vs 31 December 2022)

Cash and cash equivalents decreased from $106.7 million to $66.7 million mainly due to the repayment of borrowings, interest payments and payments for acquisition of property, plant and equipment, This was partially offset by the net cash provided by operating activities. Please refer to Consolidated Statement of Cash Flows for more details.

Trade and other receivables increased by $2.2 million to $47.2 million (compared to $45.0 million on 31 December 2022). The rise in trade and other receivables is primarily attributed to amounts generated from the operational business activities.

FINANCIAL REVIEW



Property, plant and equipment decreased by $18.4 million to $651.5 million mainly due to depreciation expense recognised in FY 2023.

Trade and other payables have increased by $1.3 million to $37.5 million, primarily due to other payables related to the newly acquired subsidiary, Golden Logistics & Storage Sdn Bhd.

Total borrowings decreased by $67.1 million to $261.8 million mainly due to the repayment of bank borrowings and lease liabilities.

Shareholder's equity decreased by $1.9 million to $487.1 million mainly due to currency translation losses, offset by profit for the year.

Cash Flow

Net cash provided by operating activities for FY 2023 was $48.6 million. This was mainly due to operating profits generated during the financial year. Please refer to Consolidated Statement of Cash Flows page 160 to page 162 for details.

Net cash used in investing activities for FY 2023 was $0.3 million. This was mainly due to payments for acquisition of property, plant and equipment, partially offset against dividends received from associated companies, net cash inflows from the newly acquired subsidiary, Golden Logistics & Storage Sdn Bhd. and interest received.

Net cash used in financing activities for FY 2023 was $87.5 million. This was mainly due to the repayment of borrowings and interest payments.

SUMMARISED CASH FLOWS ($'MILLION)	2022	2023
Net cash provided by operating activities	48.9	48.6
Net cash used in investing activities	(6.5)	(0.3)
Net cash used in financing activities	(43.0)	(87.5)
Decrease in cash and cash equivalents	(0.6)	(39.3)

CORPORATE GOVERNANCE

COSCO SHIPPING International (Singapore) Co., Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") believes that good corporate governance is essential to the sustained growth and the long-term success of the Group's business.

The Board of Directors ("**Board**"), guided by the Singapore Code of Corporate Governance 2018 ("**Code**") issued by the Monetary Authority of Singapore and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Guide**"), is committed to maintaining a high standard of corporate governance, professionalism, integrity and commitments within the Group to ensure greater transparency and protecting shareholders' interests.

The Board confirms that, for FY2023, the Company has generally adhered to the principles and guidelines set out in the Code, save as otherwise highlighted (if any) in the report in relation to certain provisions of the Code.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1

The directors of the Company ("**Directors**") are fiduciaries who make decisions objectively in the best interests of the Company and have exercised due diligence and independent judgment in so doing. The Board has put in place a code of conduct and ethics and hold Management accountable for the performance of the Group including the achievement of financial and non-financial targets relating to *inter alia* revenue, profit, cashflow, risk management, internal controls and human resource. The Board also sets appropriate tone-from-the-top for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group.

Any Director who faces a conflict of interest or a possible conflict of interest, in relation to a matter, must promptly declare his interest at a meeting of Directors or send a written notice to the Company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the Company in accordance with the provisions of the Companies Act 1967 ("**Act**") and recuses himself from discussions and decisions on the matter involving the issues of conflict.

The primary function of the Board is to provide effective leadership and strategic direction and work with the Management to enhance long-term value of the Group to shareholders of the Company and other stakeholders. Governance is overseen by the Board together with Management, led by the Group's President and accountable to the Board.

CORPORATE GOVERNANCE

Apart from its fiduciary duties and statutory responsibilities, the principal functions of the Board are to:

a) provide entrepreneurial leadership and guidance on the Group's overall long-term strategic objectives and directions, corporate policies and authorisation matrix of the Company as well as operational initiatives to ensure that the necessary financial and human resources are in place to meet its objectives, taking into consideration sustainability issues (e.g. environmental, social and governance factors and sustainability-related risks and opportunities);

b) approve the nominations to the Board and appointment of key management, as may be recommended by the Nominating Committee;

c) oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy of internal controls; approve annual budget, key operational matters, major acquisition and divestment proposals, major funding proposals of the Company;

d) assume responsibility for corporate governance framework of the Company and establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and company's assets;

e) oversee and review management of the Group's business affairs, financial controls, performance and resource allocation;

f) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation and ensure transparency and accountability to key stakeholder groups;

g) set values and standards (including ethical standards) of the Company and ensure that obligations to shareholders and others are understood and met;

h) monitor and manage potential conflict of interest between the key management personnel, the Board and the shareholders; and

i) promote corporate social responsibilities throughout the Group and consider sustainability issues such as environmental and social factors as part of its strategic formulation.

Provision 1.2

The Directors understand the Company's business well as well as their directorship duties (including their roles as executive, non-executive and independent directors). New and existing Directors are provided with induction, training and the opportunities to develop and maintain their skills and knowledge at the Company's expense.

Directors are provided with updates released by regulatory authorities and institutes on directors' duties and responsibilities, corporate governance, changes in financial reporting standards in Singapore, evolving commercial risks and business conditions, and developments in the Act and Listing Rules so as to update and refresh them on matters that may affect or enhance their performance as Board or Board Committee members. Changes to regulations and financial reporting standards are monitored closely by Management. The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company. The external auditors update the Audit and Risk Management Committee ("**ARMC**") and Management on the new or revised financial reporting standards on an annual basis.

CORPORATE GOVERNANCE

The newly-appointed Directors will undergo relevant training to enhance their skills and knowledge, particularly on new laws, regulations and changing risks affecting the Group's operations. The Company will also arrange for any new Director with no prior experience as a director of a listed company in Singapore to undergo training conducted by the Singapore Institute of Directors ("**SID**") or other training institutions in areas such as accounting, legal and industry specific knowledge, where appropriate, in connection with their duties and responsibilities, to gain relevant knowledge of what is expected of a listed company director, which is a mandatory requirement under the Listing Rules of the SGX-ST, unless the Nominating Committee is of the view that such training is not required because the Director has other relevant experience. All Directors have completed the mandated sustainability training course as required under the enhanced SGX sustainability reporting rules in FY2022.

Provision 1.3

The Company has adopted internal guidelines setting forth matters which are reserved for the Board's decision and given clear directions to Management on matters that must be approved by the Board. These matters include, amongst others, the following:

- the recommendations of the Strategic and Sustainable Development Committee;
- the Group's long-term objectives and commercial strategies;
- the making of any decision to cease to operate all or any material part of the business of the Group or to extend the Group's activities into new business;
- the consideration of any proposal to merge or amalgamate the Company with any other company;
- the approval of any acquisition of any investment, asset or business by the Company or any of its subsidiaries which would involve the commencement of an activity of a substantially different nature or character to any activity from time to time carried on by the Company or any of its subsidiaries;
- the approval of any changes relating to the Group's capital structure including changing the amount or currency of the Company's share capital, reduction of capital, share issues (except under employee share option scheme);
- the approval of risk management policy for the Group;
- the approval of the Company's interim financial results, annual audited financial statements and other appropriate statements for inclusion in the Company's Annual Report as well as the issuance of Annual Report;
- the recommendation of the payment of any dividend by the Company or any exercise of the powers of the Board in relation to reserves or capitalisation of profit;
- the appointment or removal of director from the Board (with recommendation made by the Nominating Committee) and the appointment or removal of the Company Secretary;

CORPORATE GOVERNANCE

- the making of any changes to the structure and size of the Board, following receipt of recommendation from the Nominating Committee;
- in the case of any conflict of interest which the Board, after being appropriately advised, considers to be material, as to whether such conflict should be authorised and, if so, authorise such conflict upon such terms and conditions as the Board considers appropriate;
- determining the remuneration packages for senior executives of the Company (following receipt of recommendation by the Remuneration Committee);
- reviewing the performance of the Board annually; and
- any matter required to be considered or approved by the Board as a matter of law or regulation.

Provision 1.4

To facilitate effective management, the Board has delegated specific responsibilities to the following committees, namely:

- Audit and Risk Management Committee ("**ARMC**");
- Nominating Committee ("**NC**");
- Remuneration Committee ("**RC**"); and
- Strategic and Sustainable Development Committee ("**SSDC**").

These Committees operate under clearly defined terms of reference and operating procedures. The terms of reference are reviewed on a regular basis and accordingly revise when necessary. The Chairman of the respective Committees reports to the Board with their recommendations.

The present Board Committees members are as follows:

Directors	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee	Strategic and Sustainable Development Committee
Zhu Jian Dong	N.A.	Member	N.A.	Chairman
Guo Hua Wei	N.A.	N.A.	N.A.	Member
Lim Lee Meng	Chairman	Member	Member	Member
Hoon Tai Meng	Member	Chairman	Member	Member
Chen Seow Phun, John	Member	Member	Chairman	Member

CORPORATE GOVERNANCE

Provision 1.5

The Board and Board committees meet on a regular basis and as and when necessary to address any specific significant matters that may arise. The Board and the Board Committees may also decide on matters by way of circular resolutions. The Directors attend and actively participate in Board and Board Committee meetings. All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to their knowledge. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company. Where a Director has multiple board representations, and in considering the nomination of Directors for appointment, the Nominating Committee will evaluate whether or not the Director is able and has been adequately carrying out his duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

During the financial year, the Board held four (4) meetings and had on various occasions used circular resolutions in writing to address any specific matters that may arise. Day to day management of the Group has been delegated to the Group President. The attendance of the Directors at meetings of the Board and Board Committees for FY2023 is set out in the table below:

	Board	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee	Strategic and Sustainable Development Committee
Number of meetings held	**4**	**5**	**1**	**1**	**1**
Attendance:					
Zhu Jian Dong	4	4*	1	1*	1
Guo Hua Wei	4	5*	NA	NA	1
Ang Swee Tian (1)	3	4	1	1	NA
Wang Kai Yuen (2)	2	3	1	1	NA
Er Kwong Wah (3)	2	3	1	1	NA
Lim Lee Meng (4)	2	2	NA	NA	1
Chen Seow Phun, John (5)	2	2	NA	NA	1
Hoon Tai Meng (6)	1	1	NA	NA	1

** By Invitation*
NA - Not Applicable

Notes:

(1) Mr Ang Swee Tian resigned as Independent Non-Executive Director on 15 September 2023.
(2) Dr Wang Kai Yuen resigned as Independent Non-Executive Director on 15 June 2023.
(3) Mr Er Kwong Wah resigned as Independent Non-Executive Director on 15 July 2023.
(4) Mr Lim Lee Meng was appointed as Independent Non-Executive Director on 1 June 2023.
(5) Dr Chen Seow Phun, John was appointed as Independent Non-Executive Director on 1 July 2023.
(6) Mr Hoon Tai Meng was appointed as Independent Non-Executive Director on 1 September 2023.

CORPORATE GOVERNANCE

Provision 1.6

The Directors are from time to time furnished with detailed information concerning the Group to support their decision-making process. Prior to each Board meeting, members of the Board are each provided with the relevant documents and information necessary for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon. Such information includes budgets, forecasts, interim and annual financial statements, related materials, facts, risk analysis, financial impact, expected outcomes, conclusions and recommendations.

The Group President also briefs and updates Directors on an ongoing basis on the Group's businesses, operations, policies and regulatory and environment to assist them to discharge their duties and responsibilities effectively. In addition, all relevant information on material events and transactions is circulated to the Directors as and when they arise.

For effective planning, the schedule of all Board and Board Committees meetings for the next calendar year is always planned well ahead. A special Board meeting will be conducted for a special project whenever it is required. The Company's Constitution allows Board meetings to be conducted by way of telephone and video conferencing.

As a general rule, notices are sent to the Directors at least 10 days in advance of Board and Board Committees meetings, followed by the Board papers, in order for the Directors to be adequately prepared for the meetings.

Provision 1.7

All Board members have separate and independent access to the senior Management of the Company and the Group. Board members are aware that they, whether as a group or individually, in the furtherance of their duties, can take independent professional advice, if necessary, at the Company's expense.

The Board members also have separate and independent access to the advice and services of the Company Secretaries. The Company Secretaries attended all Board and Board Committees meetings during the financial year. They are responsible for ensuring that Board procedures are followed and that applicable rules and regulations such as the Listing Manual ("**Listing Manual**") of the SGX-ST, the Companies Act 1967, the Securities and Futures Act 2001 and the Constitution of the Company and all governance matters are complied with. The appointment and the removal of the Company Secretary is a decision of the Board as a whole.

CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1

The Board of COSCO SHIPPING comprises five (5) members, majority of whom are Independent Non-Executive Directors, namely:

Zhu Jian Dong	Chairman, President and Non-Independent Executive Director
Guo Hua Wei	Non-Independent Non-Executive Director
Lim Lee Meng	Lead Independent Non-Executive Director
Chen Seow Phun, John	Independent Non-Executive Director
Hoon Tai Meng	Independent Non-Executive Director

The Directors' profiles are set out on pages 62 to 65 of this Annual Report.

The independence of each Director is reviewed annually by the NC and the Board. Each Director is required to complete a declaration form annually to confirm his independence. The NC deliberates the independence of the Directors against a checklist and determines whether the Directors are independent in conduct, character and judgement, having regard to the circumstances set forth in Provision 2.1 the Code and Rule 210(5)(d) of the Listing Rules. The Independent Directors do not fall under the circumstances of Rule 210(5)(d) of the Rules as they were not employed by the Company or in any of its related corporations for the current or any of the past three financial years and they do not have immediate family members who is, or has been in any of the past or in the current three financial years, employed by the Company or its related corporations and whose remuneration is determined by the Remuneration Committee.

In addition, neither the Independent Directors nor their immediate family members, in the current or immediate past financial year, provided or received from the Company or its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) for payments aggregated in excess of S$50,000 other than compensation for board service. Neither the Independent Directors nor their immediate family members, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services) in excess of S$200,000. As at the date of this report, none of the Independent Directors have served on the Board beyond nine years from the respective date of their first appointment.

The Independent Directors of the Company have confirmed their independence and that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company.

CORPORATE GOVERNANCE

The NC is of the opinion that there is a strong and independent element on the Board that allows the Board to exercise objective judgment on corporate affairs independently from Management, its related corporation or its substantial shareholders.

In view of the foregoing, the Board is satisfied that the Independent Directors are objective and independent in expressing their views and in participating in deliberations and decision-making of the Board and Board Committees. The Board will continue reviewing the size and composition of the Board and the independent status of its Directors on an ongoing basis.

Provision 2.2

As the Chairman of the Board is not independent, independent Directors make up a majority of the Board. The Board exercises independent judgement on corporate affairs and provide the Management with a diverse and objective perspective on issues.

Provision 2.3

Non-Executive Directors make up a majority of the Board. They constructively challenge and assist in the development of business strategies and assist the Board in reviewing the performance of the Management in meeting goals and objectives and monitoring the reporting of performance.

Provision 2.4

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise, experience, balance, diversity and knowledge of the Company and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board comprises members with core competencies in accounting and finance, business and management experience, legal and industry specific knowledge, strategic planning and customer-based experience and knowledge.

The Board assesses its effectiveness as a whole and the contribution by each Director to the effectiveness of the Board annually. The Board has examined its and the Board Committees' size and is of the view that they are of an appropriate size, taking into account the scope and nature of the operations of the Company and the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and the Board Committee. There is no individual or small group of individuals who dominates the Board's decision-making.

CORPORATE GOVERNANCE

BOARD DIVERSITY POLICY

The Board has a formal Board Diversity Policy which sets out its policy and framework for promoting diversity on the Board. The main objective of the policy is to achieve an optimum balanced composition of the Board. Under the policy, NC is responsible for recommending to the Board the relevant practices to promote and achieve diversity on the Board. Each year, NC reviews the size and composition of the Board and Board committees and the skills and core-competencies of its members to ensure an appropriate balance of skills and experience.

The Board comprises Directors who as a group provides the appropriate balance and mix of skills, experience and core competencies such as accounting and finance, legal expertise, business and management experience, industry knowledge, strategic planning experience and other aspects of diversity (i.e. gender, age and nationalities) to contribute to the effective strategic leadership of the Group that foster constructive debate and ensure the effectiveness of the Board and its Committees in the pursuit of its strategic and sustainable business objectives and development. The Board consists of directors with different nationalities and ages, and who have served on the Board for different tenures. A brief profile of each Director is set out on pages 62 to 65 in the Annual Report.

As of the date of this report, the Company does not have a female representative on the Board. The NC remains committed to pursue gender diversity and in identifying suitable candidates for new appointment to the Board, the NC will strive to ensure that:

- female candidates are included for consideration; and
- the requirement to present female candidates will be made known where external research consultants are used.

Gender is but one aspect of diversity and the fundamental principle is that the candidate must be of right fit and meet the relevant needs and vision of the Company. New directors will continue to be elected based on their merits and the potential contributions which they can bring to the Board. The final decision on selection of Directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board.

The Board does not believe in setting quantitative diversity targets for its composition, but it does aim to always maintain an effectively diverse Board in terms of skills, knowledge, experience and other aspects of diversity such as age, gender and nationality.

Taken into account the above and given the nature of the Group's business at present, the Board does not propose to set specific diversity targets or concrete timelines for achieving board diversity targets. Instead, the NC will continue to monitor that the diversity objectives continue to be met and work with the Board to maintain satisfactory level of diversity and will ensure improvements be made towards the Board Diversity Policy. The Board will continuously assess the existing attributes and core competencies of the Board to ensure Board balance and diversity with a view to enhance the efficacy of the Board and the strategic direction of the Group. Any updates or progress towards implementing the Board Diversity Policy will be disclosed in the Corporate Governance Report, as appropriate.

During FY2023, the NC was satisfied that the Board and Board Committees are of the right size and are well balanced from the perspective of the mix of skill set, knowledge, experience, independence and diversity in age, nationalities and tenure that serves the needs and plans of the Company. The Board concurred with the NC's findings.

CORPORATE GOVERNANCE

STRATEGIC AND SUSTAINABLE DEVELOPMENT COMMITTEE

The Strategic Development Committee was renamed the Strategic and Sustainable Development Committee ("**SSDC**" or the "**Committee**") on 1 November 2023.

The SSDC comprises the following Board members, majority of whom are Independent Directors:

Zhu Jian Dong (Chairman)	Non-Independent Executive Director
Guo Hua Wei	Non-Independent Non-Executive Director
Lim Lee Meng	Non-Executive Lead Independent Director
Chen Seow Phun, John	Non-Executive Independent Director
Hoon Tai Meng	Non-Executive Independent Director

The SSDC shall assist the Board in fulfilling its responsibilities for developing, evaluating and monitoring the Company's long and short-term strategic goals and to oversee responsibilities for the Company's sustainability strategy and practices. The SSDC shall operate at the Board level but shall not assume the Board's governance accountability or to make final strategic decisions. The SSDC acts solely to address and develop current and future strategy-related and sustainability issues.

It has the responsibility for creating and driving the Company's strategic and sustainable development and Management takes responsibility for implementing the Company's strategy(ies) after the SSDC received approval from the full Board and/or other relevant board committees. Management is also responsible to ensure the environmental, social and governance ("**ESG**") factors as well as climate-related risks and opportunities are monitored on an ongoing basis and properly managed.

The SSDC met in November 2023 to discuss its strategic and sustainable planning and development, and its decision was recorded by way of minutes.

Provision 2.5

Where necessary or appropriate and at least once a year, the Non-Executive and Independent Directors, led by the Lead Independent Director, will meet without the presence of the Management. The Non-Executive and Independent Directors communicate regularly to discuss matters related to the Group, including the performance of the Management. Where appropriate, the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

Mr Zhu Jian Dong holds both the positions of Chairman of the Board and the President of the Company.

As the Executive Chairman, he is responsible for the workings of the Board by ensuring effectiveness in all aspects of its roles, including setting the agenda for Board meetings with input from Management and exercising control over the quality and timeliness of information flow between the Board and Management to encourage constructive relations within the Board and between the Board and Management.

CORPORATE GOVERNANCE

To promote a culture of openness and debate at the Board, he ensures that adequate time is available for discussion of all agenda item, in particular, strategic issues and he also facilitates the effective contribution of Non-Executive Independent Directors.

He is also responsible for promoting high standards of corporate governance by ensuring compliance with the Group's guidelines on corporate governance and ensuring effective communication with shareholders and other stakeholders.

Provision 3.2

Mr Zhu Jian Dong, the President of the Company, also assumes the role of Chairman of the Board. The Board establishes and sets out in writing the division of responsibilities between the Chairman of the Board and the President of the Company.

As the President and the most senior executive in the Company, Mr Zhu Jian Dong has full executive responsibilities over the business directions and operational decisions of the Group. He works closely with the Management to implement the Company's strategies and policies set by the Board for the long-term success of the Company.

The Chairman leads the Board and is responsible for strategic guidance. He ensures:

- that Board meetings are held as and when necessary to enable the Board to perform its duties responsibly, while not interfering with the flow of the Company's operations;
- that the agenda for Board meetings are prepared, with the assistance of the Company Secretaries;
- the exercise of control over the quality, quantity and timeliness of information between the Management and the Board and the facilitation of effective contribution from the Non-Executive and Independent Directors; and
- that effective communication with shareholders and compliance with corporate governance best practices.

In view that Mr Zhu Jian Dong is both the Executive Chairman and President of the Company, the non-executive independent Directors make up majority of the Board and the ARMC, Remuneration Committee and Nominating Committee are chaired by Independent Directors.

Despite the positions of the Chairman and President are being held by one individual, the Board is of the view that as all major decisions are made in consultation with the Board and with the establishment of the Board Committees, there are adequate safeguards in place to ensure accountability and unfettered decision-making, as well as to prevent an uneven concentration of power and authority in a single individual.

As such, the Board believes that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on collective decision-making without any individual being able to exercise considerable concentration of power or influence.

CORPORATE GOVERNANCE

Provision 3.3

The Board has a lead independent Director to provide leadership in situations where the Executive Chairman is conflicted. The lead Independent Director also provides feedback to the Executive Chairman after meetings of Independent Directors. Mr Lim Lee Meng is the Lead Independent Non-Executive Director of the Company and is available to stakeholders should they have concerns which cannot be resolved through the normal channel of the Chairman or for which such contact is inappropriate. He can be contacted at leemeng@leemengcapital.com.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NOMINATING COMMITTEE

Provision 4.1

The Board established the Nominating Committee ("**NC**") with written terms of reference which clearly set out its authority and duties, and reports to the Board directly.

The NC is responsible for making recommendations to the Board on relevant matters relating to:

a) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

b) the process and criteria for evaluation of the performance of the Board, its Committees and Directors;

c) the review of training and professional development programs for the Board and its Directors'

d) appointment and re-appointment of Directors (including the appointment of alternate directors, if any)

e) the effectiveness of the Board as a whole and assess the contribution by each Director, to the effectiveness of the Board;

f) the review of the structure, size and composition of the Board and its existing board diversity policy.

CORPORATE GOVERNANCE

Provision 4.2

The NC comprises four (4) Directors, majority of whom including the Chairman are independent, namely:

Hoon Tai Meng (Chairman)	Non-Executive Independent Director
Zhu Jian Dong	Non-Independent Executive Director
Lim Lee Meng	Non-Executive Lead Independent Director
Chen Seow Phun, John	Non-Executive Independent Director

The NC meets at least once a year. During the financial year, the NC held one (1) meeting and had on various occasions used circular resolutions in writing to resolve certain decisions which were then recommended to the Board.

Provision 4.3

The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board appointments, re-appointments and oversee the Board and key management personnel's succession and leadership development plans. The NC is responsible for identifying candidates and reviewing all nominations for the appointment of new directors. The NC seeks potential candidates widely and beyond Directors/management recommendations and is empowered to engage external parties, such as professional search firms, to undertake research on or assessment of candidates as it deems necessary.

In arriving at their decisions on the new appointments, the NC took into consideration the Company's strategic priorities and the factors affecting the long-term success of the Company, the incumbents' academic qualifications, experience, their individual field of expertise and their potential contributions to the effectiveness of the Board.

The process for the appointment of new directors begins with the NC, together with the Chairman and President of the Company, conducting a needs analysis and identifying the critical requirement in terms of expertise and skills that are needed in the context of the strengths and weaknesses of the existing Board and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and abilities when recommending new directors to the Board. The Board and the NC will also take into account whether the candidate had previously served on the board of a company with an adverse track record or with a history of irregularities, whether such company is or was under investigation by regulators and seek clarity on the candidate's involvement therein and whether the candidate's resignation from the board of any such company casts any doubt on his qualification and ability to act as the director of the Company. When a candidate has been endorsed by the NC, the NC will then make a recommendation to the Board for the approval of his appointment.

The NC decides how the Board should be evaluated and selects a set of performance criteria that is linked to long-term shareholders' value, to be used for performance evaluation of the Board.

In accordance with the provisions of the Constitution, one-third of the Directors retire by rotation and subjected themselves to re-election at every Annual General Meeting ("**AGM**") of the Company. In addition, new directors who were appointed by the Board during the year will hold office only until the next AGM and will be eligible for re-election.

CORPORATE GOVERNANCE

The dates of initial appointment and last re-election of each of the Directors of the current Board are set out below:

Director	Position	Date of Initial Appointment	Date of Last Re-election/ Re-appointment
Zhu Jian Dong	Chairman, President and Non-Independent Executive	19.09.2019	28.04.2023
Guo Hua Wei	Non-Independent Non-Executive	14.09.2022	28.04.2023
Lim Lee Meng	Non-Executive Lead Independent	01.06.2023	N.A.
Chen Seow Phun, John	Non-Executive Independent	01.07.2023	N.A.
Hoon Tai Meng	Non-Executive Independent	01.09.2023	N.A.

N.A. - Not Applicable

The NC assesses and recommends to the Board whether retiring directors are suitable to be nominated for re-election. In evaluating a director's contribution and performance for the purpose of re-nomination, the NC takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

The NC has recommended that the following directors be nominated for re-election at the forthcoming AGM:

a) Mr Lim Lee Meng;
b) Dr Chen Seow Phun, John; and
c) Mr Hoon Tai Meng.

In making the recommendation, the NC has considered the Directors' overall contributions and performance. The Board recommends the shareholders to approve the re-election of the aforesaid Directors. The details of the proposed resolution are stipulated in the Notice of AGM.

Provision 4.4

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any changes in their external appointments that could affect their independence on the Board. The NC reviews the independence of each Director annually in accordance with the definition of independence set out in the Code. In addition to the above, each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code.

CORPORATE GOVERNANCE

The NC has conducted rigorous review of their contributions to the Board to determine if they have maintained their independence. The NC and the Board are satisfied with their continued independence in character and judgement in discharging their responsibilities as Directors of the Company with utmost commitment to protect and uphold the interests of the Company and all shareholders, not just the substantial shareholders and found no evidence to indicate that the length of service has in any way affected their respective independence.

The Independent Directors have also contributed significantly to the discussion on matters before the Board, which include matters relating to strategic direction and corporate governance of the Group, expressed individual viewpoints, debated issues, sought clarifications as they deemed necessary including direct access to the Management and objectively scrutinised the Management. Having gained in-depth understanding of the business, operating environment and direction of the Group, they provided the Group with much needed experience and knowledge of the industry and offered valuable advice. Accordingly, the NC, with the concurrence of the Board, is satisfied that all the Independent Directors have remained independent in their judgement and can continue to discharge their duties objectively.

As of the date of this report, there is no Independent Director that served for an aggregate period of nine or more years from the date of his first appointment.

Based on the above, the NC, with the concurrence of the Board, is satisfied that all the Independent Directors, namely Mr Lim Lee Meng, Dr Chen Seow Phun, John and Mr Hoon Tai Meng have remained independent in their judgement and can continue to discharge their duties objectively.

The additional information on directors seeking re-election and/or continued re-appointment as Independent directors are set out on pages 54 to 60 of this Annual Report.

Provision 4.5

The NC ensures that new Directors are aware of their duties and obligations. Newly-appointed Directors would receive a formal letter setting out the Director's duties and obligations and receive comprehensive and tailored induction and training in areas such as accounting, legal and industry-specific knowledge on joining the Board. They will also be given an orientation program with materials provided to familiarise themselves with the profile of the Group and the Management, business and organizational structure of the Group, strategic plans and mission as well as the expectations of the Company.

The NC has ascertained that all Directors, including those who have multiple board representations, have devoted sufficient time and attention to the Group's affairs and have discharged their duties and responsibilities adequately. As time requirements of each Director are subjective, the NC has decided not to fix a maximum limit on the number of directorships a Director can hold. The NC considered that the multiple board representations held presently by its Directors do not impede their respective performance in carrying out their duties to the Company.

CORPORATE GOVERNANCE

The list of current directorships in other listed companies and/or other principal commitments held by the respective Directors are set out in the table below:

Director	Current directorship in other listed companies
Zhu Jian Dong	Nil
Guo Hua Wei	Nil
Lim Lee Meng	Nil
Chen Seow Phun, John	● Pavillon Holdings Ltd (Executive Chairman and Director) ● OKP Holdings Limited (Lead Independent Director) ● PSC Corporation Ltd (Non-Executive Independent Director) ● Matex International Limited (Independent Director and Non-Executive Chairman) ● Tat Seng Packaging Group Ltd (Independent Director and Non-Executive Deputy Chairman) ● Sinostar Pec Holdings Ltd (Lead Independent Director)
Hoon Tai Meng	● Federal International (2000) Ltd (Independent Director) ● Hock Lian Seng Holdings Limited (Independent Director) ● Spindex Industries Limited (Independent Director)

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that each of its board committees and individual directors.

Provision 5.1 and 5.2

The Board regularly reviews the performance of the Management in meeting agreed goals and monitors the reporting of performance.

A formal assessment process is in place to assess the effectiveness of the Board as a whole and the contribution by the Chairman and each Director to the effectiveness of the Board. The NC uses objective and appropriate quantitative and qualitative criteria to assess the performance of the Board as a whole and the contribution of each Director to the effectiveness of the Board. Assessment parameters include evaluation of the Board's access to information, risk management, accountability, the Board's performance in relation to discharging its principal functions, communication with management and stakeholders, the business performance of the Company, the quality of Board processes, the attendance records of the Directors at Board and Committee meetings and the level of participation at such meetings.

CORPORATE GOVERNANCE

The evaluation of the Board is conducted annually. As part of the process, the Directors will complete appraisal forms which are collated by the Company Secretary. The Company Secretary will then review the results of the appraisal and present the results to the Chairman of the NC who will then present a report to the Board.

An individual assessment of each Director is also undertaken annually. The process of the assessment is through self-assessment where each Director will complete appraisal forms which are collated by the Company Secretary. The Company Secretary consolidates the appraisal forms and presents the results to the Chairman of the NC who will then present a report to the Board.

The NC has assessed the current Board's performance to-date, as well as the performance of each individual Director and is of the view that the performance of the Board as a whole and each individual Director were satisfactory.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provision 6.1 and 6.2

REMUNERATION COMMITTEE

The RC comprises all Independent Directors of the Company, namely:

Chen Seow Phun, John (Chairman)	Non-Executive Independent Director
Lim Lee Meng	Non-Executive Lead Independent Director
Hoon Tai Meng	Non-Executive Independent Director

The Board established the Remuneration Committee ("**RC**") with written terms of reference which clearly set out its authority and duties, and reports to the Board directly.

The principal functions of the RC are to:

a) reviews and recommends to the Board, a framework of remuneration for the Directors and senior management personnel;

b) recommends to the Board base salary level, benefits and incentive programmes, and identify components of salary which can best be used to focus management staff on achieving corporate objectives;

c) approves the structure of compensation programme (including but not limited to Directors' fees, salaries, allowances, bonuses, options, shares-based incentives & awards and benefits in kind) for the Directors and senior management to ensure that the programme is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully;

CORPORATE GOVERNANCE

d) reviews, on annual basis, the compensation package of the Company's Directors and senior management personnel and determine appropriate adjustments; and

e) reviews the Company's obligations arising in the event of termination of Executive Directors and key management personnel contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Provision 6.3

In carrying out its duties, the RC considers all aspects of remuneration, including termination terms, to ensure they are fair. The RC meets at least once a year to discuss the performance assessment of the Executive Directors as well as to discuss the level of emoluments to pay. During the year, the RC discussed various remuneration matters and recording its decisions by way of minutes or through the circular resolutions in writing. The issues deliberated included reviewing the Option Scheme and options granted, the bonus payments to key management personnel and the compensation programme for the Directors and key management personnel. All the Committee members were involved in the deliberations. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration package.

The recommendations for approval of the remuneration of the Executive Directors are forwarded to the Board. The RC also reviews and approves the remuneration of senior management. Directors' fees are recommended by the RC and are submitted for endorsement by the Board. Directors' fees are subjected to approval by shareholders at the AGM.

Provision 6.4

No remuneration consultants were engaged by the Company in FY2023. The RC has full authority to engage external professionals to advise on remuneration matters as and when the need arises. The expenses of such services shall be borne by the Company.

LEVEL AND MIX OF REMUNERATION

Principle 7: The Level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provision 7.1 and 7.3

The remuneration for Executive Director and key management personnel is structured to link rewards to corporate and individual performance. The RC also exercises its discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and other stakeholders and promotes long-term success of the Company. The Company adopts a remuneration strategy that supports a pay-for-performance philosophy. The Company has key performance indicators to link with the Company's performance and shareholders' returns. Executives participate in an annual performance review process that assesses the individual's performance and contributions.

CORPORATE GOVERNANCE

In setting the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration their responsibilities, effort, time spent, skills, expertise and contribution, industry practices and norms in compensation.

In reviewing the remuneration packages of the Executive Directors, the RC considers the respective performance of the Group and the individual. In its deliberation, the RC takes into consideration, remuneration packages and employment conditions within the industry and benchmarked against comparable companies. The RC ensures the level and structure of remuneration of the key management personnel aligned with the long-term interest and risk policies of the Company as well as attract, retain and motivate them to provide good stewardship and management of the operations to the meet the desired objectives of the Company.

The Company currently adopts a remuneration policy for staff consisting of a fixed component and a variable component. The fixed component is in the form of a base / fixed salary. The variable component is in the form of a variable bonus that is linked to the Company and individual performance. Another element of the variable component is the grant of share options under the COSCO SHIPPING Group Executives Share Option Scheme 2020 which was adopted on 25 June 2020 which serves to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance. The Option Scheme will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

The remuneration structure for the President and other key management personnel consists of the following components:

- SALARY

  Fixed pay comprises basic salary and the Company's contribution towards the Singapore Central Provident Fund where applicable.

- BONUS

  Bonus is paid based on the Company's and individual's performance.

- OTHER BENEFITS

  Other benefits comprise of tax and other allowances and other benefits-in-kind.

- SHARE OPTION

  Details of the Option Scheme can be found in the "Directors' Statement" section of the Annual Report.

CORPORATE GOVERNANCE

Provision 7.2

The Non-Executive and Independent Directors are entitled to Directors' fees. The level of fees is reviewed for reasonableness taking into account the size of the Company, level of contribution and the additional duties and responsibilities of the Directors. The fees to the Non-Executive Directors are put forward to shareholders for approval on an annual basis at the Company's annual general meeting.

The Board concurred with the RC that the proposed Directors' fees of S$256,330 for the financial year ended 31 December 2023 payable to the Non-Executive Directors are appropriate to the level of contribution and are not excessive, taking into account factors such as consideration the level of contributions by the Non- Executive Directors and factors such as effort and time spent for serving on the Board and Board committees, as well as responsibilities and obligations of the Directors.

During the financial year, the RC held one (1) meeting. The issues deliberated at the meeting and through the circular resolutions in writing included reviewing the Option Scheme and options granted, the bonus payments to key management personnel and the compensation programme for the Directors and key management personnel.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 and 8.2

DIRECTORS' AND KEY MANAGEMENT PERSONNEL REMUNERATION

Given the competitive environment that the Company is operating in and the confidentiality of remuneration matters, the Company will not disclose the exact amount and breakdown of each individual Director and key management personnel, as the Company believes that such disclosure may be prejudicial to its business interests. The Company believes that disclosing individual Director's and key management personnel's remuneration in bands of S$250,000 and breakdown in percentage terms strikes a good balance between detailed disclosure and confidentiality. The Company believes that disclosing the respective and aggregate remuneration of the Directors and key management personnel in bands no wider than S$250,000 provides a sufficient overview of the remuneration of Directors and key management personnel.

CORPORATE GOVERNANCE

The remuneration (in percentage terms and in bands no wider than S$250,000) of the Directors and the top three (3) key management personnel for the financial year ended 31 December 2023 are as follows:

Remuneration Bands	Directors' Fees (%)	Base/Fixed Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
Directors					
S$750,000 to S$1,000,000					
Zhu Jian Dong	–	17	36	47	100
S$500,000 to S$750,000					
–	–	–	–	–	–
S$250,000 to S$500,000					
Guo Hua Wei[(1)]	–	–	–	–	–
Up to S$250,000					
Wang Kai Yuen[(2)]	100	–	–	–	100
Er Kwong Wah[(3)]	100	–	–	–	100
Ang Swee Tian[(4)]	100	–	–	–	100
Lim Lee Meng[(5)]	100	–	–	–	100
Chen Seow Phun, John[(6)]	100	–	–	–	100
Hoon Tai Meng[(7)]	100	–	–	–	100
Key Management					
S$250,000 to S$500,000					
Lan Chun Hai	–	17	25	58	100
Wang Hui	–	16	25	59	100
Up to S$250,000					
Pan Zhi Gang[(8)]	–	17	18	65	100

Notes:

(1) The remuneration of Mr Guo Hua Wei was paid by COSCO SHIPPING (South East Asia) Pte Ltd., a Group related entity.

(2) Mr Ang Swee Tian ceased to be an Independent Non-Executive Director on 15 September 2023.

(3) Dr Wang Kai Yuen ceased to be an Independent Non-Executive Director on 15 June 2023.

(4) Mr Er Kwong Wah ceased to be an Independent Non-Executive Director on 15 July 2023.

(5) Mr Lim Lee Meng was appointed an Independent Non-Executive Director on 1 June 2023.

(6) Dr Chen Seow Phun, John was appointed an Independent Non-Executive Director on 1 July 2023.

(7) Mr Hoon Tai Meng was appointed an Independent Non-Executive Director on 1 September 2023.

(8) Mr Pan Zhi Gang was appointed the Chief Financial Officer and Chief Risk Officer on 12 July 2023.

CORPORATE GOVERNANCE

During the year under review, the Company had only three key management personnel. The total remuneration paid to the three key management personnel (who are not Directors or CEO) of the Company for the financial year ended 31 December 2023 is approximately S$1,000,000.

While the Company's practice in relation to the disclosure of Directors' remuneration in bands of S$250,000 varies from Provision 8.1 of the Code which requires companies to disclose the specific quantum of the remuneration of each individual Director, the Company is of the view that full disclosure of the specific remuneration of each individual Director is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

The Company is also of the view that the disclosure of the indicative range of the Directors and key management personnel remuneration in bands of S$250,000 and the total remuneration of key management personnel provides sufficient overview of the Company's remuneration framework to enable the shareholders to understand the link between the Company's performance and the remuneration of the Directors and the key management personnel.

Notwithstanding the abovementioned deviation, the Company is of the view that such practice does not compromise its ability to be consistent with the intent of Principle 8 of the Code. The policies and practices adopted by the Company in arriving at the remuneration packages of Executive Directors and key management personnel, including disclosure on the breakdown of the components of their remuneration (which includes fixed (salary) and variable (bonus) components), the assessment process, key performance indicators, industry practice and norms in compensation and the correlation between remuneration, performance and value creation, not only as part of the Company's compliance with Principle 8 of the Code but also in respect of Principle 6 and Principle 7 of the Code.

In light of the foregoing, the Company believes that the level of information that has been disclosed in the Annual Report is consistent with the intent of Principle 8 of the Code and provides for sufficient transparency on the Company's remuneration policies commensurate with the remuneration of the Executive Directors and key management personnel while taking into consideration the sensitive nature of remuneration disclosure on a quantum basis, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

On 11 January 2023, Singapore Exchange Regulation ("**SGX RegCo**") announced that listed issuers will be required to disclose the exact amount and breakdown of remuneration paid to individual directors and the CEO (on a named basis) by the issuer and its subsidiaries for annual reports prepared for financial year ending 31 December 2024. The Company will adhere to the SGX RegCo's requirement by disclosing exact remuneration paid to the Directors and CEO in its annual report for the financial year ending 31 December 2024 to provide increased transparency and accountability that its directors and CEO are appropriately incentivised.

Provision 8.2

None of the employees of the company who is a substantial shareholder of the Company, or is an immediate family member of a director, the CEO or a substantial shareholder of the Company whose remuneration exceeded S$100,000 during the financial year ended 31 December 2023.

For the financial year under review, there were no terminations, retirements or post-employment benefits granted to the Directors and key management personnel.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1

The Board, supported by the ARMC, is responsible for the overall risk governance, risk management and internal control framework of the Group including monitoring the Group's risk of becoming subject to, or violating, any sanctions law and ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Board ensures that Management maintains sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of significant risks which the Board is willing to take in achieving its strategic objectives.

The Board and the ARMC recognise that they have overall responsibility to ensure proper financial reporting for the Group and adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance, information technology and sanctions-related controls, sustainability and risk management policies and systems. With regard to sanctions related risks, the Board and the ARMC are responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any sanctions-related law or regulation; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Board confirms that there has been no material change in its risk of being subject to any sanctions-related law or regulation as at the date of this Annual Report, and if there is any material change this would be immediately announced on SGXNET.

The Group maintains a robust and effective system of internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems, for all companies within the Group, but recognises that no internal control system will preclude all errors and irregularities. The system is designed to manage rather than to eliminate the risk of failure to achieve business objectives. The controls are to provide reasonable, but not absolute, assurance to safeguard shareholders' investments and the Group's assets.

The Board has overall responsibility to shareholders for ensuring that the Group is well managed and guided by its strategic objectives. In presenting the Group's interim and annual financial results to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. Management provides the Board with management accounts and other financial statements on a quarterly basis or as and when required by the Board. The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including but not limited to requirements under the listing rules of the securities exchange and sanctions law.

The Group's key internal controls include:

a) establishment of risk management policies and systems;

b) establishment of policies and approval limits for key financial and operational matters, and issues reserved for the Board;

CORPORATE GOVERNANCE

c) documentation of key processes and procedures;

d) segregation of incompatible functions which give rise to a risk of errors or irregularities not being promptly detected;

e) maintenance of proper accounting records;

f) safeguarding of assets;

g) ensuring compliance with appropriate legislation and regulations; and

h) engaging qualified and experience persons to take charge of important functions.

Operational risk management measures implemented by the Group include the implementation of safety, security and internal control measures and taking up appropriate insurance coverage.

Details of the Group's financial risk management measures are outlined on pages 221 to 227 in the Notes to the Financial Statements.

The Board notes that the system of internal controls and risk management put in place by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen. In this regard, the Board also notes that no system of controls and risk management can provide absolute assurance against irregularities especially those arising from poor judgment in decision-making, human error and fraud.

The ARMC and the Board of Directors, with the assistance of internal and external auditors, reviews the effectiveness of the key internal controls, including financial, operational, compliance, information technology controls and risk management systems on an on-going basis. There are formal procedures in place for both the internal and external auditors to report independently their findings and recommendations to the ARMC.

In the course of the year, the ARMC have reviewed, together with Management and the internal and external auditors, the major business risks and effectiveness of the Group's internal controls, including controls for managing financial, operational, compliance and information technology controls, as well as sanctions related risks and risk management systems. Internal Control Standards are set with the objective of providing reasonable assurance that risks are effectively managed by the Group.

Based on the existing practices and reviews conducted by the Management and the Group's internal auditors and external auditors for FY2023, the Board with the concurrence of the ARMC, is of the opinion that as at 31 December 2023, the Group's framework of internal controls including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to provide reasonable assurance of the integrity and effectiveness of the Group in safeguarding its assets and shareholders' value. In overall internal control assessment for FY2023, ARMC and the Board of Directors noted that no material control deficiencies were identified.

Provision 9.2

The Board has received assurance from:

(i) the President and Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(ii) the President and key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

AUDIT AND RISK MANAGEMENT COMMITTEE

Principle 10: The Board has an Audit and Risk Management Committee which discharge its duties objectively

Provision 10.1

The role of the Audit and Risk Management Committee ("**ARMC**") is to, *inter alia*, assist the Board in discharging its responsibilities to safeguard the Group's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls.

The ARMC has written terms of reference and meets periodically to perform the following functions including but not limited to:

(a) review significant financial reporting issues and judgments to ensure integrity of the financial statements of the Company; and any announcements relating to the Company's financial performance;

(b) review the audited financial statements of the Company and the consolidated balance sheet and profit and loss account, before submission to the Board for approval;

(c) discuss problems and concerns, if any, arising from interim and annual financial statements, in consultation with the internal and external auditors, where necessary;

(d) review the interim and annual financial statements of the Company before submission to the Board for approval, focusing in particular, on:

 (i) changes in accounting policies and practices;

 (ii) major risk areas;

 (iii) significant adjustments resulting from the audit;

 (iv) key audit matters;

 (v) the going concern statement;

 (vi) compliance with accounting standards; and

 (vii) compliance with stock exchange and statutory/regulatory requirements.

CORPORATE GOVERNANCE

(e) review periodically and report to the Board at least annually the adequacy and effectiveness of the Company's risk management and internal controls, including financial, operational, compliance and information technology controls and risk management policies (such review can be carried out internally or with the assistance of any competent third parties);

(f) review at least annually the adequacy, effectiveness and independence of the scope and results of the external audit and the Company's internal audit function;

(g) review the assurance from the President and the CFO on the financial records and financial statements;

(h) ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Company. For the avoidance of doubt, the internal audit function may be performed in-house, or outsourced to a reputable accounting/audit firm or corporation;

(i) review the internal audit programme and ensure co-ordination between the internal auditors and external auditors and management;

(j) review the hiring, removal, evaluation and compensation of the Head of the Internal Audit function, or accounting/auditing firm or corporation if the internal audit function is outsourced;

(k) review the scope and results of the internal audit procedures, including interaction with management and other matters related to the conduct of the internal audits;

(l) review significant findings and recommendations of the internal auditors and management's responses;

(m) ensure where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by management; and

(n) review the financial management of the Company and the Group, and in particular the access and freedom allowed to the internal auditors, and all reports on the Company and the Group from the internal auditors.

Apart from the abovementioned duties, the ARMC shall commission and review the findings of internal investigations in the event of suspected fraud, irregularity, failure of controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material adverse impact on the Group's operating results and/or financial position.

The ARMC has full access to, and cooperation from the Management including internal and external auditors, and has full discretion to invite any Director or executive officer to attend its meetings. The ARMC has also expressed the power to investigate any matter brought to its attention, within its terms of reference, with the power to retain professional advice at the Company's expense.

CORPORATE GOVERNANCE

Provision 10.2 and 10.3

The ARMC comprises all Independent directors of the Company, namely:

Lim Lee Meng (Chairman)	Non-Executive Lead Independent Director
Chen Seow Phun, John	Non-Executive Independent Director
Hoon Tai Meng	Non-Executive Independent Director

The ARMC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The Board is satisfied with the composition of the ARMC and the ARMC members are appropriately qualified to discharge their responsibilities. All members of the ARMC have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgment.

By briefings given by the external auditors, the ARMC and Management are always kept abreast of changes to accounting standards and issues which have a direct impact on financial statements. ARMC members will also attend trainings regarding the new accounting standards as and when such need arises.

Provision 10.4

INTERNAL AUDIT

The Board recognises the need and is responsible for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's business and assets. The ARMC monitors the effectiveness of the internal financial control systems and procedures. It has the mandate to authorise special reviews or investigations, where appropriate, in discharging its responsibilities.

The Company has established its internal audit function which has been carried out by an in-house internal audit team with the support from an outsourced internal auditor, Deloitte & Touché Enterprise Risk Services Pte Ltd. The internal auditors has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC, and has appropriate standing within the Company.

The primary reporting line of the internal audit function is to the ARMC, which also decides on the appointment, termination and remuneration of the internal auditor and is assisted by management in its detailed work. The ARMC ensures, at least annually, the adequacy of the internal audit function and reviews and approves the internal audit plan.

Based on a review on the internal audit function and activities performed, the ARMC is satisfied that the internal audit function is independent, effective and adequately sourced to perform its function effectively. The ARMC is also satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant expertise.

CORPORATE GOVERNANCE

Provision 10.5

To effectively discharge its responsibilities, the ARMC has full access to and the co-operation of Management and full discretion to invite any Director and executive to attend its meetings. It is also able to obtain external professional advice, if necessary and to investigate any matter within its terms of reference. Full resources have been made available to the ARMC to enable it to discharge its function properly. The ARMC meets with the internal and external auditors (without presence of Management) at least once a year to review any matter that might be raised. Ad-hoc meetings may be carried out from time to time, as circumstances require. The Company held five (5) ARMC meetings during the financial year.

The amount of fees paid to PricewaterhouseCoopers LLP for audit and non-audit services for the financial year ended 31 December 2023 are $535,000 and $106,000 respectively.

After reviewing the non-audit services provided by the external auditors, PricewaterhouseCoopers LLP to the Group, the ARMC is satisfied with the independence and objectivity of the external auditors and recommends to the Board of Directors, the nomination of the external auditors for re-appointment.

In appointing the audit firm of the Group, the ARMC takes into account several factors such as the adequacy of resources and experience of the auditing firm, the audit engagement partner assigned to the audit, the firm's other audit engagement, the size and complexity of the Group being audited as well as the number and experience of supervisory and professional staff assigned to the audit.

The ARMC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to appointing appropriate auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries and significant associated companies.

Financial Reporting Matters

In its review of the financial statements, the ARMC has discussed with management the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements. The following significant financial reporting matters impacting the financial statements were reviewed by the ARMC and discussed with the management and the external auditor:

Significant Financial Reporting Matters	How the ARMC reviewed these matters
Recognition of Revenue for the Logistics Segment	The ARMC assessed the audit procedures performed, adequacy of disclosure in the financial statements and the appropriateness of the revenue recognition accounting policies by considering the requirements of relevant accounting standards. Recognition of revenue for the logistics segment was an area of focus for the external auditor who has included this item as a key audit matter in the auditor's report for the financial year ended 31 December 2023.

CORPORATE GOVERNANCE

WHISTLE-BLOWING POLICY

The Company is committed to a high standard of ethical conduct and has put in place a whistle-blowing policy, endorsed by the ARMC. The policy sets out the procedures for employees and external parties to raise concerns or make a report on misconduct or wrongdoing relating to any entity in the Group or any of its officers and provisions for keeping the identity of the whistleblower confidential and protection of the whistleblower from reprisal as well as arrangements for independent investigations of such concerns or reports and for appropriate follow up actions to be taken. The existence and details of such policy has been communicated to all the employees.

The policy establishes a confidential line of communication to report concerns about possible improprieties to the ARMC Chairman and ensures the independent investigation and follow-up of reports made in good faith. The contact details of the ARMC Chairman have been made available to employees in the Group. The Company will treat all information received confidentially and protect the identity of whistleblowers. Moreover, the Company is committed to ensuring protection of whistleblowers who have acted in good faith against reprisal and detrimental or unfair treatment.

The ARMC is responsible for oversight and monitoring of whistleblowing policy and its implementation. The ARMC reviews the policy from time to time and also reviews and considers all whistleblowing complaints to ensure independent, thorough investigation and appropriate follow-up actions. The outcome of each investigation is reported to the ARMC.

There were no reports of fraudulent or inappropriate activities or malpractice received during the year under review.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

<u>Provision 11.1 and 12.1</u>

CONDUCT OF SHAREHOLDER MEETINGS

COSCO SHIPPING International (Singapore) Co. Ltd., encourages shareholders to participate actively in general meetings. Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNET. At general meetings of the Company, shareholders are given the equitably opportunity to participate effectively in and vote at the meeting and express their views and ask questions regarding the Company and the Group. The Board and Management are present at the general meetings to address any questions that the shareholders may have. The external auditors of the Company are also present to assist the Board in addressing relevant queries by the shareholders.

CORPORATE GOVERNANCE

To embrace sustainability, the Company has stopped sending printed copies of annual reports and circulars to all shareholders. Instead, the Company will only send notices of Annual General Meetings ("**AGMs**") and Extraordinary General Meetings ("**EGMs**"), proxy forms and request forms (requesting for printed copies of the annual reports and/or circulars, if any) to all shareholders. Shareholders are able to access all annual reports and circulars, including any documents relating to the AGMs and EGMs on the Company's website and SGX-ST's website. Printed copies of annual reports and/or circulars, if any, will be sent to shareholders upon receipt of the request forms.

The Constitution of the Company allows shareholders to vote at general meetings in person or by proxy and equal effect is given to such votes. A shareholder may appoint up to two proxies to attend and vote at general meetings. A shareholder who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Shareholders may submit questions related to the resolutions ahead of the general meetings. Shareholders can also raise any question at the general meetings.

The Company conducts electronic poll voting for all its resolutions for greater transparency and effective participation. Through the service provider's poll voting system, the number of votes cast for and against each resolution and the respective percentages are tallied and displayed on the screen during the general meetings. An independent scrutineer firm would be present to validate the votes at the general meetings. The detailed results of the electronic poll voting on each resolution tabled at the general meetings, including the total number of votes cast for or against each resolution, would be announced after the general meetings via SGXNET. The Company Secretary prepares minutes of general meetings that includes a summary of comments or queries made by shareholders during that meeting, and responses from the Board. Generally, during general meetings, shareholders are invited to raise questions, and this would be recorded in the minutes.

The Company's forthcoming Annual General Meeting ("**AGM**") for the financial year ended 31 December 2023 will be held in a wholly physical format and there will be no option for shareholders to participate virtually. The Company will adhere to the SGX-ST's guiding principle to provide answers to shareholders' questions within reasonable timelines. The details of the AGM can be found in the notice.

Provision 11.2

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable shareholders to understand the nature and effect of the proposed resolutions. Where the resolutions are "bundled", the Company would explain the reasons and material implication in the notice of meeting.

Resolutions are put to vote by poll and the detailed results of the number of votes cast for and against each resolution and the respective percentages are announced for each resolution.

Provision 11.3

The Directors, Management and the External Auditors are present and available at the general meetings to address shareholders' queries or concerns on matters relating to the Group and its operation as well as about the conduct of audit and the preparation and content of the auditors' report. All Directors were present at the AGM of the Company held on 28 April 2023.

CORPORATE GOVERNANCE

Provision 11.4

The Constitution of the Company allows the Board, at its sole direction, to implement voting in absentia (such as voting via mail, email or fax). As the authentication of shareholder identity and the system supporting such voting manner remains a concern, the Board has decided not to implement voting in absentia for the time being.

Provision 11.5

The Company publishes minutes of general meetings of shareholders on its corporate website and on SGXNet as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management. All minutes of general meetings are available to Shareholders upon their request.

Provision 11.6

DIVIDEND POLICY

The Company does not have a specific dividend policy. The Company is committed to generating stable and sustainable returns to its Shareholders. The form, frequency and amount of dividends will depend on the Company's earnings, financial position, capital needs, plans for expansion and other factors which the Board may deem appropriate. The Board would consider establishing a dividend policy at the appropriate time.

For FY2023, 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 FY2023.

Provision 12.1, 12.2 and 12.3

The Company is firmly committed to providing its shareholders and investors with as much useful and relevant information as is possible in a timely, fair and transparent manner. The Board views the annual general meeting as a forum for dialogue with shareholders as it provides an opportunity for shareholders to raise issues and ask the Directors or the Management questions regarding the Company and its operations and to enable the Company to understand the views of the shareholders.

It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's prospects, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly.

Shareholders are provided with an update on the Group's performance, position and prospects through the Company's annual report. The Company's half year and full year results announcements, announcements and press releases are issued via SGXNet. Shareholders also have access to information on the Group via the Company's website.

CORPORATE GOVERNANCE

INVESTOR RELATIONS

The Company has put in place an investor relations policy to promote regular and effective communication with shareholders. The Company has a team of investor relations personnel who focus on facilitating the communications with all stakeholders on a regular basis and attend to their concerns and queries as well as to keep the stakeholders informed of the Company's key updates and strategies.

The Company values dialogue sessions with its shareholders and welcomes the views of shareholders on matters affecting the Company. Shareholders can submit their feedback and raise any questions to the Company's investor relation contact as provided in the Company's website, https://www.coscoshipping.com.sg/.

All questions raised by the shareholders and other stakeholders would be escalated to and addressed by the Senior Management, General Manager of Investor Relations and / or relevant person-in-charge.

Details of the Group's investor relations initiatives are set out on page 68 of this Annual Report.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1, 13.2 and 13.3

The Company values input from all stakeholder groups and uses a variety of channels and platforms to engage with them as well receive their feedback. The Company identifies stakeholders as groups that have an impact or have the potential to be impacted by its businesses, as well as those external organisations that have expertise in aspects that the Company considers material.

The Company regularly engages its stakeholders through various channels to ensure that the business interests are aligned with its stakeholders. Stakeholders of the Company will be able to communicate with the Company through the contact information provided on the Company's website.

Detailed approach to stakeholder engagement and materiality assessment are disclosed in the Company's Sustainability Report on Pages 72 to 143 of this Annual Report.

CORPORATE GOVERNANCE

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSON TRANSACTIONS ("IPTS") POLICY
- Listing Manual 907

Our ultimate holding company, China COSCO SHIPPING Corporation Limited, is a state-owned enterprise under the State-owned Assets Supervision and Administration Commission ("**SASAC**") of the State Council (the "**State Council**") of the People's Republic of China ("**PRC**"). SASAC is a governmental entity in the PRC under the direct leadership and supervision of the State Council and exercises its functions by virtue of PRC law. It is responsible for the supervision, guidance and monitoring of the enterprises under its supervision. SASAC also despatches supervisory panels to supervise different state-owned enterprises on behalf of the State Council and promulgates guidelines and policies with respect to the management of state-owned property. Nevertheless, as provided under the applicable PRC law, SASAC does not interfere in the daily operations of the state-owned enterprises it supervises. As SASAC exercises its supervisory functions pursuant to, and as required by, the laws of the PRC on behalf of the State Council, SASAC is not regarded as an interested person with respect to the Company.

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions with the China COSCO SHIPPING Corporation Limited and its associates, which are covered by a Shareholders' Mandate approved at each general meeting.

The ARMC reviews the Shareholders' Mandate at regular intervals and is satisfied that the review procedures for IPTs and the reviews to be made periodically by the ARMC in relation thereto are adequate to ensure that the IPTs will be transacted on normal terms and will not be prejudicial to the interests of the Company and its minority shareholders.

CORPORATE GOVERNANCE

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 2023	FY 2023
		$'000	$'000
COSCO (Cayman) Mercury Co., Ltd	Subsidiaries of Controlling Shareholders	3,211	384
COSCO (Qidong) Offshore Co., Ltd			1,660
COSCO (Shanghai) Shipyard Co., Ltd			429
COSCO SHIPPING Lines (Singapore) Pte Ltd			1,105
Refined Success Limited.			10,639
COSCO (HK) Investment & Development Co., Ltd			1,384
OOCL (Vietnam) Co., Ltd.			1,593
COSCO SHIPPING (Hong Kong) Insurance Brokers Limited			133
COSCO SHIPPING (South East Asia) Pte. Ltd.			471
COSCO SHIPPING BULK CO., LTD			5,090
Chimbusco International Petroleum (S) Pte Ltd			4,629
SEA MARK MANAGEMENT, INC.			571
COSCO SHIPPING Specialized Carriers (Southeast Asia) Pte. Ltd.			1,141
QINGDAO OCEAN MARINE ENGINEERING CO.LTD			834
中远海运船员管理有限公司			4,886
COSCO SHIPPING SPECIALIZED CARRIERS CO,. LTD			110
COSCO SHIPPING (SINGAPORE) PETROLUM PTE. LTD.			3,651
Golden Logistics & Storage Sdn. Bhd. (1)			979
COSCO SHIPPING Lines Co., Ltd			407
HAINAN HAISHENG SHIPPING CO.LTD			13,192
Pan Cosmos Shipping & Enterprises Co. Ltd			566
COSCO SHIPPING TECHNOLOGY CO., LTD.			163
COSCO (CAYMAN) VENUS CO LTD			54,299
Total		**3,211**	**108,316**

Notes:

(1) On 15 December 2023, the Group entered into an agreement to acquire 100% of the issued share capital of Golden Logistics & Storage Sdn. Bhd. Therefore, the interested person transactions between the Group and Golden Logistics & Storage Sdn. Bhd. were recorded up to 30 November 2023.

CORPORATE GOVERNANCE

DEALING IN SECURITIES
- Listing Manual Rule 1207(19)

In line with Chapter 12 Rule 1207(19) of the Listing Manual on dealings in securities, the Company has adopted an internal compliance code which provides guidance to its Directors and officers in relation to dealings in its securities.

The Listing Manual prohibits securities dealings by the Directors and employees while in possession of price-sensitive information. The Management should not deal in the Company's shares on short-term considerations. The Company issues regular circulars to its Directors, principal officers and relevant officers who have access to unpublished material price-sensitive information to remind them of the aforementioned prohibition and to remind them of the requirement to report their dealings in shares of the Company. The Directors and employees are also prohibited from dealing in the securities of the Company during the period commencing one month before the announcement of the Company's half-year or full year financial statements.

MATERIAL CONTRACTS
- Listing Manual Rule 1207(8)

There was no material contract entered into by the Company involving the interest of the President, any Director, or controlling shareholder, which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Lim Lee Meng, Dr Chen Seow Phun, John and Mr Hoon Tai Meng are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2024 ("**AGM**") ("**Retiring Directors**").

Pursuant to Rule 720(6) of the Listing Rules of the SGX-ST ("**Listing Rules**"), the following is the information relating to the Retiring Directors seeking re-election as Directors as set out in Appendix 7.4.1 of the Listing Rules:

	Lim Lee Meng	Chen Seow Phun, John	Hoon Tai Meng
Date of Appointment	1 June 2023	1 July 2023	1 September 2023
Date of last re-appointment (if applicable)	N.A.	N.A.	N.A.
Age	68	70	72
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the past contribution and suitability of Mr Lim Lee Meng for re-appointment as Lead Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Lim Lee Meng possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the past contribution and suitability of Dr Chen Seow Phun, John for re-appointment as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Dr Chen Seow Phun, John possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the past contribution and suitability of Mr Hoon Tai Meng for re-appointment as Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Hoon Tai Meng possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Lim Lee Meng	Chen Seow Phun, John	Hoon Tai Meng
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title	Lead Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Professional Qualifications	Please refer to the Board of Directors section in the Company's 2023 Annual Report	Please refer to the Board of Directors section in the Company's 2023 Annual Report	Please refer to the Board of Directors section in the Company's 2023 Annual Report
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2023 Annual Report	Please refer to the Board of Directors section in the Company's 2023 Annual Report	Please refer to the Board of Directors section in the Company's 2023 Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years) Present	Please refer to the Board of Directors section in the Company's 2023 Annual Report	Please refer to the Board of Directors section in the Company's 2023 Annual Report	Please refer to the Board of Directors section in the Company's 2023 Annual Report

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Lim Lee Meng	Chen Seow Phun, John	Hoon Tai Meng
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Lim Lee Meng	Chen Seow Phun, John	Hoon Tai Meng
c) Whether there is any unsatisfied judgment against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Lim Lee Meng	Chen Seow Phun, John	Hoon Tai Meng
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Lim Lee Meng	Chen Seow Phun, John	Hoon Tai Meng
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Lim Lee Meng	Chen Seow Phun, John	Hoon Tai Meng
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

CORPORATE INFORMATION

BOARD OF DIRECTORS

Zhu Jian Dong
Chairman, President and Non-Independent Executive Director
Guo Hua Wei
Non-Independent Non-Executive Director
Lim Lee Meng
Lead Independent Non-Executive Director
Chen Seow Phun, John
Independent Non-Executive Director
Hoon Tai Meng
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Lim Lee Meng
(Chairman)
Chen Seow Phun, John
Hoon Tai Meng

REMUNERATION COMMITTEE

Chen Seow Phun, John
(Chairman)
Lim Lee Meng
Hoon Tai Meng

NOMINATING COMMITTEE

Hoon Tai Meng
(Chairman)
Zhu Jian Dong
Chen Seow Phun, John
Lim Lee Meng

STRATEGIC AND SUSTAINABLE DEVELOPMENT COMMITTEE

Zhu Jian Dong
(Chairman)
Guo Hua Wei
Lim Lee Meng
Chen Seow Phun, John
Hoon Tai Meng

REGISTERED OFFICE AND BUSINESS CONTACT INFORMATION

30 Cecil Street
#26-01 Prudential Tower
Singapore 049712
Telephone: 6885 0888
Facsimile: 6885 0858
Website: www.coscoshipping.com.sg

COMPANY REGISTRATION NUMBER

196100159G

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View
Marina One, East Tower
Level 12
Singapore 018936
Partner-in-charge:
Alex Toh Wee Keong
(since FY2020)

COMPANY SECRETARIES

Lee Wei Hsiung
Loo Shi Yi

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Telephone: 6236 3333
Facsimile: 6236 3405

BOARD OF DIRECTORS





From Left to Right:
1st row - Zhu Jian Dong, Guo Hua Wei
2nd row - Lim Lee Meng, Dr Chen Seow Phun, John, Hoon Tai Meng

BOARD OF DIRECTORS

MR ZHU JIAN DONG

Chairman, President and Non-Independent Executive Director

Mr Zhu Jian Dong was appointed as President and Non-Independent Executive Director on 19 September 2019 and Chairman on 13 November 2019. Mr Zhu also chairs the Strategic and Sustainable Development Committee and is a member of the Nominating Committee.

Mr Zhu has held key managerial roles before his appointment and he brings vast skills, knowledge and experience to his current role. Prior to his current appointment, Mr Zhu was Deputy Managing Director of COSCO SHIPPING Lines Co., Ltd, Deputy Managing Director of COSCO SHIPPING Holdings Co., Ltd and Director of The Orient Overseas Container Line Ltd.

Mr Zhu was Deputy Managing Director of COSCO Container Lines Co., Ltd from September 2013 to January 2016, Executive Vice President of COSCO Americas Co., Ltd. from October 2010 to September 2013 and Executive Vice President of COSCO Container Lines (Americas) Co., Ltd. from March 2008 to September 2013.

Mr Zhu holds a Master of Business Administration (International) from The University of Hong Kong.

MR GUO HUA WEI

Non-Independent Non-Executive Director

Mr Guo Hua Wei was appointed as Non-Independent Non-Executive Director of the Company on 14 September 2022. He is a member of the Strategic and Sustainable Development Committee.

Prior to his current appointment, Mr Guo was the Secretary of the Board in COSCO SHIPPING Holdings Co., Ltd. and China COSCO Holdings Co., Ltd. from December 2016 to June 2022 and January 2012 to December 2016 respectively. Between July 2006 to January 2012, Mr Guo was a General Manager of the Investor Relations Division and the Strategic Development Division of COSCO Corporation (Singapore) Limited. Having held several key positions previously, Mr Guo brings extensive knowledge, skills and experience to his current appointment as the Non-Independent Non-Executive Director of the Company.

Mr Guo holds a Doctorate Degree in Transportation Economics from Northern Jiaotong University and is currently a fellow member of The Chartered Governance Institute (FCG) and The Hong Kong Chartered Governance Institute (HKFCG).

BOARD OF DIRECTORS

MR LIM LEE MENG

Non-Executive Independent Director

Mr Lim Lee Meng was appointed Independent Non-Executive Director on 1 June 2023 and subsequently appointed as Lead Independent Non- Executive Director on 15 September 2023. He chairs the Audit and Risk Management Committee and is a member of the Remuneration, Nominating and Strategic and Sustainable Development Committee.

Mr Lim joined the audit department of Arthur Young & Company (predecessor of Ernst & Young) in 1980. He left Arthur Young in 1984 to become the group financial controller of a substantial property and investment group. In 1988, he co-founded RSM Chio Lim LLP (formerly known as Chio Lim & Associates) in Singapore which became the largest accounting firm in Singapore outside the big 4. In 2016, Mr Lim changed his career path by incorporating LeeMeng Capital Pte. Ltd. which focus on merger & acquisition advisory, and investment in companies with strong potential for growth. He is currently the executive director of LeeMeng Capital Pte. Ltd.

Mr Lim graduated from Nanyang University with a degree in Bachelor of Commerce (Gold Medallist) in 1980. He also has a MBA from the University of Hull (Overall Best Performance) and a Diploma in Business Law from National University of Singapore. Professionally, he is a fellow of the Institute of Singapore Chartered Accountants, a fellow of the Singapore Institute of Directors and an associate of the Institute of Chartered Secretaries and Administrators, UK.

DR CHEN SEOW PHUN, JOHN

Non-Executive Independent Director

Dr Chen Seow Phun, John was appointed Independent Non-Executive Director on 1 July 2023. He chairs the Remuneration Committee and is a member of the Audit and Risk Management Committee, Nominating and Strategic and Sustainable Development Committee.

Dr Chen was the Assistant Secretary General of the National Trades Union Congress (NTUC) from 1991-1997 and served as the Deputy Chairman and Managing Director of the NTUC Healthcare Cooperative Ltd from 1992-1997. Dr Chen was a Member of Parliament from 1988 to 2006. From 1997 to 1999, he was the Minister of State for Communications. From 1999 to 2001, he was the Minister of State for Communications & Information Technology and Minister of State for National Development. Prior to joining the Government in 1997, Dr Chen has served as Board Member of the Economic Development Board (EDB), the Housing and Development Board (HDB), the Port of Singapore Authority (PSA), the Director of NTUC FairPrice Co-op Ltd and Singapore Power Ltd.

Dr Chen holds a PhD in Electrical Engineering from the University of Waterloo, Canada. He taught at the National University of Singapore from 1983 to 1991.

BOARD OF DIRECTORS

MR HOON TAI MENG

Non-Executive Independent Director

Mr Hoon Tai Meng was appointed Independent Non-Executive Director on 1 September 2023. He chairs the Nominating Committee and is a member of the Audit and Risk Management Committee, Remuneration and Strategic and Sustainable Development Committee.

Mr Hoon founded M/s T M Hoon & Co. Advocates & Solicitors in 1997, and subsequently taking on the role of managing partner. During this time, he adeptly handled corporate matters and civil litigation. In 2007, he transitioned to M/s KhattarWong Advocates & Solicitors as a partner, where he focused on corporate finance. His journey led him to join Chip Eng Seng Corporation Ltd in 2011, where he assumed the role of Executive Director, contributing to group operations and corporate affairs. In 2018, his expertise took a new direction as he honed his focus on Corporate & Capital Market, Private Wealth & Real Estate at RHTLaw Asia LLP, where he currently serves as a senior consultant.

Mr Hoon is a lawyer and accountant by profession, besides having about 20 years of experience in law practice, Mr Hoon also has around 27years of experience in corporate planning, business operations, financial planning and management, audit, tax and corporate secretarial function. He was also a registered professional with Singapore Stock Exchange Limited rendering continuing sponsor service to companies listed in Catalist Board.

Mr Hoon holds a Bachelor of Commerce (Accountancy) from Nanyang University in 1976 and a Bachelor of Laws (Hons) from the University of London in 1993. Additionally, he is a Fellow Chartered Accountant (Singapore), Fellow of the Chartered Institute of Management Accountants FCMA (UK), Fellow of the Association of Chartered Certified Accountants FCCA (UK), Chartered Global Management Accountant CGMA, and Barrister-at-law (Middle Temple).

KEY MANAGEMENT

MR ZHU JIAN DONG

Chairman, President and Non-Independent Executive Director

Mr Zhu Jian Dong was appointed as President and Non-Independent Executive Director on 19 September 2019 and Chairman on 13 November 2019. Mr Zhu also chairs the Strategic and Sustainable Development Committee and is a member of the Nominating Committee.

Mr Zhu has held key managerial roles before his appointment, and he brings vast skills, knowledge and experience to his current role. Prior to his current appointment, Mr Zhu was Deputy Managing Director of COSCO SHIPPING Lines Co., Ltd, Deputy Managing Director of COSCO SHIPPING Holdings Co., Ltd and Director of The Orient Overseas Container Line Ltd.

Mr Zhu was Deputy Managing Director of COSCO Container Lines Co., Ltd from September 2013 to January 2016, Executive Vice President of COSCO Americas Co., Ltd. from October 2010 to September 2013 and Executive Vice President of COSCO Container Lines (Americas) Co., Ltd. from March 2008 to September 2013.

Mr Zhu holds a Master of Business Administration (International) from The University of Hong Kong.

MR LAN CHUN HAI

Executive Vice President

Mr Lan Chun Hai was appointed Executive Vice President of the Company on 2 September 2022.

Mr Lan was the Managing Director of COSCO Philippines Shipping Ltd from May 2005 to January 2013. In January 2013, Mr Lan joined China Ocean Shipping (Group) Company as a Deputy Director in Research & Development/ Technology Centre. From July 2015 to February 2016, he served as the Deputy General Manager in the Informatization Management Division of China Ocean Shipping (Group) Company.

Prior to his current appointment at COSCO SHIPPING International (Singapore) Co., Ltd., Mr Lan was the Deputy Director of the Research & Development/Technology Centre in China COSCO SHIPPING Corporation Ltd.

Mr Lan graduated from the Asian Institute of Management with an Executive Master in Business Administration.

KEY MANAGEMENT

MR PAN ZHI GANG

Chief Financial Officer & Chief Risk Officer

Mr Pan Zhi Gang was appointed as the Chief Financial Officer and Chief Risk Officer of the company on 12 July 2023.

Prior to this role, he served as the General Manager of the Finance & Accounting Division at COSCO SHIPPING Holding Co., Ltd. from August 2022 to July 2023, and held the same position at COSCO SHIPPING Lines Co., Ltd. from July 2017 to July 2023. Previously, Mr. Pan held the position of Chief Financial Officer at Shanghai Ocean Shipping Co., Ltd. from October 2014 to July 2017, and worked as the Manager of the Accounting Division at COSCO CONTAINER Lines Co., Ltd. from March 2012 to October 2014. Mr Pan possesses extensive expertise in financial matters. Additionally, he gained valuable experience as the Deputy General Manager at COSCO FRANCE Company from November 2001 to September 2009.

Mr. Pan is a graduate of Shanghai University, where he completed his studies in Financial and Accounting in July 1996. He further pursued his education and obtained a Master's Degree in Business Administration from Dalian Maritime University in 2013.

MR WANG HUI

Vice President

Mr Wang Hui was appointed as Vice President of the Company on 22 February 2021.

Mr Wang started his career in July 1994 as Assistant and Deputy Manager of the Seaman Service Department of COSCO Manning Corporation. In September 2000, he joined China Ocean Shipping (Group) Company as Manager of the Public Relations Department. In March 2010, Mr Wang joined COSCO SHIPPING International (Singapore) Co., Ltd where he served as General Manager in the Investor Relations Department for 7 years.

Prior to his current appointment at COSCO SHIPPING, Mr Wang was Deputy Chief Economist of the Global Procurement Centre in China COSCO SHIPPING Corporation Ltd since August 2018.

Mr Wang graduated from Beijing International Studies University with a Bachelor's Degree.

INVESTOR RELATIONS

COSCO SHIPPING International (Singapore) Co., Ltd. ("**COSCO SHIPPING**" or the "**Company**") maintains a steadfast commitment to ensuring the timely, accurate, and clear dissemination of price-sensitive information on both the Company website and the SGXNet platform. This commitment aims to empower investors to make well-informed decisions regarding their investments in the Company's shares. The Company remains dedicated to fostering strong connections with research analysts, enabling them to gain a comprehensive understanding of the Company's business operations.

In the future, the Company will persist in its endeavors to engage with its investor community through diverse communication channels. These include shareholders' meetings, analyst briefings, corporate roadshows, and press releases. These avenues will serve to keep stakeholders abreast of the Company's significant updates and strategic initiatives.

Continuing to serve as crucial platforms, the Annual General Meeting and/or Extraordinary General Meetings will provide opportunities for the Board of Directors and senior management to apprise shareholders of the Company's progress and offers shareholders a means to interact with the Company.

Major Investor Relations Events in 2023

Date	Organiser	Event
1 March 2023	COSCO SHIPPING	FY2022 Full Year Results Announcement
2 March 2023	COSCO SHIPPING	Virtual Analysts Briefing for FY2022 Full Year Results
28 April 2023	COSCO SHIPPING	Annual General Meeting Through Live Webcast
11 August 2023	COSCO SHIPPING	1H2023 Half Year Results Announcement
14 August 2023	COSCO SHIPPING	Analysts Briefing for 1H2023 Half Year Results

COSCO SHIPPING vs STI Index

COS SP Equity (COSCO SHIPPING International SIngapore Co., Ltd) Daily 01JAN2023-31DEC2023
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RISK MANAGEMENT

At COSCO SHIPPING International (Singapore) Co Ltd., the Board emphasizes the significance of robust corporate governance, aiming to balance long-term success with accountability and control mechanisms that align with inherent risks. This approach fosters effective, entrepreneurial, and prudent management.

To manage risks and internal controls, the Board entrusts these duties to the ARMC. Given the dynamic business landscape, the ARMC continuously evaluates and enhances risk management processes, aiming to identify and manage factors that could significantly impact operations. In August 2012, the Company adopted an Enterprise Risk Management Policy to establish a consistent framework, standardize approaches, and define responsibilities. This policy integrates risk identification and management under the purview of the ARMC.

This overview highlights material risk factors, categorized as market risk, operational risk, and financial risk, each possessing the potential to significantly impact the Group's operations, financial health, results, and overall prospects.

RISK MANAGEMENT PROCESS

The Group's enterprise risk management program is a sustained effort requiring commitment from diverse stakeholders. Policies have been gradually implemented, accompanied by continuous education for local management and risk owners. Each operating subsidiary conducts self-assessment to confirm compliance and internal control robustness, providing the Board with assurance of a solid risk-based framework. Internal and external auditors independently validate risk management, compliance, and control standards, with status reports shared with the ARMC and the Board. Recognizing the dynamic nature of risks, operating subsidiaries provide quarterly updates, ensuring the Board remains well-informed of the risks. In alignment with sub-committees, the adequacy of the internal control system is affirmed by the Board, effectively addressing financial, operational, compliance, and IT risks within the Group's current business operations.

The Group prioritizes a dynamic risk management process to identify, assess, and mitigate potential risks systematically. This involves:

Risk Identification
Proactive identification of Market Risks, Operational Risks, and Financial Risks.

Risk Assessment
The Risk Assessment phase within the Group entails comprehensive risk interviews with process owners to grasp key controls and assess residual risk ratings. This is complemented by risk moderation sessions involving the Chief Risk Officer and Chief Finance Officer of COSCO SHIPPING International (Singapore) Co. Ltd.

Mitigation Strategies
Tailoring robust strategies to minimize the impact and likelihood of identified risks.

RISK MANAGEMENT

Implementation and Monitoring
Implementing strategies across processes and departments, with continuous monitoring and adaptation.

Continuous Improvement
Risk management constitutes an ongoing and dynamic process. Periodic reviews and assessments are systematically conducted to integrate lessons learned, industry best practices, and adaptations to changes in the business environment. The commitment to continuous improvement serves to maintain the resilience of our risk management practices and enhance their responsiveness to emerging challenges. Through this concise and proactive risk management approach, the Group ensures business resilience and actively safeguards value for all stakeholders

SIGNIFICANT OR PRINCIPAL RISKS

The Group has identified the following risks that are significant to the business operations.

Market Risks

Economic Risk
The Group's services in warehousing and transportation are tied to the global economy, with potential declines in demand during economic slowdowns. Challenges in managing rental adjustments could impact operational costs and profit margins. The Group actively monitors economic conditions and has strategies in place to navigate potential declines in demand.

Geopolitical Risk
Unforeseen events, such as war, terrorism, and political instability beyond the Group's control, have the potential to disrupt global markets, impacting the business and financial prospects. The logistics industry is vulnerable to adverse effects from such events, resulting in escalated costs, heightened security measures, and the possibility of reduced demand, which could impact the Group's performance. The Group is dedicated to maintaining a resilient and adaptive business model, consistently assessing, and adjusting strategies to navigate challenges while safeguarding its financial position, operations, and long-term prospects.

Operational Risk

Cyber Security Risk
The Group acknowledges the inherent risk of cybersecurity threats and is actively monitoring and addressing potential vulnerabilities to safeguard its digital infrastructure and sensitive data. Additionally, the advancement of new technologies poses a potential risk, as it may lead to lapses in our system security. To mitigate this risk, the Group is proactively resolving it by allocating increased investment into our technology infrastructure. This includes regular updates to the latest technologies and implementing robust measures to ensure the seamless integration of new systems while maintaining the highest standards of cybersecurity.

RISK MANAGEMENT

Business Continuity Risk

The Group faces a potential risk related to the departure of employees, posing a risk of disruptions in job continuity and potential negative impacts on operational efficiency and project timelines. To mitigate this risk, the Group is actively implementing both short-term and long-term measures, encompassing a retention plan and continuous training. Additionally, there is an ongoing effort to develop fully integrated operating systems to reduce dependency on key personnel. The recent adoption of new SAP software enhances the Group's capability to preserve valuable data, enabling a seamless transfer of knowledge from departing employees to new hires, as information is systematically recorded within the system.

Financial Risk

Foreign Exchange Risk

The Group is exposed to potential risks arising from foreign exchange fluctuations, impacting financial performance. Currency exchange rate volatility may result in adverse translation effects on revenues, expenses, and overall profitability. To mitigate this risk, the Group employs natural currency hedging techniques, aligning revenues and costs in foreign currencies to minimize or eliminate net exposure. Additionally, the Group is vigilant in monitoring global economic trends to further mitigate the impact of foreign exchange risks on its financial position and operational performance.

Credit Risk

The Group faces financial risk due to the potential inability to recover receivables, which could impact profitability and cash flows. The Group is aware of the importance of managing credit risk and has implemented robust credit evaluation processes. Comprehensive assessments of customers are conducted regularly. Additionally, the Group engages in continuous communication with customers to comprehend their evolving financial situations. When a customer is identified as a credit risk or displays signs of financial distress, the Group exercises prudence in extending credit terms. Responsible credit practices are prioritized to avoid unnecessary exposure to risks. Moreover, in the unfortunate event of a customer facing financial difficulties or declaring bankruptcy, the company takes swift and decisive action. Established policies guide the pursuit of legal remedies to recover outstanding receivables, demonstrating a proactive approach that underscores the dedication to safeguarding financial interests. This commitment not only highlights the company's resilience in the face of credit risk but also emphasizes the unwavering dedication to maintaining a robust cash flow.

CONCLUSION

The Group maintains a heightened awareness of the importance of preserving a sound internal control environment. Rigorous internal and external audit processes, along with the diligent efforts of the ARMC and Senior Management, contribute to a comprehensive and robust internal control framework. The commitment to regular reviews and assessments emphasizes dedication to identifying any potential areas of concern. Despite these measures, it is reported without reservation that, to date, no significant risks have been encountered that warrant disclosure in the annual report.

The Board reiterates its overarching responsibility for risk management and undertakes an annual review to assess the sufficiency and integrity of the control system.

SUSTAINABILITY REPORT CONTENTS

BOARD STATEMENT

To ensure the enduring success of COSCO SHIPPING International (Singapore) Co., Ltd. ("**CSIS**", the "**Company**"), together with our subsidiaries (the "**Group**"), the Board of Directors ("**The Board**") remains steadfast in its commitment to sustainability, recognizing its pivotal role in the Company's strategic planning.

The Board is fully aligned with the imperative of disclosing its sustainability strategy and practices and adheres to the Singapore Exchange ("**SGX**") sustainability reporting guidelines. The Company's material Environmental, Social, and Governance ("**ESG**") topics are carefully selected by the Board, which also maintains vigilant oversight over their management and monitoring.

In the Financial Year 2023 ("**FY2023**"), we revisited our ESG topics, enhancing their relevance through a stakeholder survey, to ensure that our sustainability efforts are impactful. The Company upholds the Global Reporting Initiative ("**GRI**") reporting standards and supports the United Nations 2030 Agenda for the 17 Global Goals, underscoring our dedication to sustainable development.

This seventh Sustainability Report provides updates on our sustainability performance and objectives, building upon the foundation laid in the FY2022 Sustainability Report.

The Board recognizes the critical importance of communicating our ESG initiatives to all stakeholders transparently. Given the recent updates in SGX Sustainability Reporting requirements, we actively stay informed about regulatory changes and continuously enrich our sustainability acumen, notably in aspects such as board diversity and climate-related disclosures.

The Board takes responsibility for reviewing the information presented herein, ensuring that all disclosed material topics have received its approval and endorsement.

In the post-pandemic era, our business and society have been confronted with unparalleled challenges stemming from global geopolitical tensions. These tensions have led to volatile fuel prices and resource constraints, further exacerbated by broader economic pressures, including inflation and rising labour costs. Additionally, Singapore's enhanced carbon tax, in alignment with its long-term sustainability goals, presents new hurdles for our industry. However, these adversities have only sharpened our focus on sustainability, social welfare, environmental stewardship, and the pursuit of enduring value in our business endeavours.

As we navigate through a landscape marked by uncertainty, the Company is poised to tackle these challenges head-on to safeguard shareholder value.

Our pledge to sustainability stands firm. We are dedicated to advancing our sustainability practices, elevating our service quality for customers, fortifying our relationships with suppliers, and fostering an enriching career environment for our employees. Our commitment extends to maintaining a safe workplace, upholding stringent corporate governance with zero tolerance for corruption or fraud, and actively participating in environmental sustainability efforts to honour our role as a responsible corporate citizen.

SUPPORT THE GLOBAL GOALS

In September 2015, the United Nations Sustainable Development Goals were unanimously adopted at the UN Summit by 193 member states, setting forth a visionary agenda for global progress. The scope and ambition of these goals recognize that government initiatives alone are insufficient to achieve meaningful change. As such, they call for an unprecedented mobilization of the private sector's resources and innovation. Within this framework, businesses play a pivotal role, not merely as facilitators but as active drivers of sustainable development.

Our commitment to the UN SDGs is embedded in our corporate strategy, guiding us to contribute positively to the world's most urgent social and environmental needs. Through strategic partnerships, responsible business practices, and dedicated investments in sustainable solutions, we are not just aligning with these goals; we are firmly integrating them into the very core of our business operations, illustrating our unwavering dedication to fostering a sustainable future.

Source: Image from United Nations (https://sdgs.un.org/goals)

In line with our business strategy, we are focusing on the following Goals:

ABOUT THIS REPORT

We are pleased to present COSCO SHIPPING International (Singapore) Co., Ltd.'s Sustainability Report for FY2023, reflecting our commitment to transparency and accountability to our valued stakeholders. This report provides a comprehensive overview of our ESG practices and performance, addressing the concerns most material to our diverse stakeholders, including shareholders, suppliers, customers, management, and employees. The aim of this report is to communicate the sustainability initiatives and strategies that we have undertaken, showcasing our dedication to sustainable growth and responsible corporate citizenship.

Reporting Period

This report encapsulates our sustainability initiatives and achievements throughout the FY2023, spanning from 1 January 2023 to 31 December 2023, underscoring our unwavering commitment to sustainable business practices and our drive towards a resilient and prosperous future.

Reporting Framework

Adhering to global standards, our report is structured in line with the GRI standards, 2021 revision, which represents a best-practice benchmark for sustainability reporting. The GRI framework ensures a consistent and transparent methodology for reporting our sustainability impacts.

In compliance with the regulatory environment, this document has been prepared in accordance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B, along with the Practice Note 7.6 Sustainability Reporting Guide.

In our commitment to climate stewardship, as recommended by SGX guidelines, we align our climate-related financial disclosures with the recommendations provided by the Task Force on Climate-related Financial Disclosures ("**TCFD**"). We use TCFD framework for our climate-related disclosure because it has a set of consistent framework to ensure our reporting is transparent, informed and holds us accountable to the highest standard of climate governance. Additionally, it aligns with regulatory trends and enhances corporate reputation by showing a commitment to climate stewardship.

Reporting Scope

Our Sustainability Report comprehensively encompasses the sustainability endeavours across all business divisions of CSIS. This includes our diverse operations in logistics, warehousing services, ship repair, and marine engineering. The report provides a detailed account of our sustainability journey during FY2023, emphasizing the contributions of the following key entities.

- COSCO SHIPPING International (Singapore) Co., Ltd. ("**CSIS**")
- COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd. ("**CSME**")
- Cogent Holdings Pte. Ltd. ("**Cogent**")
  - o Singapore
  - o Malaysia

We affirm that there have been no significant changes in the scope, boundary, or assessment of material sustainability issues compared to the previous reporting period, ensuring continuity and comparability for our stakeholders.

ABOUT THIS REPORT

The logistics sector, being the cornerstone of our Company's revenue generation and profitability, is the focal point of this report. Nevertheless, the comprehensive data and insights presented here are drawn directly from the activities across all our operational sectors.

Feedback

For inquiries, propositions, or input pertaining to the Company's sustainability endeavours, shareholders are invited to direct their communication to the following electronic mailing address: enquiry@coscoshipping.com.sg.

Your engagement is greatly valued, and responses will be furnished with due diligence.

Internal Review and Assurance

The Company hereby declares that the data within this report is disclosed in a manner reflecting the utmost integrity and is based upon the most accurate information available to us.

In our pursuit of excellence in sustainability reporting and to align with prevailing standards, we have sought the expertise of an external sustainability consultancy. Their guidance has been instrumental in ensuring our adherence to the latest reporting requirements.

The internal review of the sustainability reporting process has been diligently conducted. The data and information presented herein have been subject to a rigorous review by an internal auditor specializing in sustainability, appointed by the Company. It is to be noted, however, that no external assurance has been obtained for the contents of this sustainability report.

CORPORATE PROFILE

Our Core Business

COSCO SHIPPING International (Singapore) Co., Ltd. together with its subsidiaries aims to become one of the leading integrated logistics service providers having a significant presence in South and Southeast Asia. The Group also embarks in ship repair and marine engineering, property management as well as dry bulk shipping.

One-Stop Logistics Solutions

Cogent, part of the Group, is a comprehensive logistics service provider based in Singapore, managing around 3.5 million square feet of storage space in strategic locations. They offer a range of warehousing services, including packing, palletisation, forklift handling, and special services for petrochemicals, storing a variety of chemicals and hazardous materials in regulated facilities. Their transport solutions are supported by an extensive vehicle fleet.

Additionally, Cogent provides customized logistics and value-added services such as inventory management, container stuffing/un-stuffing, re-packing, and logistics for product preparation and customization. With over 30 years of experience, their container depot services include inventory management, storage, maintenance, and repair, utilizing advanced systems like Electronic Data Interchange ("**EDI**").

In the automotive logistics sector, Cogent leverages over 20 years of expertise to offer services including customs processing, transportation, vehicle storage, and support with administrative and regulatory tasks. Their transportation management services are also notable, with a significant fleet for moving containers between ports and warehouses, serving diverse clients like petrochemical and oil and gas companies, as well as third-party logistics providers.

Overall, the Group's core operations span various logistics and transportation services, including warehousing, automotive logistics, and transport management, providing an extensive value chain for end-to-end supply chain management solutions.

Ship Repair and Marine Engineering

CSIS's subsidiary, CSME, specializes in ship repair and marine engineering. This includes fabrication work services and the production of marine outfitting components. They provide emergency services for various types of vessels such as oil tankers, bulk carriers, and container ships, and have a strong steel structure production team.

BUSINESS MEMBERSHIP AND CERTIFICATION

ISO Certification

The Group upholds high standards of health and safety for our employees. To ensure that our performance is on par with industry standards, we have secured the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certificates for our subsidiaries.

Cogent Holdings Pte. Ltd.			
	ISO 9001:2015 Quality Management System	ISO 14001:2015 Environmental Management System	ISO 45001:2018 Occupational Health and Safety Managemeent System
SH Cogent Logistics Pte. Ltd.	X	X	X
Cogent Automotive Logistics Pte. Ltd.	X		X
Cogent Land Capital Pte. Ltd.			X
Cogent Container Depot Pte. Ltd.	X	X	X
Cogent Tank Depot Pte. Ltd.	X		X
Cogent Integrated Supply Chain Pte. Ltd.	X		X
COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd.			
	X	X	X

BizSAFE

Cogent Holdings Pte. Ltd. is proud to announce the achievement of the bizSAFE Star certification across our subsidiaries, demonstrating our unwavering commitment to workplace safety and health standards. The following business units have been honoured with this prestigious recognition:

- SH Cogent Logistics Pte. Ltd.
- Cogent Automotive Logistics Pte. Ltd.
- Cogent Land Capital Pte. Ltd.
- Cogent Container Depot Pte. Ltd.
- Cogent Tank Depot Pte. Ltd.
- Cogent Integrated Supply Chain Pte. Ltd.

BUSINESS MEMBERSHIP AND CERTIFICATION

The bizSAFE program is an esteemed national initiative designed to assist companies in enhancing their workplace safety and health ("**WSH**") capabilities. Achieving the bizSAFE Star, the highest level in the bizSAFE series, signifies exemplary WSH standards within an organization. To qualify for this level, a business unit must attain ISO 45001 certification from a Certification Body recognized under the Mutual Recognition Arrangement. This certification, coupled with the bizSAFE Star accreditation, is indicative of our rigorous adherence to safety and is valid for three years, concurrent with the ISO 45001 certification validity.

Membership Associations

COSCO SHIPPING International (Singapore) Co., Ltd.	
Singapore Business Federation	
Cogent Holdings Pte. Ltd.	
Singapore	Container Depot and Logistics Association (Singapore)
	Singapore Business Federation
	Singapore Logistics Association
	Global Affinity Alliance
Malaysia	China Enterprises Chamber of Commerce in Malaysia
	Selangor Freight Forwarders and Logistics Association
COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. (Associate company)	
Singapore Shipping Association ("**SSA**")	

SUSTAINABLE DEVELOPMENT STRATEGY

To align the Group's operations with our commitment to sustainable development and future growth, we propose the following enhancements to our sustainability policy:

- Environmental Stewardship: Conduct comprehensive and periodic assessments of the Group's environmental impact, focusing on emissions reduction, efficient waste management, and prudent resource use.

- Energy Conservation and Emission Reduction: Adopt advanced energy-efficient technologies and optimize operational practices to significantly lower greenhouse gas emissions and energy usage across all divisions.

- Water Usage: Monitor daily operations to minimize water consumption and ensure the discharge meets all regulatory standards.

- Waste Management: Adhere to the 3R principle (Reduce, Reuse, Recycle) in daily practices to efficiently manage waste and ensure full compliance with regulatory requirements.

- Resource Renewal: Prioritize the use of renewable resources and environmentally friendly materials within our logistics, storage, and maritime operations to support ecological balance.

- Regulatory Adherence: Maintain rigorous compliance with global environmental regulations and pursue a trajectory of continuous environmental performance improvements.

- Workforce Empowerment: Foster a culture of sustainability through targeted employee education programs, emphasizing personal responsibility in environmental stewardship.

- Community and Partnership Engagement: Forge strategic alliances with community groups, industry peers, and stakeholders to advance sustainable practices throughout the supply chain ecosystem.

- Technological Innovation: Channel investment into the research and development of ground-breaking technologies that bolster sustainable practices in the maritime and logistics sectors.

- Transparent Reporting: Commit to regular publication of comprehensive sustainability reports, offering transparency on our progress, ongoing challenges, and strategic goals aligned with global standards.

This refined strategy is intended to be fully integrated into the Group's core business functions, embedding sustainability into every facet of our decision-making and operational processes.

REMEDIATE NEGATIVE IMPACTS FROM OUR OPERATION ACTIVITIES

The Group is fully committed to mitigating any negative impacts that arise from our operational activities. We recognize that while pursuing business development, environmental and social impacts can occur. Therefore:

- We implement robust policies to identify and manage potential adverse effects proactively.
- We make sure stakeholder engagement is integral to our operations, ensuring diverse insights contribute to our sustainable practice.
- We strive to minimize our ecological footprint by exceeding regulatory compliance, optimizing resource use, and responsibly managing waste.

Our commitment extends to adopting advanced technologies for environmental protection and transparently communicating our progress to stakeholders.

We call upon all employees, partners, and stakeholders to embody this commitment, upholding our shared responsibility for ethical and sustainable operations.

POLICY COMMITMENT

The Group hereby affirm our unwavering commitment to sustainability and ethical conduct. Our comprehensive policy framework encompasses stringent environmental management, human resource management, and Occupational Health and Safety ("**OHS**") systems, consistent with our ISO certifications.

We are steadfast in:

- Upholding the highest business ethics;
- Guaranteeing fair employment;
- Safeguarding the environment;
- Ensuring exceptional Occupational Health and Safety for our workforce and partners.

We recognize the importance of stakeholder interests and pledge to communicate our policies transparently within our group and to suppliers, contractors, and stakeholders, reinforcing our dedication to excellence in all facets of our operations. For an in-depth understanding of our policy directives and management methods, please consult the material topic sections.

All the above policies are well communicated to all employees within the Group, as well as our suppliers and contractors.

REPORTING APPROACH

In alignment with the GRI 2021-Foundation guidelines, our FY2023 Sustainability Report is crafted adhering to the eight core reporting principles. These principles guide the presentation and substantiation of the information contained within the report.

Principle	Explanation
Accuracy	The information disclosed in this Report is correct and sufficiently detailed to assess the Company's business impacts towards Governance, Environment, and Social perspective.
Balance	The information is disclosed in an unbiased way and provides a fair representation of the Company's negative and positive impacts.
Clarity	The information presented in this Report is accessible and understandable.
Comparability	The Company endeavours to select and compile the report information consistently to enable an analysis of changes in the Company's impacts over time.
Completeness	The Company tries its best to provide sufficient information to enable the transparency of its efforts in ESG topics.
Sustainability Context	The Company ensures that the information it discloses in this Report is about its business impacts within the context of sustainable development.
Timeliness	The Company reviews its ESG material topics on a regular basis to ensure that all the information declared in this Report is updated.
Verifiability	This Report is internally reviewed. Our Sustainability Consultant and internal reviewer has guided us to ensure the accuracy of the key materiality data.

GOVERNANCE

A robust corporate governance framework, rooted in ethical business practices, is vital for bolstering the Company's accountability and driving sustainable long-term performance to safeguard and maximize shareholder interests.

Our Board of Directors is staunchly committed to maintaining exemplary corporate governance in line with the Code of Corporate Governance 2018, and ensures adherence to pertinent regulations issued by authorities like the Monetary Authority of Singapore ("**MAS**") and SGX-ST. The Board's leadership is pivotal in setting strategic corporate objectives and securing the necessary resources for achieving these goals.

The Board's paramount duty is the protection and enhancement of shareholder value over the long term. It provides strategic direction, enforces a culture of sound governance, and establishes policies and procedures critical for achieving the Group's aims.

An effective control framework is upheld by the Board, facilitating risk management, including the protection of shareholder interests and company assets. It supervises management, evaluates performance, and tracks business objectives to promote shareholder value.

Additionally, the Board takes on the holistic governance of the Group, acting in a fiduciary capacity. Directors consistently updated on regulatory updates, ensuring they are informed of changes in accounting standards, the listing manual, and other statutory requirements.

Overall, the Board shoulders the responsibility for promoting good corporate governance across the Group, which encompasses risk management and internal control systems to protect shareholder interests and company assets.

Our Governance Structure

Here is the detail of our Board of Directors:

Name	Gender	Position
Zhu Jian Dong	Male	Chairman President Non-Independent Executive Director
Guo Hua Wei	Male	Non-Independent Non-Executive Director
Lim Lee Meng	Male	Independent Non-Executive Director
Chen Seow Phun, John	Male	Independent Non-Executive Director
Hoon Tai Meng	Male	Independent Non-Executive Director

GOVERNANCE

Board Diversity

Our Board of Directors consists exclusively of male members, a reflection not of preference but of the specific expertise and skill sets required in our industry sector.

The composition is structured with 40% serving as non-independent directors and 60% as independent directors, ensuring a balanced oversight.

Collective Expertise of the Governance Body

The Board's collective expertise spans a range of competencies crucial to informed decision-making and the company's success. This includes:

- Business Management;
- Economic and Financial Planning;
- Maritime and Technical Engineering;
- Legal Frameworks and Corporate Governance;
- Risk Assessment;
- Labour Relations and Human Resource Management;
- Accounting and Financial Oversight.

Further elaboration on our commitment to corporate governance can be found in the Corporate Governance Statement within our annual report.

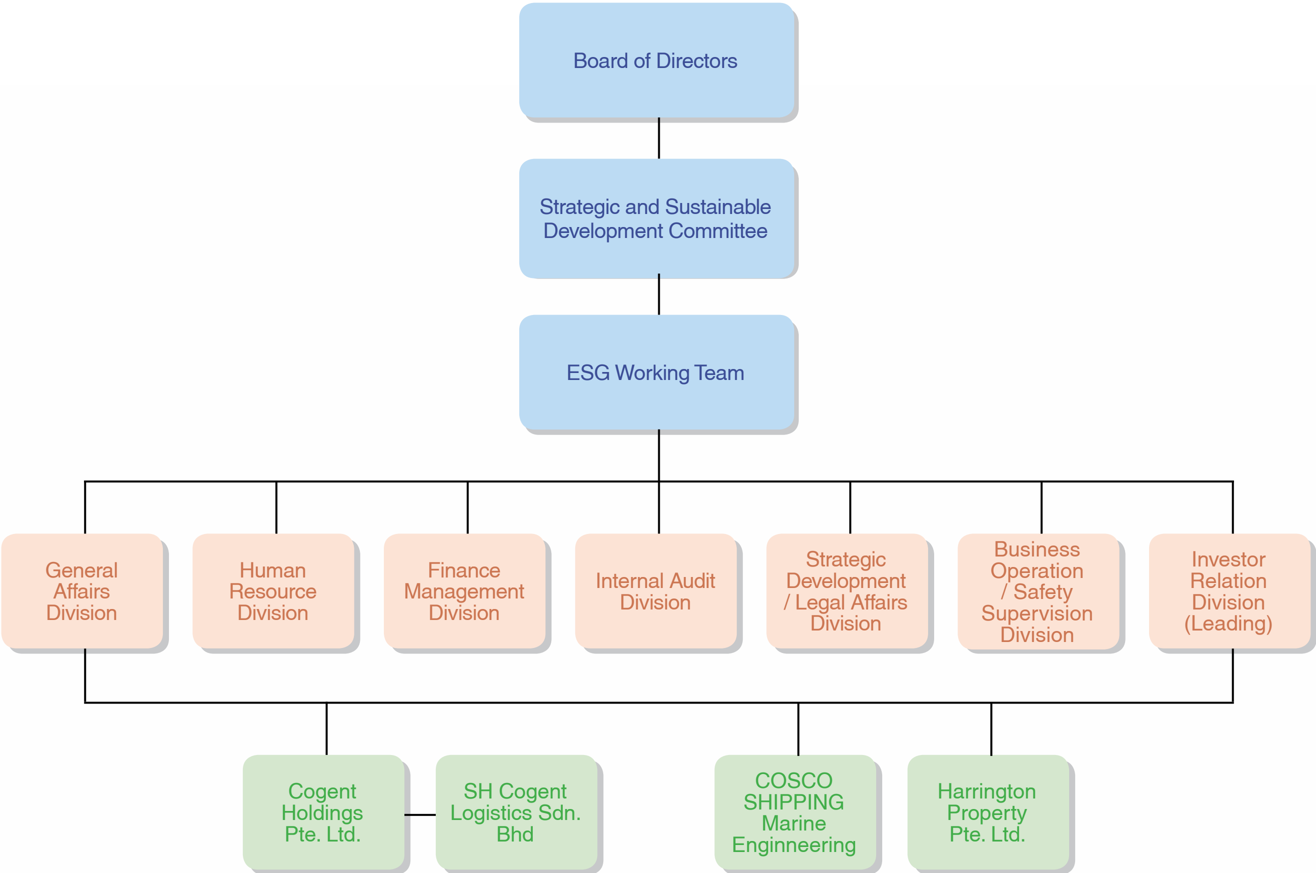
Director Sustainability Training

All Directors have attended the one-time director sustainability training required by SGX-ST.

GOVERNANCE

SUSTAINABILITY GOVERNANCE STRUCTURE

To fortify our approach to sustainability and climate risk management, the Group established the Strategic and Sustainable Development Committee in FY2023. Details on the committee's structure are outlined below:



The Board of Directors at our organization plays a critical role in sustainability and climate-related risk governance, providing strategic oversight, policy stewardship, resource allocation, cultural leadership, risk management, and ensuring effective monitoring and control.

The Strategic and Sustainable Development Committee is responsible for comprehensive sustainability governance, including ESG and climate risk oversight, setting strategic direction, policy formulation with a climate perspective, performance and risk monitoring, resource management for climate initiatives, and strategic climate action.

The ESG Working Team's role includes managing ESG integration, tracking progress, engaging stakeholders, mitigating risks, raising awareness, encouraging continual enhancement, tracking climate targets, managing policy discussions, and assessing risks and opportunities in climate management.

STAKEHOLDER ENGAGEMENT

The Group recognizes our stakeholders as those who are significantly impacted by our operations and decisions. Our strategy includes a comprehensive stakeholder engagement process, which is fundamental in identifying material issues and assimilating stakeholder feedback into our strategic planning. This feedback is imperative, providing the Group with critical insights that inform our sustainability initiatives. We rigorously identify key stakeholder groups through detailed internal analysis, ensuring their needs and perspectives shape our business practices throughout our value chain.

Stakeholder Identification

The internal and external stakeholders for the Group are listed below:

Internal Stakeholders

Shareholders and Investors
Board of Directors
Managers
Employees

External Stakeholders

Customers
NGOs and Community
Supplier and Contractors
Government and Regulators

We are trying our utmost to protect all levels of our stakeholders' interest

STAKEHOLDER ENGAGEMENT

Stakeholder Engagement Approach

We are committed to expanding our engagement methods and using any subsequent outputs in our future disclosures.

Stakeholder Group	Engagement Approach
Employees	• Monthly management meetings are held to discuss operational issues. • Newsletters are circulated to keep employees updated. • Regular training sessions and transitional assistance programs are conducted. • Regular surveys are deployed to understand their concerns.
Government Regulators	• Work with various industry associations, ports and governments on areas related to our key business activities. • Classification associations: DNV Norway, NK Japan, CCS China. • Industry associations: Protection & Indemnity (Steamship P&I Club), Singapore Business Federation, China Enterprise Association ("**CEA**"). • Ports & Government: PSA Singapore, Maritime Port Authority ("**MPA**").
Customers	• Customer-related surveys and engagement activities are conducted to collect feedback.
Suppliers and Contractors	• Safety briefings are conducted regularly for employees and contractors working on-site. • Assessment and evaluation of contractors are conducted regularly.
Local Communities and NGOs	• Regular dialogues with our endorsed charity organisations shape our community outreach initiatives. • Regular surveys are deployed to understand their concerns.
Shareholders and Investors	• Shareholders are kept abreast of the Group's key developments through press releases and Annual Reports. • Annual General Meetings and investor meetings are conducted to engage our shareholders and investors in two-way communication.
Internal Business Partners	• Monthly management meetings are held to discuss operational issues. • Regular surveys are deployed to understand their concerns.

ESG MATERIAL TOPICS

Materiality analysis is a critical tool for the Group, allowing the company to identify and prioritize sustainability issues that hold the most significance for both the business and its stakeholders in the long term. The Group employs a structured approach to determine its material topics, ensuring that the sustainability matters addressed align with the company's strategic goals and stakeholder expectations. This approach enables a focused and strategic response to sustainability that supports the Group's commitment to long-term value creation.

We adopt the following approach to assist us in determining our material topic:

Step 1 Scoping	Step 2 Identification	Step 3 Evaluation	Step 4 Prioritazion	Step 5 Review
Conduct a scoping analysis to understand the business context.	Identify the actual and potential impacts, including positive and negative.	Evaluate the significance of the impact based on management and stakeholder inputs.	Prioritize the most significant impact for reporting.	Re-examine the material topics into consideration the changing of business landscape and emerging trends.

In response to the evolving socio-economic climate and the new sustainability reporting guidelines introduced by the SGX-ST, our leadership and the Strategic and Sustainable Development Committee have initiated a thorough reassessment of our material topics. This reassessment is crucial for maintaining the efficacy of our sustainability strategy and ensuring our competitive edge in the marketplace.

To facilitate this process, the Group has partnered with ESG & Biz Solutions Pte. Ltd. (referred to as "**the Consultant**"). Together with our ESG Working Team, the Consultant is tasked with pinpointing the sustainability issues that are most pertinent and impactful for the Group in FY2023.

The process of identifying potential sustainability matters included:

- The identification of key internal and external stakeholders.
- Engaging with the Strategic and Sustainable Development Committee to gain insights into their concerns.

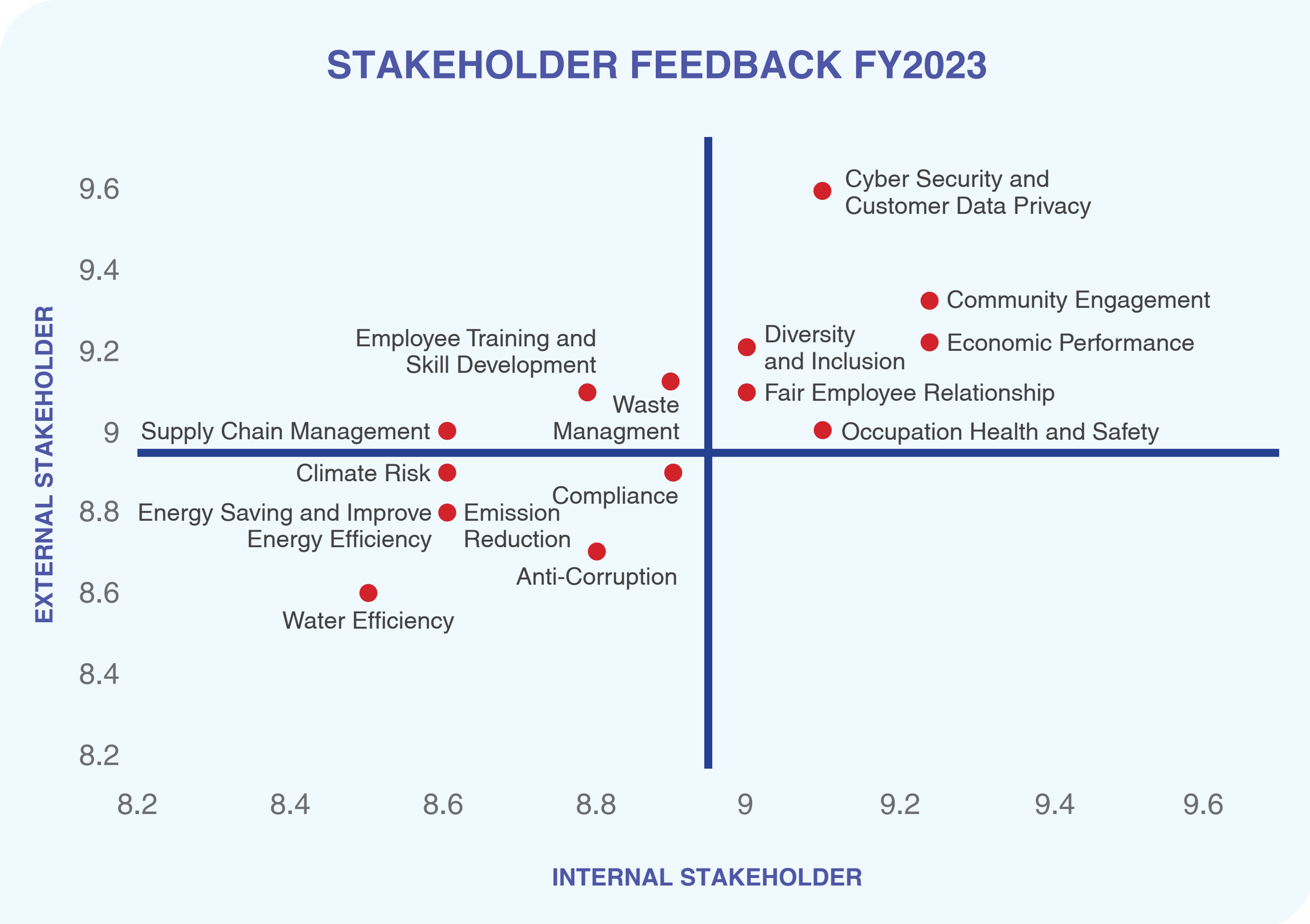
Additionally, the feedback from significant external stakeholders is regularly gathered and reviewed to stay aligned with their expectations and concerns.

A comprehensive questionnaire was developed by our sustainability consultant, utilizing an online survey platform, to determine the ESG topics deemed significant by both internal and external stakeholders of the Group.

ESG MATERIAL TOPICS

Materiality Assessment and Stakeholder Engagement Outcome

During FY2023, we initiated a comprehensive Stakeholder Survey to better understand the concerns of our stakeholders regarding our sustainable development initiatives. We received a total of 123 responses from key stakeholders across various groups. The insights from this survey are critical in guiding our sustainability focus and will be detailed in the subsequent sections of the report.



ESG MATERIAL TOPICS

Stakeholder Focus

The management of the Company is committed to ongoing improvement through active engagement with essential stakeholder groups. The details of these engagements are outlined in the table provided.

Stakeholder Group	Stakeholder Focus
Employees	Economic Growth Cyber Security and Customer Data Privacy Occupational Health and Safety Community Engagement Fair Employee Relationship
Government Regulators	Economic Growth Compliance with Laws and Regulations
Customers	Energy Saving and Improve Energy Efficiency Employee Training and Skill Development Diversity and Inclusion Cyber Security and Customer Data Privacy Supply Chain Management
Suppliers and Contractors	Economic Performance Waste Management Community Engagement Cyber Security and Customer Data Privacy Diversity and Inclusion
Local Communities and NGOs	Social Responsibility Compliance with Environmental Regulations Fair Employment
Shareholders and Investors	Economic Performance Cyber Security and Customer Data Privacy Community Engagement Diversity and Inclusion Fair Employee Relationship
Business Partners	Emission Reduction Cyber Security and Customer Data Privacy Fair Employee Relationship Occupational Health and Safety Employee Training and Skill Development

ESG MATERIAL TOPICS

Key Material Topics

Following a comprehensive review of feedback from stakeholder engagement, and considering the Group's operational activities, as well as the latest regulations and legal mandates, we have identified key material topics for disclosure in the FY2023 sustainability report. In line with these findings, the Group is formulating our strategy to address these topics effectively

Key ESG Material	
Economic and Governance	1. Economic Performance
	2. Business Ethics and Compliance
	3. Governance and Management Diversity[(1)]
Environment	4. Response to Climate Change
	5. Energy and Greenhouse Gas Emission
	6. Water Usage
	7. Waste Management
Social	8. Fair Employment Condition
	9. Training and Skill Development
	10. Employment Relations and Diversity[(2)]
	11. Occupational Health and Safety
	12. Cyber Security and Business Partners Privacy

Note:

(1) The section on Governance includes a declaration of Governance and Management Diversity, refer to Page 84.

(2) The topics of Employment Relations and Diversity are being jointly addressed alongside Fair Employment Conditions, resulting in the combination of topics 8 and 10. These are consolidated under the material topic section titled "Fair Employment Conditions and Employee Diversity".

FY2023 PERFORMANCE REVIEW

Material Topics	Targets for FY2023	Performance for FY2023	Achieved? Yes/No	Targets for FY2024
Business Conduct GRI 205-3	0 Confirmed Incidents of Corruption	0 Confirmed Incidents of Corruption	Yes	0 Confirmed Incidents of Corruption
Compliance with Laws and Regulations GRI 2-27	0 Legal Cases or Fines and Non-monetary Sanctions Against the Group	0 Legal Cases or Fines and Non-monetary Sanctions Against the Group	Yes	0 Legal Cases or Fines and Non-monetary Sanctions Against the Group
Safe Working Environment GRI 403	0 Fatalities as A Result of Work-related Injury	0 Fatalities as A Result of Work-related Injury	Yes	0 Fatalities as A Result of Work-related Injury
	0 High-consequence Work-related Injuries (Excluding Fatalities)(1)	0 High-consequence Work-related Injuries (Excluding Fatalities)(1)	Yes	0 High-consequence Work-related Injuries (Excluding Fatalities)(1)
Staff training GRI 404-1	9 Training Hours per Employee Who Underwent Training	10. 59 Training Hours per Employee Who Underwent Training	Yes	9 Training Hours per Employee Who Underwent Training
Privacy of Customers' Data GRI 418-1	0 Substantiated Complaints Received Concerning Breaches of Customer Privacy	0 Substantiated Complaints Received Concerning Breaches of Customer Privacy	Yes	0 Substantiated Complaints Received Concerning Breaches of Customer Privacy

Note:

(1) "High-consequence work-related injuries" include injuries where the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

The above definitions are according to GRI Standard as per reference of United States Occupational Safety and Health Administration ("**OSHA**") requirements. Meanwhile, with respect to Singapore's national OHS reporting requirement, cross-reference with Singapore Ministry of Manpower ("**MOM**") and Workplace Health and Safety Council in line with national annual WSH national statistic reporting system.

OUR BUSINESS

Key Material Topics

- Economic Performance
- Business Ethics and Compliance

GRI Topics

- GRI 201 Economic Performance
- GRI 205 Anti-Corruption
- GRI 2-27 Compliance with Laws and Regulations

UN SDGs We Support

8 DECENT WORK AND ECONOMIC GROWTH

OUR BUSINESS

ECONOMIC PERFORMANCE

MATERIAL TOPIC	RELEVANT SDG
Economic Performance	8 DECENT WORK AND ECONOMIC GROWTH

Why This Is Important

Robust economic growth and strong financial performance are foundational to the Group's commitment to sustainability. Our economic vitality underpins our long-term viability, enabling us to invest in and advance our sustainability agenda. By securing our financial future, we can continue to innovate and implement strategies that benefit not only our business but also our stakeholders, encompassing shareholders, employees, and the wider community. This economic stability is essential for driving sustainable practices across our operations, ensuring we can meet our present needs without compromising the ability of future generations to meet theirs. It is through this lens that we view economic performance not just as a goal, but to achieve broader, long-lasting societal and environmental objectives.

Management Approach

The Group's management approach to driving economic growth is rooted in a corporate culture that emphasizes value creation across our entire value chain. We believe that sustainable economic growth is not solely about profitability but also about enhancing stakeholder value through responsible business models. Our strategic focus is on operational efficiency, innovation, and long-term investment in our services and infrastructure, ensuring we meet our stakeholders' needs today while securing our collective future. This balanced approach to value creation is the cornerstone of our commitment to a prosperous and sustainable economic future for our organization and our stakeholders.

FY2023 Performance

Group revenue for FY 2023 totalled $178.7 million, 4% lower than FY 2022. The reduction of revenue mainly attributed from the decrease in revenue from Logistics, Property management and Ship repair and marine engineering segments.

Logistics activities accounted for approximately 83% of the Group's revenue in FY 2023. However, revenue from logistics activities decreased by 3% to $148.2 million. This decline was mainly attributed to a lower revenue contribution from transportation and supply chain management service in Singapore and Malaysia due to a reduced volume of business activities from key customers. This decrease was partially offset by higher revenue from the container depot, driven by an increased volume of Lift on/Lift out (LOLO) activities.

Revenue from property management decreased by 14% or $2.0 million to $12.5 million mainly due to reduction of occupancy rate at the Grandstand shopping mall, which the lease for the state land has expired on 31 December 2023.

The decrease in revenue from Ship repair and marine engineering was driven by an decrease in volume of ship repair jobs in Singapore.

OUR BUSINESS

FY2024 Target

At CSIS, our target for economic growth is to methodically harness strategic planning, robust corporate governance, and well-designed incentive programs to synchronize and optimize the interests of all stakeholders, including shareholders, customers, suppliers, and employees. By adopting a holistic and integrated approach, we aim to amplify stakeholder value while concurrently bolstering the company's profitability. This balanced advancement towards economic growth is pivotal to our enduring success and underlines our commitment to both stakeholder satisfaction and financial excellence.

BUSINESS ETHICS AND COMPLIANCE

MATERIAL TOPIC	RELEVANT SDG
Business Ethics Anti-Corruption	8 DECENT WORK AND ECONOMIC GROWTH

Why This Is Important

Responsible business conduct ensures the long-term viability of our businesses by building trust and confidence with our stakeholders.

At the Group, we operate our businesses in a highly regulated environment with no tolerance for non-compliance.

Management Approach

The Company always implements the concept of integrity and fairness in its daily operations and adopts a zero-tolerance attitude towards all acts violating business ethics, including corruption, bribery and monopoly. The Company has established a sound business ethics system to strengthen employees' awareness of business ethics and guide the just business ethical values.

We operate our business by the following key policies.

Anti-Corruption Policy

The Group has a strict zero-tolerance policy towards corruption and bribery, with comprehensive guidelines in place to ensure employees conduct business ethically. Regular policy reviews are conducted to maintain and enhance our ethical business practices, reflecting the material significance of this issue to the Group.

OUR BUSINESS

Conflict of Interest Policy

The Group has enforced a Conflict of Interest Policy across all Singapore subsidiaries, serving as a model for alignment with regulations in Malaysia. It provides clear directives for employees to declare conflicts of interest, ensuring transparency and ethical conduct in potential transactions that could impact employee interests.

Whistle-Blowing Policy

The Company is committed to a high standard of ethical conduct and has put in place a whistle-blowing policy, endorsed by the Audit and Risk Management Committee("**ARMC**"). The policy sets out the procedures for employees and external parties to raise concerns or make a report on misconduct or wrongdoings relating to any entity in the Group or any of its officers and provisions for keeping the identity of the whistle-blower confidential and protection of the whistle-blower from reprisal as well as arrangements for independent investigations of such concerns or reports and for appropriate follow up actions to be taken. The existence and details of such policy has been communicated to all the employees.

The policy establishes a confidential line of communication to report concerns about possible improprieties to the ARMC Chairman and ensures the independent investigation and follow-up of reports made in good faith. The contact details of the ARMC Chairman have been made available to employees in the Group. The Company will treat all information received confidentially and protect the identity of whistle-blowers. Moreover, the Company is committed to ensuring protection of whistle-blowers who have acted in good faith against reprisal and detrimental or unfair treatment.

Communication of Critical Concerns

The Group has implemented a structured and secure policy to ensure that critical concerns related to business ethics, compliance, and malpractice are communicated effectively within the company.

The policy establishes a confidential line of communication to report concerns about possible improprieties to the ARMC Chairman and ensures the independent investigation and follow-up of reports made in good faith.

The ARMC is tasked with conducting thorough investigations and taking appropriate actions, while also maintaining confidentiality and safeguarding reporters from retaliation. The policy is regularly reviewed to ensure compliance with legal standards, and it is actively communicated across the organization. The Board is committed to effectively addressing and resolving all reported concerns. This policy applies to all employees, contractors, and stakeholders throughout all subsidiaries and operational jurisdictions.

FY2023 Performance

In FY2023, the Group successfully met its objectives established in the previous year, maintaining a record of zero corruption incidents. The Group consistently strives for the perpetual goal of zero incidents in this regard.

In FY2023, there were no reports of malpractice, affirming our dedication to ethical business practices.

OUR BUSINESS

FY2024 Target

For FY2024, our target remains steadfast: to uphold the integrity of our operations by maintaining a record of zero malpractice reports. This objective reflects our ongoing dedication to ethical business practices and reinforces our zero-tolerance policy towards any form of misconduct. We will continue to foster a culture of transparency and accountability across all levels of the company.

Regulatory and Legal Compliance

The Group operates with a steadfast commitment to legal and ethical compliance, recognizing our responsibility within a strictly regulated sector. The establishment of rigorous whistleblowing and anti-corruption frameworks, alongside a comprehensive legal policy, underscores our pledge to conduct business with unwavering integrity, fairness, and neutrality.

To uphold our legal obligations, each subsidiary within our business network maintains a detailed legal and regulatory register, which is meticulously updated to ensure our operations stay aligned with evolving regulatory mandates. Our compliance infrastructure is designed to meet, if not exceed, industry benchmarks and legal standards.

We are acutely aware of our societal responsibilities as a corporate entity, and we embrace these duties with the utmost seriousness. This includes equitable tax contributions and social investments, which are reflective of our corporate ethos. Adherence to anti-corruption statutes, financial regulations, and applicable laws is not just a legal mandate but also a cultural tenet within the Group.

Regular monitoring of our clients and contractors is integral to our operations, affording us proactive vigilance against international sanctions and preserving equitable trade practices. The Group's dedication to regulatory compliance extends through all facets of our business units, with regard for the environmental and social impacts of our activities. Given the substantial influence on our stakeholders and the environment, we recognize these areas as material and critical to our ongoing operations.

The Group remains committed to closely monitoring any changes in laws and regulations related to environmental practices and safety. In response to new regulatory measures, the Group is prepared to take proactive steps and implement necessary measures to remain in full compliance with all relevant legal requirements. The company's dedication to environmental responsibility and safety underscores its commitment to sustainable and responsible business practices.

FY2023 Performance

The Group is gratified to announce that throughout FY2023, our Group maintained full compliance with all local anti-corruption statutes, rules, and regulations, reporting no instances of non-compliance.

FY2024 Target

Our objective for FY2024 and the subsequent years is to perpetuate our record of strict adherence to legal standards, continuing to achieve zero violations in all jurisdictions of operation.

NURTURING NATURE FOR A SUSTAINABLE FUTURE

ENVIRONMENT

Key Material Topics

- Response to Climate Change
- Energy and Greenhouse Gas Emission
- Water Usage
- Waste Management

GRI Topics

- GRI 302 Energy
- GRI 303 Water and Effluents Management
- GRI 305 Emissions
- GRI 306 Waste Management

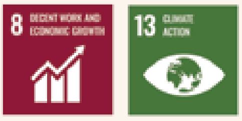
UN SDGs We Support

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

ENVIRONMENT

RESPONSE TO CLIMATE CHANGE

MATERIAL TOPIC	RELEVANT SDGs
Response to Climate Change	

Why This Is Important

Climate change presents a pressing and evolving set of demands and obstacles for the logistics industry. It poses a significant threat to our communities and the global economy, emphasizing the critical need for proactive responses. At the Group, we recognize that effectively addressing climate change is pivotal to achieving sustainability and positioning ourselves as a leading international logistics enterprise. Our commitment extends to safeguarding the ecological environment and consistently advocating for environmentally friendly logistics practices.

The year 2022 marked a pivotal moment when the SGX-ST mandated climate reporting for specific sectors, aligning with the guidelines outlined by the TCFD. Acknowledging our position in an energy-intensive industry, we acknowledge the challenges posed by rising energy costs and disruptions in the global supply chain. To ensure our competitiveness and uphold our responsibility as a conscientious corporate citizen in the fight against climate change, we are dedicated to preparing for a sustainable future.

The Group has systematically embraced the TCFD framework, meticulously identifying climate-related risks, analysing effective strategies to address them, and establishing ambitious environmental protection objectives. In response to escalating energy costs and carbon taxation, we are steadfast in our commitment to emissions reduction, ensuring a sustainable balance between economic growth and environmental responsibility. By navigating these challenges, the Group aims to lead the industry towards a greener and more sustainable future.

Management Approach

Following the TCFD Reporting guidelines, the Group is actively preparing to assess our performance and disclosure across four key dimensions: Governance, Strategy, Risk Management, and Metrics and Targets.

ENVIRONMENT

Governance

The Group has taken proactive steps to establish a robust climate risk governance framework within the organization. We have seamlessly integrated climate-related risk management into our overall risk management system, ensuring that it is an integral part of our strategic approach. As part of our commitment to ESG principles, we have conducted a thorough review of our ESG strategy and performance, with particular attention to climate risk control strategies and risk assessment reports.

In FY2023, we reached a significant milestone by forming the Strategic and Sustainable Development Committee, which underscores our dedication to addressing climate risks comprehensively. This committee will play a pivotal role in examining, responding to, and strategizing for climate risks, ensuring that they are a central focus of our sustainability efforts.

Furthermore, we have embedded key climate-related indicators, including energy conservation, emissions reduction, and environmental protection, into our daily operational Key Performance Indicators ("**KPIs**"). These indicators serve as measurable targets that guide our teams in their day-to-day activities, reaffirming our commitment to sustainability and environmental responsibility.

Strategy

Based on its unique business characteristics and the global logistics industry's development trajectory, the Group has proactively identified climate change risks and conducted thorough analyses of their potential financial implications.

The Group's risk assessment encompasses both physical risks, which are associated with the immediate impacts of climate-related events and long-term climate pattern shifts on company assets, and transition risks, which pertain to the challenges in transitioning to a low-carbon economy. These transition risks include market uncertainties arising from shifts in policies, regulations, and customer preferences.

Drawing from these identified climate change risks, the Group has undertaken strategic measures to address and mitigate their potential impacts.

Climate Risk Management

Physical Risk

Physical risks are associated with the physical impacts of climate change arising from extreme weather events due to changes in climate patterns.

The physical risk might affect the following operation activities within the Group's operation.

ENVIRONMENT

Risk Type	Risk	Description	Potential Financial Impact
Acute Risk	Extreme weather events (including flooding, rainstorms, and extreme hot days)	1. Intense rainfall and flooding can inflict damage on infrastructure and equipment, leading to failures that may interrupt scheduled deliveries. 2. Reduced outdoor productivity is often a consequence of low visibility and persistent rainfall. 3. Heavy rainfall may necessitate the rerouting of deliveries to avoid flooded areas, potentially resulting in road closures and delivery delays. 4. Sudden and extreme precipitation events can cause flash floods, which can disrupt road transport and impede standard business activities. 5. Worker safety is compromised during severe weather conditions, as frequent lightning and flooding curtail outdoor activities and elevate safety hazards. 6. Elevated temperatures heighten the risk of heat-related illnesses, such as heat stroke, among outdoor workers.	**Early scrapping of current assets.** **Operation difficulties.** **Supply chain disruption.** **Increased operating costs.**
Chronic Risk	Rising sea levels	1. As sea levels rise, there is a heightened risk to port infrastructure. This situation may necessitate substantial financial investment to modify or relocate at-risk facilities.	**Increased operating and maintenance costs.**
	Temperature change	1. Increasingly frequent hot days raise health and safety risks for workers and drivers involved in outdoor operations, necessitating enhanced protective measures and protocols.	**Operation difficulties.** **Increased operation costs.**

ENVIRONMENT

Transitional Risk

Transitional Risk means transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying financial and reputational risk levels to organizations.

Within the operation activities, the following transitional risks might be faced by the organization in our short and long-term operations:

Risk Type	Risk	Description	Potential Financial Impact
Legal and Regulation Risk	Revising of existing requirements and introducing of new regulations	1. As governments strengthen policies to mitigate climate change, shipping and logistics companies are likely to encounter more rigorous emissions standards. Adapting to these regulations may necessitate substantial investments in eco-friendlier technologies and modifications to operational practices. 2. Governmental push towards a low-carbon transition, with incentives for adopting Electric Vehicles ("**EVs**") in the logistic and shipping sectors.	**Early scrapping of current assets.** **Increased operating and maintenance costs.**
	Increased carbon tax	1. Increased carbon taxation will lead to higher energy and maintenance expenses.	**Increased operating and maintenance costs.**
Market Shift	Customer preference change	1. Customers are increasingly demanding reductions in carbon emissions within the transportation sector. Failure to align with these environmental targets could result in a decline in orders. 2. If the Group does not meet customer expectations for sustainable practices, such as energy efficiency and carbon reduction, it risks losing its customer base to competitors who are perceived as low-carbon industry leaders. 3. The rising customer demand for environmentally friendly services compels a hastened shift towards a carbon-neutral model, thereby inflating research and development ("**R&D**") expenditures as well as other operational costs associated with this transition.	**Operation difficulties.** **Increased operating cost.** **Decline in demand for goods and services.** **Negatively impact revenue.**

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	Rising fuel cost	1. Escalating oil prices significantly raises the operating expenses for logistics companies. 2. Fluctuations in the market price of low-sulphur oil can materially impact operating costs due to regulatory compliance needs.3. 3. Transitioning to alternative energy sources may lead to an increase in operating costs, at least in the short to medium term	**Increased operating and maintenance costs.**
Reputational Risk	Growing concern of stakeholders about negative feedback	1. Insufficient environmental performance and transparency may lead investors and customers to favour competitors who demonstrate stronger eco-friendly credentials. 2. Investors are advocating for the adoption of new and renewable energy sources within company operations to align with sustainable investment criteria. 3. Growing investor and customer scrutiny over environmental performance dictates that compliance with contemporary regulations is critical. Non-compliance may result in the Group facing contract terminations a and a decrease in investments.	**Decline in demand for goods and services.** **Loss of investors. Decrease in the company income.**

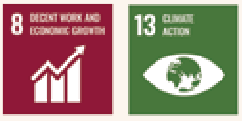
As a Group, we are committed to tracking and implementing the latest strategies to reduce our environmental footprint, thereby contributing to the global effort to combat climate change.

Metrics and Target

Please refer to Energy and Greenhouse Gas Emission section for FY2023 performance and target setting.

ENVIRONMENT

ENERGY AND GREENHOUSE GAS EMISSION

MATERIAL TOPIC	RELEVANT SDGs
Energy Emission	

Why This Is Important

Energy and emission reduction is a critical priority for the Group because it directly correlates with our commitment to sustainable development and environmental stewardship. As a leading entity in the logistics industry, we recognize the importance of minimizing our carbon footprint. By reducing energy consumption and emissions, we not only comply with global environmental regulations, but we also address the rising costs associated with energy and the growing financial implications of carbon taxes. These reductions are not just cost-saving measures; they also reflect our dedication to preserving the environment and promoting a greener logistic industry. Implementing these initiatives enables us to lead by example, demonstrating our role in the transition towards a low-carbon economy and securing the health of our planet for future generations.

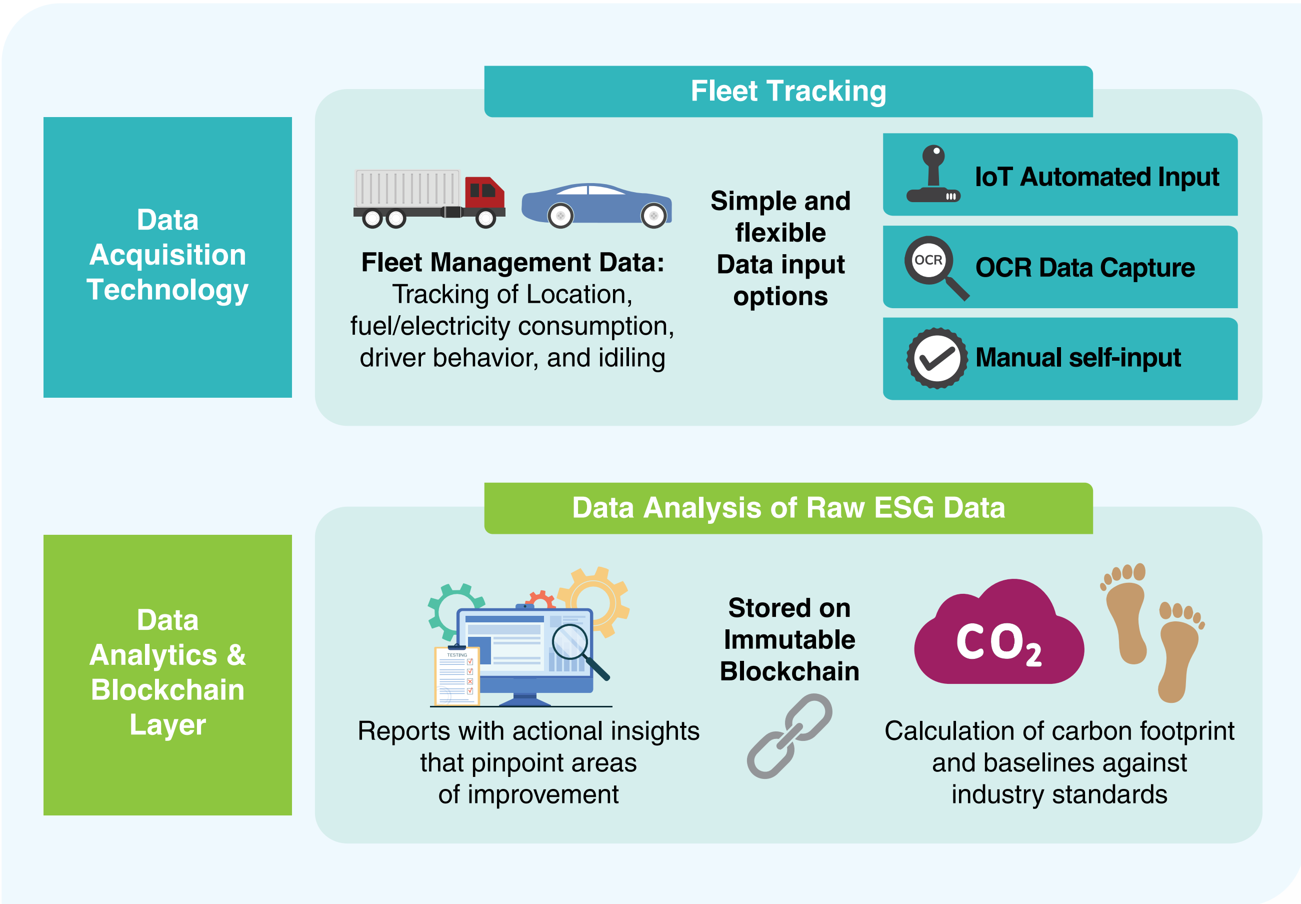
Management Approach

The Group is actively managing its carbon footprint as part of a long-term sustainability strategy by diligently monitoring energy use and recording emission metrics. Through the implementation of an emissions management system, we systematically collect data and track our emissions, enabling us to assess and enhance our performance. This rigorous approach is fundamental to achieving our goal of reducing carbon emissions and advancing our commitment to sustainability.

Emission Tracking

The Group is committed to combating climate change and has implemented a proactive approach by integrating CO_2 Connect into its entire Prime Mover Fleet in 2022. This technology facilitates the tracking of the fleet's carbon footprint and feeds the data into the Group's sustainability framework. The CO_2 Connect system aids the company in embarking on its transition journey to sustainability by enabling effective monitoring of carbon emissions, establishing emission reduction targets, formulating strategies to decrease emissions, and identifying methods to offset its carbon footprint, aligning with the company's long-term sustainability objectives. Additionally, CO_2 Connect offers valuable insights and detailed reporting, enabling the Group to make informed decisions to mitigate carbon emissions actively.

ENVIRONMENT



Emission Management

To manage our vehicle emissions, the following measures are being implemented:

- Prime mover drivers are required to inspect vehicles before use and send any with visible smoke emissions for further inspection and repair.
- Drivers must switch off engines when vehicles are idle, a practice reinforced through informational posters and communications.
- Feedback on exhaust emissions from all vehicles is gathered via customer surveys and engagement initiatives.

We monitor the diesel consumption by litre ("**L**") to analyse if there are any abnormalities in the level of diesel usage by each vehicle.

Energy Consumption Performance

FY2023 Performance

In FY2023, our total energy consumption totalled 158,408.10 gigajoules ("**GJ**"), which comprised 127,297.20 GJ from the combustion of diesel and liquefied petroleum gas ("**LPG**"), and 31,110.89 GJ from consumption of electricity.

ENVIRONMENT

Energy Consumption (GJ) From Fuel and Gas Combustion

Business Entity		Source	Energy Source	Consumption Quantity	Unit	Energy Consumption (GJ)	Total Energy Consumption (GJ)
CSME		Mobile	Diesel	44,882	L	1,621.10	**1,692.05**
		Purchased Gas	LPG	1,500	kg	70.95	
Cogent	Singapore	Stationary	Diesel	137,682	L	4,972.95	**113,737.15**
		Mobile	Diesel	3,011,189	L	108,764.20	
	Malaysia	Mobile	Diesel	327,520	L	11,830.16	**11,868.00**
			LPG	796	kg	37.84	
Total Annual Energy Consumption (GJ)						**127,297.20**	

**Acetylene (as purchased gas) is currently not listed under the GHG Protocol/NEA list for energy and emission calculation. In FY2023, CSME purchased 16.34 tonnes of acetylene.*

Energy Consumption (GJ) From Electricity Consumption

Business Entity		Location	Electricity Consumption (kWh)	Total Electricity Consumption (kWh)	Total Energy Consumption (GJ)
CSME		52 Penjuru Lane	1,003,913.85	**1,003,913.85**	**3,614.09**
Cogent	Singapore	1 Buroh Cresent	3,821,916.02	**6,435,500.69**	**23,167.80**
		15 Tembusu Cresent	1,805,869.40		
		7 Penjuru Close	664,825.27		
		62 West Coast Ferry Road	142,890.00		

ENVIRONMENT

Malaysia	Shclm Landmark T1	44,906.00	**1,202,501.00**	**4,329.00**
	Shclm Landmark T2	39,406.00		
	Shclm Landmark T3	52,261.00		
	Guper Nilai	724,060.00		
	*Guper Port Klang	6,091.00		
	*Guper Westport	35,906.00		
	Shclm Nortport	102,168.00		
	Shclm Westport	197,703.00		
Total Annual Energy Consumption (kWh)			**8,641,915.54**	
Total Annual Energy Consumption (GJ)			**31,110.89**	

**In FY2023, Guper Port Klang (Old) was shifted to Guper Westport (New). The electricity consumption for Guper Port Klang was only during January, while Guper Westport's was from February to December, which added up to an annual consumption of 41,997.00 kWh (equivalent to 151.19 GJ).*

Total Energy Consumption (GJ)

Energy Source	CSME	Cogent		Total (GJ)
		Singapore	Malaysia	
Fuel and Gas (GJ)	1,692.05	113,737.15	11,868.00	**127,297.20**
Electricity (GJ)	3,614.09	23,167.80	4,329.00	**31,110.89**
Total Energy Consumption (GJ)	**5,306.14**	**136,904.95**	**16,197.00**	**158,408.09**

Emission Performance

FY2023 Performance

IIn FY2023, the Group's total greenhouse gas ("**GHG**") emissions equalled 30,032.45 tonnes of CO_2 equivalent ("**tCO_2e**"). Our Scope 1 GHG emissions from fuel and gas combustion combined with the usage of 348.48 tonnes of purchased CO_2 amounted to 25,993.75 tCO_2e. Our electricity consumption resulted in Scope 2 GHG emissions of 4,038.70 tCO_2e.

ENVIRONMENT

Scope 1 GHG Emissions (tCO_2e)

Business Entity		Total Energy Consumption (GJ)	Total Scope 2 GHG Emission (tCO_2e)
CSME		1,692.05	473.49
Cogent	Singapore	113,737.15	23,113.75
	Malaysia	11,868.00	2,406.51
Total Annual Scope 1 GHG Emissions (tCO_2e)			**25,993.75**

*CSME Scope 1 GHG emissions included consumption of 348.48 tonnes of purchased CO_2.

Scope 2 GHG Emissions (tCO_2e)

Business Entity		Total Energy Consumption (GJ)	Total Scope 2 GHG Emission (tCO_2e)
CSME		3,614.09	**418.43**
Cogent	Singapore	23,167.80	**2,682.32**
	Malaysia	4,329.00	**937.95**
Total Annual Scope 2 GHG Emissions (tCO_2e)			**4,038.70**

Total GHG Emissions (Scope 1 and Scope 2) (tCO_2e)

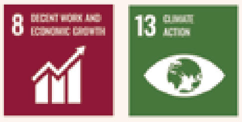
GHG Emissions Category	CSME	Cogent		Total (tCO_2e)
		Singapore	Malaysia	
Scope 1 (tCO_2e)	473.49	23,113.75	2,406.51	**25,993.75**
Scope 2 (tCO_2e)	418.43	2,682.32	937.95	**4,038.70**
Total GHG Emissions (tCO_2e)	**891.92**	**25,796.07**	**3,344.46**	**30,032.45**

FY2024 Target

The Group is dedicated to setting ambitious yet achievable energy and emissions reduction targets. Our strategy includes the rigorous monitoring of energy consumption and emissions across all operations. By establishing a comprehensive tracking system, we aim to gain a clear understanding of our current energy use and emissions profile. Our goal is to foster a culture of sustainability within the organization, where continuous improvement in energy management and emissions reduction is ingrained in every aspect of our business. Additionally, we ensure that emissions from all our activities comply with regulatory requirements.

ENVIRONMENT

WATER USAGE

MATERIAL TOPIC	RELEVANT SDGs
Water Usage and Effluent Management	

Why This Is Important

Recognizing water as a critical and increasingly scarce resource, especially in the context of Singapore where water tariffs have risen consistently, the Group has integrated water conservation into the heart of our sustainability development strategy. Effective management of water consumption is not only a financial imperative but also an environmental and social one. By meticulously overseeing our use of water and diligently working to minimize any negative effects from our operations, we are committing to sustainable development principles that reflect responsible stewardship of natural resources. This approach is in line with our broader commitment to sustainability and underpins our efforts to contribute positively to the communities and environments where we operate.

Management Approach

At the Group, we conduct thorough evaluations of our operations to pinpoint processes with significant water usage and implement targeted education programs for our employees. This training is integral to our everyday practices, fostering a culture of conservation and efficiency in water use across our operations.

In the logistics and marine engineering sectors, we proactively mitigate risks of accidental chemical discharges into public drainage systems. Our preventative measures include regular inspections of containers and drums, meticulous handling of hazardous substances according to established safety protocols and minimizing water usage during area clean-ups to prevent contaminants from entering open drains.

Additionally, the Group has formalized procedures for managing chemical leakage. This includes protocols for controlling chemical discharges to drains and sewers, preventing diesel spills at fuelling stations, and managing chemical spillage on roads, ensuring our operations adhere to the highest environmental protection standards.

A central objective is to achieve zero hazardous substance leaks in both warehouse operations and transportation activities. Furthermore, the Group has proactively established an emergency preparedness and response program to ensure swift and effective actions in the event of any environmental incidents or emergencies.

FY2023 Performance

In FY2023, the Group's overall water consumption amounted to 91,992.09 m^3. Cogent Singapore accounted for over 50% of this total, followed by Cogent Malaysia, and CSME using the least amount of water.

ENVIRONMENT

Annual Water Consumption (m^3)

Business Entity		Location	Water Consumption (m^3)	Total Water Consumption (m^3)
CSME		52 Penjuru Lane	5,118.90	**5,118.90**
Cogent	Singapore	1 Buroh Crescent	25,050.19	**49,240.19**
		15 Tembusu Crescent	19,425.40	
		7 Penjuru Close	4,130.10	
		62 West Coast Ferry Road	634.50	
	Malaysia	Shclm Landmark T1	164.00	**37,633.00**
		Shclm Landmark T2	109.00	
		Shclm Landmark T3	229.00	
		Guper Nilai	17,142.00	
		*Guper Port Klang	547.00	
		*Guper Westport	3,522.00	
		Shclm Nortport	8,221.00	
		Shclm Westport	7,699.00	
Total Annual Water Consumption (m^3)				**91,992.09**

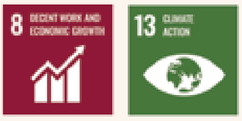
**In FY2023, Guper Port Klang (Old) was shifted to Guper Westport (New). The water consumption for Guper Port Klang was only during January, while Guper Westport's is from February to December, which added up to an annual consumption of 4,069.00 m^3.*

FY2024 Target

In FY2024, the Group is committed to further reducing water consumption throughout our operations and continuously educating our employees on minimizing operational impacts on water resources. We are dedicated to ensuring full compliance with all regulations, aiming for zero incidents of illegal discharge and spill accidents, as part of our ongoing environmental stewardship efforts.

ENVIRONMENT

WASTE MANAGEMENT

MATERIAL TOPIC	RELEVANT SDGs
Waste Management	

Why This Is Important

A robust waste management system is not only integral to the Group's sustainable development but also embodies its commitment to responsible corporate citizenship. By efficiently managing waste, the company can significantly reduce operational costs, making its operations more economically sustainable. Furthermore, effective waste management demonstrates the Group's dedication to environmental stewardship, contributing to the preservation of ecosystems and mitigating its ecological footprint. In doing so, the company upholds its role as a responsible corporate citizen, setting a positive example for industry peers and fostering goodwill within the communities in which it operates. In essence, a well-structured waste management system aligns with the Group's vision of sustainability by harmonizing economic, environmental, and social objectives.

Management Approach

The Group is deeply committed to minimizing its environmental impact and upholding responsible environmental practices. To achieve this, the company has implemented a stringent Environmental Management System that sets high standards for reducing environmental risks to the lowest feasible level.

In the Marine Engineering division, the company has enacted a comprehensive Chemical Waste Control Procedure. This procedure mandates that all chemical waste must be managed and disposed of exclusively by contractors licensed by the National Environment Agency ("**NEA**"). This rigorous requirement ensures that chemical waste is handled in accordance with strict guidelines to prevent any harm to the environment. The Group places trust in NEA-approved entities to possess the necessary facilities and expertise for responsible chemical waste disposal, eliminating the need for additional evaluations or assessments.

Additionally, the Group places paramount importance on the safety of its employees and personnel involved in chemical waste handling. To this end, rigorous training programs are in place to ensure that all individuals are well-versed in the proper use of Personal Protective Equipment ("**PPE**") whenever it is deemed necessary for their safety and the protection of the environment. Moreover, all staff members are thoroughly briefed on the critical aspects of segregating chemical waste from general waste and the importance of measures to prevent any spillage, thereby safeguarding the environment and adhering to best practices.

The company is also firmly committed to the "3R (Reduce, Reuse, Recycle)" approach, which focuses on minimizing waste generation through responsible resource management.

ENVIRONMENT

The Group's commitment extends to its logistics operations, particularly concerning the transportation, storage, and handling of hazardous substances within Singapore. For the transportation of hazardous substances, the company ensures that clear instructions are provided to drivers, and routes are meticulously planned. All transportation routes are approved by the relevant authorities as stipulated in the Transport Emergency Response Plan. Any deviations from approved routes require prior authorization from the relevant authority. In line with safety regulations, hazard warning panels and labels are affixed as necessary to ensure clear identification of hazardous substances during transportation.

When it comes to storing hazardous substances, the Group diligently obtains Hazardous Substance Storage permits, which are a prerequisite for operating chemical warehouses. To maintain compliance and safety, meticulous records are maintained to ensure that the inventory in the warehouse does not exceed the maximum allowable quantity for each substance. The design, construction, and maintenance of storage facilities adhere to industry codes of practice, and all workers involved in handling hazardous substances receive appropriate training and instruction to ensure safe practices.

To ensure ongoing compliance with evolving laws and regulations, the Group maintains a dedicated team of employees tasked with monitoring and tracking all licenses and regulations. In line with local regulations, an emergency response team, comprising trained members, is established to respond effectively to emergency situations such as chemical spillages and fires. Additionally, the company conducts regular audits by NEA-accredited auditors and the Singapore Civil Defence Force ("**SCDF**") to validate adherence to safety and environmental standards.

FY2023 Performance

In FY2023, the Group generated a total of 672.44 tonnes of waste, including 601.88 tonnes non-hazardous and 70.56 tonnes hazardous waste. Within this figure, 82.78 tonnes of wood, 12.90 tonnes of plastic, and 4.30 tonnes of paper were recycled. 501.90 tonnes of general waste underwent incineration, while 70.56 tonnes of hazardous waste was managed through engagement with approved contractors, ensuring proper collection and specialized treatment before disposal.

Waste Generation (tonne)

Waste Category		CSME	Cogent		Total (Tonne)
			Singapore	Malaysia	
Hazardous		0.00	61.00	9.56	**70.56**
Non-hazardous	**General**	119.50	296.00	86.40	**601.88**
	Wood	26.00	39.50	17.28	
	Plastic	1.50	7.60	3.80	
	Paper	2.40	1.00	0.90	

FY2024 Target

We are committed to a strategic reduction of our waste output starting in FY2024, continuing this initiative into the future with sustained and collaborative efforts.

CONNECTING HEARTS, EMPOWERING LIVES

SOCIAL

Key Material Topics

- Fair Employment Condition and Employee Diversity
- Training and Skill Development
- Occupational Health and Safety
- Cyber Security and Business Partners Privacy

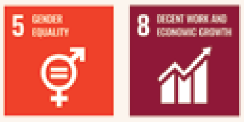
GRI Topics

- GRI 401-Employment
- GRI 403 -Occupational Health and Safety
- GRI 404 -Training and Education
- GRI 405 -Diversity and Equal Opportunity
- GRI 406 - Non-discrimination
- GRI 418 - Customer Privacy

UN SDGs We Support

SOCIAL

FAIR EMPLOYMENT CONDITION AND EMPLOYEE DIVERSITY

MATERIAL TOPIC	RELEVANT SDGs
Fair Employment Condition Employment Relations and Diversity	

Why This Is Important

In the Group, we treat our employees as our most significant assets and they are crucial for the long-term success of the Group. Boosting a nurturing all-inclusive, and safe working environment with development opportunities all play a part in keeping our employees engaged. Their expertise and contributions help drive the Group's growth beyond its existing capacity. As the nature of the work at the Group's different business segments involves manual work in high-risk areas, upholding a stringent health and safety working culture is the priority.

Management Approach

At our core, we are committed to fostering an environment that propels both personal and corporate advancement. Our comprehensive programmes in recruitment, training, and rewards are designed to elevate our employees' skillsets and enhance the operational efficiency of the Group.

In line with our regional expansion, we place a high value on cultivating local talent in their respective markets, recognizing that such localization is key to our success. We acknowledge the vital role the youth play in shaping our future, and we are dedicated to providing them with opportunities that prepare them to be the leaders of tomorrow.

Understanding the need for a proficient talent pool to manage intricate and specialized roles, we are dedicated to continually refining our talent development system. This ensures we not only attract but also nurture the exceptional talent necessary for leadership and execution within our complex business landscape.

The Group takes pride in our distinctive management approach, which is centred on active employee engagement.

SOCIAL

Fair Employment

In the Group, we uphold a commitment to a fair and transparent recruitment process, utilizing necessary interviews and written assessments to evaluate candidates based solely on job-related criteria, ensuring accessibility to a diverse talent pool and strictly adhering to selection criteria aligned with job requirements. Additionally, we prioritize equitable treatment for all employees of the Group, encompassing hiring, training, compensation, promotion, and disciplinary action, with strict prohibitions against discrimination based on race, gender, religion, age, nationality, or any other legally protected characteristic. Compensation and benefits are consistently and fairly administered, reflecting individual qualifications, experience, and performance, regularly benchmarked against market standards to maintain competitiveness and equity. Employees are encouraged to raise concerns through our grievance procedure, with all complaints promptly and confidentially investigated.

While the management bears primary responsibility for policy implementation, we emphasize that every employee plays a crucial role in fostering a fair and respectful workplace. We expect all team members to embody the principles of this policy in their daily work, contributing to the collective effort in creating an environment where fairness and respect are paramount.

Employee Benefits

Fair employment practices and benefits protection are detailed in our Employee Handbook, which covers codes of practice, employment, leave, remuneration, and insurance benefits, as well as non-discrimination policies, all acknowledged by employees upon hiring.

Equal and Inclusive Working Environment

At the Group, we hold a deep respect for the diverse backgrounds and perspectives that each individual brings to our team. We are steadfast in our commitment to equality in employment, ensuring that every aspect of our hiring, training, and compensation processes is free from discrimination. Our policy mandates that decisions regarding recruitment and career advancement are made without regard to race, gender, religion, age, or nationality. We pledge to provide equal opportunities for all job candidates and employees, nurturing an inclusive workplace that values fairness and equality as the cornerstones of our corporate ethos.

SOCIAL

FY2023 Performance

With the consideration of the share percentage and operation activity of the Group, the following business entities are included in this section:

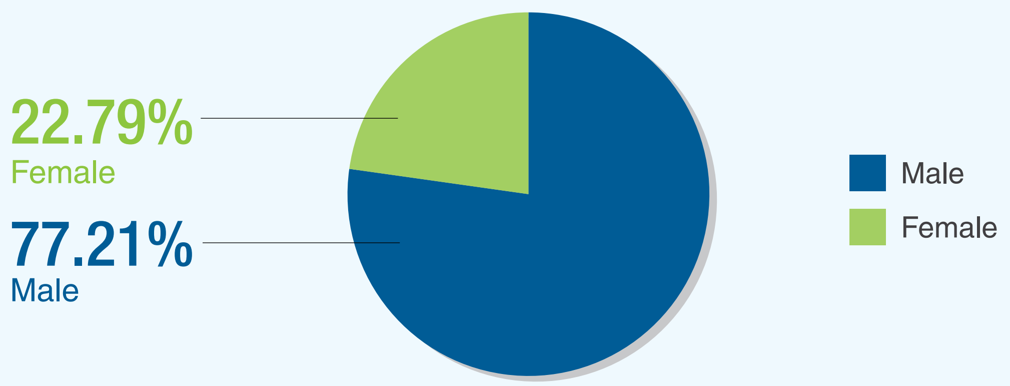
- CSIS;
- CSME;
- Cogent (Singapore and Malaysia);

Total Employees by Gender

As of 31 December 2023, the Group had 847 employees in total under the Group's employment. Among our employees in FY2023, 77.21% were male, and 22.79% were female.

Gender	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Male	7	107	335	205	654
Female	7	8	111	67	193
Total	**14**	**115**	**446**	**272**	**847**

Total Employees by Gender FY2023



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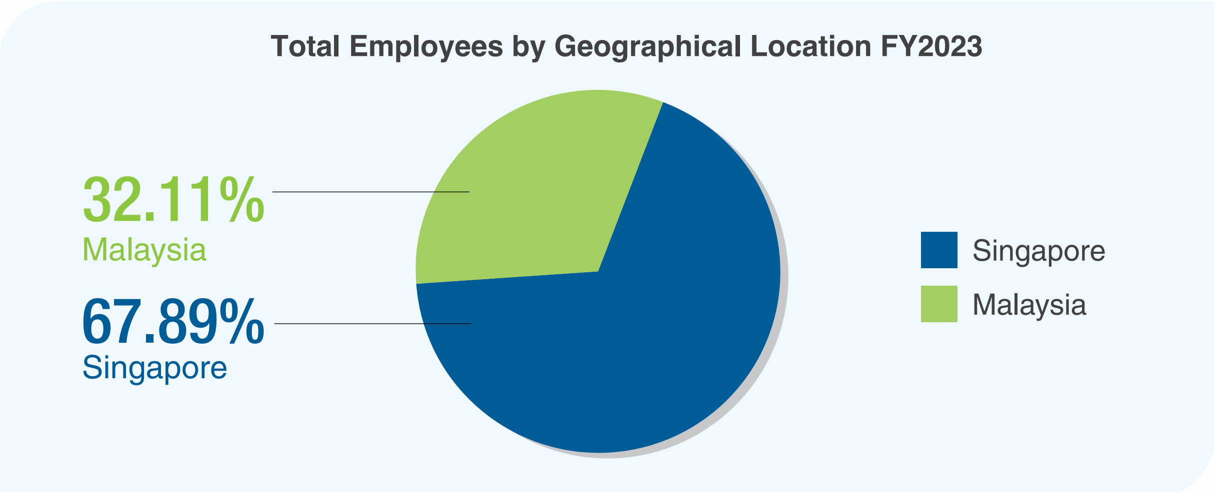
Total Employees by Geological Location

In terms of geological location, in FY2023, 67.89% of our employees were based in Singapore, while 32.11% of our employees were based in Malaysia.

Geological Location	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Singapore	14	115	446	0	**575**
Malaysia	0	0	0	272	**272**
Total	**14**	**115**	**446**	**272**	**847**



Total Employees by Contract Type

In FY2023, 797 of our employees were on permanent contracts with 50 temporary employees. 94.10% employees are permanent employees with the company.

Contract Type	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Permanent	14	115	446	222	**797**
Temporary	0	0	0	50	**50**
Total	**14**	**115**	**446**	**272**	**847**

SOCIAL

Total Employees by Working Type

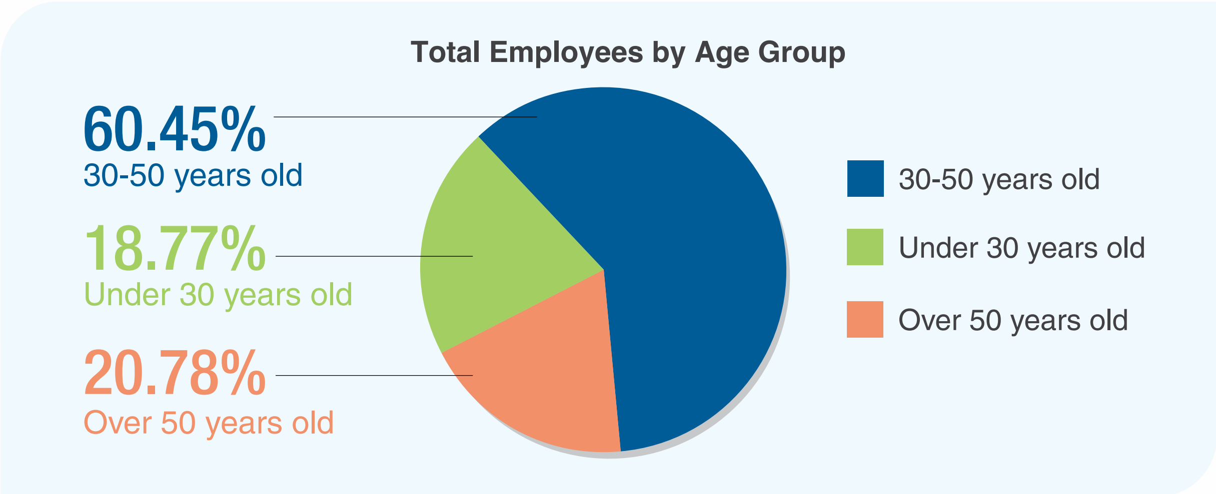
In FY2023, we had 841 full time employees and 6 part-time employees. 99% of our workforce are full time employees employed by the Group.

Working Type	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Full Time	14	112	443	272	**841**
Part Time	0	3	3	0	**6**
Total	**14**	**115**	**446**	**272**	**847**

Total Employees by Age Group

In FY2023, we had 159 employees under 30 years old, 512 employees between 30 and 50 years old, and 176 employees over 50 years old.

Age Group	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Under 30	2	20	73	64	**159**
30-50	6	81	264	161	**512**
Over 50	6	14	109	47	**176**
Total	**14**	**115**	**446**	**272**	**847**

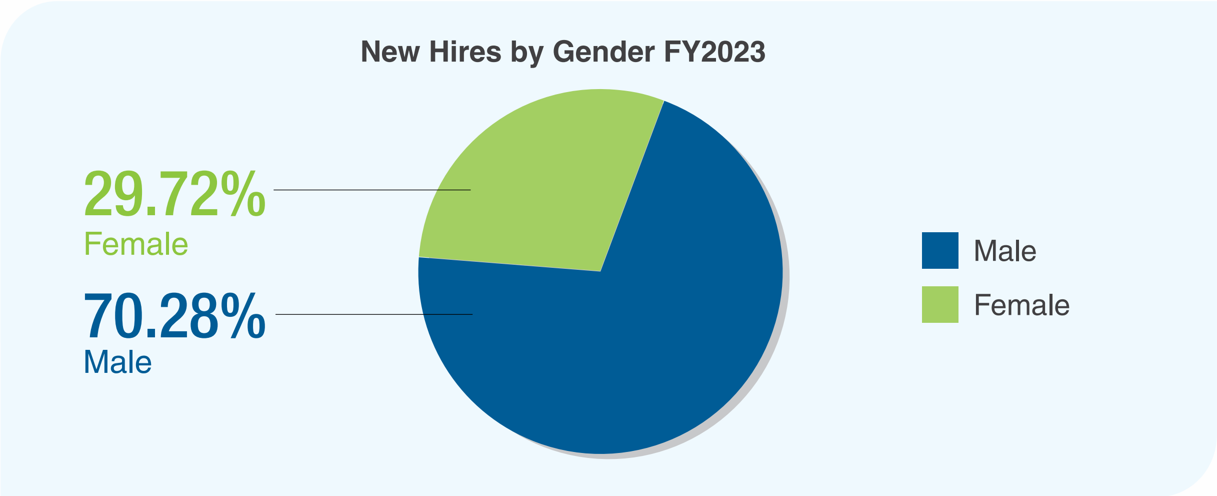


SOCIAL

New Hires by Gender

In FY2023, our 286 new hires consisted of 201 males and 85 females.

Gender	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Male	2	11	121	67	**201**
Female	2	1	60	22	**85**
Total	**4**	**12**	**181**	**89**	**286**



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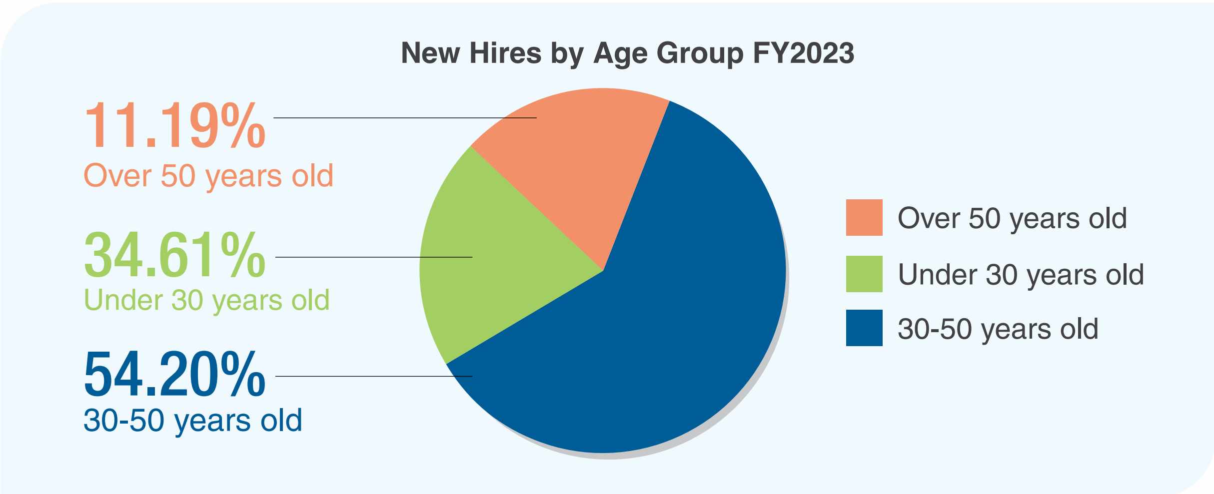
New Hires by Age Group

In FY2023, we hired 99 employees under 30 years old, 155 employees between 30 and 50 years old, and 32 employees above 50 years old.

Age Group	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Under 30	2	2	57	38	**99**
30-50	2	9	94	50	**155**
Over 50	0	1	30	1	**32**
Total	**4**	**12**	**181**	**89**	**286**



SOCIAL

Employee Turnover Rate

In FY2023, the staff turnover rate was 39.98% for the Group. In recent evaluations of our workforce dynamics, we've pinpointed several factors contributing to our elevated turnover rate. A significant trend has emerged post-COVID-19, with many employees seeking opportunities that promote personal development and prioritize work-life balance. In the logistics industry, implementing flexible working arrangements poses challenges, yet it's clear that a substantial number of our team members are in pursuit of personal goals that require such flexibility. At the group, we acknowledge that our working environment has traditionally lacked this level of flexibility, and we respect our employees' desires to seek environments that support their personal and professional growth.

We are acutely aware of these issues and are proactively committed to creating solutions through strategic initiatives aimed at enhancing our workplace environment. This includes efforts to offer more competitive benefits and to cultivate a company culture that values work-life balance and overall employee well-being. We believe these steps will not only improve our ability to retain our valued team members but also attract new talent who share our vision for a supportive and flexible working environment.

Business Entity	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
No. of Employees Who Left	1	22	224	98	**345**
Employee No. at the Beginning of FY	11	121	476	271	**879**
Employee No. at the End of FY	14	115	446	272	**847**
Employee Turnover Rate	**8.00%**	**18.64%**	**48.59%**	**36.10%**	**39.98%**

Employee Parental Leave

We entitled our 19 employees (9 male, 10 female) with parental leave, with a 100% return to work and retention rate in FY2023.

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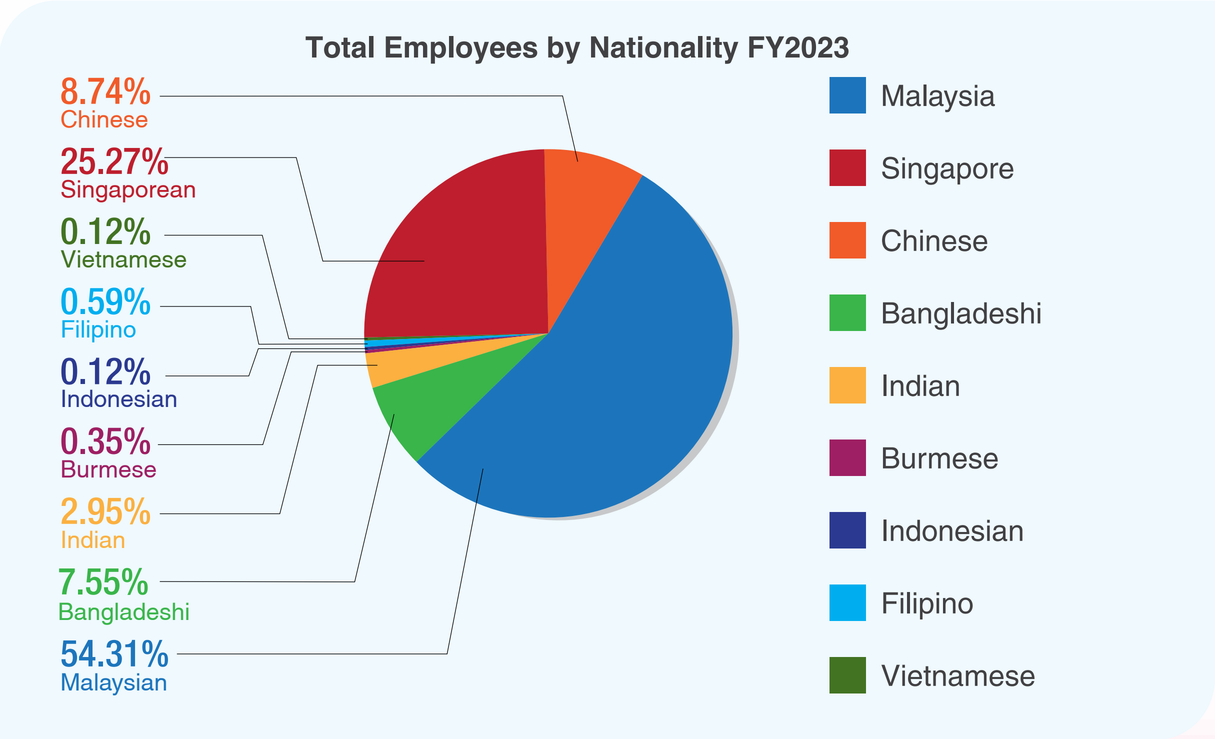
Total Employees by Nationality

In FY2023, our employees were from 9 different countries. More than half of our workforce, accounting for 54.31%, were Malaysian nationals. Singaporeans made up 25.27% of our employees, followed by Chinese and Bangladesh nationals at 8.74% and 7.55%, respectively. Indian, Filipino, and Burmese employees constituted 2.95%, 0.59%, and 0.35% of our staff, while Indonesian and Vietnamese each comprised 0.12% of our total employees.

Nationality	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Singaporean	6	12	196	0	**214**
Chinese	5	13	54	2	**74**
Malaysian	3	8	181	268	**460**
Bangladeshi	0	63	1	0	**64**
Indian	0	17	6	2	**25**
Burmese	0	2	1	0	**3**
Indonesian	0	0	1	0	**1**
Filipino	0	0	5	0	**5**
Vietnamese	0	0	1	0	**1**
Total	**14**	**115**	**446**	**272**	**847**



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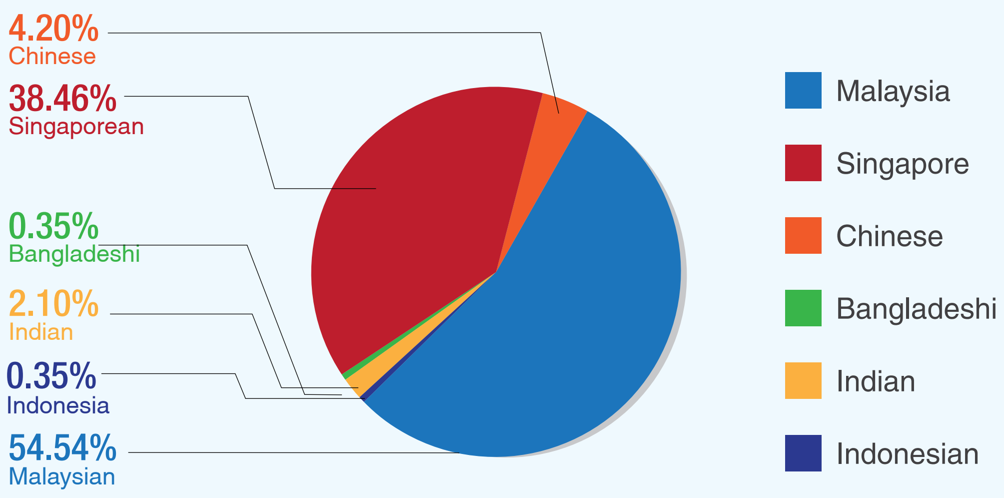
New Hires by Nationality

In FY2023, our 286 new hires came from 6 different countries: Malaysians accounted for 54.54% of new hires, followed by Singaporean and Chinese nationals at 38.46% and 4.20%, respectively. Indians consisted 2.10% of the headcount, while Bangladesh and Indonesian each constituted 0.35%.

Nationality	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
Singaporean	2	2	106	0	**110**
Chinese	1	1	10	0	**12**
Malaysian	1	3	63	89	**156**
Bangladeshi	0	1	0	0	**1**
Indian	0	5	1	0	**6**
Indonesian	0	0	1	0	**1**
Total	**4**	**12**	**181**	**89**	**286**

New Hires by Nationality FY2023



FY2024 Target

In FY2024, we are committed to upholding our track record from FY2023 by ensuring that all employment conditions meet or exceed industry standards, fostering a workplace that is free from complaints regarding employment conditions or instances of unfair treatment. Our goal is to maintain a harmonious and respectful environment that reflects our dedication to employee satisfaction and fair treatment.

SOCIAL

TRAINING AND SKILL DEVELOPMENT

MATERIAL TOPIC	RELEVANT SDGs
Training and Skill Development	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH

Why This Is Important

At the Group, we recognize that the synergy of training, skill development, and performance reviews is crucial for sustainable growth. These programs enhance our employees' productivity, enabling them to navigate the dynamic work environment and align their career aspirations with the company's goals. Our commitment to employee development fosters innovation and efficiency, ensuring that the company remains competitive and sustains its industry leadership.

Management Approach

Training and Skill Development

At the Group, we are committed to fostering a culture of continuous learning and professional development. We understand that the growth of our company is deeply intertwined with the professional growth of our employees. To this end, our Training and Skill Development policy is designed to systematically enhance the work efficiency, expertise, and skills of our staff.

The Human Resources Division ("**HRD**") serves as the central body for managing our company's training initiatives. We identify the business needs and talent development strategies necessary to drive progress and arrange for esteemed training providers to elevate our employees' abilities.

We conduct in-house training programs and sponsor external courses, specifically targeting areas crucial to our operations such as finance, accounting, marketing, information technology, and technical operations. Our goal is to not only improve productivity but also to promote organizational growth and enact transformative change, ensuring the Group remains a sustainable and forward-thinking enterprise.

To keep pace with evolving market practices, we offer internal courses, financial support for external training, and sabbaticals with guaranteed job placement upon return. Our training process is comprehensive, beginning with identifying the training needs, sourcing the best available courses, and culminating with the approval from Senior Management.

Our technical staff undergo annual assessments in simulated environments to validate their competency in maintaining the highest standards of safety and operational excellence. Furthermore, we solicit feedback through training evaluation forms to continually refine our programs.

Safety is paramount, and we conduct regular safety training sessions taught by qualified instructors from top-tier centres. This ensures a high proficiency level in safety practices. Additionally, all new employees must successfully complete mandatory training and pass relevant tests before starting their roles.

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This structured approach to training and development not only elevates individual performance but also contributes to our collective success, reinforcing the Group's position as a leader in the logistics industry.

The training process is stated as follows:

Fair Employee Promotion

In the Group, we encourage and shall promote the professional growth of each employee based on his/her work performance. Suitable opportunities will be provided for the promotion and upgrading of deserving employees. The Company encourages the promotion of suitable qualified and capable employees when the opportunity arises.

Fair promotion opportunity boosts employees' morale and motivates them to keep upgrading themselves to ensure high standards of job performance.

Promotion involves the placement of an employee in a position on a grade higher than his/her current position. It might involve changing tasks and duties, increased responsibilities and/or complexity.

To assess job performance, the Group conducts employee performance evaluations regularly to ensure the service standards meet the Company's level. Meanwhile, the job performance evaluation programme ensures that every employee has an equal opportunity to get promotion regardless of age, race, nationality and gender.

Employee Performance Review

At the Group, our Employee Performance Review policy is structured to ensure the highest standards of accountability and professional growth, reflecting our commitment to excellence and operational efficiency. The purpose of performance appraisal at the Group is multifold:

- Assessment of Work Performance: To evaluate an employee's work performance, ability, and attitude.
- Remuneration and Positioning: To use appraisal results as a significant measure for reviewing and determining employee remuneration, post appointments, and identifying further training needs.
- Career Development: To inform career development design and make decisions regarding rewards or disciplinary actions.

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The HRD is responsible for organizing and conducting appraisals. Division heads are tasked with appraising employees within their divisions while also being subject to appraisal themselves. Confidentiality is paramount; employees are forbidden from disclosing any appraisal-related information and must refrain from engaging in any corrupt practices. Appraisal results are securely maintained by HRD and are only accessible to the Head of Division ("**HOD**"), Vice President, President, or personnel authorized by them.

The company also documented the Performance Improvement Plan ("**PIP**"), the PIP serves to help the HOD and Direct Superior address and resolve performance discrepancies, communicating the necessary level of improvement and action steps to meet performance expectations.

FY2023 Performance

Employee Training Hours

In FY2023, 10.59 average training hours were received per employee in the Group.

In terms of business entities, CSIS received the most extensive training at 33.79 hours, followed by Cogent Malaysia at 13.03 hours, Cogent Singapore with 9.11 hours and CSME with 7.74 hours of training.

Broken down by gender, our male employees, on average, received 8.56 hours of training, whereas our female employees received an average of 17.46 hours of training.

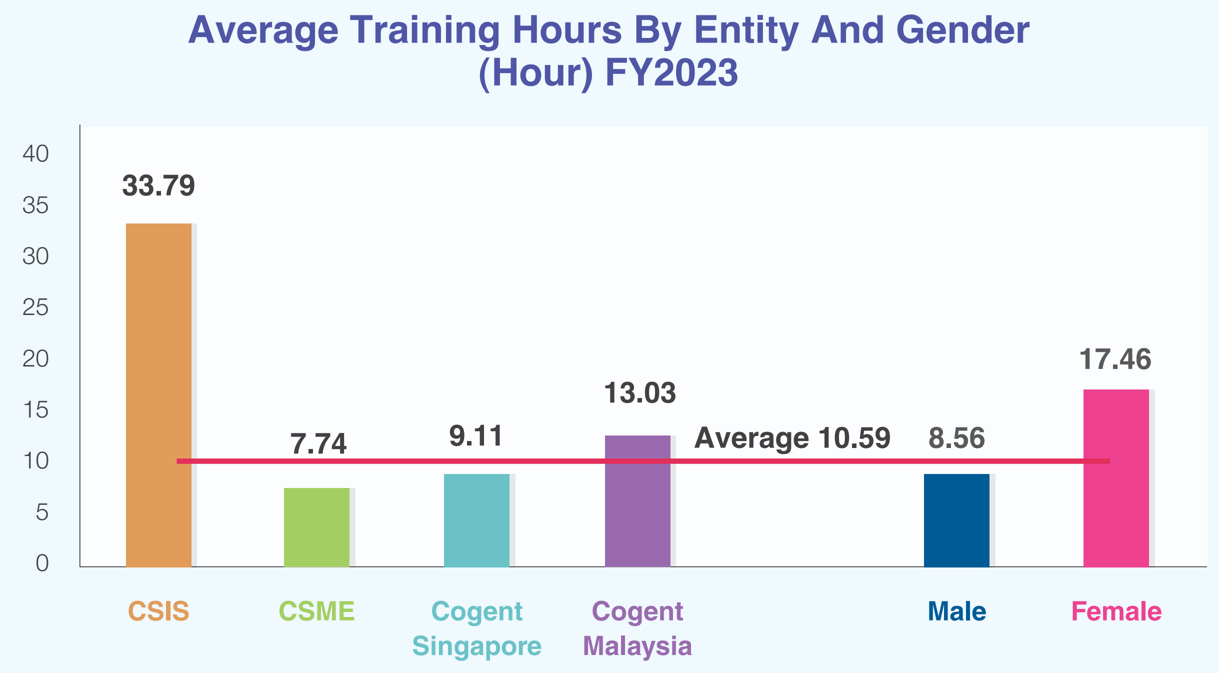
Overall Employee Training Hours

Business Entity	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
No. of Employee	14	115	446	272	**847**
Training Hours	473	890	4,061	3,544	**8,968**
Average Training Hours	**33.79**	**7.74**	**9.11**	**13.03**	**10.59**

SOCIAL

Employee Training Hour by Gender

Gender	Male	Female	Total
No. of Employee	654	193	**847**
Training Hours	5,599	3,369	**8,968**
Average Training Hours	**8.56**	**17.46**	**10.59**



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Training Programmes

Technical and Safety

- Workforce Skills Qualifications ("**WSQ**") Apply Workplace Safety and Health in Shipyard (General Trade)
- WSQ Perform Rigger & Signalmen Tasks
- WSQ Operate Forklift
- Operate Boon Lift
- Operate Scissor Lift
- Shipyard Safety Instruction Course for Workers (Hotwork Trade)
- Manage Workplace Safety & Health in Shipbuilding & Ship Repair
- Perform Work at Height
- Working at Height Awareness Training
- Confined Space Awareness Training
- Hot Work Awareness Training
- Lifting Awareness Training
- Hand Safety Awareness Training
- Heat Stress Safety Awareness Training
- Manual Handling Training
- Hand Tool Inspections Awareness
- Eye Injuries and Prevention Awareness
- Electrical Safety Awareness
- Slip, Trip and Fall Awareness
- Apply Heavy Forklift Driving Techniques
- Hearing Conservation Program
- Health, Safety, and Environment ("**HSE**") Induction
- Safety Training for Supervisor
- WSQ Respond to Fire Incident in Workplace
- Implement Incident Management Processes Course
- Respond to Fire and Hazmat Emergency Course
- CERT First Aid Course
- Refresher Courses

Soft Skill

- Workshop for CEO/Top Management (BizSAFE Level 1)
- SID Annual Audit & Risk Committee Seminar 2023
- SGX Climate Report via ESGenome
- SGX ESGenome Matrix Portal
- ESG Training
- SIAS Corporate Governance Conference
- Corporate Governance Forum 1 - Optimising Investor Relations: Strengthening Communication Strategies for Success
- Corporate Governance Forum 2 - The Dilemma for Company Good Governance – Fraud the Challenge
- Investor Forum - Unlocking Value with Responsible Investing: ESG and Climate Governance Insights for Investors

SOCIAL

Employee Performance Review

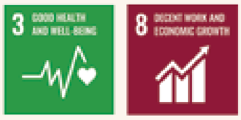
In FY2023, 52.30% of our employees received annual performance reviews. Employees under CSIS were fully covered, followed by 91.91% of employees from Cogent Malaysia, 34.53% of employees from Cogent Singapore and 21.74% of CSME's employees were reviewed.

Business Entity	CSIS	CSME	Cogent		Total
			Singapore	Malaysia	
No. of Employee	14	115	446	272	**847**
No. of Performance Review Conducted	14	25	154	250	**443**
Percentage of Performance Review	**100%**	**21.74%**	**34.53%**	**91.91%**	**52.30%**

FY2024 Target

In FY2023, our goal is to deliver an average of 9 hours of training per employee, ensuring that our workforce is equipped with the latest skills and knowledge.

OCCUPATIONAL HEALTH AND SAFETY

MATERIAL TOPIC	RELEVANT SDGs
Occupational Health and Safety	

Why This Is Important

OHS stands at the core of the Group's operational ethos, reflecting our unwavering commitment to safeguarding our workforce the most valuable asset of our enterprise. Recognizing that the well-being of our employees is intrinsically linked to our overall success, we place paramount importance on creating a workplace environment where health and safety risks are systematically identified, assessed, and mitigated. A robust OHS framework not only ensures compliance with legal standards but also fosters a culture of proactive care, leading to enhanced productivity, employee morale, and corporate reputation. By prioritizing OHS, the Group actively contributes to sustainable development goals, demonstrating our dedication to the social pillar of sustainability, and reinforcing our pledge to responsible business practices.

SOCIAL

Management Approach

The Group maintains an unwavering dedication to ensuring a secure and health-conscious working environment, recognizing the paramount importance of our employees' safety and well-being. Operating within a demanding environment, we have instituted a comprehensive safety management system that encompasses all employees, complete with rigorous incident investigation and precise reporting protocols. Below is a synopsis of our management strategy, which underscores our proactive measures to uphold and enhance occupational health and safety for our workforce.

OHS Management System

The Group is dedicated to achieving a workplace free from injuries, underpinned by an integrated Quality, Environmental, Health, and Safety Management System ("**QEHSMS**") that complies with relevant laws and addresses risks. The QEHSMS is structured to ensure process effectiveness, hazard identification, legal compliance, and continual improvement through regular monitoring and management reviews.

A Management Committee oversees the QEHSMS, aligning it with business processes, and promoting a culture of safety and environmental responsibility. The system adheres to local safety acts and ISO standards 45001, 14001, and 9001, focusing on injury prevention, pollution control, waste minimization, and recycling.

Continuous improvement initiatives include routine safety inspections, training, safety briefings, and awareness campaigns, such as an annual Safety and Health Week and a Smoke-Free Workplace Policy. A dedicated WSH Committee, comprising safety and operational experts, reinforces our safety framework by ensuring system adherence, managing risks, and elevating safety consciousness among employees. This commitment extends to rigorous incident analysis and systematic reporting to maintain a secure and healthy work environment for all staff.

OHS Policy

An OHS policy is in place to improve workplace health and safety standards. Every employer's responsibility is to ensure that their employees can carry out their work as safely as possible. OHS also deals with all aspects of health and safety in the workplace and strongly focuses on the primary prevention of hazards. Its goal is to prevent accidents and harm to people from work-related activities.

SOCIAL

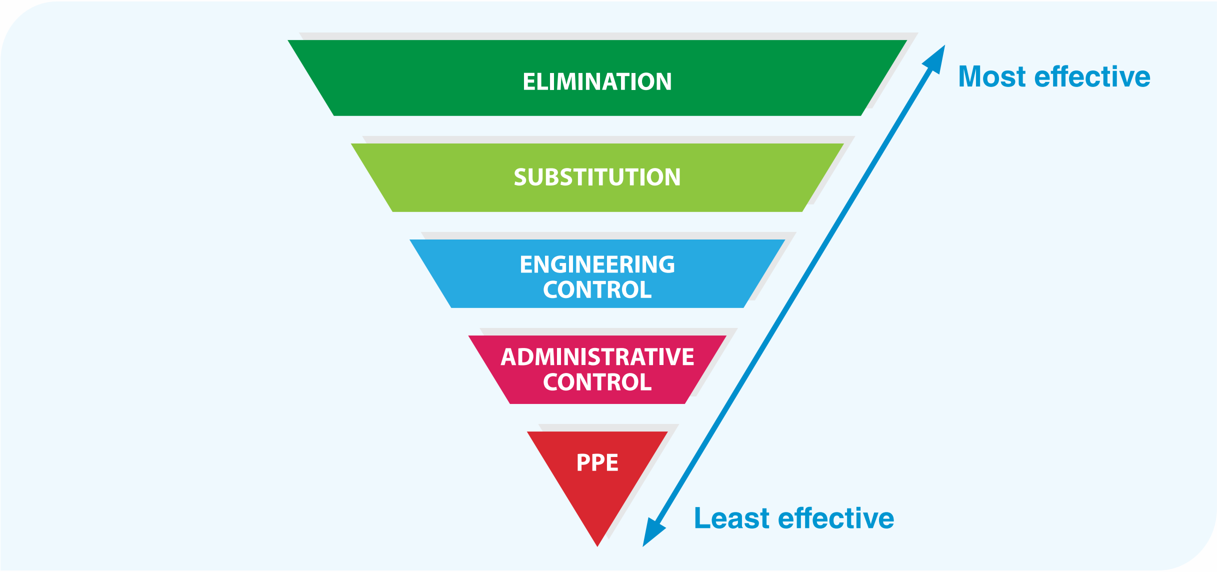
Hazard Identification and Risk Assessment

Cogent emphasizes that its QEHSMS aims to identify hazards and prevent injuries. Risk Management ("**RM**") has been developed as part of this initiative, in line with Workplace Safety and Health (Risk Management) Regulations and the Approved Code of Practice on WSH Risk Management. The company's approach includes:

- Establishing procedures for hazard identification, risk assessment, and determining the environmental aspects it can control or influence.
- Keeping an updated list of hazards/risks and environmental aspects/impacts related to work activities, based on various analyses, reports, and professional judgment.
- Including significant health and safety hazards when setting objectives and targets.
- Regularly reviewing and updating the hazard and risk list, especially when changes occur that could affect existing hazards and risks.

Cogent forms different risk management teams across its business units to identify, assess, and control risks. These teams, led by competent individuals trained in RM, identify hazards through weekly site inspections, incident investigations, audits, and worker feedback.

Risk evaluations use the '5x5' matrix as recommended in the Approved Code of Practice, and a hierarchy of controls is implemented for risk measures: elimination, substitution, engineering controls, administrative controls, and PPE.



Source: Code of Practice on WSH Risk Management, 2021

SOCIAL

Risk assessments cover all processes and are reviewed every three years or following incidents, significant work process changes, or when new information on WSH risks is available. These RM procedures are audited by MOM accredited auditors.

Communication is crucial; employees are encouraged to report safety concerns immediately. They are instructed during orientations and regular meetings to halt work if conditions are unsafe. Toolbox meetings and in-house training are conducted in understandable languages, highlighting work activity hazards, risks, and control measures. Workers are consistently reminded to wear appropriate PPE, maintain vigilance, and look out for each other.

In addition to communication and training, RM includes pre-work inspections and regular maintenance. Machinery and equipment must be thoroughly inspected before use, with any issues reported immediately. Cogent also incentivizes reporting of hazards and near misses by integrating these practices into annual employee appraisals.

Incident Investigation

Incident Investigation and reporting procedures have been established to analyse incidents, identify their fundamental causes, and recommend preventive measures. All employees must immediately report any hazards, near misses, incidents, and injuries to their supervisors or managers. Prompt site inspections, document evaluations, and interviews with relevant personnel follow any reports. In cases of severe injuries or incidents, a collaborative investigation with the safety department is mandated.

Responsibilities for incident investigation are as follows:

- Operation Managers are tasked with investigating issues and ensuring corrective measures are taken to prevent recurrence. This includes handling non-conformities from various operational stages, complaints post-delivery, legal compliance issues, and findings from internal audits or management reviews.
- Before implementing corrective actions, risk assessments are required for any new or modified hazards or changes to the QEHSMS.
- Department Managers oversee the review and necessary updates to documentation, while higher management levels verify and endorse the corrective actions.

Records of all incidents and associated lost man-days, injuries, and the Work Injury Rate ("**WIR**") are maintained and communicated to Senior Management on a weekly and monthly basis, underlining the company's dedication to a safe and healthy workplace.

SOCIAL

Worker Participation, Consultation, and Communication on OHS

The company acknowledges the crucial role of worker engagement in enhancing OHS. To improve daily performance, two primary strategies are employed:

- Awareness: We ensure that all employees are well-informed about our QEHS policies and objectives. Their training begins at induction and continues with regular updates, emphasizing the importance of their role in maintaining a safe and healthy work environment and its impact on customer satisfaction.
- Communication: Robust communication protocols for QEHS matters involve regular meetings, digital and physical information-sharing platforms, and direct involvement with the WSH Committee. This ensures that safety remains at the forefront of our daily operations.

Our integrated QEHSMS actively includes workers in safety discussions and decision-making processes. We conduct safety perception surveys to evaluate and improve the effectiveness of our safety management practices.

To maintain our high safety standards, logistics personnel undergo yearly assessments and training. By promoting a participative and communicative culture, we aim to achieve a safe, healthy, and productive workplace.

Occupational Health Services and Promotion of Worker's Health

Cogent proactively supports its employees' health by facilitating non-occupational medical check-ups and providing medical cards for access to a network of clinics. Specific employee groups, such as those at the ISO container depot, are required to undergo pre-employment medical exams to verify fitness for their job. Additionally, Drug & Alcohol screenings are conducted for selected prime mover drivers. Prime mover drivers aged 62 and over undergo mandatory health screenings in compliance with Port of Singapore Authority (**PSA**) requirements. For employees nearing 62, Cogent conducts re-employment medical check-ups, with those certified as fit being re-employed until the age of 67.

Worker Training on Occupational Health and Safety

OHS training at our company is an ongoing process, integral to our daily operations, ensuring adherence to the highest safety standards. We conduct both internal and external training, as stipulated by relevant legal and regulatory requirements, to ensure that all employees are proficient in safe work practices. Regular safety briefings and refresher courses are an essential part of our internal training program. We meticulously document and preserve all training records.

Annually, our operations team assesses our functional requirements to determine the most beneficial training to ensure safe and compliant operations. We either facilitate in-house training or engage reputable external training providers. Over the past year, we have organized numerous courses, some of which are fundamental to both new and existing employees. These include a Safety Orientation Course, the WSQ Develop a Risk Management Implementation Plan course, Fire-Fighting training, and a Hazardous Material Management courses.

SOCIAL

OHS Impact Directly Linked by Business Relationships

Contractor management is a key focus at Cogent, where we ensure contractors meet our safety and health standards through regular assessments and weekly workplace inspections. We've initiated bi-monthly EHS meetings to address related issues and foster collaboration for improved safety outcomes.

Our commitment extends to tenant areas, with monthly inspections to verify the implementation of risk control measures. Safety practices are reinforced through emails and notices in communal spaces.

Recognizing the impact of our prime mover fleet on road safety, we emphasize the responsibility of our drivers to be vigilant and considerate. We monitor compliance with road safety laws and in-house policies, while our drivers also participate in Defensive Driving courses and internal safety briefings to maintain a high level of road safety awareness.

FY2023 Performance

Our Employees

Total Working Hours and Work-related Injuries

In FY2023, the total working hours of our employees totalled 2,029,158 hours. There was no fatality or major incident reported across the Group, with 19 cases of minor injuries, 352 man-days lost, and a rate of recordable work-related injuries of 9.36.

Business Entity		CSME	Cogent		Total
			Singapore	Malaysia	
Total Working Hours		345,943	1,057,986	625,229	**2,029,158**
No. of Occurrence	**Fatality**(1)	0	0	0	**0**
	Major Injury(2)	0	0	0	**0**
	Minor Injury(3)	13	6	0	**19**
No. of Lost Days		**107**	**245**	**0**	**352**
Rate of recordable work-related injuries(4)		**37.58**	**5.67**	**0.00**	**9.36**

(1) Fatality: Fatalities as a result of work-related injury

(2) Major injury: High-consequence work-related injuries (excluding facilities), including injuries where the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

(3) Minor injury: Recordable work-related injuries, including medical treatment beyond first aid, restricted work or days away from work.

(4) The injury rate is based on per 1,000,000 working hours

SOCIAL

Our Contractor

Total Working Hours and Work-related Injuries

In FY2023, the total working hours of our contractors (only Cogent Singapore and Malaysia engaged contractors in FY2023) were 314,611 hours. There were zero injury cases and zero man-day losses reported across the Group.

Business Entity	CSME	Cogent		Total
		Singapore	Malaysia	
Total Working Hour	0	105,410	209,201	**314,611**

Work-related Health Issues

In FY2023, none of our operating sites reported work-related health issues.

FY2024 Target

For FY2024, the Group has established ambitious OHS targets, aiming for zero fatalities arising from work-related injuries and the complete elimination of severe work-related injuries. These targets underscore our commitment to creating the safest possible work environment for our employees.

CYBER SECURITY AND BUSINESS PARTNERS PRIVACY

MATERIAL TOPIC	RELEVANT SDG
Cyber Security and Business Partners Privacy	8 DECENT WORK AND ECONOMIC GROWTH

Why This Is Important

Cybersecurity and business partner data privacy are critical to maintaining the Group's integrity and competitive edge in the global logistics industry. Robust cybersecurity measures are essential to protect against operational disruptions, financial losses, and reputational damage. Similarly, data privacy is integral for building trust, ensuring compliance with global regulations, and securing sensitive information. These practices not only reinforce our reputation and customer trust but also provide a competitive advantage and are key to the company's sustainable development.

By adhering to international data protection laws and fostering a culture of data privacy, the Group mitigates legal and financial risks and enhances operational efficiency, which is vital for the company's growth and the fostering of long-term customer relationships. Moreover, prioritizing data privacy stimulates innovation in data management, improves customer service, and respects employee personal information, reflecting the company's commitment to ethical practices and corporate social responsibility. Overall, for the Group, data privacy and cybersecurity are not just regulatory obligations but strategic imperatives for securing its future in the competitive global logistics landscape.

Management Approach

Cyber Security

The Group has proactively fortified its network security through a holistic suite of measures designed to bolster defenses, maintain information system integrity, and align with our strategic IT objectives. A dedicated Network Security Management Committee and an Information Technology Department have been established, orchestrating our security initiatives. Custom network security protocols, rooted in national regulations and our corporate policy, guide our tailored approach.

Investments have been made in a robust information security management system, the adoption of licensed software, and the continuous assessment and mitigation of network security risks. Our strategy includes rigorous security audits, real-time monitoring, and ensuring network resilience through equipment and communication redundancies. We're vigilant against both external and internal security threats.

An emergency response framework is in place, characterized by defined roles, pre-allocated resources, routine drills, and competent incident management. Additionally, a system of rewards and penalties incentivizes adherence to network security protocols and deters infractions. These actions demonstrate our unwavering commitment to network security and the safeguarding of our operational continuity and data integrity.

Employee and Business Partners Privacy

The Group is committed to maintaining the highest standards of confidentiality concerning the personal data of our employees and customers. In adherence to the Personal Data Protection Act ("**PDPA**") of Singapore, we have established a comprehensive Personal Data Protection Guideline. This Guideline outlines the responsibilities and expected behaviour of all employees when handling personal data in any form of communication or representation of the company.

Employee Acknowledgment and Training

Every member of the Group is mandated to sign an acknowledgement form indicating their understanding of the Guideline and the Act. Regular training sessions and updates will be conducted to ensure continuous awareness and compliance with the evolving regulations and best practices under the PDPA.

Transparency and Communication

In alignment with PDPA requirements, a PDPA statement, along with contact information for our designated Data Protection Officer, is circulated and communicated within the Group. This ensures transparency and provides an accessible point of contact for inquiries and concerns regarding personal data protection.

SOCIAL

Proactive IT Security Measures

Recognizing the dynamic nature of IT and potential cyber threats, the Group has implemented robust IT controls. These controls are designed to safeguard stakeholders' confidential information from unauthorized access and data breaches. Measures such as firewalls, server encryption, restricted access rights, and ongoing cybersecurity training form the cornerstone of our IT security strategy.

Incident Response and Stakeholder Duty of Care

A structured process is in place for identifying, reporting, and managing any data security incidents. We owe a duty of care to our stakeholders to protect their confidential information diligently. In the event of a data breach, the Group will take immediate action to mitigate any potential impact and will undertake all necessary steps to prevent recurrence.

Compliance and Liability

Employees are informed that non-compliance with our Personal Data Protection Guideline and the PDPA may result in personal liability, including indemnification of the Group for fines and expenses arising from any breaches. This policy ensures that all employees understand the gravity of their responsibility in protecting personal data.

Feedback and Continuous Improvement

The Group encourages feedback on its data protection practices and has established an email channel for internal and external parties to report any concerns or data breach incidents. This feedback mechanism is critical for continuous improvement and upholding our high standards of data privacy and security.

FY2023 Performance

In FY2023, the Group successfully achieved the objectives established in the preceding year. We are pleased to report that there were no registered complaints regarding breaches of customer privacy. This milestone underscores our commitment to data protection and the efficacy of our privacy measures.

FY2024 Target

For FY2024, the Group is committed to upholding the stringent target of receiving zero complaints related to breaches of customer privacy.

GLOBAL REPORTING INITIATIVE INDEX

Statement of Use
The Group has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI Foundation 2021 Revision have been used.

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2-2	Entities included in the organisation's sustainability reporting	About This Report	Pg.75
2-3	Reporting period, frequency and contact point	About This Report	Pg.75-76
2-4	Restatements of information	Nil	Nil
2-5	External assurance	About This Report	Pg.76
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DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 154 to 235 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Zhu Jian Dong	
Guo Hua Wei	
Lim Lee Meng	(Appointed on 1 June 2023)
Chen Seow Phun, John	(Appointed on 1 July 2023)
Hoon Tai Meng	(Appointed on 1 September 2023)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" in this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Number of unissued ordinary shares under option held by director	
	At 31.12.2023	At 1.1.2023 or date of appointment, if later
Related corporation		
COSCO SHIPPING Holdings Co., Ltd.		
- Share Option Incentive Scheme		
Zhu Jian Dong	–	333,268
Guo Hua Wei	–	253,266

(b) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the COSCO SHIPPING Group Executives Share Option Scheme 2020 as set out below and in the paragraphs on "Share Options".

(c) The directors' interests in the ordinary shares of the Company as at 21 January 2024 were the same as those as at 31 December 2023.

Share options

(a) **COSCO SHIPPING Group Executives' Share Option Scheme 2020 ("Option Scheme")**

The Option Scheme was approved by shareholders of the Company at an Extraordinary General Meeting held on 25 June 2020.

Under the Option Scheme, options to subscribe for the ordinary shares of the Company are granted to employees who have, as of the date of grant, been in the employment of the Company, its subsidiaries or Parent Group Companies (collectively the "Executives") (as the case may be) for a period of at least 12 months, or such shorter period as the Committee may determine. Non-Executive Directors (including independent directors), Controlling Shareholders and Associates of Controlling Shareholders are not eligible to participate in the Option Scheme. Directors and employees of associated companies are also not eligible to participate in the Option Scheme. Subject to any adjustment pursuant to the Option Scheme, the exercise price of the options shall be the market price, which is the higher of (i) the last dealt price for a share determined by reference to the daily Official List published by SGX-ST on the date of grant; or (ii) average of the last dealt prices for a share determined by reference to the daily Official List published by the SGX-ST for a period of five consecutive market days immediately prior to the date of grant. No options are granted at a discount to the exercise price.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

Share options (continued)

(a) **COSCO SHIPPING Group Executives' Share Option Scheme 2020 ("Option Scheme")** (continued)

The vesting of the options is conditional on the Executives achieving the vesting conditions (which may include key performance indicators). The options may be exercised in full or in part in respect of 100 shares or a multiple thereof, on the payment of the exercise price commencing after the second anniversary of the date of grant of the options and ending on the seventh anniversary of the date of grant of the options, subject to the following vesting periods of the options granted:

(a) up to one-third only of the ordinary shares in respect of the options granted may be exercised during the period commencing from the date falling immediately after the second anniversary of the date of grant of that option and ending on the seventh anniversary of the date of grant of that option (the "**First vesting period**");

(b) up to another one-third only of the ordinary shares in respect of the options granted may be exercised during the period commencing from the date falling immediately after the third anniversary of the date of grant of that option and ending on the seventh anniversary of the date of grant of that option (the "**Second vesting period**"); and

(c) the remaining one-third only of the ordinary shares in respect of the options granted may be exercised during the period commencing from the date falling immediately after the fourth anniversary of the date of grant of that option and ending on the seventh anniversary of the date of grant of that option (the "**Third vesting period**").

A participant shall, at any time, only be entitled to participate in any one share option or share incentive scheme implemented by the Group or any Parent Group Company.

The aggregate number of shares over which options may be granted on any date, when added to (i) the aggregate number of new shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and (ii) the number of treasury shares and subsidiary holdings delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any), shall not exceed 10% of the total issued shares of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date of grant. The aggregate number of shares to be issued to key management and employees of the Parent Group shall not exceed 20% of the shares available under the Option Scheme.

The Option Scheme is administered by the Remuneration Committee which comprises the following directors:

Chen Seow Phun, John (Chairman)
Lim Lee Meng
Hoon Tai Meng

The Company granted options under the Option Scheme to subscribe for 22,238,000 ordinary shares of the Company on 3 July 2020 (the "2020 Options"). Particulars of these options were set out in the Directors' statement for the financial year ended 31 December 2020.

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 key management personnel and employees pursuant to the Option Scheme (the "2021 Options"). The 2021 Options shall be exercisable during the First vesting period, Second vesting period and Third vesting period respectively, subject to the achievement of vesting conditions.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

Share options (continued)

(a) **COSCO SHIPPING Group Executives' Share Option Scheme 2020 ("Option Scheme")** (continued)

No option has been granted to controlling shareholders of the Company or their associates as they are not eligible to participate in the Option Scheme.

No director or employee of the Company and its subsidiaries has received options of 5% or more of the total number of shares available to all directors and employees of the Company and its subsidiaries under the Option Scheme during the financial year.

No key management or employee of the Parent Group Companies has received options of 5% or more of the total number of shares available to employees of the Parent Group under the Option Scheme during the financial year.

(b) **Share Options outstanding**

The number of unissued ordinary shares of the Company under options outstanding at the end of the financial year are as follows:

Options relating to COSCO SHIPPING Group Executives Share Option Scheme 2020	Number outstanding at 1.1.2023	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 31.12.2023	Exercise price	Exercise period
2020 Options	2,738,000	–	–	(2,738,000)	–	$0.202	(i) One-third of options 3.7.2022 - 2.7.2027
							(ii) Another one-third of options 3.7.2023 – 2.7.2027
							(iii) Remaining one-third of options 3.7.2024 – 2.7.2027
2021 Options	652,800	–	–	(652,800)	–	$0.334	(i) One-third of options 22.4.2023 - 21.4.2028
							(ii) Another one-third of options 22.4.2024 – 21.4.2028
							(iii) Remaining one-third of options 22.4.2025 – 21.4.2028

No outstanding options were vested and exercisable as at 31 December 2023 and 31 December 2022.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee ("ARMC") at the end of the financial year were as follows:

Lim Lee Meng (Chairman)	Non-Executive Lead Independent
Hoon Tai Meng	Non-Executive Independent
Chen Seow Phun, John	Non-Executive Independent

All members of the ARMC were non-executive directors.

The ARMC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors.

The ARMC has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

ZHU JIAN DONG
Director

GUO HUA WEI
Director

7 March 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of COSCO SHIPPING International (Singapore) Co., Ltd. ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of profit and loss of the Group for the financial year ended 31 December 2023;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2023;
- the consolidated balance sheet of the Group as at 31 December 2023;
- the balance sheet of the Company as at 31 December 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition *Refer to Note 4 to the financial statements* The Group has recognised total revenue of S$178.7 million for the financial year ended 31 December 2023. We focused on this area because revenue from the logistics segment, amounting to S$148.2 million, accounted for 83% of the Group's revenue for the financial year ended 31 December 2023. Further, recognition of revenue is complex due to the volume of transactions and the variety of different revenue streams within the logistics segment.	We conducted inquiries with management to understand the revenue recognition of the various revenue streams within the logistics segment. We assessed the design and implementation, and tested the operating effectiveness of controls over revenue recognition. We assessed the appropriateness of the revenue recognition accounting policies by considering the requirements of relevant accounting standards. We tested sales transactions and checked that revenue was recognised only upon transfer of control to customers to ascertain occurrence. We performed cut-off test to ensure that revenue is recognised in the appropriate period. We assessed the adequacy of disclosure in Note 4 to the financial statements. Based on the audit procedures performed, we noted that revenue for the logistics segment was appropriately recognised.

Other Information

Management is responsible for the other information. The other information comprises the Overview, Key Messages, Operations and Financial Review, Corporate Governance and Transparency, Sustainability Report and Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

Other Information (continued)

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Alex Toh Wee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 7 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2023

	Note	The Group 2023 $'000	The Group 2022 $'000
Sales	4	**178,710**	185,643
Cost of sales	5	**(138,364)**	(144,401)
Gross profit		**40,346**	41,242
Other income	7		
- Interest income		**1,929**	1,225
- Others		**1,110**	3,016
		3,039	4,241
Other gains and losses (net)	8	**42**	511
Expenses			
- Distribution	5	**(3,498)**	(3,060)
- Administrative	5		
- Impairment loss on financial assets		**(588)**	(79)
- Impairment of goodwill		**–**	(98,989)
- Others		**(25,161)**	(25,717)
		(25,749)	(124,785)
- Finance	9	**(13,657)**	(10,232)
Share of profit of associated companies	16	**5,132**	7,520
Profit/(loss) before income tax		**5,655**	(84,563)
Income tax expense	10(a)	**(3,027)**	(3,197)
Profit/(loss) for the year		**2,628**	(87,760)
Profit/(loss) attributable to:			
Equity holders of the Company		**1,900**	(88,600)
Non-controlling interests		**728**	840
		2,628	(87,760)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company (expressed in cents per share)			
Basic earnings/(loss) per share	11	**0.08**	(3.96)
Diluted earnings/(loss) per share	11	**0.08**	(3.96)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	The Group 2023 $'000	The Group 2022 $'000
Profit/(loss) for the year		**2,628**	(87,760)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	28(b)(ii)	**(3,807)**	(4,977)
Other comprehensive loss, net of tax		**(3,807)**	(4,977)
Total comprehensive loss		**(1,179)**	(92,737)
Total comprehensive (loss)/profit attributable to:			
Equity holders of the Company		**(1,828)**	(93,296)
Non-controlling interests		**649**	559
		(1,179)	(92,737)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - GROUP

As at 31 December 2023

	Note	The Group 31 December 2023 $'000	2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**66,676**	106,682
Trade and other receivables	13	**46,814**	44,620
Inventories	14	**402**	599
Income tax receivables		**468**	249
		114,360	152,150
Non-current assets			
Trade and other receivables	15	**374**	379
Investments in associated companies	16	**55,510**	58,803
Investment properties	18	**22,252**	28,387
Property, plant and equipment	19	**651,491**	669,916
Intangible assets	22	**12,180**	16,281
Deferred income tax assets	26	**171**	111
		741,978	773,877
Total assets		**856,338**	926,027
LIABILITIES			
Current liabilities			
Trade and other payables	23	**37,475**	35,895
Current income tax liabilities		**4,092**	4,543
Borrowings	24	**25,237**	30,976
Provisions	25	**802**	802
		67,606	72,216
Non-current liabilities			
Trade and other payables	23	**–**	337
Borrowings	24	**236,565**	297,939
Provisions	25	**1,435**	1,535
Deferred income tax liabilities	26	**59,710**	61,242
		297,710	361,053
Total liabilities		**365,316**	433,269
NET ASSETS		**491,022**	492,758

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - GROUP (continued)
As at 31 December 2023

	Note	The Group 31 December 2023 $'000	2022 $'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	27	**270,608**	270,608
Statutory and other reserves	28	**34,550**	38,386
Retained earnings		**181,928**	180,028
		487,086	489,022
Non-controlling interests	17	**3,936**	3,736
Total equity		**491,022**	492,758

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - COMPANY

As at 31 December 2023

		The Company	
		31 December	
	Note	**2023**	2022
		$'000	$'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**36,536**	78,309
Trade and other receivables	13	**118**	306
		36,654	78,615
Non-current assets			
Investments in associated companies	16	**49,026**	49,019
Investments in subsidiaries	17	**429,046**	428,503
Property, plant and equipment	19	**36**	45
		478,108	477,567
Total assets		**514,762**	556,182
LIABILITIES			
Current liabilities			
Trade and other payables	23	**34,759**	44,104
Current income tax liabilities		**196**	69
		34,955	44,173
Non-current liability			
Borrowings	24	**34,069**	72,069
Total liabilities		**69,024**	116,242
NET ASSETS		**445,738**	439,940
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	27	**270,608**	270,608
Other reserves	28	**45,105**	45,105
Retained earnings		**130,025**	124,227
Total equity		**445,738**	439,940

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Note	Attributable to equity holders of the Company				Non-controlling interests	Total equity
		Share capital	Statutory and other reserves	Retained earnings	Total		
		$'000	$'000	$'000	$'000	$'000	$'000
2023							
Balance at 1 January 2023		**270,608**	**38,386**	**180,028**	**489,022**	**3,736**	**492,758**
Profit for the year		–	–	1,900	1,900	728	2,628
Other comprehensive loss for the year		–	(3,728)	–	(3,728)	(79)	(3,807)
Total comprehensive (loss)/ income for the year		**–**	**(3,728)**	**1,900**	**(1,828)**	**649**	**(1,179)**
Acquisition of a subsidiary	12	–	(108)	–	(108)	–	(108)
Dividend declared by subsidiaries to minority shareholders		–	–	–	–	(449)	(449)
Total transactions with owners, recognised directly in equity		**–**	**(108)**	**–**	**(108)**	**(449)**	**(557)**
Balance as at 31 December 2023		**270,608**	**34,550**	**181,928**	**487,086**	**3,936**	**491,022**
2022							
Balance at 1 January 2022		**270,608**	**34,924**	**268,628**	**574,160**	**11,050**	**585,210**
(Loss)/profit for the year		–	–	(88,600)	(88,600)	840	(87,760)
Other comprehensive loss for the year		–	(4,696)	–	(4,696)	(281)	(4,977)
Total comprehensive (loss)/ income for the year		**–**	**(4,696)**	**(88,600)**	**(93,296)**	**559**	**(92,737)**
Acquisition of additional interest in subsidiaries	17	–	88	–	88	(7,588)	(7,500)
Dividend declared by a subsidiary to minority shareholder		–	–	–	–	(285)	(285)
Derecognition of redemption liability		–	8,185	–	8,185	–	8,185
Accretion of redemption liability		–	(115)	–	(115)	–	(115)
Total transactions with owners, recognised directly in equity		**–**	**8,158**	**–**	**8,158**	**(7,873)**	**285**
Balance as at 31 December 2022		**270,608**	**38,386**	**180,028**	**489,022**	**3,736**	**492,758**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Profit/(loss) for the year		**2,628**	(87,760)
Adjustments for:			
- Amortisation of intangible assets		**4,034**	4,049
- Depreciation of property, plant and equipment		**31,303**	32,094
- Depreciation of investment properties		**5,922**	7,494
- Income tax expense		**3,027**	3,197
- Interest expense		**13,657**	10,232
- Interest income		**(1,929)**	(1,225)
- Impairment of goodwill		**–**	98,989
- Gain on termination of lease		**–**	(72)
- Net allowance for impairment of trade and other receivables		**588**	79
- Net gain on disposal of property, plant and equipment		**(198)**	(401)
- Write-off on property, plant and equipment		**–**	375
- Share of profit of associated companies		**(5,132)**	(7,520)
- Exchange differences		**55**	77
		53,955	59,608
Changes in working capital:			
- Inventories		**197**	(274)
- Trade and other receivables		**(2,738)**	1,130
- Trade and other payables		**2,317**	(7,701)
- Provisions		**(100)**	–
Cash provided by operations		**53,631**	52,763
Income tax paid		**(5,026)**	(3,826)
Net cash provided by operating activities		**48,605**	48,937
Cash flows from investing activities			
Deferred consideration paid for acquisition of a subsidiary		**–**	(2,000)
Additions to property, plant and equipment	A	**(14,161)**	(16,030)
Proceeds from disposal of property, plant and equipment		**329**	593
Net cash inflow from acquisition of a subsidiary, net of cash acquired	12	**3,579**	–
Investment in newly incorporated associated company		**(7)**	–
Interest received		**2,067**	1,023
Dividends received from associated companies		**7,844**	9,871
Net cash used in investing activities		**(349)**	(6,543)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the financial year ended 31 December 2023

	Note	**2023** **$'000**	2022 $'000
Cash flows from financing activities			
Acquisition of non-controlling interests in subsidiaries	17	**–**	(7,500)
Proceeds from borrowings		**–**	10,904
Repayments of borrowings		**(20,747)**	(18,174)
Principal payment of lease liabilities		**(14,119)**	(18,233)
Repayment of amount due to a related corporation		**(38,000)**	–
Decrease in bank deposits pledged		**4**	5
Interest paid		**(14,208)**	(9,722)
Dividend paid to non-controlling interest of a subsidiary		**(449)**	(285)
Net cash used in financing activities		**(87,519)**	(43,005)
Net decrease in cash and cash equivalents		**(39,263)**	(611)
Cash and cash equivalents at beginning of financial year		**105,753**	107,074
Effects of currency translation on cash and cash equivalents		**(739)**	(710)
Cash and cash equivalents at end of financial year	12	**65,751**	105,753

Note A – Reconciliation of property, plant and equipment

			Non-cash changes		
	Consideration paid for purchase of property, plant and equipment $'000	Provision for reinstatement $'000	Unpaid purchase consideration $'000	Property, plant and equipment acquired under leasing arrangement $'000	Property, plant and equipment additions (Note 19) $'000
2023	14,161	–	(4,187)	1,890	11,864
2022	16,030	120	(7,828)	12,321	20,643

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the financial year ended 31 December 2023

Reconciliation of liabilities arising from financing activities

	1 January 2023 $'000	Principal and interest payments $'000	Proceeds from borrowings $'000	Non-cash changes: Additions/ modifications arising from SFRS(I) 16 $'000	Non-cash changes: Early termination of lease $'000	Non-cash changes: Interest expense $'000	Non-cash changes: Foreign exchange movement $'000	31 December 2023 $'000
Borrowings	237,603	(58,747)	–	–	–	–	(207)	178,649
Lease liabilities	91,312	(14,119)	–	7,144	(11)	–	(1,173)	83,153
Interest payable	776	(14,208)	–	–	–	13,657	–	225

	1 January 2022 $'000	Principal and interest payments $'000	Proceeds from borrowings $'000	Non-cash changes: Additions/ modifications arising from SFRS(I) 16 $'000	Non-cash changes: Early termination of lease $'000	Non-cash changes: Interest expense $'000	Non-cash changes: Foreign exchange movement $'000	31 December 2022 $'000
Borrowings	245,274	(18,174)	10,904	–	–	–	(401)	237,603
Lease liabilities	112,932	(18,233)	–	3,676	(5,622)	–	(1,441)	91,312
Interest payable	266	(9,722)	–	–	–	10,232	–	776

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General 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 set out in Note 17 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

<u>Interest Rate Benchmark Reform – Phase 2</u>

In the financial year ended 31 December 2021, the Group has adopted the amendments to SFRS(I) 9, SFRS(I) 7 and SFRS(I) 16 *Interest Rate Benchmark Reform – Phase 2* effective 1 January 2021. In accordance with the transition provisions, the amendments were applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the prior period opening reserves amounts on adoption.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2023 (continued)

Financial instruments measured at amortised cost and lease liabilities

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities (see below).

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the Group applies the relevant SFRS(I) 16 requirements to account for the entire lease modification, including those changes required by IBOR reform.

For the financial year ended 31 December 2023, the Group has applied the practical expedients provided under Phase 2 to amendments to $143,048,000 of its borrowings, as disclosed in Note 24.

Effects of IBOR reform

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Interbank Offered Rate ("SIBOR").

1-month and 3-month SIBOR loses its representativeness after 31 December 2024. The Group has amended all its 1-month and 3-month SIBOR linked borrowings to reference to the SORA, and the Group has applied the Phase 2 amendments for amortised cost measurement. The transition from 1-month and 3-month SIBOR to SORA had no material effect on the amounts reported for the current and prior financial year.

2.2 Revenue

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.2 Revenue (continued)

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Rendering of services*

(i) *Logistics management services*

The Group renders logistics management services for customers. Such services include logistic handling, storage services and rental income (refer to Note 2.2 (b) for the revenue recognition policy for rental income).

Revenue from these logistics services are recognised when services are performed (i.e. at a point in time), where customers have accepted the services and the collectability of the related receivables are reasonably assured. There is no unfulfilled obligation that could affect the customer's acceptance of the services.

Revenue generated from storage services include rental of space at container depot, warehouses and open yards and are recognised over the agreed storage period (i.e. over time), where customers have an obligation to payment as part of the agreement to the services and the collectability of the related receivables is reasonably assured. There is no unfulfilled obligation that could affect the customer's acceptance of the services.

The Group practices monthly billing and payment for the transaction price is due 30 – 60 days after billing.

(ii) *Ship repair and marine engineering*

Revenue from ship repairing, marine engineering, container repairs and services, fabrication works services and production of marine outfitting components projects is recognised in the accounting period in which the services are rendered. Revenue is recognised based on the output method depending on progress of the contract work, where the outcome of the contract can be estimated reliably. The customers are invoiced when they acknowledge the services rendered are to their satisfaction.

The Group practices monthly billing and payment for the transaction price is due 30 – 60 days after billing.

(b) *Rental income*

The Group derives rental income from both logistic management and property management services.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Ad-hoc administrative services is recognised as and when the services are rendered to customers.

The Group practices monthly billing and payment for the transaction price is due 30 - 60 days after billing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.2 Revenue (continued)

(c) *Sale of scrap materials*

Income from sale of scrap materials is recognised when the products have been delivered to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is possible that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group, other than those under common control (Note 12).

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain on bargain purchase of subsidiaries. Please refer to Note 2.6 "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.4 Group accounting (continued)

(a) *Subsidiaries* (continued)

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

(i) *Changes in ownership interest*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(ii) *Redemption liability*

The Group has entered into agreements with a non-controlling interest of the Group that provide the Group with the rights to acquire the non-controlling interest's entire shareholding. Such arrangement is deemed to be a forward purchase contract which provide the Group with the rights to acquire the non-controlling interest's remaining shareholding at a future date. The consideration that is payable to the non-controlling interest shall be based on a defined formula which has been agreed between the Group and the non-controlling interest at the time of the business combination.

The Group recognised the future consideration payable to the non-controlling interest as a redemption liability on the Group's consolidated balance sheet. The redemption liability has been initially recognised at fair value based on the present value of the estimated consideration payable upon the exercise of the forward purchase contract. Such transaction has been accounted for as a transaction with non-controlling interests and a direct charge based on the initial amount of redemption liability has been recognised as part of "Other reserve" within equity attributable to the equity holders of the Company. Subsequent remeasurement of the redemption liability shall be adjusted against the "Other reserve" balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.4 Group accounting (continued)

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisition

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated companies over the Group's share of the fair value of the identifiable net assets of the associated companies and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Leasehold land and buildings*

Leasehold land and buildings are initially recognised at cost. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 2.7).

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) *Depreciation*

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	2 - 58 years
Office renovations, furniture, fixtures and equipment	3 - 10 years
Plant, machinery and equipment	3 - 20 years
Motor vehicles	5 - 10 years

No depreciation is provided for construction-in-progress.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.5 Property, plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.6 Intangible assets

(a) *Goodwill*

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired customer relationships intangible assets*

Customer relationships intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 7 to 10 years, which is the estimated useful lives.

(c) *Acquired contract based intangible assets*

Contract based intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 3 years, which is the period of contractual rights.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the construction in progress.

2.8 Investment properties

Investment properties comprise of right-of-use assets relating to leasehold buildings, office units and residential property that are held for long-term rental yields.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives of 2 – 50 years for office units and residential property, and over the lease terms for right-of-use assets. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually, and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating unit ("CGU") expected to benefit from synergies arising from the business combination.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.10 Impairment of non-financial assets (continued)

(a) *Goodwill* (continued)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Property, plant and equipment*
Investment properties
Investments in subsidiaries and associated companies
Customer relationships intangible assets
Contract-based intangible assets
Right-of-use assets

Property, plant and equipment, investment properties, investments in subsidiaries and associated companies, customer relationships intangible assets, contract-based intangible assets and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.11 Financial assets

(a) Classification and measurement

The Group classifies its financial assets as amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. **Material accounting policy information** (continued)

2.11 **Financial assets** (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.12 **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 **Financial guarantees**

The Company issues corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at fair value and subsequently measured at the higher of:

(a) Amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) The amount of expected loss allowance computed using the impairment methodology under Note 2.11.

2.14 **Borrowings**

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within “Property, plant and equipment”.

  Right-of-use assets which meet the definition of an investment property are presented within “Investment properties” and accounted for in accordance with Note 2.8.

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.16 Leases (continued)

(a) *When the Group is the lessee:* (continued)

- Lease liabilities (continued)

  Lease payments include the following:

  - Fixed payment (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amounts expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group's assessment of whether it will exercise an extension option; or
  - There is modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.16 Leases (continued)

(a) When the Group is the lessee: (continued)

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(b) When the Group is the lessor:

The Group leases office spaces, retail stores and investment properties under operating leases to non-related parties.

- Lessor – Operating leases

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

- Lessor – Subleases

  In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

  When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within “Trade and other receivables”. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. The lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

  When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within “Other income”. The right-of-use asset relating to the head lease is not derecognised.

  For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, social security plans in the People's Republic of China ("PRC") and Employees Provident Fund in Malaysia on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the balance sheet date.

(c) *Share-based compensation*

The Group operates an equity-settled, shared-based compensation plan. The value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.20 Employee compensation (continued)

(c) *Share-based compensation* (continued)

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued.

2.21 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("$"), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include financial assets (other than equity investments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.21 Currency translation (continued)

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and bank overdrafts and exclude pledged deposits with financial institutions. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment assessment of goodwill

During the previous financial year ended 31 December 2022, the Group has recognised an impairment charge on its goodwill of $98,989,000, which resulted in the carrying amount of goodwill as at 31 December 2022 to reduce to $Nil, as disclosed in Note 22(a).

In performing the impairment assessment of the carrying amount of goodwill which is fully attributable to the logistics cash-generating unit ("CGU") of the Group, the recoverable amount of the CGU was determined based on the higher of fair value less costs to sell ("FVLCOD") and value-in-use ("VIU") calculations.

Significant judgements were used to estimate the revenue growth rates, terminal growth rate and discount rate applied in computing the recoverable amount of the CGU. In making these estimates, management has relied on past performance, its expectations of market and industry developments in Singapore and other Southeast Asia countries. Specific estimates are disclosed in Note 22(a).

The change of the following magnitude on the key assumptions will result in an 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)
Discount rate	0.3	(19,970)
Terminal growth rate	(1.5)	(67,749)

(b) Impairment of investments in subsidiaries

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

As at 31 December 2023, management has performed an impairment assessment on its investments in subsidiaries and recognised an impairment charge of $Nil (2022: $100,258,000). Details of the impairment assessment are set out in Note 17.

The change of the following magnitude on the key assumptions will result in a further impairment charge to investments in subsidiaries to be recognised as at 31 December 2022:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. Sales

Revenue of the Group is analysed as follows:

	2023	2022
	$'000	$'000
Ship repair and marine engineering	**17,962**	18,556
Logistics management services	**135,269**	133,548
Rental Income		
- Logistics management services	**13,134**	19,058
- Property management services	**12,345**	14,481
	178,710	185,643

(a) 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.

		Revenue recognised		
		At a point in time	**Over time**	**Total**
		$'000	**$'000**	**$'000**
	2023			
i)	Ship repair and marine engineering			
	- Singapore	–	17,962	17,962
ii)	Logistics management services			
	- Singapore	59,962	51,873	111,835
	- Malaysia	21,328	2,106	23,434
		81,290	53,979	135,269
	Total	81,290	71,941	153,231

		Revenue recognised		
		At a point in time	**Over time**	**Total**
		$'000	**$'000**	**$'000**
	2022			
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
		87,871	45,677	133,548
	Total	87,871	64,233	152,104

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For the financial year ended 31 December 2023

4. Sales (continued)

(b) Trade receivables from contracts with customers

	31 December 2023 $'000	31 December 2022 $'000	1 January 2022 $'000
Current assets			
Trade receivables from contracts with Customers	**33,117**	34,142	36,173
Less: Loss allowance	**(625)**	(330)	(258)
	32,492	33,812	35,915

(c) Unsatisfied performance obligations

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

5. Expenses by nature

	The Group 2023 $'000	The Group 2022 $'000
Impairment loss on financial assets	**588**	79
Amortisation of intangible assets (Note 22)	**4,034**	4,049
Auditors' remuneration paid/payable to:		
- Auditor of the Company	**475**	410
- Other auditors	**67**	56
Other fees paid/payable to:		
- Auditor of the Company	**106**	83
- Other auditors	**–**	25
Raw materials, finished goods, consumables and other overheads	**8,117**	9,831
Changes in inventories and work-in-progress	**197**	(274)
Depreciation of investment properties (Note 18)	**5,922**	7,494
Depreciation of property, plant and equipment (Note 19)	**31,303**	32,094
Director and employee compensation (Note 6)	**42,508**	42,452
Insurance	**1,187**	789
Impairment of goodwill (Note 22)	**–**	98,989
Write-off of property, plant and equipment	**–**	375
Professional fees	**984**	1,130
Rental expense on operating leases (Note 20)	**4,313**	2,538
Repairs and maintenance	**10,399**	10,410
Sub-contractor expenses	**16,940**	16,017
Storage and handling charges	**16,468**	20,398
Fuels and utilities	**14,132**	14,960
Property tax	**3,758**	4,171
Other expenses	**6,113**	6,170
Total cost of sales, distribution and administrative expenses	**167,611**	272,246

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

6. Director and employee compensation

	The Group	
	2023	2022
	$'000	$'000
Wages, salaries and staff benefits	**39,229**	38,924
Employer's contribution to defined contribution plans	**3,061**	3,344
Directors' fees of the Company	**218**	184
	42,508	42,452

7. Other income

	The Group	
	2023	2022
	$'000	$'000
Interest income	**1,929**	1,225
Government grants	**363**	884
Rental income	**148**	148
Sales of scrap material	**29**	1,236
Sundry income	**570**	748
	3,039	4,241

8. Other gains and losses

	The Group	
	2023	2022
	$'000	$'000
Currency exchange (losses)/gains - net	**(156)**	38
Gain on termination of lease	**–**	72
Gain on disposal of property, plant and equipment	**198**	401
	42	511

9. Finance expenses

	The Group	
	2023	2022
	$'000	$'000
Interest expense		
- Bank borrowings	**9,050**	5,968
- Loans from a fellow subsidiary	**1,010**	1,096
- Lease liabilities/finance lease liabilities	**3,597**	3,168
	13,657	10,232

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10. Income taxes

(a) Income tax expense

	The Group	
	2023	2022
	$'000	$'000
Tax expense attributable to profit or loss is made up of:		
- Profit or loss for the financial year:		
Current income tax		
- Singapore	**4,750**	5,566
- Foreign	**15**	212
	4,765	5,778
Deferred income tax (Note 26)		
- Singapore	**(1,472)**	(1,517)
- Foreign	**212**	20
	(1,260)	(1,497)
	3,505	4,281
- (Over)/under provision in prior financial years:		
Current income tax		
- Singapore	**(478)**	(1,340)
Deferred income tax (Note 26)		
- Singapore	**–**	256
Income tax expense	**3,027**	3,197

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2023	2022
	$'000	$'000
Profit/(loss) before tax	**5,655**	(84,563)
Share of profit of associated companies, net of tax	**(5,132)**	(7,520)
Profit/(loss) before tax and share of profit of associated companies	**523**	(92,083)
Tax calculated at a tax rate of 17% (2022: 17%)	**89**	(15,654)
Effects of:		
- different tax rates in other countries	**65**	65
- tax incentives	**(297)**	(206)
- income not subject to tax	**(208)**	(79)
- expenses not deductible for tax purposes	**3,860**	20,148
- others	**(4)**	7
- over provision of current income tax in prior years	**(478)**	(1,340)
- under provision of deferred income tax in prior years	**–**	256
Tax charge	**3,027**	3,197

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10. Income taxes (continued)

(b) The tax charge relating to each component of other comprehensive loss is as follows:

	2023			2022		
	Before tax	**Tax charge**	**After tax**	Before Tax	Tax charge	After tax
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Currency translation differences arising from consolidation	**(3,807)**	**–**	**(3,807)**	(4,977)	–	(4,977)
Other comprehensive loss	**(3,807)**	**–**	**(3,807)**	(4,977)	–	(4,977)

(c) In the Singapore 2023 Budget Statement, the Singapore government has announced that the country would implement the Global Anti-Base Erosion ("GloBE") rules including a domestic top-up tax ("DTT") from 1 January 2025. Since the Pillar Two legislation has not been enacted in Singapore, the jurisdiction in which the Company is incorporated, and was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS(I) 1-12 issued in May 2023. The Group is in the process of assessing the full impact of this

11. Earnings/(loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group	
	2023	2022
Net profit/(loss) attributable to equity holders of the Company ($'000)	**1,900**	(88,600)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,239,245**	2,239,245
Basic earnings/(loss) per share (cents per share)	**0.08**	(3.96)

(b) Diluted earnings/(loss) per share

There were no dilutive ordinary potential shares in 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

12. Cash and cash equivalents

Cash and cash equivalents at the end of the financial year comprise the following:

	The Group		The Company	
	31 December		31 December	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**31,434**	34,424	**5,556**	10,940
Short-term bank deposits	**35,242**	72,258	**30,980**	67,369
	66,676	106,682	**36,536**	78,309

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Cash and bank balances (as above)	**66,676**	106,682
Less: Bank deposits pledged	**(925)**	(929)
Cash and cash equivalents per consolidated statement of cash flows	**65,751**	105,753

Cash and cash equivalents of the Group amounting to $925,000 (2022: $929,000) were pledged as security for bankers' guarantee and trade finance facilities.

<u>Acquisition of a subsidiary under common control</u>

On 1 July 2023, the Group acquired 100% of the issued share capital of Golden Logistics & Storage Sdn. Bhd. ("GLS") from its related party, COSCO Shipping (South East Asia) Pte Ltd ("CSSEA"), for a total consideration of RM10,860,000 (equivalent to $3,211,000).

The acquisition of GLS has been accounted for as a business combination involving entities under common control as the Group and GLS are under the common control of China COSCO SHIPPING Corporation Limited ("COSCO Shipping"), a state-owned enterprise headquartered in Shanghai, China, before and after the restructuring.

The acquisition is accounted for using merger accounting (also referred to as predecessor accounting) via the prospective presentation method, as the main purpose of the transaction is to consolidate all the logistics entities under the Group. Accordingly, the consolidated financial statements of the Group are presented as follows:

(i) The assets and liabilities of GLS are brought into the Group's books based on their existing carrying values in the consolidated financial statements of COSCO Shipping;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

12. Cash and cash equivalents (continued)

Acquisition of a subsidiary under common control (continued)

(ii) The difference between the purchase consideration and the assets and liabilities of GLS brought into the Group's books, is recognised separately as a component of equity; and

(iii) All significant intra-group transactions and balances have been eliminated.

The assets and liabilities of GLS brought into the balance sheet are as follows:

	Group 2023 $'000
Cash and cash equivalents	3,579
Trade and other receivables	177
Total assets	3,756
Trade and other payables	584
Current income tax liabilities	69
Total liabilities	653
Net assets	**3,103**
Purchase consideration	**3,211**
Merger deficit	**108**

Effect on cash flows of the Group is as follows:	Group 2023 $'000
Purchase consideration	3,211
Less: Unpaid as at 31 December 2023	(3,211)
	–
Cash and cash equivalents in subsidiary acquired	3,579
Cash inflow on acquisition	3,579

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13. Trade and other receivables - current

	The Group 31 December		The Company 31 December	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- Non-related parties	**36,000**	32,228	**–**	–
- Fellow subsidiaries	**4,024**	4,444	**–**	–
	40,024	36,672	**–**	–
Less: Allowance for impairment of receivables	**(1,113)**	(548)	**–**	–
Trade receivables - net	**38,911**	36,124	**–**	–
Other receivables:				
- Non-related parties	**1,245**	2,860	**13**	209
- An associated company	**9**	–	**9**	–
	1,254	2,860	**22**	209
Advances paid to suppliers	**1,526**	259	**–**	–
Staff advances	**–**	4	**–**	–
Deposits	**2,518**	2,972	**3**	–
Prepayments	**2,605**	2,401	**93**	97
Total	**46,814**	44,620	**118**	306

Trade and other receivables due from fellow subsidiaries and an associated company are unsecured, interest-free and repayable on demand.

14. Inventories

	The Group 31 December	
	2023	2022
	$'000	$'000
Finished goods	**402**	599

The cost of inventories recognised as expense amounted to $8,314,000 (2022: $9,557,000).

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For the financial year ended 31 December 2023

15. Trade and other receivables - non-current

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Trade receivables from non-related parties [(i)]	**–**	43
Less: Current portion	**–**	(9)
Trade receivables - non-related parties	**–**	34
Other receivables - retention sum [(ii)]	**374**	345
	374	379

(i) As at 31 December 2022, trade receivables amounting to $43,000 were unsecured and interest-free.

(ii) Other receivables due from a non-related party are unsecured and interest-free.

The fair values of the non-current trade and other receivables approximated its carrying amounts, determined from cash flows analyses discounted at market borrowing rates of 5.08% (2022: 4.63%) per annum which the directors expected to borrow as and when required by the Group.

16. Investments in associated companies

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Beginning of financial year	**58,803**	55,251
Additions	**7**	–
Currency translation differences	**(588)**	(1,438)
Share of profits, net of tax	**5,132**	7,520
Dividends received, net of tax	**(7,844)**	(2,530)
End of financial year	**55,510**	58,803

	The Company	
	31 December	
	2023	2022
	$'000	$'000
Equity investment at cost		
Beginning of financial year	**49,019**	49,019
Additions	**7**	–
End of financial year	**49,026**	49,019

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. Investments in associated companies (continued)

On 7 March 2023, the Company entered into an agreement with Supply Fortune Limited, a subsidiary of COSCO Shipping Holdings Co., Ltd., to incorporate Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. ("GSCD(SEA)"). The Company subscribed for 49% of the issued and paid-up share capital of GSCD(SEA) for a cash consideration of US$4,900 (equivalent to $7,000).

The associated companies as listed below had share capital consisting solely of ordinary shares, which were held directly by the Group. The country of incorporation was also their principal place of business. There were no contingent liabilities relating to the Group's interests in the associated companies.

Name of associated companies	**Principal activities**	**Country of incorporation/ business**	**% of paid-up capital held by the Company**		**% of paid-up capital held by a subsidiary**	
			31 December		31 December	
			2023 %	2022 %	**2023 %**	2022 %
PT. Ocean Global Shipping Logistics [(i)]	Logistic service, freight forwarding and container depot services	Indonesia	**40**	40	**–**	–
SINOVNL Company Limited [(ii)]	Storage and warehouse services, container station and depot service, maintenance and repair of equipment and freight transport agency services	Vietnam	**–**	–	**30**	30
COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. [(iii)]	Ship owning, ship chartering and investment holding	Singapore	**40**	40	**–**	–
Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. [(iv)]	Investment holding company	Singapore	**49**	–	**–**	–

(i) Audited by Anwar & Rekan Indonesia.

(ii) Audited by PricewaterhouseCoopers firm outside Singapore.

(iii) Audited by Baker Tilly Singapore.

(iv) Audited by Mazars LLP.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. Investments in associated companies (continued)

Summarised financial information of material associated companies

Summarised balance sheet

	COSCO SHIPPING Bulk SEA		PT. Ocean Global Shipping Logistics		SINOVNL Company Limited	
	31 December		31 December		31 December	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Current assets	**65,281**	69,183	**30,728**	30,414	**5,016**	4,143
Current liabilities	**(12,963)**	(14,640)	**(9,387)**	(9,515)	**(2,322)**	(1,834)
Non-current assets	**25,723**	29,168	**12,169**	13,676	**1,781**	2,116
Non-current liabilities	**–**	–	**(8,049)**	(9,081)	**(158)**	(831)
Non-controlling interests	**–**	–	**(512)**	(514)	**–**	–
Share capital and Reserves attributable to shareholders	**(78,041)**	(83,711)	**(24,949)**	(24,980)	**(4,317)**	(3,594)

Summarised statement of comprehensive income

	COSCO SHIPPING Bulk SEA		PT. Ocean Global Shipping Logistics		SINOVNL Company Limited	
	31 December		31 December		31 December	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Revenue	**49,942**	62,321	**18,961**	19,071	**14,982**	14,476
Profit before income tax	**7,881**	14,348	**6,973**	7,124	**3,991**	3,331
Net profit for the year	**7,835**	14,277	**5,517**	5,612	**3,185**	2,616
Other comprehensive (loss)/gain	**–**	(750)	**29**	(2,513)	**–**	(145)
Total comprehensive income	**7,835**	13,527	**5,546**	3,099	**3,185**	2,471
Dividends receivable/ received from associated company	**4,981**	–	**2,114**	2,028	**749**	502

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For the financial year ended 31 December 2023

16. Investment in associated companies (continued)

The information above reflects the amounts presented in the financial statements of the material associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associates.

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associate accounted for using the equity method:

	31 December 2023 $'000
Loss for the year and total comprehensive loss	**(9)**

Reconciliation of summarised financial information

Reconciliation of the above summarised financial information presented, to the carrying amount of the Group's interest in material associated companies, is as follows:

	COSCO SHIPPING Bulk SEA		**PT. Ocean Global Shipping Logistics**		**SINOVNL Company Limited**		**Total**	
	31 December		31 December		31 December		31 December	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Net assets	**78,041**	83,711	**24,949**	24,980	**4,317**	3,594	**107,307**	112,285
Group's equity interest	**40%**	40%	**40%**	40%	**30%**	30%	**–**	–
Group's share of net assets	**31,216**	33,484	**9,980**	9,992	**1,295**	1,078	**42,491**	44,554
Fair value adjustment	**7,561**	8,791	**–**	–	**–**	–	**7,561**	8,791
Goodwill	**–**	–	**5,458**	5,458	**–**	–	**5,458**	5,458
	38,777	42,275	**15,438**	15,450	**1,295**	1,078	**55,510**	58,803
Add: Carrying value of individually immaterial associate							**–**	–
Carrying value of Group's interest in associates							**55,510**	58,803

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17. Investments in subsidiaries

	The Company 31 December 2023 $'000	2022 $'000
Unquoted equity shares		
Beginning of financial year	**542,893**	542,893
Accumulated impairment losses	**(113,847)**	(114,390)
End of financial year	**429,046**	428,503

Movement in accumulated impairment losses are as follows:

	2023 $'000	2022 $'000
Beginning of financial year	**114,390**	14,212
Write-back of impairment (i)	**(543)**	(80)
Impairment charge during the year (ii)	**–**	100,258
End of financial year	**113,847**	114,390

(i) During the financial year ended 31 December 2023, the Company has assessed that there was indication that an impairment loss recognised in prior period for an investment in subsidiary has decreased as the subsidiary has entered into a new contract with higher profit margins. Hence, a write-back of impairment of $543,000 (2022: $80,000) was made to increase the carrying amount of the investment to its recoverable amount.

(ii) Impairment of $100,258,000 made in the previous financial year relates to the investment in Cogent Holdings Pte. Ltd. Due to lower projected margins arising from rising fuel and utility costs, compounded by the continued increase in interest rates and inflation rates, the estimated recoverable amount of the subsidiary was expected to be below the Company's cost of investment. The recoverable amount was determined using fair value less costs to sell method, based on a Level 3 fair value measurement. Significant assumptions used in the model are presented in Note 22(a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2023 and 31 December 2022:

Name	Principal activities	Country of incorporation/ business	Cost of investment		Proportion of ordinary shares directly held by the Company		Effective shareholding held by the Group		Effective shareholding held by non-controlling interests	
			31 December		31 December		31 December		31 December	
			2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
			$'000	$'000	**%**	%	**%**	%	**%**	%
COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd. (i)	Ship repairing, marine engineering, container repairs and services, fabrication works services and production of marine outfitting components	Singapore	**2,242**	2,242	**90**	90	**90**	90	**10**	10
Harington Property Pte Ltd (i)	Trading and investing in properties, provide property management services and investment holding	Singapore	**52,701**	52,701	**100**	100	**100**	100	**–**	–
COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd. (i) and (v)	Investment holding and provision of logistics, storage, forwarding and shipping services and other services	Singapore	**406**	406	**50**	50	**50**	50	**50**	50
Cogent Holdings Pte. Ltd. (i)	Investment holding	Singapore	**487,544**	487,544	**100**	100	**100**	100	**–**	–
SH Cogent Logistics Pte Ltd (i) and (iv)	Provision of warehousing management services, container depot management services and transportation and cargoes	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Jurong Island Pte. Ltd. (i) and (iv)	Provision of warehousing services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Integrated Supply Chain Pte. Ltd. (i) and (iv)	Provision of freight management and warehouse rental services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2023 and 31 December 2022: (continued)

Name	Principal activities	Country of incorporation/ business	Cost of investment 31 December 2023 $'000	Cost of investment 31 December 2022 $'000	Proportion of ordinary shares directly held by the Company 31 December 2023 %	Proportion of ordinary shares directly held by the Company 31 December 2022 %	Effective shareholding held by the Group 31 December 2023 %	Effective shareholding held by the Group 31 December 2022 %	Effective shareholding held by non-controlling interests 31 December 2023 %	Effective shareholding held by non-controlling interests 31 December 2022 %
Cogent Automotive Logistics Pte. Ltd. (i) and (iv)	Export processing, transportation and storage of motor vehicles	Singapore	–	–	–	–	100	100	–	–
Cogent Land Capital Pte. Ltd. (i) and (iv)	Provision of automotive logistics management services, warehousing and property management services	Singapore	–	–	–	–	100	100	–	–
Cogent Container Depot Pte. Ltd. (i) and (iv)	Provision of container depot management services	Singapore	–	–	–	–	100	100	–	–
Cogent Realty Capital Pte. Ltd. (i) and (iv)	Provision of hostel management services	Singapore	–	–	–	–	100	100	–	–
Cogent Tank Depot Pte. Ltd. (i) and (iv)	Provision of ISO tank and container depot management services	Singapore	–	–	–	–	100	100	–	–
SH Cogent Logistics Sdn. Bhd. (ii) and (iv)	Provision of container depot management services and warehousing management services	Malaysia	–	–	–	–	100	100	–	–
COSCO SHIPPING Engineering Pte. Ltd. (i) and (iii)	Ship repairing, marine engineering, container repairs and services, fabrication works services and production of marine outfitting components	Singapore	–	–	–	–	90	90	10	10

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For the financial year ended 31 December 2023

17. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2023 and 31 December 2022: (continued)

Name	Principal activities	Country of incorporation/ business	Cost of investment		Proportion of ordinary shares directly held by the Company		Effective shareholding held by the Group		Effective shareholding held by non-controlling interests	
			31 December		31 December		31 December		31 December	
			2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
			$'000	$'000	**%**	%	**%**	%	**%**	%
Guper Integrated Logistics Sdn. Bhd. (ii) and (iv)	Provision of warehousing management services, container depot management services, transportation and cargoes	Malaysia	**–**	–	**–**	–	**98**	98	**2**	2
GEMS Logistics Sdn. Bhd. (ii) and (iv)	Provision of warehousing services	Malaysia	**–**	–	**–**	–	**100**	100	**–**	–
Dolphin Shipping Agency Sdn. Bhd. (ii) and (iv)	Provision of value added logistics services	Malaysia	**–**	–	**–**	–	**100**	100	**–**	–
East West Freight Services Sdn. Bhd. (ii) and (iv)	Provision of value added logistics services	Malaysia	**–**	–	**–**	–	**100**	100	**–**	–
Golden Logistics & Storage Sdn. Bhd. (vi)	Vessel agent	Malaysia	**–**	–	**–**	–	**100**	–	**–**	–
			542,893	542,893						

(i) Audited by PricewaterhouseCoopers LLP, Singapore.

(ii) Audited by PricewaterhouseCoopers firms outside Singapore.

(iii) This entity is controlled by the Company's direct subsidiary, COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd.

(iv) These entities are controlled by the Company's direct subsidiary, Cogent Holdings Pte. Ltd.

(v) The Group has determined that it controls COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd. notwithstanding that it owns 50% of the equity holding. The factor that the Group considered in making this determination include its current ability to direct the activities of its investee, as the Group has a majority voting rights due to its' majority board of director representation in COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd.

(vi) Audited by Mazars PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

17. Investments in subsidiaries (continued)

On 1 July 2023, the Group acquired 100% of the issued share capital of Golden Logistics & Storage Sdn. Bhd. from its related party, COSCO Shipping (South East Asia) Pte Ltd, for a total consideration of RM10,860,000 (equivalent to $3,211,000). Details of the acquisition are included in Note 12.

During the previous financial year ended 31 December 2022, pursuant to the shareholder agreements entered into for the acquisition of Guper Integrated Logistics Sdn. Bhd. ("GIL"), GEMS Logistics Sdn. Bhd. ("GEMS"), Dolphin Shipping Agency Sdn. Bhd. ("DSA") and East West Freight Services Sdn. Bhd. ("EWF") (collectively the Malaysia subsidiaries), the Group acquired additional interest in the Malaysia subsidiaries from its non-controlling interests for a purchase consideration of $7,500,000. The Group effectively now holds 97.56%, 100%, 100% and 100% of the equity share capital of GIL, GEMS, DSA and EWF respectively.

The effect of the changes in the Group's ownership interest on the equity attributable to owners is summarised as follows:

	2022 $'000
Amount paid on change in ownership interest in subsidiaries	(7,500)
Non-controlling interests acquired	7,588
Amount recognised in equity reserve	88

Carrying value of non-controlling interests

	31 December	
	2023 **$'000**	2022 $'000
Subsidiaries with immaterial non-controlling interests	**3,936**	3,736

Summarised financial information of subsidiaries with material non-controlling interests

At 31 December 2023 and 2022, in the opinion of the directors, none of the subsidiaries have non-controlling interests that are material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. Investment properties

	The Group 31 December 2023 $'000	2022 $'000
Cost		
Beginning of financial year	**74,502**	79,468
Currency translation differences	**(732)**	(829)
Additions	**549**	–
Disposals	**(37,772)**	–
Lease modifications	**(95)**	(4,137)
End of financial year	**36,452**	74,502
Accumulated depreciation		
Beginning of financial year	**46,115**	38,675
Currency translation differences	**(65)**	(54)
Depreciation charge (Note 5)	**5,922**	7,494
Disposals	**(37,772)**	–
End of financial year	**14,200**	46,115
Net book value	**22,252**	28,387
Fair values	**46,558**	57,272

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 (Note 20) for commercial and industrial properties which the Group leases and further sub-leases 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.

The following amounts are recognised in profit or loss:

	The Group 2023 $'000	2022 $'000
Rental income	**14,721**	23,738
Direct operating expenses arising from investment properties that generate rental income	**10,588**	15,721

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. Investment properties (continued)

Fair value hierarchy - Recurring fair value measurements

Description	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable Inputs (Level 3)
	$'000	$'000	$'000
31 December 2023			
- Office units and industrial properties	–	–	**45,073**
- Right-of-use assets	–	–	**1,485**
31 December 2022			
- Office units and industrial properties	–	–	44,912
- Right-of-use assets	–	–	12,360

Valuation techniques and inputs used in Level 3 fair value measurements

Level 3 fair values of the investment properties have been derived based on the following:

(i) Office units and industrial properties

Fair values of the investment properties have been derived using the sales comparison approach. Sale prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre. A higher selling price per square metre will result in a higher valuation.

The Group engages external, independent and qualified valuers to determine the fair values of the investment properties at the end of each financial year based on the properties' highest and best use. As at 31 December 2023, the fair values of the properties have been determined by CKS Property Consultants Pte Ltd and Knight Frank Malaysia Sdn. Bhd.

The finance division of the Group includes a team that performs the valuation required for financial reporting purposes. At each financial year end the finance division:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements compared to the prior year valuation reports; and
- holds discussions with the independent valuer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

18. Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

(ii) Right-of-use assets

Fair values of the investment properties have been derived based on valuation model prepared by finance department of the Group. The valuation is based on the discounted cash flow of future lease operating income the right-of-use assets is estimated to generate, discounted at the weighted average cost of capital. The most significant input into this valuation approach is the discount rate. The higher the discount rate the lower the valuation.

19. Property, plant and equipment

The Group

	Freehold land $'000	Leasehold land and buildings $'000	Office renovations, furniture, fixtures and equipment $'000	Plant, machinery and equipment $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
2023							
Cost							
Beginning of financial year	12,704	668,858	17,701	45,887	31,981	10,312	787,443
Currency translation differences	(715)	(2,809)	(13)	(20)	(398)	(20)	(3,975)
Additions	–	506	429	1,679	4,241	5,009	11,864
Modifications	–	4,583	–	–	86	–	4,669
Disposals	–	–	(235)	(538)	(2,663)	–	(3,436)
Reclassifications	–	8,898	95	244	–	(9,237)	–
End of financial year	11,989	680,036	17,977	47,252	33,247	6,064	796,565
Accumulated depreciation and impairment losses							
Beginning of financial year	–	81,485	8,620	13,080	14,342	–	117,527
Currency translation differences	–	(318)	(14)	(10)	(120)	–	(462)
Depreciation charge	–	22,156	1,526	3,290	4,331	–	31,303
Disposal	–	–	(211)	(430)	(2,653)	–	(3,294)
End of financial year	–	103,323	9,921	15,930	15,900	–	145,074
Net book value							
End of financial year	**11,989**	**576,713**	**8,056**	**31,322**	**17,347**	**6,064**	**651,491**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

19. Property, plant and equipment (continued)

The Group (continued)

	Freehold land $'000	Leasehold land and buildings $'000	Office renovations, furniture, fixtures and equipment $'000	Plant, machinery and equipment $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
2022							
Cost							
Beginning of financial year	13,514	667,650	16,072	35,904	34,692	22,118	789,950
Currency translation differences	(810)	(3,329)	(49)	(10)	(439)	(12)	(4,649)
Additions	–	11,010	767	1,739	1,841	5,286	20,643
Modifications	–	(4,508)	–	–	–	–	(4,508)
Disposals	–	(8,796)	(389)	(262)	(4,113)	–	(13,560)
Write-off	–	–	–	–	–	(433)	(433)
Reclassifications		6,831	1,300	8,516	–	(16,647)	–
End of financial year	12,704	668,858	17,701	45,887	31,981	10,312	787,443
Accumulated depreciation and impairment losses							
Beginning of financial year	–	62,089	7,392	10,281	13,983	–	93,745
Currency translation differences	–	(264)	(24)	(7)	(142)	–	(437)
Depreciation charge	–	22,964	1,639	3,067	4,424	–	32,094
Disposal	–	(3,304)	(387)	(261)	(3,923)	–	(7,875)
End of financial year	–	81,485	8,620	13,080	14,342	–	117,527
Net book value							
End of financial year	**12,704**	**587,373**	**9,081**	**32,807**	**17,639**	**10,312**	**669,916**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

19. Property, plant and equipment (continued)

The Company

	Office renovations, furniture, fixtures and equipment $'000	Motor vehicles $'000	Total $'000
2023			
Cost			
Beginning of financial year	98	390	488
Additions	16	–	16
End of financial year	114	390	504
Accumulated depreciation			
Beginning of financial year	71	372	443
Depreciation charge	20	5	25
End of financial year	91	377	468
Net book value			
End of financial year	**23**	**13**	**36**
2022			
Cost			
Beginning of financial year	113	390	503
Additions	12	–	12
Disposals	(27)	–	(27)
End of financial year	98	390	488
Accumulated depreciation			
Beginning of financial year	78	367	445
Depreciation charge	20	5	25
Disposals	(27)	–	(27)
End of financial year	71	372	443
Net book value			
End of financial year	**27**	**18**	**45**

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20.

(b) Included within additions in the current year consolidated financial statements are right-of-use assets amounting to $1,890,000 (2022: $12,321,000).

(c) Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of $154,051,000 (2022: $401,533,000) (Note 24).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

20. Leases – The Group as a lessee

Right-of-use ("ROU") assets

Nature of the Group's leasing activities

Land and building

The Group leases land and building for purpose of its ship repair and engineering and logistics operations. The Group also leases a commercial property, which it further sub-leases out to third parties for monthly lease payments. The lease of commercial property has been classified within investment properties (Note 18).

Equipment and vehicles

The Group leases equipment and motor vehicles for purpose of its back office operations and rendering of logistics services.

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Leasehold land and buildings	**77,376**	82,180
Equipment	**156**	6,398
Motor vehicles	**4,307**	6,363
	81,839	94,941

ROU assets classified within Investment properties

The right-of-use asset relating to leasehold land and buildings presented under investment properties (Note 18) is stated at cost less accumulated depreciation and has a carrying amount at balance sheet date of $3,955,000 (2022: $17,193,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

20. Leases – The Group as a lessee (continued)

Right-of-use ("ROU") assets (continued)

(b) Depreciation charge during the year

	The Group	
	2023	2022
	$'000	$'000
Investment properties	**5,201**	6,975
Leasehold land and buildings	**8,675**	9,740
Equipment	**112**	355
Motor vehicles	**1,240**	1,819
	15,228	18,889
(c) Interest expense on lease liabilities (Note 9)	**3,597**	3,168
(d) Lease expense not capitalised in lease liabilities - Lease expense - Short term leases (Note 5)	**4,313**	2,538
(e) Total income from sub-leasing ROU assets	**13,995**	21,318
(f) Total cash outflow for all the leases	**22,029**	23,939

(g) Addition and modification of ROU assets during the financial year was $2,439,000 (2022: $12,321,000) and $4,574,000 (2022: $8,645,000) respectively. During the current financial year, ROU assets with carrying amounts of $11,000 (2022: $5,493,000) was derecognised due to early termination of certain leases.

21. Leases – The Group as a lessor

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangement in which it subleases out retail stores to third parties for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as the operating leases.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

21. Leases – The Group as a lessor (continued)

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Less than one year	**8,354**	32,073
One to two years	**3,374**	8,345
Two to three years	**2,109**	1,715
Three to four years	**1,812**	–
Four to five years	**302**	–
Total undiscounted lease payments	**15,951**	42,133

22. Intangible assets

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Goodwill arising on consolidation (Note (a))	**–**	–
Contract-based intangible asset (Note (b))	**–**	–
Customer relationships intangible assets (Note (c))	**12,180**	16,281
	12,180	16,281

(a) Goodwill arising on consolidation

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Cost		
Beginning and end of financial year	**98,989**	98,989
Accumulated impairment		
Beginning of financial year	**(98,989)**	–
Impairment charge (Note 5)	**–**	(98,989)
End of financial year	**(98,989)**	(98,989)
Net book value	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. Intangible assets (continued)

(a) Goodwill arising on consolidation (continued)

Impairment tests for goodwill

During the financial year ended 31 December 2018, the Group acquired Cogent Holdings Limited and recorded goodwill of $98,989,000.

This goodwill was allocated to the Group's logistics cash-generating unit ("CGU") which operates business in providing integrated logistics services including, storage, transportation and logistics management services.

In performing the impairment assessment of the carrying amount of goodwill, the recoverable amount of the CGU is determined based on the higher of fair value less costs to sell ("FVLCOD") and value-in-use ("VIU") calculations.

In 2022, the recoverable amount of the CGU was determined based on FVLCOD calculation. Cash flow projections used in the FVLCOD calculation were based on financial budgets approved by management covering a one-year period, adjusted to market participants' perspective. Cash flows beyond the one-year period were determined using the estimate growth rates stated below, while cash flows beyond the five-year period were extrapolated based on 3.0% growth rate. The growth rate did not exceed the long-term average growth rate for the logistics business in which the CGU operates.

Key assumptions used for FVLCOD calculation:

	2022
Revenue growth rate	3.8% to 10.0%
Terminal growth rate[1]	3.0%
Discount rate[2]	10.2%

1 Growth rate used to extrapolate cash flows beyond the budget period

2 Post-tax discount rate applied to the post-tax cash flow projections

Management determined budgeted growth rate based on past performance and its expectations of the market developments from market participants' perspective. Climate-related risks such as higher fuel costs have also been factored into the recoverable amount calculation. The terminal growth rate used is consistent with the forecasts included in industry reports. The discount rate used is post-tax and reflects specific risks relating to the relevant industries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. Intangible assets (continued)

(a) Goodwill arising on consolidation (continued)

Impairment tests for goodwill (continued)

An impairment charge of $98,989,000 is included within "Administrative expenses" in the statement of comprehensive income. The geopolitical uncertainties and supply interruptions have contributed to rising fuel and utility costs, resulting in lower projected margins. This, compounded by the continued increase in interest rates and inflation rates during the second half of the financial year, led to the impairment charge at year end.

Fair value hierarchy

	Fair value measurements using		
Description	Quoted prices in active markets for identical assets (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable Inputs (Level 3) $'000
31 December 2022			
- Recoverable amount based on FVLCOD calculation	–	–	520,081

Valuation techniques and inputs used in Level 3 fair value measurements

Description	Fair value at 31 December 2022 ($'000)	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Recoverable amount based on FVLCOD calculation	520,081	Discounted cash flow method	Risk-adjusted discount rate	10.2%	The higher the discount rate, the lower the fair value.
			Terminal growth rate	3.0%	The higher the terminal growth rate, the higher the fair value.
			Revenue growth rate	3.8% to 10.0%	The higher the revenue growth rate, the higher the fair value.

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For the financial year ended 31 December 2023

22. Intangible assets (continued)

(b) Contract-based intangible assets

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Cost		
Beginning and end of financial year	**3,644**	3,644
Accumulated amortisation		
Beginning and end of financial year	**3,644**	3,644
Net book value	**–**	–

(c) Customer relationships intangible assets

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Cost		
Beginning of financial year	**35,988**	36,116
Currency translation differences	**(112)**	(128)
End of financial year	**35,876**	35,988
Accumulated amortisation		
Beginning of financial year	**19,707**	15,694
Amortisation charge	**4,034**	4,049
Currency translation differences	**(45)**	(36)
End of financial year	**23,696**	19,707
Net book value	**12,180**	16,281

The amortisation charge is presented within the "Cost of sales" in the consolidated statement of profit or loss.

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For the financial year ended 31 December 2023

23. Trade and other payables

	The Group		The Company	
	31 December		31 December	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current				
Trade payables:				
- Non-related parties	**14,184**	10,754	**–**	–
- Fellow subsidiaries	**–**	195	**–**	–
	14,184	10,949	**–**	–
Advances from non-related parties	**983**	1,557	**–**	–
Non-trade payables:				
- Non-related parties	**963**	2,545	**123**	176
- Subsidiaries	**–**	–	**31,846**	40,651
- Fellow subsidiaries	**3,333**	2,255	**4**	–
- Related parties	**2**	2	**–**	–
	4,298	4,802	**31,973**	40,827
Deposits received	**6,611**	7,439	**–**	–
Other accruals for operating expenses	**11,174**	10,372	**2,760**	2,819
Interest payable	**225**	776	**26**	458
	18,010	18,587	**2,786**	3,277
Total current trade and other payables	**37,475**	35,895	**34,759**	44,104
Non-current				
Trade payables:				
- Non-related parties	**–**	337	**–**	–
Total trade and other payables	**37,475**	36,232	**34,759**	44,104

The trade payables due to fellow subsidiaries are unsecured, interest-free and repayable on demand. The non-trade payables due to subsidiaries, fellow subsidiaries and related parties are unsecured, interest-free and repayable on demand.

The fair values of the non-current trade payables approximated its carrying amounts, determined from cash flows analyses discounted at market borrowing rates of 4.63% per annum in 2022 which the directors expected to borrow as and when required by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. Borrowings

	The Group		The Company	
	31 December		31 December	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings (unsecured)	**1,352**	2,365	**–**	–
Bank borrowings (secured)	**15,100**	16,021	**–**	–
Lease liabilities (secured)	**8,785**	12,590	**–**	–
	25,237	30,976	**–**	–
Non-current				
Bank borrowings (unsecured)	**54,612**	55,964	**34,069**	34,069
Bank borrowings (secured)	**107,585**	125,253	**–**	–
Loan from a fellow subsidiary (unsecured)	**–**	38,000	**–**	38,000
Lease liabilities (secured)	**74,368**	78,722	**–**	–
	236,565	297,939	**34,069**	72,069
Total borrowings	**261,802**	328,915	**34,069**	72,069

The borrowings of the Group and of the Company amounting to $178,649,000 and $34,069,000 respectively (2022: $237,603,000 and $72,069,000) have variable interest rates that are contractually repriced within 1 to 3 months (2022: 1 to 3 months) from the balance sheet date.

(a) Security granted

At the balance sheet date, total borrowings include secured liabilities of $205,838,000 (2022: $232,586,000) for the Group.

Bank borrowings are secured by:

(i) certain bank deposits (Note 12); and

(ii) certain property, plant and equipment (Note 19).

Lease liabilities are secured over the Group's right-of-use assets classified within property, plant and equipment and investment properties (Note 20).

(b) Fair values of non-current borrowings

As at 31 December 2023 and 2022, the carrying amounts of non-current borrowings, which are at variable rates, approximated their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

25. Provisions

	The Group 31 December 2023 $'000	The Group 31 December 2022 $'000
Provision for reinstatement costs	**2,237**	2,337
Current	**802**	802
Non-current	**1,435**	1,535
	2,237	2,337

Movements in provision for reinstatement costs are as follows:

	The Group 31 December 2023 $'000	The Group 31 December 2022 $'000
Beginning of financial year	**2,337**	2,217
Provision made during the financial year	**–**	120
Provision utilised during the financial year	**(100)**	–
End of financial year	**2,237**	2,337

Provision for reinstatement costs represent estimated costs required to reinstate the Group's leased premises to their original state upon expiry of the lease.

26. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	The Group 31 December 2023 $'000	The Group 31 December 2022 $'000
Deferred income tax assets	**(171)**	(111)
Deferred income tax liabilities	**59,710**	61,242
Net deferred tax liabilities	**59,539**	61,131

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

26. Deferred income taxes (continued)

Movement in the deferred income tax account is as follows:

	The Group 31 December 2023 $'000	The Group 31 December 2022 $'000
Beginning of financial year	**61,131**	62,763
Currency translation differences	**(332)**	(391)
Deferred tax credited to profit or loss	**(1,260)**	(1,241)
End of financial year	**59,539**	61,131

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent realisation of the related tax benefits through future taxable profits is probable. The Group has no unrecognised tax losses at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The unrecognised tax losses and capital allowances have no expiry date.

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Deferred income tax liabilities

	The Group			
	Accelerated tax depreciation $'000	Right-of-use assets $'000	Undistributed profits of foreign associated companies $'000	Total $'000
2023				
Beginning of financial year	61,700	15,997	219	77,916
(Credited)/charged to income statement	(1,254)	(1,284)	212	(2,326)
Currency translation differences	(353)	(273)	–	(626)
End of financial year	60,093	14,440	431	74,964
2022				
Beginning of financial year	63,149	20,020	198	83,367
(Credited)/charged to income statement	(1,059)	(3,667)	21	(4,705)
Currency translation differences	(390)	(356)	–	(746)
End of financial year	61,700	15,997	219	77,916

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

26. Deferred income taxes (continued)

Deferred income tax liabilities (continued)

Reconciliation of total deferred income tax liabilities after appropriate offsetting from the same tax jurisdiction is as follows:

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Total deferred income tax liabilities	74,964	77,916
Offsetting of deferred income tax assets from the same tax jurisdiction	(15,254)	(16,674)
Total deferred income tax liabilities after appropriate offsetting from the same tax jurisdiction	**59,710**	61,242

Deferred income tax assets

	The Group
	Lease liabilities
	$'000
2023	
Beginning of financial year	**(16,785)**
Charged to income statement	**1,066**
Currency translation differences	**294**
End of financial year	**(15,425)**
2022	
Beginning of financial year	(20,604)
Charged to income statement	3,464
Currency translation differences	355
End of financial year	(16,785)

Reconciliation of total deferred income tax assets after appropriate offsetting from the same tax jurisdiction is as follows:

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Total deferred income tax assets	**(15,254)**	(16,674)
Offsetting of deferred income tax liabilities from the same tax jurisdiction	**15,254**	16,674
Total deferred income tax assets after appropriate offsetting from the same tax jurisdiction	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. Share capital

	Issued share capital	
	No. of ordinary shares ’000	Amount $’000
2023		
Beginning and end of financial year	**2,239,245**	**270,608**
2022		
Beginning and end of financial year	2,239,245	270,608

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Share options

The COSCO SHIPPING Group Executives’ Share Option Scheme 2020 (“Option Scheme”) was approved by shareholders of the Company at an Extraordinary General Meeting held on 25 June 2020.

Under the Option Scheme, options to subscribe for the ordinary shares of the Company are granted to employees who have, as of the date of grant, been in the employment of the Company, its subsidiaries or Parent Group Companies (collectively the “Executives”) (as the case may be) for a period of at least 12 months, or such shorter period as the Committee may determine. Non-Executive Directors (including independent directors), Controlling Shareholders and Associates of Controlling Shareholders are not eligible to participate in the Option Scheme. Directors and employees of associated companies are also not eligible to participate in the Option Scheme. Subject to any adjustment pursuant to the Option Scheme, the exercise price of the options shall be the market price, which is the higher of (i) the last dealt price for a share determined by reference to the daily Official List published by SGX-ST on the date of grant; or (ii) the average of the last dealt prices for a share determined by reference to the daily Official List published by the SGX-ST for a period of five consecutive market days immediately prior to the date of grant. No options are granted at a discount to the exercise price.

The options may be exercised in full or in part in respect of 100 shares or a multiple thereof, on the payment of the exercise price commencing after the second anniversary of the date of grant of the options and ending on the seventh anniversary of the date of grant of the options, subject to the following vesting periods of the options granted:

(a) up to one-third only of the ordinary shares in respect of the options granted may be exercised during the period commencing from the date falling immediately after the second anniversary of the date of grant of that option and ending on the seventh anniversary of the date of grant of that option (the “First vesting period”);

(b) up to another one-third only of the ordinary shares in respect of the options granted may be exercised during the period commencing from the date falling immediately after the third anniversary of the date of grant of that option and ending on the seventh anniversary of the date of grant of that option (the “Second vesting period”); and

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. Share capital (continued)

Share options (continued)

(c) the remaining one-third only of the ordinary shares in respect of the options granted may be exercised during the period commencing from the date falling immediately after the fourth anniversary of the date of grant of that option and ending on the seventh anniversary of the date of grant of that option (the "Third vesting period").

A participant shall, at any time, only be entitled to participate in any one share option or share incentive scheme implemented by the Group or any Parent Group Company.

The aggregate number of shares over which options may be granted on any date, when added to (i) the aggregate number of new shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and (ii) the numbers of treasury shares and subsidiary holdings delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any), shall not exceed 10% of the total issued shares of the Company (excluding treasury shares and subsidiary holdings) on the day preceding that date of grant. The aggregate number of shares to be issued to key management and employees of the Parent Group shall not exceed 20% of the shares available under the Option Scheme.

The Company granted options under the Option Scheme to subscribe for 22,238,000 ordinary shares of the Company on 3 July 2020 (the "2020 Options").

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 key management personnel and employees pursuant to the Option Scheme (the "2021 Options"). The 2021 Options shall be exercisable during the First vesting period, Second vesting period and Third vesting period respectively, subject to the achievement of vesting conditions.

Movements in the number of unissued ordinary shares under option at the end of the financial year and their exercise prices are as follows:

The Group and the Company

As at 31 December 2023

	Number of ordinary shares under option outstanding						
	Beginning of financial year ’000	**Granted during financial year ‘000**	**Lapsed during financial year ’000**	**Exercised during financial year ‘000**	**End of financial year ’000**	**Exercise Price $**	**Exercise period**
2020 Options	2,738	–	(2,738)	–	–	0.202	3.7.2022-2.7.2027
2021 Options	653	–	(653)	–	–	0.344	22.4.2023-21.4.2028
	3,391	–	(3,391)	–	–		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. Share capital (continued)

Share options (continued)

As at 31 December 2022

	Number of ordinary shares under option outstanding						
	Beginning of financial year '000	Granted during financial year '000	Lapsed during financial year '000	Exercised during financial year '000	End of financial year '000	Exercise Price $	Exercise period
2020 Options	11,198	–	(8,460)	–	2,738	0.202	3.7.2022-2.7.2027
2021 Options	1,973	–	(1,320)	–	653	0.334	22.4.2023-21.4.2028
	13,171	–	(9,780)	–	3,391		

No outstanding options were vested and exercisable as at 31 December 2023 and 31 December 2022.

The vesting of the options is conditional on the Executives achieving certain vesting conditions, including certain key performance indicators which are non-market conditions. The Group has assessed that the vesting conditions are unlikely to be met. Therefore, the Group has determined that no potential new shares will be issued to the Executives over the vesting periods. Accordingly, share-based payment compensation has not been recognised by the Group given that the equity instruments are unlikely to vest due to failure to satisfy non-market vesting conditions.

28. Statutory and other reserves

	The Group 31 December 2023 $'000	The Group 31 December 2022 $'000	The Company 31 December 2023 $'000	The Company 31 December 2022 $'000
(a) Composition:				
Share option reserve	**44,578**	44,578	**44,578**	44,578
Currency translation reserve	**(10,293)**	(6,565)	**–**	–
Other reserve	**265**	373	**527**	527
	34,550	38,386	**45,105**	45,105

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. Statutory and other reserves (continued)

	The Group		The Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
(b) Movements:				
*(i) **Share option reserve***				
Beginning and end of financial year	**44,578**	44,578	**44,578**	44,578
*(ii) **Currency translation reserve***				
Beginning of financial year	**(6,565)**	(1,869)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(3,807)**	(4,977)	**–**	–
Non-controlling interests	**79**	281	**–**	–
End of financial year	**(10,293)**	(6,565)	**–**	–
*(iii) **Other reserve***				
Beginning and ending of financial year	**373**	(7,785)	**527**	527
Acquisition of additional interest in subsidiaries	**–**	88	**–**	–
Acquisition of a subsidiary	**(108)**	–	**–**	–
Derecognition of redemption liability	**–**	8,185	**–**	–
Accretion of redemption liability	**–**	(115)	**–**	–
End of financial year	**265**	373	**527**	527

Other reserve is non-distributable.

29. Dividends

No dividend will be recommended at the next Annual General Meeting to be convened on 29 April 2024. No dividend was declared for the financial year ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. Commitments

Capital commitment

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group	
	31 December	
	2023	2022
	$'000	$'000
Property, plant and equipment	**1,992**	8,036

31. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board approves guidelines for overall risk management, as well as policies covering these specific areas.

(a) Market risk

(i) Currency risk

The Group is not exposed to significant currency risk as the Group's transactions are largely denominated in the functional currencies of the respective subsidiaries of the Group. Foreign currency sensitivity analysis has not been performed as management does not expect any reasonable changes to foreign currency rates to have significant impact on the results of the Group.

(ii) Price risk

The Group is not exposed to any significant equity securities price risk.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

The Group's interest rate risk mainly arises from borrowings at variable rates. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates and may use derivative financial instruments to hedge the exposures when the exposure is significant.

The Group is exposed mainly to the Singapore Overnight Rate Average ("SORA"). Transition from Singapore Inter-bank Offer Rate ("SIBOR") to SORA was completed for all SIBOR-referenced floating-rate debts during the financial year.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the interest rates had been lower or higher by 0.5% (2022: 0.5%) with all other variables including tax rate being held constant, the profit after tax (2022: loss after tax) of the Group and the Company would have been higher or lower (2022: lower or higher) by $741,000 (2022: $984,000) and $141,000 (2022: $299,000) respectively as a result of lower or higher interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. The Group only deals with financial institutions with good credit rating.

The Group monitors its exposure to credit risks arising from sales to trade customers at an on-going basis, and credit evaluations are done on customers that require credit. The credit quality of customers is assessed after taking into account its financial position and past experience with the customers. Cash and fixed deposits are placed in banks and financial institutions with good credit rating.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who are internationally dispersed. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's and Company's trade receivables.

The Group's and the Company's major classes of financial assets are bank deposits, trade receivables and other receivables (including staff advances).

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Cash and cash equivalents, other receivables, restricted cash and deposits are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in the GDP.

The Group considers a financial asset as in default if the counterparty fails to make contractual payments when they fall due and considering management's expectation based on historical payment trend. Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at 31 December 2023 and 2022, management has identified a group of debtors to be credit impaired and assessed the recoverability of the outstanding balances separately.

	2023	2022
	$'000	$'000
Gross carrying amount	**1,272**	548
Less: Loss allowance	**(1,113)**	(548)
	159	–

The movements in credit loss allowance are as follows:

	2023	2022
	$'000	$'000
The Group		
Balance at beginning of year	**548**	475
Reversal of unutilised amounts	**(70)**	(42)
Changes in credit risk	**658**	121
Currency translation differences	**(23)**	(6)
Balance at end of year	**1,113**	548

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

31. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables (continued)

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 are as follows:

The Group	Current $'000	Past due: 1 to 90 days $'000	91 to 180 days $'000	181 to 365 days $'000	More than 1 year $'000	Total $'000
As at 31 December 2023						
Ship repair and marine engineering						
Trade receivable	3,379	1,517	455	259	198	5,808
Logistics services						
Trade receivable	24,109	5,734	1,359	834	316	32,352
Property management						
Trade receivable	172	907	438	60	287	1,864
	27,660	**8,158**	**2,252**	**1,153**	**801**	**40,024**
As at 31 December 2022						
Ship repair and marine engineering						
Trade receivable	2,639	1,275	1,252	198	464	5,828
Logistics services						
Trade receivable	19,715	7,243	709	302	345	28,314
Property management						
Trade receivable	1,146	475	164	195	584	2,564
	23,500	**8,993**	**2,125**	**695**	**1,393**	**36,706**

Based on the above assessment, the remaining trade receivables are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. **Financial risk management** (continued)

(b) Credit risk (continued)

Other receivables

The Group's other receivables carried at amortised cost have low risk of default and the debtors have strong capacity to meet contractual cash flows. Hence the loss allowance recognised on these assets are measured at the 12-month expected credit loss. The Group categorise such loan or receivable as a financial asset with low risk of impairment.

Where the interest and/or principal repayments have no reasonable expectation of recovery, or the counterparty is going into administration or bankruptcy or financial reorganisation, the Group categorise such loan or receivable for impairment.

<u>The Company</u>

As at 31 December 2023 and 31 December 2022, the Company did not have any loss allowance arising from its financial assets.

Cash at bank and other receivables are subject to immaterial credit loss.

The Company has issued a financial guarantee to a bank for borrowings of a subsidiary amounting to $21,895,000 (2022: $24,260,000). The financial guarantee is subject to the impairment requirements of SFRS(I) 9. The Company has assessed that the subsidiary has strong financial capacity to meet its financial obligations in the near future and hence, does not expect significant credit losses arising from this guarantee.

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and having an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit facilities available.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 Years $'000	Over 5 years $'000
The Group			
At 31 December 2023			
Other financial liabilities	**(36,492)**	**–**	**–**
Borrowings	**(29,680)**	**(137,606)**	**(159,332)**
At 31 December 2022			
Other financial liabilities	(34,338)	(337)	–
Borrowings	(45,478)	(206,929)	(198,377)
The Company			
At 31 December 2023			
Other financial liabilities	**(34,759)**	**–**	**–**
Borrowings	**(1,617)**	**(35,641)**	**–**
At 31 December 2022			
Other financial liabilities	(44,104)	–	–
Borrowings	(2,894)	(74,434)	–

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the return on shareholders' fund. The return on shareholders' fund was 0.4% per annum for the current financial year ended 31 December 2023 (2022: -16.7% per annum).

The return on shareholders' fund is calculated as net profit/(loss) attributable to equity holders of the Company divided by average shareholders' equity.

The Group and the Company were in compliance with all externally imposed capital requirements for the financial year ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. Financial risk management (continued)

(e) Fair value measurements

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of current borrowings approximates their fair values.

(f) Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	The Group 31 December		**The Company** 31 December	
	2023 **$'000**	2022 $'000	**2023** **$'000**	2022 $'000
Financial assets at amortised cost	**109,733**	149,021	**36,561**	78,518
Financial liabilities at amortised cost	**298,294**	363,590	**68,828**	116,173

(g) Offsetting financial assets and financial liabilities

The financial assets and liabilities of the Group and the Company are not subject to enforceable master netting arrangements or similar agreement. Financial assets and liabilities are settled on a gross basis.

32. Immediate and ultimate holding corporation

The Company's immediate holding corporation is China Ocean Shipping (Group) Company, incorporated in the People's Republic of China ("PRC"). The Company's ultimate holding corporation is China COSCO Shipping Corporation Limited, incorporated in PRC.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

33. Related party transactions

(a) 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 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.

	The Group	
	2023	2022
	$'000	$'000
Revenue		
Sales to fellow subsidiaries	**17,607**	21,164
Service income received from fellow subsidiaries	**2,820**	3,399
Commission received/receivable from fellow subsidiaries	**52**	54
Expenditure		
Purchases from fellow subsidiaries	**1,763**	4,422
Purchases from related parties	**4**	–
Rental paid/payable to fellow subsidiaries	**417**	789
Management fees paid to a fellow subsidiary	**405**	–
Service expenses paid/payable to fellow subsidiaries	**196**	1,070
Interest paid/payable to a fellow subsidiary	**1,010**	1,096
Insurance premium paid/payable to a fellow subsidiary	**–**	140
Purchase of property, plant and equipment from a fellow subsidiary	**14**	157

Outstanding balances as at 31 December 2023, arising from sales or purchases of goods and services and receivables/payables from/to fellow subsidiaries, are set out in Note 13, 23 and 24 respectively.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

33. Related party transactions (continued)

(b) Share options granted to key management

There were no share options granted to key management of the Group during 2023 and 2022, and 331,400 (2022: 2,315,300) share options were lapsed during the financial year. The share options were given on the same terms and conditions as those offered to other employees of the Group (Note 27). There was no outstanding number of share options granted to key management of the Group at the end of financial year (2022: 331,400).

(c) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2023	2022
	$'000	$'000
Salaries and other short-term benefits	**2,277**	2,989
Directors' fees of the Company	**256**	184
	2,533	3,173

Included in the above was total compensation to directors of the Company amounting to $1,078,000 (2022: $1,917,000).

34. Segment information

The President is the Group's chief operating decision maker ("CODM"). Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions.

The key management considers the business from the business segment perspective. The operations relate to segments which derive revenue from shipping, ship repair and marine engineering activities, logistics and property management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

34. Segment information (continued)

The segment information provided to the key management for the reportable segments is as follows:

	Shipping $'000	Ship repair, and marine engineering activities $'000	Logistics $'000	Property management $'000	All other segments $'000	Total $'000
2023						
The Group						
Sales						
- External sales	–	17,962	148,240	12,508	–	178,710
- Inter-segment sales	–	–	–	627	–	627
	–	17,962	148,240	13,135	–	179,337
Elimination						(627)
						178,710
Segment results	–	2,638	13,509	2,127	(6,023)	12,251
Interest income	–	1	170	–	1,758	1,929
Finance expense	–	(47)	(11,216)	–	(2,394)	(13,657)
Share of profit of associated companies	1,999	–	3,133	–	–	5,132
Profit/(loss) before income tax	1,999	2,592	5,596	2,127	(6,659)	5,655
Income tax expense						(3,027)
Net loss						2,628
Other segment items						
Additions to property, plant and equipment, net of lease modifications	–	5,261	11,254	2	16	16,533
Amortisation of intangible assets	–	–	4,034	–	–	4,034
Additions to investment properties, net of lease modification	–	–	–	454	–	454
Depreciation of property, plant and equipment	–	1,064	30,003	211	25	31,303
Depreciation of investment properties	–	–	5,178	744	–	5,922
Impairment of trade and other receivables	–	54	246	288	–	588
Segment assets	–	23,135	725,681	15,064	36,777	800,657
Associated companies	38,777	–	16,733	–	–	55,510
Deferred income tax assets						171
Consolidated total assets						856,338
Segment liabilities	–	2,348	28,877	5,568	2,919	39,712
Borrowings						261,802
Current income tax liabilities						4,092
Deferred income tax liabilities						59,710
Consolidated total liabilities						365,316
Consolidated net assets						491,022

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

34. Segment information (continued)

	Shipping $'000	Ship repair, and marine engineering activities $'000	Logistics $'000	Property management $'000	All other segments $'000	Total $'000
2022						
The Group						
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
Finance 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, net of lease modifications	–	3,787	12,206	130	12	16,135
Amortisation of intangible assets	–	–	4,049	–	–	4,049
Lease modification 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
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 income 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

34. Segment information (continued)

Sales between segments are carried out at terms agreed between the relevant parties. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated profit or loss.

(a) Geographical information

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

1. Singapore - the operations in this area are principally in 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 (other than deferred tax assets) are shown by the geographical area where the assets are located.

	Sales		Non-current assets 31 December	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Singapore	**152,337**	151,243	**671,056**	697,758
Malaysia	**26,373**	34,400	**70,751**	76,008
	178,710	185,643	**741,807**	773,766

Revenue of approximately $32,556,000 (2022: $30,668,000) are derived from one (2022: one) single external customer. These revenues are attributable to the Singapore Logistics segment.

35. 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

35. Arbitration proceeding (continued)

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 had also been stayed in the interim pending the crane specialist's applications, which were 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 had dismissed the crane specialist's appeal in its entirety with costs.

On 13 January 2023, SHCL re-commenced enforcement proceedings against the crane specialist to recover the sum owing.

On 17 January 2023, SHCL seized the cranes under dispute in SHCL's custody and commenced Writ of Seizure and Sale proceedings.

On 6 February 2023, the hearing for Examination of Judgement Debtor against the Director of the crane specialist was held.

In May 2023, based on the information received from the Examination of Judgement Debtor, SHCL applied for Garnishee Proceedings (13 proceedings) against the bank and debtors of the crane specialist and Writ of Seizure and Sale proceedings for a property located at International Road to recover the amount owing.

On 26 July 2023, the Garnishee Proceedings for 3 debtors were made final and the rest withdrawn due to confirmation from debtors that there was no amounts due to the crane specialist, except for the last remaining Garnishee Proceeding.

On 27 July 2023, the Writ of Seizure and Sale for the property on Penjuru Road was conducted. The auction was called off as the bid was not accepted due to low bid price.

SHCL proceeded with the Writ of Seizure and Sale of property on International Road and an auction was held on 20 December 2023. The auction was successful and awarded to the highest bidder at $40,000.

On 27 February 2024, another auction was held and the seized items were sold for a total of $230,000.

On the last remaining Garnishee Proceeding, SHCL agreed to proceed with Winding Up proceedings against the debtor. The first hearing for the Winding Up proceedings was fixed on 22 December 2023. The hearing was adjourned to 5 January 2024 to allow time for the debtor to set aside the Final Garnishee Order. On 24 January 2024, SHCL received the application for the debtor to set aside the Final Garnishee order. The hearing was conducted on 5 March 2024 and SHCL was successful in resisting the application to set aside the Final Garnishee Order. In addition, $10,000 of legal cost relating to the proceedings was also awarded to SHCL.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

35. Arbitration proceeding (continued)

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 2023.

36. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)

Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

36. New or revised accounting standards and interpretations (continued)

Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures: Supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify the characteristics of supplier finance arrangements ("SFA") and introduce new disclosures of such arrangements. The objective of the new disclosures is to provide information about supplier finance arrangements that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

There is a transitional relief of not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

The amendments will be effective for annual periods beginning on or after 1 January 2024. Early adoption is permitted.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The Group does not expect any significant impact arising from applying these amendments.

37. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of COSCO SHIPPING International (Singapore) Co., Ltd. on 7 March 2024.

FIVE-YEAR SUMMARY

	Note	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
PROFIT OR LOSS						
Sales		171,495	185,843	198,463	185,643	178,710
Profit/(loss) before income tax		10,641	11,875	34,517	(84,563)	5,655
Income tax expense		(2,933)	(2,810)	(3,674)	(3,197)	(3,027)
Total profit/(loss)		7,708	9,065	30,843	(87,760)	2,628
Profit/(loss) attributable to:						
- Equity holders of the Company		7,380	8,337	30,112	(88,600)	1,900
- Non-controlling interests		328	728	731	840	728
		7,708	9,065	30,843	(87,760)	2,628

	Note	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000
BALANCE SHEET						
Share Capital		270,608	270,608	270,608	270,608	270,608
Statutory and other reserves		35,365	25,560	34,924	38,386	34,550
Retained Earnings		230,395	238,732	268,628	180,028	181,928
Non-controlling interests		1,911	10,416	11,050	3,736	3,936
Total Equity		538,279	545,316	585,210	492,758	491,022
Trade and other receivables		477	529	424	379	374
Investment in associated companies		16,209	16,652	55,251	58,803	55,510
Investment properties		22,872	38,515	40,793	28,387	22,252
Property, plant and equipment		672,412	718,873	696,205	669,916	651,491
Intangible assets		126,352	123,584	119,411	16,281	12,180
Deferred income tax assets		6	–	10	111	171
Current assets		110,039	120,607	161,441	152,150	114,360
Current liabilities		(84,401)	(89,187)	(130,125)	(72,216)	(67,606)
Non-current liabilities		(325,687)	(384,257)	(358,200)	(361,053)	(297,710)
Net Assets		538,279	545,316	585,200	492,758	491,022
RATIOS						
Basic earnings/(loss) per share (cents)	1	0.30	0.37	1.30	(3.96)	0.08
Net tangible assets per share (cents)		18.1	18.1	20.1	20.9	21.0
Gearing ratio (Net of Cash)	2	0.4	0.5	0.4	0.5	0.4

Notes:

1. Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to equity holders of the company divided by the weighted average number of ordinary shares issued in the financial year.

2. Gearing ratio (Net of Cash) is derived by taking total borrowings, net of cash and cash equivalents, over the shareholders' funds.

SHAREHOLDING STATISTICS

As at 18 March 2024

Number of Shares in Issue	:	2,239,244,954
Class of Shares	:	Ordinary shares
Voting Rights	:	On a Poll: 1 vote for each ordinary share
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS AS AT 18 MARCH 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	27	0.10	865	0.00
100 - 1,000	2,066	7.89	1,981,271	0.09
1,001 - 10,000	14,045	53.68	78,411,170	3.50
10,001 - 1,000,000	9,963	38.08	587,349,173	26.23
1,000,001 and above	65	0.25	1,571,502,475	70.18
Total	**26,166**	**100.00**	**2,239,244,954**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2024

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
China Ocean Shipping Company Limited	1,194,565,488	53.35	–	–
China COSCO Shipping Corporation Limited*	–	–	1,194,565,488	53.35

** China COSCO Shipping Corporation Limited is deemed interested in the shares held by China Ocean Shipping Company Limited.*

SHAREHOLDING STATISTICS

As at 18 March 2024

TWENTY LARGEST SHAREHOLDERS AS AT 18 MARCH 2024

	SHAREHOLDER'S NAME	NO OF SHARES	%
1	CHINA OCEAN SHIPPING COMPANY LIMITED	1,194,565,488	53.35
2	DBS NOMINEES PTE LTD	53,703,682	2.40
3	CITIBANK NOMINEES SINGAPORE PTE LTD	49,828,205	2.23
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	23,843,408	1.06
5	OCBC SECURITIES PRIVATE LTD	21,583,024	0.96
6	ABN AMRO CLEARING BANK N.V.	18,991,300	0.85
7	RAFFLES NOMINEES (PTE) LIMITED	18,178,780	0.81
8	DBSN SERVICES PTE LTD	16,787,625	0.75
9	OCBC NOMINEES SINGAPORE PTE LTD	16,442,569	0.73
10	UOB KAY HIAN PTE LTD	16,125,838	0.72
11	PHILLIP SECURITIES PTE LTD	14,175,800	0.63
12	MAYBANK SECURITIES PTE. LTD.	8,504,571	0.38
13	CHUA LIAK CHNG	8,064,000	0.36
14	LEE FOOK CHOY	7,366,000	0.33
15	LIM AND TAN SECURITIES PTE LTD	6,722,700	0.30
16	IFAST FINANCIAL PTE LTD	6,389,434	0.29
17	HSBC (SINGAPORE) NOMINEES PTE LTD	5,171,340	0.23
18	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	4,744,900	0.21
19	ESTATE OF HUI SHUNE MING @ HUI SHUN MENG, DECEASED	4,500,000	0.20
20	TAN CHENG HWEE OR TAN CHIEW PENG	4,400,000	0.20
	Total	**1,500,088,664**	**66.99**

SHARES HELD BY PUBLIC

Based on the information available and to the best knowledge of the Company as at 18 March 2024, approximately 46.65% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of COSCO SHIPPING International (Singapore) Co., Ltd. (the "**Company**") will be held at Level 3, Meeting Rooms 334-336, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 29 April 2024 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS:

To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To approve payment of Directors' Fees of S$256,330 for the financial year ended 31 December 2023. *(2022: S$184,000)* **(Resolution 2)**

3. To re-elect Mr Lim Lee Meng who is retiring pursuant to Article 105 of the Company's Constitution and who, being eligible, offers himself for re-election. *(See Explanatory Note 1)* **(Resolution 3)**

4. To re-elect Dr Chen Seow Phun, John who is retiring pursuant to Article 105 of the Company's Constitution and who, being eligible, offers himself for re-election. *(See Explanatory Note 2)* **(Resolution 4)**

5. To re-elect Mr Hoon Tai Meng who is retiring pursuant to Article 105 of the Company's Constitution and who, being eligible, offers himself for re-election. *(See Explanatory Note 3)* **(Resolution 5)**

6. To re-appoint Messrs. PricewaterhouseCoopers LLP as Auditors and to authorise the directors of the Company (the "**Directors**") to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

7. **Authority to Allot and Issue Shares** **(Resolution 7)**

   That pursuant to Section 161 of the Companies Act 1967 and the Listing Rules of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), approval be and is hereby given to the Directors to:

   (a) issue shares in the capital of the Company (whether by way of bonus, rights or otherwise); and/or

   (b) make or grant offers, agreements or options that might or would require shares to be issued, including but not limited to the creation and issue (as well as adjustments to) of securities, warrants, options, debentures or other instruments convertible into shares;

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that:

(i) the aggregate number of shares and convertible securities that may be issued shall not be more than 50% of the issued shares in the capital of the Company (calculated in accordance with (ii) below), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the issued shares in the capital of the Company (calculated in accordance with (ii) below);

(ii) for the purpose of determining the aggregate number of shares and convertible securities that may be issued pursuant to (i) above, the percentage of issued share capital shall be calculated based on the issued shares in the capital of the Company at the time of the passing of this Resolution after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities; (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution and (c) any subsequent bonus issue, consolidation or subdivision of shares; and

(iii) unless revoked or varied by ordinary Resolution of the shareholders of the Company in general meeting, this Resolution shall remain in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

(See Explanatory Note 4)

8. **Proposed Renewal of Shareholders' Mandate for Interested Person Transactions** **(Resolution 8)**

(i) That approval be and is hereby given for the renewal of the mandate for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Appendix A to the Notice of AGM ("**Appendix A**") with any party who is of the class of Interested Persons described in Appendix A provided that such transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures set out in Appendix A;

(ii) That the Audit and Risk Management Committee of the Company be and is hereby authorised to take such actions as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by SGX-ST from time to time;

(iii) That the Directors be and are hereby authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(iv) That the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

(See Explanatory Note 5)

9. **Authority to Allot and Issue Shares under the COSCO SHIPPING Group Executives Share Option Scheme 2020** **(Resolution 9)**

That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the COSCO SHIPPING Group Executives Share Option Scheme 2020 (the "**Option Scheme**") and allot and issue and/or transfer from time to time such number of shares in the capital of the Company as may be required to be issued and/or transferred pursuant to the exercise of options under the Option Scheme and do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that the aggregate number of shares to be allotted and issued pursuant to the Option Scheme and other share-based incentive scheme(s) of the Company shall not exceed 10% of the total number of issued shares in the capital of the Company from time to time (excluding treasury shares and subsidiary holdings, if any).

(See Explanatory Note 6)

10. To transact any other business which may be properly transacted at an AGM.

BY ORDER OF THE BOARD
Lee Wei Hsiung
Company Secretary
Singapore, 5 April 2024

EXPLANATORY NOTES:

1. Mr Lim Lee Meng will, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the Audit and Risk Management Committee, and a member of the Nominating, Remuneration, and Strategic and Sustainable Development Committees; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the "Information on Director seeking Re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

2. Dr Chen Seow Phun, John will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee, and a member of the Nominating, Audit and Risk Management, and Strategic and Sustainable Development Committees; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the "Information on Director seeking Re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

3. Mr Hoon Tai Meng will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee, and a member of the Audit and Risk Management, Remuneration, and Strategic and Sustainable Development Committees; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to the "Information on Director seeking Re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

4. Ordinary Resolution 7 proposed above, if passed, will empower the Directors from the date of the above AGM until the next AGM to issue shares and/or convertible securities in the capital of the Company up to an amount not exceeding in aggregate 50% of the issued shares in the capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the issued shares in the capital of the Company at the time the Resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM.

NOTICE OF ANNUAL GENERAL MEETING

5. Ordinary Resolution 8 proposed above, if passed, will renew the existing Shareholders' Mandate to allow the Company, its subsidiaries and associated companies or any of them to enter into certain Interested Person Transactions with person who are considered "Interested Persons" (as defined in Chapter 9 of the Listing Manual of the SGX-ST).

   The Company's Audit and Risk Management Committee has confirmed that (i) the methods and procedures for determining the transaction prices under the Shareholders' Mandate for Interested Person Transactions (described in Schedule 2 of Appendix A), have not changed since the Shareholders' Mandate was renewed at the last AGM on 28 April 2023; and (ii) that the said methods and procedures are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

6. Ordinary Resolution 9 proposed above, if passed, will authorise and empower the Directors to offer and grant options in accordance with the provisions of the Option Scheme and allot and issue and/or transfer from time to time such number of shares in the capital of the Company as may be required to be issued and/or transferred pursuant to the exercise of options under the Option Scheme and do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that the aggregate number of shares to be allotted and issued pursuant to the Option Scheme and other share-based incentive scheme(s) of the Company shall not exceed 10% of the total number of issued shares in the capital of the Company from time to time (excluding treasury shares and subsidiary holdings, if any). This authority is in addition to the general authority to issue shares sought under Ordinary Resolution 7.

NOTES:

General

1. The AGM is being convened, and will be held, in a wholly physical format, at Level 3, Meeting Rooms 334 - 336, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 29 April 2024 at 2.00 p.m. for the purpose of considering and, if thought fi t, passing with or without modifications the resolution set out in the Notice of AGM. There will be no option for Shareholders to participate virtually.

2. Members may participate in the AGM by:

   (a) attending the AGM in person;
   (b) voting at the AGM (i) themselves; or (ii) through their duly appointed proxy(ies); and/or
   (c) submitting questions in advance of, or at, the AGM,

   details as set out in the paragraphs below

3. Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent to shareholders by post. These documents will be published on the Company's website at http://coscoshipping.listedcompany.com/home.html. and on the SGXNET website at https://www.sgx.com/securities/company-announcements.

Register in person to attend the AGM

4. Shareholders and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Every attendee is required to bring his or her NRIC or passport to enable the Company to verify his or her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately. Shareholders are advised not to attend the AGM if they are feeling unwell.

5. Shareholders holding shares through Relevant Intermediaries (as defined under Section 181(6) of the Companies Act) (other than CPF/SRS investors) who wish to participate in the AGM in person should approach his or her Relevant Intermediary at least seven (7) working days before the date of the AGM (i.e. by **5.00 p.m. on 17 April 2024**) to make the necessary arrangements.

Submission of Questions

6. Submission of questions in advance of the AGM: Shareholders can submit substantial and relevant questions relating to the businesses of the AGM, in advance of the AGM, to the Company, in the following manner:

   (i) in hard copy by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (ii) by email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.COSCOproxy@sg.tricorglobal.com.

   All substantial and relevant questions relating to the businesses of the AGM by the Shareholders must be submitted by **2.00 p.m. on 17 April 2024** (the "Cut-Off Time").

NOTICE OF ANNUAL GENERAL MEETING

When submitting substantial and relevant questions electronically via email or by post, Shareholders must provide the Company with the following details to enable the Company to verify their status as Shareholders:

(i) status: individual shareholder or corporate representative
(ii) full name/full company name (as per CDP/CPF/SRS/Scrip-based records);
(iii) NRIC/FIN/Passport No./UEN;
(iv) email address; and
(v) contact number (optional).

Persons who hold Shares through Relevant Intermediaries (other than CPF/SRS investors) should contact their respective Relevant Intermediaries through which they hold such Shares to submit their questions relating to the resolution to be tabled for approval at the AGM based on the abovementioned instructions.

The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the AGM, before or during the AGM. The responses to substantial and relevant questions received from Shareholders by the Cut-Off Time will be posted on SGXNet and the Company's website before **2.00 p.m. on 23 April 2024**, being at least seventy-two (72) hours prior to the closing date and time for the lodgement of the Proxy Form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the resolutions to be tabled for approval at the AGM) received after the Cut-Off Time which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

7. **Submission of questions during the AGM**: Shareholders and their proxy(ies) attending the AGM may ask questions in person at the AGM.

Voting

8. Shareholders (including CPF/SRS investors) can vote at the AGM themselves or through duly appointed proxy(ies). A Shareholder who wishes to appoint a proxy(ies) must submit an instrument appointing a proxy(ies) (i.e. the Proxy Form) in accordance with the instructions on the Proxy Form.

9. A Shareholder who wishes to appoint a proxy(ies) to attend, speak and vote at the AGM on his or her behalf, he or she should submit the Proxy Form to the Company in the following manner:

   (a) if the physical Proxy Form is sent personally or by post, the Proxy Form must be deposited at, or be posted to be received at, the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if submitted by email, the Proxy Form must be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.COSCOproxy@sg.tricorglobal.com,

   in either case by **2.00 p.m. on 26 April 2024**, being not less than seventy-two (72) hours before the time appointed for holding the AGM, and in default the Proxy Form shall not be treated as valid.

10. A Shareholder who wishes to submit an instrument appointing a proxy(ies) must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it electronically via email to the email address provided above.

11. CPF or SRS investors may:

   (a) vote live at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have questions regarding their appointment as proxies; or

   (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators no later than **5.00 p.m. on 17 April 2024** (being seven (7) working days before the date of the AGM).

Other information

12. A Shareholder of the Company entitled to attend, speak and vote at the AGM, and who is not a Relevant Intermediary (as defined under Section 181(6) of the Companies Act), is entitled to appoint one (1) proxy or two (2) proxies to attend, speak and vote in his or her place.

NOTICE OF ANNUAL GENERAL MEETING

13. A Shareholder who is a Relevant Intermediary entitled to attend, speak and vote at the AGM is entitled to appoint more than two (2) proxies to attend, speak and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than one (1) proxy, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/ Passport Number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this note to the Notice of AGM. The appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

14. The completion and return of a Proxy Form by a Shareholder does not preclude him or her from attending, speaking and voting in person at the AGM should he or she subsequently decide to do so, although the appointment of the proxy(ies) shall be deemed to be revoked by such attendance.

15. A Depositor shall not be regarded as a Shareholder of the Company and shall not be entitled to attend the AGM and to speak and vote thereat unless his or her name appears on the Depository Register as certified by CDP as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. **2.00 p.m. on 26 April 2024**).

16. A proxy need not be a Shareholder of the Company. The Chairman of the AGM, as proxy, need not be a Shareholder of the Company.

17. A corporation which is a Shareholder of the Company may authorise by resolutions of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM.

18. The instrument appointing a proxy(ies) must be signed by the appointor or his or her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument appointing a proxy(ies) is signed on behalf of the Shareholder or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument appointing a proxy(ies), failing which the instrument appointing a proxy(ies) may be treated as invalid.

19. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company's corporate website, and the minutes will include the responses to substantial and relevant questions received from Shareholders which are addressed during the AGM.

20. The Company's Annual Report 2023 and the Appendix A to Shareholders (in relation to proposed renewal of shareholders' mandate for Interested Person Transactions) may be assessed at the Company's website at http://coscoshipping.listedcompany.com/home.html. These documents will also be made available and on the SGX website at https://www.sgx.com/securities/company-announcements. Shareholders may request for printed copies of these documents by completing and submitting the request form sent to them by post together with printed copies of this Notice of AGM and the accompanying proxy form.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder of the Company:

(a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(b) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(c) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

中远海运国际（新加坡）有限公司
COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 196100159G)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("**AGM**").
2. This Proxy Form is not valid for use by investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme (such investors, "**SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Investors who hold shares of the Company ("**Shares**") through relevant intermediaries (including CPF Investors and SRS Investors) who wish to vote should approach their relevant intermediaries (including their respective CPF Agent Banks and SRS Operators) to submit their voting instructions at least seven (7) working days before the date of the AGM.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2024.

I/We, ____________________ *(Name)* ____________________ *(NRIC/Passport No./UEN.)*

of ____ *(Address)*

being a member/members of **COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings (%)	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings (%)	
		No. of Shares	%
Address			

or the person, or either or both of the persons above, the Chairman of the AGM, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held at Level 3, Meeting Rooms 334-336, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 29 April 2024 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarized below, the proxy/proxies will vote/abstain from voting at his/her/their discretion.

No.	Ordinary Resolutions	For*	Against*	Abstain*
1.	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2023.			
2.	Approval of payment of Directors' Fees of S$256,330 in respect of the financial year ended 31 December 2023.			
3.	Re-election of Mr Lim Lee Meng as a Director pursuant to Article 105 of the Company's Constitution.			
4.	Re-election of Dr Chen Seow Phun, John as a Director pursuant to Article 105 of the Company's Constitution.			
5.	Re-election of Mr Hoon Tai Meng as a Director pursuant to Article 105 of the Company's Constitution.			
6.	Re-appointment of Messrs. PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.			
7.	Authority to allot and issue new shares pursuant to Section 161 of the Companies Act 1967.			
8.	Approval of the Proposed Renewal of Shareholders' Mandate for Interested Person Transactions.			
9.	Authority to allot and issue shares pursuant to COSCO SHIPPING Group Executives Share Option Scheme 2020.			

* *If you wish your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" or a "√" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you wish your proxy to "Abstain" form voting on a resolution, please indicate an "X" or a "√" in the "Abstain" box. Alternatively, please indicate the number of shares that your proxy(ies) is/are directed to abstain from voting. In any other case, the proxy(ies) may vote or abstain as the proxy(ies) deem(s) fit on any of the above resolutions if no voting instruction is specified.*

Dated this ________ day of ________________ 2024

Total No. of Shares Held

____
Signature(s) of member(s) or
Common Seal of Corporate Member

IMPORTANT: Please Read Notes Overleaf.

NOTES:

1. A member who is unable to attend the Annual General Meeting ("AGM") and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument appointing a proxy in accordance with the instructions printed thereon.

2. If the Member has Shares entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he/she should insert that number of Shares. If the Member has shares registered in his/her name in the Register of Members, he/she should insert that number of shares. If the Member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by the Member.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting., but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

4. A proxy need not be a member of the Company. A member may choose to appoint Chairman of the AGM as his/her/its proxy.

5. The instrument appointing a proxy must be submitted in the following manner:

   (a) If submitted personally or by post, the Proxy Form must be deposited at, or be posted to be received at, the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if submitted electronically by email, the Proxy Form must be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.COSCOproxy@sg.tricorglobal.com,

   in either case, by no later than **2.00 p.m. on 26 April 2024**, being the 72 hours before the time appointed for holding of the AGM.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged together with the instrument, failing which the instrument may be treated as invalid.

7. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme (such investors, "**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.

8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2024.

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Singapore 049712
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