



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

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

Condensed Interim Financial Statements
For the six months ended 30 June 2023



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

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A. Condensed consolidated statement of profit or loss

	Note	Group		Change %
		6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	
Sales	6	90,174	92,449	(2)
Cost of sales		(68,113)	(72,200)	(6)
Gross profit		22,061	20,249	9
Other income	7			
- Interest income		1,112	187	495
- Others		652	1,163	(44)
		1,764	1,350	31
Other gains and losses	7	102	402	(75)
Expenses				
- Distribution		(1,591)	(1,442)	10
- Administrative				
- Reversal of impairment/(impairment loss) on financial assets		10	(6)	NM
- Others		(12,279)	(12,201)	1
		(12,269)	(12,207)	1
- Finance		(6,964)	(3,943)	77
Share of profit of associated companies		1,253	4,169	(70)
Profit before income tax	7	4,356	8,578	(49)
Income tax expense	8	(2,056)	(1,929)	7
Profit for the period		2,300	6,649	(65)
Profit attributable to:				
Equity holders of the Company		1,959	6,198	(68)
Non-controlling interests		341	451	(24)
		2,300	6,649	(65)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)				
- Basic earnings per share	10	0.09	0.28	(68)
- Diluted earning per share	10	0.09	0.28	(68)

NM denotes not meaningful.

B. Condensed consolidated statement of comprehensive income

	Group		
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	Change %
Profit for the period	2,300	6,649	(65)
Other comprehensive loss: Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	<u>(1,645)</u>	<u>(525)</u>	213
Other comprehensive loss, net of tax	<u>(1,645)</u>	<u>(525)</u>	213
Total comprehensive income	<u>655</u>	<u>6,124</u>	(89)
Total comprehensive income attributable to:			
Equity holders of the Company	314	5,888	(95)
Non-controlling interests	341	236	44
	<u>655</u>	<u>6,124</u>	(89)

C. Condensed Balance Sheets – Group and Company

	Note	Group		Company	
		30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Current assets					
Cash and cash equivalents		76,807	106,682	47,941	78,309
Trade and other receivables		52,599	44,620	6,068	306
Inventories		399	599	-	-
Income tax receivables		321	249	-	-
		130,126	152,150	54,009	78,615
Non-current assets					
Trade and other receivables		379	379	-	-
Investments in associated companies		56,010	58,803	49,026	49,019
Investments in subsidiaries		-	-	428,503	428,503
Investment properties	12	24,855	28,387	-	-
Property, plant and equipment	13	663,500	669,916	38	45
Intangible assets	14	14,206	16,281	-	-
Deferred tax assets		139	111	-	-
		759,089	773,877	477,567	477,567
Total assets		889,215	926,027	531,576	556,182
Current liabilities					
Trade and other payables		33,336	35,895	33,763	44,104
Current income tax liabilities		4,789	4,543	-	69
Borrowings	15	48,382	30,976	20,000	-
Provisions		802	802	-	-
		87,309	72,216	53,763	44,173
Non-current liabilities					
Trade and other payables		-	337	-	-
Borrowings	15	247,252	297,939	34,069	72,069
Provisions		1,535	1,535	-	-
Deferred income tax liabilities		60,155	61,242	-	-
		308,942	361,053	34,069	72,069
Total liabilities		396,251	433,269	87,832	116,242
Net assets		492,964	492,758	443,744	439,940
Equity					
Share capital	16	270,608	270,608	270,608	270,608
Other reserves		36,741	38,386	45,105	45,105
Retained earnings		181,987	180,028	128,031	124,227
Shareholders' equity		489,336	489,022	443,744	439,940
Non-controlling interests		3,628	3,736	-	-
Total equity		492,964	492,758	443,744	439,940

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

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000	Total \$'000
Group					
At 1 January 2023	270,608	38,386	180,028	3,736	492,758
Profit for the period	-	-	1,959	341	2,300
Other comprehensive loss for the period	-	(1,645)	-	-	(1,645)
Total comprehensive (loss)/income for the period	-	(1,645)	1,959	341	655
Dividend declared to non-controlling interests of subsidiaries	-	-	-	(449)	(449)
At 30 June 2023	270,608	36,741	181,987	3,628	492,964
At 1 January 2022	270,608	34,924	268,628	11,050	585,210
Profit for the period	-	-	6,198	451	6,649
Other comprehensive loss for the period	-	(310)	-	(215)	(525)
Total comprehensive (loss)/income for the period	-	(310)	6,198	236	6,124
Accretion of redemption liability [1]	-	(115)	-	-	(115)
Dividend declared to non-controlling interests of a subsidiary	-	-	-	(285)	(285)
At 30 June 2022	270,608	34,499	274,826	11,001	590,934

[1] On 14 February 2020 (the "Acquisition Date"), the Group acquired 80% of the issued share capital of each of Guper Integrated Logistics Sdn. Bhd., Gems Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. (collectively the Newly Acquired Malaysia Subsidiaries) for a total consideration of RM88,000,000 (equivalent to \$29,610,000). Pursuant to the shareholder agreements entered into for the acquisition of the Newly Acquired Malaysia Subsidiaries, a forward purchase contract is deemed to have been entered into which entitled the Group to acquire the remaining 20% interests in the Newly Malaysia Subsidiaries. Accordingly, the Group recognised the redemption liability based on the present value of the estimated consideration payable upon the exercise of the forward purchase contract. On 30 June 2022, the Group remeasured the redemption liability based on the terms of the shareholder agreements and recognised an accretion charge amounting to \$115,000 by debiting Other reserves.

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Company				
At 1 January 2023	270,608	45,105	124,227	439,940
Total comprehensive income for the period	-	-	3,804	3,804
At 30 June 2023	270,608	45,105	128,031	443,744
At 1 January 2022	270,608	45,105	222,527	538,240
Total comprehensive loss for the period	-	-	(1,712)	(1,712)
At 30 June 2022	270,608	45,105	220,815	536,528

E. Condensed consolidated statement of cash flows

	Group	
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Cash flows from operating activities		
Profit for the period	2,300	6,649
Adjustments for:		
- Income tax expense	2,056	1,929
- Amortisation of intangible assets	2,019	2,027
- Depreciation of property, plant and equipment	15,784	16,538
- Depreciation of investment properties	3,039	4,439
- (Reversal of impairment)/impairment loss of trade and other receivables	(10)	6
- Gain on disposal of property, plant and equipment	(47)	(202)
- Share of profit of associated companies	(1,253)	(4,169)
- Interest expense	6,964	3,943
- Interest income	(1,112)	(187)
- Exchange differences	(364)	(669)
	29,376	30,304
Changes in working capital:		
- Inventories	200	(4)
- Trade and other receivables	(3,112)	(95)
- Trade and other payables	(4,815)	(4,861)
Cash provided by operations	21,649	25,344
Income tax paid	(2,662)	(2,992)
Net cash provided by operating activities	18,987	22,352
Cash flows from investing activities		
Additions to property, plant and equipment	(4,862)	(2,064)
Investment in newly incorporated associated company	(7)	-
Disposal of property, plant and equipment	174	286
Dividend received	-	10,136
Interest received	1,238	149
Net cash (used in)/provided by investing activities	(3,457)	8,507
Cash flows from financing activities		
Proceeds from borrowings	-	287
Repayment of borrowings	(12,112)	(9,227)
Repayment of lease liabilities	(7,235)	(10,204)
Repayment of loan from a fellow subsidiary	(18,000)	-
Decrease in bank deposits pledged	-	2
Interest paid	(7,538)	(3,862)
Dividend paid to non-controlling interest of subsidiaries	(338)	(285)
Net cash used in financing activities	(45,223)	(23,289)
Net (decrease)/increase in cash and cash equivalents	(29,693)	7,570
Cash and cash equivalents at beginning of financial period	105,753	107,074
Effects of currency translation on cash and cash equivalents	(182)	224
Cash and cash equivalents at end of financial period	75,878	114,868

E. Condensed consolidated statement of cash flows (continued)

	Group	
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Cash and cash equivalents represented by:		
Cash at bank and on hand	31,695	45,154
Short-term bank deposits	45,112	70,646
	<hr/> 76,807	<hr/> 115,800
Less: Bank deposits pledged	(929)	(932)
Cash and cash equivalents per consolidated statement of cash flows	<hr/> 75,878	<hr/> 114,868

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

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

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

2.2 New and revised standards adopted by the Group

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s last annual financial statements for the financial year ended 31 December 2022, except for the adoption of new and revised standards effective as of 1 January 2023 including those as disclosed below:

- *SFRS(I) 17 Insurance Contracts*
- *Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

2.3 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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

3. Seasonal operations

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

4. Segment information

4.1 Business segments

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	Others \$'000	Total \$'000
Financial period ended 30 June 2023						
Sales:						
- External sales	-	10,262	72,583	7,329	-	90,174
- Inter-segment sales	-	-	-	345	-	345
	-	10,262	72,583	7,674	-	90,519
Elimination						(345)
						90,174
Segment results	-	1,729	8,786	1,541	(3,101)	8,955
Interest income	-	-	95	-	1,017	1,112
Interest expense	-	(24)	(5,625)	-	(1,315)	(6,964)
Share of (loss)/profit of associated companies	(22)	-	1,275	-	-	1,253
(Loss)/profit before income tax	(22)	1,705	4,531	1,541	(3,399)	4,356
Income tax expense						(2,056)
Net profit						2,300
Other segment items						
Additions to property, plant and equipment	-	4,908	8,130	2	7	13,047
Amortisation of intangible assets	-	-	2,019	-	-	2,019
Depreciation of property, plant and equipment	-	507	15,158	105	14	15,784
Depreciation of investment properties	-	-	2,669	370	-	3,039
Net reversal for impairment of trade and other receivables	-	-	(10)	-	-	(10)
Segment assets	-	25,147	734,645	20,212	53,062	833,066
Associated companies						56,010
Deferred tax assets						139
Consolidated total assets						889,215
Segment liabilities	-	4,675	18,396	9,836	2,766	35,673
Borrowings						295,634
Current income tax liabilities						4,789
Deferred income tax liabilities						60,155
Consolidated total liabilities						396,251
Consolidated net assets						492,964

4 Segment information (continued)

4.1 Business segments (continued)

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

4 Segment information (continued)

4.2 Geographical segments

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

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

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

	Sales		Non-current assets	
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Singapore *	78,122	74,144	687,200	806,925
Malaysia	12,052	18,305	71,750	80,908
	90,174	92,449	758,950	887,833

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

Revenues of approximately \$16,791,000 (6 months ended 30 June 2022: \$14,678,000) are derived from one (6 months ended 30 June 2022: one) single external customer. These revenues are attributable to the Singapore Logistics segment.

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	Group		Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Financial assets at amortised cost	127,225	149,021	53,976	78,518
Financial liabilities at amortised cost	328,119	363,590	87,832	116,173

6. Sales

Revenue of the Group is analysed as follows:

	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Ship repair and marine engineering	10,262	8,146
Logistics management services	62,592	66,273
Rental income		
- Logistics management services	9,991	10,958
- Property management services	7,329	7,072
	90,174	92,449

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 <u>in time</u> \$'000	<u>Over time</u> \$'000	<u>Total</u> \$'000
<u>6 months ended 30 June 2023</u>			
i) Ship repair and marine engineering			
- Singapore	-	10,262	10,262
ii) Logistics management services			
- Singapore	30,093	22,567	52,660
- Malaysia	8,791	1,141	9,932
	<u>38,884</u>	<u>23,708</u>	<u>62,592</u>
Total sales	<u>38,884</u>	<u>33,970</u>	<u>72,854</u>
<u>6 months ended 30 June 2022</u>			
i) Ship repair and marine engineering			
- Singapore	-	8,146	8,146
ii) Logistics management services			
- Singapore	30,738	19,877	50,615
- Malaysia	14,632	1,026	15,658
	<u>45,370</u>	<u>20,903</u>	<u>66,273</u>
Total sales	<u>45,370</u>	<u>29,049</u>	<u>74,419</u>

7. Profit before taxation

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

[1] Other income comprises the following:

	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	Change %
Interest income	1,112	187	495
Government grants	396	666	(41)
Rental income	70	74	(5)
Sundry income	186	423	(56)
Other income	1,764	1,350	31

[2] Other gains and losses comprises the following:

	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	Change %
Foreign exchange gain	55	200	(73)
Gain on disposal of property, plant and equipment	47	202	(77)
Other gains and losses	102	402	(75)

7. Profit before taxation (continued)

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

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

	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000	Changes %
Interest on borrowings	(6,964)	(3,943)	77
Amortisation of intangible assets	(2,019)	(2,027)	0
Depreciation of property, plant and equipment	(15,784)	(16,538)	(5)
Depreciation of investment properties	(3,039)	(4,439)	(32)
Reversal of impairment/(impairment loss) of trade and other receivables	10	(6)	NM

7.2 Related party transaction

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

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

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

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

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

7. Profit before taxation (continued)

7.2 Related party transaction (continued)

	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
<u>Revenue</u>		
Sales to fellow subsidiaries	10,855	10,253
Sales to related parties	-	567
Service income received from fellow subsidiaries	1,546	1,741
Commission received/receivable from fellow subsidiaries	28	33
<u>Expenditure</u>		
Purchases from fellow subsidiaries	980	2,609
Purchases from related parties	14	203
Rental paid/payable to fellow subsidiaries	400	403
Management fees paid to fellow subsidiaries	405	-
Service expenses paid/payable to fellow subsidiaries	93	459
Interest paid/payable to a fellow subsidiary	714	361
Purchase of Property, plant and equipment from a fellow subsidiary	-	512

8. Income taxes

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

	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Current income tax	2,892	3,432
Deferred tax	(1,014)	(1,483)
	<u>1,878</u>	<u>1,949</u>
Under/(over) provision in prior financial years:		
- Current income tax	10	(17)
- Deferred income tax	168	(3)
	<u>2,056</u>	<u>1,929</u>

9. Dividend

No dividend declared for the financial period ended 30 June 2023 and 30 June 2022.

10. Earnings per share

	Group	
	6 months ended 30 June 2023	6 months ended 30 June 2022
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	0.09	0.28
Weighted average number of ordinary shares('000)	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	0.09	0.28
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,245

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

There are no dilutive potential ordinary shares outstanding.

11. Net Asset Value

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value per ordinary share (cents)	21.85	21.84	19.82	19.65

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (31 December 2022: 2,239,244,954).

12. Investment properties

Investment properties comprise of:

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

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

13. Property, plant and equipment

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

During the six months ended 30 June 2023, the Group acquired assets amounting to \$13,047,000 (30 June 2022: \$4,129,000) and disposed of assets amounting to \$3,115,000 (30 June 2022: \$8,171,000).

14. Intangible assets

	Goodwill arising on consolidati on \$'000	Contract- based intangible asset \$'000	Customer relationships intangible assets \$'000	Total \$'000
Group				
At 30 June 2023				
Cost	98,989	3,644	36,116	138,749
Accumulated amortisation and impairment	(98,989)	(3,644)	(21,910)	(124,543)
Net book value	-	-	14,206	14,206
6 months ended 30 June 2023				
Opening net book amount	-	-	16,281	16,281
Amortisation charge during the period	-	-	(2,019)	(2,019)
Currency translation differences	-	-	(56)	(56)
Closing net book value	-	-	14,206	14,206
At 31 December 2022				
Cost	98,989	3,644	36,116	138,749
Accumulated amortisation and impairment	(98,989)	(3,644)	(19,835)	(122,468)
Net book value	-	-	16,281	16,281

15. Borrowings

	Group		Company	
	30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
<i>Current</i>				
Bank borrowings (unsecured)	2,247	2,365	-	-
Bank borrowings (secured)	15,096	16,021	-	-
Loan from a fellow subsidiary (unsecured)	20,000	-	20,000	-
Lease liabilities (secured)	11,039	12,590	-	-
	48,382	30,976	20,000	-
<i>Non-current</i>				
Bank borrowings (unsecured)	54,869	55,964	34,069	34,069
Bank borrowings (secured)	115,147	125,253	-	-
Loan from a fellow subsidiary (unsecured)	-	38,000	-	38,000
Lease liabilities (secured)	77,236	78,722	-	-
	247,252	297,939	34,069	72,069
Total borrowings	295,634	328,915	54,069	72,069

The borrowings of the Group and of the Company amounting to \$207,359,000 and \$54,069,000 respectively (31 December 2022: \$237,603,000 and \$72,069,000) have variable interest rates that are contractually repriced within 1 to 3 months (31 December 2022: 1 to 3 months) from the balance sheet date.

(a) Security granted

At the balance sheet date, total borrowings include secured liabilities of \$218,518,000 (31 December 2022: \$232,586,000) for the Group.

Bank borrowings are secured by:

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

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

(b) Fair value of non-current borrowings

As at 30 June 2023 and 31 December 2022, the carrying amounts of non-current borrowings, which are at variable rates, approximated their fair values.

16. Share Capital

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

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

During the financial period ended 30 June 2023, 3,390,800 share options granted under the COSCO SHIPPING Group Executives Share Option Scheme (the "Option Scheme") were lapsed.

Movements in the number of unissued ordinary shares under option at the end of 30 June 2023 are as follows:

As at 30 June 2023

<u>Options relating to the Option Scheme</u>	<u>Number outstanding at 1 January 2023</u>	<u>Number of options issued during the financial period</u>	<u>Number of options exercised during the financial period</u>	<u>Number of options cancelled/ lapsed during the financial period</u>	<u>Number of outstanding options at 30 June 2023</u>
2020 Options	2,738,000	-	-	(2,738,000)	-
2021 Options	652,800	-	-	(652,800)	-
	<u>3,390,800</u>	<u>-</u>	<u>-</u>	<u>(3,390,800)</u>	<u>-</u>

As of 30 June 30 2023, there are no outstanding share options under the Option Scheme (30 June 2022: 12,976,200).

The Company did not hold any treasury shares as at 30 June 2023.

17. Arbitration proceeding

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

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

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

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

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

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

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

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

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 Bank and Debtor of the crane specialist and Writ of Seizure and Sale proceedings for property located at International Road to recover the amount owing.

On 26 July 2023, the Garnishee Proceedings for 3 debtors was made final and the rest withdrawn due to confirmation from Debtor that there are no money due to the crane specialist. SHCL is pending the decision of the last remaining Garnishee Proceedings. The Writ of Seizure and Sale is currently pending valuation and auction of the property.

The Writ of Seizure and Sale for the property on Penjuru Road was conducted on 27 July 2023.

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 period ended 30 June 2023.

G. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated balance sheet of COSCO SHIPPING International (Singapore) Co., Ltd. and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Sales

	Group		
	6 months ended 30 June 2023 (the "1H 2023") \$'000	6 months ended 30 June 2022 (the "1H 2022") \$'000	Change %
Logistics	72,583	77,231	(6)
Property management	7,329	7,072	4
Ship repair and marine engineering	10,262	8,146	26
Total revenue	90,174	92,449	(2)

Group revenue for 1H 2023 totalled \$90.2 million, 2% lower than 1H 2022. The decrease in revenue was mainly due to lower revenue from Logistics, partially offset by higher revenue from Property management and Ship repair and marine engineering segments.

Logistics activities accounted for about 80% of the Group's revenue in 1H 2023. Revenue from logistics activities decreased by 6% to \$72.6 million mainly due to lower revenue from supply chain management services and transportation services in Malaysia.

Revenue from property management increased marginally by 4% to \$7.3 million, mainly due to higher rental rates obtained from leasing office units when new lease agreements were signed.

Revenue from ship repair and marine engineering increased by 26%, mainly due to higher revenue from ship repair and fabrication works.

Costs and Profitability

Cost of sales decreased by 6% or \$4.1 million, in line with the drop in revenue from supply chain management services and transportation services in Malaysia.

Gross profit increased by 9% from \$20.2 million in 1H 2022 to \$22.1 million in 1H 2023, mainly due to higher rental rates obtained from new lease arrangements and higher gross profit margins from Ship repair and marine engineering activities.

Other income increased by 31% to \$1.8 million in 1H 2023, mainly due to increase in interest income and partly offset by lower government grants under the Government support in relation to the COVID-19 pandemic. Interest income increased by 495% in 1H 2023, mainly due to increase in interest rates for bank deposits and cash at bank.

Other gains and losses were lower compared to 1H 2022. This decrease was mainly due to a reduction in foreign exchange gains and gain on disposal of property, plant and equipment.

Distribution and administrative expenses increased by 10% and 1% respectively, mainly due to higher staff costs for marketing and corporate functions.

Finance costs increased by 77% to \$7.0 million, mainly due to higher borrowing costs resulting from increase in interest rates.

Share of profit of associated companies of \$1.3 million was contributed by the Group's 40% shareholdings in COSCO SHIPPING Bulk SEA ("COSCO SHIPPING Bulk"), 40% shareholdings in PT. Ocean Global Shipping Logistics and 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. The Baltic Dry Index (BDI), a measure of shipping costs for commodities, averaged 1,117 points in 1H 2023, a decrease of 49% from the average of 2,171 points in 1H 2022.

Income tax expense increased by 7% to \$2.1 million mainly due to underprovision in prior year.

Overall, net profit attributable to equity holders was \$2.0 million, 68% lower than 1H 2022, mainly due to lower share of profit of associated companies and higher interest expense, partially offset by higher profit margins and higher interest income.

Balance Sheet

(30 June 2023 vs 31 December 2022)

Cash and cash equivalents decreased from \$106.7 million to \$76.8 million, mainly due to net cash used in repayment of borrowings and interest payments, partially offset by net cash provided by operating activities. Please refer to Consolidated Statement of Cash Flows for more details.

Trade and other receivables increased by \$8.0 million to \$53.0 million (31 December 2022: \$45.0 million). The increase in trade and other receivables was mainly due to recognition of dividend receivable from an associated company..

Property, plant, and equipment decreased by \$6.4 million to \$663.5 million, mainly due to depreciation expense recognised in 1H 2023. This decrease was partially offset by the progressive construction of a new 6 Storey Ancillary Office Cum Workshop at Jurong Penjuru Lane, which obtained the Temporary Occupation Permit in February 2023.

Trade and other payables decreased by \$2.9 million to \$33.3 million, mainly due to the payments of construction costs for new Office Cum Workshop at Jurong Penjuru Lane and repayment of trade payables.

Total borrowings decreased by \$33.3 million to \$295.6 million, mainly due to repayment of borrowings from Singapore and Malaysia.

Shareholder's equity increased by \$0.3 million to \$489.3 million mainly due to profit for the period, offset by currency translation losses.

Cash Flow

Net cash provided by operating activities for 1H 2023 was \$19.0 million. This was mainly due to working capital requirements for operations. Please refer to Consolidated Statement of Cash Flows for details.

Net cash used in investing activities for 1H 2023 was \$3.5 million. This was mainly due to cash used for the payments for property, plant and equipment.

Net cash used in financing activities for 1H 2023 was \$45.2 million. This was mainly due to the repayment of borrowings and interest costs.

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

Not applicable

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

Globally, while the COVID-19 situation has stabilised, economic conditions remain challenging. The conflict between Russia and Ukraine has continued for more than 2 years, and may cause further global supply chain disruptions, affecting global economic recovery and growth. In addition, inflation remains elevated and, together with increases in interest rates, may affect demand and overall economic activity. In the world economic outlook published by the International Monetary Fund in July 2023, global economic growth in 2023 is likely to fall from an estimated 3.5% in 2022 to 3.0% in 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 world economic outlook, it remains weak by historical standards. With respect to Singapore, the Ministry of Trade and Industry announced on 11 August 2023 that the Singapore economy grew by 0.5 per cent on a year-on-year basis in the second quarter of 2023, extending the 0.4 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy grew marginally by 0.1 per cent, a reversal from the 0.4 per cent contraction in the first quarter of 2023. Against the background of such challenging global conditions, the Group will continue to engage in synergistic collaboration among its businesses and optimisation of its operations and diversified portfolio to ensure profitability while remaining agile.

With regards to the Jurong Island Chemical Logistics Facility (“JICLF”), the Company’s subsidiary’s, SH Cogent Logistics Pte Ltd (“SH Cogent”), application to EDB and JTC Corporation for the Direct Allocation of Industrial Land of an additional 2.5 hectares plot of land of approximately 62,500 square metres of corresponding built-up area to develop the second phase of the JICLF is still pending. SH Cogent will continue to pursue this application and the Company will update shareholders as and when there are material developments.

The lease agreement of the Grandstand, a shopping and lifestyle hub located at Bukit Timah, between SH Cogent and Singapore Land Authority (SLA) will expire on 31 December 2023. After that date the shopping mall will be closed. SH Cogent is currently studying the follow-up plans and will try to minimise the impact of the shopping mall’s closure to the Company.

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

5. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Company is evaluating various strategic moves to expand its business, ensure sustainable growth and create long-term shareholders' value. As such, the Board has resolved not to recommend payment of dividend for 1H 2023.

7. Interested Person Transactions

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		1H 2023 \$'000	1H 2023 \$'000
<u>Between Subsidiaries and:</u>			
Cosco Shipping (South East Asia) Pte Ltd		-	471
Cosco (Cayman) Mercury Co., Ltd		-	384
Cosco (HK) Investment & Development Co., Ltd		-	1,384
Cosco (Qidong) Offshore Co., Ltd		-	830
Cosco (Shanghai) Shipyard Co., Ltd		-	429
Cosco Shipping Lines (Singapore) Pte Ltd		-	129
COSCO Shipping Lines(S) Pte Ltd		-	579
Cosco Shipping Specialized Carriers (Southeast Asia) Pte. Ltd.		-	754
COSCO SHIPPING SPECIALIZED CARRIERS CO., LTD		-	110
Golden Logistics & Storage Sdn. Bhd.		-	543
Hainan Haisheng Shipping Co., Ltd		-	170
Pan Cosmos Shipping & Enterprises Co. Ltd	Subsidiaries of Controlling Shareholders	-	287
<u>Between Associated companies and:</u>			
COSCO SHIPPING LINES CO.Ltd		-	206
COSCO (CAYMAN) VENUS CO LTD		-	25,973
COSCO SHIPPING BULK CO., LTD		-	2,572
COSCO SHIPPING (SINGAPORE) PETROLUM PTE. LTD.		-	1,918
Chimbusco International Petroleum (S) Pte Ltd		-	1,905
OOCL (Vietnam) Co., Ltd.		-	613
HAINAN HAISHENG SHIPPING CO.LTD		-	4,573
REFINED SUCCESS LIMITED 雅达有限公司		-	2,491
中远海运船员管理有限公司		-	2,138
		-	48,459

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

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

BY ORDER OF THE BOARD

Mr Zhu Jian Dong
Chairman and President
11/8/2023

CONFIRMATION BY THE BOARD

We hereby confirm on behalf of the directors of the company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the company which may render the financial period ended 30 June 2023 financial results to be false or misleading.

On behalf of the directors

Mr Zhu Jian Dong
Chairman and President

Mr Ang Swee Tian
Director

11/8/2023