



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

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

Condensed Interim Financial Statements  
For the six months and full year ended 31  
December 2023



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

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

		<b>Group</b>					
	<b>Note</b>	<b>2H 2023</b>	<b>2H 2022</b>	<b>Change</b>	<b>FY2023</b>	<b>FY2022</b>	<b>Change</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Sales	6	<b>88,536</b>	93,194	(5)	<b>178,710</b>	185,643	(4)
Cost of sales		<b>(70,251)</b>	(72,201)	(3)	<b>(138,364)</b>	(144,401)	(4)
Gross profit		<b>18,285</b>	20,993	(13)	<b>40,346</b>	41,242	(2)
Other income	7	<b>1,275</b>	2,891	(56)	<b>3,039</b>	4,241	(28)
- Interest income		<b>817</b>	1,038	(21)	<b>1,929</b>	1,225	57
- Others		<b>458</b>	1,853	(75)	<b>1,110</b>	3,016	(63)
Other gains and losses	7	<b>(60)</b>	109	NM	<b>42</b>	511	(92)
Expenses							
- Distribution		<b>(1,907)</b>	(1,618)	18	<b>(3,498)</b>	(3,060)	14
- Administrative		<b>(13,480)</b>	(112,578)	(88)	<b>(25,749)</b>	(124,785)	(79)
- Impairment loss on financial assets		<b>(598)</b>	(73)	719	<b>(588)</b>	(79)	644
- Impairment of goodwill		<b>-</b>	(98,989)	(100)	<b>-</b>	(98,989)	(100)
- Others		<b>(12,882)</b>	(13,516)	(5)	<b>(25,161)</b>	(25,717)	(2)
- Finance		<b>(6,693)</b>	(6,289)	6	<b>(13,657)</b>	(10,232)	33
Share of profit of associated companies		<b>3,879</b>	3,351	16	<b>5,132</b>	7,520	(32)
Profit/(loss) before income tax	7	<b>1,299</b>	(93,141)	NM	<b>5,655</b>	(84,563)	NM
Income tax expense	8	<b>(971)</b>	(1,268)	(23)	<b>(3,027)</b>	(3,197)	(5)
<b>Profit/(loss) for the year</b>		<b>328</b>	(94,409)	NM	<b>2,628</b>	(87,760)	NM
<b>Profit/(loss) attributable to:</b>							
Equity holders of the Company		<b>(59)</b>	(94,798)	(100)	<b>1,900</b>	(88,600)	NM
Non-controlling interests		<b>387</b>	389	(1)	<b>728</b>	840	(13)
		<b>328</b>	(94,409)	NM	<b>2,628</b>	(87,760)	NM
<b>Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the Company</b>							
(expressed in cents per share)							
- Basic earnings/(loss) per share	10	<b>(0.003)</b>	(4.23)	(100)	<b>0.08</b>	(3.96)	NM
- Diluted earnings/(loss) per share	10	<b>(0.003)</b>	(4.23)	(100)	<b>0.08</b>	(3.96)	NM

NM denotes not meaningful.

## B. Condensed consolidated statement of comprehensive income

	2H 2023 \$'000	2H 2022 \$'000	Change %	Group FY2023 \$'000	FY2022 \$'000	Change %
<b>Profit/(loss) for the period</b>	<b>328</b>	(94,409)	NM	<b>2,628</b>	(87,760)	NM
<b>Other comprehensive loss:</b> Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation - Losses	(2,162)	(4,452)	(51)	(3,807)	(4,977)	(24)
<b>Other comprehensive loss, net of tax</b>	<b>(2,162)</b>	(4,452)	(51)	<b>(3,807)</b>	(4,977)	(24)
<b>Total comprehensive loss</b>	<b>(1,834)</b>	(98,861)	(98)	<b>(1,179)</b>	(92,737)	(99)
<b>Total comprehensive (loss)/income attributable to:</b>						
Equity holders of the Company	(2,142)	(99,183)	(98)	(1,828)	(93,296)	(98)
Non-controlling interests	308	322	(4)	649	559	16
	<b>(1,834)</b>	(98,861)	(98)	<b>(1,179)</b>	(92,737)	(99)

## C. Condensed Balance Sheets – Group and Company

		Group		Company	
	Note	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>Current assets</b>					
Cash and cash equivalents		66,676	106,682	36,536	78,309
Trade and other receivables		46,814	44,620	118	306
Inventories		402	599	-	-
Income tax receivables		468	249	-	-
		<b>114,360</b>	<b>152,150</b>	<b>36,654</b>	<b>78,615</b>
<b>Non-current assets</b>					
Trade and other receivables		374	379	-	-
Investments in associated companies		55,510	58,803	49,026	49,019
Investments in subsidiaries		-	-	429,046	428,503
Investment properties	12	22,252	28,387	-	-
Property, plant and equipment	13	651,491	669,916	36	45
Intangible assets	14	12,180	16,281	-	-
Deferred tax assets		171	111	-	-
		<b>741,978</b>	<b>773,877</b>	<b>478,108</b>	<b>477,567</b>
<b>Total assets</b>		<b>856,338</b>	<b>926,027</b>	<b>514,762</b>	<b>556,182</b>
<b>Current liabilities</b>					
Trade and other payables		37,475	35,895	34,759	44,104
Current income tax liabilities		4,092	4,543	196	69
Borrowings	15	25,237	30,976	-	-
Provisions		802	802	-	-
		<b>67,606</b>	<b>72,216</b>	<b>34,955</b>	<b>44,173</b>
<b>Non-current liabilities</b>					
Trade and other payables		-	337	-	-
Borrowings	15	236,565	297,939	34,069	72,069
Provisions		1,435	1,535	-	-
Deferred income tax liabilities		59,710	61,242	-	-
		<b>297,710</b>	<b>361,053</b>	<b>34,069</b>	<b>72,069</b>
<b>Total liabilities</b>		<b>365,316</b>	<b>433,269</b>	<b>69,024</b>	<b>116,242</b>
<b>Net assets</b>		<b>491,022</b>	<b>492,758</b>	<b>445,738</b>	<b>439,940</b>
<b>Equity</b>					
Share capital	16	270,608	270,608	270,608	270,608
Other reserves		34,550	38,386	45,105	45,105
Retained earnings		181,928	180,028	130,025	124,227
Shareholders' equity		487,086	489,022	445,738	439,940
Non-controlling interests		3,936	3,736	-	-
<b>Total equity</b>		<b>491,022</b>	<b>492,758</b>	<b>445,738</b>	<b>439,940</b>

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

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000	Total \$'000
<b>Group</b>					
<b>At 1 January 2023</b>	<b>270,608</b>	<b>38,386</b>	<b>180,028</b>	<b>3,736</b>	<b>492,758</b>
Profit for the year	-	-	1,900	728	2,628
Other comprehensive loss for the year	-	(3,728)	-	(79)	(3,807)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>(3,728)</b>	<b>1,900</b>	<b>649</b>	<b>(1,179)</b>
Acquisition of a subsidiary [3]	-	(108)	-	-	(108)
Dividend declared by subsidiaries to minority shareholders	-	-	-	(449)	(449)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>(108)</b>	<b>-</b>	<b>(449)</b>	<b>(557)</b>
<b>At 31 December 2023</b>	<b>270,608</b>	<b>34,550</b>	<b>181,928</b>	<b>3,936</b>	<b>491,022</b>
<b>At 1 January 2022</b>	<b>270,608</b>	<b>34,924</b>	<b>268,628</b>	<b>11,050</b>	<b>585,210</b>
(Loss)/profit for the year	-	-	(88,600)	840	(87,760)
Other comprehensive loss for the year	-	(4,696)	-	(281)	(4,977)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>(4,696)</b>	<b>(88,600)</b>	<b>559</b>	<b>(92,737)</b>
Acquisition of additional interests in subsidiaries [2]	-	88	-	(7,588)	(7,500)
Dividend declared by a subsidiary to minority shareholder	-	-	-	(285)	(285)
Derecognition of redemption liability [2]	-	8,185	-	-	8,185
Accretion of redemption liability [1]	-	(115)	-	-	(115)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>8,158</b>	<b>-</b>	<b>(7,873)</b>	<b>285</b>
<b>At 31 December 2022</b>	<b>270,608</b>	<b>38,386</b>	<b>180,028</b>	<b>3,736</b>	<b>492,758</b>

[1] On 14 February 2020 (the "Acquisition Date"), the Group acquired 80% of the issued share capital of each of Guper Integrated Logistics Sdn. Bhd., Gems Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. (collectively the Newly Acquired Malaysia Subsidiaries) for a total consideration of RM88,000,000 (equivalent to \$29,610,000). Pursuant to the shareholder agreements entered into for the acquisition of the Newly Acquired Malaysia Subsidiaries, a forward purchase contract is deemed to have been entered into which entitled the Group to acquire the remaining 20% interests in the Newly Malaysia Subsidiaries. On Acquisition Date, accordingly, the Group recognised an amount of \$7,038,000 which represents the present value of the estimated consideration payable upon the exercise of the forward purchase contract. During the financial year ended 31 December 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.

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

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

[3] 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) and recognised a merger deficit of \$108,000.

	<b>Share capital \$'000</b>	<b>Other reserves \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total \$'000</b>
<b>Company</b>				
<b>At 1 January 2023</b>	270,608	45,105	124,227	439,940
Total comprehensive income for the year	-	-	5,798	5,798
<b>At 31 December 2023</b>	<u>270,608</u>	<u>45,105</u>	<u>130,025</u>	<u>445,738</u>
<b>At 1 January 2022</b>	270,608	45,105	222,527	538,240
Total comprehensive loss for the year	-	-	(98,300)	(98,300)
<b>At 31 December 2022</b>	<u>270,608</u>	<u>45,105</u>	<u>124,227</u>	<u>439,940</u>

## E. Condensed consolidated statement of cash flows

	Note	Group FY2023 \$'000	FY2022 \$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year		2,628	(87,760)
Adjustments for:			
- Income tax expense		3,027	3,197
- 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
- Impairment of trade and other receivables		588	79
- Impairment of goodwill		-	98,989
- Write-off on property, plant and equipment		-	375
- Gain on disposal of property, plant and equipment		(198)	(401)
- Gain on termination of lease		-	(72)
- Share of profit of associated companies		(5,132)	(7,520)
- Interest expense		13,657	10,232
- Interest income		(1,929)	(1,225)
- Exchange differences		55	77
		<u>53,955</u>	<u>59,608</u>
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		<u>53,631</u>	<u>52,763</u>
Income tax paid		<u>(5,026)</u>	<u>(3,826)</u>
<b>Net cash provided by operating activities</b>		<u><b>48,605</b></u>	<u><b>48,937</b></u>
<b>Cash flows from investing activities</b>			
Deferred consideration paid in relation to acquisition of Subsidiaries		-	(2,000)
Additions to property, plant and equipment		(14,161)	(16,030)
Proceeds from disposal of property, plant and equipment		329	593
Acquisition of a subsidiary	A	3,579	-
Investment in newly incorporated associated company		(7)	-
Interest received		2,067	1,023
Dividend received from associated companies		7,844	9,871
<b>Net cash used in investing activities</b>		<u><b>(349)</b></u>	<u><b>(6,543)</b></u>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interests in subsidiaries		-	(7,500)
Proceeds from borrowings		-	10,904
Repayment of borrowings		(20,747)	(18,174)
Repayment of lease liabilities		(14,119)	(18,233)
Repayment of loan from a fellow subsidiary 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)
<b>Net cash used in financing activities</b>		<u><b>(87,519)</b></u>	<u><b>(43,005)</b></u>



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

	<b>Group</b>	
	<b>FY2023</b>	<b>FY2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(39,263)</b>	(611)
Cash and cash equivalents at beginning of financial year	<b>105,753</b>	107,074
Effects of currency translation on cash and cash equivalents	<b>(739)</b>	(710)
<b>Cash and cash equivalents at end of financial year</b>	<b>65,751</b>	<b>105,753</b>
<b>Cash and cash equivalents represented by:</b>		
Cash at bank and on hand	<b>31,434</b>	34,424
Short-term bank deposits	<b>35,242</b>	72,258
	<b>66,676</b>	106,682
Less: Bank deposits pledged	<b>(925)</b>	(929)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>65,751</b>	<b>105,753</b>

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

### Note A – Acquisition of a subsidiary

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;
- (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:

	<b>Group 2023 \$’000</b>
Cash and cash equivalents	3,579
Trade and other receivables	177
Total assets	<u>3,756</u>
Trade and other payables	584
Current income tax liabilities	69
Total liabilities	<u>653</u>
<b>Net assets</b>	<b><u>3,103</u></b>
<b>Purchase consideration</b>	<b><u>3,211</u></b>
<b>Merger deficit</b>	<b><u>108</u></b>

Effect on cash flows of the Group is as follows:

	<b>2023 \$’000</b>
Purchase consideration	3,211
Less: Unpaid as at 31 December 2023	<u>(3,211)</u>
	-
Cash and cash equivalents in subsidiary acquired	<u>3,579</u>
Cash inflow on acquisition	<u>3,579</u>

## **F. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

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

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

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

### **2. Material accounting policies**

#### **2.1 Basis of preparation**

The condensed interim financial statements for the six months and full year ended 31 December 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 amended standards adopted by the Group**

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s last annual financial statements for the financial year ended 31 December 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)1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies*
- *Amendments to SFRS(I)1-8 Definition of Accounting Estimates*
- *Amendments to SFRS(I)1-12: Deferred tax related to assets and liabilities arising from a single transaction*
- *Amendments to SFRS(I)1-12 International tax reform - Pillar two model rules*

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. Material accounting policies (continued)**

### **2.3 Use of judgements and estimates**

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

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

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

## **3. Seasonal operations**

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

#### 4. Segment information

##### 4.1 Business segments

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
<b>6 months ended 31 December 2023</b>						
<b>Sales:</b>						
- External sales	-	7,700	75,657	5,179	-	88,536
- Inter-segment sales	-	-	-	282	-	282
	-	7,700	75,657	5,461	-	88,818
Elimination						(282)
						88,536
<b>Segment results</b>		909	4,723	586	(2,922)	3,296
Interest income	-	1	75	-	741	817
Interest expense	-	(23)	(5,591)	-	(1,079)	(6,693)
Share of profit of associated companies	2,021	-	1,858	-	-	3,879
Profit before income tax	2,021	887	1,065	586	(3,260)	1,299
Income tax expense						(971)
<b>Net profit</b>						328
<b>Other segment items</b>						
Additions to property, plant and equipment, net of lease modification	-	353	3,124	-	9	3,486
Additions to investment properties, net of lease modification	-	-	-	454	-	454
Amortisation of intangible assets	-	-	2,015	-	-	2,015
Depreciation of property, plant and equipment	-	557	14,845	106	11	15,519
Depreciation of investment properties	-	-	2,509	374	-	2,883
Net provision of impairment for trade and other receivables	-	54	256	288	-	598

#### 4. Segment information (continued)

##### 4.1 Business segments (continued)

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

#### 4. Segment information (continued)

##### 4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
<b>Financial year ended 31 December 2023</b>						
<b>Sales:</b>						
- 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
<b>Segment results</b>	-	2,638	13,509	2,127	(6,023)	12,251
Interest income	-	1	170	-	1,758	1,929
Interest 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)
<b>Net Profit</b>						2,628
<b>Other segment items</b>						
Additions to property, plant and equipment, net of lease modifications	-	5,261	11,254	2	16	16,533
Additions to investment properties, net of lease modifications	-	-	-	454	-	454
Amortisation of intangible assets	-	-	4,034	-	-	4,034
Depreciation of property, plant and equipment	-	1,064	30,003	211	25	31,303
Depreciation of investment properties	-	-	5,178	744	-	5,922
Net provision for impairment of trade and other receivables	-	54	246	288	-	588
<b>Segment assets</b>	-	23,135	725,681	15,064	36,777	800,657
Associated companies	38,777	-	16,733	-	-	55,510
Deferred tax assets			171			171
<b>Consolidated total Assets</b>						856,338
<b>Segment liabilities</b>	-	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
<b>Consolidated total liabilities</b>						365,316
<b>Consolidated net assets</b>						491,022

#### 4 Segment information (continued)

##### 4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
<b>Financial year ended 31 December 2022</b>						
<b>Sales:</b>						
- 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
<b>Segment results</b>	-	3,789	(82,986)	2,379	(6,258)	(83,076)
Interest income	-	1	97	-	1,127	1,225
Interest expense	-	(50)	(8,144)	-	(2,038)	(10,232)
Share of profit of associated companies	4,546	-	2,974	-	-	7,520
Profit/(loss) before income tax	4,546	3,740	(88,059)	2,379	(7,169)	(84,563)
Income tax expense						(3,197)
<b>Net loss</b>						(87,760)
<b>Other segment items</b>						
Additions to property, plant and equipment, net of lease modification	-	3,787	12,206	130	12	16,135
Amortisation of intangible assets, net of lease modification	-	-	4,049	-	-	4,049
Depreciation of property, plant and equipment	-	609	31,062	398	25	32,094
Depreciation of investment properties	-	-	6,731	763	-	7,494
Impairment of goodwill	-	-	98,989	-	-	98,989
Net provision for impairment of trade and other receivables	-	-	78	1	-	79
<b>Segment assets</b>	-	16,773	726,782	44,882	78,676	867,113
Associated companies						58,803
Deferred tax assets						111
<b>Consolidated total Assets</b>						926,027
<b>Segment liabilities</b>	-	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
<b>Consolidated total liabilities</b>						433,269
<b>Consolidated net assets</b>						492,758



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

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

	Sales				Non-current assets	
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Singapore	74,215	77,099	152,337	151,243	671,056	697,758
Malaysia	14,321	16,095	26,373	34,400	70,751	76,008
	<b>88,536</b>	93,194	<b>178,710</b>	185,643	<b>741,807</b>	773,766

Revenues of approximately \$32,556,000 for the financial year ended 31 December 2023 (2022: \$30,668,000) are derived from one (2022: one) single external customer. These revenues are attributable to the Singapore Logistics segment (2022: Singapore Logistics segment).

##### 4.3 A breakdown of sales

	FY 2023 \$'000	FY 2022 \$'000	Change %
(a) Sales reported for first half year	90,174	92,449	(2)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	2,300	6,649	(65)
(c) Sales reported for second half year	88,536	93,194	(5)
(d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	328	(94,409)	NM

#### 5 Financial assets and financial liabilities

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

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Financial assets at amortised cost	109,733	149,021	36,561	78,518
Financial liabilities at amortised cost	298,222	363,590	68,828	116,173

## 6. Sales

Revenue of the Group is analysed as follows:

	<b>2H 2023</b>	2H 2022	<b>2023</b>	2022
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Ship repair and marine engineering	<b>7,700</b>	10,410	<b>17,962</b>	18,556
Logistics management services	<b>72,677</b>	67,275	<b>135,269</b>	133,548
Rental Income				
- Logistics management services	<b>3,143</b>	8,100	<b>13,134</b>	19,058
- Property management services	<b>5,016</b>	7,409	<b>12,345</b>	14,481
	<b>88,536</b>	93,194	<b>178,710</b>	185,643

### 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
<b><u>6 months ended 31 December 2023</u></b>			
i) Ship repair and marine engineering			
- Singapore	-	7,700	7,700
ii) Logistics management services			
- Singapore	29,869	29,306	59,175
- Malaysia	12,537	965	13,502
	<u>42,406</u>	<u>30,271</u>	<u>72,677</u>
Total sales	<u>42,406</u>	<u>37,971</u>	<u>80,377</u>
<b><u>6 months ended 31 December 2022</u></b>			
i) Ship repair and marine engineering			
- Singapore	-	10,410	10,410
iii) Logistics management services			
- Singapore	29,863	23,832	53,695
- Malaysia	12,638	942	13,580
	<u>42,501</u>	<u>24,774</u>	<u>67,275</u>
Total sales	<u>42,501</u>	<u>35,184</u>	<u>77,685</u>

6. Sales (continued)

Disaggregation of revenue (continued)

	← Revenue recognised →		
	At a point in time \$'000	Over time \$'000	Total \$'000
<b><u>Full year ended 31 December 2023</u></b>			
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
	<b>81,290</b>	<b>53,979</b>	<b>135,269</b>
Total sales	<b>81,290</b>	<b>71,941</b>	<b>153,231</b>
<b><u>Full year ended 31 December 2022</u></b>			
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
	<b>87,871</b>	<b>45,677</b>	<b>133,548</b>
Total sales	<b>87,871</b>	<b>64,233</b>	<b>152,104</b>

## 7. Profit/(loss) before taxation

### 7.1 Breakdown and explanatory notes to Consolidated Income Statement

[1] Other income comprises the following:

	<b>2H 2023</b>	2H 2022	Change	<b>FY2023</b>	FY2022	Change
	<b>\$'000</b>	\$'000	%	<b>\$'000</b>	\$'000	%
Interest income	<b>817</b>	1,038	(21)	<b>1,929</b>	1,225	57
Government grants	<b>45</b>	218	(79)	<b>363</b>	884	(59)
Rental income	<b>78</b>	74	5	<b>148</b>	148	-
Sales of scrap material	<b>29</b>	1,230	(98)	<b>29</b>	1,236	(98)
Sundry income	<b>306</b>	331	(8)	<b>570</b>	748	(24)
Other income	<b>1,275</b>	2,891	(56)	<b>3,039</b>	4,241	(28)

[2] Other gains and losses comprises the following:

	<b>2H 2023</b>	2H 2022	Change	<b>FY2023</b>	FY2022	Change
	<b>\$'000</b>	\$'000	%	<b>\$'000</b>	\$'000	%
Foreign exchange (loss) /gain	<b>(211)</b>	(162)	30	<b>(156)</b>	38	NM
Gain on termination of Lease	-	72	(100)	-	72	(100)
Gain on disposal of property, plant and equipment	<b>151</b>	199	(24)	<b>198</b>	401	(51)
Other gains and losses	<b>(60)</b>	109	NM	<b>42</b>	511	(92)

## 7. Profit/(loss) before taxation (continued)

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

[3] Profit/(loss) before income tax is arrived at after charging:

	2H 2023 \$'000	2H 2022 \$'000	Change %	FY2023 \$'000	FY2022 \$'000	Change %
Interest on borrowings	(6,693)	(6,289)	6	(13,657)	(10,232)	33
Amortisation of intangible assets	(2,015)	(2,022)	(0)	(4,034)	(4,049)	0
Depreciation of property, plant and equipment	(15,519)	(15,556)	(0)	(31,303)	(32,094)	(2)
Depreciation of investment properties	(2,883)	(3,055)	(6)	(5,922)	(7,494)	(21)
Write-off on property, plant and equipment	-	(375)	(100)	-	(375)	(100)
Impairment of goodwill	-	(98,989)	(100)	-	(98,989)	(100)
Impairment of trade and other receivables	-	-	-	-	-	-
	<b>(598)</b>	<b>(73)</b>	<b>719</b>	<b>(588)</b>	<b>(79)</b>	<b>644</b>

### 7.2 Related party transaction

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

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

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

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

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

## 7. Profit/(loss) before taxation (continued)

### 7.2 Related party transaction (continued)

	FY2023 \$'000	FY2022 \$'000
<u>Revenue</u>		
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
<u>Expenditure</u>		
Purchases from fellow subsidiaries	1,763	4,422
Purchases from related parties	4	-
Rental paid/payable to fellow subsidiaries	417	789
Management fee paid to fellow subsidiaries	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

## 8. Income taxes

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

	2H 2023 \$'000	2H 2022 \$'000	FY2023 \$'000	FY2022 \$'000
Current income tax	1,873	2,346	4,765	5,778
Deferred income tax	(414)	(14)	(1,260)	(1,497)
	<u>1,459</u>	<u>2,332</u>	<u>3,505</u>	<u>4,281</u>
(Over)/under provision in prior financial years:				
- Current income tax	(488)	(1,323)	(478)	(1,340)
- Deferred income tax	-	259	-	256
	<u>971</u>	<u>1,268</u>	<u>3,027</u>	<u>3,197</u>

## 9. Dividend

No dividend declared for the financial year ended 31 December 2023 and 31 December 2022.

## 10. Earnings/(loss) per share

	2H 2023	2H 2022	Group FY2023	FY2022
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	<b>(0.003)</b>	(4.23)	<b>0.08</b>	(3.96)
Weighted average number of ordinary shares('000)	<b>2,239,245</b>	2,239,245	<b>2,239,245</b>	2,239,245
(ii) On a fully diluted basis (cents per share)	<b>(0.003)</b>	(4.23)	<b>0.08</b>	(3.96)
Adjusted weighted average number of ordinary shares ('000)	<b>2,239,245</b>	2,239,245	<b>2,239,245</b>	2,239,245

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

There are no dilutive potential ordinary shares outstanding.

## 11. Net Asset Value

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Net asset value per ordinary share (cents)	<b>21.75</b>	21.84	<b>19.91</b>	19.65

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (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 financial year, the Group acquired assets amounting to \$16,533,000 (2022: \$16,135,000) and disposed of assets amounting to \$3,434,000 (2022: S\$13,560,000).

### 14. Intangible assets

	<b>Goodwill arising on consolidation</b>	<b>Contract- based intangible asset</b>	<b>Customer relationships intangible assets</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>				
<b>At 31 December 2023</b>				
Cost	98,989	3,644	36,116	138,749
Accumulated amortisation and impairment	(98,989)	(3,644)	(23,936)	(126,569)
Net book value	-	-	<b>12,180</b>	<b>12,180</b>
<b>12 months ended 31 December 2023</b>				
Opening net book amount	-	-	16,281	16,281
Amortisation charge during the period	-	-	(4,034)	(4,034)
Impairment charge during the period	-	-	-	-
Currency translation differences	-	-	(67)	(67)
Closing net book value	-	-	<b>12,180</b>	<b>12,180</b>
<b>At 31 December 2022</b>				
Cost	98,989	3,644	36,116	138,749
Accumulated amortisation and impairment	(98,989)	(3,644)	(19,835)	(122,468)
Net book value	-	-	<b>16,281</b>	<b>16,281</b>

#### Impairment of goodwill

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

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

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



#### 14. Intangible assets (continued)

Key assumptions used in FVLCTS calculation:

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

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

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

#### 15. Borrowings

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<i>Current</i>				
Bank borrowings (unsecured)	1,352	2,365	-	-
Bank borrowings (secured)	15,100	16,021	-	-
Lease liabilities (secured)	8,785	12,590	-	-
	<u>25,237</u>	<u>30,976</u>	<u>-</u>	<u>-</u>
<i>Non-current</i>				
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	-	-
	<u>236,565</u>	<u>297,939</u>	<u>34,069</u>	<u>72,069</u>
Total borrowings	<u>261,802</u>	<u>328,915</u>	<u>34,069</u>	<u>72,069</u>

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 (31 December 2022: \$232,586,000) for the Group.

## 15. Borrowings (continued)

Bank borrowings are secured by:

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

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

- (b) Fair value of non-current borrowings

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

## 16. Share Capital

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

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

During the financial year ended 31 December 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 31 December 2023 are as follows:

### As at 31 December 2023

Options relating to the Option Scheme	Number outstanding at 1 January 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 December 2023
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>

There are no outstanding share options under the Share Option Scheme as at 31 December 2023 (31 December 2022: 3,390,800).

The Company did not hold any treasury shares as at 31 December 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 against a crane specialist for breach of contract. Pursuant to the Award, the Tribunal has, in summary, ordered that the following be paid by the crane specialist to SHCL:

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

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

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

On 5 May 2021, the crane specialist made applications to the High Court of Singapore to set aside the Award, to set aside the order obtained by SHCL for leave to enforce the Award, as well as to set aside the enforcement proceedings commenced by SHCL. The enforcement proceedings taken out by SHCL 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 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 will be conducted on 5 March 2024.

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.

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

### 1. Review

The condensed consolidated statement of financial position of COSCO SHIPPING International (Singapore) Co., Ltd. and its subsidiaries as at 31 December 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 financial year then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

Sales	Group					
	2H 2023 S\$'000	2H 2022 S\$'000	Change %	FY2023 S\$'000	FY2022 S\$'000	Change %
Logistics	75,657	75,375	0	148,240	152,606	(3)
Property management	5,179	7,409	(30)	12,508	14,481	(14)
Ship repair and marine engineering	7,700	10,410	(26)	17,962	18,556	(3)
	88,536	93,194	(5)	178,710	185,643	(4)

#### **2H 2023**

Group revenue for 2H 2023 totalled \$88.5 million, 5% lower than 2H 2022. The decline in revenue was primarily attributed to lower earnings from Property management, Ship repair and marine engineering segments. The drop in revenue from the Property management segment was largely affected by reduction of occupancy rate at the Grandstand shopping mall, where the lease for the State land expired on 31 December 2023. The decrease in revenue from Ship repair and marine engineering segment was mainly due to drop in ship repair activities.

Gross profit decreased by 13% from \$21.0 million in 2H 2022 to \$18.3 million in 2H 2023 mainly due to lower margins from Property management segment as a result of higher operational costs and the reduction of occupancy rate at the Grandstand.

Other income was lower by 56% from \$2.9 million in 2H 2022 to \$1.3 million in 2H 2023 mainly due to lower sale of scrap material and interest income from bank deposits and cash at bank.

Other gains and losses in 2H 2023 was lower than 2H 2022 mainly due to reduction in gain on termination of lease and the foreign exchange loss in 2H 2023.

Distribution expenses increased by 18% in 2H2023 compared to 2H2022, primarily due to higher staff costs. Administrative expenses decreased by 88% in 2H2023, mainly attributed to the recognition of goodwill impairment in FY2022. Excluding the impact of the goodwill impairment in 2H2022, there is no significant movement in administrative expenses compared to 2H2022.

Finance costs increased by 6% to \$6.7 million in 2H 2023 mainly due to higher borrowing costs resulting from increase in interest rates.

Group profit before tax for 2H 2023 amounted to \$1.3 million, compared to a Group loss before tax of \$93.1 million in 2H 2022. The increase in profits was primarily attributed to the impairment charge of goodwill in 2H 2022. Excluding the effect of the impairment of goodwill in 2H 2022, the Group profit before tax decreased from \$5.8 million to \$1.3 million. This decline was mainly due to a reduction in gross profit and decrease in other income, partially offset by increase in the share of profit from associated companies.

## **FY 2023**

Group revenue for FY 2023 totalled \$178.7 million, 4% lower than FY 2022. The reduction of revenue was attributed to 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, where 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.

Other gains and losses in FY 2023 was lower than FY 2022, primarily due to a reduction in gain on the disposal of property, plant, and equipment, as well as foreign exchange losses.

Distribution expenses increased by 14% mainly due to higher staff cost. 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.

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 SINOVL 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 1,485 points in FY 2023, a decrease of 16% from the average of 1,770 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 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.

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 for details.

Net cash used in investing activities for FY 2023 was \$0.3 million. This was mainly due to payments for 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.

### **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.**

In the year 2023, the global economy has not yet fully emerged from the shadow of the COVID-19 pandemic. Inflation and high-interest rates have also had an impact on global economic recovery. The Group has also been affected by higher financing costs. The Russia-Ukraine War has been ongoing for two years, and in the second half of 2023, armed conflicts erupted again between Israel and Palestine in the Middle East. The unstable global geopolitical situation has negatively affected economic growth. In January 2024, the World Bank released the Global Economic Prospects report, predicting a global economic growth rate of 2.4% for 2024, lower than the 2.6% global growth rate in 2023. Against such background, global economic conditions will remain challenging.

On March 7, 2023, the Company announced that it had signed a joint venture agreement with an affiliated company Supply Fortune Limited to jointly invest in logistics infrastructure and resource development, focusing on the development of the logistics supply chain business in Southeast Asia. Subsequently, the two parties established a joint venture company named Goldlead Supply Chain Development (Southeast Asia) Limited, with Supply Fortune Limited holding 51% and the Company holding 49% of the issued shares. The joint venture aims to become a digital supply chain investment and operating platform, providing customers with enhanced digital supply chain solutions by improving supply chain service capabilities. After the establishment of the joint venture, both parties are actively exploring digital supply chain infrastructure and resource investment projects such as warehouses, depots, and trailer fleets in the Southeast Asia. The parties will also consider increasing their investments in the joint venture according to their shareholding proportions to meet future development needs, where required.

On December 15, 2023, the Company announced that its wholly-owned subsidiary, SH Cogent Logistics Pte Ltd (“Cogent Logistics”), had signed an equity transfer agreement with an affiliated company COSCO Shipping (Southeast Asia) Limited, to acquire 100% equity of Golden Logistics & Storage Sdn Bhd (“Golden Logistics”) in Malaysia. Golden Logistics primarily engages in non-container vessel agency, general cargo agency, and logistics business. After the acquisition, Cogent Logistics is able to offer customers more comprehensive logistics services, thus promoting further integration of Cogent Logistics’ business in Malaysia.

Regarding the Jurong Island Integrated Logistics Center Phase II project, the Company is currently revising and improving the feasibility study report and risk assessment report. At the same time, the Company is in communication with government departments such as JTC Corporation to prepare for the continued progress of the project.

The GRANDSTAND commercial center closed at the end of 2023, and the leased land was returned to the government. Cogent Automotive Logistics Pte Ltd will continue to conduct automobile sales and storage operations at other locations and will also conduct online automobile showroom operations through the SuperApp digital platform.

The Company will continue to monitor the development of the logistics market in Singapore and Southeast Asia even as global economic conditions remain challenging. It will invest in and build logistics supply chain infrastructure and resources at the appropriate time, expand the logistics supply chain network, and strive to become a leading comprehensive logistics and supply chain service company in the Southeast and South Asia. The Company remains committed to long-term sustainable development, making efforts to bring better returns to its shareholders.

**5. Dividend**

**(a) Current Financial Period Reported On**

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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



**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

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

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

Not applicable.

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

Sales	Group					
	2H 2023 S\$'000	2H 2022 S\$'000	Change %	FY2023 S\$'000	FY2022 S\$'000	Change %
Logistics	75,657	75,375	0	148,240	152,606	(3)
Property management	5,179	7,409	(30)	12,508	14,481	(14)
Ship repair and marine engineering	7,700	10,410	(26)	17,962	18,556	(3)
	88,536	93,194	(5)	178,710	185,643	(4)

The Group has 3 main business segments, namely Logistics, Property management and Ship repair and marine engineering.

**2H 2023**

Logistics activities constituted approximately 85% of the Group's revenue in 2H 2023. There's no significant change of revenue from logistics activities as compared to 2H 2022. Logistics segment's profit before tax for 2H 2023 was \$1.1 million, in contrast to \$3.7 million (excluding the recognition of impairment of goodwill) in 2H 2022. The decrease in profitability can be attributed to higher fuel and utilities costs, increased interest expenses, and a reduction in government grants received. These negative factors were partly offset by lower staff costs for logistics business activities.

Property management activities experienced a substantial decline, marked by a 30% decrease in revenue and a 59% decrease in profit before tax. This decline is primarily attributable to a reduction in the occupancy rate at the Grandstand shopping mall where the lease for the State land on which the Grandstand shopping mall is located has expired on 31 December 2023.

The Ship repair and marine engineering segment experienced a significant decrease of 26%, primarily driven by a reduction in the volume of ship repair jobs in Singapore. The profit from this segment was lower in 2H 2023, mainly due to the decrease in the volume of ship repair jobs in Singapore and a decline in other income generated from the sale of scrap materials.

## FY 2023

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 services 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.

The Logistics segment's profit before tax for FY 2023 was \$5.6 million, compared to \$10.9 million (excluding the recognition of impairment of goodwill) in FY 2022. This decline in profitability is primarily attributed to higher fuel and utilities costs, increased interest expenses, and a reduction in government grants received. These factors collectively contributed to the decrease in profit before tax for the Logistics segment in FY 2023.

Property management activities experienced a substantial decline, marked by a 14% decrease in revenue and a 11% decrease in profit before tax. This decline is primarily attributable to a reduction in the occupancy rate at the Grandstand shopping mall where the lease for the State land on which the Grandstand shopping mall is located has expired on 31 December 2023, partly offset by higher rental rates obtained from leasing office units when new lease agreements were signed.

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

## 9. Interested Person Transactions

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		FY 2023 \$'000	FY 2023 \$'000
Cosco (Cayman) Mercury Co., Ltd			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		3,211	471
COSCO SHIPPING BULK CO., LTD			5,090
Chimbusco International Petroleum (S) Pte Ltd	Subsidiaries of Controlling Shareholders		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. <sup>(1)</sup>			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
<b>Total</b>		<b>3,211</b>	<b>108,316</b>

<sup>(1)</sup> On December 15, 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.

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

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

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

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

## **CONFIRMATION BY THE BOARD**

We hereby confirm on behalf of the directors of the company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the company which may render the financial year ended 31 December 2023 financial results to be false or misleading.

On behalf of the directors

Mr Zhu Jian Dong  
Chairman and President

Mr Guo Hua Wei  
Director

29/2/2024