



Unaudited Full Year Financial Statement Announcement for the Financial Year Ended 31 December 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Consolidated Income Statement

	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Sales	171,495	163,673	5
Cost of sales	(131,615)	(122,090)	8
Gross profit	39,880	41,583	(4)
Other income [1]	2,012	2,948	(32)
Other gains and losses [1]	2,159	6,187	(65)
Expenses			
- Distribution	(2,668)	(1,939)	38
- Administrative	(23,854)	(24,748)	(4)
- Finance	(8,924)	(9,217)	(3)
Share of profit of associated companies	2,036	2,126	(4)
Profit before income tax [2]	10,641	16,940	(37)
Income tax expense [3]	(2,933)	(3,719)	(21)
Profit for the year	7,708	13,221	(42)
Profit attributable to:			
Equity holders of the Company	7,380	12,977	(43)
Non-controlling interests	328	244	34
	7,708	13,221	(42)
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)			
- basic	0.33	0.58	(43)
- diluted	0.33	0.58	(43)

NM denotes not meaningful.

(ii) Consolidated Statement of Comprehensive Income

	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Profit for the year	7,708	13,221	(42)
Other comprehensive (loss)/income: Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains	(635)	1,440	NM
	(635)	1,440	(NM
Total comprehensive income	7,073	14,661	(52)
Total comprehensive income attributable to:			
Equity holders of the Company	6,750	14,417	(53)
Non-controlling interests	323	244	32
	7,073	14,661	(52)

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

[1] Other income and Other gains and losses comprises the following:

	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Government grants	609	289	111
Interest income	591	1,281	(54)
Rental income	329	761	(57)
Sale of scrap materials	71	80	(11)
Sundry income	412	537	(23)
Other income	2,012	2,948	(32)
Foreign exchange gain	90	3,409	(97)
Gain on modification of lease	65	-	NM
Gain on disposal of property, plant and equipment	1,843	2,706	(32)
Gain on sale of bunker stock	161	72	124
Other gains and losses	2,159	6,187	(65)

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

	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Interest on borrowings	(8,924)	(9,217)	(3)
Amortisation of deferred expenditure	-	(64)	NM
Amortisation of intangible assets	(4,681)	(5,692)	(18)
Depreciation of property, plant and equipment [i]	(31,928)	(19,334)	65
Depreciation of investment properties [ii]	(10,387)	(523)	NM
Impairment of trade and other receivables	(315)	(193)	63

[i] Depreciation of property, plant and equipment for FY 2019 included depreciation of right-of-use assets of \$12,200,000 (2018: Nil) which were classified within property, plant and equipment as a result of the adoption of SFRS(I) 16.

[ii] Depreciation of investment properties for FY 2019 included depreciation of right-of-use assets of \$9,854,000 (2018: Nil) which were classified within investment properties as a result of the adoption of SFRS(I) 16.

[3] Adjustment for over/(under) provision of tax in respect of prior years:

	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Current income tax	1,315	511	157
Deferred tax	(927)	(13)	NM

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2019 S\$'000	31/12/2018 S\$'000	31/12/2019 S\$'000	31/12/2018 S\$'000
Current assets				
Cash and cash equivalents	67,165	72,814	8,548	18,301
Restricted cash	-	257	-	257
Trade and other receivables	40,856	35,460	103	116
Inventories	858	661	-	-
Income tax receivables	1,160	-	-	-
	110,039	109,192	8,651	18,674
Non-current assets classified as held-for-sale	-	741	-	-
	110,039	109,933	8,651	18,674
Non-current assets				
Trade and other receivables	477	812	-	-
Investments in associated companies	16,209	15,171	13,953	13,953
Investments in subsidiaries	-	-	614,589	614,183
Investment properties [1]	22,872	13,637	-	-
Property, plant and equipment [1]	672,412	550,012	62	100
Intangible assets	126,352	131,033	-	-
Deferred expenditure	-	2,212	-	-
Deferred tax assets	6	-	-	-
	838,328	712,877	628,604	628,236
Total assets	948,367	822,810	637,255	646,910
Current liabilities				
Trade and other payables	49,035	48,056	41,092	48,123
Current income tax liabilities	1,549	4,884	20	107
Borrowings	32,312	25,715	-	13,580
Provisions	1,505	350	-	-
	84,401	79,005	41,112	61,810
Non-current liabilities				
Trade and other payables	988	4,468	988	4,468
Borrowings	267,465	152,619	72,069	58,489
Provisions	389	1,198	-	-
Deferred income tax liabilities	56,845	54,420	-	-
	325,687	212,705	73,057	62,957
Total liabilities	410,088	291,710	114,169	124,767
Net assets	538,279	531,100	523,086	522,143
Equity				
Share capital	270,608	270,608	270,608	270,608
Other reserves	35,365	35,995	45,105	45,105
Retained earnings	230,395	223,015	207,373	206,430
Shareholders' equity	536,368	529,618	523,086	522,143
Non-controlling interests	1,911	1,482	-	-
Total equity	538,279	531,100	523,086	522,143

[1] As at 31 December 2019, Investment properties and Property, plant and equipment included right-of-use assets of \$9,771,000 and \$71,092,000 respectively as a result of the adoption of SFRS(I) 16.

1(b)(ii) **Aggregate amount of group's borrowings and debt securities.**

Amount repayable in one year or less, or on demand

As at 31/12/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
32,112	200	25,515	200

Amount repayable after one year

As at 31/12/2019		As at 31/12/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
195,396	72,069	114,619	38,000

Details of any collateral

The collaterals for secured borrowings include property, plant and equipment, investment properties and bank deposits. The carrying amount of the property, plant and equipment mortgaged as security for the group's bank borrowings is approximately \$428,635,000 (31 December 2018: \$435,111,000). Included in secured borrowings are current lease liabilities of \$20,683,000 and non-current lease liabilities of \$67,784,000 which are secured over the right-of-use assets classified within investment properties and property, plant and equipment of \$9,771,000 (31 December 2018: Nil) and \$88,848,000 (31 December 2018: \$16,671,000) respectively.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	FY 2019 S\$'000	FY 2018 S\$'000
<u>Cash flows from operating activities</u>		
Profit for the year	7,708	13,221
Adjustments for:		
Income tax expense	2,933	3,719
Amortisation of deferred expenditure	-	64
Amortisation of intangible assets	4,681	5,692
Depreciation of property, plant and equipment	31,928	19,334
Depreciation of investment properties	10,387	523
Impairment of trade and other receivables	315	193
Gain on disposal of property, plant and equipment	(1,843)	(2,706)
Loss on disposal of a transferable club membership	-	165
Gain on modification of lease	(65)	-
Share of profit of associated companies	(2,036)	(2,126)
Interest expense	8,924	9,217
Interest income	(591)	(1,281)
Exchange differences	(79)	(3,022)
	62,262	42,993
Changes in working capital:		
Inventories	(197)	(467)
Trade and other receivables	(5,515)	(6,234)
Trade and other payables	(13)	(13,883)
Provisions	274	(596)
Cash provided by operations	56,811	21,813
Income tax paid	(5,007)	(6,390)
Net cash provided by operating activities	51,804	15,423
<u>Cash flows from investing activities</u>		
Deferred consideration paid in relation to acquisition of a subsidiary	(6,500)	(9,000)
Acquisition of a subsidiary, net of cash acquired [1]	-	(410,306)
Acquisition of an associated company	(416)	(13,953)
Additions to property, plant and equipment	(63,245)	(30,181)
Disposal of a subsidiary, net cash outflow [2]	-	(68)
Decrease in amount due from a fellow subsidiary	-	293,165
Disposal of property, plant and equipment	2,723	3,868
Disposal of a transferable club membership	-	18
Decrease in restricted cash balance	257	140,401
Dividend received	1,665	11,807
Interest received	664	1,231
Net cash used in investing activities	(64,852)	(13,018)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	51,972	328,649
Repayment of borrowings	(9,040)	(306,795)
Principal payment of lease liabilities	(24,657)	(3,716)
Proceeds from non-controlling interests for increase in registered capital of a subsidiary	406	-
Decrease in bank deposits pledged	24	-
Interest paid	(10,502)	(8,096)
Dividend paid to non-controlling interest of a subsidiary	(300)	(150)
Net cash provided by financing activities	7,903	9,892

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.** (continued)

	Group	
	FY 2019 S\$'000	FY 2018 S\$'000
Net (decrease)/increase in cash and cash equivalents	(5,145)	12,297
Cash and cash equivalents at beginning of financial year	71,605	58,504
Effects of currency translation on cash and cash equivalents	(480)	804
Cash and cash equivalents at end of financial year	65,980	71,605
Cash and cash equivalents represented by:		
Cash at bank and on hand	40,675	56,412
Short-term bank deposits	26,490	16,402
Less: Bank deposits pledged	(1,185)	(1,209)
	65,980	71,605

[1] On 2 January 2018, the Group obtained control of Cogent Holdings Limited ("Cogent") following the acquisition of more than 90% of the issued shares of Cogent by way of a voluntary conditional cash offer made by the Group to acquire 100% equity interest in Cogent for a consideration of \$488,070,000 (excluding discounting effects on the fair value of deferred consideration). The Group exercised its rights of compulsory acquisition to acquire the remaining shares of Cogent. Consequently, Cogent became a wholly-owned subsidiary of the Company.

Details of the consideration paid, the fair value amounts of identifiable assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	Group	
	FY 2019 S\$'000	FY 2018 S\$'000
(a) Purchase consideration		
Cash paid	-	468,070
Fair value of deferred consideration	-	19,474
Consideration transferred for the business	-	487,544
(b) Effect on cash flows of the Group		
Cash paid (as above)	-	468,070
Less: cash and cash equivalents in subsidiaries acquired	-	(58,973)
Add: Bank balances pledged	-	1,209
Cash out flow on acquisition	-	410,306
(c) Identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	-	58,973
Property, plant and equipment	-	494,730
Intangible assets	-	37,772
Deferred expenditure	-	1,507
Inventories	-	30
Trade and other receivables	-	22,070
Total assets	-	615,082
Trade and other payables	-	41,546
Provisions	-	2,144
Borrowings	-	121,357
Current income tax liabilities	-	6,204
Deferred tax liabilities	-	55,027
Total liabilities	-	226,278
Total identifiable net assets	-	388,804
Less: Non-controlling interest	-	(249)
Add: Goodwill	-	98,989
Consideration transferred for the business	-	487,544
Amount reflected as other payables	-	(19,474)
Cash paid	-	468,070

[2] Disposal of a subsidiary

On 28 December 2018, the Group disposed of its 51% owned subsidiary, Greeting Fortune Pte. Ltd. The effects of the disposal on the cash flows of the Group were:

	Group	
	FY 2019 S\$'000	FY 2018 S\$'000
<u>Carrying amounts of assets and liabilities disposed of:</u>		
Cash and cash equivalents	-	361
Trade and other receivables	-	238
Inventories	-	35
Property, plant and equipment	-	101
Total assets	-	735
Trade and other payables	-	103
Current income tax liabilities	-	3
Borrowings	-	54
Total liabilities	-	160
Net assets derecognised	-	575
Non-controlling interests	-	(282)
Net assets disposed of	-	293
The aggregate cash outflows arising from the disposal of subsidiaries were:		
Net assets disposed of (as above)	-	293
Cash consideration from disposal	-	293
Less: Cash and cash equivalents in subsidiaries disposed of	-	(361)
Net cash outflow on disposal	-	(68)

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Non-controlling interests S\$'000	Total S\$'000
The Group					
At 1 January 2019	270,608	35,995	223,015	1,482	531,100
Total comprehensive (loss)/income for the year	-	(630)	7,380	323	7,073
Non-controlling interest share of increase in registered capital of a subsidiary	-	-	-	406	406
Dividend declared by a subsidiary to a minority shareholder of a subsidiary	-	-	-	(300)	(300)
At 31 December 2019	270,608	35,365	230,395	1,911	538,279
At 1 January 2018	270,608	34,555	210,038	1,421	516,622
Total comprehensive income for the year	-	1,440	12,977	244	14,661
Acquisition of subsidiaries	-	-	-	249	249
Disposal of subsidiaries	-	-	-	(282)	(282)
Dividend declared by a subsidiary to non-controlling interests of a subsidiary	-	-	-	(150)	(150)
At 31 December 2018	270,608	35,995	223,015	1,482	531,100

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Non-controlling interests S\$'000	Total S\$'000
The Company					
At 1 January 2019	270,608	45,105	206,430	-	522,143
Total comprehensive income for the year	-	-	943	-	943
At 31 December 2019	270,608	45,105	207,373	-	523,086
At 1 January 2018	270,608	45,105	200,204	-	515,917
Total comprehensive income for the year	-	-	6,226	-	6,226
At 31 December 2018	270,608	45,105	206,430	-	522,143

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2019, share capital of the Company comprised 2,239,244,954 ordinary shares (31 December 2018: 2,239,244,954).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company does not have any treasury shares.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and method of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2018.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised Singapore Financial Reporting Standards (International) (SFRS(I)s) that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations, that are relevant to the Group:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*
- Amendments to SFRS(I) 3 *Business Combinations*
- Amendments to SFRS(I) 1-23 *Borrowing costs eligible for capitalization*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16 *Leases*

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied for the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The differences from the balance sheet as previously reported as at 31 December 2018 are as follows:

Group Balance Sheet**1 January 2019**
S\$'000

Increase in investment properties	19,603
Increase in property, plant and equipment	82,963
Decrease in deferred expenditure	(2,212)
Decrease in other receivables	(64)
Increase in lease liabilities	(100,290)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	FY 2019	FY 2018
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	0.33	0.58
Weighted average number of ordinary shares('000)	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	0.33	0.58
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,245

NOTES:

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 year.

There are no dilutive potential ordinary shares outstanding.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Net asset value per ordinary share (cents)	23.95	23.65	23.36	23.32

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2018: 2,239,244,954).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover

	Group		
	FY 2019 S\$'000	FY 2018 S\$'000	Change %
Logistics	117,201	114,130	3
Shipping	21,626	15,508	39
Property management	18,133	19,462	(7)
Ship repair and marine engineering	14,535	14,573	-
	171,495	163,673	5

Turnover for FY 2019 increased by \$7.8 million from \$163.7 million to \$171.5 million mainly due to higher revenue from logistics and shipping activities. Logistics activities accounted for about 68% of the Group's turnover in FY 2019. Turnover from logistics activities increased mainly due to higher revenue from transportation, warehousing and automotive logistics management services, partially offset by lower revenue from container depot management services. Turnover from shipping activities increased mainly due to revenue contribution from additional bulk carriers that the Group had chartered in during FY 2019. Turnover from property management decreased by 7% to \$18.1 million mainly due to lower rental income. Turnover from ship repair and marine engineering remained almost unchanged as compared to the corresponding financial year in 2018.

Profitability

Gross profit decreased by 4% for FY 2019 mainly due to lower gross margins as a results of competitive market conditions and higher operating costs.

Other income decreased by 32% to \$2.0 million in FY 2019 mainly due to lower interest and rental income.

Other gains and losses comprised mainly foreign exchange gain and gain on disposal of property, plant and equipment. Other gains and losses decreased by \$4.0 million or 65% lower as compared to FY 2018 mainly due to lower foreign exchange gain and gain on disposal of property, plant and equipment.

Distribution expenses increased by 38% to \$2.7 million in FY 2019 mainly due to higher staff related costs resulted from an increase in headcount to support sales and marketing services.

Administrative expenses decreased by 4% to \$23.9 million in FY 2019 as compared to \$24.7 in FY 2018 mainly due to lower professional fees incurred.

Finance costs decreased by 3% to \$8.9 million mainly due to lower average bank borrowings in FY 2019, partially offset by an increase in interest expense on lease liabilities as a result of the recognition of lease liabilities following the adoption of SFRS(I) 16 as disclosed in paragraph 5.

Share of profit of associated companies of \$2.0 million was contributed by the Group's 40% shareholdings in PT. Ocean Global Shipping Logistics and the newly acquired 30% shareholdings in Tan Cang-COSCO-OOCL Logistics Company Limited. The share of profit of associated companies was lower as compared to FY 2018 mainly due to lower profit from PT. Ocean Global Shipping Logistics.

Overall, net profit attributable to equity holders was \$7.4 million, 43% lower than FY 2018.

Balance Sheet

(31 December 2019 vs 31 December 2018)

Group total assets increased by \$125.6 million from \$822.8 million as at 31 December 2018 to \$948.4 million as at 31 December 2019. Non-current assets increased mainly due to the recognition of right-of-use assets arising from the adoption of SFRS(I) 16 which were classified within investment properties and property, plant and equipment and an increase in property, plant and equipment for the progressive construction of Jurong Island Chemical Logistics Facility.

Group total liabilities increased by \$118.4 million from \$291.7 million as at 31 December 2018 to \$410.1 million as at 31 December 2019 mainly due to the recognition of lease liabilities arising from the adoption of SFRS(I) 16. The lease liabilities of \$88.5 million as at 31 December 2019 were included in the Group's borrowings.

Shareholder's equity increased by \$6.8 million to \$536.4 million as at 31 December 2019. The increase was mainly due to retained profits, partially offset by a decrease in currency translation reserves for FY 2019.

Cash Flow

Net cash provided by operating activities for FY 2019 was \$51.8 million as compared to \$15.4 million in FY 2018. The improvement in cash provided by operating activities was mainly due to the adoption of SFRS(I) 16 which operating lease payments, previously classified as operating activities, were classified as financing activities in 2019 for the principal and interest portion of the lease liabilities.

Net cash used in investing activities for FY 2019 was \$64.9 million. This was mainly attributable to progress payments for the construction of Jurong Island Chemical Logistics Hub and deferred consideration for acquisition of Cogent Holdings Limited, partly offset by proceeds from the disposal of property, plant and equipment and dividend received from an associated company.

Net cash provided by financing activities for FY 2019 was \$7.9 million mainly due to proceeds from bank borrowings, partially offset by the repayment of principal and interest on bank borrowings and lease liabilities.

Please refer to Note 1(c) for details on Cash Flow.

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

Not applicable.

10. 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.

Through its wholly-owned subsidiary, Cogent Holdings Limited ("Cogent") and its associates, the Company is establishing a logistics network in Singapore, Malaysia, Indonesia and Vietnam.

The proposed acquisition of shares of Guper Integrated Logistics Sdn. Bhd., Gems Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. previously announced on 13 August 2019 were completed on 14 February 2020. In connection with the Group's announcement of the proposed lease of land at Port Klang, Malaysia to construct a warehouse of approximately 300,000 square feet, the Company is progressing on this matter and will make further announcements as and when there are material developments.

The Company aims to expand its logistics network in South and Southeast Asia through acquisitions and investments and continues to explore potential targets to acquire and seek investment opportunities, taking into consideration the targets' business scale and scope, historical performance, growth potential and synergy with the Group's operations.

The Company's ultimate holding company, China COSCO Shipping Corporation Limited, has a well-established logistics business network throughout the People's Republic of China ("PRC"), which the Company will be able to leverage on this existing logistics business platform to potentially develop new business opportunities in the logistics sector in South and Southeast Asia, taking advantage of the "Belt and Road Initiative" formulated by the PRC Government in 2013. The Company will also be able to offer end-to-end services to its customers with logistical needs in Singapore and Malaysia, thereby increasing the Company's competitive edge in relation to its global competitors and entrenching its customers.

With respect to the Group's shipping business, the Company's subsidiary, COSCO SHIPPING (Singapore) Pte Ltd, currently has a total of 3 vessels with a total tonnage of 163,000 tons and with an average age of 14 years. In 2019, the international dry bulk shipping market was similar to the same period in 2018. The Baltic Dry Index averaged 1353 points in both FY 2019 and FY 2018.

Moving forward as one team, the Group is expected to create overall synergy by engaging in cross sales and business optimization with its related companies. This will also help the Group to achieve economies of scale and scope.

Notwithstanding the above, the situation pertaining to the spread and containment of the recent outbreak of the COVID-19 remains uncertain. It is currently difficult to ascertain the impact that the COVID-19 may have on the Group's performance and results of operations. The Group will continue to closely monitor its operations.

11. 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.

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

The Board has resolved not to recommend payment of dividend for FY 2019 as the Company is evaluating various strategic moves to expand its business.

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) **Business segments**

	Shipping S\$'000	Ship repair and marine related activities S\$'000	Logistics S\$'000	Property management S\$'000	Others S\$'000	Total S\$'000
Financial year ended 31 December 2019						
Sales:						
- External sales	21,626	14,535	117,201	18,133	-	171,495
- Inter-segment sales	-	-	-	-	10,486	10,486
	21,626	14,535	117,201	18,133	10,486	181,981
Elimination						(10,486)
						171,495
Segment results	4,054	2,574	14,627	2,373	(6,690)	16,938
Interest income						591
Interest expense						(8,924)
Share of profit of associated companies						2,036
Profit before income tax						10,641
Income tax expense						(2,933)
Net profit						7,708
Other segment items						
Additions to property, plant and equipment	833	391	74,499	177	1	75,901
Additions to investment properties	-	-	-	23	-	23
Amortisation of intangible assets	-	-	3,802	879	-	4,681
Depreciation of property, plant and equipment	3,088	669	27,205	927	39	31,928
Depreciation of investment properties	14	-	3,143	7,230	-	10,387
Impairment of trade and other receivables	-	-	325	(10)	-	315
Segment assets	63,334	17,197	813,180	29,331	9,110	932,152
Associated companies						16,209
Deferred tax assets						6
Consolidated total assets						948,367
Segment liabilities	4,953	2,003	18,314	19,754	6,893	51,917
Borrowings						299,777
Current income tax liabilities						1,549
Deferred income tax liabilities						56,845
Consolidated total liabilities						410,088
Consolidated net assets						538,279

	Shipping S\$'000	Ship repair and marine related activities S\$'000	Logistics S\$'000	Property management S\$'000	Others S\$'000	Total S\$'000
Financial year ended 31 December 2018						
Sales:						
- External sales	15,508	14,573	114,130	19,462	-	163,673
- Inter-segment sales	-	-	-	-	14,339	14,339
	15,508	14,573	114,130	19,462	14,339	178,012
Elimination						(14,339)
						163,673
Segment results	4,057	2,556	13,403	5,687	(2,953)	22,750
Interest income						1,281
Interest expense						(9,217)
Share of profit of an associated company						2,126
Profit before income tax						16,940
Income tax expense						(3,719)
Net profit						13,221
Other segment items						
Additions to property, plant and equipment	1,865	166	32,903	633	-	35,567
Amortisation of deferred expenditure	-	37	27	-	-	64
Amortisation of intangible assets	-	-	3,803	1,889	-	5,692
Depreciation of property, plant and equipment	2,854	409	15,578	437	56	19,334
Depreciation of investment properties	5	-	-	518	-	523
Impairment of trade and other receivables	206	-	13	(26)	-	193
Segment assets	59,065	17,506	685,658	26,638	18,772	807,639
Associated companies						15,171
Consolidated total assets						822,810
Segment liabilities	2,344	1,973	24,039	11,756	13,960	54,072
Borrowings						178,334
Current income tax liabilities						4,884
Deferred income tax liabilities						54,420
Consolidated total liabilities						291,710
Consolidated net assets						531,100

(b) Geographical segments

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

- Singapore - the operations in this area are principally in shipping, ship repair and marine engineering related activities, logistics, property management; and
- 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	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Singapore *	162,750	157,119	811,062	697,744
Malaysia	8,745	6,554	27,269	15,133
	171,495	163,673	838,331	712,877

* 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 \$31,790,000 (2018: \$23,494,000) are derived from one (2018: one) single external customer. These revenues are attributable to the Singapore Logistics segment.

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

See Paragraph 8 above.

15. A breakdown of sales

	2019 S\$'000	2018 S\$'000	Change %
(a) Sales reported for first half year	80,208	80,678	(1)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	4,692	5,375	(13)
(c) Sales reported for second half year	91,287	82,995	10
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	3,016	7,846	(62)

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

Not Applicable.

17. 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)
		FY2019 S\$'000	FY2019 S\$'000
<u>Between Subsidiaries and:</u>			
China Marine & Seamen Service Shanghai Corporation		-	1,097
China Seafarers Management Limited		-	584
Cosco (Nantong) Shipyard Co., Ltd		-	517
Cosco (Qidong) Offshore Co., Ltd		-	2,081
Cosco (Shanghai) Shipyard Co., Ltd		-	331
Cosco Petroleum Pte Ltd		-	4,438
Cosco Shipping Development Co., Ltd		-	1,796
Cosco Shipping (Hong Kong) Insurance Brokers Limited		-	632
Cosco Shipping (South East Asia) Pte Ltd		-	1,110
Cosco Shipping Lines (Singapore) Pte Ltd	Subsidiaries of Controlling Shareholders	-	244
Cosco Shipping Seafarer Management Co., Ltd.		-	1,416
Cosco Shipping Specialized Carriers Co., Ltd		-	445
Cosco Shipping Tanker (Shanghai) Co., Ltd		-	1,137
Cosco Shipping Technology Co., Ltd.		-	208
Golden Logistics & Storage Sdn. Bhd. ^[1]		2,749	158
Refined Success Limited		-	3,553
Shanghai Ocean Shipping Company		-	213
OOCL Logistics (Hong Kong) Limited ^[2]		416	-
Total		3,165	19,960

^[1] This relates to the proposed acquisition of assets by SH Cogent Logistics Sdn Bhd from Golden Logistics & Storage Sdn. Bhd. as announced by the Company on 20 September 2019.

^[2] This relates to the subscription of 30% interest in Tan Cang-COSCO-OOCL Logistics Company Limited by COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd. as announced by the Company on 20 September 2019.

	As at 31/12/2019	As at 31/12/2018
	S\$'000	S\$'000
Loan from a fellow subsidiary, Cosco Shipping (South East Asia) Pte Ltd	38,000	38,000

18. 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.

19. 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.

BY ORDER OF THE BOARD

Mr Zhu Jian Dong
Chairman and President
28/2/2020

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 2019 financial results to be false or misleading.

On behalf of the directors

Mr Zhu Jiang Dong
Chairman and President

Mr Li Xi Bei
Director

28/2/2020