COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

EXPANDING CAPACITY
ADVANCING SUSTAINABILITY

ANNUAL REPORT 2024

VISION

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

MISSION

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

Investor Relations Contact
COSCO SHIPPING International (Singapore) Co., Ltd.

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Vice President

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Corporate Profile

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

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

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

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

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

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

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

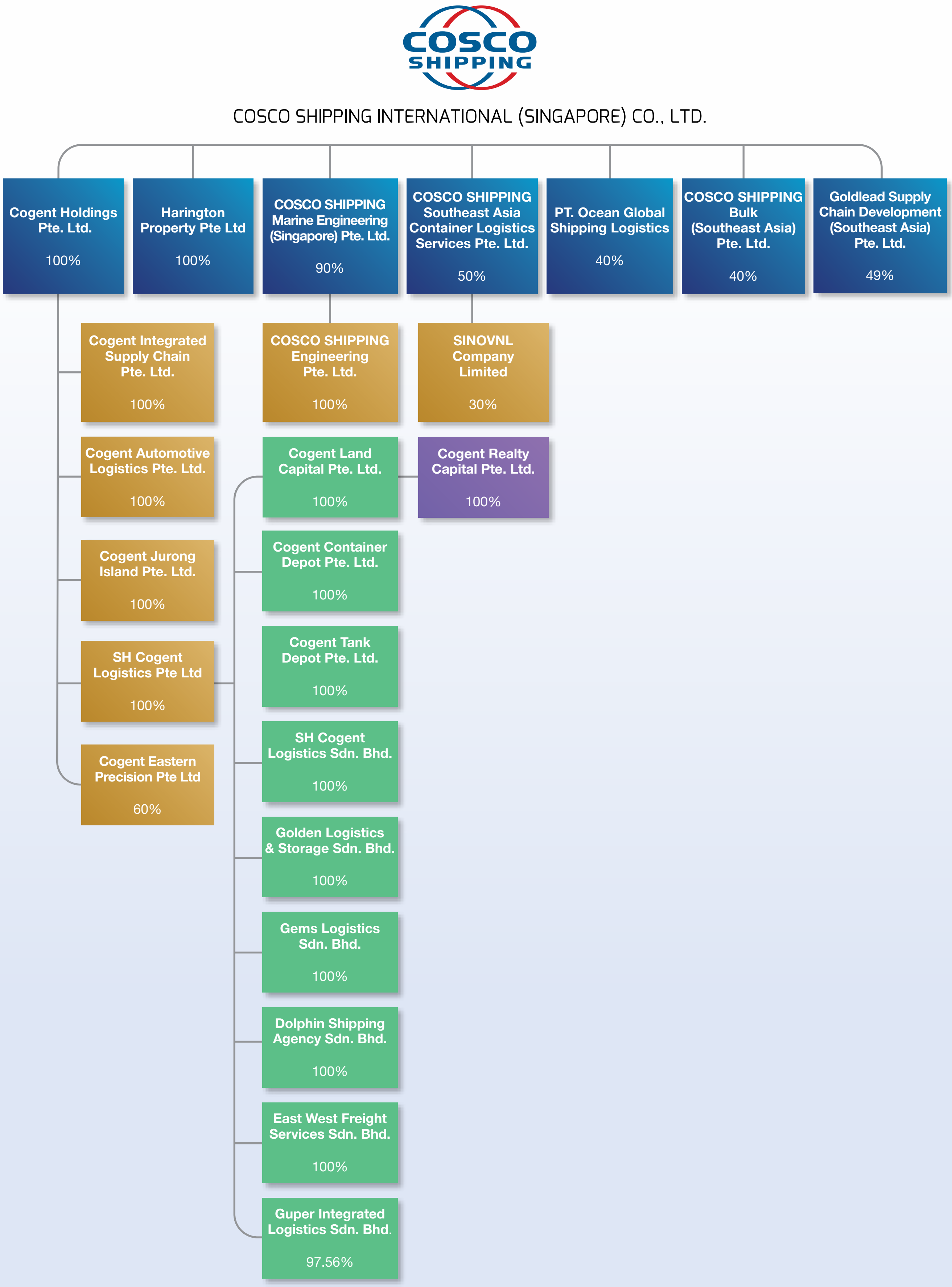
In 2023, the Company expanded its regional logistics capabilities by establishing Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd., with a 49% stake, to deliver specialized supply chain solutions and advance digital logistics across South and Southeast Asia. Additionally, SH Cogent Logistics fully acquired Golden Logistics & Storage Sdn. Bhd. from COSCO SHIPPING SEA, streamlining operations and enhancing service offerings in the competitive logistics market.

In April 2024, Cogent formed a joint venture with Eastern (1961) Holding Pte. Ltd. to establish a company, Cogent Eastern Precision Pte Ltd, focused on providing container body repairs, maintenance, and modifications. This strategic partnership aims to serve customers in Singapore and expand into other Southeast Asian markets, strengthening the Group's service offerings and regional presence.

In August 2024, the Company proposed a renounceable non-underwritten rights issue to support business expansion and strengthen its financial position. The Company has considerations on enhancing logistics infrastructure in Singapore, Malaysia and potentially Thailand and other parts of Southeast Asia. These efforts aim to diversify supply chain solutions, reinforce operational management, and drive regional growth. Additionally, the development of Jurong Island Logistics Hub (JILH) Phase II utilising part of the funds raised from the Rights Issue will bolster the Company's capabilities in delivering integrated logistics services and digital supply chain solutions.

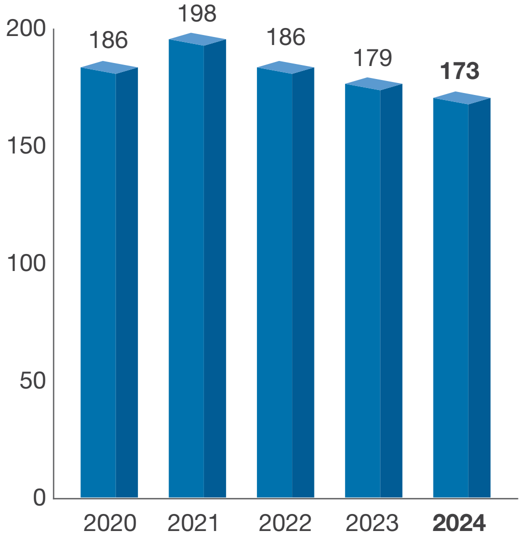
The Company is ultimately controlled by China COSCO SHIPPING Corporation Limited ("Parent Company"), a state-owned enterprise headquartered in the People's Republic of China ("**PRC**").

Corporate Structure

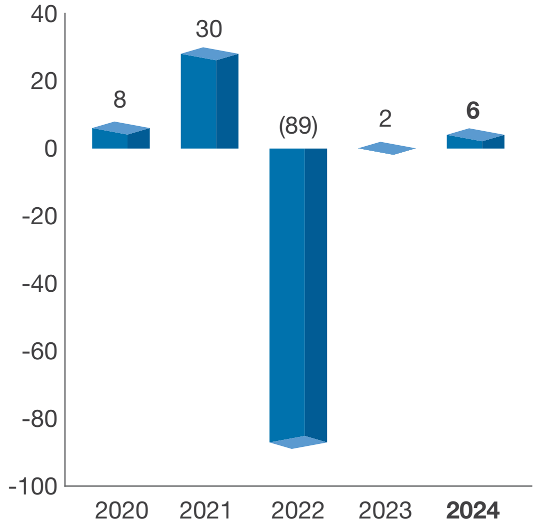


Financial Highlights

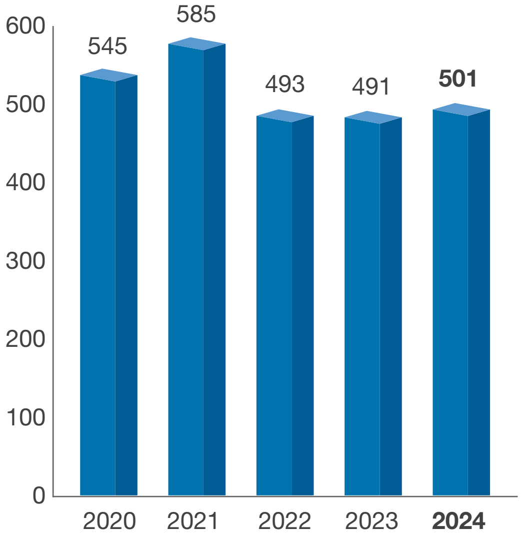
Revenue ($'million)



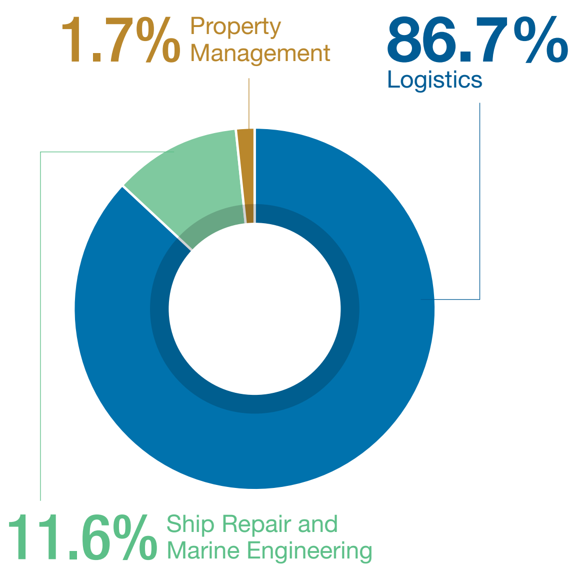
Net Profit / (Loss) Attributable to Equity Holders ($'million)



Net Assets ($'million)



Revenue by Activities (%)



Financial Highlights

2,239.2
Number of Shares (million)

0.2
Basic Earnings per Share (cents)

21.8
Net Tangible Assets per Share (cents)

22.2
Net Assets Value per Share (cents)

0.4
Gearing Ratio (Net of cash)(times)

1.1
Return on Equity (%)

0.7
Return on Assets (%)

5-YEAR PROFIT OR LOSS ACCOUNTS ($'million)	2020	2021	2022	2023	2024
Revenue	185.8	198.5	185.6	178.7	173.0
Total profit / (loss)	9.1	30.8	(87.8)	2.6	6.6
Profit / (Loss) attributable to equity holders of the Company	8.3	30.1	(88.6)	1.9	5.5

OTHER KEY STATISTICS	2020	2021	2022	2023	2024
Number of Shares (million)	2,239.2	2,239.2	2,239.2	2,239.2	2,239.2
Basic Earnings / (loss) per Share (cents)	0.4	1.3	(4.0)	0.08	0.2
Net Tangible Assets per Share (cents)	18.1	20.1	20.9	21.0	21.8
Net Assets Value per Share (cents)	23.9	25.6	21.8	21.8	22.2
Gearing Ratio (net of cash)(times)	0.5	0.4	0.5	0.4	0.4
Return on Equity (%)	1.6	5.4	(16.7)	0.4	1.1
Return on Assets (%)	0.8	2.9	(9.5)	0.2	0.7

Charting the Course for Integrated Logistics in Southeast Asia

Our vision is to build a robust logistics network across South and Southeast Asia. By investing in modern warehouses, trailer fleets, and strategically located depots, we are creating seamless logistics solutions that drive regional growth. Through innovation and strong partnerships, we aim to enhance connectivity, empower businesses with efficient logistics, and ensure our clients navigate the logistics landscape with confidence.


BULKHAUL
EAGLETAINER


COSCO SHIPPING
中远海运集团
GP 825

Chairman and President's Statement

Dear Shareholders,

I am pleased to present the Company's performance and operations report for FY2024. Over the past year, the global economy remained on a path of slow recovery, exhibiting continued divergence across regions. According to the International Monetary Fund (IMF) report released in January 2025, the global economy grew by 3.2% in 2024, a slight decline from 3.3% in 2023. While the US economy demonstrated resilience with a 2.8% growth rate, weaker-than-expected performance in other major economies posed challenges.

Singapore's economic recovery accelerated significantly, with GDP growth reaching 4.0% in 2024, up from 1.1% in 2023, as reported by the Ministry of Trade and Industry (MTI). Key sectors such as wholesale and retail transportation, along with warehousing, grew by 4.7%, surpassing the previous year's 1.4% growth.

FINANCIAL PERFORMANCE

Despite various challenges, the Company maintained steady business growth, with improvements in key revenue segments. Our operating revenue for FY2024 reached S$172.9 million, reflecting a 3% decline from S$178.7 million in FY2023. However, this decrease was primarily due to the expiration of the Grandstand lease, which significantly impacted our property leasing segment. Revenue contributions were as follows:

- Integrated logistics: S$149.9 million, up 1% from FY2023.
- Ship repair, inspection, and steel structure construction: S$20.1 million, up 12% from FY2023.
- Property leasing: S$2.9 million, down 77% from FY2023, due to the Grandstand lease expiring in FY2023.

Despite the closure of Grandstand, the Company explored new business avenues to offset losses. Effective cost control measures led to a year-on-year profit increase, with net profit attributable to shareholders reaching S$5.5 million, surpassing FY2023's S$1.9 million.

BUSINESS OPERATIONS

According to the Maritime and Port Authority of Singapore (MPA), Singapore's port container throughput increased by 5.4% to 41.12 million TEUs in FY2024. Other cargo throughput grew by 5.2% to 622.27 million tons. Additionally, JTC Corporation's (JTC) warehouse rental index rose steadily, from 102.7 in Q1 to 104.2 in Q4, while the Company's bank interest costs declined due to a reduction in bank lending rates. Capitalizing on the industry's rebound and lower bank interest rates, the Company expanded into new business areas to boost revenue while actively working to reduce costs and expenses. As a result, overall operational efficiency in FY2024 improved compared to FY2023.

COGENT HOLDINGS

Cogent Holdings (Cogent) navigated market challenges and achieved growth in key segments, including warehousing, container depots, automotive logistics, tank depots, engineering logistics, and empty container transportation in Singapore. Malaysian operations also rebounded, with warehousing, container depots, and land transportation showing improvements.

Notable achievements include:

- Successfully onboarding 25 new third-party logistics clients through persistent efforts.
- Securing contract renewals with key clients.

Chairman and President's Statement

> "We will continue to create greater value for our shareholders and realize the long-term sustainable development of the Company."
>
> **WANG SHAN HE**
> Chairman and President

- Winning a significant third-party warehousing and logistics contract with a key client, commencing inbound and outbound transportation, loading and unloading, and inventory management services for chemicals and finished lubricating oils.
- Securing the transportation contract for a key client's Jurong Island production base, providing short-haul transport from the production site to PSA's Jurong Island terminal and cross-border logistics services between Singapore and Malaysia.
- Successfully onboarding six new NVOCC clients.
- Strengthening partnership with COSCO Shipping Container Lines, significantly increasing container depot volumes.
- Establishing a joint venture with Eastern, a container repair specialist, to enhance container inspection and repair services, improving overall customer satisfaction.

COGENT MALAYSIA

Cogent Malaysia successfully transitioned to self-operated warehousing while expanding into automotive logistics and cross-border transportation. The Nilai warehouse began offering third-party warehousing and logistics services, including inventory management, loading and unloading, and trailer logistics, moving beyond the traditional fixed-lease model to enhance profitability.

Throughout the year, Cogent Malaysia secured 168 new clients, while also renewing key contracts with long-standing partners.

MARINE ENGINEERING & PROPERTY LEASING

In 2024, COSCO SHIPPING Marine Engineering (Singapore) (CSME) strengthened its market position despite intense competition. CSME signed cooperation agreements with major clients like the Shanghai Salvage Bureau and launched new crewing services, contributing to significant revenue and profit growth.

Meanwhile, the Company's property leasing subsidiary Harington Property Pte. Ltd. (Harington) continued to provide stable rental income from its Suntec City office property.

ASSOCIATED COMPANIES

In 2024, the company's associated companies also achieved stable financial returns.

In Indonesia, PT Ocean Global Shipping Logistics (PT Ocean) worked closely with COSCO Shipping's fleet, actively visiting clients and expanding its market presence. The company successfully secured contracts for Midea's trailer clearance services in Jakarta, Surabaya, and Semarang, as well as BYD's vehicle customs clearance operations. Through cost-saving and revenue-boosting measures, PT Ocean achieved steady growth in both revenue and profit for the year.

Cogent Jurong Island Logistics Hub Phase 1

Chairman and President's Statement

Meanwhile, COSCO SHIPPING Bulk (Southeast Asia) Pte Ltd ("COSCO SHIPPING Bulk SEA") overcame challenges related to its aging fleet, managing to achieve rental rates above the market average for its owned vessels. Additionally, COSCO SHIPPING Bulk SEA focused on expanding its chartering operations to further improve profitability.

KEY HIGHLIGHTS OF FY2024

Jurong Island Logistics Hub Phase 2:

The first phase of the Cogent Jurong Island Logistics Hub (CJILH) was completed and commenced operations in 2021, featuring a general cargo warehouse, a dangerous goods warehouse, a tank container depot, a heavy container depot, and an empty container depot. After several years of operation, these facilities have reached near full capacity. Following extensive market research, the company has initiated the development of Phase 2 to better serve customer needs. This expansion will cover a site area of 25,000 square meters, with a total building area of 62,500 square meters, comprising additional warehouses, heavy container yards, and empty container yards. Upon completion, the CJILH will be the largest integrated logistics facility in the region, further strengthening the company's competitive edge. The expanded facility will enhance operational efficiency and provide comprehensive one-stop logistics services. A groundbreaking ceremony for Phase 2 was held in December 2024, and the company is actively finalizing preparatory work, with construction commencing in May 2025.

Joint Venture with Eastern:

Historically, Cogent's container depots relied on outsourced container repair services. To strengthen its in-house repair capabilities and expand business opportunities, Cogent formed a joint venture with its partner Eastern in 2024, establishing Cogent Eastern Precision Pte Ltd. This venture provides container inspection and repair services within Cogent's own depots. Operations commenced on June 1, 2024, and by year-end, a total of 15,880 containers had been repaired. This strategic move has enabled Cogent to achieve vertical supply chain integration, enhance control over its container repair operations, and improve overall customer satisfaction.

Jurong Island Logistics Hub Phase 1 Sky Depot

Capital Increase in Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. (Goldlead):

In March 2023, the Company partnered with Supply Fortune Limited, a subsidiary of COSCO Shipping Holdings, to establish Goldlead as a joint venture in Singapore. Supply Fortune Limited holds a 51% stake, while the Company owns the remaining 49%. The primary objective of this joint venture is to invest in and develop supply chain infrastructure across Southeast Asia. Since its inception, Goldlead has conducted extensive research on logistics, warehousing, trailers, port facilities, and e-commerce distribution projects in key markets, including Vietnam, Thailand, Singapore, Malaysia, and the Philippines. To strengthen its financial position and support future investments in the region's supply chain sector, the joint venture's shareholders agreed to a US$10 million capital injection, with Supply Fortune Limited contributing US$5.1 million and the Company contributing US$4.9 million. This capital enhancement has significantly improved Goldlead's capacity for investment and expansion.

Project Aquamarine Rights Issue:

To support the continued growth of its logistics business, the Company is actively exploring investment and development opportunities in logistics and supply chain infrastructure across Singapore and other Southeast Asian markets.

Chairman and President's Statement

Additionally, the Company has faced the challenge of high-interest bank loans from previous years, which have impacted profitability.

To leverage its status as a listed company, secure lower-cost funding, reduce debt, and ensure long-term sustainable growth, the Company announced the Aquamarine Rights Issue Project in August 2024. This initiative proposes a 1:1 rights issue for all shareholders at an issue price of S$0.122 per share, reflecting a 10% discount on the prevailing market price. The Company's controlling shareholder, China Ocean Shipping Company Limited, has committed to voting in favor of the allotment proposal and subscribing to new shares proportionate to its existing 53.35% shareholding. Additionally, it has pledged to acquire any unsubscribed shares from other shareholders.

With an expected capital raise of approximately S$273 million, the funds will be allocated towards the construction of the second phase of the CJILH, partial repayment of bank loans, and further investments in logistics and supply chain infrastructure. The controlling shareholder is currently in the process of completing the necessary filing procedures for the rights issue project. Once finalized, the rights issue documents will be submitted to SGX-ST for review and approval at the Company's Extraordinary General Meeting (EGM).

FUTURE ECONOMIC OUTLOOK

According to the IMF's World Economic Outlook published in January 2025, the global economy is projected to expand by 3.3% in 2025, a slight increase from the 3.2% growth recorded in 2024. Despite ongoing fragmentation and economic uncertainties, inflation is expected to continue its downward trend. Meanwhile, Singapore's Ministry of Trade and Industry, in its forecast released on November 22, 2024, projects Singapore's economy to grow between 1% and 3% in 2025.

FUTURE DIRECTION AND BUSINESS PROSPECTS

The Company's long-term vision is to establish itself as a leading integrated logistics and supply chain services provider in Southeast Asia. To achieve this, the Company will:

- Expand market reach in Singapore, Malaysia, and the wider region.
- Advance integration of Cogent's logistics operations in Malaysia, aiming to increase revenue and profitability from this market.
- Enhance synergies with COSCO SHIPPING enterprises.
- Ensure the successful execution of the CJILH Phase 2.
- Drive efficiency through cost optimization and strategic investments.

Additionally, the Company will work towards completing the Rights Issue as soon as possible to secure capital for sustainable development. Goldlead will continue to explore logistics and supply chain investment opportunities across the region.

In the maritime sector, CSME will strengthen its ship repair, inspection, and supply services, expanding its client base beyond COSCO SHIPPING vessels. Associated companies, including PT Ocean and COSCO SHIPPING Bulk SEA as well as SINOVNL, will intensify business development efforts to maximize shareholder value.

CONCLUSION

As we move into 2025, the Company remains committed to operational excellence, sustainable growth, and value creation for shareholders. Our ongoing projects, including CJILH Phase 2, Aquamarine Rights Issue and advancement of Cogent's logistics operations in Malaysia will be key drivers of future success.

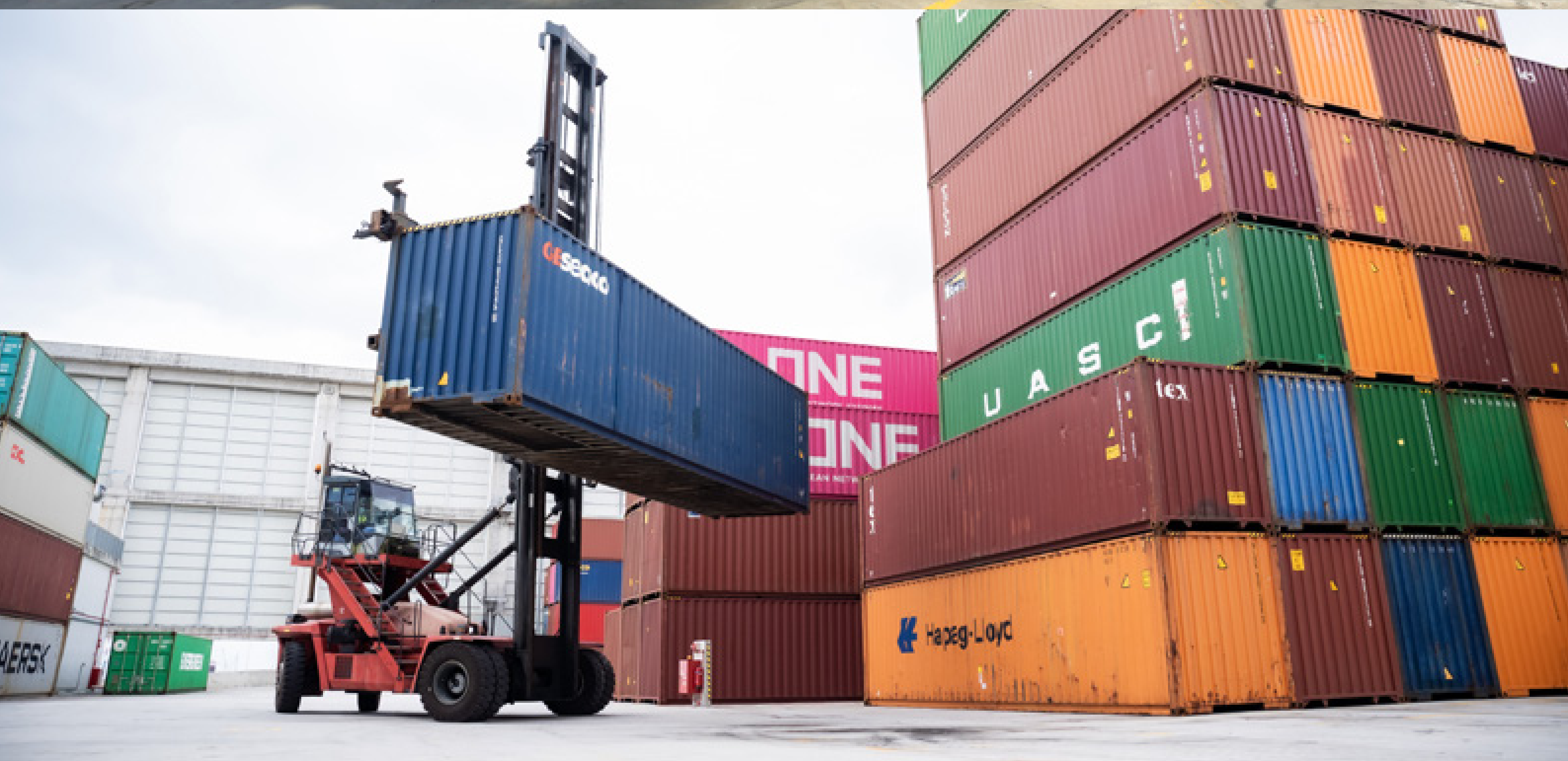
On behalf of the Board of Directors and management, I would like to extend my sincere gratitude to our employees for their dedication and hard work, and to our shareholders and stakeholders for their continued trust and support.

Wang Shan He
Chairman and President

Navigating Change and Embracing Digital Innovation

As the landscape of supply chain management evolves, we are embracing digital innovation to stay ahead. By integrating technologies such as AI and data analytics, we are transforming traditional processes into agile, efficient systems. This approach enhances transparency and responsiveness, enabling us to meet the demands of modern commerce and provide exceptional value to our clients. We are dedicated to leading the way in the digital economy of logistics.


SH COGENT LOGISTICS
MAERSK


ONE
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Operations Review

LOGISTICS

In 2024, integrated logistics remains the Company's primary business focus. The Company conducts integrated logistics operations through its wholly-owned subsidiary, Cogent Holdings Pte. Ltd. ("**Cogent**"), in Singapore and Malaysia. In addition, the Company also provides logistics services in Indonesia and Vietnam through its associated companies PT Ocean Global Shipping Logistics and SINOVNL Company Ltd.

Cogent operates nine subsidiaries in Singapore, along with six subsidiaries in Malaysia, employing over 700 staff members. These entities provide a range of services, including land transportation, warehousing, container and tank depot operations, automotive logistics, bulk cargo transportation, and supply chain management. By the end of 2024, Cogent managed a fleet of 228 prime movers and 832 trailers across both countries, supporting an annual container transport trucking capacity of 185,000 TEUs. Additionally, the company operates nine warehouses spanning 245,198 square meters and seven container depots with a stacking capacity of 26,100 TEUs. In Singapore, Cogent also oversees six car warehouses, offering a combined storage capacity for 3,732 vehicles.

In 2024, Cogent expanded its marketing efforts in Singapore and Malaysia, successfully acquiring over 268 new clients. To address rising production and operational costs, the company revised service fees for land transportation, warehousing, and depot services, contributing to increased operating income. Concurrently, heightened cost-control measures helped mitigate overall expenditures. Furthermore, Cogent renewed three major contracts with a key customer, with up to 5 years extension. These achievements underscore the company's commitment to growth, customer service, and operational efficiency.

With the establishment of Cogent Eastern Precision Pte Ltd as a joint venture, Cogent has consolidated its position as a competitive player in the container repair service industry.

REVENUE

S$173M
FY2024

NET ASSETS

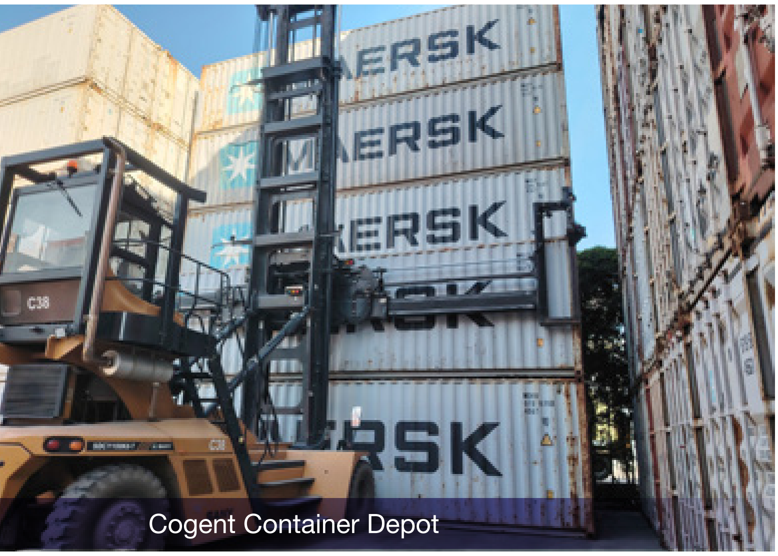
S$501M
FY2024

Welding processes done by a worker in CSME

Warehouse operations in Cogent

Cogent warehouse storage

Operations Review



Cogent Container Depot

This venture not only enables the Group to efficiently manage repairs for its own containers, enhancing operational efficiency and reducing costs, but also provides opportunities to expand its presence in Southeast Asia's supply chain market. By leveraging this joint venture, the Group aims to enhance industry supply chain value, expand its range of supply chain solutions, and elevate end-to-end customer service standards across the region.

SHIP REPAIR AND MARINE ENGINEERING

COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd. ("**CSME**"), a subsidiary of the Company, engages in ship repair and marine engineering activities, including annual inspection, ship store supply, ship provision supply, fabrication work services, and production of outfitting components. In recent years, the Company has successfully expanded its ship repair and inspection services from Singapore, Malaysia and Indonesia to Philippines, Vietnam, Thailand, Sri Lanka, India, Bangladesh, and Saudi Arabia. The Company has also started to improve its ERP system to improve the efficiency and started to use the financial management system. In 2024, The company signed strategic cooperation agreements with the Shanghai Salvage Bureau and other large maritime enterprises.

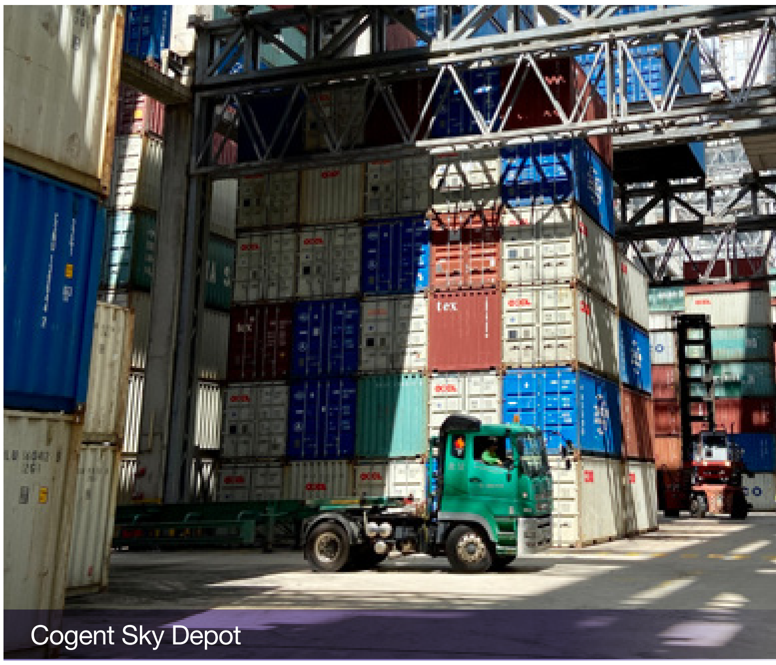
PROPERTY MANAGEMENT

The Group owns office units in Suntec City, operated under the Company's wholly-owned subsidiary, Harington Property Pte Ltd. The office units are currently rented out. In 2024, the revenue of this subsidiary remained stable.

DRY BULK SHIPPING

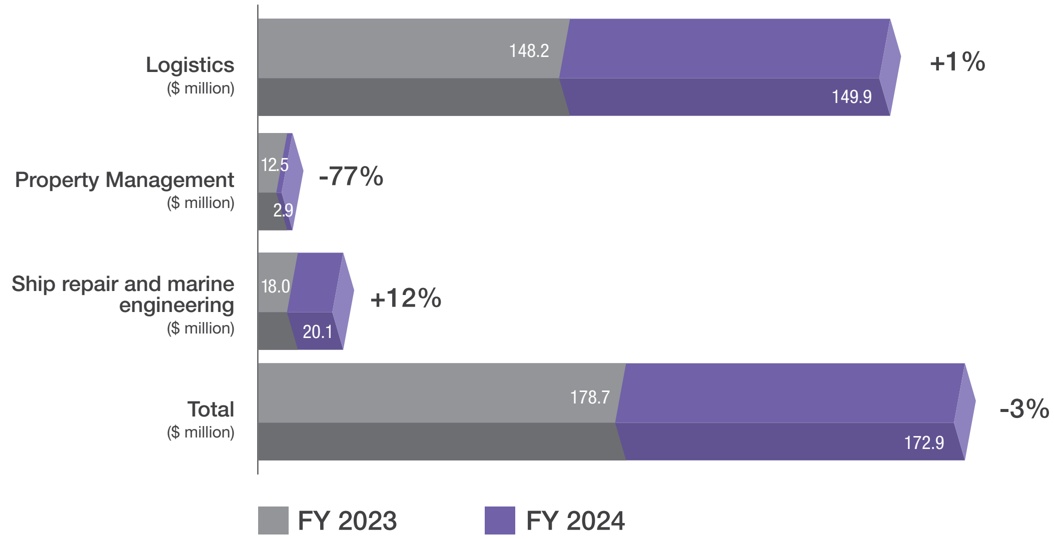
As an associated company, COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. ("**COSCO SHIPPING Bulk SEA**") operates three Supramax vessels with a combined capacity of 163,000 tonnes and an average age of 19 years as of 31 December 2024. In 2024, the BSI (Supramax 58K) recorded an annual average of 1,241.12 points, with an average time charter (TC) level of US$13,600.58.

The company has made significant strides in optimizing its fleet performance, achieving a US$14,502 TC level for its three owned vessels, US$1,262 higher than the previous year and 7% above the market average. Additionally, to strengthen market operations, the company chartered six vessels on a period basis, a five-vessel increase from 2023, adding approximately 2,650 operational days in total.



Cogent Sky Depot

Financial Review



Group revenue for FY 2024 totalled $172.9 million, 3% lower than FY 2023. The reduction of revenue was attributed to the decrease in revenue from the Property management segment.

Logistics activities accounted for approximately 87% of the Group's revenue in FY 2024. Revenue from logistics activities increased by 1% to $149.9 million. This increase was mainly attributed to a higher revenue contribution from warehousing and transportation management service in Singapore and Malaysia due to an increased volume of business activities from key customers.

Revenue from the Property management segment decreased by 77% or $9.6 million to $2.9 million mainly due to the expiration of the lease at The Grandstand on 31 December 2023.

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

COSTS AND PROFITABILITY

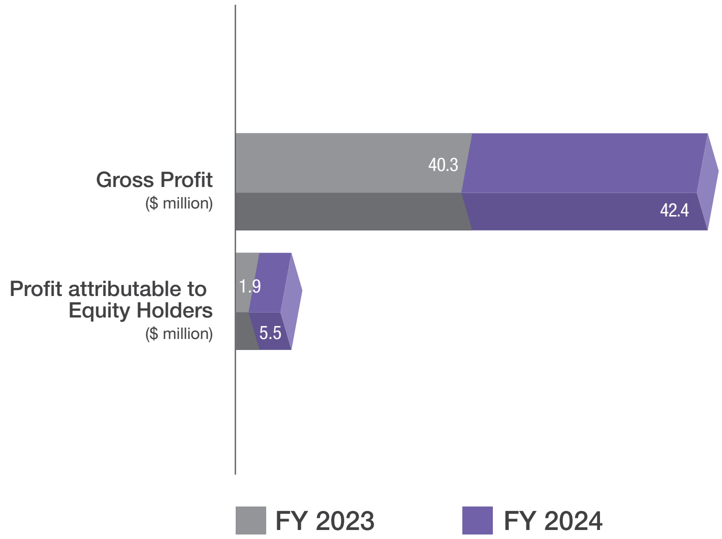
The cost of sales decreased by 6% while revenue decreased by 3% as compared to FY 2023, mainly due to the Property management segment, following the expiration of the lease at The Grandstand on 31 December 2023.

The gross profit margin increased slightly from 23% in FY 2023 to 25% in FY 2024 due to higher margins from the Ship repair and marine engineering and Property management segments.

The increase in other income was mainly due to increase in sundry income and settlement income, partly offset by a decrease in interest income. Interest income decreased by 50% in FY 2024 mainly due to decrease in interest rates for bank deposits and cash at bank.

Other gains and losses in FY 2024 was higher than FY 2023, primarily due to an increase in gain on the disposal of property, plant, and equipment, as well as foreign exchange gains.

Financial Review



Distribution and administrative expenses increased by 2% and 10% respectively mainly due to higher staff costs and resumption of normal business operations after the global pandemic.

Finance costs decreased by 16% to $11.5 million mainly due to lower borrowing costs resulting from decrease in interest rates.

Share of profit of associated companies of $4.9 million was contributed by the Group's 40% shareholdings in COSCO SHIPPING Bulk SEA, 40% shareholdings in PT. Ocean Global Shipping Logistics and 30% shareholdings in SINOVNL Company Limited. The decrease in share of profit of associated companies was mainly due to lower profit contribution from COSCO SHIPPING Bulk SEA.

Income tax expense remained relatively constant as compared to FY 2023.

In FY 2024, the net profit attributable to equity holders amounted to $5.5 million, a significant increase compared to the net profit of $1.9 million in FY 2023. The increase was mainly attributed to the lower finance costs and higher other income.

BALANCE SHEET

(31 December 2024 vs 31 December 2023)

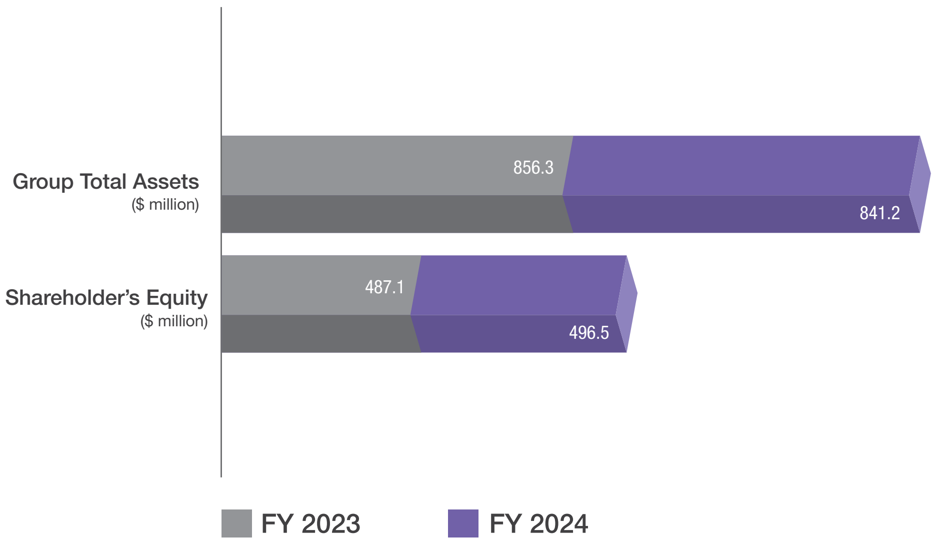
Cash and cash equivalents decreased from $66.7 million to $47.6 million mainly due to the repayment of borrowings, interest payments and acquisition of property, plant and equipment. This was partially offset by the net cash provided by operating activities. Please refer to Consolidated Statement of Cash Flows for more details.

Trade and other receivables increased to $48.1 million (compared to $47.2 million on 31 December 2023). The rise in trade and other receivables is primarily attributed to amounts generated from the operational business activities.

Property, plant and equipment increased by $6.1 million to $657.6 million mainly due to additions, offset by depreciation expense recognised in FY 2024.

Trade and other payables have decreased by $10.7 million to $26.7 million, primarily due to more settlement of payables.

Financial Review



Total borrowings decreased by $7.8 million to $254.0 million mainly due to the repayment of bank borrowings and lease liabilities.

Shareholder's equity increased by $9.4 million to $496.5 million mainly due to currency translation gains and increased profit for the year.

CASH FLOW

Net cash provided by operating activities for FY 2024 was $34.3 million. This was mainly due to operating profits generated during the financial year. Please refer to Consolidated Statement of Cash Flows (pages 164-165) for details.

Net cash used in investing activities for FY 2024 was $14.8 million. This was mainly due to payments for property, plant and equipment and further investment in an associated company, offset by dividend income received from associated companies.

Net cash used in financing activities for FY 2024 was $38.8 million. This was mainly due to the repayment of bank borrowings and lease liabilities and interest payments.

SUMMARISED CASH FLOWS ($'MILLION)	2023	2024
Net cash provided by operating activities	48.6	34.3
Net cash used in investing activities	(0.3)	(14.8)
Net cash used in financing activities	(87.5)	(38.8)
Decrease in cash and cash equivalents	(39.3)	(19.3)

Corporate Governance

COSCO SHIPPING International (Singapore) Co., Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") believes that good corporate governance is essential to the sustained growth and the long-term success of the Group's business. The Group is committed to maintaining a high standard of corporate governance, professionalism, integrity and commitments within the Group to ensure greater transparency and protecting shareholders' interests.

This report outlines the Company's corporate governance process and activities that were in place, with specific reference to the Code of Corporate Governance 2018 ("**Code**"), and as applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Rules**") ("**SGX-ST**") and the Singapore Companies Act 1967 ("**Act**").

The Board of Directors of the Company ("**Board**") confirms that, throughout the financial year ended 31 December 2024 ("**FY2024**"), the Company has adhered to the principles and provisions set out in the Code, save as otherwise highlighted (if any) in the report in relation to certain provisions of the Code.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1

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

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

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

Corporate Governance

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

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

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

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

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

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

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

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

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

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

Provision 1.2

The Company does not have a formal training program for the Directors but all new Directors will receive appropriate training and orientation when they are first appointed to the Board including an orientation program to familiarize themselves with the Company's business and governance practices. Upon appointment of new Directors, such Directors are formally notified of their appointment and provided with a brief summary of their roles, duties and responsibilities as members of the Board.

Corporate Governance

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

Mr Wang Shan He was appointed as Non-Independent Executive Chairman on 10 January 2025. He is currently undergoing the relevant mandatory trainings on the roles and responsibilities as a director of the listed company on the SGX-ST.

The Company also encourages the existing Directors to attend training courses organised by the SID or other training institutions which are aimed at providing them with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group and/or the Directors in connection with their duties and responsibilities as a Director of a public-listed Company in Singapore, and such training will be funded by the Company.

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

Provision 1.3

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

- the recommendations of the Strategic and Sustainable Development Committee;
- the Group's long-term objectives and commercial strategies;
- the making of any decision to cease to operate all or any material part of the business of the Group or to extend the Group's activities into new business;
- the consideration of any proposal to merge or amalgamate the Company with any other company;

Corporate Governance

- the approval of any acquisition of any investment, asset or business by the Company or any of its subsidiaries which would involve the commencement of an activity of a substantially different nature or character to any activity from time to time carried on by the Company or any of its subsidiaries;
- the approval of any changes relating to the Group's capital structure including changing the amount or currency of the Company's share capital, reduction of capital, share issues (except under employee share option scheme);
- the approval of risk management policy for the Group;
- the approval of the Company's interim financial results, annual audited financial statements and other appropriate statements for inclusion in the Company's Annual Report as well as the issuance of Annual Report;
- the recommendation of the payment of any dividend by the Company or any exercise of the powers of the Board in relation to reserves or capitalisation of profit;
- the appointment or removal of director from the Board (with recommendation made by the Nominating Committee) and the appointment or removal of the Company Secretary;
- the making of any changes to the structure and size of the Board, following receipt of recommendation from the Nominating Committee;
- in the case of any conflict of interest that the Board, after receiving appropriate advice, considers to be material, the Board shall decide whether to authorise such conflict and, if so, authorise it upon such terms and conditions as the Board deems appropriate;
- determining the remuneration packages for senior executives of the Company (following receipt of recommendation by the Remuneration Committee);
- reviewing the performance of the Board annually; and
- any matter required to be considered or approved by the Board as a matter of law or regulation.

Provision 1.4

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

- Audit and Risk Management Committee;
- Nominating Committee;
- Remuneration Committee; and
- Strategic and Sustainable Development Committee.

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

Corporate Governance

The present Board Committees members are as follows:

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

Provision 1.5

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

During the financial year, the Board held five (5) meetings and had on various occasions used circular resolutions in writing to address any specific matters that may arise. Day to day management of the Group has been delegated to the Group President. The attendance of the Directors at meetings of the Board and Board Committees for FY2024 is set out in the table below:

	Board	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee	Strategic and Sustainable Development Committee
Number of meetings held	**5**	**4**	**1**	**1**	**1**
Attendance:					
Zhu Jian Dong (1)	2	NA	1	NA	0
Guo Hua Wei	5	NA	NA	NA	1
Lim Lee Meng	5	4	1	1	1
Chen Seow Phun, John	5	4	1	1	1
Hoon Tai Meng	5	4	1	1	1
Gu Jing Song (2)	3	NA	0	NA	1

NA - Not Applicable

Corporate Governance

Notes:

(1) Mr Zhu Jian Dong stepped down as the Non-Independent Executive Chairman and relinquished his role as Chairman of the Strategic and Sustainable Development Committee on 5 July 2024.

(2) Mr Gu Jing Song was appointed as the Non-Independent Executive Chairman and Chairman of the Strategic and Sustainable Development Committee on 5 July 2024. He stepped down as the Non-Independent Executive Chairman and relinquished his role as Chairman of the Strategic and Sustainable Development Committee on 10 January 2025.

Provision 1.6

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

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

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

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

Provision 1.7

All Board members have separate and independent access to the senior Management of the Company and the Group.

The Board members also have separate and independent access to the advice and services of the Company Secretaries. The Company Secretaries attended all Board and Board Committees meetings during the financial year. They are responsible for ensuring that Board procedures are followed and that the Company complies with the requirements of the Act, the Code and other applicable rules and regulations. The appointment and the removal of the Company Secretary is a decision of the Board as a whole.

Should the Directors, whether as a group or individually, need independent professional advice in furtherance of their duties an responsibilities, the Company will appoint such professional adviser to render the appropriate professional advice. The cost of such professional advice will be borne by the Company.

Corporate Governance

BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1

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

Wang Shan He	Chairman, President and Non-Independent Executive Director
Guo Hua Wei	Non-Independent Non-Executive Director
Lim Lee Meng	Lead Independent Non-Executive Director
Chen Seow Phun, John	Independent Non-Executive Director
Hoon Tai Meng	Independent Non-Executive Director

The Directors' profiles are set out on pages 56 to 59 of this Annual Report.

The Board considers an "independent" Director to be one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders of not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the Company, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

The independence of each Director is reviewed annually by the NC. Each year, every Director is required to assess his own independence by completing a "Confirmation of Independence" checklist, which is drawn up in accordance with the guidelines set forth in the Code. The Directors are required to disclose to the Board any such relationship as and when arises and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear otherwise.

The Independent Directors enhance the Board process by overseeing and evaluating Management's performance against goals and objectives. Their insights and opinions provide alternative perspectives to the Group's business. When assessing Management's proposals or decisions, they bring independent judgment to business activities and transactions involving conflicts of interest and other complexities.

The NC and the Board, after extensive deliberation and observation, are of the opinion that there is a strong independence in the Board that allows the Board to exercise objective judgment on corporate affairs independently from Management as all key issues and strategies are thoroughly reviewed and discussed by all Board members and constructively challenged by the Independent Directors. The NC and the Board are satisfied that all the Independent Directors of the Company are independent in accordance with Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules.

Corporate Governance

Provision 2.2

Independent Directors make up a majority of the Board. The Board exercises independent judgement on corporate affairs and provide the Management with a diverse and objective perspective on issues.

Provision 2.3

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

Provision 2.4

The Board has a formal Board Diversity Policy which sets out its policy and framework for promoting diversity on the Board. The main objective of the policy is to achieve an optimum balanced composition of the Board to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long-term. Under the policy, the NC is responsible for recommending to the Board the relevant practices to promote and achieve diversity on the Board. Each year, NC reviews the size and composition of the Board and Board committees and the skills and core-competencies of its members to ensure an appropriate balance of skills and experience.

The Board believes that the current Board comprises directors who as a group provide the appropriate balance and mix of skills, knowledge and experience and other aspects of diversity including the following:

Diversity of the Board (FY2024)	Number of Directors	Proportion of Board
Core Competencies		
Accounting and Finance	2	40%
Legal expertise	1	20%
Business and management experience	5	100%
Relevant industry knowledge or experience	2	40%
Strategic Planning experience	4	80%
Age		
> 70	2	40%
61-70	1	20%
51-60	2	40%
Board Independence		
Independent Directors	3	60%
Non-Independent Directors	2	40%

Corporate Governance

A brief profile of all Board members is set out in the section entitled "Board of Directors".

The Directors bring with them a broad range of industry knowledge, expertise and experience, and the diversity of the Directors' experience allows for the effective decision-making and considering the scope and nature of the current operations of the Group, the size and composition of the Board is appropriate to facilitate decision-making that is in the best interest of, and serves the needs and plans of the Company.

The Board acknowledges that female director could bring diverse experiences and perspectives that enhance strategic thinking and problem solving for the Group. However, the Board is also guided by the fundamental principle that the candidate must be of the right fit and must meet the relevant needs and vision of the Board and the Company at the material time. The Board does not intend to appoint any individuals as directors solely based on their gender or age to fulfil quotas. New directors will continue to be elected based on their merits and the potential contributions which they can bring to the Board. The final decision on selection of Directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board. The Board does not believe in setting quantitative diversity targets for its composition, but it does aim to always maintain an effectively diverse Board in terms of skills, knowledge, experience and other aspects of diversity such as age, gender and nationality.

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

During FY2024, the NC was satisfied that the Board and Board Committees are of the right size and are well balanced from the perspective of the mix of skill set, knowledge, experience, independence and diversity in age, nationalities and tenure that serves the needs and plans of the Company. The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

Corporate Governance

STRATEGIC AND SUSTAINABLE DEVELOPMENT COMMITTEE

The Strategic and Sustainable Development Committee ("**SSDC**") is established with written terms of reference which clearly set out its authority and duties, and reports to the Board directly. It assists the Board in fulfilling its responsibilities for developing, evaluating and monitoring the Company's long and short-term strategic goals, as well as to overseeing the Company's sustainability strategy and practices. The SSDC shall operate at the Board level but shall not assume the Board's governance accountability or to make final strategic decisions. The SSDC acts solely to address and develop current and future strategy-related and sustainability issues.

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

Wang Shan He (Chairman)	Non-Independent Executive Director
Guo Hua Wei	Non-Independent Non-Executive Director
Lim Lee Meng	Lead Independent Non-Executive Director
Chen Seow Phun, John	Independent Non-Executive Director
Hoon Tai Meng	Independent Non-Executive Director

The SSDC assumes the responsibility for creating and driving the Company's strategic and sustainable development. Management is responsible for implementing the Company's strategies once the SSDC has obtained approval from the Board. Additionally, Management ensures that environmental, social and governance ("**ESG**") factors as well as climate-related risks and opportunities, are monitored on an ongoing basis and properly managed.

The SSDC meets at least once a year to discuss its strategic and sustainable planning and development, and its decision was recorded by way of minutes.

Provision 2.5

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Provision 3.1

Mr Wang Shan He, the President of the Company, also assumes the role of Chairman of the Board. He possesses extensive experience and in-depth market knowledge as well as familiarity with the business and operations and provides strong leadership to the Group. Despite Mr Wang Shan He's dual roles as Executive Chairman and President of the Company, the Board believes that with independent directors make up a majority of the Board and it has a Lead Independent Director in place, there is sufficient balance of power, accountability and capacity of the Board for independent decision-making.

Corporate Governance

Provision 3.2

The Board establishes and sets out in writing the division of responsibilities between the Chairman of the Board and the President of the Company.

As the Executive Chairman, Mr Wang Shan He is responsible for strategic guidance and bears the responsibility for the workings of the Board. He ensures:

- that Board meetings are held as and when necessary to enable the Board to perform its duties responsibly, while not interfering with the flow of the Company's operations;

- that the agenda for Board meetings are prepared, with the assistance of the Company Secretaries;

- the exercise of control over the quality, quantity and timeliness of information between the Management and the Board and the facilitation of effective contribution from the Non-Executive and Independent Directors; and

- that effective communication with shareholders and compliance with corporate governance best practices.

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

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

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

The Board has no dissenting views on the Chairman's Statement for the financial year in review.

Provision 3.3

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

Corporate Governance

BOARD MEMBERSHIP

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

NOMINATING COMMITTEE

Provision 4.1

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

The terms of reference of the NC sets out its duties and responsibilities. Amongst them, the NC is responsible for:

a) regularly and strategically reviewing the structure, size and composition (including the skills, gender, age, qualification, experience and diversity) of the Board and Board Committees;

b) identifying and nominating candidates to fill Board vacancies as they occur;

c) requesting nominated candidates to disclose any existing or expected future business interest that may lead to a conflict of interest. This disclosure is to be included in any recommendations to the Board;

d) sending the newly-appointed Director a formal appointment letter which clearly sets out his or her roles and responsibilities, authority, and the Board's expectations in respect of his or her time commitment as a Director of the Company;

e) recommending the membership of the Board Committees to the Board;

f) reviewing the independent status of Independent Directors annually, or when necessary, along with issues of conflict of interest;

g) developing the performance evaluation framework for the Board, the Board Committees and individual Directors and propose objective performance criteria for the Board, the Board Committees and individual Directors;

h) recommending that the Board removes or re-appoints a Director at the end of his term, and recommend the Directors to be re-elected under the provisions of the Company's Constitution on the policy of retirement by rotation. In making these recommendations, the Nominating Committee should consider the Director's performance, commitment and his ability to continue contributing to the Board;

i) reviewing other directorships held by each Director and decide whether or not a Director is able to carry out, and has been adequately carrying out, his duties as a Director;

j) reviewing the Board with its succession plans for the Board Chairman, Directors, CEO and key management personnel of the Company;

Corporate Governance

k) reviewing of training and professional development programmes for the Board and its Directors;

l) keeping up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates; and

m) undertaking such other functions and duties as may be required by the Board under the Code, Listing Rules and the Act.

Provision 4.2

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

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

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

Provision 4.3

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

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

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

Corporate Governance

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

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

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

Director	Position	Date of Initial Appointment	Date of Last Re-election/ Re-appointment
Wang Shan He	Chairman, President and Non-Independent Executive	10.01.2025	Not applicable
Guo Hua Wei	Non-Independent Non-Executive	14.09.2022	28.04.2023
Lim Lee Meng	Lead Independent Non-Executive	01.06.2023	29.04.2024
Chen Seow Phun, John	Independent Non-Executive	01.07.2023	29.04.2024
Hoon Tai Meng	Independent Non-Executive	01.09.2023	29.04.2024

Key information regarding the Directors, including their shareholdings in the Company, is set out in the "Board of Directors" section and "Directors' Statement" section of this Annual Report.

The NC assesses and recommends to the Board whether retiring directors are suitable to be nominated for re-election. The NC, in determining whether to recommend a Director for re-appointment, would have regard to the Director's performance and contribution to the Group and whether the Director has adequately carried out his duties as a director.

The Board has accepted the NC's recommendation to seek approval from the shareholders at the forthcoming AGM to re-elect Mr Guo Hua Wei and Mr Wang Shan He, who will be retiring according to the provisions of the Company's Constitution, as Directors of the Company.

Provision 4.4

The Company has established a process to continuously monitor the independence of its Directors. Directors must promptly report any changes in their external appointments that could impact their independence on the Board. The NC reviews each Director's independence annually, based on the definition set out in the Code. Additionally, each independent Director completes an annual checklist to confirm their independence according to the Code's guidelines.

Corporate Governance

The NC and the Board have assessed the independence of the independent Directors. Based on their assessment and the NC's recommendation, the Board concluded that each independent Director has contributed constructive to Board discussions, offered relevant and reasoned input, and exercised independent judgement. In forming this view, the Board considered the criteria of independence as set out in the Code and each independent Director's demonstration of independence in character and judgement through both formal and informal discussions on matters concerning the Group. Each independent Director expressed constructive viewpoints, objectively raised issues and demonstrated independent mindedness in conduct at Board and committee meetings.

Based on the above, the NC and the Board are satisfied that for FY2024, Mr Lim Lee Meng, Dr Chen Seow Phun, John and Mr Hoon Tai Meng were independent in light of the provisions of the Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST.

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

Provision 4.5

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

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

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

Director	Current directorship in other listed companies
Wang Shan He	Nil
Guo Hua Wei	Nil
Lim Lee Meng	Nil
Chen Seow Phun, John	• Sinostar Pec Holdings Ltd *(Lead Independent Director)*
Hoon Tai Meng	• Federal International (2000) Ltd *(Lead Independent Director)* • Hock Lian Seng Holdings Limited *(Lead Independent Director)* • Spindex Industries Limited *(Independent Director)*

Corporate Governance

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2

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

In carrying out the assessment, each Director completes an assessment and evaluation form based on the assessment criteria recommended by the NC and approved by the Board. The completed evaluation form is submitted to the Company Secretary for collation. The response on a collective basis is analysed and key areas for improvement and follow-up actions are highlighted and discussed at the Board meeting.

To-date, the Board does not require the assistance of an external facilitator in relation to the assessment process.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Provisions 6.1 and 6.2

REMUNERATION COMMITTEE

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

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

Corporate Governance

The Remuneration Committee ("**RC**") is guided by its terms of reference which sets out its responsibilities. The functions of the RC include the following:

(a) reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel;

(b) reviewing and recommending to the Board the specific remuneration packages for each Director as well as for the key management personnel;

(c) reviewing and recommending to the Board the terms of renewal of the service contracts of Directors;

(d) reviewing and recommending to the Board whether Executive Directors and key management personnel should be eligible for benefits under long-term incentive schemes, and evaluating the costs and benefits of long-term incentive schemes; and

(e) reviewing the Company's termination clauses of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts are fair and reasonable.

Provisions 6.3 and 6.4

The RC considers all aspects of remuneration including but not limited to director fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination terms to ensure they are fair. The RC meets at least once a year to discuss the performance assessment of the Executive Directors as well as to discuss the level of emoluments to pay. During the year, the RC discussed various remuneration matters and recording its decisions by way of minutes or through the circular resolutions in writing. The issues deliberated included reviewing the Option Scheme and options granted, the bonus payments to key management personnel and the compensation programme for the Directors and key management personnel. All the Committee members were involved in the deliberations. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration package.

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

The RC has full authority to engage external professionals to advise on remuneration matters as and when the need arises. The expenses of such services shall be borne by the Company. No remuneration consultants were engaged by the Company in FY2024.

Corporate Governance

LEVEL AND MIX OF REMUNERATION

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

Provisions 7.1 and 7.3

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

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

Remuneration for the Executive Directors includes a basic salary component, allowances together with other benefits in kind and a variable component based on the performance of the Group as a whole.

The RC ensures that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

Provision 7.2

The Independent Non-Executive Directors receive Directors' fees for their effort and time spent, responsibilities and contributions to the Board, subject to shareholders' approval at annual general meetings. Given the size and operations of the Group, the RC considers the current fees adequately compensate the non-executive Directors, without over-compensating them as to compromise their independence. The fees to the Independent Non-Executive Directors are put forward to shareholders for approval on an annual basis at the Company's annual general meeting.

The Board concurred with the RC that the proposed Directors' fees of S$245,000 for the financial year ended 31 December 2024 payable to the Independent Non-Executive Directors are appropriate to the level of contribution and are not excessive, taking into account factors such as consideration the level of contributions by the Independent Non-Executive Directors and factors such as effort and time spent for serving on the Board and Board committees, as well as responsibilities and obligations of the Directors.

During the financial year, the RC held one (1) meeting.

Corporate Governance

DISCLOSURE ON REMUNERATION

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

Provision 8.1

DIRECTORS' AND KEY MANAGEMENT PERSONNEL REMUNERATION

The names, amounts and breakdown of remuneration of each Director for FY2024 are disclosed below:

Name of Director and Remuneration	Directors' Fees %	Base/Fixed Salary %	Bonus %	Other Benefits %	Total %
Zhu Jian Dong [(1)] S$650,147	–	16	41	43	100
Gu Jing Song [(2)] S$194,638	–	21	21	58	100
Wang Shan He [(3)] S$24,778	–	10	65	25	100
Guo Hua Wei [(4)]	–	–	–	–	–
Lim Lee Meng S$85,000	100	–	–	–	100
Chen Seow Phun, John S$80,000	100	–	–	–	100
Hoon Tai Meng S$80,000	100	–	–	–	100

Notes:

(1) Mr Zhu Jian Dong stepped down as Non-Independent Executive Chairman and President on 5 July 2024.

(2) Mr Gu Jing Song was appointed as Non-Independent Executive Chairman and President on 5 July 2024 and subsequently stepped down on 10 January 2025.

(3) Mr Wang Shan He commenced his employment in December 2024.

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

Corporate Governance

The names, amounts (in bands no wider than S$250,000) and the breakdown of the remuneration of the top three (3) key management personnel who are not Directors or the CEO for FY2024 are set out below:

Remuneration Bands and Name of Key Management	Base/Fixed Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$500,000 to S$750,000				
Lan Chun Hai	13	42	45	100
Wang Hui	11	48	41	100
S$250,000 to $500,000				
Pan Zhi Gang	11	49	40	100

The aggregate total remuneration paid to the three (3) key management personnel (who are not Directors or CEO) of the Company for the financial year ended 31 December 2024 was approximately S$1,600,000.

Provision 8.2

None of the employees of the Company who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company whose remuneration exceeded S$100,000 during the financial year ended 31 December 2024.

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

Provision 8.3

During 2024, the Group paid basic salaries, allowances, and performance/variable bonuses to the Executive Chairman and President and key management personnel.

The Company adopted the COSCO SHIPPING Group Executives Share Option Scheme 2020 on 25 June 2020 (the "**Scheme**"). The Scheme remain in force for a maximum of 10 years unless extended. The RC oversees and administers the Scheme in accordance with their terms. For additional details on the Scheme, please refer to the section of the Directors' Statement entitled "Share Options" on pages 151 to 153 set out in this Annual Report.

Corporate Governance

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1

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

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

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

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

The Group's key internal controls include:

a) establishment of risk management policies and systems;

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

Corporate Governance

c) documentation of key processes and procedures;

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

e) maintenance of proper accounting records;

f) safeguarding of assets;

g) ensuring compliance with appropriate legislation and regulations; and

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

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

Details of the Group's financial risk management measures are outlined on pages 218 to 223 in the Notes to the Financial Statements.

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

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

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

Based on the existing practices and reviews conducted by the Management and the Group's internal auditors and external auditors for FY2024, the Board with the concurrence of the ARMC, is of the opinion that as at 31 December 2024, the Group's framework of internal controls including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to provide reasonable assurance of the integrity and effectiveness of the Group in safeguarding its assets and shareholders' value. In overall internal control assessment for FY2024, ARMC and the Board of Directors noted that no material control deficiencies were identified.

Corporate Governance

Provision 9.2

The Board has received assurance from the President and Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

The Board has also received assurance from the President and the key management personnel responsible for the risk management and internal control systems that the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance, information technology and sanctions-related controls.

AUDIT AND RISK MANAGEMENT COMMITTEE

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

Provision 10.1

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

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

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

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

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

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

    (i) changes in accounting policies and practices;

    (ii) major risk areas;

    (iii) significant adjustments resulting from the audit;

    (iv) key audit matters;

    (v) the going concern statement;

    (vi) compliance with accounting standards; and

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

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

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

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

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

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

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

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

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

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

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

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

The ARMC has also expressed the power to investigate any matter brought to its attention, within its terms of reference, with the power to retain professional advice at the Company's expense.

Corporate Governance

Provisions 10.2 and 10.3

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

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

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

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

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

Provision 10.4

INTERNAL AUDIT

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

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

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

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

Corporate Governance

Provision 10.5

To effectively discharge its responsibilities, the ARMC has full access to and the co-operation of Management and full discretion to invite any Director and executive to attend its meetings. It is also able to obtain external professional advice, if necessary and to investigate any matter within its terms of reference. Full resources have been made available to the ARMC to enable it to discharge its function properly. The ARMC meets with the internal and external auditors (without presence of Management) at least once a year to review any matter that might be raised. Ad-hoc meetings may be carried out from time to time, as circumstances require. The Company held four (4) ARMC meetings during the financial year.

The Company's external auditors are PricewaterhouseCoopers LLP and the ARMC is satisfied with the adequacy of scope and quality of the external audits being conducted by PricewaterhouseCoopers LLP for FY2024.

During FY2024, the aggregate amounts paid to the external auditors, PricewaterhouseCoopers LLP, for audit and non-audit services for the financial year ended 31 December 2024 were $589,000 and $69,000 respectively.

After reviewing the non-audit services provided by the external auditors, PricewaterhouseCoopers LLP to the Company and the Group, the ARMC was satisfied that the nature and extent of such services would not impair the independence of the external auditors. The external auditors had also provided their confirmation of their independence to the ARMC.

PricewaterhouseCoopers LLP was appointed as the Auditors of the Company in 1993. On 18 February 2025, PricewaterhouseCoopers LLP formally notified the Company that they would not be seeking re-appointment upon their retirement at the Company's forthcoming AGM to be held on 28 April 2025.

Furthermore, as part of the ongoing efforts of the Company to enhance its corporate governance, the Board is of the view that it would be appropriate and timely to effect a change of auditors with effect from the financial year ending 31 December 2025. A change of auditors would also enable the Company to benefit from fresh perspectives and views of another professional audit firm, and thus, enhance the value of the audits of the Group.

Following a review and evaluation of various audit firms which have experience in auditing publicly listed companies in Singapore, the Board, in consultation with the ARMC, and taking into consideration the requirements of Rule 712 and Rule 715 of the Listing Manual, has determined that KPMG LLP ("**KPMG**") is best suited to meet the existing needs and audit requirement of the Group. KPMG was selected from amongst several audit firms which provided proposals to the Company, after taking into account, inter alia, the adequacy of the resources and experience of KPMG, the audit engagement partner assigned to the audit, the Group's audit requirements and the number and experience of supervisory and professional staff to be assigned to the audit of the Group, the fee structure and audit arrangement proposed by KPMG. The Board and the ARMC have also considered, amongst others, the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing KPMG's suitability for the proposed appointment and are of the opinion that KPMG will be able to fulfil the audit requirements of the Group without compromising the standard and effectiveness of the audit of the Company and the Group.

Corporate Governance

KPMG has on 11 March 2025 given its written consent to act as Auditors of the Company, subject to approval from shareholders being obtained at the upcoming AGM. Accordingly, the appointment of KPMG will only be effective upon the approval of the shareholders at the upcoming AGM. Please refer to Appendix to Shareholders dated 4 April 2025 for more details, including information pursuant to Rule 1203(5) of the Listing Manual of the SGX-ST.

The proposed appointment of KPMG complies with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited, which pertain to appointing an appropriate auditing firm based in Singapore to audit the Company's accounts, its Singapore-incorporated subsidiaries, and significant associated companies.

Financial Reporting Matters

During the year, the ARMC reviewed the financial statements of the Group before the announcement of the Group's half-year and full-year results. In the process, the ARMC reviewed the key areas of Management's estimates and judgement applied for key financial issues including revenue recognition, impairment testing, provisioning policies, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The ARMC also considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters ("**KAMs**") in the audit report for the financial year ended 31 December 2024. Please refer to page 156 of the Annual Report.

In assessing each KAM, the ARMC took into consideration the approach and methodology applied in the valuation of assets, as well as the reasonableness of the estimates and key assumptions used. In addition to the views from the external auditors, subject matter experts, such as independent valuers, were consulted where necessary. The ARMC concluded that Management's accounting treatment and estimates in each of the KAMs were appropriate.

WHISTLE-BLOWING POLICY

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

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

Corporate Governance

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

During the year under review, three anonymous letters ("**Letters**") were addressed and sent to Singapore Exchange Regulation Pte Ltd, alleging poor leadership, incompetence, malpractice and misconduct within the Finance Department of the Company's wholly-owned subsidiary, Cogent Holdings Pte. Ltd. ("**Cogent**"). Upon being informed of the Letters, the ARMC immediately commenced investigations and subsequently appointed Deloitte & Touche Enterprise Risk Services Pte Ltd ("**Deloitte**") as an external party to perform certain Agreed Upon Procedures ("**AUP**") to review the allegations contained in the Letters. External legal counsel was also engaged to assist with the review and provide independent advice on matters raised in the Letters. Following completion of the AUPs performed, Deloitte did not find evidence to substantiate the allegations in the Letters.

Another anonymous whistleblowing report was submitted through the Company's whistleblowing channel, alleging recruitment mismanagement at Cogent and concerns about the legality of secondment arrangements. The ARMC promptly initiated an investigation into the matter upon receiving the report. Investigations revealed that during a safety inspection conducted by the Ministry of Manpower, it was found that one of Cogent's depot companies had engaged a foreign worker as a crane driver, seconded by a third-party agency, who did not have the appropriate pass as the worker was only licensed to work in a construction area (but not a depot). This was not known to Cogent. Cogent was subsequently issued a warning letter by the Ministry of Manpower. Cogent's human resource department, in collaboration with the Internal Audit team, has since reviewed secondment arrangements to ensure compliance.

The ARMC believes that the whistleblowing reports were thoroughly investigated with professionalism and fairness, in line with the established policies and processes, and were addressed promptly and appropriately.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

Corporate Governance

Provisions 11.1 and 12.1

CONDUCT OF SHAREHOLDER MEETINGS

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

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

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

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

The Company's forthcoming AGM for the financial year ended 31 December 2024 will be held physically with no option for shareholders to participate virtually. The Company will adhere to the SGX-ST's guiding principle to provide answers to shareholders' questions within reasonable timelines. The details of the AGM can be found in the notice.

Corporate Governance

Provision 11.2

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

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

Provision 11.3

The Directors, Management and the External Auditors are present and available at the general meetings to address shareholders' queries or concerns on matters relating to the Group and its operation as well as about the conduct of audit and the preparation and content of the auditors' report. All Directors were present at the AGM of the Company held on 29 April 2024.

Provision 11.4

The Constitution of the Company allows the Board, at its sole direction, to implement voting in absentia (such as voting via mail, email or fax). As the authentication of shareholder's identity and the system supporting such voting manner remains a concern, the Board has decided not to implement voting in absentia for the time being. The Company will take into account any measures and legislations that may be introduced by the relevant authorities as a result of the current environment in formulating the framework and procedures to effect additional methods of voting.

Provision 11.5

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

Provision 11.6

DIVIDEND POLICY

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

For FY2024, 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 FY2024.

Corporate Governance

Provisions 12.1, 12.2 and 12.3

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

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

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

INVESTOR RELATIONS

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

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

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

Details of the Group's investor relations initiatives are set out on page 64 of this Annual Report.

Corporate Governance

ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1, 13.2 and 13.3

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

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

Detailed approach to stakeholder engagement and materiality assessment are disclosed in the Company's Sustainability Report on Pages 68 to 148 of this Annual Report.

OTHER CORPORATE GOVERNANCE MATTERS

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

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

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

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

Corporate Governance

Name of interested person	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		FY 2024	FY 2024
		$'000	$'000
Cosco (Cayman) Mercury Co., Ltd	Subsidiaries of Controlling Shareholders		169
Cosco (Qidong) Offshore Co., Ltd			1,589
Cosco (Shanghai) Shipyard Co., Ltd			189
Cosco Shipping Lines (Singapore) Pte Ltd			5,393
Refined Success Limited.			48,695
广州中远海运航空物流有限公司			2,609
OOCL (Vietnam) Co., Ltd.			1,806
Florens Assets Management Company Limited			705
Cosco Shipping Line (Malaysia) Sdn Bhd			670
COSCO SHIPPING BULK CO., LTD			4,174
Chimbusco International Petroleum (S) Pte Ltd			2,641
Orient Overseas Container Line Limited			231
Cosco Shipping Logistics (Chongqing)			1,677
Cosco Shipping Ningbo (Suntop)			168
广东中远海运重工有限公司			1,065
Cosco Shipping Lines (Vietnam) Company Limited			206
COSCO SHIPPING (SINGAPORE) PETROLUM PTE. LTD.			314
大连中远海运重工有限公司			953
Cosco Shipping Lines Co., Ltd			444
HAINAN HAISHENG SHIPPING CO.LTD			3,992
COSCO SHIPPING LINES (ANHUI) CO., LTD			262
COSCO (CAYMAN) VENUS CO LTD			101,675
Total			**179,627**

Corporate Governance

DEALING IN SECURITIES
- Listing Manual Rule 1207(19)

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

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

MATERIAL CONTRACTS
- Listing Manual Rule 1207(8)

There was no material contract entered into by the Company involving the interest of the President, any Director, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

Corporate Governance

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Wang Shan He and Mr Guo Hua Wei are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 April 2025 (“**AGM**”) (“**Retiring Directors**”).

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

	Wang Shan He	Guo Hua Wei
Date of Appointment	10 January 2025	14 September 2022
Date of last re-appointment (if applicable)	N.A.	28 April 2023
Age	54	59
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Wang Shan He (“Mr Wang”) as Non-Independent Executive Director of the Company was recommended by the Nominating Committee, and the Board has accepted the recommendation, after taking into consideration Mr Wang’s performance, diversity of skillsets, expertise, work experience and overall contribution. The Board is satisfied that Mr Wang will continue contribute towards the core competencies of the Board.	The re-election of Mr Guo Hua Wei (“Mr Guo”) as Non-Independent Non-Executive Director of the Company was recommended by the Nominating Committee, and the Board has accepted the recommendation, after taking into consideration Mr Guo’s performance, diversity of skillsets, expertise, work experience and overall contribution. The Board is satisfied that Mr Guo will continue contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title	Non-Independent Executive Director, Board Chairman and President	Non-Independent Non-Executive Director

Corporate Governance

	Wang Shan He	Guo Hua Wei
Professional Qualifications	Master of Business Administration - Fudan University	– Doctorate Degree, Transportation Economics - Northern Jiaotong University – Member of The Chartered Governance Institute – Member of The Hong Kong Chartered Governance Institute
Working experience and occupation(s) during the past 10 years	**Jul 2023 - Dec 2024:** COSCO SHIPPING (Dalian) Co. Ltd. – Chairman COSCO SHIPPING Ferry Co. Ltd. – Chairman **Nov 2019 - Dec 2024:** Hainan Harbor & Shipping Holding Co. Ltd. – Chairman Hainan Strait Shipping Co. Ltd. – Chairman **Mar 2016 - Nov 2019:** COSCO SHIPPING (South East Asia) Pte. Ltd. – Vice President **Nov 2015 - Mar 2016:** COSCO Holdings (Singapore) Pte. Ltd. – Vice President **Oct 2012 - Nov 2015:** COSCO Container Lines (Southeast Asia) Pte. Ltd. – Managing Director Southeast Asia Branch, COSCO Container Lines Co. Ltd. – General Manager	**Jun 2022 - Present:** COSCO SHIPPING (South East Asia) Pte. Ltd. – Vice President **Dec 2016 - Jun 2022:** COSCO SHIPPING Holdings Co., Ltd. – Secretary of the Board **Jan 2012 - Dec 2016:** China COSCO Holdings Co., Ltd. – Secretary of the Board
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil

Corporate Governance

	Wang Shan He	Guo Hua Wei
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years) Present	**Past (for the last 5 years)** – Hainan Harbor & Shipping Holding Co. Ltd. – Hainan Strait Shipping Co. Ltd. – COSCO SHIPPING (Dalian) Co. Ltd. – COSCO SHIPPING Ferry Co. Ltd. – Huaxia International Cruise Line Co., Ltd. **Present** – COSCO SHIPPING (South East Asia) Pte. Ltd.	**Present** – Cosmarine Consultants Pte. Ltd. – G W Maritime Pte Ltd – Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. – Cogent Holdings Pte. Ltd.
Responses to questions (a) to (K) under Appendix 7.4.1 of the SGX Listing Manual	Negative Confirmation	Negative Confirmation

Board of Directors

From left to right:

DR CHEN SEOW PHUN, JOHN
Independent Non-Executive Director

MR LIM LEE MENG
Lead Independent Non-Executive Director

MR HOON TAI MENG
Independent Non-Executive Director

MR WANG SHAN HE
Chairman, President and Non-Independent Executive Director

MR GUO HUA WEI
Non-Independent Non-Executive Director

Board of Directors

MR WANG SHAN HE

Chairman, President and Non-Independent Executive Director

Mr Wang Shan He was appointed as Executive Director, Chairman of the Board and President on 10 January 2025. Mr Wang also chairs the Strategic and Sustainable Development Committee and is a member of the Nominating Committee.

Mr Wang has held key managerial roles before his appointment, and he brings vast skills, knowledge, and experiences to his current role. Prior to his current appointment, Mr Wang was Chairman of COSCO SHIPPING (Dalian) Co. Ltd. and COSCO SHIPPING Ferry Co. Ltd. from July 2023 to December 2024, as well as Chairman of Hainan Harbor & Shipping Holding Co. Ltd. and Hainan Strait Shipping Co. Ltd. from November 2019 to December 2024.

Mr Wang was Vice President of COSCO SHIPPING (South East Asia) Pte. Ltd from March 2016 to November 2019, and Vice President of COSCO Holdings (Singapore) Pte. Ltd. from November 2015 to March 2016. He was also Managing Director of COSCO Container Lines (Southeast Asia) Pte. Ltd. and General Manager, Southeast Asia Branch, COSCO Container Lines Co. Ltd. from October 2012 to November 2015.

Mr Wang holds a Master of Business Administration from Fudan University.

MR GUO HUA WEI

Non-Independent Non-Executive Director

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

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

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

Board of Directors

MR LIM LEE MENG

Lead Independent Non-Executive Director

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

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

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

DR CHEN SEOW PHUN, JOHN

Independent Non-Executive Director

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

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

Dr Chen holds a PhD in Electrical Engineering from the University of Waterloo, Canada. He taught at the National University of Singapore from 1983 to 1991. He is presently the Chairman of SAC Capital Pte Ltd.

Board of Directors

MR HOON TAI MENG

Independent Non-Executive Director

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

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

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

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

Key Management

From left to right:

MR WANG HUI
Vice President

MR LAN CHUN HAI
Executive Vice President

MR WANG SHAN HE
Chairman, President and Non-Independent Executive Director

MR PAN ZHI GANG
Chief Financial Officer & Chief Risk Officer

Key Management

MR WANG SHAN HE

Chairman, President and Non-Independent Executive Director

Mr Wang Shan He was appointed as Executive Director, Chairman of the Board and President on 10 January 2025. Mr Wang also chairs the Strategic and Sustainable Development Committee and is a member of the Nominating Committee.

Mr Wang has held key managerial roles before his appointment, and he brings vast skills, knowledge, and experiences to his current role. Prior to his current appointment, Mr Wang was Chairman of COSCO SHIPPING (Dalian) Co. Ltd. and COSCO SHIPPING Ferry Co. Ltd. from July 2023 to December 2024, as well as Chairman of Hainan Harbor & Shipping Holding Co. Ltd. and Hainan Strait Shipping Co. Ltd. from November 2019 to December 2024.

Mr Wang was Vice President of COSCO SHIPPING (South East Asia) Pte. Ltd from March 2016 to November 2019, and Vice President of COSCO Holdings (Singapore) Pte. Ltd. from November 2015 to March 2016. He was also Managing Director of COSCO Container Lines (Southeast Asia) Pte. Ltd. and General Manager, Southeast Asia Branch, COSCO Container Lines Co. Ltd. from October 2012 to November 2015.

Mr Wang holds a Master of Business Administration from Fudan University.

MR LAN CHUN HAI

Executive Vice President

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

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

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

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

Key Management

MR PAN ZHI GANG

Chief Financial Officer & Chief Risk Officer

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

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

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

MR WANG HUI

Vice President

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

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

Prior to his current appointment at COSCO SHIPPING, Mr Wang was Deputy Chief Economist of the Global Procurement Centre in China COSCO SHIPPING Corporation Ltd since August 2018. Mr Wang graduated from Beijing International Studies University with a Bachelor's Degree.

Corporate Information

BOARD OF DIRECTORS

Wang Shan He
Chairman, President and
Non-Independent Executive Director
Guo Hua Wei
Non-Independent Non-Executive Director
Lim Lee Meng
Lead Independent Non-Executive Director
Chen Seow Phun, John
Independent Non-Executive Director
Hoon Tai Meng
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

STRATEGIC AND SUSTAINABLE DEVELOPMENT COMMITTEE

Wang Shan He
(Chairman)
Guo Hua Wei
Lim Lee Meng
Chen Seow Phun, John
Hoon Tai Meng

REGISTERED OFFICE AND BUSINESS CONTACT INFORMATION

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

COMPANY REGISTRATION NUMBER

196100159G

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View
Marina One, East Tower
Level 12
Singapore 018936

Partner-in-charge:
Alex Toh Wee Keong
(since FY2020)

COMPANY SECRETARIES

Lee Wei Hsiung
Loo Shi Yi

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Telephone: 6236 3333

Investor Relations

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

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

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

Major Investor Relations Events in 2024

Date	Organiser	Event
29 February 2024	COSCO SHIPPING	FY2023 Full Year Results Announcement
1 March 2024	COSCO SHIPPING	Analysts Briefing for FY2023 Full Year Results
29 April 2024	COSCO SHIPPING	Annual General Meeting
12 August 2024	COSCO SHIPPING	1H2024 Half Year Results Announcement
13 August 2024	COSCO SHIPPING	Analysts Briefing for FY2024 Half Year Results

COSCO SHIPPING vs STI Index

STI Index (Straits Times Index STI) Daily 01JAN2024-31DEC2024
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Risk Management

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

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

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

RISK MANAGEMENT PROCESS

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

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

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

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

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

Risk Management

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

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

SIGNIFICANT OR PRINCIPAL RISKS

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

MARKET RISKS

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

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

OPERATIONAL RISK

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

Risk Management

Business Continuity Risk

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

FINANCIAL RISK

Foreign Exchange Risk

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

Credit Risk

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

CONCLUSION

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

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

Sustainability Report Contents

Board Statement

To drive the long-term resilience and sustainable growth of COSCO SHIPPING International (Singapore) Co., Ltd. ("**CSIS**", the "**Company**"), together with our subsidiaries (the "**Group**"), the Board of Directors (the "**Board**") remains steadfast in its commitment to sustainability as a cornerstone of our strategic planning. In FY2024, the Board and Management intensified their efforts to improve transparency and disclosure of greenhouse gas ("**GHG**") emissions data. These initiatives are integral to aligning with global sustainability standards, Singapore's climate ambitions, and the Company's overarching goal of fostering long-term value creation. The Board has also reviewed and endorsed all material topics disclosed in this report and approved all the information and performance data presented herein.

The Board recognizes the critical importance of addressing climate change and its implications for our business and stakeholders. In FY2024, significant initiatives were undertaken to strengthen our governance and reporting framework on GHG emissions. These include the adoption of more robust data collection mechanisms and the implementation of enhanced reporting standards to ensure the accuracy and reliability of emissions data disclosed to stakeholders.

Our commitment to transparency is further underscored by the alignment of our GHG emissions reporting with international standards, including the Global Reporting Initiative ("**GRI**") and the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). These frameworks guide our efforts in disclosing material Environmental, Social and Governance ("**ESG**") topics comprehensively and setting the foundation for effective decision-making.

In collaboration with management, the Board has embarked on a systematic approach to establish both mid-term and long-term GHG emissions reduction targets. This process is informed by a thorough understanding of our current emissions profile and an engagement with stakeholders to align our targets with the expectations of regulators, customers, and the wider community.

Governance and Oversight

The Board actively oversees the implementation of these initiatives, ensuring compliance with regulatory requirements and alignment with stakeholder expectations. Regular reviews of GHG emissions data and reduction plans have been institutionalized as part of our governance practices. These efforts are supported by training programs for the Board and management to deepen their understanding of emerging climate risks and opportunities.

Looking Ahead

As we navigate the post-pandemic recovery and address challenges such as geopolitical tensions, rising fuel costs, and inflationary pressures, the Board reaffirms its unwavering commitment to sustainability. By advancing GHG emissions transparency and establishing ambitious reduction targets, we aim to enhance resilience, create long-term value, and contribute to global efforts to combat climate change. We extend our gratitude to our employees, customers, and partners for their dedication and support as we pursue our sustainability goals. Together, we will continue to lead with purpose and drive impactful change in FY2024 and beyond.

Support The Global Goals

In September 2015, the United Nations Sustainable Development Goals ("**UN SDGs**" or "**SDGs**") were unanimously adopted by 193 member states at the UN Summit, presenting a bold and transformative agenda for global progress. These 17 interconnected goals address the world's most pressing social, economic, and environmental challenges, emphasizing that achieving meaningful change requires more than government action alone. The framework highlights the critical role of the private sector as a catalyst for sustainable development, leveraging its resources, expertise, and innovation to drive impact at scale.

Our corporate strategy is firmly aligned with the UN SDGs, demonstrating our commitment to long-term value creation for society and environment. We recognize that sustainable development is not just a responsibility but also an opportunity to innovate, grow, and build resilience in an ever-changing world.

To translate this commitment into tangible outcomes, we actively pursue strategic partnerships and adopt responsible business practices that promote sustainability across all aspects of our operations. Our initiatives range from reducing our environmental footprint and enhancing resource efficiency to promoting fair labour practices and strengthening community engagement. Additionally, we continually invest in sustainable solutions—from green building technologies to renewable energy integration—that align with the SDGs and address global challenges such as climate change, inequality, and resource scarcity.

By embedding the UN SDGs into our governance frameworks, performance metrics, and decision-making processes, we are not only aligning with international standards but also reinforcing our role as an agent of change. Our unwavering focus on sustainability ensures that we remain future-ready, creating shared value for all stakeholders while contributing meaningfully to a more inclusive, equitable, and sustainable world.

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

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

About This Report

We are proud to present COSCO SHIPPING International (Singapore) Co., Ltd.'s Sustainability Report for FY2024, underscoring our unwavering commitment to transparency, accountability, and sustainable development. This report offers a detailed review of our ESG practices and performance, addressing key priorities and concerns identified by our diverse stakeholders, including shareholders, suppliers, customers, employees, and management.

Through this report, we aim to highlight the sustainability strategies and initiatives we have implemented, reflecting our dedication to fostering long-term growth, promoting responsible business practices, and creating lasting value for our stakeholders and the communities we serve.

Reporting Period

This report encapsulates our sustainability initiatives and achievements throughout the FY2024, spanning from 1 January 2024 to 31 December 2024, underscoring our unwavering commitment to sustainable business practices and our drive towards a resilient and prosperous future.

Reporting Framework

Our report is developed in accordance with global best practices and is structured based on the GRI Standards (2021 revision), a widely recognized benchmark for sustainability reporting. The GRI framework provides a consistent and transparent methodology for evaluating and disclosing our sustainability performance and impacts.

In alignment with regulatory requirements, this report complies with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B, as well as the Practice Note 7.6 Sustainability Reporting Guide. This ensures that our disclosures meet the mandated standards for transparency and accountability.

Demonstrating our commitment to climate stewardship, we have aligned our climate-related financial disclosures with the recommendations set forth by the TCFD, as advocated by SGX guidelines. The TCFD framework provides a structured and consistent approach to reporting climate risks and opportunities, enabling us to enhance transparency, improve decision-making, and strengthen accountability in climate governance. Furthermore, adopting the TCFD framework positions us to align with evolving regulatory trends while reinforcing our corporate reputation as a responsible and forward-looking organization.

Reporting Scope

Our Sustainability Report comprehensively encompasses the sustainability endeavours across all business divisions of CSIS. This includes our diverse operations in logistics, warehousing services, ship repair, and marine engineering. The report provides a detailed account of our sustainability journey during FY2024, emphasizing the contributions of the company and its key subsidiaries

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

About This Report

There have been no significant changes in scope, boundary, or material issue assessment compared to the previous reporting period, ensuring continuity and comparability for stakeholders.

As the cornerstone of the Group's revenue and profitability, the logistics sector is the focal point of this report.

Nevertheless, the comprehensive data and insights presented here are drawn directly from the activities across all our operational sectors.

Feedback

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

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

Internal Review and Assurance

The Company affirms that the information presented in this report is disclosed with the highest level of integrity and is based on the most reliable data available to us at the time of reporting.

In our commitment to excellence and transparency in sustainability reporting, we have engaged an independent sustainability consultancy to provide expert guidance. Their insights have been invaluable in aligning our disclosures with prevailing standards and best practices, ensuring compliance with the latest reporting frameworks.

Furthermore, the sustainability reporting process has undergone a thorough internal review by our internal auditor. The data and disclosures contained in this report have been meticulously examined by an internal auditor with specialized expertise in sustainability, appointed by the Company. The data has not yet undergone external assurance; however, we are trying our utmost in ensure the data accuracy and transparency.

Corporate Profile

Our Core Business

The Group aims to become one of the leading integrated logistics service providers having a significant presence in South and Southeast Asia. The Group also embarks in dry bulk shipping, ship repair and marine engineering, as well as property management.

Logistics Solutions

Cogent, a wholly owned subsidiary of CSIS, is a highly sought-after service provider for Transportation, Warehousing, Container Depot, Automotive Logistics, Project Cargo, Tank Depot, Freight Forwarding and Transshipment Services. Cogent is one of the leading end-to-end logistics service providers in Singapore and has built two large-scale integrated logistics hubs in Singapore by successfully implementing the patented design of "SKY DEPOT"– a container depot on the roof. Our two logistics hubs are the testaments to our commitment in being the leading provider of efficient logistics service to the world. Cogent has more than 700 employees in Singapore and Malaysia.

Cogent prides itself in its ability to provide one-stop solutions in Singapore and Malaysia. We operate 250,000 square meters of self-owned covered storage space, a strong fleet of around 250 prime movers, trucks, and lorries, and around 830 trailers, 7 container depots with a storage capacity of 26,100 TEUs and 6 storage facilities with the capability of storing 3,700 cars at various sites in Singapore. With dedication to the adoption of cutting-edge technology and tapping into the wealth of experience amassed from their years of service, Cogent's various management systems ensure efficient daily operations by allowing close, real-time monitoring of every business facet, from customers' inventory stocks to prime mover locations and even carbon emissions from our prime movers. Abiding by our principle of "Mission to Serve, Driven to Deliver", Cogent stays committed to becoming an integral part in the digital supply chain for our customers globally as a one-stop logistics solution provider.

Ship Repair and Marine Engineering

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

Key Value Drivers

Integrated Solutions	Providing end-to-end logistics solutions as well as efficient ship repairs and engineering services.
Regional Presence	Leveraging a strong footprint in South and Southeast Asia for competitive advantage.
Operational Efficiency	Advanced digital tools and a skilled workforce ensuring seamless operations.
Customer Focus	Tailored services across logistics and marine sectors to meet diverse client needs.
Sustainability Commitment	Adopting green practices, such as energy-saving solutions and renewable energy initiatives.

Business Membership And Certification

ISO Certification

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

Cogent Holdings Pte. Ltd.			
	ISO 9001 Quality Management System	**ISO 14001 Environmental Management System**	**ISO 45001 Occupational Health and Safety Management System**
SH Cogent Logistics Pte. Ltd.	X	X	X
Cogent Automotive Logistics Pte. Ltd.	X		X
Cogent Container Depot Pte. Ltd.	X	X	X
Cogent Tank Depot Pte. Ltd.	X	X	X
Cogent Integrated Supply Chain Pte. Ltd.	X		X
Guper Integrated Logistics Sdb Bhd	X	X	X
SH Cogent Logistics Sdb Bhd	X	X	X
COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd.			
	X	X	X

BizSAFE

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

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

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

Business Membership And Certification

Membership Association

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

Sustainable Development Policy

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

- **Environmental Stewardship:** Perform thorough and regular evaluations of the Group's environmental footprint, emphasizing strategies for emissions reduction, sustainable waste management, and the responsible utilization of resources.

- **Energy Conservation and Emissions Reduction:** Implement cutting-edge energy-efficient technologies and streamline operational processes to substantially reduce energy consumption and minimize GHG emissions across all business divisions.

- **Water Usage:** Oversee daily operations to optimize water usage and ensure that all wastewater discharges consistently comply with regulatory standards.

- **Waste Management:** Integrate the principles of Reduce, Reuse, Recycle into our daily operations to effectively manage waste and promote sustainability. This approach not only enhances operational efficiency but also ensures strict adherence to all relevant regulatory standards and environmental guidelines.

- **Resource Renewal:** Prioritize the use of renewable resources and environmentally sustainable materials across our logistics, storage, and marine engineering operations, with the aim of fostering ecological balance and minimizing our environmental impact.

- **Regulatory Adherence:** Uphold stringent adherence to international environmental regulations while consistently striving for ongoing enhancements in environmental performance.

- **Workforce Empowerment:** Cultivate a strong sustainability culture by implementing focused employee education initiatives that highlight individual accountability in environmental stewardship.

- **Community and Partnership Engagement:** Establish strategic partnerships with community organizations, industry counterparts, and key stakeholders to drive the adoption of sustainable practices across the entire supply chain ecosystem.

- **Technological Innovation:** Direct investments toward the research and development ("**R&D**") of innovative technologies that enhance sustainability practices within the logistics and marine engineering industries.

- **Transparent Reporting:** Commit to the consistent publication of detailed sustainability reports that provide full transparency regarding our progress, challenges, and strategic objectives. These reports are aligned with global standards, ensuring that our commitment to sustainability is both measurable and accountable.

By embedding sustainability into every aspect of our decision-making and operations, the Group is dedicated to responsible business practices that align with global sustainability goals and future growth.

Strategy For Achieving Sustainable Development

Strengthening Data Transparency

Enhanced internal processes to ensure accurate measurement and reporting of Scope 1, Scope 2, and, where relevant, Scope 3 emissions.

Set up data tracking system in order to monitor our environmental performance.

Stakeholder Engagement

Conducted a comprehensive stakeholder survey to identify material ESG issues, including emissions reduction priorities.

Leveraged stakeholder insights to shape our sustainability strategy and establish relevant targets.

Target Setting

Aligned mid-term targets with Singapore's enhanced carbon tax framework, focusing on significant reductions by 2030.

Committed to setting long-term targets in line with the UN SDGs and global climate action frameworks, including net-zero ambitions by 2050.

Operational Initiatives

Promoted energy efficiency measures across operations, such as motion sensors and energy-saving modes for equipment.

Partnered with third-party vendors for renewable energy initiatives, such as solar panel installations, to reduce reliance on fossil fuels.

Remediate Negative Impacts From Our Operation Activities

The Group is unwavering in its commitment to minimizing the negative impacts of our operations. We recognize that while pursuing business growth, environmental and social consequences may arise. To address this, we take the following proactive measures:

- We enforce comprehensive policies to identify and manage potential adverse impacts, ensuring that mitigation strategies are in place before issues arise.
- We ensure that stakeholder engagement plays a central role in our operations, allowing us to incorporate diverse perspectives into our sustainability initiatives and decision-making processes.
- We prioritize reducing our ecological footprint by going beyond regulatory requirements, optimizing resource usage, and adopting responsible waste management practices.

In addition, we are dedicated to leveraging advanced technologies to enhance environmental protection, while maintaining transparency in sharing our progress with stakeholders.

We encourage all employees, partners, and stakeholders to join us in upholding this commitment, taking collective responsibility for promoting ethical, sustainable, and forward-thinking business practices.

Policy Commitment

The Group reaffirms its steadfast commitment to sustainability and ethical business practices. Our robust policy framework integrates stringent environmental management, human resource governance, and Quality, Environmental, Health, and Safety ("**QEHS**") systems, fully aligned with our ISO certifications.

We are resolute in our dedication to:

- Upholding the highest standards of business ethics;
- Protecting and preserving the environment;
- Ensuring fair and equitable employment practices;
- Providing exemplary Occupational Health and Safety for our workforce, partners, and stakeholders.

Understanding the importance of stakeholder interests, we prioritize transparent communication of our policies both within the Group and to our suppliers, contractors, and external stakeholders. This reinforces our commitment to operational excellence and corporate responsibility.

For a detailed overview of our policy framework and management strategies, we encourage stakeholders to review the relevant sections on material topics. These policies are consistently communicated to all employees, suppliers, and contractors, ensuring alignment and shared accountability across our operations.

Reporting Approach

In alignment with the GRI 2021-Foundation guidelines, our FY2024 Sustainability Report is crafted adhering to the eight core reporting principles. These principles guide the presentation and substantiation of the information contained within the report.

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

Governance

A robust corporate governance framework, founded on ethical business practices, is essential for enhancing accountability and driving sustainable, long-term performance to protect and maximize shareholder value.

Our Board of Directors is firmly committed to upholding exemplary corporate governance, aligning with the Code of Corporate Governance 2018 and adhering to regulations set by authorities such as the Monetary Authority of Singapore ("**MAS**") and SGX-ST. The Board plays a critical role in setting strategic objectives and securing resources to achieve the Group's goals.

The Board's primary responsibility is to safeguard and enhance shareholder value by providing strategic direction, fostering a culture of governance, and implementing policies and procedures essential to the Group's success. It maintains a robust control framework to oversee risk management, protect company assets, and assess management performance, ensuring the Group remains aligned with its business objectives.

In its fiduciary role, the Board governs the Group holistically, staying updated on regulatory developments, including changes in accounting standards, listing rules, and statutory requirements.

Ultimately, the Board is dedicated to promoting good corporate governance through effective risk management and internal controls, reinforcing the Group's long-term resilience and commitment to protecting shareholder interests.

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

Our Governance Structure

Here is the detail of our Board of Directors:

Name	Gender	Position
Wang Shan He	Male	Chairman President Non-Independent Executive Director
Guo Hua Wei	Male	Non-Independent Non-Executive Director
Lim Lee Meng	Male	Lead Independent Non-Executive Director
John Chen Seow Phun	Male	Independent Non-Executive Director
Hoon Tai Meng	Male	Independent Non-Executive Director

Governance

Board Diversity

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

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

Collective Expertise of the Governance Body

The Board, together with our key management's collective expertise, span a range of competencies crucial to informed decision-making and the company's success. This includes:

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

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

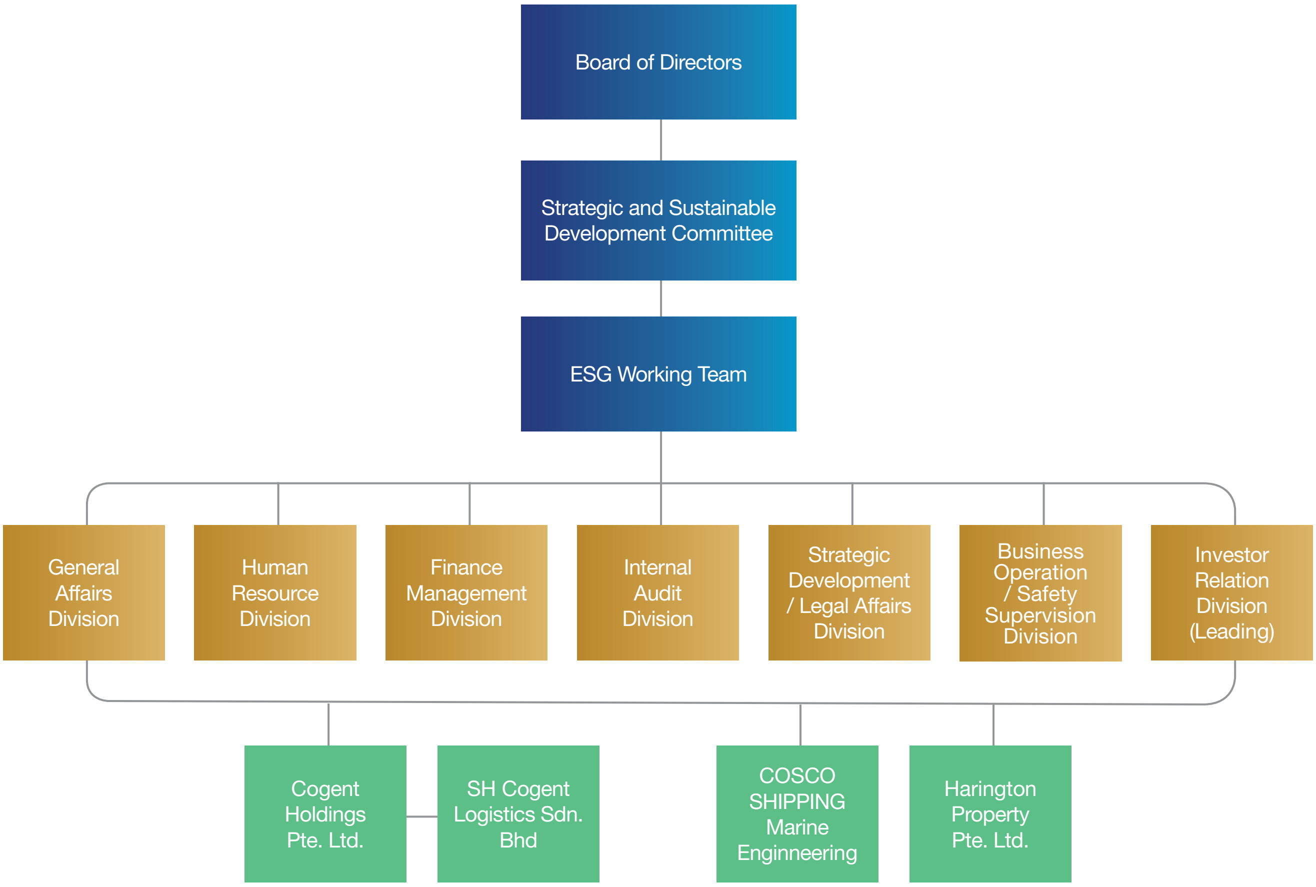
Director Sustainability Training

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

Governance

SUSTAINABILITY GOVERNANCE STRUCTURE

To strengthen our commitment to sustainability and climate risk management, the Group formed the Strategic and Sustainable Development Committee in FY2023. The committee's structure and key functions are detailed below.



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

The Strategic and Sustainable Development Committee oversees sustainability governance, including ESG and climate risk management. Its responsibilities include setting strategic direction, formulating policies with a climate-focused approach, monitoring performance and risks, managing resources for climate initiatives, and driving strategic climate action.

The ESG Working Team focuses on ESG integration by tracking progress, engaging stakeholders, mitigating risks, and promoting continuous improvement. It also monitors climate targets, manages policy discussions, and evaluates risks and opportunities related to climate management.

Stakeholder Engagement

The Group views stakeholders as integral partners who are directly impacted by our operations and decisions. Our approach emphasizes a structured and inclusive stakeholder engagement process, which plays a pivotal role in identifying material issues and incorporating stakeholder input into our strategic planning. This feedback is essential, offering valuable insights that drive our sustainability initiatives and reinforce responsible business practices. Through detailed internal analysis, we identify key stakeholder groups to ensure their needs and perspectives are incorporated across our value chain.

STAKEHOLDER IDENTIFICATION

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

Stakeholder Engagement

STAKEHOLDER ENGAGEMENT APPROACH

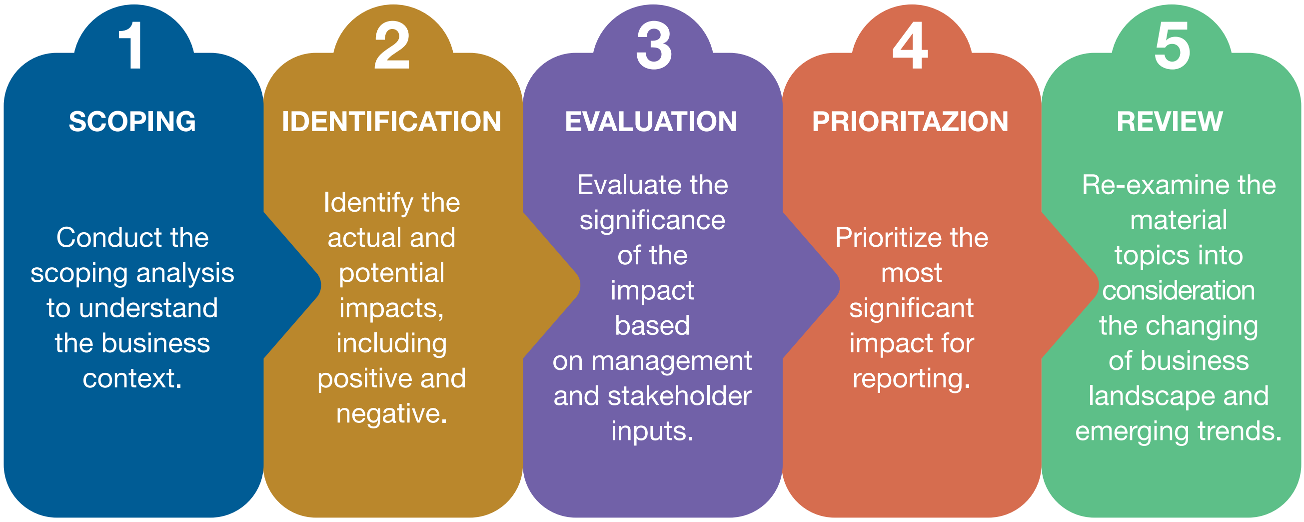
We are committed to expanding our engagement methods and using any subsequent outputs in our future disclosures.

Stakeholder Group	Engagement Approach
Employees	Monthly management meetings are held to discuss operational issues. Newsletters are circulated to keep employees updated. Regular training sessions and transitional assistance programs are conducted. Regular surveys are deployed to understand their concerns.
Government Regulators	We work with various industry associations, ports and governments on areas related to our key business activities. Authority: SGX, Accounting and Corporate Regulatory Authority ("**ACRA**"), Inland Revenue Authority of Singapore ("**IRAS**"), Ministry of Manpower ("**MOM**"), Land Transport Authority ("LTA"), National Environment Agency ("**NEA**"), and Singapore Civil Defence Force ("**SCDF**"). Ports Authority: PSA Singapore, Maritime Port Authority ("**MPA**"), Singapore Customs.
Customers	Customer-related surveys and engagement activities are conducted to collect feedback.
Suppliers and Contractors	Safety briefings are conducted regularly for employees and contractors working on-site. Assessment and evaluation of contractors are conducted regularly.
Local Communities and NGOs	Regular dialogues with our endorsed charity organisations shape our community outreach initiatives. Regular surveys were deployed to understand their concerns.
Shareholders and Investors	Shareholders are kept abreast of the Group's key developments through press releases and Annual Reports. Annual General Meetings and investor meetings are conducted to engage our shareholders and investors in two-way communication.
Internal Business Partners	Monthly management meetings are held to discuss operational issues. Regular surveys are deployed to understand their concerns.

ESG Material Topics

Materiality analysis is an essential tool for the Group to identify and prioritize sustainability issues that are most relevant to its business and stakeholders. Through a structured and systematic approach, the Group ensures its focus on material topics aligns with strategic objectives and stakeholder expectations. This approach strengthens the Group's ability to address sustainability challenges effectively, supporting long-term value creation and sustainable growth.

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



In light of the evolving socio-economic landscape and the updated sustainability reporting guidelines introduced by SGX-ST, our leadership, in collaboration with the Strategic and Sustainable Development Committee, has undertaken a comprehensive review of our material topics. This review is essential to strengthen our sustainability strategy and maintain a competitive edge in the market.

To support this initiative, the Group has engaged ESG & Biz Solutions Pte. Ltd. as an external consultant. Working alongside our ESG Working Team, the Consultant is responsible for identifying the most relevant and impactful sustainability issues for the Group in FY2024.

The process of identifying potential sustainability priorities involved:

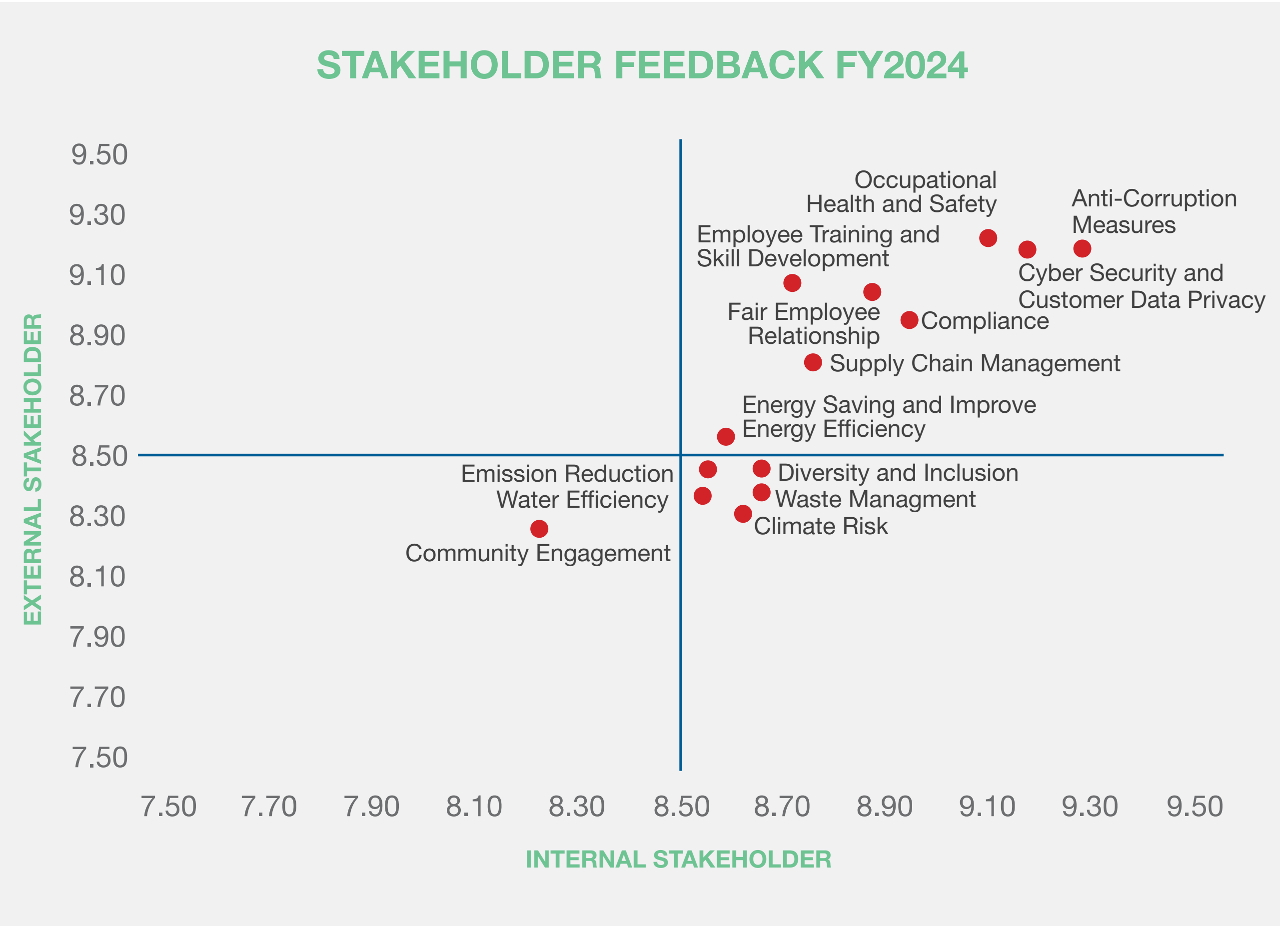
- Identifying key internal and external stakeholders to understand diverse perspectives.
- Consulting with the Strategic and Sustainable Development Committee to gather insights into their concerns and expectations.

We regularly collect and review feedback from key stakeholders to ensure alignment with their expectations and concerns. To identify ESG topics of importance, our sustainability consultant developed a detailed questionnaire, administered through an online survey platform, engaging both internal and external stakeholders across the Group.

ESG Material Topics

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT OUTCOME

In FY2024, we launched a comprehensive Stakeholder Survey to gain deeper insights into the concerns of our stakeholders regarding our sustainable development efforts. We received 97 responses from key stakeholders across diverse groups. The valuable feedback from this survey will inform our sustainability strategy and is detailed in the following sections of this report.



ESG Material Topics

STAKEHOLDER FOCUS

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

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

ESG Material Topics

ESG VALUE CHAIN RISK ANALYSIS

The Group adopts an enterprise risk management approach, integrating our value chain and operational activities to identify and address key ESG Risks.

Governance Risks	
Type of Risk	**Justification and Related Activities**
Economic Performance and Financial Performance	• The Group's financial performance is subject to fluctuations in global shipping demand, fuel costs, and economic downturns. • Large investments in infrastructure (warehousing, depot, prime mover and trailer, workshop, office) require strong financial planning and risk management. • The Group plays a key role in regional economic development through job creation, infrastructure investment, and trade facilitation.
Business Ethics and Integrity	• Stringent regulations on handling dangerous goods, environmental standards, and shipping laws. • Need for strong compliance frameworks to avoid legal liabilities and reputational risks.
Governance and Board Diversity	• Align with international reporting requirements and ensuring an independent board with strong oversight over management, risk, and ESG strategy is critical.

ESG Material Topics

Environment Risks	
Type of Risk	**Justification and Related Activities**
Climate Change and Supply Chain Resilience	• Rising sea levels and extreme weather events could disrupt marine engineering and logistics operations. • Need for resilient infrastructure and contingency plans for business continuity.
GHG Emissions and Energy Usage	• Extensive logistics and marine engineering operations involve high fuel consumption (fleet of trucks, vessels, heavy machinery). • Implementation of energy-saving technologies (e.g., EDI systems, motion sensors) needs continuous monitoring.
Water Usage and Effluent Discharge	• Ship repair, marine engineering, and warehousing operations consume significant amounts of water, especially for cleaning, cooling, and processing. • Risk of wastewater discharge containing pollutants (e.g., oil, chemicals, heavy metals) impacting marine ecosystems. • Need for water efficiency measures to reduce freshwater consumption and improve sustainability.
Waste Management	• Ship repair and marine engineering generate steel and metal waste. • Warehousing and logistics require packaging, repackaging, and disposal of damaged goods. • Waste reduction strategies and recycling programs need to be enhanced.
Hazardous Material Management	• Handling, storage, and transportation of regulated materials (e.g., chemicals, hazardous substances) pose risks of spills, leaks, or improper disposal, leading to environmental contamination. • Compliance with NEA, SCDF and Major Hazards Department ("MHD") regulations for chemical storage is crucial.

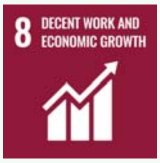
ESG Material Topics

Social Risks	
Type of Risk	**Justification and Related Activities**
Employee Management and Relationship	• Employee retention, fair wages, and training programs to ensure workforce sustainability.
Workplace Occupational Health and Safety	• High-risk environments in ship repair, marine engineering, and logistics require strict occupational safety measures. • Handling of hazardous materials and heavy machinery increases risks of workplace accidents. • Continuous safety training and compliance with regulatory standards (MOM, NEA, SCDF) are essential.
Employee Training & Skill Development	• Rapid digitalization, automation, and evolving industry standards require continuous upskilling of employees. • Employees handling hazardous materials, heavy machinery, and logistics must undergo frequent safety and technical training.
Cyber Security and Business Partners Privacy	• Implementation of EDI systems for logistics and container tracking requires robust cybersecurity measures. • Risk of data breaches affecting customer and operational data integrity.

ESG Material Topics

KEY MATERIAL TOPICS

Based on a thorough review of stakeholder feedback, the Group's operational activities, and the latest regulations and legal requirements, we have identified key material topics for disclosure in the FY2024 sustainability report. In response, the Group is developing a strategy to effectively address these topics.

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

Note:

(1) The section on Governance includes a declaration of Governance and Management Diversity, refer to Page 81.

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

FY2024 Performance Review

Material Topics	Targets for FY2024	Performance for FY2024	Achieved? Yes/No	Targets for FY2025
Business Conduct GRI 205-3	0 Confirmed Incidents of Corruption	0 Confirmed Incidents of Corruption	Yes	0 Confirmed Incidents of Corruption
Compliance with Laws and Regulations GRI 2-27	0 Legal Cases or Fines and Non-monetary Sanctions Against the Group	0 Legal Cases or Fines and Non-monetary Sanctions Against the Group	Yes	0 Legal Cases or Fines and Non-monetary Sanctions Against the Group
Safe Working Environment GRI 403	0 Fatalities as a Result of Work-related Injury	0 Fatalities as a Result of Work-related Injury	Yes	0 Fatalities as a Result of Work-related Injury
	0 High-consequence Work-related Injuries (Excluding Fatalities)(1)	2 High-consequence Work-related Injuries (Excluding Fatalities)(1)	No	0 High-consequence Work-related Injuries (Excluding Fatalities)(1)
Staff training GRI 404-1	9 Training Hours per Employee Who Underwent Training	9.74 Training Hours per Employee Who Underwent Training	Yes	9 Training Hours per Employee Who Underwent Training
Privacy of Customers' Data GRI 418-1	0 Substantiated Complaints Received Concerning Breaches of Customer Privacy	0 Substantiated Complaints Received Concerning Breaches of Customer Privacy	Yes	0 Substantiated Complaints Received Concerning Breaches of Customer Privacy

Note:

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

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

Our Business

Key Material Topics
- Economic Performance
- Business Ethics and Compliance

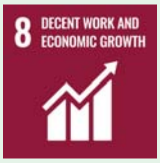
GRI Topics
- GRI 201 Economic Performance
- GRI 205 Anti-Corruption
- GRI 2-27 Compliance with Laws and Regulations

UN SDGs We Support

8 DECENT WORK AND ECONOMIC GROWTH

Our Business

ECONOMIC PERFORMANCE

MATERIAL TOPIC	RELEVANT SDG
Economic Performance	

WHY THIS IS IMPORTANT

Strong economic growth and solid financial performance are central to the Group's commitment to sustainability. Our financial health ensures long-term viability, allowing us to invest in and drive forward our sustainability initiatives. By securing a stable financial foundation, we can continue to innovate and implement strategies that benefit not only our business but also our stakeholders. Economic stability is crucial for promoting sustainable practices across our operations, enabling us to meet current needs without compromising the ability of future generations to meet theirs. We view economic performance not just as a business goal, but as a means to achieve broader, enduring societal and environmental impact.

MANAGEMENT APPROACH

The Group's approach to fostering economic growth is grounded in a corporate culture that prioritizes value creation across the entire value chain. We believe that sustainable growth extends beyond profitability, it involves enhancing stakeholder value through responsible and forward-thinking business models. Our strategy centres on improving operational efficiency, driving innovation, and making long-term investments in our services and infrastructure, ensuring we meet the current needs of our stakeholders while securing a sustainable future. This balanced approach to value creation forms the foundation of our commitment to a prosperous and enduring economic future for both our organization and our stakeholders.

FY2024 PERFORMANCE

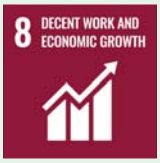
The Group's FY2024 turnover reached $173 million, 3% lower than FY2023. For a comprehensive breakdown of our business performance, please refer to the Group's FY2024 Financial Statements.

FY2025 TARGET

Our approach to economic growth focuses on strategically leveraging considerate planning, strong corporate governance, and thoughtfully designed incentive programs to align and optimize the interests of all stakeholders. By embracing a holistic and integrated strategy, we aim to enhance stakeholder value while simultaneously driving profitability. This balanced pursuit of growth is essential to our long-term success and reflects our unwavering commitment to both stakeholder satisfaction and financial performance.

Our Business

BUSINESS ETHICS AND COMPLIANCE

MATERIAL TOPIC	RELEVANT SDG
Business Ethics Anti-Corruption	

WHY THIS IS IMPORTANT

Business ethics and compliance are vital to our daily operation, it ensures legal compliance, foster trust with stakeholders, and promote operational efficiency. Responsible business conduct guarantees the long-term viability of our operations by building confidence with our stakeholders.

At the Group, we operate in a highly regulated environment with zero tolerance for non-compliance, mitigating risks, strengthening our reputation, supporting environmental responsibility, and enhancing employee morale. This commitment contributes to our long-term sustainability, growth, and success in the global marketplace.

MANAGEMENT APPROACH

The Group upholds integrity and fairness in all its daily operations, maintaining a zero-tolerance policy toward any actions that violate business ethics, including corruption, bribery, and monopolistic practices. We have implemented a robust business ethics framework designed to enhance employees' understanding of ethical conduct and promote just business practices. Our operations are guided by the following key policies.

Anti-Corruption Policy

The Group upholds a strict zero-tolerance policy against corruption and bribery, supported by comprehensive guidelines to ensure all employees conduct business with the highest ethical standards. We regularly review and update our policies to continuously strengthen and uphold ethical business practices, recognizing the critical importance of this issue to the Group.

Conflict of Interest Policy

The Group has implemented a Conflict of Interest Policy and set a standard for compliance across all our operating entities. This policy establishes clear guidelines for employees to disclose any conflicts of interest, promoting transparency and upholding ethical practices in transactions that may affect their personal interests.

Our Business

Whistle-Blowing Policy

Our commitment to ethical conduct is underpinned by a comprehensive whistleblowing policy, overseen by the Audit and Risk Management Committee ("**ARMC**"). This policy protects employees who raise concerns in good faith, ensuring their anonymity and safeguarding them against retaliation. The ARMC carefully monitors the investigation and resolution of such reports, with the Board being kept informed of any significant issues. We guarantee that no employee will face unjust treatment for voicing legitimate concerns. The ARMC also regularly reviews the policy's effectiveness and ensures its alignment with any legal updates. The Board, ARMC, together with senior management handle all whistleblowing cases with the utmost seriousness and integrity. We are committed to maintaining confidentiality, conducting thorough and professional investigations, and keeping all relevant parties informed. Every whistleblowing case is treated with respect, diligence, and timely follow-up to uphold transparency and accountability.

Communication of Critical Concerns

The Group has established a comprehensive and secure policy to ensure that critical issues related to business ethics, compliance, and malpractice are communicated effectively across the organization. This policy provides a confidential channel for reporting concerns about potential misconduct directly to the ARMC Chairman, guaranteeing independent investigation and appropriate follow-up on reports made in good faith. The ARMC is responsible for conducting thorough investigations, taking necessary actions, and ensuring confidentiality, while protecting reporters from retaliation. The policy is regularly reviewed to ensure alignment with legal standards and is actively communicated throughout the organization. The Board is committed to addressing and resolving all reported concerns promptly. This policy applies to all employees, contractors, and stakeholders across the Group and operational entities.

Regulatory and Legal Compliance

The Group is unwavering in its commitment to legal and ethical compliance, recognizing its responsibility in a highly regulated industry. Our robust whistleblowing and anti-corruption frameworks, complemented by a comprehensive legal policy, underscore our dedication to conducting business with the highest standards of integrity, fairness, and neutrality. Each subsidiary is required to maintain a detailed and up-to-date legal and regulatory register, ensuring continuous alignment with evolving laws and industry standards.

We approach our societal responsibilities with the utmost seriousness, including fair tax contributions and social investments that reflect our corporate values. Adherence to anti-corruption laws, financial regulations, and other applicable statutes is embedded not only as a legal requirement but as a cornerstone of our corporate culture.

Our vigilant monitoring of clients and contractors ensures compliance with international sanctions and supports equitable trade practices. The Group's commitment to regulatory compliance extends across all operations, with a keen focus on the environmental and social impacts of our activities, which we recognize as critical to both our success and sustainability.

The Group continuously track changes in environmental and safety regulations, taking proactive measures to ensure full compliance with all relevant legal requirements. This dedication to environmental stewardship and safety reinforces our commitment to responsible and sustainable business practices.

Our Business

FY2024 PERFORMANCE

In FY2024, the Group maintained a clean record with zero corruption incidents. However, we received two whistleblowing cases from key stakeholders. Both cases were thoroughly investigated, followed up on, and closed within FY2024, with no fines or penalties incurred. For the details of these cases please refer to page 46 in the corporate governance.

The Group has taken valuable lessons from these cases to prevent recurrence. This experience serves as a critical reminder to reinforce our commitment to ethical business practices, aligning with our Governance, Social, and Environmental responsibilities.

FY2025 TARGET

Our goal for FY2025 and beyond is to maintain our strong track record of full compliance with legal standards, ensuring zero violations across all jurisdictions in which we operate.

Looking ahead to FY2025 and beyond, we uphold the highest standards of ethical business conduct and legal compliance. Our goal is to maintain a zero-incident record and full compliance with legal standards across all jurisdictions in which we operate. We remain steadfast in strengthening our integrity and accountability measures to ensure zero violations while reinforcing our commitment to ethical and responsible business practices.

Environment

Key Material Topics

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

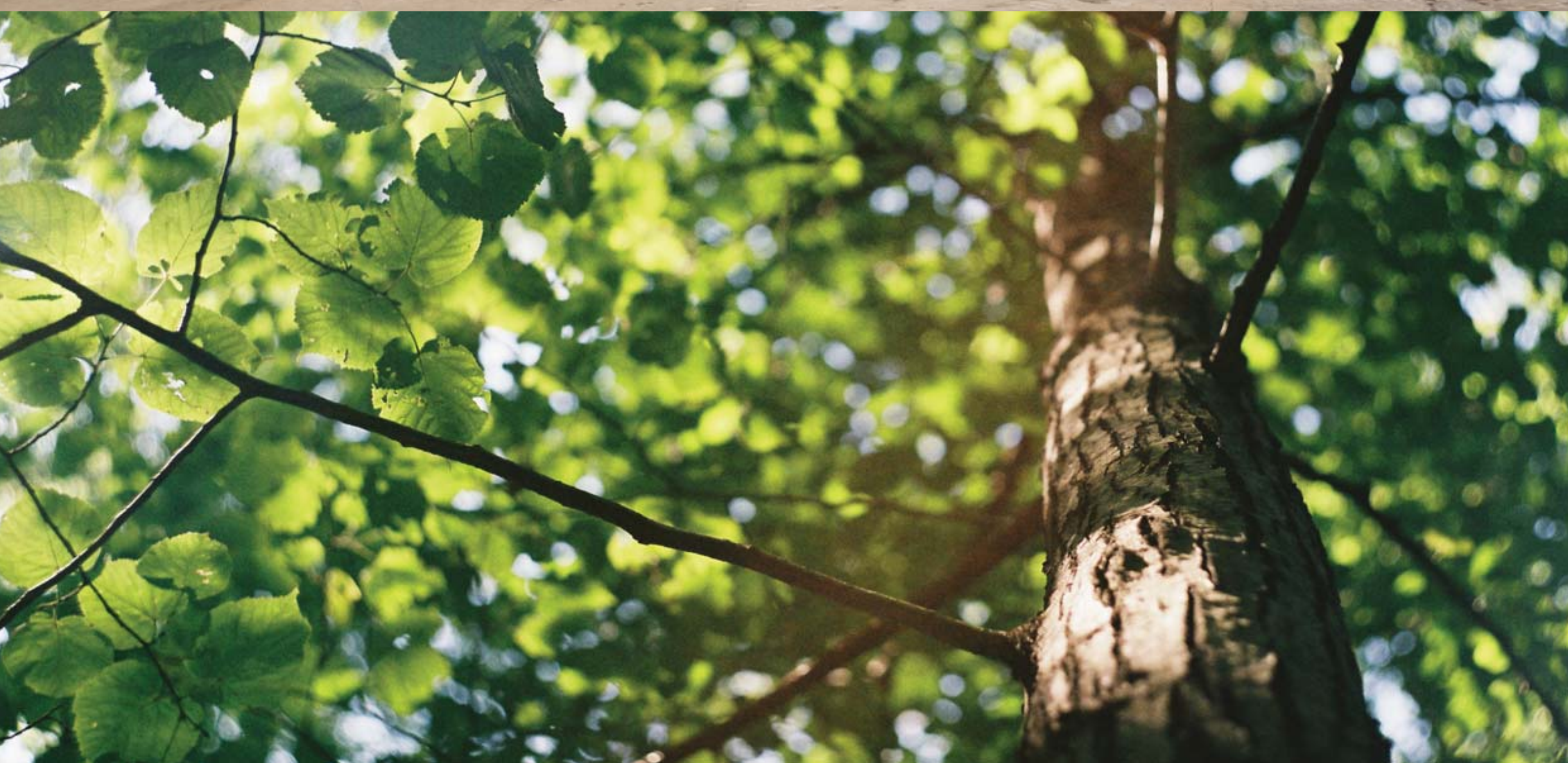
GRI Topics

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

UN SDGs We Support

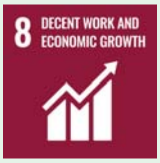
8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION



Environment

RESPONSE TO CLIMATE CHANGE

MATERIAL TOPIC	RELEVANT SDGs
Response to Climate Change	 

WHY THIS IS IMPORTANT

Climate risk management is crucial for the Group's operations as it helps protect its ship repair, marine engineering, and logistics infrastructure from the increasing threats of extreme weather events, sea level rise, and flooding. Given that the Group's facilities are located in coastal areas in Singapore and Malaysia, disruptions caused by climate change can lead to costly damages, delays in operations, and safety risks for workers. By implementing proactive resilience measures, such as flood defences, energy-efficient systems, and sustainable logistics solutions, the Group can safeguard business continuity while reducing operational downtime and maintenance costs.

Moreover, climate regulations are tightening, with Singapore's rising carbon tax and global commitments like International Maritime Organisation ("**IMO**")'s net-zero emissions target by 2050. Failing to adapt could lead to increased financial liabilities, compliance risks, and loss of business as customers and investors prioritize environmentally responsible companies. Managing climate risks not only ensures regulatory compliance but also enhances the Group's competitiveness by positioning it as a sustainable service provider in the maritime and logistics industry. By integrating climate considerations into its operations, the Group can future-proof its business against long-term environmental and economic changes while seizing new opportunities in the transition to a low-carbon economy.

MANAGEMENT APPROACH

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

Governance

Board Oversight

The Board holds the ultimate responsibility for overseeing climate-related risks and opportunities, ensuring integration with the company's strategic objectives. Climate considerations are embedded in the Board's review of strategic plans, risk management policies, and annual budgets. Regular updates on climate-related issues are provided by the Strategic and Sustainable Development Committee, reinforcing accountability and continuous improvement in addressing climate risks.

Environment

Management's Role

The Strategic and Sustainable Development Committee, reporting to the Board, drives the Group's climate strategy, overseeing the implementation of initiatives and monitoring progress against climate-related targets. The ESG Working Team manages day-to-day integration of climate actions, tracking metrics and engaging stakeholders, while embedding climate considerations into operational KPIs.

Strategy

Climate-Related Risks and Opportunities

The Group assessed climate change impacts on its ship repair yards, container depots, and logistics hubs, categorizing them as physical risks, transition risks, and strategic opportunities.

Physical risk refers to the direct impact of environmental, climatic, or operational factors that can cause damage to infrastructure, supply chains, assets, and business continuity.

Physical risk including acute risk and chronic risk:

- Acute Physical Risks – Sudden events like hurricanes, earthquakes, or industrial accidents that cause immediate disruption.
- Chronic Physical Risks – Long-term climate effects such as rising temperatures, water stress, and gradual infrastructure degradation.

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

Physical Risks	
Type of Risks Short-Term/Long-Term	**Impact**
Acute Risks (Near-Term: 2025–2035)	Typhoons, floods, and heatwaves may damage shipyards, container depots, and logistics hubs, leading to operational downtime and increased maintenance costs. Storm surges and coastal flooding threaten critical marine engineering and logistics facilities in Singapore and Malaysia.
Chronic Risks (Long-Term: 2035–2100)	Sea level rise (0.5–1 meter by 2100) could disrupt port operations and necessitate significant infrastructure investments. Rising temperatures will increase energy costs for cooling warehouses and logistics facilities and may reduce worker productivity.

Environment

Transition Risks	
Type of Risks	**Impact**
Regulatory & Legal Risks	Singapore's carbon tax ($50-80 per tonnes of CO_2 equivalent ("**tCO_2e**") by 2030) will increase operational costs, particularly in fuel-intensive logistics and steel structure constructions. IMO's Net-Zero Emissions by 2050 mandate will require a transition to alternative fuels and cleaner marine technologies.
Market & Customer Expectations	Growing demand for low-carbon logistics and sustainable shipping solutions could reduce demand for high-emission marine engineering services. Investors and customers are increasingly prioritizing businesses with strong ESG credentials, presenting a reputational risk if the Group does not proactively align with sustainability expectations.
Technological Risks	The shift to hydrogen, ammonia, and biofuels requires significant R&D investments, making some existing assets potentially obsolete (stranded asset risk). Automation and AI-driven logistics efficiency solutions will be necessary to stay competitive but require high capital investments.

Climate-related Opportunities	
Opportunity	**Details**
Sustainable Logistics Expansion	Investment in carbon-neutral logistics, alternative power trucks, and green warehousing to enhance competitiveness.
Green Financing & Investment	Access to sustainability-linked loans, carbon credits, and investment incentives for energy-efficient operations.
Technological Innovation	AI-driven emissions monitoring, logistics automation, and digital transformation will drive cost savings and compliance efficiency.
New Revenue Streams	Offering carbon offset programs, circular economy logistics, and green shipping certifications.

Environment

Scenario Analysis

The Group uses 1.5°C and 2°C scenario modelling to evaluate long-term climate risks and opportunities.

1.5°C Scenario (Low Emissions, Net-Zero by 2050)	2°C Scenario (Delayed Transition, Higher Physical Risks)
Stronger carbon regulations and high carbon tax costs accelerate the transition to low-carbon logistics.	More extreme weather events and rising sea levels require high-cost infrastructure upgrades.
Customers demand net-zero logistics, requiring electrification and green fuels, and sustainable warehouses.	Slow regulatory enforcement delays decarbonization process, resulting in higher carbon tax.
Lower adaptation costs, but higher compliance investments are required.	Market shifts reduce demand for high-carbon logistic services, forcing late-stage adaptation costs.

Climate Strategy

The Group is enhancing resilience through:

- Green technology investments (solar panels, alternative fuels, electric logistics, energy-efficient ship repair).
- Upgrading warehouse, depot, workshop infrastructure to withstand flooding, extreme heat, and rising sea levels.
- Scenario planning (1.5°C & 2°C) to align with evolving climate policies and market conditions.
- Diversify revenue through sustainable logistics and green certification programs.

Climate Risk Management

Climate change presents both physical risks (extreme weather, sea level rise, temperature increases) and transition risks (regulatory changes, market shifts, technological advancements) that can impact the Group's overall operations, such as logistics, ship repair, steel structure construction and office space leasing. Recognizing the long-term implications of climate change, the Group has integrated climate risk management into its corporate strategy, investment planning, and operational resilience framework.

To ensure business continuity and regulatory compliance, the Group has adopted a proactive approach in evaluating and mitigating climate-related risks.

The Group is implementing resilient infrastructure solutions, energy efficiency measures, and decarbonization initiatives to align with Singapore's Green Plan 2030, IMO Net-Zero Emissions by 2050 goal, and broader global sustainability commitments.

Environment

In addition to managing risks, the Group views climate action as a business opportunity to enhance competitiveness. By investing in alternative fuels, sustainable logistics, and green technology, the Group is positioning itself as a leader in low-carbon integrated logistics and marine engineering solutions. The company is also exploring green financing options, carbon offset programs, and strategic partnerships to drive innovation and sustainability in the maritime sector.

As part of its enterprise risk management framework, the Group integrates climate risk assessment into decision-making processes. This includes scenario analysis (1.5°C and 2°C pathways), stakeholder engagement, and predictive analytics to track industry trends and evolving regulatory landscapes. Additionally, the Group has established cross-functional coordination between sustainability, finance, and operations teams to ensure that climate risks are continuously monitored, evaluated, and mitigated through strategic adaptation and investment planning.

The following section outlines the structured approach the Group uses to identify, assess, and manage climate-related risks, ensuring long-term business resilience and sustainability leadership in the maritime and logistics industry.

Process for Identifying and Assessing Risks

The Group integrates climate risk assessment into enterprise risk management, using:

- Stakeholder engagement (management and employees, regulators, investors, customers).
- Climate scenario modelling (1.5°C and 2°C pathways).
- Predictive analytics to track industry and regulatory trends.

Integration into Risk Management

Climate risks are managed through the Group's QEHS Management Systems, ensuring:

- Cross-functional coordination across operations, finance, and sustainability teams.
- Continuous monitoring of climate risks and integration into capital planning, procurement, and logistics strategy.
- Regular stress testing and emergency response planning to enhance operational resilience.

Supplier & Supply Chain Climate Risk Management

- Climate-resilient procurement approaches ensure supply chain stability.
- Diversification of suppliers to reduce climate-related disruptions.

Environment

Climate Risk Identification

Physical Risk

Acute Risk			
Risk	**Description**	**Potential Financial Impact**	**Mitigation Strategy**
Extreme weather events e.g. Including flooding, rainstorms, and extreme hot days	Intense rainfall and flooding can inflict damage on infrastructure and equipment. Reduced outdoor productivity due to persistent rainfall. Heavy rainfall may necessitate the rerouting of deliveries cause delivery delay. Sudden and extreme precipitation events can cause flash floods, which can disrupt road transport business activities. Frequent lightning and flooding curtail outdoor activities and elevate safety hazards. Elevated temperatures heighten the risk of heat-related illnesses, such as heat stroke, among outdoor workers.	Leading to operation difficulties, e.g. Interrupt scheduled deliveries, operational difficulties; Higher repair and maintenance cost; Early scrapping of current assets; Supply chain disruption; Increased operating costs.	Investment in resilient infrastructure, emergency preparedness plans, real-time climate monitoring systems.
Chronic Risk			
Rising sea levels	As sea levels rise, there is a heightened risk to warehouse, depot, workshop infrastructure. This situation may necessitate substantial financial investment to modify or relocate at-risk facilities.	Increased operating and maintenance costs.	Infrastructure upgrades, enhanced logistics and contingency planning, investment in heat-resistant materials.
Temperature change	Increasingly frequent hot days raise health and safety risks for workers and drivers involved in outdoor operations, necessitating enhanced protective measures and protocols.	Operation difficulties; Increased operation costs.	Increase automation application in warehouse/logistic services.

Environment

Transition Risk

Risk	Description	Potential Financial Impact	Mitigation Strategy
Legal & Regulatory	As governments strengthen policies to mitigate climate change, shipping and logistics companies are likely to encounter more rigorous emissions standards. Adapting to these regulations may necessitate substantial investments in eco-friendlier technologies and modifications to operational practices.	Increased compliance costs, potential fines, additional investments in emissions reduction technology.	Proactive compliance monitoring, investment in low-carbon technology, participation in industry collaborations to shape policy.
	Increase carbon taxation will lead to higher energy and maintenance expenses.	Increased operating and maintenance costs.	
Market Shift	Rising demand for sustainable shipping and logistics solutions, customer preference for low-emission service providers. The rising customer demand for environmentally friendly services compels a hastened shift towards a carbon-neutral model, thereby inflating R&D expenditures as well as other operational costs associated with this transition.	Loss of market share, decreased revenue from customers prioritizing sustainability.	Expansion of eco-friendly service offerings, enhanced engagement with sustainability-conscious customers, development of carbon-neutral logistics options.
Reputational Risk	Insufficient environmental performance and transparency may lead investors and customers to favour competitors who demonstrate stronger eco-friendly credentials. Investors are advocating for the adoption of new and renewable energy sources within company operations to align with sustainable investment criteria.	Potential loss of investor confidence, difficulty in securing financing, brand damage.	Transparent sustainability reporting, active stakeholder engagement, climate-related performance disclosure, sustainability branding.

Environment

Risk	Description	Potential Financial Impact	Mitigation Strategy
	Growing investor and customer scrutiny over environmental performance dictates that Group facing contract terminations and compliance with contemporary regulations is critical. Non-compliance may result in the decrease in investments. compliance costs related to global climate policies.		

As a Group, we are committed to tracking and implementing the latest strategies to reduce our environmental footprint, thereby contributing to the global effort to combat climate change. To date, we have adopted the following two approaches that enable us to monitor and minimize our carbon emissions effectively.

Metrics and Target

The Group tracks the following climate performance indicators:

- Energy Consumption (kWh, gigajoules ("**GJ**"))
- Total Annual Carbon Emissions (Scope 1 and 2)
- Energy Consumption/Emissions Intensity
- Operational Disruptions Due to Climate Events

Increase the percentage of renewable energy usage, ensure zero operational disruptions caused by climate events. Tracking our Scope 1, 2 and 3 carbon emission.

More details of Metrics and Target are being disclosed under Energy and Greenhouse Gas Emission Section.

FY2024 PERFORMANCE

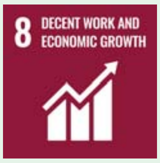
FY2024 performance please refer to Energy and Greenhouse Gas Emission section.

FY2025 TARGET

FY2025 target setting please refer to Energy and Greenhouse Gas Emissions section.

Environment

ENERGY AND GREENHOUSE GAS EMISSIONS

MATERIAL TOPIC	RELEVANT SDGs
Energy Emissions	 

WHY THIS IS IMPORTANT

Effective emission and energy management is integral to our value and supply chains, going beyond compliance to enhance operational efficiency and sustainability. By continuously evaluating our processes, the Group aims to identify opportunities to enhance energy efficiency while ensuring strict compliance with environmental and emissions regulations. This commitment aligns with the Singapore Green Plan 2030 and reinforces our dedication to sustainable and responsible operations. This proactive approach not only mitigates financial and reputational risks but also positions the entire Group as a leader in sustainable logistics.

Our commitment to reducing emissions and managing energy consumption enhances the sustainability of the entire supply chain, meeting the increasing demand from customers and stakeholders for environmentally responsible logistic options. This dedication not only strengthens customer trust and enhances our brand value but also establishes the Group as a market leader in innovation and sustainability within industry we engage in.

Moreover, by future-proofing our operations against stricter future emission regulations and shifts towards a low-carbon economy, the Group ensures long-term resilience and competitiveness. Our strategic focus on emissions and energy management demonstrates our commitment to sustainable development and positions us as a preferred partner in the global marketplace, aligning our operations with broader environmental goals.

MANAGEMENT APPROACH

The Group is managing its carbon footprint as a key component of our long-term sustainability strategy by closely monitoring energy consumption and tracking emissions data. Through the adoption of an emissions management system, we systematically gather and analyse this data, allowing us to assess and continuously improve our performance. This disciplined approach is crucial to achieving our goal of reducing carbon emissions and furthering our commitment to sustainability.

Proactive Carbon Management

The Group manages its carbon footprint as a crucial aspect of our long-term sustainability strategy. By closely monitoring energy consumption and emissions through our advanced emissions management system, we can systematically gather and analyse data to continually enhance our performance. This disciplined approach helps us achieve our goal of reducing carbon emissions and furthers our commitment to sustainability.

Environment

Energy Conservation Management

We prioritize energy efficiency through green procurement policies, ensuring that all purchased equipment, such as electric forklifts, comply with the Environmental Protection and Management (Energy Conservation) Regulations. Operational optimizations include stringent idling prevention measures and power management strategies, alongside rigorous maintenance schedules that enhance system efficiency and prevent fuel spills.

Emissions Control

Our emissions control measures mitigate environmental impacts by managing air and noise pollution effectively. Workplace controls limit exposure to toxic dust and fumes, supplemented by regular air quality tests. Compliance with the Environmental Protection and Management (Air Impurities) Regulations is mandatory, with immediate repairs for any non-compliance. Noise pollution is also addressed through the strategic placement of barriers and the provision of hearing protection.

Monitoring and Compliance

Vigilant monitoring of electricity and fuel consumption helps identify deviations from expected usage, ensuring that our operations remain within environmental compliance standards. We maintain detailed records of emissions tests and update our legal registers regularly to reflect current environmental standards and regulations.

Employee Awareness and Training

We engage employees through targeted awareness campaigns and training programs that emphasize the importance of energy conservation and emissions reduction. Employees and contractors are encouraged to report any energy or emissions abnormalities, fostering a proactive environmental stewardship culture.

Continuous Improvement

Our commitment to continuous improvement is reflected in our internal audits and management reviews, which identify opportunities to adopt renewable energy sources and optimize logistic routes.

FY2024 PERFORMANCE - ENERGY

In FY2024, the Group's total energy consumption reached 282,233.20 GJ, comprising:

- 252,294.93 GJ from the combustion of diesel, petrol, and liquefied petroleum gas ("**LPG**").
- 29,938.27 GJ from purchased electricity.

Diesel remained the primary energy source, accounting for 89.1% of total consumption, followed by purchased electricity (10.61%), petrol (0.28%), and LPG (0.01%). Cogent Singapore and Cogent Malaysia accounted for 49.9% and 49.1% of total energy use, respectively, while CSME contributed 1%.

Environment

To enable consistent tracking and meaningful comparisons, we calculated energy consumption intensity across key business units based on their revenues (in per thousand Singapore Dollar ("**S$ '000**"). The higher energy intensity observed in Cogent Malaysia is primarily due to its relatively lower revenue, which impacts the intensity calculation.

Compared to FY2023, our total energy consumption increased by 9.4%, primarily due to the replacement of 19 new prime movers under Cogent Malaysia, meanwhile, Cogent Malaysia successful secured a new contract from a major client. While this led to an initial increase in fuel consumption, these vehicles are expected to improve fuel efficiency and reduce emissions over time. Meanwhile, CSME demonstrated improved energy performance, achieving reductions in both absolute energy consumption and energy intensity.

Energy Consumption (GJ) from Fuel

Entity	Source	Fuel	FY2023 Energy Consumption (GJ)	FY2023 Entity Total Energy Consumption (GJ)	FY2024 Energy Consumption (GJ)	FY2024 Entity Total Energy Consumption (GJ)
Cogent Singapore	Stationary	Diesel	4,973.07	114,653.15	3,407.78	117,442.85
	Mobile	Diesel	108,764.15		113,257.47	
	Mobile	Petrol	915.93		777.60	
Cogent Malaysia[1]	Mobile	Diesel	110,440.41	110,478.25	133,622.50	133,622.50
	Mobile	LPG	37.84		0.00	
CSME	Mobile	Diesel	1,621.13	1,692.08	1,205.93	1,229.58
	Purchased Gas	LPG	70.95		23.65	

**Acetylene (classified as a purchased gas) is not currently listed under the GHG Protocol or the NEA guidelines for energy and emissions calculations. In FY2023 and FY2024, CSME purchased 16.34 tonnes and 2.98 tonnes of acetylene, respectively.*

[1] In FY2024, the Group identified an omission in its FY2023 energy calculations: diesel use by Cogent Malaysia's prime movers was unaccounted for. The total energy consumption has been revised to 110,478.25 GJ from 11,868.00 GJ after including the diesel usage.

Energy Consumption (kWh and GJ) from Electricity

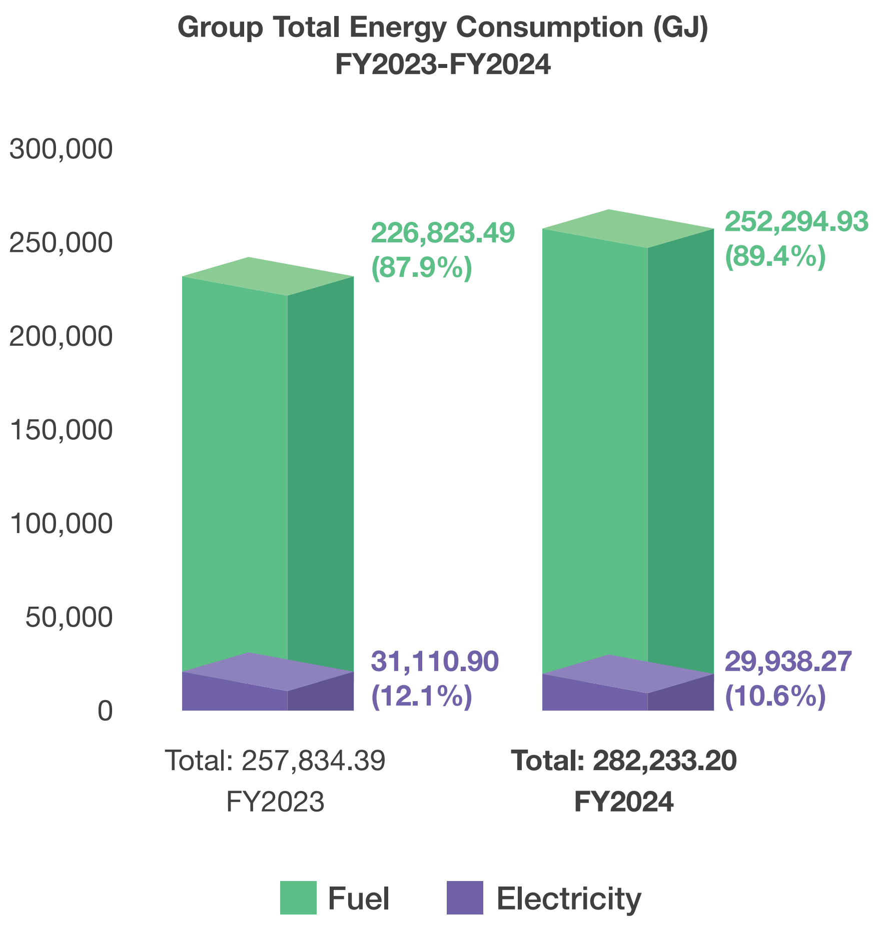
Entity	FY2023 Electricity Consumption (kWh)	FY2023 Energy Consumption (GJ)	FY2024 Electricity Consumption (kWh)	FY2024 Energy Consumption (GJ)
Cogent Singapore	6,435,500.69	23,167.80	6,473,060.00	23,303.02
Cogent Malaysia	1,202,501.00	4,329.00	1,395,430.32	5,023.55
CSME	1,003,913.85	3,614.09	447,695.98	1,611.71

Environment

Energy Consumption Intensity (GJ/S$ '000)

Entity	Energy Consumption Intensity (GJ/S$ '000)	
	FY2023	FY2024
Cogent Singapore	0.83	0.89
Cogent Malaysia	3.93	5.17
CSME	0.30	0.14

Group Total Energy Consumption (GJ)



Environment

FY2024 PERFORMANCE - EMISSIONS

In FY2024, the Group's GHG emissions amounted to 23,082.32 tCO_2e, comprising:

- Scope 1 emissions: 19,150.90 tCO_2e (83.0%), primarily from fuel combustion, as well as the use of purchased gases, refrigerants, and fire suppression equipment.
- Scope 2 emissions: 3,931.41 tCO_2e (17.0%), attributed to purchased electricity consumption.

Compared to FY2023, our total GHG emissions increased by 8.7%, largely due to the replacement of 19 new prime movers under Cogent Malaysia. Across our entities, Cogent Singapore and Cogent Malaysia were the largest contributors to emissions, accounting for 49.7% and 49.0%, respectively, while CSME contributed 1.4%.

Scope 1 Emissions (tCO_2e)

Entity	FY2023		FY2024	
	Energy Consumption (GJ)	Scope 1 Emissions (tCO_2e)	Energy Consumption (GJ)	Scope 1 Emissions (tCO_2e)
Cogent Singapore	114,653.15	8,519.26	117,442.85	8,798.10
Cogent Malaysia	110,478.25	8,212.85	133,622.50	10,223.73
CSME	1,692.08	473.48	1,229.58	129.07

**In FY2023, CSME consumed 348.48 tonnes of CO_2; In FY2024, consumption decreased to 37.92 tonnes. Additionally, Cogent Singapore replenished 33.9 kg of R410A, while Cogent Malaysia used 90 kg of HFC-227EA and 36.5 kg of CO_2.*

Scope 2 Emissions (tCO_2e)

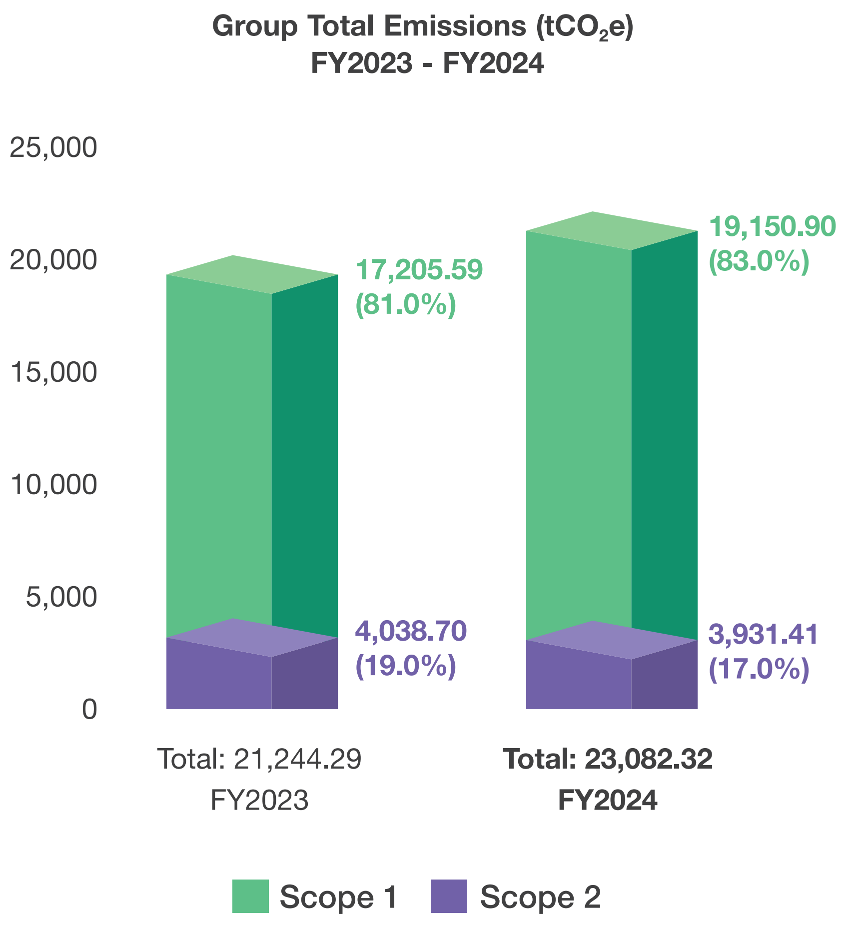
Entity	FY2023		FY2024	
	Energy Consumption (GJ)	Scope 2 Emissions (tCO_2e)	Energy Consumption (GJ)	Scope 2 Emissions (tCO_2e)
Cogent Singapore	23,167.80	2,682.32	23,303.02	2,666.90
Cogent Malaysia	4,329.00	937.95	5,023.55	1,080.06
CSME	3,614.09	418.43	1,611.71	184.45

Environment

Emissions Intensity (tCO_2e/S$ ’000)

Entity	Emissions Intensity (tCO_2e/S$ ’000)	
	FY2023	FY2024
Cogent Singapore	0.07	0.07
Cogent Malaysia	0.31	0.42
CSME	0.05	0.02

Group Total Emissions (tCO_2e)



FY2025 TARGET

The Group is committed to setting bold yet attainable energy and emissions reduction targets. Our strategy involves meticulous monitoring of energy consumption and emissions across all operations. Through a comprehensive tracking system, we aim to gain a precise understanding of our current energy usage and emissions profile. We strive to cultivate a culture of sustainability throughout the organization, where ongoing improvements in energy management and emissions reduction are integrated into every facet of our business. Furthermore, we ensure that all emissions from our activities fully comply with regulatory requirements.

Environment

WATER USAGE

MATERIAL TOPIC	RELEVANT SDGs
Water Usage and Effluent Management	8 DECENT WORK AND ECONOMIC GROWTH; 13 CLIMATE ACTION

WHY THIS IS IMPORTANT

Recognizing water as a vital and increasingly scarce resource, particularly in Singapore where water tariffs continue to rise, the Group has embedded water conservation as a core component of our sustainability strategy. Efficient management of water usage is not only a financial priority but also an environmental and social responsibility. By closely monitoring our water consumption and actively minimizing the environmental impact of our operations, we demonstrate our commitment to sustainable development and the responsible stewardship of natural resources. This approach aligns with our broader sustainability goals and reinforces our dedication to making a positive contribution to the communities and environments in which we operate.

MANAGEMENT APPROACH

The Group is committed to sustainable water management through conservation efforts and pollution prevention strategies across our marine engineering, logistics, and warehousing operations. We recognize water as a critical resource and actively implement measures to optimize usage, prevent contamination, and comply with environmental regulations.

Our water management strategy is integrated into our QEHS framework, overseen by the QEHS Management Representative and department heads.

Key responsibilities include:

- QEHS Management Representative: Developing and promoting water conservation and pollution control measures.
- Department Heads: Ensuring operational compliance with water efficiency and pollution prevention practices.
- Employees & Contractors: Reporting leaks, spills, and nonconformities, and adhering to best practices.

Environment

The following key strategies and initiatives are being implemented:

Water Conservation

- Infrastructure Efficiency: Optimization of warehouse and depot layouts to reduce unnecessary water use.
- Leak Detection & Maintenance: Routine inspections of pipelines, hoses, and equipment to identify and rectify leaks promptly.
- Usage Monitoring: Monthly tracking of water consumption, with investigations triggered for unusual increases.
- Awareness & Training: Employee engagement through posters, briefings, and conservation campaigns.

Pollution Prevention & Wastewater Management

- Hazardous Material Handling: Warehouses licensed by NEA and SCDF ensure proper storage and handling of chemicals to prevent leaks.
- Spill Control Measures: Regular inspections of chemical storage areas; Availability of spill kits and sawdust at critical locations (e.g., diesel stations, hazardous material transport, chemical warehouse and drumming line areas).
- Wastewater Treatment: Maintenance of grease traps in canteen facilities to prevent discharge of contaminants into sewers; Controlled cleaning practices in chemical storage areas to prevent water contamination.

Transportation & Emergency Preparedness

The Group integrates advanced safety measures and regulatory compliance into its water pollution prevention strategy. Our GPS-guided fleet ensures real-time tracking of hazardous material transport, equipped with spill response kits to mitigate potential leaks during transit. At our container depots, the use of overhead cranes instead of reach stackers minimizes the risk of accidental spills, enhancing operational safety. Additionally, our Emergency Response Teams ("**ERTs**"), comprised of trained personnel, are always on standby to ensure rapid containment of spills, preventing contamination of water sources. We strictly adhere to NEA and SCDF regulations for pollution control and hazardous material management. Our operations comply with Material Safety Data Sheet ("**MSDS**") requirements, ensuring safe handling, storage, and disposal of chemicals. Continuous monitoring and improvement initiatives reinforce our commitment to minimizing environmental impact while maintaining the highest standards of water resource protection.

Additionally, the Group continuously invests in green procurement and technology-driven solutions to enhance water efficiency and reduce environmental impact. Regular performance reviews and audits help us identify areas for improvement, ensuring long-term sustainability in our water management practices.

Environment

FY2024 PERFORMANCE

In FY2024, the Group's total water consumption amounted to 104,193.56 cubic meters ("**m^3**"). Cogent Singapore accounted for 51.3% of the total consumption, followed by Cogent Malaysia at 45.6%, while CSME used the least at 3.1%.

Compared to FY2023, our total water consumption increased by 13.3%, primarily due to a leak in the main water supply at one of our buildings in Cogent Malaysia, which was repaired in March 2024. Additionally, water usage rose as a result of increased operational volume, following the successful award of a new contract from a major client.

Water Consumption (m^3)

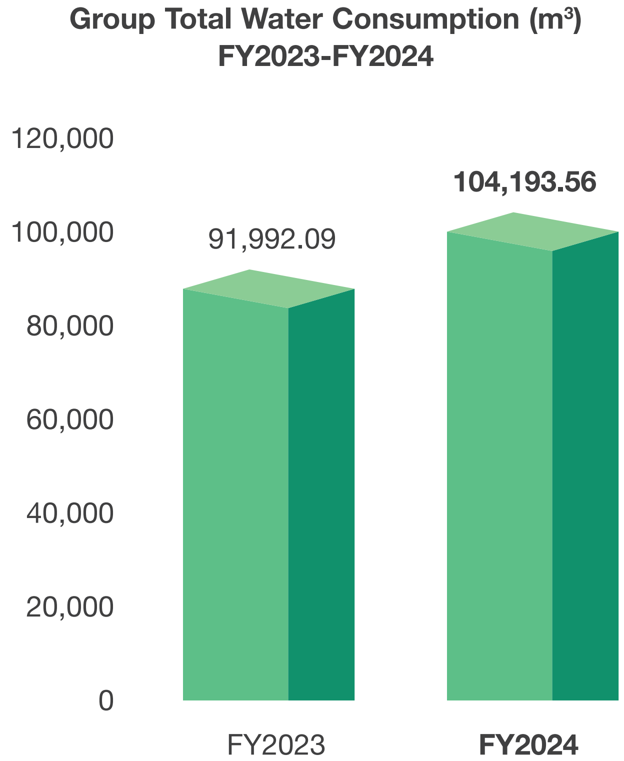
Entity	Water Consumption (m^3)	
	FY2023	FY2024
Cogent Singapore	49,240.19	53,475.29
Cogent Malaysia	37,633.00	47,529.67
CSME	5,118.90	3,188.60

Water Consumption Intensity (m^3/S$ '000)

Entity	Water Consumption Intensity (m^3/S$ '000)	
	FY2023	FY2024
Cogent Singapore	0.30	0.34
Cogent Malaysia	1.29	1.77
CSME	0.28	0.16

Environment

Group Total Water Consumption (m^3)



FY2025 TARGET

In FY2025, the Group is dedicated to providing ongoing education to our employees on minimizing the environmental impact on water resources. We are fully committed to adhering to all relevant regulations and are striving for zero incidents of illegal discharges or spill accidents, as part of our continuous efforts in responsible environmental stewardship.

Environment

WASTE MANAGEMENT

MATERIAL TOPIC	RELEVANT SDGs
Waste Management	8 DECENT WORK AND ECONOMIC GROWTH; 13 CLIMATE ACTION

WHY THIS IS IMPORTANT

A well-established waste management system is fundamental to the Group's sustainability efforts and reflects its commitment to responsible corporate citizenship. Through efficient waste management, the Group reduces operational costs, enhancing its economic sustainability. Additionally, this approach underscores the Group's dedication to environmental responsibility by helping preserve ecosystems and minimizing its ecological footprint. By prioritizing waste management, the Group sets a positive example for industry peers and builds goodwill within the communities it serves. In essence, the system aligns with the Group's sustainability vision, integrating economic, environmental, and social objectives.

MANAGEMENT APPROACH

The Group is committed to reducing waste generation, enhancing recycling efforts, and ensuring the safe disposal of hazardous and non-hazardous waste in alignment with ISO 14001 Environmental Management Standards. The Group integrates structured waste management practices across its logistics, warehousing, and ship repair operations while complying with regulatory requirements set by NEA and SCDF. The Group prioritizes sustainable waste reduction strategies and responsible disposal methods to minimize its environmental footprint.

Waste Reduction and Recycling Initiatives

As part of its waste management strategy, the Group actively implements initiatives that focus on reducing, reusing, and recycling materials. The Group emphasizes material conservation by reusing wooden crates, plastic packaging, cardboard boxes, and pallets whenever possible to minimize waste generation. Additionally, strategically placed recycling bins at workplaces ensure proper waste segregation, allowing employees to separate recyclable materials efficiently. In efforts to reduce paper waste, the Group promotes digital documentation, encourages double-sided printing, and reuses printed paper for internal drafts.

Housekeeping plays a vital role in maintaining a clean and waste-free working environment. The Group enforces daily housekeeping practices that involve regular waste segregation, immediate rectification of slip and trip hazards, and ensuring work areas remain free of excessive materials. These practices contribute to maintaining a sustainable operational environment while reducing unnecessary waste accumulation.

Environment

Hazardous Waste Management

The Group adheres to strict hazardous waste management protocols to ensure the safe handling, transportation, and disposal of hazardous substances such as spent oil, used paints, and solvents. All hazardous materials are stored in licensed warehouses compliant with NEA and SCDF regulations, ensuring that they are handled with the highest safety standards. The Group enforces proper disposal measures by segregating hazardous waste into designated waste bins and working with licensed waste collectors approved by NEA to ensure safe and compliant disposal.

In addition to proper hazardous waste handling, the Group has dedicated ERTs responsible for managing hazardous spills and waste leakage incidents. This team is trained to implement spill control measures effectively, ensuring that any hazardous material leakage is contained and disposed of in an environmentally responsible manner. The Group also maintains specialized waste management protocols for its ship repair and marine engineering operations, ensuring that hazardous waste generated from vessel maintenance is managed in compliance with international environmental regulations.

Compliance and Continuous Improvement

The Group remains committed to continuous improvement in waste management through periodic audits, compliance checks, and employee training programs. As an ISO 14001-certified organization, the Group follows international environmental management standards to uphold best practices in waste handling and disposal. The Group ensures full compliance with NEA and SCDF guidelines to mitigate environmental risks associated with hazardous waste. Regular audits and monitoring allow the Group to assess its waste management processes and identify areas for improvement, ensuring that the Group remains at the forefront of sustainable waste management practices.

Future Commitments

Looking ahead, the Group aims to enhance its waste management efforts by integrating circular economy principles into its logistics and warehousing operations. The company is exploring opportunities to implement digital tracking systems to monitor waste reduction progress and optimize recycling efforts. Furthermore, the Group seeks to strengthen its partnerships with certified waste management providers to improve the efficiency of its waste disposal and recycling processes.

By embedding waste reduction, recycling, and hazardous waste management into its core operations, the Group continues to demonstrate its commitment to environmental sustainability, regulatory compliance, and responsible resource management.

Environment

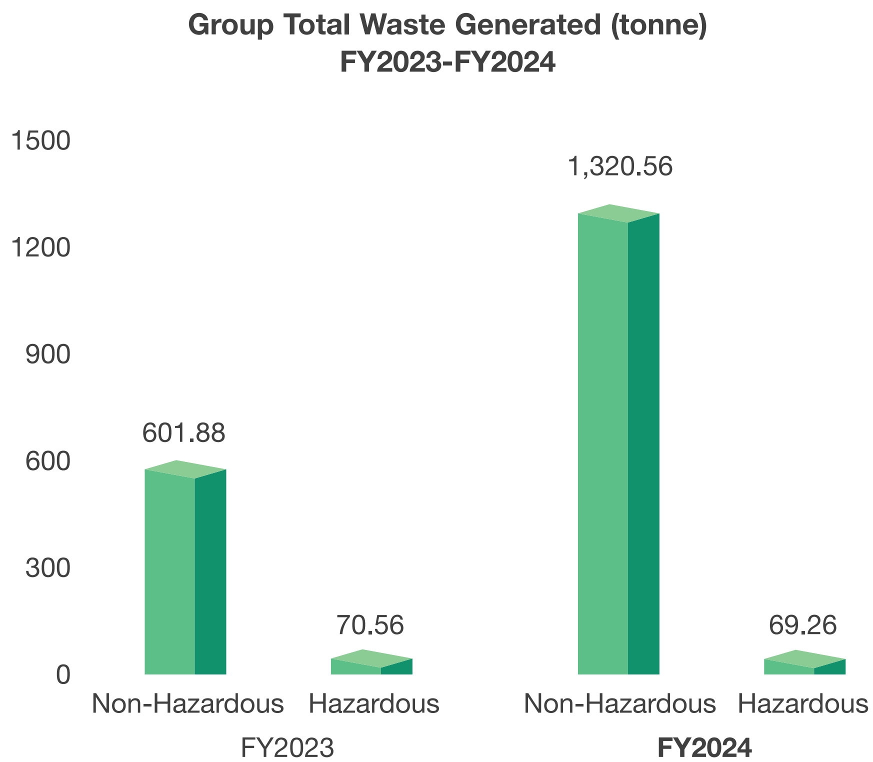
FY2024 PERFORMANCE

In FY2024, the Group generated 1,320.56 tonnes of non-hazardous waste and 69.26 tonnes of hazardous waste. A portion of the total waste, including wood, plastic, paper, and metal, was recycled. Additionally, both general and hazardous waste were managed through licensed waste contractors, ensuring proper collection, specialized treatment, and compliant disposal in accordance with regulatory requirements.

Waste Generated (tonne)

Entity	FY2023		FY2024	
	Non-hazardous Waste (tonne)	Hazardous Waste (tonne)	Non-hazardous Waste (tonne)	Hazardous Waste (tonne)
Cogent Singapore	344.10	61.00	614.52	63.00
Cogent Malaysia	108.38	9.56	589.36	6.26
CSME	149.40	0.00	116.68	0.00
Total	**601.88**	**70.56**	**1,320.56**	**69.26**

Group Total Waste Generated (tonne)



FY2025 TARGET

By working collaboratively with employees, suppliers, and partners, we aim to optimize resources, promote recycling, and minimize environmental impact in FY2025.

Social

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

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

UN SDGs We Support

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Social

FAIR EMPLOYMENT CONDITION AND EMPLOYEE DIVERSITY

MATERIAL TOPIC	RELEVANT SDGs
Fair Employment Condition Employment Relations and Diversity	

WHY THIS IS IMPORTANT

At the Group, we recognize that fair employment conditions, strong employer-employee relationships, diversity, and anti-discrimination policies are fundamental to our sustainable growth. Our people are the driving force behind our success, and ensuring a fair, inclusive, and safe working environment enhances workforce stability, improves operational efficiency, and strengthens our corporate reputation. By fostering equitable employment practices, we not only comply with global labour standards but also attract, retain, and empower top talent, ensuring business resilience in the evolving maritime and logistics industry.

A diverse and inclusive workforce brings innovation, agility, and diverse perspectives that enhance decision-making and problem-solving, which are critical in a globalized business environment. Upholding anti-discrimination and harassment-free workplace policies mitigates operational risks, reduces legal liabilities, and cultivates a culture of trust and respect among employees. By prioritizing these material topics, the Group aligns with international ESG standards and regulatory frameworks, reinforcing our commitment to responsible business practices while contributing to long-term economic, social, and environmental sustainability.

MANAGEMENT APPROACH

We are committed to fostering both individual and organizational growth by embedding fair employment practices, diversity, and inclusivity at the core of our operations. Our recruitment, training, and employee development programs are designed to ensure equal opportunities, enhance skills, and promote a respectful and inclusive work environment. As we expand regionally, we prioritize developing a diverse talent pool, recognizing that an equitable and engaged workforce is essential for long-term success and business resilience.

We understand the importance of empowering employees at all levels by providing opportunities for growth, leadership development, and career progression in a non-discriminatory and merit-based workplace. By continuously refining our employment policies, we aim to attract, nurture, and retain top talent who will drive innovation and execute our vision. The Group takes pride in fostering an inclusive and harassment-free workplace where proactive employee engagement, respect for diversity, and strong labour relations contribute to a sustainable and high-performing organization.

Social

Fair Employment Conditions

The Group is committed to providing fair and equitable employment conditions in compliance with national labour laws and international best practices. All employment conditions, including wages, working hours, benefits, and leave entitlements, adhere to the applicable labour laws and are transparently communicated to all employees.

- Employees shall receive fair remuneration in accordance with industry standards and market competitiveness.
- The Group ensures that all employees are granted appropriate rest periods, annual leave, medical leave, and parental leave as per legal requirements.
- Working conditions, including health and safety standards, shall be upheld to promote employees' well-being.
- Employment contracts shall be in written form, clearly outlining the rights, responsibilities, and obligations of both the employer and employee.

Employment Relationship

The Group recognizes the importance of a positive employer-employee relationship to foster a productive and inclusive work environment.

- Recruitment & Hiring: The Group follows a transparent and merit-based recruitment process, free from discrimination, ensuring equal opportunities for all candidates.
- Probation & Confirmation: Employees undergo a fair probation period with structured performance assessments before confirmation of employment.
- Promotion & Career Development: Employees shall have equal access to career advancement opportunities based on merit, skills, and job performance.
- Termination & Resignation: All employment terminations shall be conducted fairly, in line with contractual agreements and employment laws, with due notice and severance benefits where applicable.
- Labor-Management Relations: The Group encourages open communication between employees and management, ensuring that grievances and concerns are addressed through structured processes.

Social

Diversity & Equal Opportunity

The Group values diversity and is committed to fostering an inclusive and respectful workplace. Employment decisions, including hiring, promotions, training, and compensation, shall be based solely on individual merit, skills, and job performance, without discrimination on any basis.

- The Group actively promotes gender balance and equal participation across all levels of the organization.
- Employees of all backgrounds, including those from different nationalities, ethnicities, religions, ages, genders, disabilities, and socioeconomic backgrounds, are encouraged to contribute fully to the workforce.
- Diversity training and awareness programs shall be conducted to create an inclusive workplace culture.
- Special accommodations shall be made for employees with disabilities to enable them to perform their duties effectively.

Anti-Discrimination & Harassment-Free Workplace

The Group maintains a zero-tolerance policy for discrimination, harassment, and workplace bullying.

- Non-Discrimination Policy: Employees shall not be subject to any form of discrimination based on race, gender, age, nationality, religion, disability, sexual orientation, or any other protected characteristic.
- Equal Pay: Employees shall receive equal pay for equal work, with salaries and benefits determined based on role responsibilities, experience, and performance.
- Harassment-Free Workplace: Any form of harassment, including verbal, physical, sexual, or psychological abuse, is strictly prohibited. Employees experiencing or witnessing such behaviour must report it through established grievance mechanisms.
- Confidential Reporting Mechanism: The Group provide confidential and accessible reporting channels for employees to raise concerns without fear of retaliation.

FY2024 PERFORMANCE

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

- CSIS;
- Cogent Singapore;
- Cogent Malaysia;
- CSME.

Social

Total Employees by Gender

As of 31 December 2024, the Group had a total of 884 employees. The gender ratio remained stable compared to FY2023, with 78.5% male employees and 21.5% female employees.

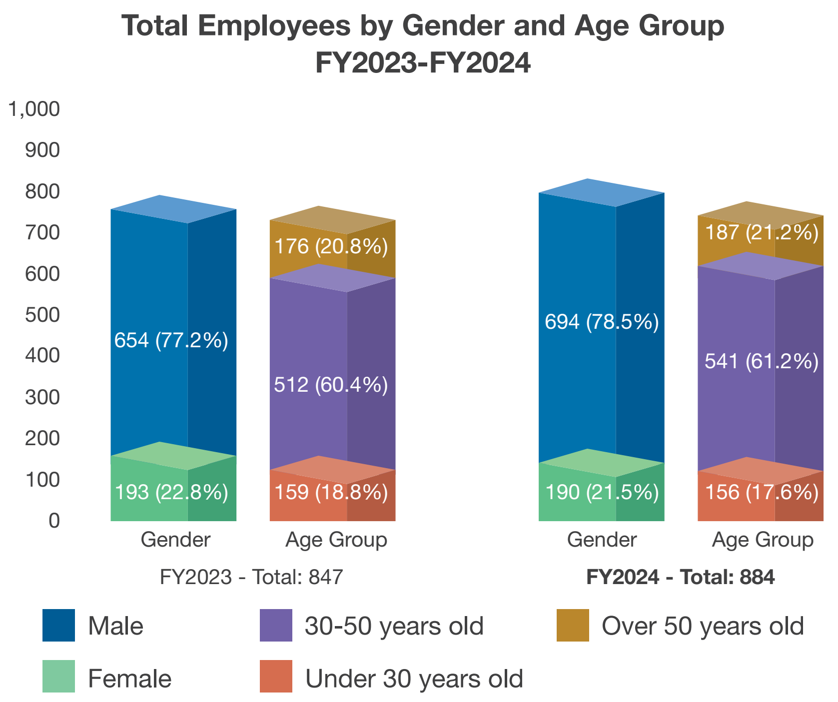
Gender	Total Employees	
	FY2023	FY2024
Male	654	694
Female	193	190
Total	**847**	**884**

Total Employees by Age Group

In FY2024, the Group's workforce comprised 156 employees under 30 years old, 541 employees between 30 and 50 years old, and 187 employees over 50 years old. Employees aged 30 to 50 years represented the largest proportion at 61.2%, followed by those over 50 years old at 21.2%, and those under 30 years old at 17.6%. The overall age distribution remained consistent with FY2023.

Age Group	Total Employees	
	FY2023	FY2024
Under 30	159	156
30-50	512	541
Over 50	176	187
Total	**847**	**884**

Total Employees by Gender and Age Group



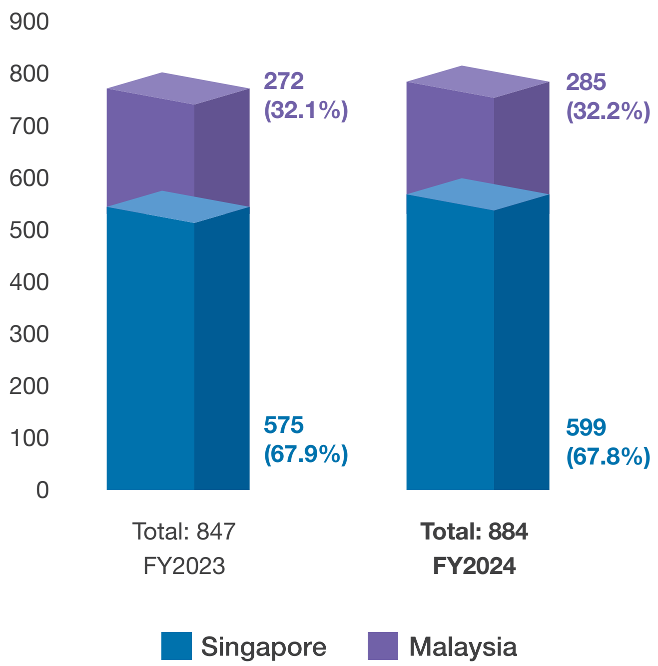
Social

Total Employees by Geological Location

In FY2024, 67.8% of our employees were based in Singapore, while 32.2% were based in Malaysia.

Geological Location	Total Employees	
	FY2023	FY2024
Singapore	575	599
Malaysia	272	285
Total	**847**	**884**

Total Employees by Geological Location FY2023-FY2024



Total Employees by Contract Type

In FY2024, 835 employees were on permanent contracts, while 49 employees were on temporary contracts. Permanent employees accounted for 94.5% of our total workforce.

Contract Type	Total Employees	
	FY2023	FY2024
Permanent	797	835
Temporary	50	49
Total	**847**	**884**

Social

Total Employees by Working Type

In FY2024, the Group employed 879 full-time employees and 5 part-time employees, with full-time employees comprising 99.4% of our total workforce.

Working Type	Total Employees	
	FY2023	FY2024
Full Time	841	879
Part Time	6	5
Total	**847**	**884**

New Hires by Gender

In FY2024, the Group welcomed 308 new hires, comprising 218 males and 90 females.

Gender	New Hires	
	FY2023	FY2024
Male	201	218
Female	85	90
Total	**286**	**308**

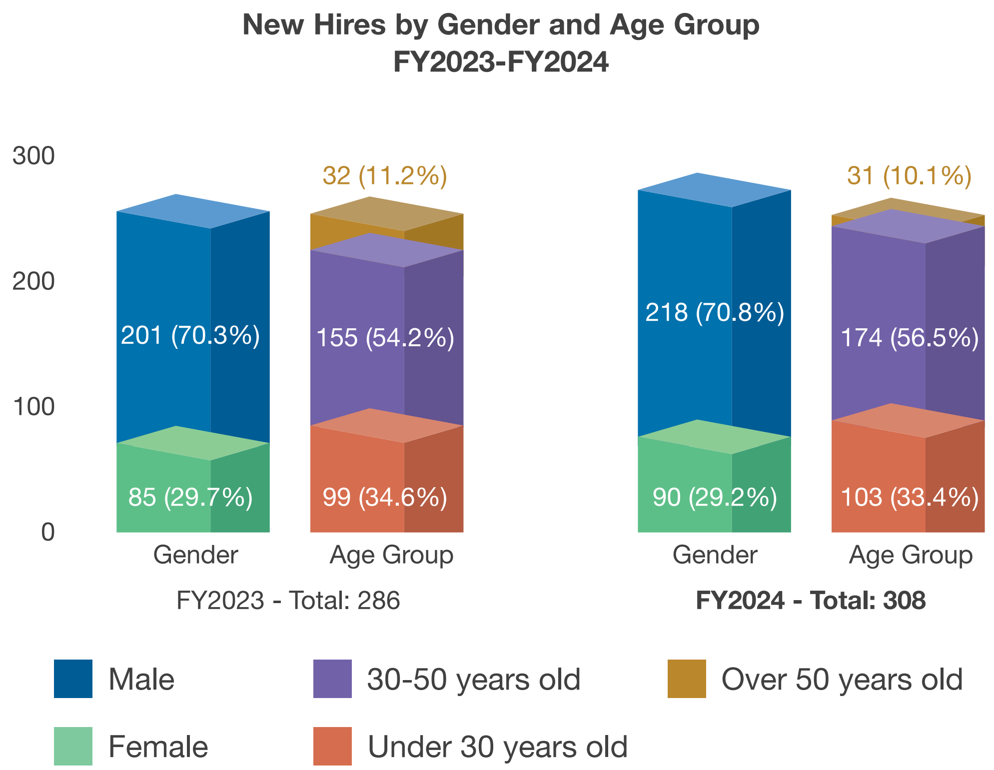
New Hire by Age Group

In FY2024, the Group hired 103 employees under 30 years old, 174 employees between 30 and 50 years old, and 31 employees over 50 years old.

Age Group	New Hires	
	FY2023	FY2024
Under 30	99	103
30-50	155	174
Over 50	32	31
Total	**286**	**308**

Social

New Hire by Gender and Age Group



Employee Turnover

In FY2024, the Group recorded 277 employee departures, resulting in a turnover rate of 32.0%. Compared to FY2023, the employee retention rate improved by 8%, with CSME, Cogent Singapore, and Cogent Malaysia all experiencing a higher employee retention rate. Most of our entities achieved stronger employee retention, reflecting our ongoing efforts and commitment to enhancing workplace satisfaction and engagement.

Entity	Employee Turnover - No. (Rate)	
	FY2023	FY2024
CSIS	1 (8.0%)	3 (20.7%)
Cogent Singapore	224 (48.6%)	167 (36.7%)
Cogent Malaysia	98 (36.1%)	98 (35.2%)
CSME	22 (18.6%)	9 (7.6%)
Overall	**345 (40.0%)**	**277 (32.0%)**

Employee Parental Leave

In FY2024, 17 employees (8 males and 9 females) were entitled to parental leave, with a 100% return-to-work and retention rate.

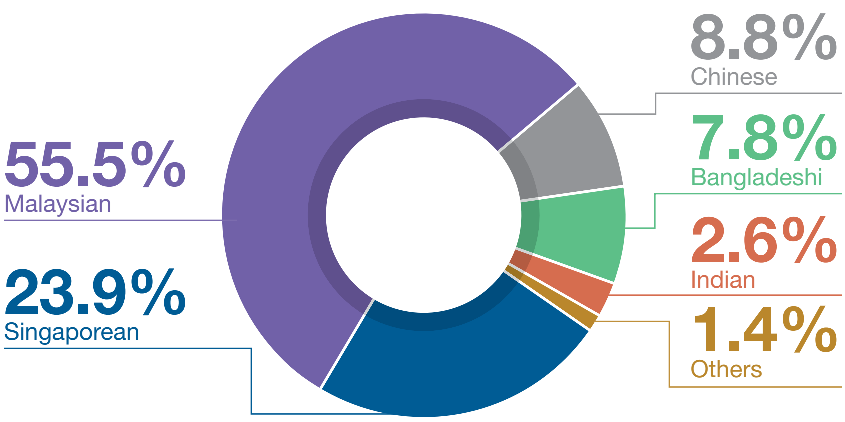
Social

Total Employees by Nationality

In FY2024, our workforce comprised employees from nine different countries. Malaysian nationals made up the largest proportion at 55.5%, followed by Singaporeans at 23.9%. Chinese (8.8%), Bangladeshi (7.8%), and Indian (2.6%) nationals were also represented. Employees from the Philippines, Myanmar, Indonesia, and Vietnam collectively accounted for 1.4% of our total workforce.

Nationality	Total Employees	
	FY2023	**FY2024**
Singaporean	214	211
Malaysian	460	491
Chinese	74	78
Bangladeshi	64	69
Indian	25	23
Others	10	12
Total	**847**	**884**

Total Employees by Nationality FY2024



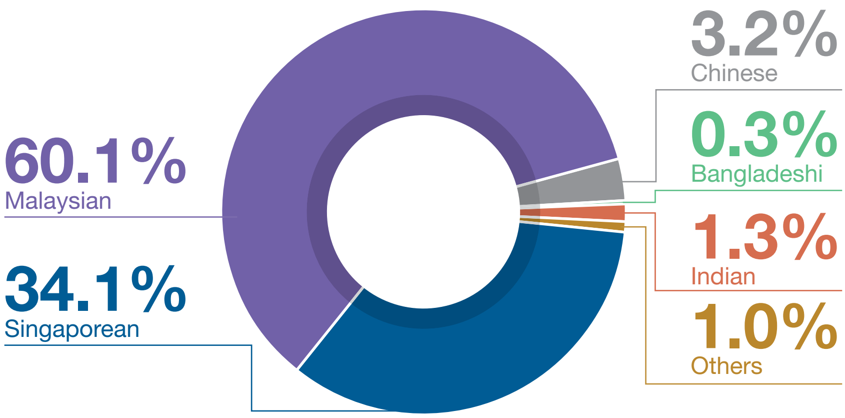
Social

New Hires by Nationality

In FY2024, our new hires came from eight different countries. Malaysians comprised 60.1% of all new hires, followed by Singaporeans (34.1%) and Chinese nationals (3.2%). Indians accounted for 1.3%, while Bangladeshis made up 0.3%. New hires from the Philippines, Myanmar, and Indonesia collectively constituted 1.0% of the total.

Nationality	New Hires	
	FY2023	FY2024
Singaporean	110	105
Malaysian	156	185
Chinese	12	10
Indian	6	4
Bangladeshi	1	1
Others	1	3
Total	**286**	**308**

New Hires by Nationality FY2024



FY2025 TARGET

In FY2025, we are dedicated to building upon the strong foundation established in FY2024 by ensuring that all employment conditions align with or surpass industry standards. Our commitment lies in fostering a workplace culture cantered on fairness, respect, and transparency, where any concerns regarding treatment or employment conditions are promptly addressed.

We strive to create an environment where every employee feels valued, supported, and empowered, reinforcing our long-term commitment to employee well-being, equity, and a positive workplace culture.

Social

TRAINING AND SKILL DEVELOPMENT

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

WHY THIS IS IMPORTANT

Training and skill development are pivotal to the success of a logistics company, driving safety, compliance, and operational excellence. By continuously enhancing the capabilities of our employees, we minimize errors, boost productivity, and ensure adaptability to technological advancements and industry shifts. Skilled employees also contribute to improved customer service, cost efficiency, and overall competitiveness.

At the Group, we recognize that the combination of training, skill development, and performance review is key to our long-term growth. These initiatives not only strengthen our workforce but also align individual career goals with company objectives, promoting innovation and securing our position as an industry leader.

MANAGEMENT APPROACH

At the Group, we recognize that continuous learning and professional development are critical to fostering a skilled and adaptable workforce. As part of our commitment to sustainability, we ensure that employees at all levels receive ongoing training, career development opportunities, and performance feedback to support both personal growth and organizational excellence. Our approach is prepared with structured learning pathways, leadership development, and fair performance review.

Employee Training and Skill Development

To maintain industry competitiveness and drive operational efficiency, the Group provides comprehensive training programs tailored to the evolving needs of our workforce. These initiatives include the statement below:

Training Type	Details
Onboarding & Induction Training	All new employees undergo structured onboarding programs to familiarize themselves with the Group's policies, values, and operational standards.
Technical & Job-Specific Training	Employees receive hands-on training to enhance their competencies in areas such as marine engineering, logistics, and supply chain management.
Leadership & Career Development Programs	High-potential employees are offered leadership training to prepare them for managerial roles and strategic responsibilities.
Compliance & Safety Training	Employees are required to participate in regulatory and safety training sessions, ensuring adherence to industry laws and best practices.

Social

Training Type	Details
Continuous Learning Opportunities	The Company encourages employees to pursue professional certifications, attend industry workshops, and engage in upskilling programs.

Training expenses are partially or fully sponsored by the Company for eligible employees, reinforcing our commitment to lifelong learning and career advancement. By investing in skills enhancement, the Group ensures that employees remain competent, engaged, and well-equipped to contribute to business sustainability.

Performance Review and Career Progression

Performance review at the Group is a structured and transparent process that evaluates employee contributions, aligns individual goals with corporate objectives, and fosters career development. Our approach includes:

- Regular Performance Appraisals – Employees undergo formal biannual or annual performance reviews to assess job performance, achievements, and areas for improvement.
- Feedback and Development Plans – Constructive feedback sessions help employees understand their strengths and areas for growth. Personalized development plans are implemented for continuous improvement.
- Merit-Based Career Progression – Promotions and role advancements are based on performance, competencies, and leadership potential, ensuring fairness and transparency.
- Performance Improvement Plan ("**PIP**") – Employees who require additional support receive structured coaching and targeted training under a PIP to enhance their effectiveness.
- Linking Performance with Rewards – Outstanding performers are recognized through salary increments, bonuses, and career progression opportunities, reinforcing a culture of excellence.

Through a structured training and performance review approach, the Group not only enhances employee capabilities but also strengthens its commitment to talent retention, diversity, and long-term business sustainability.

FY2024 PERFORMANCE

Employee Training Hours

In FY2024, employees across the Group received an average of 9.74 training hours per person.

By business entity, CSIS recorded the highest average training hours at 49.07, followed by Cogent Malaysia (8.90 hours), Cogent Singapore (9.90 hours), and CSME (6.22 hours).

By gender, male employees received an average of 8.53 training hours, while female employees received 14.15 training hours on average.

Social

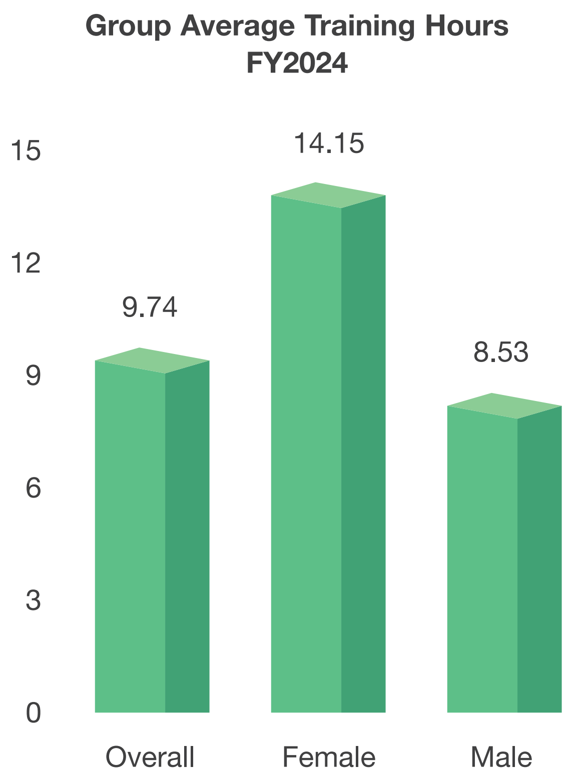
Average Training Hours by Entity

Entity	No. of Employees	Training Hours	Average Training Hours
CSIS	15	736	49.07
Cogent Singapore	463	4,585	9.90
Cogent Malaysia	285	2,537	8.90
CSME	121	753	6.22
Overall	**884**	**8,611**	**9.74**

Training Hours by Gender

Gender	No. of Employees	Training Hours	Average Training Hours
Male	694	5,922	8.53
Female	190	2,689	14.15
Overall	**884**	**8,611**	**9.74**

Group Average Training Hours



Social

Training Programmes

Technical and Safety

- Hand Tool Inspections Awareness
- Lifting Operation Awareness
- QEHS Induction
- Hot Work Awareness
- Hazmat Transport Driver Permit
- Safe Operation of Forklift
- Chemical Safety Awareness
- Life Saving Rules, Fatigue Management & Anti-rollover Briefing
- Quarterly Road Safety Briefing
- Work At Height Safety Training
- Perform Rigger and Signalman Tasks
- Transport Emergency Response Briefing
- Risk Assessment Briefing
- Apply Workplace Safety and Health in Process Plant
- 3G Welding Course
- Occupational First Aid Course
- Product Awareness & Chemical Awareness Briefing
- Perform Safe Prime Mover Driving And Haulage Operations In The Port
- Behaviour Based Safe Driving Techniques
- Comply with Workplace Safety and Health Policies & Procedures
- Classification And The Harmonised System
- Defensive Driving Course
- Confined Space Safety Training
- WSQ Implement Incident Management Processes
- Tabletop Exercise & Briefing to Fire Warden
- Personal Protection Equipment Training
- Safe Operation of Heavy Forklift and Risk Assessment Briefing
- IMS ISO 45001:2018, ISO 9001:2015 & ISO 14001:2015 Internal Auditor Training
- Safe Entry & Handling For Heavy Goods Vehicles
- Safe Operation Of Container Handling Equipment
- Fleet Safety Learning Program
- Basic Fire Fighting, Emergency Response Plan & Drill Simulation & Preparedness Training
- WSHE Committee Training
- Anti-Rollover Training For Truck Drivers

Soft Skill

- ESG and Sustainability Training
- Group Financial Training
- SGX Sustainability Reporting: Enhancing Consistency and Comparability
- ACMF-ISSB Virtual Technical Training Workshop for Corporate Preparers
- SBF Career Health
- SID Audit Committee Essential
- SID Environment, Social and Gov Essential
- AWSHS General Trade
- Effective Excel Data Analysis Skills
- ICDL Data Analytics
- Implement Lean Six Sigma
- Customs Procedures
- Cyber Security Training
- Climate Change Considerations on ISO Standards Workshop
- Health Talks
- Peer Support For Mental Wellness

Social

Employee Performance Review

In FY2024, 100% of our full-time permanent employees who completed their probation period have received performance review.

FY2025 TARGET

In FY2025, we aim to provide an average of 9 hours of training per employee, ensuring our workforce remains equipped with the latest skills and knowledge to enhance operational efficiency and professional development.

Social

OCCUPATIONAL HEALTH AND SAFETY

MATERIAL TOPIC	RELEVANT SDGs
Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH

WHY THIS IS IMPORTANT

Effective QEHS management is essential for the Group due to the high-risk nature of marine engineering, logistics, hazardous material handling, and transportation. A robust safety management system protects employees from workplace hazards while reducing incidents that could lead to operational disruptions. By implementing ISO 45001:2018-certified Occupational Health and Safety Management System ("**OHSMS**") and adhering to SS 651:2019 standards, the Group ensures that workplace hazards are proactively identified and mitigated through risk assessments, safety training, and emergency preparedness programs, fostering a culture of safety and compliance.

A strong commitment to workplace safety not only safeguards employees but also enhances business resilience and supply chain efficiency. Accidents and occupational health issues can lead to delays, increased costs, and reputational risks, affecting the Group's ability to deliver reliable services. By integrating stringent safety protocols across its operations and supply chain, including contractor safety training and vendor audits, the Group ensures seamless and compliant logistics and engineering services. Furthermore, maintaining high safety standards reinforces the Group's reputation as a responsible and sustainable organization, strengthening relationships with regulators, customers, and business partners while ensuring compliance with national and international safety regulations.

Beyond regulatory requirements, the Group recognizes that a safe and healthy workforce is essential to long-term business success. By prioritizing employee well-being through mental health programs, ergonomic workplace initiatives, and preventive health screenings, the Group fosters a productive, engaged workforce, leading to higher morale, lower absenteeism, and improved operational performance. Through these efforts, the Group ensures that its business remains safe, sustainable, and resilient for the future.

MANAGEMENT APPROACH

Occupational Health and Safety Management System

The Group has established a comprehensive OHSMS that is fully integrated into their broader QEHS framework. The OHSMS is aligned with ISO 45001:2018 and SS 651:2019, ensuring a systematic approach to hazard identification, risk assessment, incident investigation, worker participation, training, and occupational health services. It applies to all employees, contractors, and visitors operating within the Group's ship repair and engineering services, warehousing, chemical handling, and transportation activities. Through this system, the Group ensures compliance with international safety standards and local regulatory requirements while fostering a strong culture of safety and continuous improvement.

Social

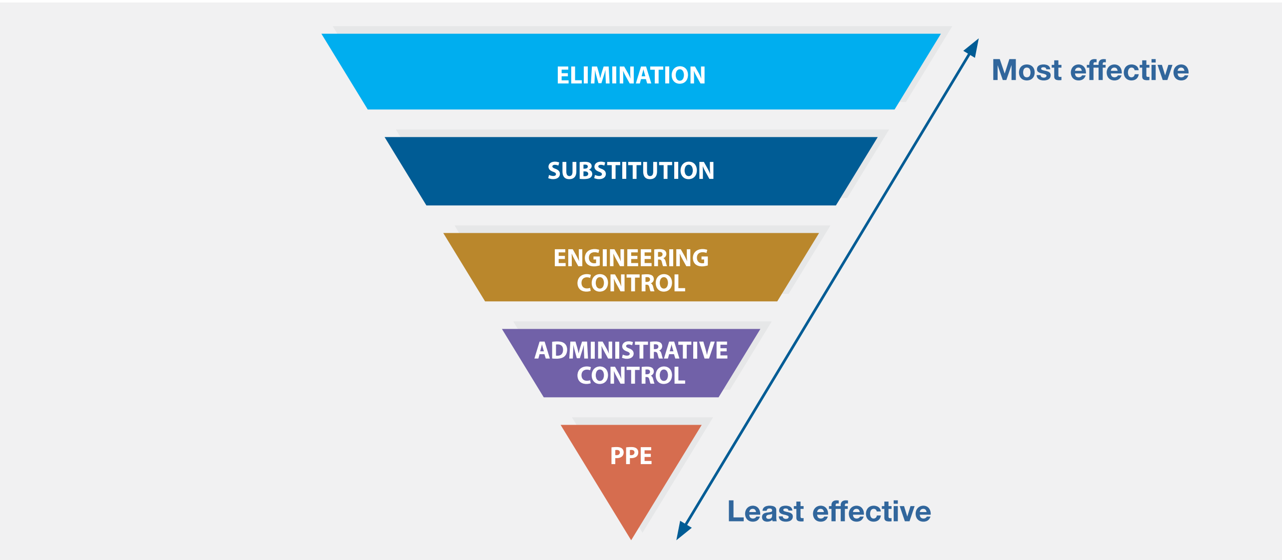
Each subsidiary has documented the QEHS Policy reflects our unwavering commitment to delivering high-quality services while ensuring environmental sustainability, workplace safety, and regulatory compliance across all operations. Our policy serves as a guiding framework for maintaining excellence in transportation, logistics, warehousing, and marine engineering services, reinforcing our dedication to protecting our employees, contractors, customers, and the broader community.

We are committed to providing a safe and healthy work environment, preventing work-related injuries and illnesses, and minimizing occupational health and safety risks. Through strict hazard identification, risk assessment, and control measures, we ensure that all employees and stakeholders operate in a safe workplace. We continuously enhance employee competencies through training, awareness programs, and provision of protective equipment, empowering them to actively participate in safety improvements.

As part of our corporate responsibility, we engage employees, contractors, and suppliers in consultation and collaboration to uphold the highest QEHS standards. We continuously assess and improve our QEHS management systems, aligning with ISO 9001, ISO 14001, and ISO 45001 standards to ensure operational excellence. Through innovation, continuous improvement, and proactive risk management, we aim to drive a sustainable, safe, and high-performance work environment for all stakeholders.

Hazard Identification, Risk Assessment and Incident Investigation

The Group implement a proactive risk assessment and hazard identification process to prevent workplace incidents. The Risk Matrix Approach is used to evaluate hazards based on their likelihood and severity, while Job Hazard Analysis ("**JHA**") is conducted for high-risk tasks such as confined space work, hazardous chemical handling, and heavy machinery operations. The Group applies the Hierarchy of Controls, prioritizing elimination and substitution of hazards, followed by engineering controls, administrative controls, and personal protective equipment ("**PPE**").



Source: Ministry of Manpower, Singapore, Hierarchy of Controls

In the event of an incident, a structured investigation process is initiated using root cause analysis techniques such as the 5 Whys Method and Fishbone Diagram.

Social

All incidents, including near misses, unsafe conditions, and workplace accidents, are reported and analysed to prevent recurrence. Findings from these investigations are compiled into Incident Investigation Reports, which are reviewed by senior management to ensure that corrective measures are implemented and lessons learned are shared across the organization.

Occupational Health Services

The Group provide comprehensive occupational health services to protect employees from work-related health risks. The Group has implemented pre-employment and periodic health screenings to assess employee fitness for job roles, particularly those exposed to hazardous chemicals, high noise levels, and physically demanding tasks. Workers in high-risk roles are enrolled in medical surveillance programs to monitor for occupational diseases such as noise-induced hearing loss ("**NID**"), chemical exposure-related illnesses, and musculoskeletal disorders.

To ensure a safe working environment, the Group conducts regular Workplace Risk Assessments ("**WRAs**"), focusing on air quality monitoring, noise exposure assessments, and ergonomic evaluations. These assessments help in identifying and mitigating occupational health risks before they impact workers. Additionally, mental health and wellness programs are available to employees, providing access to stress management resources, lifestyle coaching, and health awareness campaigns.

Emergency medical response capabilities are a critical component of the Group's health services. First aid stations are strategically placed across operational sites, with trained CPR/AED-certified personnel available to respond to medical emergencies. Regular fire drills, spill containment exercises, and evacuation drills further enhance workplace preparedness for potential health and safety incidents. These initiatives collectively contribute to a healthier workforce and a safer working environment.

Worker Participation, Consultation, and Communication on Occupational Health and Safety

The Group ensures active worker participation in occupational health and safety management by engaging employees through structured consultation and communication channels. The QEHS Committee, which includes worker representatives, meets quarterly to review safety performance, discuss incident reports, and propose improvements. Additionally, toolbox talks and weekly safety meetings provide a platform for employees to raise concerns and discuss workplace hazards in real time.

Workers are encouraged to report safety concerns, hazards, and near misses through an anonymous reporting system that ensures confidentiality and encourages proactive safety behaviour. Employees also participate in risk assessments, job safety analyses, and workplace safety audits, allowing their firsthand experience to shape safety improvements.

OHS policies, updates, and incident learnings are communicated through bulletin boards, company intranet, internal newsletters, and regular email updates. Additionally, the Group conducts safety awareness campaigns and feedback sessions, ensuring that all workers remain informed about health and safety policies and their role in maintaining a safe workplace.

Social

Worker Training on Occupational Health and Safety

The Group provide comprehensive safety training programs to ensure that employees and contractors are equipped with the necessary knowledge and skills to work safely. All new employees undergo an induction training program covering OHS policies, emergency response procedures, hazard recognition, and incident reporting protocols.

For employees in high-risk job roles, specialized safety training is provided, covering topics such as confined space entry, hazardous chemical handling, lockout/tagout ("**LOTO**") procedures, and proper use of PPE. Annual refresher training sessions reinforce safe work practices, and training materials are updated to reflect new regulatory requirements, incident learnings, and technological advancements.

Supervisors and managers receive advanced safety leadership training, focusing on risk assessment methodologies, incident investigation techniques, and compliance with local and international OHS regulations. Contractors and vendors working on-site must complete a pre-qualification safety training program to ensure alignment with company's OHS policies.

To ensure training effectiveness, employees are required to pass post-training assessments, and on-the-job observations are conducted to verify the proper application of safety measures. Incident trends and audit findings are analysed to identify training gaps, ensuring continuous improvement in workplace safety education.

Promotion of Worker Health

Beyond compliance with occupational health and safety regulations, the Group actively promotes employee well-being through health and wellness programs. Ergonomic workplace designs and assessments help reduce the risk of repetitive strain injuries and musculoskeletal disorders. The Group also offers mental health support services, including counselling programs and stress management resources, and employee supporting programs to help workers cope with workplace and personal stressors.

Health awareness campaigns covering nutrition, smoking cessation, and chronic disease prevention are conducted periodically to encourage a healthier lifestyle. Fitness and wellness programs, including on-site exercise sessions, wellness challenges, and preventive health screenings, further contribute to improving employee well-being. These programs are designed to reduce absenteeism, enhance productivity, and create a healthier work environment.

By integrating preventive healthcare initiatives with occupational safety programs, the Group ensures that employees not only remain safe at work but also benefit from a holistic approach to health and well-being.

Social

Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked to Business Relationships

The company extends its commitment to health and safety beyond its direct workforce by ensuring that contractors, suppliers, and business partners adhere to strict OHS standards. Before engagement, vendors and contractors undergo a rigorous pre-qualification process, which includes a review of their OHS policies, safety performance records, and compliance with local regulations.

Regular audits and inspections are conducted to ensure that suppliers and external service providers maintain workplace safety standards in alignment with the Group's OHSMS. Contractors working on company premises are required to undergo site-specific safety inductions and training programs before commencing work.

Strict hazardous material handling and transportation regulations are enforced to prevent potential occupational health and environmental risks. In the event of an emergency, joint incident response protocols with external stakeholders ensure coordinated action to mitigate risks effectively.

By maintaining strong safety standards across the entire supply chain, the Group ensures that their business partners uphold the same level of commitment to occupational health and safety as their internal workforce. This integrated approach not only reduces workplace incidents but also strengthens the Group's overall safety culture.

The Group implements a comprehensive occupational health and safety management approach, integrating hazard identification, risk assessment, worker participation, training, occupational health services, and supply chain safety controls. The Group's structured OHS policies and programs align with international standards, ensuring compliance, risk mitigation, and continuous safety improvement. Through proactive employee engagement, ongoing health and wellness initiatives, and strict supply chain safety governance, the Group fosters a culture of occupational health and safety excellence across all its operations.

FY2024 PERFORMANCE

Our Employees

Total Working Hours and Work-related Injuries

In FY2024, our employees collectively recorded 1,973,135 working hours. We are pleased to report that no fatalities occurred across the Group. However, there were two cases of major injuries, 12 cases of minor injuries, and a total of 147 lost man-days. The rate of high-consequence work-related injuries stood at 1.01, while the rate of recordable work-related injuries was 7.10.

Social

Employee Safety

Entity		Cogent Singapore	Cogent Malaysia	CSME	Overall
Total Working Hour		1,025,433	683,280	264,423	**1,973,135**
No. of Occurrence	Fatality(1)	0	0	0	**0**
	Major Injury(2)	0	2	0	**2**
	Minor Injury(3)	6	4	2	**12**
No. of Lost Days		33	101	13	**147**
Rate of high-consequence work-related injuries(4)		0.00	2.93	0.00	**1.01**
Rate of recordable work-related injuries(5)		5.85	8.78	7.56	**7.10**

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

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

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

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

Our Contractor

Total Working Hours and Work-related Injuries

In FY2024, the Group recorded a total of 351,127 contractor working hours across its operations in Singapore and Malaysia. Specifically, Cogent Singapore contributed 206,567 contractor working hours, while Cogent Malaysia accounted for 144,560 contractor working hours. These figures reflect the workforce engagement required to support Cogent's logistics and operational activities. Additionally, for CSME, the total contractor working hours in FY2024 were zero, indicating no contractor involvement in the reporting period.

Work-related Ill Health

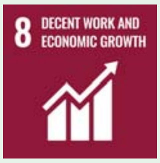
In FY2024, no work-related ill health cases were reported across any of our operating sites, reflecting our commitment to maintaining a safe and healthy work environment.

FY2025 TARGET

For FY2025, the Group remains steadfast in its commitment to a safe and healthy workplace, with a target of zero fatalities and major injuries. By implementing proactive safety measures, comprehensive training programs, and a culture of continuous improvement, we strive to create and maintain an injury-free work environment, ensuring the well-being of our employees and stakeholders.

Social

CYBER SECURITY AND DATA PRIVACY

MATERIAL TOPIC	RELEVANT SDG
GRI 418: Customer Privacy	

WHY THIS IS IMPORTANT

The Group is dedicated to protecting the privacy and security of customer and employee data. Recognizing data protection as a critical component of responsible business operations, we align our practices with Singapore's Personal Data Protection Act ("**PDPA**") and other relevant regulations.

Cybersecurity and data privacy are critical enablers of the Group's sustainable development. In an increasingly digitalized engineering and logistics industry, safeguarding our information systems is not only essential for maintaining operational integrity but also for securing long-term business resilience and stakeholder trust. A robust cybersecurity framework ensures business continuity, mitigates financial and reputational risks, and upholds regulatory compliance, reinforcing the Group's commitment to ethical corporate governance and responsible business practices.

Prioritizing cybersecurity and data privacy helps the Group mitigate risks from data breaches, cyber threats, and regulatory non-compliance. This proactive approach contributes to greater efficiency in our operations, enhances stakeholder confidence, and fosters a culture of trust and transparency. Furthermore, strong data privacy practices support innovation in information management, enable seamless digital transformation, and provide a competitive edge in a dynamic global marketplace.

For our Group, cybersecurity and data privacy are not merely compliance requirements, they are fundamental to our sustainable growth strategy. By investing in advanced security measures, continuous employee training, and robust governance structures, we strengthen our ability to navigate future challenges while ensuring long-term value creation for our customers, employees, and partners.

MANAGEMENT APPROACH

The Group is dedicated to protecting the privacy and security of customer and employee data. Recognizing data protection as a critical component of responsible business operations, we align our practices with Singapore's PDPA and other relevant regulations.

Social

Cybersecurity and Data Privacy Measures

To strengthen our information security framework and mitigate cybersecurity risks, the Group has implemented a comprehensive network security strategy that includes the following key initiatives:

- Dedicated Network Security Management Committee: Oversees cybersecurity initiatives with support from the Information Technology Department.
- Regulatory Compliance: Security protocols align with national cybersecurity laws and corporate policies to address operational needs.
- Investment in Security Infrastructure: Continuous enhancement of security systems through investments in licensed software, encryption tools, and multi-layered authentication systems.
- Real-time Monitoring & Risk Mitigation: Regular security audits, risk assessments, and vulnerability testing to proactively prevent breaches.
- Incident Response Framework: A well-defined emergency response system, ensuring swift and effective management of security incidents.
- Employee Training & Compliance: Regular training programs to educate employees on data protection and cybersecurity best practices.

Protection of Personal Data

The Group strictly follows PDPA guidelines to ensure responsible handling of customer and employee data. Our Personal Data Protection Guidelines establish clear responsibilities and expectations for secure data processing across all business activities.

Key measures include:

- Transparency & Communication: Circulation of a PDPA statement, along with an assigned Data Protection Officer ("**DPO**") for compliance oversight and inquiries.
- Data Collection & Usage: Personal data is collected for specified business purposes, ensuring transparency in its use.
- Access Restrictions: Strict access controls are in place to prevent unauthorized access to personal data.
- Retention & Disposal: Personal data is retained only as long as necessary for business operations and regulatory compliance, after which it is securely disposed of.

Social

Compliance and Liability

Employees are reminded that non-compliance with our Personal Data Protection Guidelines and the PDPA may result in personal liability, including the requirement to indemnify the Group for any fines or expenses resulting from data breaches. This policy underscores the critical responsibility each employee has in ensuring the protection of personal data.

Transparency and Communication

In compliance with PDPA requirements, the Group circulates a PDPA statement along with contact details for our designated Data Protection Officer. This ensures transparency and offers a clear point of contact for any inquiries or concerns related to personal data protection.

Feedback and Continuous Improvement

The Group welcomes feedback on its data protection practices and has created an email channel for internal and external stakeholders to report any concerns or data breach incidents. This feedback mechanism plays a crucial role in our continuous efforts to enhance and maintain our high standards of data privacy and security.

Through continuous improvements in security measures, regulatory compliance, and fostering a culture of data privacy awareness, we aim to maintain the trust of our customers, employees, and stakeholders.

FY2024 PERFORMANCE

During the reporting period, the Group recorded zero substantiated complaints related to breaches of customer privacy and zero instances of non-compliance with data protection laws.

FY2025 TARGET

For FY2025, the Group aims to continue to enhance employee awareness through regular training and compliance programs. Strengthen internal security frameworks to proactively mitigate potential threats and uphold best practices in data protection. Maintain zero breaches of cybersecurity and data privacy laws. Ensure no substantiated reports of cybersecurity incidents or data privacy violations.

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Statement of Use

The Group has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Foundation 2021 Revision have been used.

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2-3	Reporting period, frequency and contact point	About This Report	Pg. 72
2-4	Restatements of information	Nil	Nil
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Financial Statements Contents

Directors' Statement

For the financial year ended 31 December 2024

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2024 and the balance sheet of the Company as at 31 December 2024.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 12 to 98 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

Directors

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

Wang Shan He	(Appointed on 10 January 2025)
Guo Hua Wei	
Lim Lee Meng	
Chen Seow Phun, John	
Hoon Tai Meng	

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

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

(c) The directors' interests in the ordinary shares of the Company as at 21 January 2025 were the same as those as at 31 December 2024.

Directors' Statement

For the financial year ended 31 December 2024

Share options

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

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

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

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

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

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

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

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

Directors' Statement

For the financial year ended 31 December 2024

Share options (continued)

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

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

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

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

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

On 22 April 2021, share options to subscribe for 2,959,000 ordinary shares in the Company at an exercise price of $0.334 per ordinary share were granted to key management personnel and employees pursuant to the Option Scheme (the "2021 Options"). The 2021 Options shall be exercisable during the First vesting period, Second vesting period and Third vesting period respectively, subject to the achievement of vesting conditions.

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

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

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

Directors' Statement

For the financial year ended 31 December 2024

Share options (continued)

(b) **Share Options outstanding**

There are no unissued ordinary shares of the Company under options outstanding at the end of the financial year. The number of unissued ordinary shares of the Company under options outstanding at the end of the previous financial year are as follows:

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

No outstanding options were vested and exercisable as at 31 December 2024 and 31 December 2023.

Directors' Statement

For the financial year ended 31 December 2024

Audit and Risk Management Committee

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

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

All members of the ARMC were non-executive directors.

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 before their submission to the Board of Directors.

The retiring auditor, PricewaterhouseCoopers LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting of the Company. KPMG LLP has expressed its willingness to accept appointment as the auditor, and their appointment will be subject to shareholders' approval at the forthcoming Annual General Meeting.

On behalf of the directors

WANG SHAN HE
Director

GUO HUA WEI
Director

7 March 2025

Independent Auditor's Report

To the Members of Cosco Shipping International (Singapore) Co., Ltd.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of COSCO SHIPPING International (Singapore) Co., Ltd. ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of profit and loss of the Group for the financial year ended 31 December 2024;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2024;
- the consolidated balance sheet of the Group as at 31 December 2024;
- the balance sheet of the Company as at 31 December 2024;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

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

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

Independence

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

Independent Auditor's Report

To the Members of Cosco Shipping International (Singapore) Co., Ltd.

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition *Refer to Note 4 to the financial statements* The Group has recognised total revenue of S$172.9 million for the financial year ended 31 December 2024. We focused on this area because revenue from the logistics segment, amounting to S$149.9 million, accounted for 87% of the Group's revenue for the financial year ended 31 December 2024. Further, recognition of revenue is complex due to the volume of transactions and the variety of different revenue streams within the logistics segment.	We conducted inquiries with management to understand the revenue recognition of the various revenue streams within the logistics segment. We assessed the design and implementation, and tested the operating effectiveness of controls over revenue recognition. We assessed the appropriateness of the revenue recognition accounting policies by considering the requirements of relevant accounting standards. We tested sales transactions and checked that revenue was recognised only upon transfer of control to customers to ascertain occurrence. We performed cut-off test to ensure that revenue is recognised in the appropriate period. We assessed the adequacy of disclosure in Note 4 to the financial statements. Based on the audit procedures performed, we noted that revenue for the logistics segment was appropriately recognised.

Other Information

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

Independent Auditor's Report

To the Members of Cosco Shipping International (Singapore) Co., Ltd.

Other Information (continued)

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Independent Auditor's Report

To the Members of Cosco Shipping International (Singapore) Co., Ltd.

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 7 March 2025

Consolidated Statement of Profit or Loss

For the financial year ended 31 December 2024

	Note	The Group 2024 $'000	The Group 2023 $'000
Sales	4	**172,916**	178,710
Cost of sales	5	**(130,436)**	(138,364)
Gross profit		**42,480**	40,346
Other income			
- Interest income		**965**	1,929
- Others		**3,724**	1,110
	7	**4,689**	3,039
Other gains and losses (net)	8	**772**	42
Expenses			
- Distribution	5	**(3,558)**	(3,498)
- Administrative			
- Impairment loss on financial assets		**(168)**	(588)
- Others		**(28,124)**	(25,161)
	5	**(28,292)**	(25,749)
- Finance	9	**(11,509)**	(13,657)
Share of profit of associated companies	16	**4,901**	5,132
Profit before income tax		**9,483**	5,655
Income tax expense	10(a)	**(2,842)**	(3,027)
Profit for the year		**6,641**	2,628
Profit attributable to:			
Equity holders of the Company		**5,474**	1,900
Non-controlling interests		**1,167**	728
		6,641	2,628
Earnings per share for profit attributable to equity holders of the Company (expressed in cents per share)			
Basic earnings per share	11	**0.24**	0.08
Diluted earnings per share	11	**0.24**	0.08

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2024

		The Group	
	Note	**2024**	2023
		$'000	$'000
Profit for the year		**6,641**	2,628
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains/(losses)	28(b)(ii)	**4,244**	(3,807)
Other comprehensive income/(loss), net of tax		**4,244**	(3,807)
Total comprehensive income/(loss)		**10,885**	(1,179)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**9,408**	(1,828)
Non-controlling interests		**1,477**	649
		10,885	(1,179)

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

Balance Sheet - Group

As at 31 December 2024

	Note	The Group 31 December **2024** **$'000**	2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**47,589**	66,676
Trade and other receivables	13	**47,290**	46,814
Inventories	14	**471**	402
Income tax receivables		**564**	468
		95,914	114,360
Non-current assets			
Trade and other receivables	15	**770**	374
Investments in associated companies	16	**61,165**	55,510
Investment properties	18	**22,297**	22,252
Property, plant and equipment	19	**657,610**	651,491
Intangible assets	22	**8,198**	12,180
Deferred income tax assets	26	**245**	171
		750,285	741,978
Total assets		**846,199**	856,338
LIABILITIES			
Current liabilities			
Trade and other payables	23	**26,746**	37,475
Current income tax liabilities		**5,111**	4,092
Borrowings	24	**80,526**	25,237
Provisions	25	**920**	802
		113,303	67,606
Non-current liabilities			
Borrowings	24	**173,517**	236,565
Provisions	25	**623**	1,435
Deferred income tax liabilities	26	**57,382**	59,710
		231,522	297,710
Total liabilities		**344,825**	365,316
NET ASSETS		**501,374**	491,022
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	27	**270,608**	270,608
Statutory and other reserves	28	**38,484**	34,550
Retained earnings		**187,402**	181,928
		496,494	487,086
Non-controlling interests	17	**4,880**	3,936
Total equity		**501,374**	491,022

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

Balance Sheet - Company

As at 31 December 2024

	Note	The Company 31 December 2024 $'000	The Company 31 December 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**16,485**	36,536
Trade and other receivables	13	**19,121**	118
		35,606	36,654
Non-current assets			
Investments in associated companies	16	**55,670**	49,026
Investments in subsidiaries	17	**429,677**	429,046
Property, plant and equipment	19	**35**	36
		485,382	478,108
Total assets		**520,988**	514,762
LIABILITIES			
Current liabilities			
Trade and other payables	23	**35,708**	34,759
Current income tax liabilities		**142**	196
Borrowings	24	**34,069**	–
		69,919	34,955
Non-current liability			
Borrowings	24	**–**	34,069
Total liabilities		**69,919**	69,024
NET ASSETS		**451,069**	445,738
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	27	**270,608**	270,608
Other reserves	28	**45,105**	45,105
Retained earnings		**135,356**	130,025
Total equity		**451,069**	445,738

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

	Note	Share capital $'000	Statutory and other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		← Attributable to equity holders of the Company →					
2024							
Balance at 1 January 2024		**270,608**	**34,550**	**181,928**	**487,086**	**3,936**	**491,022**
Profit for the year		–	–	5,474	5,474	1,167	6,641
Other comprehensive income for the year		–	3,934	–	3,934	310	4,244
Total comprehensive income for the year		**–**	**3,934**	**5,474**	**9,408**	**1,477**	**10,885**
Dividend declared by subsidiaries to minority shareholders		–	–	–	–	(533)	(533)
Total transactions with owners, recognised directly in equity		–	–	–	–	(533)	(533)
Balance as at 31 December 2024		**270,608**	**38,484**	**187,402**	**496,494**	**4,880**	**501,374**
2023							
Balance at 1 January 2023		**270,608**	**38,386**	**180,028**	**489,022**	**3,736**	**492,758**
Profit for the year		–	–	1,900	1,900	728	2,628
Other comprehensive loss for the year		–	(3,728)	–	(3,728)	(79)	(3,807)
Total comprehensive (loss)/ income for the year		**–**	**(3,728)**	**1,900**	**(1,828)**	**649**	**(1,179)**
Acquisition of a subsidiary	12	–	(108)	–	(108)	–	(108)
Dividend declared by subsidiaries to minority shareholders		–	–	–	–	(449)	(449)
Total transactions with owners, recognised directly in equity		**–**	**(108)**	**–**	**(108)**	**(449)**	**(557)**
Balance as at 31 December 2023		**270,608**	**34,550**	**181,928**	**487,086**	**3,936**	**491,022**

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

	Note	**2024** **$'000**	2023 $'000
Cash flows from operating activities			
Profit for the year		**6,641**	2,628
Adjustments for:			
- Amortisation of intangible assets		**4,031**	4,034
- Depreciation of property, plant and equipment		**30,806**	31,303
- Depreciation of investment properties		**1,067**	5,922
- Income tax expense		**2,842**	3,027
- Interest expense		**11,509**	13,657
- Interest income		**(965)**	(1,929)
- Net allowance for impairment of trade and other receivables		**168**	588
- Net gain on disposal of property, plant and equipment		**(409)**	(198)
- Write-off of property, plant and equipment		**2**	–
- Share of profit of associated companies		**(4,901)**	(5,132)
- Exchange differences		**(26)**	55
		50,765	53,955
Changes in working capital:			
- Inventories		**(69)**	197
- Trade and other receivables		**(1,092)**	(2,738)
- Trade and other payables		**(9,855)**	2,317
- Provisions		**(812)**	(100)
Cash provided by operations		**38,937**	53,631
Income tax paid		**(4,632)**	(5,026)
Net cash provided by operating activities		**34,305**	48,605
Cash flows from investing activities			
Additions to property, plant and equipment	A	**(14,502)**	(14,161)
Proceeds from disposal of property, plant and equipment		**1,263**	329
Acquisition of a subsidiary	12	**(3,211)**	3,579
Investment in newly incorporated associated company		**–**	(7)
Further investment in an associated company		**(6,644)**	–
Interest received		**1,017**	2,067
Dividend received from associated companies		**7,286**	7,844
Net cash used in investing activities		**(14,791)**	(349)
Cash flows from financing activities			
Repayments of borrowings		**(17,238)**	(20,747)
Principal payment of lease liabilities		**(9,902)**	(14,119)
Repayment of amount due to a related corporation		**–**	(38,000)
Decrease in bank deposits pledged		**417**	4
Interest paid		**(11,562)**	(14,208)
Dividend paid to non-controlling interest of a subsidiary		**(533)**	(449)
Net cash used in financing activities		**(38,818)**	(87,519)
Net decrease in cash and cash equivalents		**(19,304)**	(39,263)
Cash and cash equivalents at beginning of financial year		**65,751**	105,753
Effects of currency translation on cash and cash equivalents		**634**	(739)
Cash and cash equivalents at end of financial year	12	**47,081**	65,751

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

Consolidated Statement of Cash Flows (continued)

For the financial year ended 31 December 2024

Note A – Reconciliation of property, plant and equipment

	Consideration paid for purchase of property, plant and equipment	Non-cash changes			Property, plant and equipment additions (Note 19)
		Provision for reinstatement	Unpaid purchase consideration	Property, plant and equipment acquired under leasing arrangement	
	$'000	$'000	$'000	$'000	$'000
2024	14,502	118	2,390	13,286	30,296
2023	14,161	–	(4,187)	1,890	11,864

Reconciliation of liabilities arising from financing activities

	1 January 2024	Principal and interest payments	Proceeds from borrowings	Non-cash changes				31 December 2024
				Additions/ modifications arising from SFRS(I) 16	Early termination of lease	Interest expense	Foreign exchange movement	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings	178,649	(17,238)	–	–	–	–	79	161,490
Lease liabilities	83,153	(9,902)	–	17,814	(42)	–	1,530	92,553
Interest payable	225	(11,562)	–	–	–	11,509	–	172

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2024

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

1. General information

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

The principal activities of the Company are those of investment holding. The principal activities of its subsidiaries are set out in Note 17 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Going concern

As of 31 December 2024, the current liabilities of the Group and of the Company exceeded the current assets by approximately S$17,389,000 and S$34,313,000 respectively.

The financial statements have been prepared on a going concern basis as the directors and management have assessed that it is appropriate to do so after considering:

a) the Group's ability to generate profits and positive cash flows from its operating activities;

b) the Group's ability to comply with all financial covenants for its outstanding borrowings; and

c) the Group's ability to obtain financing to enable it to pay its debts as and when they fall due.

Accordingly, the directors and management are satisfied that the Group and the Company will have sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Revenue

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Rendering of services*

(i) *Logistics management services*

The Group renders logistics management services for customers. Such services include logistic handling, storage services and rental income (refer to Note 2.3 (b) for the revenue recognition policy for rental income).

Revenue from these logistics services are recognised when services are performed (i.e. at a point in time), where customers have accepted the services and the collectability of the related receivables are reasonably assured. There is no unfulfilled obligation that could affect the customer's acceptance of the services.

Revenue generated from storage services include rental of space at container depot, warehouses and open yards and are recognised over the agreed storage period (i.e. over time), where customers have an obligation to payment as part of the agreement to the services and the collectability of the related receivables is reasonably assured. There is no unfulfilled obligation that could affect the customer's acceptance of the services.

The Group practices monthly billing and payment for the transaction price is due 30 – 60 days after billing.

(ii) *Ship repair and marine engineering*

Revenue from ship repairing, marine engineering, container repairs and services, fabrication works services and production of marine outfitting components projects is recognised in the accounting period in which the services are rendered. Revenue is recognised based on the output method depending on progress of the contract work, where the outcome of the contract can be estimated reliably. The customers are invoiced when they acknowledge the services rendered are to their satisfaction.

The Group practices monthly billing and payment for the transaction price is due 30 – 60 days after billing.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.3 Revenue (continued)

(b) Rental income

The Group derives rental income from both logistic management and property management services.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Ad-hoc administrative services is recognised as and when the services are rendered to customers.

The Group practices monthly billing and payment for the transaction price is due 30 - 60 days after billing.

(c) Sale of scrap materials

Income from sale of scrap materials is recognised when the products have been delivered to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established, it is possible that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.5 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group, other than those under common control (Note 12).

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain on bargain purchase of subsidiaries. Please refer to Note 2.7 "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.5 Group accounting (continued)

(a) *Subsidiaries* (continued)

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.10 "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisition*

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated companies over the Group's share of the fair value of the identifiable net assets of the associated companies and is included in the carrying amount of the investments.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.5 Group accounting (continued)

(c) *Associated companies* (continued)

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2.6 Property, plant and equipment

(a) *Measurement*

(i) *Leasehold land and buildings*

Leasehold land and buildings are initially recognised at cost. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.6 Property, plant and equipment (continued)

(a) *Measurement* (continued)

(iii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 2.8).

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) *Depreciation*

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	2 - 58 years
Office renovations, furniture, fixtures and equipment	3 - 10 years
Plant, machinery and equipment	3 - 20 years
Motor vehicles	5 - 10 years

No depreciation is provided for construction-in-progress.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains and losses”.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.7 Intangible assets

(a) *Goodwill*

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired customer relationships intangible assets*

Customer relationships intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 7 to 10 years, which is the estimated useful lives.

(c) *Acquired contract based intangible assets*

Contract based intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 3 years, which is the period of contractual rights.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the construction in progress.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.9 Investment properties

Investment properties comprise of right-of-use assets relating to leasehold buildings, office units and residential property that are held for long-term rental yields.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives of 2 – 50 years for office units and residential property, and over the lease terms for right-of-use assets. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually, and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating unit ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.11 Impairment of non-financial assets (continued)

(b) Property, plant and equipment

Investment properties
Investments in subsidiaries and associated companies
Customer relationships intangible assets
Contract-based intangible assets
Right-of-use assets

Property, plant and equipment, investment properties, investments in subsidiaries and associated companies, customer relationships intangible assets, contract-based intangible assets and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.12 Financial assets

(a) Classification and measurement

The Group classifies its financial assets as amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.12 Financial assets (continued)

(a) Classification and measurement (continued)

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Financial guarantees

The Company issues corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at fair value and subsequently measured at the higher of:

(a) Amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) The amount of expected loss allowance computed using the impairment methodology under Note 2.12.

2.15 Borrowings

Borrowings are presented as current liabilities unless, at the end of the reporting period, the Group has the right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.17 Leases

(a) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

  Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.9.

- Lease liabilities

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  - Fixed payment (including in-substance fixed payments), less any lease incentives receivable;

  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;

  - Amounts expected to be payable under residual value guarantees;

  - The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and

  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.17 Leases (continued)

(a) *When the Group is the lessee:* (continued)

- Lease liabilities (continued)

  For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;

  - There is a change in the Group's assessment of whether it will exercise an extension option; or

  - There is modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

  The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(b) *When the Group is the lessor:*

The Group leases office spaces, retail stores and investment properties under operating leases to non-related parties.

- Lessor – Operating leases

  Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.17 Leases (continued)

(b) When the Group is the lessor: (continued)

- Lessor – Operating leases (continued)

  Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

- Lessor – Subleases

  In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

  When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. The lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

  When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

  For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.19 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.20 Provisions (continued)

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, social security plans in the People's Republic of China ("PRC") and Employees Provident Fund in Malaysia on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the balance sheet date.

(c) Share-based compensation

The Group operates an equity-settled, shared-based compensation plan. The value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars (“$”), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include financial assets (other than equity investments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All foreign exchange gains and losses impacting profit or loss are presented in profit or loss within “other gains and losses”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities’ financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2024

2. Material accounting policy information (continued)

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and bank overdrafts and exclude pledged deposits with financial institutions. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.25 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.26 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

4. Sales

Revenue of the Group is analysed as follows:

	2024	2023
	$'000	$'000
Ship repair and marine engineering	**20,139**	17,962
Logistics management services	**128,728**	135,269
Rental income		
- Logistics management services	**21,410**	13,134
- Property management services	**2,639**	12,345
	172,916	178,710

Notes to the Financial Statements

For the financial year ended 31 December 2024

4. Sales (continued)

(a) Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following segments and geographical regions. Revenue is based on the country in which the services are rendered to the customer.

	Revenue recognised		
	At a point in time $'000	Over time $'000	Total $'000
2024			
i) Ship repair and marine engineering			
- Singapore	–	20,139	20,139
ii) Logistics management services			
- Singapore	69,164	36,867	106,031
- Malaysia	20,825	1,872	22,697
	89,989	38,739	128,728
Total	89,989	58,878	148,867

	Revenue recognised		
	At a point in time $'000	Over time $'000	Total $'000
2023			
i) Ship repair and marine engineering			
- Singapore	–	17,962	17,962
ii) Logistics management services			
- Singapore	59,962	51,873	111,835
- Malaysia	21,328	2,106	23,434
	81,290	53,979	135,269
Total	81,290	71,941	153,231

(b) Trade receivables from contracts with customers

	31 December 2024 $'000	31 December 2023 $'000	1 January 2023 $'000
Current assets			
Trade receivables from contracts with customers	**29,597**	33,117	34,142
Less: Loss allowance	**(703)**	(625)	(330)
	28,894	32,492	33,812

(c) Unsatisfied performance obligations

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

Notes to the Financial Statements

For the financial year ended 31 December 2024

5. Expenses by nature

	The Group	
	2024	2023
	$'000	$'000
Impairment loss on financial assets	**168**	588
Amortisation of intangible assets (Note 22)	**4,031**	4,034
Auditors' remuneration paid/payable to:		
- Auditor of the Company	**589**	535
- Other auditors	**–**	7
Other fees paid/payable to:		
- Auditor of the Company	**69**	106
Raw materials, finished goods, consumables and other overheads	**8,456**	8,117
Changes in inventories and work-in-progress	**(69)**	197
Depreciation of investment properties (Note 18)	**1,067**	5,922
Depreciation of property, plant and equipment (Note 19)	**30,806**	31,303
Director and employee compensation (Note 6)	**42,048**	42,508
Insurance	**1,013**	1,187
Write-off of property, plant and equipment	**2**	–
Professional fees	**623**	984
Rental expense on operating leases (Note 20)	**5,689**	4,313
Repairs and maintenance	**10,826**	10,399
Sub-contractor expenses	**19,139**	16,940
Storage and handling charges	**17,419**	16,468
Fuels and utilities	**9,864**	14,132
Property tax	**4,050**	3,758
Other expenses	**6,496**	6,113
Total cost of sales, distribution and administrative expenses	**162,286**	167,611

6. Director and employee compensation

	The Group	
	2024	2023
	$'000	$'000
Wages, salaries and staff benefits	**38,611**	39,229
Employer's contribution to defined contribution plans	**3,154**	3,061
Directors' fees of the Company	**283**	218
	42,048	42,508

Notes to the Financial Statements

For the financial year ended 31 December 2024

7. Other income

	The Group	
	2024	2023
	$'000	$'000
Interest income	**965**	1,929
Government grants	**382**	363
Rental income	**460**	148
Settlement income (Note 35)	**1,260**	–
Sales of scrap material	**–**	29
Sundry income	**1,622**	570
	4,689	3,039

8. Other gains and losses

	The Group	
	2024	2023
	$'000	$'000
Currency exchange gains/(losses) – net	**363**	(156)
Gain on disposal of property, plant and equipment	**409**	198
	772	42

9. Finance expenses

	The Group	
	2024	2023
	$'000	$'000
Interest expense		
- Bank borrowings	**8,027**	9,050
- Loans from a fellow subsidiary	**–**	1,010
- Lease liabilities/finance lease liabilities	**3,482**	3,597
	11,509	13,657

Notes to the Financial Statements

For the financial year ended 31 December 2024

10. Income taxes

(a) Income tax expense

	The Group	
	2024	2023
	$'000	$'000
Tax expense attributable to profit or loss is made up of:		
- Profit or loss for the financial year:		
Current income tax		
- Singapore	**5,780**	4,750
- Foreign	**17**	15
	5,797	4,765
Deferred income tax (Note 26)		
- Singapore	**(3,007)**	(1,472)
- Foreign	**237**	212
	(2,770)	(1,260)
	3,027	3,505
- Over provision in prior financial years:		
Current income tax		
- Singapore	**(185)**	(478)
Income tax expense	**2,842**	3,027

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group	
	2024	2023
	$'000	$'000
Profit before tax	**9,483**	5,655
Share of profit of associated companies, net of tax	**(4,901)**	(5,132)
Profit before tax and share of profit of associated companies	**4,582**	523
Tax calculated at a tax rate of 17% (2023: 17%)	**779**	89
Effects of:		
- different tax rates in other countries	**107**	65
- tax incentives	**(165)**	(297)
- income not subject to tax	**(756)**	(208)
- expenses not deductible for tax purposes	**3,165**	3,860
- others	**(103)**	(4)
- over provision of current income tax in prior years	**(185)**	(478)
Tax charge	**2,842**	3,027

Notes to the Financial Statements

For the financial year ended 31 December 2024

10. Income taxes (continued)

(b) The tax charge relating to each component of other comprehensive income/(loss) is as follows:

	2024			2023		
	Before tax	**Tax charge**	**After tax**	Before Tax	Tax charge	After tax
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Currency translation differences arising from consolidation	**4,244**	**–**	**4,244**	(3,807)	–	(3,807)
Other comprehensive income/(loss)	**4,244**	**–**	**4,244**	(3,807)	–	(3,807)

(c) Pillar Two legislation was enacted in Singapore, the jurisdiction in which the Company is incorporated, and will come into effect from 1 January 2025. Since Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion ("GloBE") effective tax rate for each jurisdiction and the 15% minimum rate. The Group has effective tax rates that exceed 15% in all jurisdictions in which it operates, except for Singapore where most of its subsidiaries operate. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

11. Earnings per share

(a) Basic earnings per share

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

	The Group	
	2024	2023
Net profit attributable to equity holders of the Company ($'000)	**5,474**	1,900
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,239,245**	2,239,245
Basic earnings per share (cents per share)	**0.24**	**0.08**

(b) Diluted earnings per share

There were no dilutive ordinary potential shares in 2024 and 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2024

12. Cash and cash equivalents

Cash and cash equivalents at the end of the financial year comprise the following:

	The Group		The Company	
	31 December		31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**30,456**	31,434	**1,230**	5,556
Short-term bank deposits	**17,133**	35,242	**15,255**	30,980
	47,589	66,676	**16,485**	36,536

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Cash and bank balances (as above)	**47,589**	66,676
Less: Bank deposits pledged	**(508)**	(925)
Cash and cash equivalents per consolidated statement of cash flows	**47,081**	65,751

Cash and cash equivalents of the Group amounting to $508,000 (2023: $925,000) were pledged as security for bankers' guarantee and trade finance facilities.

<u>Acquisition of a subsidiary under common control</u>

During the previous financial year ended 31 December 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.

Notes to the Financial Statements

For the financial year ended 31 December 2024

12. Cash and cash equivalents (continued)

Acquisition of a subsidiary under common control (continued)

The assets and liabilities of GLS brought into the balance sheet are as follows:

	Group 2023 $'000
Cash and cash equivalents	3,579
Trade and other receivables	177
Total assets	3,756
Trade and other payables	584
Current income tax liabilities	69
Total liabilities	653
Net assets	**3,103**
Purchase consideration	**3,211**
Merger deficit	**108**

Effect on cash flows of the Group is as follows:

	Group 2023 $'000
Purchase consideration	3,211
Less: Unpaid as at 31 December 2023	(3,211)
	–
Cash and cash equivalents in subsidiary acquired	3,579
Cash inflow on acquisition	3,579

The purchase consideration was paid during the financial year ended 31 December 2024.

Notes to the Financial Statements

For the financial year ended 31 December 2024

13. Trade and other receivables - current

	The Group		The Company	
	31 December		31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- Non-related parties	**35,095**	36,000	**–**	–
- Fellow subsidiaries	**3,844**	4,024	**–**	–
	38,939	40,024	**–**	–
Less: Allowance for impairment of receivables	**(1,077)**	(1,113)	**–**	–
Trade receivables - net	**37,862**	38,911	**–**	–
Other receivables:				
- Non-related parties	**2,031**	1,245	**19**	13
- An associated company	**–**	9	**–**	9
- Subsidiaries	**–**	–	**19,000**	–
	2,031	1,254	**19,019**	22
Advances paid to suppliers	**2,146**	1,526	**–**	–
Staff advances	**33**	–	**8**	–
Deposits	**3,045**	2,518	**–**	3
Prepayments	**2,173**	2,605	**94**	93
Total	**47,290**	46,814	**19,121**	118

Trade and other receivables due from fellow subsidiaries, subsidiaries and an associated company are unsecured, interest-free and repayable on demand.

14. Inventories

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Finished goods	**471**	402

The cost of inventories recognised as expense amounted to $8,387,000 (2023: $8,314,000).

Notes to the Financial Statements

For the financial year ended 31 December 2024

15. Trade and other receivables - non-current

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Other receivables - retention sum	**770**	374

Other receivables due from non-related parties are unsecured and interest-free.

The fair values of the non-current other receivables approximated its carrying amounts, determined from cash flow analyses discounted at market borrowing rates of 4.38% (2023: 5.08%) per annum which the directors expected to borrow as and when required by the Group.

16. Investments in associated companies

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Beginning of financial year	**55,510**	58,803
Additions	**6,644**	7
Currency translation differences	**1,396**	(588)
Share of profits, net of tax	**4,901**	5,132
Dividends received, net of tax	**(7,286)**	(7,844)
End of financial year	**61,165**	55,510

	The Company	
	31 December	
	2024	2023
	$'000	$'000
Equity investment at cost		
Beginning of financial year	**49,026**	49,019
Additions	**6,644**	7
End of financial year	**55,670**	49,026

During the previous financial year ended 31 December 2023, the Company entered into an agreement with Supply Fortune Limited, a subsidiary of COSCO Shipping Holdings Co., Ltd., to incorporate Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. ("GSCD(SEA)"). The Company subscribed for 49% of the issued and paid-up share capital of GSCD(SEA) for a cash consideration of US$4,900 (equivalent to $7,000).

On 7 June 2024, the Company subscribed for additional 4,900,000 of the issued and paid-up share capital of GSCD(SEA) for a cash consideration of US$4,900,000 (equivalent to $6,644,000). The Company's shareholding remains at 49%.

Notes to the Financial Statements

For the financial year ended 31 December 2024

16. Investments in associated companies (continued)

The associated companies as listed below had share capital consisting solely of ordinary shares, which were held directly by the Group. The country of incorporation was also their principal place of business. There were no contingent liabilities relating to the Group's interests in the associated companies.

Name of associated companies	Principal activities	Country of incorporation/ business	% of paid-up capital held by the Company		% of paid-up capital held by a subsidiary	
			31 December		31 December	
			2024 %	2023 %	**2024** %	2023 %
PT. Ocean Global Shipping Logistics [i]	Logistic service, freight forwarding and container depot services	Indonesia	**40**	40	**–**	–
SINOVNL Company Limited [ii]	Storage and warehouse services, container station and depot service, maintenance and repair of equipment and freight transport agency services	Vietnam	**–**	–	**30**	30
COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. [iii]	Ship owning, ship chartering and investment holding	Singapore	**40**	40	**–**	–
Goldlead Supply Chain Development (Southeast Asia) Pte. Ltd. [iv]	Investment holding company	Singapore	**49**	49	**–**	–

(i) Audited by Anwar & Rekan Indonesia.

(ii) Audited by PricewaterhouseCoopers firm outside Singapore.

(iii) Audited by Baker Tilly Singapore.

(iv) Audited by Mazars LLP.

Notes to the Financial Statements

For the financial year ended 31 December 2024

16. Investments in associated companies (continued)

Summarised financial information of associated companies

Summarised balance sheet

	COSCO SHIPPING Bulk SEA		PT. Ocean Global Shipping Logistics		SINOVNL Company Limited		Goldlead Supply Chain Development	
	31 December		31 December		31 December		31 December	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Current assets	**71,026**	65,281	**31,460**	30,728	**5,513**	5,016	**13,914**	–
Current liabilities	**(21,402)**	(12,963)	**(9,481)**	(9,387)	**(1,106)**	(2,322)	**(54)**	–
Non-current assets	**25,154**	25,723	**10,319**	12,169	**561**	1,781	**–**	–
Non-current liabilities	**–**	–	**(6,472)**	(8,049)	**(8)**	(158)	**–**	–
Non-controlling interests	**–**	–	**(538)**	(512)	**–**	–	**–**	–
Share capital and reserves attributable to shareholders	**(74,778)**	(78,041)	**(25,288)**	(24,949)	**(4,960)**	(4,317)	**(13,860)**	–

Summarised statement of comprehensive income

	COSCO SHIPPING Bulk SEA		PT. Ocean Global Shipping Logistics		SINOVNL Company Limited		Goldlead Supply Chain Development	
	31 December		31 December		31 December		31 December	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue	**76,444**	49,942	**19,911**	18,961	**17,534**	14,982	**–**	–
Profit/(loss) before income tax	**4,755**	7,881	**7,862**	6,973	**4,840**	3,991	**396**	(19)
Net profit/(loss) for the year	**4,773**	7,835	**6,162**	5,517	**3,872**	3,185	**353**	(19)
Other comprehensive gain	**–**	–	**31**	29	**–**	–	**–**	–
Total comprehensive income/(loss)	**4,773**	7,835	**6,193**	5,546	**3,872**	3,185	**353**	(19)
Dividends receivable/received from associated company	**3,822**	4,981	**1,988**	2,114	**1,476**	749	**–**	–

Notes to the Financial Statements

For the financial year ended 31 December 2024

16. Investment in associated companies (continued)

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associates.

Reconciliation of summarised financial information

Reconciliation of the above summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	COSCO SHIPPING Bulk SEA		PT. Ocean Global Shipping Logistics		SINOVNL Company Limited		Goldlead Supply Chain Development	
	31 December		31 December		31 December		31 December	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Net assets	**74,778**	78,041	**25,288**	24,949	**4,960**	4,317	**13,860**	–
Group's equity interest	**40%**	40%	**40%**	40%	**30%**	30%	**49%**	49%
Group's share of net assets	**29,911**	31,216	**10,115**	9,980	**1,488**	1,295	**6,791**	–
Fair value adjustment	**7,402**	7,561	**–**	–	**–**	–	**–**	–
Goodwill	**–**	–	**5,458**	5,458	**–**	–	**–**	–
	37,313	38,777	**15,573**	15,438	**1,488**	1,295	**6,791**	–

17. Investments in subsidiaries

	The Company	
	31 December	
	2024	2023
	$'000	$'000
Unquoted equity shares		
Beginning of financial year	**542,893**	542,893
Accumulated impairment losses	**(113,216)**	(113,847)
End of financial year	**429,677**	429,046

Movement in accumulated impairment losses are as follows:

	2024	2023
	$'000	$'000
Beginning of financial year	**113,847**	114,390
Write-back of impairment (i)	**(631)**	(543)
End of financial year	**113,216**	113,847

(i) During the financial year ended 31 December 2024, the Company has assessed that there was indication that an impairment loss recognised in prior period for an investment in subsidiary has decreased as the subsidiary continued to generate higher profits in the current year. Hence, a write-back of impairment of $631,000 (2023: $543,000) was made to increase the carrying amount of the investment to its recoverable amount.

Notes to the Financial Statements

For the financial year ended 31 December 2024

17. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2024 and 31 December 2023:

Name	Principal activities	Country of incorporation/ business	Cost of investment		Proportion of ordinary shares directly held by the Company		Effective shareholding held by the Group		Effective shareholding held by non-controlling interests	
			31 December		31 December		31 December		31 December	
			2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
			$'000	$'000	**%**	%	**%**	%	**%**	%
COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd. (i)	Ship repairing, marine engineering, container repairs and services, fabrication works services and production of marine outfitting components	Singapore	**2,242**	2,242	**90**	90	**90**	90	**10**	10
Harington Property Pte Ltd (i)	Trading and investing in properties, provide property management services and investment holding	Singapore	**52,701**	52,701	**100**	100	**100**	100	**–**	–
COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd. (i) and (v)	Investment holding and provision of logistics, storage, forwarding and shipping services and other services	Singapore	**406**	406	**50**	50	**50**	50	**50**	50
Cogent Holdings Pte. Ltd. (i)	Investment holding	Singapore	**487,544**	487,544	**100**	100	**100**	100	**–**	–
SH Cogent Logistics Pte Ltd (i) and (iv)	Provision of warehousing management services, container depot management services and transportation and cargoes	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Jurong Island Pte. Ltd. (i) and (iv)	Provision of warehousing services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Integrated Supply Chain Pte. Ltd. (i) and (iv)	Provision of freight management and warehouse rental services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–

Notes to the Financial Statements

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17. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2024 and 31 December 2023: (continued)

Name	Principal activities	Country of incorporation/ business	Cost of investment		Proportion of ordinary shares directly held by the Company		Effective shareholding held by the Group		Effective shareholding held by non-controlling interests	
			31 December		31 December		31 December		31 December	
			2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
			$'000	$'000	**%**	%	**%**	%	**%**	%
Cogent Automotive Logistics Pte. Ltd. (i) and (iv)	Export processing, transportation and storage of motor vehicles	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Land Capital Pte. Ltd. (i) and (iv)	Provision of automotive logistics management services, warehousing and property management services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Container Depot Pte. Ltd. (i) and (iv)	Provision of container depot management services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Realty Capital Pte. Ltd. (i) and (iv)	Provision of hostel management services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Tank Depot Pte. Ltd. (i) and (iv)	Provision of ISO tank and container depot management services	Singapore	**–**	–	**–**	–	**100**	100	**–**	–
SH Cogent Logistics Sdn. Bhd. (ii) and (iv)	Provision of container depot management services and warehousing management services	Malaysia	**–**	–	**–**	–	**100**	100	**–**	
COSCO SHIPPING Engineering Pte. Ltd. (i) and (iii)	Ship repairing, marine engineering, container repairs and services, fabrication works services and production of marine outfitting components	Singapore	**–**	–	**–**	–	**90**	90	**10**	

Notes to the Financial Statements

For the financial year ended 31 December 2024

17. Investments in subsidiaries (continued)

The Group had the following subsidiaries as at 31 December 2024 and 31 December 2023: (continued)

Name	Principal activities	Country of incorporation/ business	Cost of investment		Proportion of ordinary shares directly held by the Company		Effective shareholding held by the Group		Effective shareholding held by non-controlling interests	
			31 December		31 December		31 December		31 December	
			2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
			$'000	$'000	**%**	%	**%**	%	**%**	%
Guper Integrated Logistics Sdn. Bhd. [(ii) and (iv)]	Provision of warehousing management services, container depot management services, transportation and cargoes	Malaysia	**–**	–	**–**	–	**98**	98	**2**	
GEMS Logistics Sdn. Bhd. [(ii) and (iv)]	Provision of warehousing services	Malaysia	**–**	–	**–**	–	**100**	100	**–**	–
Dolphin Shipping Agency Sdn. Bhd. [(ii) and (iv)]	Provision of value added logistics services	Malaysia	**–**	–	**–**	–	**100**	100	**–**	–
East West Freight Services Sdn. Bhd. [(ii) and (iv)]	Provision of value added logistics services	Malaysia	**–**	–	**–**	–	**100**	100	**–**	–
Golden Logistics & Storage Sdn. Bhd. [(ii) and (iv)]	Vessel agent	Malaysia	**–**	–	**–**	–	**100**	100	**–**	–
Cogent Eastern Precision Pte. Ltd. [(i) and (iv)]	Provision of repair container services	Singapore	**–**	–	**–**	–	**60**	–	**–**	–
			542,893	542,893						

(i) Audited by PricewaterhouseCoopers LLP, Singapore.

(ii) Audited by PricewaterhouseCoopers firms outside Singapore.

(iii) This entity is controlled by the Company's direct subsidiary, COSCO SHIPPING Marine Engineering (Singapore) Pte. Ltd.

(iv) These entities are controlled by the Company's direct subsidiary, Cogent Holdings Pte. Ltd.

(v) The Group has determined that it controls COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd. notwithstanding that it owns 50% of the equity holding. The factor that the Group considered in making this determination include its current ability to direct the activities of its investee, as the Group has a majority voting rights due to its majority board of director representation in COSCO SHIPPING Southeast Asia Container Logistics Services Pte. Ltd.

Notes to the Financial Statements

For the financial year ended 31 December 2024

17. Investments in subsidiaries (continued)

During the previous financial year ended 31 December 2023, the Group acquired 100% of the issued share capital of Golden Logistics & Storage Sdn. Bhd. from its related party, COSCO Shipping (South East Asia) Pte Ltd, for a total consideration of RM10,860,000 (equivalent to $3,211,000). Details of the acquisition are included in Note 12.

On 2 April 2024, the Group entered into an agreement with Eastern (1961) Holding Pte. Ltd. ("EH") to incorporate Cogent Eastern Precision Pte. Ltd. ("CEP"), a private company limited by shares under the laws of Singapore. The Group subscribed for 60% of the issued share capital of CEP for a total consideration of $300,000.

Carrying value of non-controlling interests

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Subsidiaries with immaterial non-controlling interests	**4,880**	3,936

Summarised financial information of subsidiaries with material non-controlling interests

At 31 December 2024 and 2023, in the opinion of the directors, none of the subsidiaries have non-controlling interests that are material to the Group.

18. Investment properties

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Cost		
Beginning of financial year	**36,452**	74,502
Currency translation differences	**744**	(732)
Additions	**456**	549
Disposals	**–**	(37,772)
Lease modifications	**–**	(95)
End of financial year	**37,652**	36,452
Accumulated depreciation		
Beginning of financial year	**14,200**	46,115
Currency translation differences	**88**	(65)
Depreciation charge (Note 5)	**1,067**	5,922
Disposals	**–**	(37,772)
End of financial year	**15,355**	14,200
Net book value	**22,297**	22,252
Fair values	**48,356**	46,558

Notes to the Financial Statements

For the financial year ended 31 December 2024

18. Investment properties (continued)

Investment properties comprise of:

(i) two office units and two industrial properties leased to non-related parties under leasing arrangements; and

(ii) right-of-use assets (Note 20) for commercial and industrial properties which the Group leases and further sub-leases out to third parties for monthly lease payments.

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

The following amounts are recognised in profit or loss:

	The Group	
	2024	2023
	$'000	$'000
Rental income	**3,438**	14,721
Direct operating expenses arising from investment properties that generate rental income	**1,807**	10,588

Fair value hierarchy - Recurring fair value measurements

	Fair value measurements using		
Description	Quoted prices in active markets for identical assets (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable Inputs (Level 3) $'000
31 December 2024			
- Office units and industrial properties	–	–	**47,215**
- Right-of-use assets	–	–	**1,141**
31 December 2023			
- Office units and industrial properties	–	–	45,073
- Right-of-use assets	–	–	1,485

Notes to the Financial Statements

For the financial year ended 31 December 2024

18. Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

Level 3 fair values of the investment properties have been derived based on the following:

(i) Office units and industrial properties

Fair values of the investment properties have been derived using the sales comparison approach. Sale prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre. A higher selling price per square metre will result in a higher valuation.

The Group engages external, independent and qualified valuers to determine the fair values of the investment properties at the end of each financial year based on the properties' highest and best use. As at 31 December 2024, the fair values of the properties have been determined by CKS Property Consultants Pte Ltd and Knight Frank Malaysia Sdn. Bhd.

The finance division of the Group includes a team that performs the valuation required for financial reporting purposes. At each financial year end the finance division:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements compared to the prior year valuation reports; and
- holds discussions with the independent valuer.

(ii) Right-of-use assets

Fair values of the investment properties have been derived based on valuation model prepared by finance department of the Group. The valuation is based on the discounted cash flow of future lease operating income the right-of-use assets is estimated to generate, discounted at the weighted average cost of capital. The most significant input into this valuation approach is the discount rate. The higher the discount rate the lower the valuation.

Notes to the Financial Statements

For the financial year ended 31 December 2024

19. Property, plant and equipment

The Group

	Freehold land $'000	Leasehold land and buildings $'000	Office renovations, furniture, fixtures and equipment $'000	Plant, machinery and equipment $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
2024							
Cost							
Beginning of financial year	11,989	680,036	17,977	47,252	33,247	6,064	796,565
Currency translation differences	704	2,827	52	22	310	–	3,915
Additions	–	10,723	894	1,817	4,883	11,979	30,296
Transfers		–	–	482	–	(482)	–
Modifications	–	3,879	–	–	193	–	4,072
Disposals	–	(2,479)	(572)	(1,222)	(8,457)	–	(12,730)
Write-off	–	(6,029)	(659)	(441)	(261)	–	(7,390)
End of financial year	12,693	688,957	17,692	47,910	29,915	17,561	814,728
Accumulated depreciation and impairment losses							
Beginning of financial year	–	103,323	9,921	15,930	15,900	–	145,074
Currency translation differences	–	427	19	12	44	–	502
Depreciation charge	–	21,547	1,363	3,331	4,565	–	30,806
Disposals	–	(2,437)	(557)	(662)	(8,220)	–	(11,876)
Write-off	–	(6,029)	(657)	(441)	(261)	–	(7,388)
End of financial year	–	116,831	10,089	18,170	12,028	–	157,118
Net book value							
End of financial year	**12,693**	**572,126**	**7,603**	**29,740**	**17,887**	**17,561**	**657,610**

Notes to the Financial Statements

For the financial year ended 31 December 2024

19. Property, plant and equipment (continued)

The Group (continued)

	Freehold land $'000	Leasehold land and buildings $'000	Office renovations, furniture, fixtures and equipment $'000	Plant, machinery and equipment $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
2023							
Cost							
Beginning of financial year	12,704	668,858	17,701	45,887	31,981	10,312	787,443
Currency translation differences	(715)	(2,809)	(13)	(20)	(398)	(20)	(3,975)
Additions	–	506	429	1,679	4,241	5,009	11,864
Modifications	–	4,583	–	–	86	–	4,669
Disposals	–	–	(235)	(538)	(2,663)	–	(3,436)
Reclassifications	–	8,898	95	244	–	(9,237)	–
End of financial year	11,989	680,036	17,977	47,252	33,247	6,064	796,565
Accumulated depreciation and impairment losses							
Beginning of financial year	–	81,485	8,620	13,080	14,342	–	117,527
Currency translation differences	–	(318)	(14)	(10)	(120)	–	(462)
Depreciation charge	–	22,156	1,526	3,290	4,331	–	31,303
Disposal	–	–	(211)	(430)	(2,653)	–	(3,294)
End of financial year	–	103,323	9,921	15,930	15,900	–	145,074
Net book value							
End of financial year	**11,989**	**576,713**	**8,056**	**31,322**	**17,347**	**6,064**	**651,491**

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For the financial year ended 31 December 2024

19. Property, plant and equipment (continued)

The Company

	Office renovations, furniture, fixtures and equipment $'000	Motor vehicles $'000	Total $'000
2024			
Cost			
Beginning of financial year	114	390	504
Additions	17	–	17
End of financial year	131	390	521
Accumulated depreciation			
Beginning of financial year	91	377	468
Depreciation charge	13	5	18
End of financial year	104	382	486
Net book value			
End of financial year	**27**	**8**	**35**
2023			
Cost			
Beginning of financial year	98	390	488
Additions	16	–	16
End of financial year	114	390	504
Accumulated depreciation			
Beginning of financial year	71	372	443
Depreciation charge	20	5	25
End of financial year	91	377	468
Net book value			
End of financial year	**23**	**13**	**36**

(a) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20.

(b) Included within additions in the current year consolidated financial statements are right-of-use assets amounting to $13,286,000 (2023: $1,890,000).

(c) Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of $144,774,000 (2023: $154,051,000) (Note 24).

Notes to the Financial Statements

For the financial year ended 31 December 2024

20. Leases – The Group as a lessee

Right-of-use (“ROU”) assets

<u>**Nature of the Group’s leasing activities**</u>

Land and building

The Group leases land and building for purpose of its ship repair and engineering and logistics operations. The Group also leases a commercial property, which it further sub-leases out to third parties for monthly lease payments. The lease of commercial property, which ended on 31 December 2023, has been classified within investment properties (Note 18).

Equipment and vehicles

The Group leases equipment and motor vehicles for purpose of its back office operations and rendering of logistics services.

(a) Carrying amounts

<u>ROU assets classified within Property, plant and equipment</u>

	The Group	
	31 December	
	2024	2023
	$’000	$’000
Leasehold land and buildings	**84,496**	77,376
Equipment	**149**	156
Motor vehicles	**4,730**	4,307
	89,375	81,839

<u>ROU assets classified within Investment properties</u>

The right-of-use asset relating to leasehold land and buildings presented under investment properties (Note 18) is stated at cost less accumulated depreciation and has a carrying amount at balance sheet date of $4,292,000 (2023: $3,955,000).

Notes to the Financial Statements

For the financial year ended 31 December 2024

20. Leases – The Group as a lessee (continued)

Right-of-use ("ROU") assets (continued)

(b) Depreciation charge during the year

	The Group	
	2024	2023
	$'000	$'000
Investment properties	**323**	5,201
Leasehold land and buildings	**8,531**	8,675
Equipment	**78**	112
Motor vehicles	**1,498**	1,240
	10,430	15,228

		2024 $'000	2023 $'000
(c)	Interest expense on lease liabilities (Note 9)	**3,482**	3,597
(d)	Lease expense not capitalised in lease liabilities Lease expense - Short term leases (Note 5)	**5,689**	4,313
(e)	Total income from sub-leasing ROU assets	**1,618**	13,995
(f)	Total cash outflow for all the leases	**19,073**	22,029

(g) Addition and modification of ROU assets during the financial year was $13,742,000 (2023: $2,439,000) and $4,072,000 (2023: $4,574,000) respectively. During the current financial year, ROU assets with carrying amounts of $42,000 (2023: $11,000) was derecognised due to early termination of certain leases.

21. Leases – The Group as a lessor

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as an intermediate lessor under arrangement in which it subleases out retail stores to third parties for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as the operating leases.

Notes to the Financial Statements

For the financial year ended 31 December 2024

21. Leases – The Group as a lessor (continued)

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	The Group 31 December	
	2024	2023
	$'000	$'000
Less than one year	**12,744**	8,354
One to two years	**11,160**	3,374
Two to three years	**6,565**	2,109
Three to four years	**474**	1,812
Four to five years	**–**	302
Total undiscounted lease payments	**30,943**	15,951

22. Intangible assets

	The Group 31 December	
	2024	2023
	$'000	$'000
Goodwill arising on consolidation (Note (a))	**–**	–
Contract-based intangible asset (Note (b))	**–**	–
Customer relationships intangible assets (Note (c))	**8,198**	12,180
	8,198	12,180

(a) Goodwill arising on consolidation

	The Group 31 December	
	2024	2023
	$'000	$'000
Cost		
Beginning and end of financial year	**98,989**	98,989
Accumulated impairment		
Beginning and end of financial year	**(98,989)**	(98,989)
Net book value	**–**	–

Notes to the Financial Statements

For the financial year ended 31 December 2024

22. Intangible assets (continued)

(b) Contract-based intangible assets

	The Group 31 December 2024 $'000	The Group 31 December 2023 $'000
Cost		
Beginning and end of financial year	**3,644**	3,644
Accumulated amortisation		
Beginning and end of financial year	**3,644**	3,644
Net book value	**–**	–

(c) Customer relationships intangible assets

	The Group 31 December 2024 $'000	The Group 31 December 2023 $'000
Cost		
Beginning of financial year	**35,876**	35,988
Currency translation differences	**110**	(112)
End of financial year	**35,986**	35,876
Accumulated amortisation		
Beginning of financial year	**23,696**	19,707
Amortisation charge	**4,031**	4,034
Currency translation differences	**61**	(45)
End of financial year	**27,788**	23,696
Net book value	**8,198**	12,180

The amortisation charge is presented within the "Cost of sales" in the consolidated statement of profit or loss.

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For the financial year ended 31 December 2024

23. Trade and other payables

	The Group		The Company	
	31 December		31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Trade payables:				
- Non-related parties	**10,866**	14,184	**–**	–
Advances from non-related parties	**808**	983	**–**	–
Non-trade payables:				
- Non-related parties	**976**	963	**123**	123
- Subsidiaries	**–**	–	**32,237**	31,846
- Fellow subsidiaries	**39**	3,333	**–**	4
- Related parties	**117**	2	**109**	–
	1,132	4,298	**32,469**	31,973
Deposits received	**3,058**	6,611	**–**	–
Other accruals for operating expenses	**10,710**	11,174	**3,215**	2,760
Interest payable	**172**	225	**24**	26
	13,940	18,010	**3,239**	2,786
	26,746	37,475	**35,708**	34,759

The non-trade payables due to subsidiaries, fellow subsidiaries and related parties are unsecured, interest-free and repayable on demand.

24. Borrowings

	The Group		The Company	
	31 December		31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings (unsecured)	**54,869**	1,352	**34,069**	–
Bank borrowings (secured)	**14,537**	15,100	**–**	–
Lease liabilities (secured)	**11,120**	8,785	**–**	–
	80,526	25,237	**34,069**	–
Non-current				
Bank borrowings (unsecured)	**–**	54,612	**–**	34,069
Bank borrowings (secured)	**92,084**	107,585	**–**	–
Lease liabilities (secured)	**81,433**	74,368	**–**	–
	173,517	236,565	**–**	34,069
Total borrowings	**254,043**	261,802	**34,069**	34,069

Notes to the Financial Statements

For the financial year ended 31 December 2024

24. Borrowings (continued)

The borrowings of the Group and of the Company amounting to $161,490,000 and $34,069,000 respectively (2023: $178,649,000 and $34,069,000) have variable interest rates that are contractually repriced within 1 to 3 months (2023: 1 to 3 months) from the balance sheet date.

(a) Security granted

At the balance sheet date, total borrowings include secured liabilities of $199,174,000 (2023: $205,838,000) for the Group.

Bank borrowings are secured by:

(i) certain bank deposits (Note 12); and

(ii) certain property, plant and equipment (Note 19).

Lease liabilities are secured over the Group's right-of-use assets classified

within property, plant and equipment and investment properties (Note 20).

(b) Fair values of non-current borrowings

As at 31 December 2024 and 2023, the carrying amounts of non-current borrowings, which are at variable rates, approximated their fair values.

(c) Loan covenants

Under the terms of the non-current bank borrowings, which has a total carrying amount of $92,084,000 (2023: $162,197,000), the Group is required to comply with the following financial covenants:

- The interest coverage ratio must always be greater than 2.0;
- The consolidated total liabilities must not at any time exceed 70% of the consolidated total assets; and
- The consolidated tangible net worth must not at any time be less than $200 million.

The Group has complied with these covenants throughout the reporting period.

25. Provisions

	The Group 31 December 2024 $'000	The Group 31 December 2023 $'000
Provision for reinstatement costs	**1,543**	2,237
Current	**920**	802
Non-current	**623**	1,435
	1,543	2,237

Notes to the Financial Statements

For the financial year ended 31 December 2024

25. Provisions (continued)

Movements in provision for reinstatement costs are as follows:

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Beginning of financial year	**2,237**	2,337
Provision made during the financial year	**118**	–
Provision reversed during the financial year	**(530)**	–
Provision utilised during the financial year	**(282)**	(100)
End of financial year	**1,543**	2,237

Provision for reinstatement costs represent estimated costs required to reinstate the Group's leased premises to their original state upon expiry of the lease.

26. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Deferred income tax assets	**(245)**	(171)
Deferred income tax liabilities	**57,382**	59,710
Net deferred tax liabilities	**57,137**	59,539

Movement in the deferred income tax account is as follows:

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Beginning of financial year	**59,539**	61,131
Currency translation differences	**368**	(332)
Deferred tax credited to profit or loss	**(2,770)**	(1,260)
End of financial year	**57,137**	59,539

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent realisation of the related tax benefits through future taxable profits is probable. The Group has no unrecognised tax losses at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The unrecognised tax losses and capital allowances have no expiry date.

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For the financial year ended 31 December 2024

26. Deferred income taxes (continued)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Deferred income tax liabilities

	The Group			
	Accelerated tax depreciation $'000	Right-of-use assets $'000	Undistributed profits of foreign associated companies $'000	Total $'000
2024				
Beginning of financial year	60,093	14,440	431	74,964
(Credited)/charged to income statement	(2,798)	1,150	237	(1,411)
Currency translation differences	388	433	–	821
End of financial year	57,683	16,023	668	74,374
2023				
Beginning of financial year	61,700	15,997	219	77,916
(Credited)/charged to income statement	(1,254)	(1,284)	212	(2,326)
Currency translation differences	(353)	(273)	–	(626)
End of financial year	60,093	14,440	431	74,964

Reconciliation of total deferred income tax liabilities after appropriate offsetting from the same tax jurisdiction is as follows:

	The Group 31 December	
	2024 $'000	2023 $'000
Total deferred income tax liabilities	**74,374**	74,964
Offsetting of deferred income tax assets from the same tax jurisdiction	**(16,992)**	(15,254)
Total deferred income tax liabilities after appropriate offsetting from the same tax jurisdiction	**57,382**	59,710

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26. Deferred income taxes (continued)

Deferred income tax assets

	The Group Lease liabilities $'000
2024	
Beginning of financial year	**(15,425)**
Credited to income statement	**(1,359)**
Currency translation differences	**(453)**
End of financial year	**(17,237)**
2023	
Beginning of financial year	(16,785)
Charged to income statement	1,066
Currency translation differences	294
End of financial year	(15,425)

Reconciliation of total deferred income tax assets after appropriate offsetting from the same tax jurisdiction is as follows:

	The Group 31 December **2024** **$'000**	 2023 $'000
Total deferred income tax assets	**(17,237)**	(15,425)
Offsetting of deferred income tax liabilities from the same tax jurisdiction	**16,992**	15,254
Total deferred income tax assets after appropriate offsetting from the same tax jurisdiction	**(245)**	(171)

27. Share capital

	Issued share capital No. of ordinary shares '000	 Amount $'000
2024		
Beginning and end of financial year	**2,239,245**	**270,608**
2023		
Beginning and end of financial year	2,239,245	270,608

Notes to the Financial Statements

For the financial year ended 31 December 2024

27. **Share capital** (continued)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Share options

The COSCO SHIPPING Group Executives' Share Option Scheme 2020 ("Option Scheme") was approved by shareholders of the Company at an Extraordinary General Meeting held on 25 June 2020.

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

The options may be exercised in full or in part in respect of 100 shares or a multiple thereof, on the payment of the exercise price commencing after the second anniversary of the date of grant of the options and ending on the seventh anniversary of the date of grant of the options, subject to the following vesting periods of the options granted:

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2024

27. Share capital (continued)

Share options (continued)

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

The Company granted options under the Option Scheme to subscribe for 22,238,000 ordinary shares of the Company on 3 July 2020 (the "2020 Options").

On 22 April 2021, share options to subscribe for 2,959,000 ordinary shares in the Company at an exercise price of $0.334 per ordinary share were granted to key management personnel and employees pursuant to the Option Scheme (the "2021 Options"). The 2021 Options shall be exercisable during the First vesting period, Second vesting period and Third vesting period respectively, subject to the achievement of vesting conditions.

Movements in the number of unissued ordinary shares under option at the end of the financial year and their exercise prices are as follows:

The Group and the Company

As at 31 December 2023

	← Number of ordinary shares under option outstanding →						
	Beginning of financial year ’000	**Granted during financial year ‘000**	**Lapsed during financial year ’000**	**Exercised during financial year ‘000**	**End of financial year ’000**	**Exercise Price $**	**Exercise period**
2020 Options	2,738	–	(2,738)	–	–	0.202	3.7.2022-2.7.2027
2021 Options	653	–	(653)	–	–	0.344	22.4.2023-21.4.2028
	3,391	–	(3,391)	–	–		

No outstanding options were vested and exercisable as at 31 December 2024 and 31 December 2023.

The vesting of the options is conditional on the Executives achieving certain vesting conditions, including certain key performance indicators which are non-market conditions. The Group has assessed that the vesting conditions are unlikely to be met. Therefore, the Group has determined that no potential new shares will be issued to the Executives over the vesting periods. Accordingly, share-based payment compensation has not been recognised by the Group given that the equity instruments are unlikely to vest due to failure to satisfy non-market vesting conditions.

Notes to the Financial Statements

For the financial year ended 31 December 2024

28. Statutory and other reserves

	The Group 31 December		The Company 31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
(a) Composition:				
Share option reserve	**44,578**	44,578	**44,578**	44,578
Currency translation reserve	**(6,359)**	(10,293)	**–**	–
Other reserve	**265**	265	**527**	527
	38,484	34,550	**45,105**	45,105

	The Group		The Company	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
(b) Movements:				
(i) Share option reserve				
Beginning and end of financial year	**44,578**	44,578	**44,578**	44,578
(ii) Currency translation reserve				
Beginning of financial year	**(10,293)**	(6,565)	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**4,244**	(3,807)	**–**	–
Non-controlling interests	**(310)**	79	**–**	–
End of financial year	**(6,359)**	(10,293)	**–**	–
(iii) Other reserve				
Beginning of financial year	**265**	373	**527**	527
Acquisition of a subsidiary	**–**	(108)	**–**	–
End of financial year	**265**	265	**527**	527

Other reserve is non-distributable.

29. Dividends

No dividend will be recommended at the next Annual General Meeting to be convened on 28 April 2025. No dividend was declared for the financial year ended 31 December 2024 and 31 December 2023.

Notes to the Financial Statements

For the financial year ended 31 December 2024

30. Commitments

Capital commitment

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group	
	31 December	
	2024	2023
	$'000	$'000
Property, plant and equipment	**93,434**	1,992

31. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board approves guidelines for overall risk management, as well as policies covering these specific areas.

(a) Market risk

(i) Currency risk

The Group is not exposed to significant currency risk as the Group's transactions are largely denominated in the functional currencies of the respective subsidiaries of the Group. Foreign currency sensitivity analysis has not been performed as management does not expect any reasonable changes to foreign currency rates to have significant impact on the results of the Group.

(ii) Price risk

The Group is not exposed to any significant equity securities price risk.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's interest rate risk mainly arises from borrowings at variable rates. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates and may use derivative financial instruments to hedge the exposures when the exposure is significant.

Notes to the Financial Statements

For the financial year ended 31 December 2024

31. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the interest rates had been lower or higher by 0.5% (2023: 0.5%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company would have been higher or lower by $670,000 (2023: $741,000) and $141,000 (2023: $141,000) respectively as a result of lower or higher interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. The Group only deals with financial institutions with good credit rating.

The Group monitors its exposure to credit risks arising from sales to trade customers at an on-going basis, and credit evaluations are done on customers that require credit. The credit quality of customers is assessed after taking into account its financial position and past experience with the customers. Cash and fixed deposits are placed in banks and financial institutions with good credit rating.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who are internationally dispersed. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's and Company's trade receivables.

The Group's and the Company's major classes of financial assets are bank deposits, trade receivables and other receivables (including staff advances).

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

Cash and cash equivalents, other receivables, restricted cash and deposits are subject to immaterial credit loss.

Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

Notes to the Financial Statements

For the financial year ended 31 December 2024

31. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables (continued)

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in the GDP.

The Group considers a financial asset as in default if the counterparty fails to make contractual payments when they fall due and considering management's expectation based on historical payment trend. Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 are as follows:

		Past due				
The Group	Current $'000	1 to 90 days $'000	91 to 180 days $'000	181 to 365 days $'000	More than 1 year $'000	Total $'000
As at 31 December 2024						
Ship repair and marine engineering						
Trade receivable	2,925	2,769	1,220	651	27	7,592
Logistics services						
Trade receivable	22,665	6,923	398	269	496	30,751
Property management						
Trade receivable	112	64	19	50	351	596
	25,702	**9,756**	**1,637**	**970**	**874**	**38,939**
As at 31 December 2023						
Ship repair and marine engineering						
Trade receivable	3,379	1,517	455	259	198	5,808
Logistics services						
Trade receivable	24,109	5,734	1,359	834	316	32,352
Property management						
Trade receivable	172	907	438	60	287	1,864
	27,660	**8,158**	**2,252**	**1,153**	**801**	**40,024**

Notes to the Financial Statements

For the financial year ended 31 December 2024

31. Financial risk management (continued)

(b) Credit risk (continued)

Trade receivables (continued)

As at 31 December 2024 and 2023, management has identified a group of debtors to be credit impaired and assessed the recoverability of the outstanding balances separately.

	The Group	
	2024	2023
	$'000	$'000
Gross carrying amount	**1,285**	1,272
Less: Loss allowance	**(1,077)**	(1,113)
	208	159

The movements in credit loss allowance are as follows:

	2024	2023
	$'000	$'000
The Group		
Balance at beginning of year	**1,113**	548
Reversal of unutilised amounts	**(282)**	(70)
Changes in credit risk	**450**	658
Currency translation differences	**(204)**	(23)
Balance at end of year	**1,077**	1,113

Based on the above assessment, the remaining trade receivables are subject to immaterial credit loss.

Other receivables

The Group's other receivables carried at amortised cost have low risk of default and the debtors have strong capacity to meet contractual cash flows. Hence the loss allowance recognised on these assets are measured at the 12-month expected credit loss. The Group categorise such loan or receivable as a financial asset with low risk of impairment.

Where the interest and/or principal repayments have no reasonable expectation of recovery, or the counterparty is going into administration or bankruptcy or financial reorganisation, the Group categorise such loan or receivable for impairment.

The Company

As at 31 December 2024 and 31 December 2023, the Company did not have any loss allowance arising from its financial assets.

Cash at bank and other receivables are subject to immaterial credit loss.

Notes to the Financial Statements

For the financial year ended 31 December 2024

31. Financial risk management (continued)

(b) Credit risk (continued)

The Company (continued)

The Company has issued a financial guarantee to a bank for borrowings of a subsidiary amounting to $20,800,000 (2023: $21,895,000). The financial guarantee is subject to the impairment requirements of SFRS(I) 9. The Company has assessed that the subsidiary has strong financial capacity to meet its financial obligations in the near future and hence, does not expect significant credit losses arising from this guarantee.

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and having an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit facilities available.

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $'000	**Between 1 and 5 Years $'000**	**Over 5 years $'000**
The Group			
At 31 December 2024			
Other financial liabilities	**(25,938)**	**–**	**–**
Borrowings	**(85,724)**	**(80,802)**	**(166,151)**
At 31 December 2023			
Other financial liabilities	(36,492)	–	–
Borrowings	(29,680)	(137,606)	(159,332)
The Company			
At 31 December 2024			
Other financial liabilities	**(35,708)**	**–**	**–**
Borrowings	**(35,540)**	**–**	**–**
At 31 December 2023			
Other financial liabilities	(34,759)	–	–
Borrowings	(1,617)	(35,641)	–

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Notes to the Financial Statements

For the financial year ended 31 December 2024

31. Financial risk management (continued)

(d) Capital risk (continued)

Management monitors capital based on the return on shareholders' fund. The return on shareholders' fund was 1.1% per annum for the current financial year ended 31 December 2024 (2023: 0.4% per annum).

The return on shareholders' fund is calculated as net profit/(loss) attributable to equity holders of the Company divided by average shareholders' equity.

The Group and the Company were in compliance with all externally imposed capital requirements for the financial year ended 31 December 2024 and 31 December 2023.

(e) Fair value measurements

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amounts of current borrowings approximates their fair values.

(f) Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	The Group 31 December		**The Company** 31 December	
	2024 **$'000**	2023 $'000	**2024** **$'000**	2023 $'000
Financial assets at amortised cost	**91,330**	109,733	**35,512**	36,561
Financial liabilities at amortised cost	**279,981**	298,294	**69,777**	68,828

(g) Offsetting financial assets and financial liabilities

The financial assets and liabilities of the Group and the Company are not subject to enforceable master netting arrangements or similar agreement. Financial assets and liabilities are settled on a gross basis.

Notes to the Financial Statements

For the financial year ended 31 December 2024

32. Immediate and ultimate holding corporation

The Company's immediate holding corporation is China Ocean Shipping (Group) Company, incorporated in the People's Republic of China ("PRC"). The Company's ultimate holding corporation is China COSCO Shipping Corporation Limited, incorporated in PRC.

33. Related party transactions

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

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

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

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

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

	The Group	
	2024	2023
	$'000	$'000
Revenue		
Sales to fellow subsidiaries	**15,699**	17,607
Service income received from fellow subsidiaries	**2,642**	2,820
Commission received/receivable from fellow subsidiaries	**48**	52
Expenditure		
Purchases from fellow subsidiaries	**5,922**	1,763
Purchases from related parties	**–**	4
Rental paid/payable to fellow subsidiaries	**453**	417
Management fees paid to a fellow subsidiary	**–**	405
Service expenses paid/payable to fellow subsidiaries	**9**	196
Interest paid/payable to a fellow subsidiary	**–**	1,010
Purchase of property, plant and equipment from a fellow subsidiary	**–**	14

Notes to the Financial Statements

For the financial year ended 31 December 2024

33. Related party transactions (continued)

Outstanding balances as at 31 December 2024, arising from sales or purchases of goods and services and receivables/payables from/to fellow subsidiaries, are set out in Note 13, 23 and 24 respectively.

(b) Share options granted to key management

There were no share options granted to key management of the Group during 2024 and 2023, and 331,400 share options were lapsed during the previous financial year. The share options were given on the same terms and conditions as those offered to other employees of the Group (Note 27). There was no outstanding number of share options granted to key management of the Group as at 31 December 2024 and 31 December 2023.

(c) Key management personnel compensation

Key management personnel compensation is as follows:

	The Group	
	2024	2023
	$'000	$'000
Salaries and other short-term benefits	**2,659**	2,277
Directors' fees of the Company	**245**	256
	2,904	2,533

Included in the above was total compensation to directors of the Company amounting to $1,167,000 (2023: $1,078,000).

34. Segment information

The President is the Group's chief operating decision maker ("CODM"). Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions.

The key management considers the business from the business segment perspective. The operations relate to segments which derive revenue from shipping, ship repair and marine engineering activities, logistics and property management.

Notes to the Financial Statements

For the financial year ended 31 December 2024

34. Segment information (continued)

The segment information provided to the key management for the reportable segments is as follows:

	Shipping $'000	Ship repair, and marine engineering activities $'000	Logistics $'000	Property management $'000	All other segments $'000	Total $'000
2024						
The Group						
Sales						
- External sales	–	20,139	149,867	2,910	–	172,916
- Inter-segment sales	–	–	–	542	–	542
	–	20,139	149,867	3,452	–	173,458
Elimination						(542)
						172,916
Segment results	–	3,755	17,019	1,094	(6,742)	15,126
Interest income	–	106	85	–	774	965
Finance expense	–	(45)	(9,860)	–	(1,604)	(11,509)
Share of profit of associated companies	787	–	4,114	–	–	4,901
Profit/(loss) before income tax	787	3,816	11,358	1,094	(7,572)	9,483
Income tax expense						(2,842)
Net profit						6,641
Other segment items						
Additions to property, plant and equipment, net of lease modifications	–	496	33,847	8	17	34,368
Additions to investment properties, net of lease modification	–	–	–	456	–	456
Amortisation of intangible assets	–	–	4,031	–	–	4,031
Depreciation of property, plant and equipment	–	1,128	29,536	124	18	30,806
Depreciation of investment properties	–	–	319	748	–	1,067
Impairment of trade and other receivables	–	–	168	–	–	168
Segment assets	–	25,099	728,052	14,020	17,618	784,789
Associated companies	36,742	–	24,423	–	–	61,165
Deferred income tax assets	–	–	245	–	–	245
Consolidated total assets						846,199
Segment liabilities	–	2,838	19,036	3,029	3,386	28,289
Borrowings						254,043
Current income tax liabilities						5,111
Deferred income tax liabilities						57,382
Consolidated total liabilities						344,825
Consolidated net assets						501,374

Notes to the Financial Statements

For the financial year ended 31 December 2024

34. Segment information (continued)

	Shipping $'000	Ship repair, and marine engineering activities $'000	Logistics $'000	Property management $'000	All other segments $'000	Total $'000
2023						
The Group						
Sales						
- External sales	–	17,962	148,240	12,508	–	178,710
- Inter-segment sales	–	–	–	627	–	627
	–	17,962	148,240	13,135	–	179,337
Elimination						(627)
						178,710
Segment results	–	2,638	13,509	2,127	(6,023)	12,251
Interest income	–	1	170	–	1,758	1,929
Finance expense	–	(47)	(11,216)	–	(2,394)	(13,657)
Share of profit of associated companies	1,999	–	3,133	–	–	5,132
Profit/(loss) before income tax	1,999	2,592	5,596	2,127	(6,659)	5,655
Income tax expense						(3,027)
Net profit						2,628
Other segment items						
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 modification	–	–	–	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
Impairment of trade and other receivables	–	54	246	288	–	588
Segment assets	–	23,135	725,681	15,064	36,777	800,657
Associated companies	38,777	–	16,733	–	–	55,510
Deferred income tax assets						171
Consolidated total assets						856,338
Segment liabilities	–	2,348	28,877	5,568	2,919	39,712
Borrowings						261,802
Current income tax liabilities						4,092
Deferred income tax liabilities						59,710
Consolidated total liabilities						365,316
Consolidated net assets						491,022

Notes to the Financial Statements

For the financial year ended 31 December 2024

34. Segment information (continued)

Sales between segments are carried out at terms agreed between the relevant parties. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated profit or loss.

(a) Geographical information

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

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

2. Malaysia - the operations in this area are principally in logistics activities.

Sales are based on the country in which the services are rendered to the customers. Non-current assets (other than deferred tax assets) are shown by the geographical area where the assets are located.

	Sales		Non-current assets	
			31 December	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Singapore	**148,494**	152,337	**674,544**	671,056
Malaysia	**24,422**	26,373	**75,496**	70,751
	172,916	178,710	**750,040**	741,807

Revenue of approximately $33,947,000 (2023: $32,556,000) are derived from one (2023: one) single external customer. These revenues are attributable to the Singapore Logistics segment.

35. Arbitration proceeding

On 20 November 2020, a subsidiary of the Company, SH Cogent Logistics Pte Ltd ("SHCL"), received a Final Arbitral Award ("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 $2,117,000 together with simple interest at a rate of 5.33% per annum from 22 December 2015 until full and final payment; and

2. The sum of $1,834,000 in aggregate (being 70% of SHCL's share of the costs of the arbitration and 70% of SHCL's legal fees, expenses and disbursement in relation to the arbitration) with simple interest at a rate of 5.3% 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 has issued its decision on the Application under which the Application was rejected, except for a minor downward revision for an amount of $7,490 that was initially awarded in favor of SHCL under the Award.

Notes to the Financial Statements

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35. Arbitration proceeding (continued)

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

On 25 January 2022, the High Court of Singapore dismissed the crane specialist's applications to set aside the Award and to set aside the order obtained by the Company 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 heard BDC's appeal and dismissed the same 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 was conducted on 5 March 2024 and SHCL was successful in resisting the application to set aside the Final Garnishee Order. In addition, $10,000 of legal cost relating to the proceedings was also awarded to SHCL. In May 2024, the debtor fully repaid the amount owing to SHCL of $146,000 and SHCL withdrew the Winding Up proceedings.

The related corporation of the crane specialist also repaid some amounts during the financial year ended 31 December 2024.

Total amount recovered amounting to $1,260,000 (Note 7) has been recognised in the Group's consolidated financial statements under other income for the financial year ended 31 December 2024.

Notes to the Financial Statements

For the financial year ended 31 December 2024

36. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

Amendments to SFRS(I) 1-21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

SFRS(I) 18 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

Notes to the Financial Statements

For the financial year ended 31 December 2024

36. New or revised accounting standards and interpretations (continued)

SFRS(I) 19 - Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

37. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of COSCO SHIPPING International (Singapore) Co., Ltd. on 7 March 2025.

Five-Year Summary

	Note	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000
PROFIT OR LOSS						
Sales		185,843	198,463	185,643	178,710	172,916
Profit/(loss) before income tax		11,875	34,517	(84,563)	5,655	9,483
Income tax expense		(2,810)	(3,674)	(3,197)	(3,027)	(2,842)
Total profit/(loss)		9,065	30,843	(87,760)	2,628	6,641
Profit/(loss) attributable to:						
- Equity holders of the Company		8,337	30,112	(88,600)	1,900	5,474
- Non-controlling interests		728	731	840	728	1,167
		9,065	30,843	(87,760)	2,628	6,641

	Note	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000
BALANCE SHEET						
Share Capital		270,608	270,608	270,608	270,608	270,608
Statutory and other reserves		25,560	34,924	38,386	34,550	38,484
Retained earnings		238,732	268,628	180,028	181,928	187,402
Non-controlling interests		10,416	11,050	3,736	3,936	4,880
Total Equity		545,316	585,210	492,758	491,022	501,374
Trade and other receivables		529	424	379	374	770
Investment in associated companies		16,652	55,251	58,803	55,510	61,165
Investment properties		38,515	40,793	28,387	22,252	22,297
Property, plant and equipment		718,873	696,205	669,916	651,491	657,610
Intangible assets		123,584	119,411	16,281	12,180	8,198
Deferred income tax assets		–	10	111	171	245
Current assets		120,607	161,441	152,150	114,360	95,914
Current liabilities		(89,187)	(130,125)	(72,216)	(67,606)	(113,303)
Non-current liabilities		(384,257)	(358,200)	(361,053)	(297,710)	(231,522)
Net Assets		545,316	585,210	492,758	491,022	501,374
RATIOS						
Basic earnings/(loss) per share (cents)	1	0.37	1.30	(3.96)	0.08	0.24
Net tangible assets per share (cents)		18.1	20.1	20.9	21.0	21.8
Gearing ratio (Net of Cash)	2	0.5	0.4	0.5	0.4	0.4

Notes:

1. Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to equity holders of the company divided by the weighted average number of ordinary shares issued in the financial year.

2. Gearing ratio (Net of Cash) is derived by taking total borrowings, net of cash and cash equivalents, over the shareholders' funds.

Shareholding Statistics

As at 17 March 2025

Number of Shares in Issue	:	2,239,244,954
Class of Shares	:	Ordinary shares
Voting Rights	:	On a Poll: 1 vote for each ordinary share
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS AS AT 17 MARCH 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	28	0.11	980	0.00
100 - 1,000	1,997	8.01	1,906,771	0.08
1,001 - 10,000	13,210	53.00	73,674,520	3.29
10,001 - 1,000,000	9,628	38.63	589,313,070	26.32
1,000,001 and above	63	0.25	1,574,349,613	70.31
Total	**24,926**	**100.00**	**2,239,244,954**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 17 MARCH 2025

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
China Ocean Shipping Company Limited	1,194,565,488	53.35	–	–
China COSCO Shipping Corporation Limited*	–	–	1,194,565,488	53.35

** China COSCO Shipping Corporation Limited is deemed interested in the shares held by China Ocean Shipping Company Limited.*

Shareholding Statistics

As at 17 March 2025

TWENTY LARGEST SHAREHOLDERS AS AT 17 MARCH 2025

	SHAREHOLDER'S NAME	NO OF SHARES	%
1	CHINA OCEAN SHIPPING COMPANY LIMITED	1,194,565,488	53.35
2	CITIBANK NOMINEES SINGAPORE PTE LTD	60,352,219	2.70
3	DBS NOMINEES PTE LTD	54,383,028	2.43
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	23,862,808	1.07
5	OCBC SECURITIES PRIVATE LTD	22,060,824	0.99
6	DBSN SERVICES PTE LTD	19,771,425	0.88
7	OCBC NOMINEES SINGAPORE PTE LTD	16,690,369	0.75
8	RAFFLES NOMINEES (PTE) LIMITED	16,175,982	0.72
9	UOB KAY HIAN PTE LTD	16,098,038	0.72
10	PHILLIP SECURITIES PTE LTD	15,991,189	0.71
11	MAYBANK SECURITIES PTE. LTD.	9,065,571	0.40
12	CHUA LIAK CHNG	8,064,000	0.36
13	LEE FOOK CHOY	7,366,000	0.33
14	YAP BEO GIAP	6,100,000	0.27
15	IFAST FINANCIAL PTE LTD	5,729,974	0.26
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	4,801,603	0.21
17	EST OF HUI SHUNE MING @ HUI SHUN MENG, DEC'D	4,500,000	0.20
18	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	4,492,800	0.20
19	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,165,200	0.19
20	LIM AND TAN SECURITIES PTE LTD	3,983,300	0.18
	Total	**1,498,219,818**	**66.92**

SHARES HELD BY PUBLIC

Based on the information available and to the best knowledge of the Company as at 17 March 2025, approximately 46.65% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of COSCO SHIPPING International (Singapore) Co., Ltd. (the "**Company**") will be held at Level 3, Meeting Rooms 331-332, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 28 April 2025 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To approve payment of Directors' Fees of S$245,000 for the financial year ended 31 December 2024. (2023: S$256,330) **(Resolution 2)**

3. To re-elect Mr Wang Shan He, who is retiring as a Director pursuant to Article 105 of the Company's Constitution, and being eligible, offers himself for re-election. **(Resolution 3)**
(See Explanatory Note 1)

4. To re-elect Mr Guo Hua Wei, who is retiring as a Director pursuant to Article 101 of the Company's Constitution, and being eligible, offers himself for re-election. **(Resolution 4)**
(See Explanatory Note 2)

5. To appoint KPMG LLP as Auditors of the Company in place of the retiring Auditors, PricewaterhouseCoopers LLP, and to authorise the Directors to fix their remuneration. **(Resolution 5)**
(See Explanatory Note 3)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

6. **Authority to Allot and Issue Shares** **(Resolution 6)**

"That pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(A) (i) issue shares in the capital of the Company whether by way of bonus, rights or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit;

Notice Of Annual General Meeting

(B) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided always that:

(a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company at the time this resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

(c) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(d) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(See Explanatory Note 4)

Notice Of Annual General Meeting

7. **Proposed Renewal of Shareholders' Mandate for Interested Person Transactions** **(Resolution 7)**

"That:

(i) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions, particulars of which are set out in the Appendix to Shareholders ("**Appendix**") with any party who is of the classes of interested persons described in the Appendix, provided that such transactions are made in the ordinary course of business and on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and in accordance with the review procedures for interested person transactions as set out in the Appendix;

(ii) the Audit and Risk Management Committee of the Company be and is hereby authorised to take such actions as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by SGX-ST from time to time;

(iii) the Directors be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to this Resolution; and

(iv) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."

(See Explanatory Note 5)

8. **Authority to Allot and Issue Shares under the COSCO SHIPPING Group Executives Share Option Scheme 2020** **(Resolution 8)**

"That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the COSCO SHIPPING Group Executives Share Option Scheme 2020 (the "**Option Scheme**") and allot and issue and/or transfer from time to time such number of shares in the capital of the Company as may be required to be issued and/or transferred pursuant to the exercise of options under the Option Scheme and do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that the aggregate number of shares to be allotted and issued pursuant to the Option Scheme and other share-based incentive scheme(s) of the Company shall not exceed 10% of the total number of issued shares in the capital of the Company from time to time (excluding treasury shares and subsidiary holdings, if any)."

(See Explanatory Note 6)

Notice Of Annual General Meeting

9. To transact any other business which may be properly transacted at an AGM.

BY ORDER OF THE BOARD
Lee Wei Hsiung
Company Secretary
Singapore, 4 April 2025

EXPLANATORY NOTES:

1. Mr Wang Shan He will, upon re-election as a Director of the Company, remain as the Executive Chairman and President, Chairman of the Strategic and Sustainable Development Committee and a member of the Nominating Committee. Please refer to the "Information on Director seeking Re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

2. Mr Guo Hua Wei will, upon re-election as a Director of the Company, remain as a member of the Strategic and Sustainable Development Committee. Please refer to the "Information on Director seeking Re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

3. The Ordinary Resolution 5 above is to approve the appointment of KPMG LLP as the Auditors of the Company in place of PricewaterhouseCoopers LLP for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.

   PricewaterhouseCoopers LLP was appointed as the Auditors of the Company in 1993. On 18 February 2025, PricewaterhouseCoopers LLP formally notified the Company that they would not be seeking re-appointment upon their retirement at the Company's forthcoming AGM to be held on 28 April 2025. Furthermore, as part of the ongoing efforts of the Company to enhance its corporate governance, the Board is of the view that it would be appropriate and timely to effect a change of Auditors of the Company. Following a review and evaluation of various audit firms which have experience in auditing publicly listed companies in Singapore, the Board, in consultation with the Audit and Risk Management Committee, and taking into consideration the requirements of Rule 712 and Rule 715 of the Listing Manual, has determined that KPMG LLP is best suited to meet the existing needs and audit requirement of the Group. KPMG LLP has on 11 March 2025 given its written consent to act as Auditors of the Company, subject to approval from shareholders being obtained at the upcoming AGM. Accordingly, the appointment of KPMG LLP will only be effective upon the approval of the shareholders at the upcoming AGM. Please refer to the Appendix to Shareholders dated 4 April 2025 for more details, including information pursuant to Rule 1203(5) of the Listing Manual of the SGX-ST.

4. The Ordinary Resolution 6 proposed above, if passed, will empower the Directors from the date of the above AGM until the next AGM to issue shares and/or convertible securities in the capital of the Company up to an amount not exceeding in aggregate 50% of the issued shares in the capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the issued shares in the capital of the Company at the time the Resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM.

5. The Ordinary Resolution 7 proposed above, if passed, will renew the existing Shareholders' Mandate to allow the Company, its subsidiaries and associated companies or any of them to enter into certain interested person transactions with person who are considered "Interested Persons" as defined in Chapter 9 of the Listing Manual of the SGX-ST.

   The Company's Audit and Risk Management Committee has confirmed that (i) the methods and procedures for determining the transaction prices under the Shareholders' Mandate for Interested Person Transactions (described in Schedule 2 of the Appendix to Shareholders), have not changed since the Shareholders' Mandate was renewed at the last AGM on 29 April 2024; and (ii) that the said methods and procedures are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

6. The Ordinary Resolution 8 proposed above, if passed, will authorise and empower the Directors to offer and grant options in accordance with the provisions of the Option Scheme and allot and issue and/or transfer from time to time such number of shares in the capital of the Company as may be required to be issued and/or transferred pursuant to the exercise of options under the Option Scheme and do all such acts and things as may be necessary or expedient to carry the same into effect, provided always that the aggregate number of shares to be allotted and issued pursuant to the Option Scheme and other share-based incentive scheme(s) of the Company shall not exceed 10% of the total number of issued shares in the capital of the Company from time to time (excluding treasury shares and subsidiary holdings, if any). This authority is in addition to the general authority to issue shares sought under the Ordinary Resolution 6.

Notice Of Annual General Meeting

NOTES:

1. The AGM will be held, in a wholly physical format, at the venue, date and time stated above. Members, including CPF and SRS investors, and (where applicable) duly appointed proxies or representatives will be able to ask questions and vote at the AGM by attending the AGM in person. There will be no option for the members to participate virtually.

2. Printed copies of this Notice and the accompanying proxy form will be sent by post to the members. These documents will also be published on the SGX website at https://www.sgx.com/securities/company-announcements and on the Company's website at http://coscoshipping.listedcompany.com/home.html.

3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A proxy need not to be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at Cosco-proxy@vistra.com.

   in either case, by **2.00 p.m.** on **25 April 2025** (being 72 hours before the time appointed for the AGM).

6. CPF and SRS investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operations if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **15 April 2025**.

7. The instrument of proxy must be signed by the appointor or his attorney duly authorised in writing. In the case of joint shareholders, all holders must sign the instrument of proxy.

8. Members, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM:

   (a) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) by email to Cosco-proxy@vistra.com.

   When submitting questions by post or by email, members should provide the following details; (a) the member's full name; and (b) his/her/its identification/registration number, (c) contact for verification purposes; and (d) the manner in which the member holds shares in the Company (e.g. via CDP, CPF, SRS and/or scrip), for verification purposes.

   All questions submitted in advance must be received by **2.00 p.m.** on **15 April 2025**.

9. The Company will address all substantial and relevant questions received from members by publishing its responses to such questions on the Company's website and the SGX website either by 22 April 2025, being at least 48 hours prior to the closing date and time for the lodgement of instruments appointing a proxy(ies), or at the AGM. Should there be subsequent clarification sought or follow-up comments and queries received after the deadline for the submission of questions on 15 April 2025, the Company will address those substantial and relevant comments and queries prior to the AGM either through publication on the Company's corporate website and the SGX website, or at the AGM.

Notice Of Annual General Meeting

10. Members, including CPF and SRS investors, and (where applicable) duly appointed proxies or representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

11. The Annual Report 2024, Notice of AGM, Proxy Form, Request Form and the Appendix to Shareholders dated 4 April 2025 (in relation to the proposed change of auditors and the proposed renewal of shareholders' mandate for Interested Person Transactions) may be assessed at the Company's corporate website at http://coscoshipping.listedcompany.com/home.html. These documents will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and submitting the request form sent to them by post together with printed copies of this Notice of AGM and the accompanying proxy form.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof and/or submitting any question to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

中远海运国际（新加坡）有限公司

COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. The Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at the venue, date and time stated below. There will be no option for members to participate virtually.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors:
   (a) may vote at the AGM if they are appointed as proxies by the respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have queries regarding their appointments as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. on 15 April 2025.
3. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy.

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2025.

I/We, ______________________ *(Name)* ______________________ *(NRIC/Passport No./UEN.)*

of ____ *(Address)*

being a member/members of **COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings (%)**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings (%)**	
		No. of Shares	**%**
Address			

or failing the person, or either both the persons, referred to above, the Chairman of the AGM, as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held at Level 3, Meeting Rooms 331-332, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 28 April 2025 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarized below, the proxy/proxies will vote/abstain from voting at his/her discretion.

No.	**Ordinary Resolutions**	**For***	**Against***	**Abstain***
Ordinary Business				
1.	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2024.			
2.	Approval of Directors' Fees of S$245,000 for the financial year ended 31 December 2024.			
3.	Re-election of Mr Wang Shan He as a Director pursuant to Article 105 of the Company's Constitution.			
4.	Re-election of Mr Guo Hua Wei as a Director pursuant to Article 101 of the Company's Constitution.			
5.	Appointment of KPMG LLP as Auditors of the Company in place of the retiring Auditors, PricewaterhouseCoopers LLP, and authority for the Directors to fix their remuneration.			
Special Business				
6.	Authority to allot and issue new shares pursuant to Section 161 of the Companies Act 1967.			
7.	Renewal of Shareholders' Mandate for Interested Person Transactions.			
8.	Authority to allot and issue shares pursuant to COSCO SHIPPING Group Executives Share Option Scheme 2020.			

* *If you wish your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" or a "√" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you wish your proxy to "Abstain" form voting on a resolution, please indicate an "X" or a "√" in the "Abstain" box. Alternatively, please indicate the number of shares that your proxy(ies) is/are directed to abstain from voting. In any other case, the proxy(ies) may vote or abstain as the proxy(ies) deem(s) fit on any of the above resolutions if no voting instruction is specified.*

Dated this ________ day of ______________ 2025

Total No. of Shares Held

____
Signature(s) of member(s) or
Common Seal of Corporate Member

IMPORTANT: Please Read Notes Overleaf.

NOTES:

1. A member should insert the total number of shares held. If the Member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the Member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company. A member may choose to appoint Chairman of the AGM as his/her/its proxy.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. A member who wishes to appoint a proxy(ies) must complete the proxy form and submit the proxy form in the following manner:

   (a) If submitted personally or by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if submitted electronically, be submitted by email to the Company's Share Registrar at Cosco-proxy@vistra.com,

   in either case, by **2.00 p.m.** on **25 April 2025**, being 72 hours before the time appointed for holding the AGM.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged together with the instrument, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as it representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.

8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

9. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme (such investors, "**SRS Investors**") should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes at least seven (7) working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.

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