



# **UNI-ASIA GROUP LIMITED**

Company Registration No: 201701284Z  
Incorporated in the Republic of Singapore

**UNI-ASIA GROUP LIMITED AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

# Contents

## Unaudited Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement of Profit or Loss .....	1
Condensed Interim Consolidated Statement of Comprehensive Income .....	2
Condensed Interim Statements of Financial Positions.....	3
Condensed Interim Consolidated Statement of Changes in Equity .....	5
Condensed Interim Statement of Changes in Equity .....	6
Condensed Interim Consolidated Statement of Cash Flows.....	7
Notes To The Condensed Interim Consolidated Financial Statements .....	9
Other Information Required by Listing Rule Appendix 7.2.....	28

## Condensed Interim Consolidated Statement of Profit or Loss

For The Six Months Ended 30 June 2023

	Note	The Group 6 months ended 30 June		
		2023 US\$'000	2022 US\$'000	% Change
Charter income		20,568	34,036	(40%)
Fee income	9	2,711	4,244	(36%)
Sale of properties under development	9	3,270	9,222	(65%)
Investment returns	10	2,778	1,089	155%
Interest income		275	35	N/M
Other income		105	234	(55%)
<b>Total income</b>		<b>29,707</b>	<b>48,860</b>	<b>(39%)</b>
Employee benefits expenses		(2,992)	(5,547)	(46%)
Amortisation and depreciation		(5,448)	(4,800)	14%
Depreciation of right-of-use assets		(363)	(753)	(52%)
Vessel operating expenses		(9,803)	(10,673)	(8%)
Costs of properties under development sold		(2,872)	(7,520)	(62%)
Net foreign exchange gain		73	1,531	(95%)
Other expenses		(1,818)	(1,938)	(6%)
<b>Total operating expenses</b>		<b>(23,223)</b>	<b>(29,700)</b>	<b>(22%)</b>
<b>Operating profit</b>		<b>6,484</b>	<b>19,160</b>	<b>(66%)</b>
Finance costs – interest expense		(1,744)	(1,146)	52%
Finance costs – lease interest		(9)	(71)	(87%)
Finance costs – others		(50)	(137)	(64%)
Share of results of associate		2	(25)	(108%)
Allocation to Tokumei Kumiai <sup>1</sup> investors		(184)	(780)	(76%)
<b>Profit before tax</b>		<b>4,499</b>	<b>17,001</b>	<b>(74%)</b>
Income tax expense	11	(230)	(524)	(56%)
<b>Profit for the period</b>		<b>4,269</b>	<b>16,477</b>	<b>(74%)</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent		4,194	16,404	(74%)
Non-controlling interests		75	73	3%
		<b>4,269</b>	<b>16,477</b>	<b>(74%)</b>

<sup>1</sup> Tokumei Kumiai (“TK”) refers to a form of silent partnership structure used in Japan. Allocation to TK investors refers to share of profit and loss attributable to other TK investors of the TK structure.

## Condensed Interim Consolidated Statement of Comprehensive Income

For The Six Months Ended 30 June 2023

	Note	The Group 6 months ended 30 June		
		2023 US\$'000	2022 US\$'000	% Change
<b>Profit for the period</b>		<b>4,269</b>	<b>16,477</b>	<b>(74%)</b>
Other comprehensive income for the period, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(1,916)	(3,928)	(51%)
Net movement on cash flow hedges		(42)	406	(110%)
Other comprehensive expense for the period, net of tax		(1,958)	(3,522)	(44%)
<b>Total comprehensive income for the period</b>		<b>2,311</b>	<b>12,955</b>	<b>(82%)</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent		2,261	12,906	(82%)
Non-controlling interests		50	49	2%
		<b>2,311</b>	<b>12,955</b>	<b>(82%)</b>

N/M: Not meaningful

## Condensed Interim Statements of Financial Positions

As At 30 June 2023

	Note	The Group		The Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investment properties	5	8,917	11,816	–	–
Investments	16	35,189	32,535	–	–
Investment in subsidiary		–	–	113,022	113,022
Investment in associate		79	85	–	–
Property, plant and equipment	6	130,972	130,111	–	1
Right-of-use assets		706	1,080	187	251
Rental deposit		176	202	–	–
Deferred tax assets		214	260	–	–
<b>Total non-current assets</b>		<b>176,253</b>	<b>176,089</b>	<b>113,209</b>	<b>113,274</b>
<b>Current assets</b>					
Investments	16	1,925	695	–	–
Properties under development		4,271	6,009	–	–
Derivative financial instruments		–	66	–	–
Accounts receivable		438	596	–	–
Amounts due from subsidiary		–	–	2,707	7,060
Prepayments, deposits and other receivables		4,006	6,062	61	53
Tax recoverable		74	69	–	–
Cash and bank balances		31,458	47,069	149	129
<b>Total current assets</b>		<b>42,172</b>	<b>60,566</b>	<b>2,917</b>	<b>7,242</b>
<b>Total assets</b>		<b>218,425</b>	<b>236,655</b>	<b>116,126</b>	<b>120,516</b>

## Condensed Interim Statements of Financial Positions (cont'd)

As At 30 June 2023

	Note	The Group		The Company	
		30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
<b>EQUITY</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	7	113,174	113,174	113,174	113,174
Retained earnings		42,303	42,811	1,326	4,934
Hedging reserve		–	42	–	–
Exchange reserve		(4,419)	(2,528)	–	–
Capital reserve		(2,833)	(2,833)	–	–
<b>Total equity attributable to owners of the parent</b>		<b>148,225</b>	<b>150,666</b>	<b>114,500</b>	<b>118,108</b>
Non-controlling interests		541	505	–	–
<b>Total equity</b>		<b>148,766</b>	<b>151,171</b>	<b>114,500</b>	<b>118,108</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	8	48,959	41,551	–	–
Lease liabilities		178	504	57	125
Amount due to subsidiary		–	–	1,000	1,000
Deferred tax liabilities		529	576	–	–
<b>Total non-current liabilities</b>		<b>49,666</b>	<b>42,631</b>	<b>1,057</b>	<b>1,125</b>
<b>Current liabilities</b>					
Borrowings	8	12,999	31,161	–	–
Lease liabilities		595	599	136	134
Due to Tokumei Kumiai investors		797	911	–	–
Derivative financial instruments		–	56	–	–
Accounts payable		317	419	–	–
Amounts due to subsidiary		–	–	27	19
Other payables and accruals		5,010	8,949	208	703
Income tax payable		275	758	198	427
<b>Total current liabilities</b>		<b>19,993</b>	<b>42,853</b>	<b>569</b>	<b>1,283</b>
<b>Total liabilities</b>		<b>69,659</b>	<b>85,484</b>	<b>1,626</b>	<b>2,408</b>
<b>Total equity and liabilities</b>		<b>218,425</b>	<b>236,655</b>	<b>116,126</b>	<b>120,516</b>

## Condensed Interim Consolidated Statement of Changes in Equity

For The Six Months Ended 30 June 2023

The Group	Note	Attributable to the owners of the parent						Non-controlling interests US\$'000	Total equity US\$'000
		Share capital (Note 7) US\$'000	Retained earnings US\$'000	Hedging reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Total US\$'000		
At 1 January 2022		113,174	21,525	(478)	767	(2,854)	132,134	440	132,574
Profit for the period		–	16,404	–	–	–	16,404	73	16,477
Other comprehensive income/(expense) for the period		–	–	406	(3,904)	–	(3,498)	(24)	(3,522)
Total comprehensive income/(expense) for the period		–	16,404	406	(3,904)	–	12,906	49	12,955
Distributions to owners: Final and special dividends in respect of 2021	12	–	(2,828)	–	–	–	(2,828)	–	(2,828)
At 30 June 2022		113,174	35,101	(72)	(3,137)	(2,854)	142,212	489	142,701
At 1 January 2023		113,174	42,811	42	(2,528)	(2,833)	150,666	505	151,171
Profit for the period		–	4,194	–	–	–	4,194	75	4,269
Other comprehensive expense for the period		–	–	(42)	(1,891)	–	(1,933)	(25)	(1,958)
Total comprehensive income/(expense) for the period		–	4,194	(42)	(1,891)	–	2,261	50	2,311
Distributions to owners: Final and special dividends in respect of 2022	12	–	(4,702)	–	–	–	(4,702)	–	(4,702)
Payment to non-controlling interests		–	–	–	–	–	–	(14)	(14)
At 30 June 2023		113,174	42,303	–	(4,419)	(2,833)	148,225	541	148,766

## Condensed Interim Statement of Changes in Equity

For The Six Months Ended 30 June 2023

<b>The Company</b>	<b>Note</b>	<b>Share capital (Note 7) US\$'000</b>	<b>Retained earnings US\$'000</b>	<b>Total equity US\$'000</b>
At 1 January 2022		113,174	3,001	116,175
Profit for the period, representing total comprehensive income for the period		–	3,544	3,544
Distribution to owners:				
Final and special dividends in respect of 2021	12	–	(2,828)	(2,828)
At 30 June 2022		113,174	3,717	116,891
At 1 January 2023		113,174	4,934	118,108
Profit for the period, representing total comprehensive income for the period		–	1,094	1,094
Distribution to owners:				
Final and special dividends in respect of 2022	12	–	(4,702)	(4,702)
At 30 June 2023		113,174	1,326	114,500

## Condensed Interim Consolidated Statement of Cash Flows

For The Six Months Ended 30 June 2023

	Note	The Group	
		6 months ended 30 June	
		2023 US\$'000	2022 US\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		4,499	17,001
Adjustments for:			
Investment returns	10	(2,778)	(1,089)
Amortisation and depreciation		5,448	4,800
Depreciation of right-of-use assets		363	753
Loss on write-off of property, plant and equipment		–	8
Net foreign exchange gain		(73)	(1,531)
Interest income		(275)	(35)
Finance costs – interest expense		1,744	1,146
Finance costs – lease interest		9	71
Finance costs – others		50	137
Share of results of associate		(2)	25
Allocation to Tokumei Kumiai investors		184	780
<b>Operating cash flows before changes in working capital</b>		<b>9,169</b>	<b>22,066</b>
Changes in working capital:			
Net change in properties under development		1,373	2,253
Net change in accounts receivable		141	(159)
Net change in prepayments, deposits and other receivables		2,017	(3,135)
Net change in accounts payable		(79)	4
Net change in other payables and accruals		(4,506)	651
<b>Cash flows generated from operations</b>		<b>8,115</b>	<b>21,680</b>
Interest received on bank balances		286	25
Tax paid		(707)	(512)
<b>Net cash flows generated from operating activities</b>		<b>7,694</b>	<b>21,193</b>

## Condensed Interim Consolidated Statement of Cash Flows (cont'd)

For The Six Months Ended 30 June 2023

	Note	The Group	
		6 months ended 30 June	
		2023 US\$'000	2022 US\$'000
<b>Cash flows from investing activities</b>			
Purchase of an investment property		(1,550)	(173)
Purchase of investments		(4,770)	(484)
Proceeds from sale of an investment property		4,606	–
Proceeds from redemption/sale of investments		1,824	2,788
Deconsolidation of consolidated entities		–	(13)
Deposits paid for small residential projects		–	(10)
Purchase of property, plant and equipment		(5,820)	(321)
Net payment to Tokumei Kumiai investors		(220)	(1,439)
Interest received from loans and finance lease		1	7
Income proceeds from investments		66	–
Proceeds from property rental		353	300
<b>Net cash flows (used in)/ generated from investing activities</b>		<b>(5,510)</b>	<b>655</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		18,606	4,910
Repayment of borrowings		(28,101)	(9,611)
Interests and other finance cost paid on borrowings		(1,889)	(1,295)
Lease principal paid		(311)	(1,795)
Lease interest paid		(8)	(71)
Dividends paid	12	(4,702)	(2,828)
Payment to non-controlling interests		(14)	–
<b>Net cash flows used in financing activities</b>		<b>(16,419)</b>	<b>(10,690)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(14,235)</b>	<b>11,158</b>
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		47,069	36,732
Net (decrease)/ increase in cash and cash equivalents		(14,235)	11,158
Effects of foreign exchange rate changes, net		(1,376)	(2,891)
<b>Cash and cash equivalents at end of the period</b>		<b>31,458</b>	<b>44,999</b>

# Notes To The Condensed Interim Consolidated Financial Statements

## 1. Corporate information

Uni-Asia Group Limited (the “Company”) is a limited liability company incorporated in Singapore on 12 January 2017 and its shares are listed and publicly traded on the Mainboard of the Singapore Exchange.

The registered office and principal place of business of the Company is located at 30 Cecil Street #10-06/07, Prudential Tower, Singapore 049712.

The principal activities of Company and its subsidiaries (collectively, the “Group”) are finance arrangement, investment and investment management of alternative assets including shipping and real estates in Japan, Hong Kong and China.

## 2. Basis of preparation

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

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the IASB and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) issued by the ASC (collectively, the “Standards”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in United States dollars (“USD” or “US\$”) which is the Company’s functional currency, and all values are rounded to the nearest thousand (“US\$’000”), except when otherwise indicated.

### 2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

### 2.2. Use of judgements and estimates

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

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

## Notes To The Condensed Interim Consolidated Financial Statements

### 2. Basis of preparation (cont'd)

#### 2.2. Use of judgements and estimates (cont'd)

##### *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the condensed interim consolidated financial statements:

##### *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

##### *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

##### *(a) Impairment of vessels held as property, plant and equipment*

The Group owns vessels held as property, plant and equipment for ship chartering business. Indicators of impairment on the vessels was assessed annually to identify whether the vessels may be impaired. The Group computed the vessels' recoverable amount using value in use and compared with its carrying amounts to identify impairment losses when indicators of impairment existed. The key assumptions used in the value in use computation comprise of daily charter rates, disposal values, operational expenses, and discount rate.

The carrying amount of the vessels held as property, plant and equipment as at 30 June 2023 and 31 December 2022, and any indicators of impairment are disclosed in Note 6.

##### *(b) Fair value of unlisted shares in shipping companies*

The Group invested in unlisted shares of special purpose companies that own and charter ships which were carried at fair value through profit or loss ("FVTPL"). The Group generally performed internal valuation in the fair valuation of the unlisted shares. The key assumptions used in the valuation are daily charter rates, terminal values, operational expenses, and discount rate.

The carrying amount of the unlisted shares in shipping companies as at 30 June 2023 and 31 December 2022, any fair valuation adjustments, as well as significant unobservable inputs used in fair valuation including its sensitivity analysis are disclosed in Note 16.

## Notes To The Condensed Interim Consolidated Financial Statements

### 2. Basis of preparation (cont'd)

#### 2.2. Use of judgements and estimates (cont'd)

##### *Estimates and assumptions (cont'd)*

*(c) Fair value of investment properties and unlisted shares in commercial office and industrial buildings and small residential property developments*

The Group held commercial office buildings and small residential properties as investment properties measured at fair value. In addition, the Group invested in unlisted shares of special purpose companies that held commercial office and industrial buildings and small residential properties measured at FVTPL. The Group generally used external valuation reports and performed internal valuations in determining fair value of commercial office buildings held as investment properties and commercial office and industrial buildings held through unlisted shares. For small residential property development held through unlisted shares and held as investment properties, the Group used internal valuation in estimating the fair value of the unlisted shares and investment properties. The key assumptions used in the valuations are gross development value, development cost, rental yield, and discount rate.

The carrying amount of the investment properties and unlisted shares in commercial office and industrial buildings and small residential property developments as at 30 June 2023 and 31 December 2022, any fair valuation adjustments, as well as significant unobservable inputs used in fair valuation including its sensitivity analysis are disclosed are disclosed in Note 16.

### 3. Seasonal operations

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

### 4. Segment information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit before tax from continuing operations.

#### (a) *Operating segments*

At 30 June 2023, the Group is organised on a worldwide basis into six (31 December 2022: six) main reportable segments (activities):

- (i) Ship Owning and Chartering is the Group's ship owning and chartering business;
- (ii) Maritime Asset Management ("MAM") comprises of the Group's ship investment activity as a venture capital/asset management as well as finance arrangement business;
- (iii) Maritime Services is the Group's ship commercial/technical management business, as well as ship related brokerage service business;
- (iv) Property Investment (ex-Japan) includes the Group's ex-Japan property investment, venture capital/asset management and related business;
- (v) Property Investment (in-Japan) is the Group's in-Japan property investment/asset management and related business; and
- (vi) Headquarters' ("HQ") expenses.

No operating segments have been aggregated to form the above reportable operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

## Notes To The Condensed Interim Consolidated Financial Statements

### 4. Segment information (cont'd)

#### (a) Operating segments (cont'd)

The segment results for the six months ended 30 June 2023 were as follows:

For the 6 months ended 30 June 2023	Shipping			Property		HQ US\$'000	Eliminations <sup>(1)</sup> US\$'000	Total US\$'000
	Ship owning and chartering US\$'000	MAM US\$'000	Maritime services US\$'000	Property investment (ex-Japan) US\$'000	Property investment (in-Japan) US\$'000			
<b>Total income</b>								
External customers	21,034	1,521	605	348	5,894	30	–	29,432
Interest income	167	1	12	8	–	87	–	275
Inter-segment	–	176	557	–	56	–	(789)	–
	21,201	1,698	1,174	356	5,950	117	(789)	29,707
<b>Results</b>								
Amortisation and depreciation	(5,417)	–	(12)	–	(23)	(2)	6	(5,448)
Depreciation of right-of-use assets	(69)	–	–	–	(61)	(233)	–	(363)
Finance costs – interest expense	(1,783)	–	–	–	(21)	(4)	64	(1,744)
Finance costs – lease interest	–	–	–	–	(2)	(7)	–	(9)
Finance costs – others	(23)	–	–	–	(25)	(2)	–	(50)
Share of results of associate	–	–	–	–	2	–	–	2
Allocation to Tokumei Kumiai investors	–	–	–	–	(184)	–	–	(184)
Profit/(loss) before tax	3,307	1,002	436	(292)	1,322	(1,276)	–	4,499
Other segment items are as follows:								
Capital expenditure	6,344	–	–	–	3,133	–	–	9,477
Investment in associate	–	–	–	–	79	–	–	79

<sup>(1)</sup> Inter-segment transactions are eliminated on consolidation.

## Notes To The Condensed Interim Consolidated Financial Statements

### 4. Segment information (cont'd)

#### (a) Operating segments (cont'd)

The segment results for the six months ended 30 June 2022 were as follows:

For the 6 months ended 30 June 2022	Shipping			Property		HQ US\$'000	Eliminations <sup>(1)</sup> US\$'000	Total US\$'000
	Ship owning and chartering US\$'000	MAM US\$'000	Maritime services US\$'000	Property investment (ex-Japan) US\$'000	Property investment (in-Japan) US\$'000			
<b>Total income</b>								
External customers	34,602	1,486	496	127	12,029	85	–	48,825
Interest income	13	8	3	6	–	5	–	35
Inter-segment	–	133	795	–	62	–	(990)	–
	34,615	1,627	1,294	133	12,091	90	(990)	48,860
<b>Results</b>								
Amortisation and depreciation	(4,760)	–	(13)	–	(31)	(2)	6	(4,800)
Depreciation of right-of-use assets	(414)	–	–	–	(108)	(231)	–	(753)
Finance costs – interest expense	(1,133)	–	–	–	(38)	(33)	58	(1,146)
Finance costs – lease interest	(59)	–	–	–	(2)	(10)	–	(71)
Finance costs – others	(30)	–	–	–	(45)	(62)	–	(137)
Share of results of associate	–	–	–	–	(25)	–	–	(25)
Allocation to Tokumei Kumiai investors	–	–	–	–	(780)	–	–	(780)
Profit/(loss) before tax	17,762	866	553	(366)	1,947	(3,757)	(4)	17,001
Other segment items are as follows:								
Capital expenditure	8	–	7	–	5,225	2	–	5,242
Investment in associate	–	–	–	–	82	–	–	82

<sup>(1)</sup> Inter-segment transactions are eliminated on consolidation.

## Notes To The Condensed Interim Consolidated Financial Statements

### 4. Segment information (cont'd)

#### (a) Operating segments (cont'd)

The segment assets and liabilities as at 30 June 2023 and 31 December 2022 were as follows:

	Shipping			Property		HQ US\$'000	Eliminations <sup>(1)</sup> US\$'000	Total US\$'000
	Ship owning and chartering US\$'000	MAM US\$'000	Maritime services US\$'000	Property investment (ex-Japan) US\$'000	Property investment (in-Japan) US\$'000			
<b>As at 30 June 2023</b>								
Segment assets:								
Total assets	147,119	1,490	2,320	33,391	28,768	5,404	(67)	218,425
Segment liabilities:								
Total liabilities	58,865	–	346	7,189	9,984	2,853	(9,578)	69,659
<b>As at 31 December 2022</b>								
Segment assets:								
Total assets	156,606	1,490	2,368	31,073	34,220	11,037	(139)	236,655
Segment liabilities:								
Total liabilities	66,467	–	262	5,020	14,694	6,681	(7,640)	85,484

<sup>(1)</sup> Inter-segment transactions are eliminated on consolidation.

Segment assets consist primarily of investment properties, investments, properties under development, property, plant and equipment, right-of-use assets, receivables, and cash and bank balances.

Segment liabilities consist primarily of borrowings, lease liabilities, payables, accruals and derivative financial instruments.

Capital expenditure represents capital additions to investment properties (Note 5), property, plant and equipment (Note 6) and properties under development.

## Notes To The Condensed Interim Consolidated Financial Statements

### 4. Segment information (cont'd)

#### (b) *Geographical information*

The Group's six (31 December 2022: six) operating segments operate in three main geographical areas, even though they are managed on a worldwide basis.

Global - the Global segment represents activities with assets or customers with no fixed location, which include ship finance arrangement, investments and asset management of ships, ship owning and chartering.

Asia (ex-Japan) - the Asia (ex-Japan) segment represents activities with assets or customers located in Asia (ex-Japan), which include ship finance arrangement, investments and asset management of properties.

Japan - the Japan segment represents activities with assets or customers located in Japan, which include ship finance arrangement, investments and asset management of properties.

	<b>The Group</b>	
	<b>For the 6 months ended</b>	
	<b>30 June 2023 US\$'000</b>	<b>30 June 2022 US\$'000</b>
Total income:		
Global	23,457	36,620
Asia (ex-Japan)	337	200
Japan	5,913	12,040
	<b>29,707</b>	<b>48,860</b>

During the period, total revenue of US\$8.6 million (30 June 2022: US\$14.0 million) were with customer where transactions with each of the customer amounted to ten per cent (10%) or more of the Group's revenue.

	<b>The Group</b>	
	<b>As at 30 June 2023 US\$'000</b>	<b>As at 31 December 2022 US\$'000</b>
Non-current assets:		
Global	132,043	131,111
Asia (ex-Japan)	32,716	30,880
Japan	11,494	14,098
	<b>176,253</b>	<b>176,089</b>

Income and non-current assets attributable to operating segments are based on the countries in which the customers are located. There is no sale between the geographical segments.

## Notes To The Condensed Interim Consolidated Financial Statements

### 5. Investment properties

	The Group	
	30 June 2023 US\$'000	31 December 2022 US\$'000
Beginning of period	11,816	13,085
Additions	1,550	337
Disposals	(3,637)	–
Currency translation differences	(812)	(1,606)
End of period	8,917	11,816

The following amounts are recognised in profit or loss:

	The Group 6 months ended 30 June	
	2023 US\$'000	2022 US\$'000
Rental income	260	282
Direct operating expenses arising from:		
- Investment properties that generated rental income	36	30

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Further particulars of the Group's investment properties as at 30 June 2023 are detailed below:

Location	Use	Tenure	Unexpired lease term
Rooms 712-715, 7/F, China Shine Plaza, 9 Lin He Xi Road, Tianhe District, Guangzhou, PRC <sup>(1)</sup>	Offices	Leasehold	32 years
1-7-12 Shimoochiai, Shinjuku-ku, Tokyo <sup>(2)</sup>	Residential	Freehold	–
1-173-18, Takadanobaba Shinjuku-ku, Tokyo <sup>(3)</sup>	Residential	Freehold	–

- (1) The Group uses management's valuation in the fair valuation of investment property. Discounted cash flow method is used which makes reference to the estimated or actual market rental values and equivalent yields.
- (2) The Group uses management's valuation in the fair valuation of the investment property. Discounted cash flow method is used which makes reference to the estimated or actual market rental values and equivalent yields. This investment property amounting to US\$4.0 million (31 December 2022: US\$4.4 million) is mortgaged to secure bank borrowing of US\$2.4 million (31 December 2022: US\$2.7 million).
- (3) The Group uses management's valuation in the fair valuation of the investment property. Discounted cash flow method is used which makes reference to the estimated or actual market rental values and equivalent yields. This investment property amounting to US\$3.3 million (31 December 2022: US\$3.6 million) is mortgaged to secure bank borrowing of US\$2.6 million (31 December 2022: US\$2.9 million).

## Notes To The Condensed Interim Consolidated Financial Statements

### 6. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to US\$6.3 million (31 December 2022: acquired assets amounting to US\$3.8 million).

The carrying amount of the Group's property, plant and equipment as at 30 June 2023 is US\$131.0 million (31 December 2022: US\$130.1 million), of which the carrying amount of vessels held as property, plant and equipment as at 30 June 2023 is US\$130.6 million (31 December 2022: US\$129.6 million).

For the six months ended 30 June 2023, it was assessed that there were no indicators of impairment for the vessels held as property, plant and equipment (31 December 2022: US\$ Nil).

### 7. Share capital

	The Group and the Company			
	30 June 2023		31 December 2022	
	Number of shares '000	Share capital US\$'000	Number of shares '000	Share capital US\$'000
<b>Issued and fully paid:</b>				
Beginning and end of period	78,600	113,174	78,600	113,174

The Company did not hold any treasury shares nor have any outstanding convertibles as at 30 June 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

### 8. Borrowings

	The Group		The Company	
	30 June 2023 US\$'000	31 December 2022 US\$'000	30 June 2023 US\$'000	31 December 2022 US\$'000
<b>Non-current</b>				
Repayable per terms of loan facilities:				
Secured	48,959	41,551	–	–
<b>Current</b>				
Repayable per terms of loan facilities:				
Secured	12,999	31,161	–	–

The Group's borrowings are secured by means of investment properties (Note 5), property, plant and equipment, and properties under development.

## Notes To The Condensed Interim Consolidated Financial Statements

### 9. Revenue

	The Group 6 months ended 30 June	
	2023 US\$'000	2022 US\$'000
Asset management and administration fee	1,541	1,634
Arrangement and agency fee	450	1,743
Brokerage commission	720	770
Incentive fee	–	97
Total fee income	2,711	4,244
Add: Non-lease component of charter hire income	9,826	10,589
Add: Sale of properties under development	3,270	9,222
Total revenue from contract with customers	15,807	24,055

### 10. Investment returns

	The Group 6 months ended 30 June	
	2023 US\$'000	2022 US\$'000
Realised gain on investment property	969	–
Realised gain on investments:		
- Shipping	1,284	103
- Commercial office/industrial buildings	56	–
- Small residential property developments	2	581
- Others	164	–
Property rental income	353	382
Fair value adjustment on investments:		
- Commercial office/industrial buildings	–	(167)
- Small residential property developments	(26)	149
- Others	(24)	41
	2,778	1,089

## Notes To The Condensed Interim Consolidated Financial Statements

### 11. Income tax

The Group calculates the period income tax expense using tax rates prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof, that would also be applicable to the expected total annual earnings.

	<b>The Group</b>	
	<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Current income taxation	252	539
Over provision in respect of prior years	(27)	(21)
Deferred income tax expense relating to origination and reversal of temporary differences	5	6
<b>Income tax expense recognised in profit or loss</b>	<b>230</b>	<b>524</b>

### 12. Dividends

	<b>The Group and the Company</b>	
	<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Paid during the interim period:</b>		
<i>Dividends on ordinary shares:</i>		
- Final and special dividends for 2022: SG cents 8.0 per share (S\$6.3 million) (2021: SG cents 5.0 per share (S\$3.9 million))	4,702	2,828
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Declared but not paid as at 30 June:</b>		
<i>Dividends on ordinary shares:</i>		
- Interim dividend for 2023: SG cents 2.2 per share (2022: SG cents 6.5 per share)	1,729	5,109

## Notes To The Condensed Interim Consolidated Financial Statements

### 13. Profit per share

Basic and diluted profit per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the interim period.

The following table reflects the profit and share data used in computation of basic and diluted profit per share for the interim period ended 30 June:

	The Group 6 months ended 30 June	
	2023	2022
Weighted average number of ordinary shares in issue ('000)	78,600	78,600
Profit attributable to owners of the parent (US\$'000)	4,194	16,404
Profit per share (US cents per share) – basic and diluted	5.34	20.87

### 14. Net asset value

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Total number of ordinary shares in issue ('000)	78,600	78,600	78,600	78,600
Net asset value per ordinary share (US\$)	1.89	1.92	1.46	1.50

### 15. Deconsolidation of consolidated entities

During the year ended 31 December 2022, the Group dissolved the investment in GK Alero 43, GK Alero 50 and GK Alero 52. The consolidated entities were dormant following the disposal of their investments in small residential properties.

No gain or loss arose from the deconsolidation of consolidated entities for the corresponding interim period in 2022.

There is no deconsolidation of consolidated entities for the interim period ended 30 June 2023.

## Notes To The Condensed Interim Consolidated Financial Statements

### 16. Assets and liabilities measured at fair value

#### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is depended on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

Analysis of each class of assets and liabilities measured at fair value by level of fair value hierarchy as at the end of the reporting period was as follows:

The Group	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>As at 30 June 2023</b>				
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
<u>Fair value through profit or loss</u>				
Unlisted shares				
- Shipping	–	–	1,573	1,573
- Residential	–	–	54	54
- Commercial office/industrial buildings	–	–	30,494	30,494
- Small residential property developments	–	–	2,784	2,784
- Others	–	–	2,209	2,209
	–	–	37,114	37,114
<i>Non-financial assets</i>				
Investment properties	–	–	8,917	8,917
	–	–	46,031	46,031

Investments in unlisted shares of special purpose companies that hold ships, residential projects, commercial office/industrial buildings, small residential property developments and other projects are measured at fair value through profit or loss. The fair values of these investments are assessed with reference to the fair values of the underlying assets.

## Notes To The Condensed Interim Consolidated Financial Statements

### 16. Assets and liabilities measured at fair value (cont'd)

#### (a) Fair value hierarchy (cont'd)

The Group	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>As at 31 December 2022</b>				
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
<u>Fair value through profit or loss</u>				
Unlisted shares				
- Shipping	–	–	1,581	1,581
- Residential	–	–	59	59
- Commercial office/industrial buildings	–	–	28,274	28,274
- Small residential property developments	–	–	2,387	2,387
- Others	–	–	929	929
<u>Derivatives designated as hedges</u>				
Interest rate swaps	–	66	–	66
	–	66	33,230	33,296
<i>Non-financial assets</i>				
Investment properties	–	–	11,816	11,816
	–	66	45,046	45,112
<i>Financial liabilities</i>				
<u>Derivatives designated as hedges</u>				
Cross currency rate swaps	–	(56)	–	(56)

## Notes To The Condensed Interim Consolidated Financial Statements

### 16. Assets and liabilities measured at fair value (cont'd)

#### (a) Fair value hierarchy (cont'd)

The movements in fair value measurements in Level 3 during the periods were as follows:

The Group	Unlisted shares US\$'000	Investment properties US\$'000	Total US\$'000
At 1 January 2022	28,557	13,085	41,642
Fair value adjustment recognised in profit or loss	1,201	–	1,201
Purchases	3,160	337	3,497
Disposals	(5,660)	–	(5,660)
Income proceeds from investments	2,052	–	2,052
Transfers into level 3	4,365	–	4,365
Currency translation differences	(445)	(1,606)	(2,051)
At 31 December 2022 and at 1 January 2023	33,230	11,816	45,046
Fair value adjustment recognised in profit or loss	(49)	–	(49)
Purchases	4,771	1,550	6,321
Disposals	(378)	(3,637)	(4,015)
Income proceeds from investment	(7)	–	(7)
Currency translation differences	(453)	(812)	(1,265)
At 30 June 2023	37,114	8,917	46,031

There was no transfer of fair value measurements between Level 1 and Level 2 during the periods.

#### (b) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

##### *Derivative financial instruments*

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

## Notes To The Condensed Interim Consolidated Financial Statements

### 16. Assets and liabilities measured at fair value (cont'd)

#### (c) Level 3 fair value measurements

Description of significant unobservable inputs used in Level 3 fair value measurements are as follows:

Descriptions	Note	Fair value at		Valuation techniques	Significant unobservable inputs	Range	
		30 June 2023 US\$'000	31 December 2022 US\$'000			30 June 2023	31 December 2022
<b>Commercial office/industrial building:</b>							
- Unlisted shares	(i)	7,019	4,798	Income approach	Gross development value per square foot	HK\$14,000 – HK\$15,000	HK\$13,000 – HK\$14,000
					Discount rate	5.8%	5.6%
		23,475	23,476	Market comparable approach	Development cost per square foot	HK\$2,000 – HK\$3,000	HK\$2,000 – HK\$3,000
					Adjustments on market transaction price based on valuer's assumption <sup>1</sup>	5.0 – 20.0%	5.0 – 20.0%
- Investment properties		1,618	1,690	Market comparable approach	Adjustments on market transaction price based on valuer's assumption <sup>1</sup>	5.0 – 20.0%	5.0 – 20.0%
<b>Shipping:</b>							
- Unlisted shares	(ii)	1,490	1,490	Income approach	Daily charter rate	US\$9,000 – US\$27,000	US\$8,000 – US\$27,000
					Terminal value	US\$17 million	US\$14 million
					Discount rate	9.9% – 10.8%	9.2% - 10.0%
<b>Small residential property developments:</b>							
- Investment properties		7,299	10,126	Income approach	Properties completed:		
					Discount rate/Gross capitalisation rate	5%	5%
					Monthly rental per square meter	JPY4,000 – JPY5,000	JPY4,000 – JPY5,000
				Income approach	Properties under construction:		
					Gross development value per square meter	–	JPY1.2 million
					Development cost per square meter	–	JPY0.4 million
Discount rate	–	5%					

<sup>1</sup> the adjustments are made taking into account any difference in the nature, location or condition of the specific property

## Notes To The Condensed Interim Consolidated Financial Statements

### 16. Assets and liabilities measured at fair value (cont'd)

#### (c) *Level 3 fair value measurements (cont'd)*

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same unless stated otherwise.

Note	Descriptions	Significant unobservable inputs	Percentage change	Impact of percentage change in inputs on profit before tax	
				30 June 2023 US\$'000	31 December 2022 US\$'000
<b>Commercial office/industrial building:</b>					
(i)	- Unlisted shares	Gross development value per square foot	(15%)	(1,231)	(1,131)
		Discount rate	(2%)	118	173
		Development cost per square foot	(5%)	112	87
		Adjustments on market transaction price based on valuer's assumption	(20%)	(8,067)	(7,528)
<b>Shipping:</b>					
(ii)	- Unlisted shares	Daily charter rate	5%	656	675
		Selling price at end of lease term	15%	378	197
		Discount rate	1%	34	14

#### (d) *Valuation policies and procedures*

Management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For valuation performed by external valuation experts, management reviews the appropriateness of the valuation methodologies and assumptions adopted as well as evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources or internal sources if necessary and appropriate.

Management documents and reports its analysis and results of the external valuations to the Board of Directors on a periodic basis.

## Notes To The Condensed Interim Consolidated Financial Statements

### 16. Assets and liabilities measured at fair value (cont'd)

- (e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

*Accounts receivable, amounts due from subsidiary, other receivables, cash and bank balances, borrowings, due to Tokumei Kumiai investors, accounts payable, amounts due to subsidiary, other payables and accruals.*

The carrying amounts of these financial assets and liabilities other than borrowings at fixed rate are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of borrowings at fixed rate are reasonable approximation of fair values, either due to their short-term nature or that they are fixed rate instruments, which the fixed interest rate are reasonable approximation of market floating rates on or near the end of the reporting period.

### 17. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised in the consolidated financial statements of the Group was as follows:

	<b>The Group</b>	
	<b>30 June 2023 US\$'000</b>	<b>31 December 2022 US\$'000</b>
Capital commitments in respect of:		
Investment property under construction	–	492
Properties under development	1,122	1,767

## Notes To The Condensed Interim Consolidated Financial Statements

### 18. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Group and related parties in the normal course of business:

	The Group For the 6 months ended June					
	2023			2022		
	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000
<b>Consolidated income statement</b>						
Fee income:						
Asset management and administration fee	21	1,107	18	–	1,240	–
Arrangement and agency fee	–	319	8	–	453	1,111
Brokerage commission	–	212	–	–	255	–
Incentive fee	–	–	–	–	97	–
Investment returns:						
Realised gain on investments - Shipping	–	1,274	–	–	103	–
Property rental income	–	–	–	–	–	81
Interest income	–	1	–	–	7	–

	The Group					
	As at 30 June 2023			As at 31 December 2022		
	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000	Associates US\$'000	Investee companies US\$'000	Other related companies US\$'000
<b>Consolidated balance sheets</b>						
<b>Current</b>						
Accounts receivable	11	307	3	12	251	3
Other payable	–	–	–	–	–	5

Other related companies refer to shareholders of the Group, who fit the definition of related parties and entities invested by an investee company.

### 19. Events occurring after the reporting period

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## Other Information Required by Listing Rule Appendix 7.2

### Appendix 7.2 – 2

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

The figures have not been audited or reviewed.

### Appendix 7.2 – 3

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

Not applicable.

### Appendix 7.2 – 8

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

#### **Review of Consolidated Profit or Loss Statement**

##### Total Income

Total income of the Group was US\$29.7 million for the interim period ended 30 June 2023 ("1H2023"), a 39% decrease from US\$48.9 million for the 6 months ended 30 June 2022 ("1H2022"). Changes in major components of total income, including charter income, fee income, sale of properties under development and investment returns are explained below.

##### (i) Charter Income

Charter income decreased by 40% from US\$34.0 million in 1H2022 to US\$20.6 million in 1H2023.

Dry bulk market had slowed down since 2H2022 and continued to be soft in 1H2023. The average daily charter rate for the Group's 10 consolidated dry bulk carriers was US\$11,595/day for 1H2023 as compared to US\$19,411/day in 1H2022.

##### (ii) Fee Income

Total fee income was US\$2.7 million in 1H2023, a decrease of 36% from US\$4.2 million in 1H2022. Please refer to Note 9 of Notes to the Condensed Interim Consolidated Financial Statements for breakdown of Fee Income for 1H2023 and 1H2022.

Recurring asset management and administration fee income for 1H2023 reduced by 6% from that in 1H2022, mainly due to the weakened JPY in translating such fees from JPY to USD.

Arrangement and agency fee decreased in 1H2023 due to absence of one-off ship-related arrangement fee income in 1H2023.

Brokerage commission decreased in 1H2023 by 6% due to: (i) the decrease in ship charter rates because ship brokerage commission is based on ship charter rates, as well as (ii) weakened JPY in translating such fees from JPY to USD for property related brokerage fee from Japan.

(iii) Sale of properties under development

One property under development in Japan was sold in 1H2023 as opposed to two in 1H2022. Accordingly, the total proceeds from sale of properties under development decreased by 65% from US\$9.2 million in 1H2022 to US\$3.3 million in 1H2023.

(iv) Investment Returns

Investment returns for 1H2023 was a gain of US\$2.8 million compared to US\$1.1 million for 1H2022. Please refer to Note 10 of Notes to the Condensed Interim Consolidated Financial Statements for breakdown of Investment Returns for 1H2023 and 1H2022.

Some of the notable realised gain in 1H2023 were as follows:

- (a) Realised gain on investment property of US\$969k: gain from the disposal of an ALERO project classified as investment property;
- (b) Realised gain on investment – shipping of US\$1,284k: The ship under 49% owned Matin Shipping Ltd. (“Matin”) was disposed of in 1H2023. This amount was mainly due to balance proceeds paid to the Group after repayment of Matin’s liabilities. A small balance from Matin would be paid to the Group in 3Q2023.
- (c) Realised gain on investment – others of US\$164k: The Group initiated the purchase of a piece land in Furano, Hokkaido with a group of investors (including Singaporean investors) in 2021. The Group had a minority stake in this purchase and earned fees in initiating the acquisition. The land was sold in 1H2023 and this gain represents the Group’s share of the gain from the land sales. This first project in land purchase gave the Group confidence in organising overseas investors to invest in different property investment projects outside of Tokyo.

Total Operating Expenses

Total operating expenses decreased by 22% from US\$29.7 million in 1H2022 to US\$23.2 million in 1H2023.

Employee benefits expenses decreased by 46% from US\$5.5 million in 1H2022 to US\$3.0 million in 1H2023 in the absence of any accrual of variable component associated with performance of the Group in 2023.

Amortisation and depreciation increased by 14% to US\$5.5 million in 1H2023 compared to US\$4.8 million in 1H2022 mainly due to additional depreciation from capitalised drydocking expenses incurred in 2022.

Vessel operating expenses decreased by 8% from US\$10.7 million in 1H2022 to US\$9.8 million in 1H2023 as the Group strived to better control vessel operating costs.

Costs of properties under development sold were US\$2.9 million in 1H2023 compared to US\$7.5 million in 1H2022 as there were two properties under development sold in 1H2022 as compared to one in 1H2023.

Operating Profit

The Group recorded an operating profit of US\$6.5 million for 1H2023 compared to US\$19.2 million for 1H2022, a decrease of 66%.

Finance Costs and Other Costs

The US Federal Funds Rate increased by more than 100% from 1H2022 to 1H2023. On the other hand, the Group’s interest on borrowings (which were predominantly in USD) and other finance costs increased by only 40% from US\$1.3 million in 1H2022 to US\$1.8 million in 1H2023 following a deliberate effort by the Group in reducing the total borrowings.

Net Profit After Tax

As the shipping market slowed down following a strong showing in 2022, the Group recorded a net profit after tax of US\$4.3 million in 1H2023, a decrease of 74% from the record US\$16.5 million profit in 1H2022.

## **Review of Statement of Financial Positions**

### **Non-current assets**

The Group's non-current assets as at 30 June 2023 was US\$176.3 million, a similar level compared to US\$176.1 million on 31 December 2022.

Investment properties decreased by US\$2.9 million mainly due to the disposal of an investment property in 1H2023.

The decrease in investment properties was offset by an increase in investments of US\$2.7 million in 1H2023 mainly due to additional funding for the Group's 8<sup>th</sup> Hong Kong property project investment.

### **Current assets**

The Group's current assets decreased by US\$18.4 million from US\$60.6 million on 31 December 2022 to US\$42.2 million on 30 June 2023. Material variances are as follows:

- 1) Decrease in properties under development of US\$1.7 million from US\$6.0 million on 31 December 2022 to US\$4.3 million on 30 June 2023 due to the disposal of one of the Group's ALERO develop-for-sale projects upon development completion;
- 2) Decrease in prepayments, deposits and other receivables from US\$6.1 million on 31 December 2022 to US\$4.0 million on 30 June 2023 mainly due to utilisation of prepayments/other receivables made by ship-owning subsidiaries for ship-related expenditures in 1H2023; and
- 3) Decrease in cash and bank balances by US\$15.6 million. Please see the following review of statement of cash flows for further information.

### **Total liabilities**

Total liabilities decreased by US\$15.8 million from US\$85.5 million on 31 December 2022 to US\$69.7 million on 30 June 2023. Material variances are as follows:

- 1) Decrease in total borrowings (including both current and non-current) of the Group by US\$10.8 million in 1H2023 mainly due to scheduled repayment of long-term borrowings; and
- 2) Decrease in other payables and accruals by US\$3.9 million due to payment in 1H2023 of other payables and accruals accrued on 31 December 2022.

## **Review of Statement of Cash Flows**

The Group's cash and bank balances decreased by US\$15.6 million in 1H2023 after the effects of foreign exchange rate changes. Material items are listed below.

[A] US\$7.7 million was generated from operating activities in 1H2023, a decrease of US\$13.5 million from US\$21.2 million in 1H2022. The decrease was mainly due to contributions from:

- i) reduction in charter income as a result of the slow down in ship charter market in 1H2023;
- ii) one property under development sold in 1H2023 compared to two in 1H2022; and
- iii) absence of significant fee income from ship finance arrangement in 1H2023 as no deal was closed in 1H2023 compared to one in 1H2022.

[B] Cash flows used in investing activities were US\$5.5 million in 1H2023.

Main cash inflows from investing activities include:

- i) Proceeds from disposal of an investment property of US\$4.6 million – this pertained to the proceeds from the disposal of an ALERO project classified as investment property in 1H2023; and
- ii) Proceeds from redemption/sale of investments of US\$1.8 million, of which US\$1.3 million pertained to proceeds paid to the Group by 49% owned Matin Shipping Ltd. ("Matin") following the disposal of the ship under Matin after repayment of Matin's liabilities.

Main cash outflows from investing activities include:

- i) Purchase of investment property of US\$1.6 million – this pertained to additional construction costs of an existing investment property under construction;

- ii) Purchase of investments of US\$4.8 million, of which US\$2.6 million pertained to property investments in Japan and US\$2.2 million pertained to additional injection into the 8<sup>th</sup> Hong Kong property project; and
- iii) Purchase of property, plant and equipment of US\$5.8 million, of which US\$5.6 million pertained to repurchase of a sale and leaseback vessel (under Karat Bulkship S.A.) and US\$0.2 million pertained to capitalized dry-docking expenses paid in 1H2023.

[C] Cash flows used in financing activities were US\$16.4 million in 1H2023.

Main cash outflows from financing activities include:

- i) repayments of borrowings of US\$28.1 million offset by proceeds from borrowings of US\$18.6 million;
- ii) interest and other finance cost paid of US\$1.9 million; and
- iii) final and special dividends of US\$4.7 million for FY2022 approved in AGM was paid in 1H2023.

#### **Appendix 7.2 – 9**

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

Not applicable. The Group has not provided a forecast.

#### **Appendix 7.2 – 10**

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

##### Dry Bulk

The bulk carrier market which started slowing in 2H2022, mainly due to softening of seaborne dry bulk trade demand coupled with easing of port congestion, continued to soften in 1H2023. Widespread economic headwinds as well as the Russia-Ukraine conflict impacted demand in 1H2023. Russia's blocking of Black Sea Ukraine grain export as well as climate change-induced weather conditions further impacted seaborne grain trade.

However, with increasing US\$ interest rate, high costs of new buildings as well as uncertainties over new environmental regulations, ship owners are discouraged from placing new significant dry bulk ship building orders, thereby limiting dry bulk ship supply. In addition, IMO's global EEXI (Energy Efficiency Existing Ship Index), which resulted in permanent reduction in ships' maximum speeds, limits the global ship supply's ability to speed up to meet any potential increase in demand. New environmental regulations in coming years may also result in more scrapping of older, less efficient, and therefore less commercially economical ships – further reducing dry bulk ship supply.

Due to the above supply factors, market players are generally optimistic for the mid-term prospects of dry bulk market. The Group, when renewing time charter contracts, has employed more index-linked charter contracts in order to benefit from potential upturn in the charter market.

##### Hong Kong Property

Hong Kong commercial office/industrial property market remained sluggish post COVID-19 pandemic. As such, the Hong Kong government has intensified efforts to boost the city's recovery momentum. In Hong Kong's Financial Secretary Mr. Paul Chan's Hong Kong 2023-24 Budget delivered in February 2023 (the "HK Budget"), it was noted that Hong Kong's overall GDP contracted by 3.5 percent in 2022, but the HK Budget forecasts that the city's economy will achieve growth rate ranging from 3.5 to 5.5 percent in 2023. Amongst the various measures to boost recovery include tax reduction measures to support and attract individuals and enterprises; "InvestHK" initiatives over the next three years to attract more family offices to Hong Kong; improving Intellectual Property protection; boosting trade by engaging regional trade partners including working to join the Regional Comprehensive Economic Partnership ("RCEP") – a trade pact of 15 Asia-Pacific countries, including the 10 ASEAN member countries.

In addition, Hong Kong is part of the mainland China government's Greater Bay Area initiatives, and construction of infrastructure projects to better connect Hong Kong to the rest of China are currently

underway or have been completed. These factors could have positive effects on Hong Kong's commercial/industrial property market in the mid to long term.

### Japan Property

According to the April 2023 JREI Home Price Indices released by the Japan Real Estate Institute on 27 June 2023, Tokyo home price index was 129.58 in April 2023, an increase of 6.94% compared to the previous year. The Group's property businesses in Japan including property asset management business continue to see healthy deal flows due to the robust Japan property market and a low interest rate environment. With the Japanese yen remaining weak against the US dollars and other major currencies, more foreign investors are looking for property investment opportunities in Japan. The Group is working on expanding its cross border business by inviting foreign investors to invest in properties in Japan, or assist foreign investors in managing property assets in Japan.

## **Appendix 7.2 – 11**

### **Dividend**

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

**Any dividend declared for the current financial period reported on?**

Yes.

<b>Name of Dividend</b>	Interim tax exempt (one-tier)
<b>Dividend Type</b>	Cash
<b>Dividend Per Share</b>	2.2 Singapore cent per ordinary share
<b>Total Dividend</b>	S\$1,729,200

#### **(b) Corresponding period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Yes.

<b>Name of Dividend</b>	Interim tax exempt (one-tier)
<b>Dividend Type</b>	Cash
<b>Dividend Per Share</b>	6.5 Singapore cent per ordinary share
<b>Total Dividend</b>	S\$5,108,999

#### **(c) The date the dividend is payable.**

29 September 2023

#### **(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Up to 5.00 p.m. on 19 September 2023

## **Appendix 7.2 – 12**

**If no dividend has been declared/ recommended, a statement to that effect.**

Not applicable.

**Appendix 7.2 – 13**

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions conducted under the Shareholders' Mandate (excluding transactions less than S\$100,000) pursuant to Rule 920  US\$'000
Yamasa Co., Ltd (and its associates)	1,264.9

**Appendix 7.2 – 15**

**Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

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

**ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL**

The Company wishes to announce that there were no acquisitions or sales of shares during the financial period from 1 January 2023 to 30 June 2023 which are required to be announced pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited.

## CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements for the half-year ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors



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Michio Tanamoto  
Executive Chairman



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Kenji Fukuyado  
Chief Executive Officer

Date: 14 August 2023