



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

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

Condensed Interim Financial Statements
For the six months and full year ended
31 December 2021



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

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A. Condensed consolidated statement of profit or loss

	Note	2H 2021	2H 2020	Change	Group	FY2021	FY2020	Change
		\$'000	\$'000	%		\$'000	\$'000	%
Sales	6	103,587	99,570	4		198,463	185,843	7
Cost of sales		(79,812)	(80,185)	NM		(151,287)	(155,776)	(3)
Gross profit		23,775	19,385	23		47,176	30,067	57
Other income	7	3,262	6,878	(53)		5,853	13,558	(57)
- Interest income		58	80	(28)		127	297	(57)
- Others		3,204	6,798	(53)		5,726	13,261	(57)
Other gains and losses	7	16,816	719	NM		17,164	2,126	NM
Expenses								
- Distribution		(1,799)	(1,304)	38		(3,111)	(2,552)	22
- Administrative		(14,130)	(13,955)	1		(27,522)	(25,571)	8
- Reversal of impairment/(impairment loss) on financial assets		2	(289)	NM		26	(469)	NM
- Others		(14,132)	(13,666)	3		(27,548)	(25,102)	10
- Finance		(3,883)	(3,457)	12		(7,455)	(7,632)	(2)
Share of profit of associated companies		1,044	855	22		2,412	1,879	28
Profit before income tax	7	25,085	9,121	175		34,517	11,875	191
Income tax expense	8	(1,469)	(1,739)	(16)		(3,674)	(2,810)	31
Profit for the period		23,616	7,382	220		30,843	9,065	240
Profit attributable to:								
Equity holders of the Company		23,281	6,922	236		30,112	8,337	261
Non-controlling interests		335	460	(27)		731	728	NM
		23,616	7,382	220		30,843	9,065	240
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)								
- Basic earnings per share	10	1.04	0.31	235		1.34	0.37	262
- Diluted earning per share	10	1.04	0.31	235		1.34	0.37	262

NM denotes not meaningful.

B. Condensed consolidated statement of comprehensive income

	Group					
	2H 2021 \$'000	2H 2020 \$'000	Change %	FY2021 \$'000	FY2020 \$'000	Change %
Profit for the period	23,616	7,382	220	30,843	9,065	240
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Gains/(losses)	693	(3,742)	NM	965	(2,514)	NM
- Reclassification on disposal of a subsidiary	8,663	-	NM	8,663	-	NM
Other comprehensive income/(losses), net of tax	9,356	(3,742)	NM	9,628	(2,514)	NM
Total comprehensive income	32,972	3,640	806	40,471	6,551	518
Total comprehensive income attributable to:						
Equity holders of the Company	32,629	3,160	933	39,837	6,025	561
Non-controlling interests	343	480	(29)	634	526	21
	32,972	3,640	806	40,471	6,551	518

C. Condensed Balance Sheets – Group and Company

	Note	Group		Company	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Current assets					
Cash and cash equivalents		108,008	76,333	83,879	8,450
Trade and other receivables		52,971	43,462	7,497	107
Inventories		325	812	-	-
Income tax receivables		137	-	-	-
		<u>161,441</u>	<u>120,607</u>	<u>91,376</u>	<u>8,557</u>
Non-current assets					
Trade and other receivables		424	529	-	-
Investments in associated companies		55,251	16,652	49,019	13,953
Investments in subsidiaries		-	-	528,681	614,589
Investment properties	12	40,793	38,515	-	-
Property, plant and equipment	13	696,205	718,873	58	70
Intangible assets	14	119,411	123,584	-	-
Deferred tax assets		10	-	-	-
		<u>912,094</u>	<u>898,153</u>	<u>577,758</u>	<u>628,612</u>
Total assets		<u>1,073,535</u>	<u>1,018,760</u>	<u>669,134</u>	<u>637,169</u>
Current liabilities					
Trade and other payables		53,249	54,307	58,825	40,362
Current income tax liabilities		3,810	2,519	-	1
Borrowings	15	71,955	31,854	34,069	-
Provisions		1,111	507	-	-
		<u>130,125</u>	<u>89,187</u>	<u>92,894</u>	<u>40,363</u>
Non-current liabilities					
Trade and other payables		8,070	7,493	-	-
Borrowings	15	286,251	311,000	38,000	72,069
Provisions		1,106	1,878	-	-
Deferred income tax liabilities		62,773	63,886	-	-
		<u>358,200</u>	<u>384,257</u>	<u>38,000</u>	<u>72,069</u>
Total liabilities		<u>488,325</u>	<u>473,444</u>	<u>130,894</u>	<u>112,432</u>
Net assets		<u>585,210</u>	<u>545,316</u>	<u>538,240</u>	<u>524,737</u>
Equity					
Share capital	16	270,608	270,608	270,608	270,608
Other reserves		34,924	25,560	45,105	45,105
Retained earnings		268,628	238,732	222,527	209,024
Shareholders' equity		<u>574,160</u>	<u>534,900</u>	<u>538,240</u>	<u>524,737</u>
Non-controlling interests		11,050	10,416	-	-
Total equity		<u>585,210</u>	<u>545,316</u>	<u>538,240</u>	<u>524,737</u>

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

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000	Total \$'000
Group					
At 1 January 2021	270,608	25,560	238,732	10,416	545,316
Total comprehensive income for the year	-	9,725	30,112	634	40,471
Disposal of a subsidiary	-	216	(216)	-	-
Accretion of redemption liability [1]	-	(577)	-	-	(577)
At 30 December 2021	270,608	34,924	268,628	11,050	585,210
At 1 January 2020	270,608	35,365	230,395	1,911	538,279
Total comprehensive income for the year	-	(2,312)	8,337	526	6,551
Acquisition of subsidiaries	-	(7,038)	-	8,079	1,041
Dividend declared by a subsidiary to a non-controlling interest of a subsidiary	-	-	-	(100)	(100)
Accretion of redemption liability [1]	-	(455)	-	-	(455)
At 31 December 2020	270,608	25,560	238,732	10,416	545,316

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

On 31 December 2021, the Group remeasured the redemption liability based on the terms of the shareholder agreements and recognised an accretion charge amounting to \$577,000 (2020: \$455,000) by debiting Other reserves.

	Share capital \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000
Company				
At 1 January 2021	270,608	45,105	209,024	524,737
Total comprehensive income for the year	-	-	13,503	13,503
At 30 December 2021	270,608	45,105	222,527	538,240
At 1 January 2020	270,608	45,105	207,373	523,086
Total comprehensive loss for the year	-	-	1,651	1,651
At 30 December 2020	270,608	45,105	209,024	524,737

E. Condensed consolidated statement of cash flows

		Group	
	Note	FY2021 \$'000	FY2020 \$'000
Cash flows from operating activities			
Profit for the year		30,843	9,065
Adjustments for:			
- Income tax expense		3,674	2,810
- Amortisation of intangible assets		4,057	4,914
- Depreciation of property, plant and equipment		34,113	31,877
- Depreciation of investment properties		9,011	10,298
- (Reversal of impairment)/impairment of trade and other receivables		(26)	469
- (Gain)/loss on disposal of property, plant and equipment		(165)	635
- Gain on disposal of an investment property		-	(858)
- Gain on disposal of a subsidiary		(16,445)	-
- Gain on modification of lease		(29)	-
- Gain on bargain purchase of subsidiaries		-	(2,703)
- Rental waiver (financing)		(1,990)	(4,178)
- Share of profit of associated companies		(2,412)	(1,879)
- Interest expense		7,455	7,632
- Interest income		(127)	(297)
- Exchange differences		515	(325)
		<u>68,474</u>	<u>57,460</u>
Changes in working capital:			
- Inventories		150	46
- Trade and other receivables		(2,984)	5,931
- Trade and other payables		(3,433)	2,668
- Provisions		(168)	(387)
Cash provided by operations		<u>62,039</u>	<u>65,718</u>
Income tax paid		<u>(3,540)</u>	<u>(878)</u>
Net cash provided by operating activities		<u>58,499</u>	<u>64,840</u>
Cash flows from investing activities			
Deferred consideration paid in relation to acquisition of subsidiaries		(1,000)	(1,500)
Acquisition of subsidiaries, net of cash acquired	A	-	(24,655)
Additions to property, plant and equipment		(26,067)	(30,415)
Disposal of property, plant and equipment		769	173
Disposal of a subsidiary, net of cash disposed	B	21,214	-
Disposal of club membership		92	-
Disposal of an investment property		-	1,212
Interest received		132	300
Dividend received from associated companies		2,011	1,115
Net cash used in investing activities		<u>(2,849)</u>	<u>(53,770)</u>
Cash flows from financing activities			
Proceeds from borrowings		17,558	37,488
Repayment of borrowings		(16,375)	(11,149)
Repayment of lease liabilities		(17,771)	(19,598)
Decrease in bank deposits pledged		392	878
Interest paid		(7,801)	(9,061)
Dividend paid to non-controlling interest of a subsidiary		-	(100)
Net cash used in financing activities		<u>(23,997)</u>	<u>(1,542)</u>

E. Condensed consolidated statement of cash flows (continued)

	Group	
	FY2021	FY2020
	\$'000	\$'000
Net increase in cash and cash equivalents	31,653	9,528
Cash and cash equivalents at beginning of financial year	75,007	65,980
Effects of currency translation on cash and cash equivalents	414	(501)
Cash and cash equivalents at end of financial year	107,074	75,007
Cash and cash equivalents represented by:		
Cash at bank and on hand	49,074	56,618
Short-term bank deposits	58,934	19,715
	108,008	76,333
Less: Bank deposits pledged	(934)	(1,326)
Cash and cash equivalents per consolidated statement of cash flows	107,074	75,007

E. Condensed consolidated statement of cash flows (continued)

Note A - Acquisition of subsidiaries

On 14 February 2020, the Group acquired 80% of the issued share capital of each of Guper Integrated Logistics Sdn. Bhd., Gems Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd. (collectively the Newly Acquired Malaysia Subsidiaries) for a total consideration of RM88,000,000 (equivalent to \$29,610,000).

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

	Group 2020 \$'000
<u>Purchase consideration</u>	
Consideration transferred for the business and cash paid	<u>29,610</u>
<u>Effect on cash flows of the Group</u>	
Cash paid (as above)	29,610
Less: Cash and cash equivalents in subsidiaries acquired	(5,974)
Add: Bank balances pledged	1,019
Cash outflow on acquisition	<u>24,655</u>
<u>Identifiable assets acquired and liabilities assumed</u>	
Cash and cash equivalents	5,974
Property, plant and equipment	37,034
Investment properties	14,300
Intangible assets	2,197
Trade and other receivables	9,061
Total assets	<u>68,566</u>
Trade and other payables	8,761
Borrowings	11,994
Current income tax liabilities	189
Deferred tax liabilities	7,230
Total liabilities	<u>28,174</u>
Total identifiable net assets	40,392
Less: Non-controlling interest	(8,079)
Less: Gain on bargain purchase	(2,703)
Consideration transferred for the business and cash paid	<u>29,610</u>

E. Condensed consolidated statement of cash flows (continued)

Note B – Disposal of a subsidiary

On 28 December 2021, the Group disposed of its 60% equity interest in COSCO SHIPPING Bulk (South East Asia) Pte Ltd (formerly known as "COSCO SHIPPING (Singapore) Pte Ltd") ("COSCO SHIPPING Bulk SEA") for a consideration of US\$42,391,000 (equivalent to S\$57,482,000). The 40% retained interest is accounted as an investment in associate.

The effects of the disposal on the cash flows of the Group were:

	Group 2021 \$'000
Carrying amounts of assets and liabilities disposed of:	
Cash and cash equivalents	36,268
Trade and other receivables	10,565
Inventories	337
Property, plant and equipment	34,257
Total assets	<u>81,427</u>
Trade and other payables	3,297
Current income tax liabilities	5
Total liabilities	<u>3,302</u>
Net assets disposed of	<u>78,125</u>
	Group 2021 \$'000
Net assets disposed of (as above)	78,125
Reclassification of currency translation reserve	8,663
Gain on disposal of subsidiary	16,445
Amount accounted for as associated company	(38,321)
Amount accounted for as dividend receivable ⁽¹⁾	(7,430)
Sales consideration from disposal	<u>57,482</u>
Less: Cash and cash equivalents in subsidiary disposed of	<u>(36,268)</u>
Net cash inflow on disposal	<u>21,214</u>

⁽¹⁾ The amount accounted for as dividend receivable relates to the distributable profits recorded by COSCO SHIPPING Bulk SEA for the period from 1 July 2021 to 31 December 2021 which shall be declared as dividends to the Company pursuant to the Sale and Purchase agreement entered into by the Company and the purchaser, COSCO (H.K.) Shipping Co., Limited on 30 September 2021. The dividend shall be declared and paid within 10 business days of the issuance of the audited financial statements.

F. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

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

2.2 New and amended standards adopted by the Group

On 1 January 2021, 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, except as follows.

Interest Rate Benchmark Reform – Phase 2

The Group has adopted the amendments to SFRS(I) 9, SFRS(I) 7 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2 effective 1 January 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to financial instruments. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

2. Significant accounting policies (continued)

2.2 New and amended standards adopted by the Group (continued)

Financial instruments measured at amortised cost and lease liabilities

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities (see below).

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the Group applies the relevant SFRS(I) 16 requirements to account for the entire lease modification, including those changes required by IBOR reform.

Effect of IBOR reform

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Interbank Offered Rate ("SIBOR").

1-month and 3-month SIBOR will cease publication after 31 December 2024, and it is expected to be replaced by the Singapore Overnight Rate Average ("SORA"). The Group has variable-rate SGD borrowings which reference to 1-month and 3-month SIBOR and mature after 31 December 2024. The Group's communication with its debt counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. The expected transition from SIBOR to SORA had no effect on the amounts reported for the current and prior financial years.

The following table contains details of all the financial instruments that the Group and Company holds at 31 December 2021 which are referenced to SIBOR and have not yet transitioned to new benchmark rates:

	<u>SIBOR</u>	<u>Of which:</u>
	<u>Carrying</u>	<u>Not yet transitioned to</u>
	<u>amount</u>	<u>an alternative</u>
	<u>\$'000</u>	<u>benchmark rate</u>
		<u>\$'000</u>
Group:		
31 December 2021		
Liabilities		
- Borrowings	237,802	237,802
	<hr/>	<hr/>
Company:		
31 December 2021		
Liabilities		
- Borrowings	72,069	72,069
	<hr/>	<hr/>

2.3 Use of judgements and estimates

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

2. Significant accounting policies (continued)

2.3 Use of judgements and estimates (continued)

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 2020.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in Note 14 – impairment test of goodwill: key assumptions underlying recoverable amounts.

3. Seasonal operations

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

4. Segment information

4.1 Business segments

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
6 months ended 31 December 2021						
Sales:						
- External sales	16,959	6,553	74,363	5,712	-	103,587
- Inter-segment sales	-	-	-	192	7,430	7,622
	16,959	6,553	74,363	5,904	7,430	111,209
Elimination						(7,622)
						103,587
Segment results	7,349	1,125	6,336	743	12,313	27,866
Interest income						58
Interest expense						(3,883)
Share of profit of associated companies						1,044
Profit before income tax						25,085
Income tax expense						(1,469)
Net profit						23,616
Other segment items						
Additions to property, plant and equipment	648	536	14,386	175	7	15,752
Additions to investment property	-	-	3,788	7,692	-	11,480
Amortisation of intangible assets	-	-	2,028	-	-	2,028
Depreciation of property, plant and equipment	2,273	383	15,462	254	18	18,390
Depreciation of investment properties	-	-	1,469	3,004	-	4,473
Net (reversal)/provision of impairment for trade and other receivables	-	(10)	23	(15)	-	(2)

4. Segment information (continued)

4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
6 months ended 31 December 2020						
Sales:						
- External sales	19,757	5,319	67,349	7,145	-	99,570
- Inter-segment sales	-	-	-	244	7,115	7,359
	19,757	5,319	67,349	7,389	7,115	106,929
Elimination						(7,359)
						99,570
Segment results	278	1,637	11,778	294	(2,344)	11,643
Interest income						80
Interest expense						(3,457)
Share of profit of associated companies						855
Profit before income tax						9,121
Income tax expense						(1,739)
Net profit						7,382
Other segment items						
Additions to property, plant and equipment	2,152	2,926	15,390	304	44	20,816
Additions to Investment, properties	-	-	3,860	8,460	-	12,320
Amortisation of intangible assets	-	-	2,425	149	-	2,574
Depreciation of property, plant and equipment	1,430	390	13,057	500	23	15,400
Depreciation of investment properties	-	-	1,774	3,163	-	4,937
Net provision for impairment of trade and other receivables	-	37	49	203	-	289

4. Segment information (continued)

4.1 Business segments (continued)

Financial year ended 31 December 2021	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
Sales:						
- External sales	27,435	12,534	146,007	12,487	-	198,463
- Inter-segment sales	-	-	-	402	15,857	16,259
	<u>27,435</u>	<u>12,534</u>	<u>146,007</u>	<u>12,889</u>	<u>15,857</u>	<u>214,722</u>
Elimination						<u>(16,259)</u>
						<u>198,463</u>
Segment results	9,382	2,375	17,324	1,533	8,819	39,433
Interest income						127
Interest expense						(7,455)
Share of profit of associated companies						<u>2,412</u>
Profit before income tax						<u>34,517</u>
Income tax expense						<u>(3,674)</u>
Net profit						<u>30,843</u>
Other segment items						
Additions to property, plant and equipment	5,149	908	40,620	406	31	47,114
Additions to investment properties	-	-	3,788	7,692	-	11,480
Amortisation of intangible assets	-	-	4,057	-	-	4,057
Depreciation of property, plant and equipment	4,060	753	28,880	377	43	34,113
Depreciation of investment properties	-	-	2,961	6,050	-	9,011
Net (reversal)/provision for impairment of trade and other receivables	-	(34)	23	(15)	-	(26)
Segment assets	-	13,248	881,766	31,797	91,463	1,018,274
Associated companies						55,251
Deferred tax assets						<u>10</u>
Consolidated total Assets						<u>1,073,535</u>
Segment liabilities	-	1,844	23,490	23,224	14,978	63,536
Borrowings						358,206
Current income tax liabilities						3,810
Deferred income tax liabilities						<u>62,773</u>
Consolidated total liabilities						<u>488,325</u>
Consolidated net assets						<u>585,210</u>

4 Segment information (continued)

4.1 Business segments (continued)

	Shipping \$'000	Ship repair and marine related activities \$'000	Logistics \$'000	Property management \$'000	All Other segments \$'000	Total \$'000
Financial year ended 31 December 2020						
Sales:						
- External sales	33,432	10,655	129,070	12,686	-	185,843
- Inter-segment sales	-	-	-	244	8,015	8,259
	<u>33,432</u>	<u>10,655</u>	<u>129,070</u>	<u>12,930</u>	<u>8,015</u>	<u>194,102</u>
Elimination						<u>(8,259)</u>
						<u>185,843</u>
Segment results	162	2,179	19,943	(336)	(4,617)	17,331
Interest income						297
Interest expense						(7,632)
Share of profit of associated companies						<u>1,879</u>
Profit before income tax						<u>11,875</u>
Income tax expense						<u>(2,810)</u>
Net profit						<u>9,065</u>
Other segment items						
Additions to property, plant and equipment	2,152	3,149	38,390	319	49	44,059
Amortisation of intangible assets	-	-	4,325	589	-	4,914
Additions to investment properties	-	-	3,860	8,460	-	12,320
Depreciation of property, plant and equipment	2,998	781	27,072	985	41	31,877
Depreciation of investment properties	6	-	3,345	6,947	-	10,298
Impairment of trade and other receivables	-	214	52	203	-	469
						<u>469</u>
Segment assets	63,258	20,245	875,960	33,634	9,011	1,002,108
Associated companies						<u>16,652</u>
Consolidated total assets						<u>1,018,760</u>
Segment liabilities	5,649	2,070	28,408	23,109	4,949	64,185
Borrowings						342,854
Current income tax liabilities						2,519
Deferred income tax liabilities						<u>63,886</u>
Consolidated total liabilities						<u>473,444</u>
Consolidated net assets						<u>545,316</u>

4 Segment information (continued)

4.2 Geographical segments

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

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

Sales are based on the country in which the services are rendered to the customer. Non-current assets (other than deferred tax assets) are shown by the geographical area where the assets are located.

	Sales				Non-current assets	
	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Singapore *	84,604	83,384	162,336	157,122	821,625	813,380
Malaysia	18,983	16,186	36,127	28,721	90,459	84,773
	103,587	99,570	198,463	185,843	912,084	898,153

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

Revenues of approximately \$31,242,000 (2020: \$48,723,000) are derived from one (2020: two) single external customer. These revenues are attributable to the Singapore Logistics segment (2020: Singapore Logistics and Shipping segments).

4.3 A breakdown of sales

	FY 2021 \$'000	FY 2020 \$'000	Change %
(a) Sales reported for first half year	94,876	86,273	10
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	7,227	1,683	329
(c) Sales reported for second half year	103,587	99,570	4
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	23,616	7,382	220

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Financial assets at amortised cost	158,792	118,370	91,280	8,474
Financial liabilities at amortised cost	418,878	404,286	130,894	112,408

6. Sales

Revenue of the Group is analysed as follows:

	2H 2021 \$'000	2H 2020 \$'000	2021 \$'000	2020 \$'000
Revenue from contract with customers - Note A	88,381	79,560	167,793	150,614
Rental Income				
- Logistics management services	10,159	13,386	18,848	26,051
- Property management services	6,792	7,967	13,567	16,494
Less: rental concessions – Note B	(1,745)	(1,343)	(1,745)	(7,316)
	103,587	99,570	198,463	185,843

Note A : Disaggregation of revenue from contracts with customers

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. In relation to the Group's shipping activities, the Group operates in worldwide shipping routes. Hence, it would not be meaningful to allocate and present sales to any geographical regions for shipping activities.

	← Revenue recognised →		
	At a point in time \$'000	Over time \$'000	Total \$'000
<u>6 months ended 31 December 2021</u>			
i) Ship repair and marine engineering - Singapore	-	6,553	6,553
ii) Shipping - charter hire - Worldwide	-	16,959	16,959
iii) Logistics management services			
- Singapore	29,253	19,240	48,493
- Malaysia	15,696	680	16,376
	44,949	19,920	64,869
Total sales	44,949	43,432	88,381
<u>6 months ended 31 December 2020</u>			
i) Ship repair and marine engineering - Singapore	-	5,319	5,319
ii) Shipping - charter hire - Worldwide	-	19,757	19,757
iii) Logistics management services			
- Singapore	27,443	13,686	41,129
- Malaysia	12,337	1,018	13,355
	39,780	14,704	54,484
Total sales	39,780	39,780	79,560

6. Sales (continued)

Note A : Disaggregation of revenue from contracts with customers (continued)

	← Revenue recognised →		
	<u>At a point</u>		
	<u>in time</u>	<u>Over time</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Full year ended 31 December 2021</u>			
i) Ship repair and marine engineering - Singapore	-	12,534	12,534
ii) Shipping - charter hire - Worldwide	-	27,435	27,435
iii) Logistics management services			
- Singapore	58,279	38,787	97,066
- Malaysia	29,301	1,457	30,758
	<u>87,580</u>	<u>40,244</u>	<u>127,824</u>
Total sales	<u>87,580</u>	<u>80,213</u>	<u>167,793</u>
<u>Full year ended 31 December 2020</u>			
i) Ship repair and marine engineering - Singapore	-	10,655	10,655
ii) Shipping - charter hire - Worldwide	-	33,432	33,432
iii) Logistics management services			
- Singapore	55,121	28,002	83,123
- Malaysia	21,414	1,990	23,404
	<u>76,535</u>	<u>29,992</u>	<u>106,527</u>
Total sales	<u>76,535</u>	<u>74,079</u>	<u>150,614</u>

Note B: Rental concessions

The rental concessions recognised by the Group relate to the aggregate of property tax rebates and rental waivers provided to qualifying tenants and has been recognised as a reduction to the Group's revenue.

7. Profit before taxation

7.1 Breakdown and explanatory notes to Consolidated Income Statement

[1] Other income comprises the following:

	2H 2021 \$'000	2H 2020 \$'000	Change %	FY2021 \$'000	FY2020 \$'000	Change %
Interest income	58	80	(28)	127	297	(57)
Government grants	2,820	6,264	(55)	4,927	12,361	(60)
Rental income	117	102	15	199	167	19
Compensation received	-	264	NM	-	268	NM
Sundry income	267	168	59	600	465	29
Other income	3,262	6,878	(53)	5,853	13,558	(57)

Government grants mainly comprised of rental waivers, Jobs Support Scheme, property tax rebate and foreign worker levy rebate under the various support measures granted by the Singapore Government to help businesses cushion the negative impact of the COVID-19 pandemic. The related rental waiver granted to tenants was recognised as a reduction of sales whereas the related costs incurred in relation to the government grants were separately included in the cost of sales and expenses in accordance with the Group's accounting policy.

[2] Other gains and losses comprises the following:

	2H 2021 \$'000	2H 2020 \$'000	Change %	FY2021 \$'000	FY2020 \$'000	Change %
Foreign exchange (loss)/ gain	(47)	268	NM	(158)	230	NM
Gain on modification of lease	18	-	NM	29	-	NM
Gain/(loss) on disposal of property, plant and equipment	146	(634)	NM	165	(635)	NM
(Loss)/gain on disposal of an investment property	-	(8)	NM	-	858	NM
Gain on disposal of a subsidiary	16,445	-	NM	16,445	-	NM
Gain on bargain purchase of subsidiaries	-	1,777	NM	-	2,703	NM
Gain/(loss) on sale of bunker stock	254	(684)	NM	683	(1,030)	NM
Other gains and losses	16,816	719	NM	17,164	2,126	NM

7. Profit before taxation (continued)

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

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

	2H 2021 \$'000	2H 2020 \$'000	Change %	FY2021 \$'000	FY2020 \$'000	Change %
Interest on borrowings	(3,883)	(3,457)	12	(7,455)	(7,632)	(2)
Amortisation of intangible assets	(2,028)	(2,574)	(21)	(4,057)	(4,914)	(17)
Depreciation of property, plant and equipment	(18,390)	(15,400)	19	(34,113)	(31,877)	7
Depreciation of investment properties	(4,473)	(4,937)	(9)	(9,011)	(10,298)	(12)
Reversal of impairment/(impairment) of trade and other receivables	2	(289)	NM	26	(469)	NM

7.2 Related party transaction

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

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

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

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

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

7. Profit before taxation (continued)

7.2 Related party transaction (continued)

	FY2021 \$'000	FY2020 \$'000
<u>Revenue</u>		
Sales to fellow subsidiaries	14,232	13,749
Sales to related parties	1,218	1,243
Service income received from fellow subsidiaries	3,693	3,972
Commission received/receivable from fellow subsidiaries	68	73
<u>Expenditure</u>		
Purchases from fellow subsidiaries	12,601	5,717
Purchases from related parties	267	438
Rental paid/payable to fellow subsidiaries	1,196	1,221
Vessel rental paid to a fellow subsidiary	1,532	21,815
Crew wages paid/payable to fellow subsidiaries	3,232	2,568
Service expenses paid/payable to fellow subsidiaries	1,686	1,895
Interest paid/payable to a fellow subsidiary	656	894
Insurance premium paid/payable to a fellow subsidiary	873	734
Commission paid/payable to fellow subsidiaries	107	100
Purchase of property, plant and equipment from a fellow subsidiary	382	2,741

8. Income taxes

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

	2H 2021 \$'000	2H 2020 \$'000	FY2021 \$'000	FY2020 \$'000
Current income tax	2,601	1,715	5,202	3,497
Deferred income tax	(1,001)	445	(1,352)	(162)
	<u>1,600</u>	<u>2,160</u>	<u>3,850</u>	<u>3,335</u>
(Over)/under provision in prior financial years:				
- Current income tax	(476)	(568)	(504)	(672)
- Deferred income tax	345	147	328	147
	<u>1,469</u>	<u>1,739</u>	<u>3,674</u>	<u>2,810</u>

9. Dividend

No dividend declared for the financial year ended 31 December 2021 and 31 December 2020.

10. Earnings per share

	2H 2021	2H 2020	Group FY2021	FY2020
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	1.04	0.31	1.34	0.37
Weighted average number of ordinary shares('000)	2,239,245	2,239,245	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	1.04	0.31	1.34	0.37
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,245	2,239,245	2,239,245

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

There are no dilutive potential ordinary shares outstanding.

11. Net Asset Value

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net asset value per ordinary share (cents)	25.64	23.89	24.04	23.43

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2020: 2,239,244,954).

12. Investment properties

Investment properties comprise of:

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

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

13. Property, plant and equipment

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

During the financial year, the Group acquired assets amounting to \$47,114,000 (2020: \$44,059,000) and disposed of assets amounting to \$11,151,000 (2020: S\$10,886,000).

14. Intangible assets

	Goodwill arising on consolidati on \$'000	Club memberships \$'000	Contract- based intangible asset \$'000	Customer relationships intangible assets \$'000	Total \$'000
Group					
At 31 December 2021					
Cost	98,989	-	3,644	36,116	138,749
Accumulated amortisation and impairment	-	-	(3,644)	(15,694)	(19,338)
Net book value	<u>98,989</u>	<u>-</u>	<u>-</u>	<u>20,422</u>	<u>119,411</u>
12 months ended 31 December 2021					
Opening net book amount	98,989	92	-	24,503	123,584
Disposals	-	(92)	-	-	(92)
Amortisation charge during the period	-	-	-	(4,057)	(4,057)
Currency translation differences	-	-	-	(24)	(24)
Closing net book value	<u>98,989</u>	<u>-</u>	<u>-</u>	<u>20,422</u>	<u>119,411</u>
At 31 December 2020					
Cost	98,989	92	3,644	36,146	138,871
Accumulated amortisation and impairment	-	-	(3,644)	(11,643)	(15,287)
Net book value	<u>98,989</u>	<u>92</u>	<u>-</u>	<u>24,503</u>	<u>123,584</u>

Impairment assessment of goodwill

Goodwill is tested for impairment annually. In performing the impairment assessment of the carrying amount of goodwill, the recoverable amounts of the cash-generating unit ("CGU") in which goodwill has been attributable to, are determined using value-in-use ("VIU") calculation and are fully attributable to the logistics CGU of the Group. Significant judgements are used to estimate the revenue growth rates, terminal growth rate and pre-tax discount rate applied in computing the recoverable amount of the CGU. In making these estimates, management has relied on past performance, its expectations of market and industry developments in Singapore and other Southeast Asia countries. The carrying amount of the goodwill as at 31 December 2021 amounted to \$98,989,000.

14. Intangible assets (continued)

Impairment assessment of goodwill (continued)

Key assumptions used in value-in-use calculations:

	2021	2020
Revenue growth rate	2.3% to 9.2%	3.6% to 18.1%
Terminal growth rate	3.0%	2.5%
Discount rate	10.5%	9.6%

The change of the following magnitude on the key assumptions will result in a reduction of the carrying amount of the goodwill as at 31 December 2021:

	Higher/(lower) %	Impairment \$'000
Deviation in forecasted revenue growth rate	(1.0)	12,800
Terminal growth rate	(1.5)	98,989
Discount rate	0.9	78,400

15. Borrowings

	Group		Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
<i>Current</i>				
Bank borrowings (unsecured)	36,242	2,386	-	-
Bank borrowings (secured)	16,058	11,682	34,069	-
Lease liabilities (secured)	19,655	17,786	-	-
	<u>71,955</u>	<u>31,854</u>	<u>34,069</u>	<u>-</u>
<i>Non-current</i>				
Bank borrowings (unsecured)	18,261	54,303	-	34,069
Bank borrowings (secured)	136,713	137,844	-	-
Loan from a fellow subsidiary (unsecured)	38,000	38,000	38,000	38,000
Lease liabilities (secured)	93,277	80,853	-	-
	<u>286,251</u>	<u>311,000</u>	<u>38,000</u>	<u>72,069</u>
Total borrowings	<u>358,206</u>	<u>342,854</u>	<u>72,069</u>	<u>72,069</u>

The borrowings of the Group and of the Company amounting to \$245,274,000 and \$72,069,000 respectively (2020: \$244,215,000 and \$72,069,000) have variable interest rates that are contractually repriced within 1 to 3 months (2020: 1 to 6 months) from the balance sheet date.

(a) Security granted

At the balance sheet date, total borrowings include secured liabilities of \$265,703,000 (31 December 2020: \$248,165,000) for the Group.

15. Borrowings (continued)

Bank borrowings are secured by:

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

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

- (b) Fair value of non-current borrowings

As at 31 December 2021 and 31 December 2020, the carrying amounts of non-current borrowings, which are at variable rates, approximated their fair values.

16. Share Capital

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

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

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 employees pursuant to the COSCO SHIPPING Group Executives Share Option Scheme (the "Option Scheme").

During the financial year ended 31 December 2021, 9,962,100 share options granted under the Option Scheme were lapsed.

Movements in the number of unissued ordinary shares under option at the end of 31 December 2021 are as follows:

As at 31 December 2021

Options relating to the Option Scheme	Number outstanding at 1 January 2021	Number of options issued during the financial year	Number of options exercised during the financial year	Number of options cancelled/ lapsed during the financial period	Number of outstanding options at 31 December 2021
2020 Options	20,174,000	-	-	(8,975,800)	11,198,200
2021 Options	-	2,959,000	-	(986,300)	1,972,700
	<u>20,174,000</u>	<u>2,959,000</u>	<u>-</u>	<u>(9,962,100)</u>	<u>13,170,900</u>

The outstanding share options under Cosco Group Employees' Share Option Scheme as at 31 December 2021 were 13,170,900 (31 December 2020: 20,174,000).

The Company did not hold any treasury shares as at 31 December 2021.

17. Arbitration proceeding

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

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

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

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

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

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

On 23 February 2022, the crane specialist filed a notice of appeal against the High Court’s decision.

As there is material uncertainty in relation to the final outcome of the proceedings, the Award granted to the Group on 18 November 2020 has not been recognised in the Group’s consolidated financial statements for the financial year ended 31 December 2021.

G. Other information required by listing Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of COSCO SHIPPING International (Singapore) Co., Ltd. and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2H 2021

Group revenue for 2H 2021 was \$103.6 million, 4% higher than 2H 2020. The growth in revenue was mainly due to higher revenue from Logistics and Ship repair and marine engineering activities, partly offset by lower revenue from Shipping and Property management. Revenue from Logistics activities accounted for about 72% of the Group's revenue in 2H 2021.

Gross profit increased by 23% from \$19.4 million in 2H 2020 to \$23.8 million in 2H 2021 mainly due to higher shipping charter rates for owned vessels.

Other income was lower by 53% from \$6.9 million in 2H 2020 to \$3.3 million in 2H 2021 mainly due to lower government grants under the Government Rental Relief Framework and various support measures in relation to the COVID-19 pandemic.

Other gains and losses in 2H 2021 include a gain of \$16.4 million on disposal of 60% equity interest in a subsidiary, COSCO SHIPPING Bulk SEA in 2H 2021.

Distribution and administrative expenses increased by 38% and 1% respectively in 2H 2021 as compared to 2H 2020 were mainly due to higher staff costs for marketing and corporate functions.

Finance costs increased by 12% to \$3.9 million in 2H 2021 mainly due to higher borrowings (including lease liabilities).

Group profit before tax for 2H 2021 was \$25.1 million, which was \$16.0 million higher than 2H 2020. The improvement in profits was mainly due to the gain on disposal of a subsidiary and higher profit contribution from Shipping segment as a result of higher charter rates in 2H 2021.

FY 2021

Group revenue for FY 2021 was \$198.5 million, 7% higher than FY 2020. The growth in revenue was mainly due to higher revenue from Logistics and Ship repair and marine engineering activities, partly offset by lower revenue from Shipping and Property management. Revenue from Logistics activities accounted for about 74% of the Group's revenue in FY 2021.

Cost of sales decreased by 3% or \$4.5 million was mainly due to lower charter-hire costs as a result of lower number of vessels chartered-in for the Group's shipping operations.

Gross profit increased by 57% from \$30.1 million in FY 2020 to \$47.2 million in FY 2021 mainly due to higher shipping charter rates for owned vessels and lower rental waiver granted to tenants under the Government Rental Relief Framework.

Other income was lower by 57% from \$13.6 million in FY 2020 to \$5.9 million in FY 2021 mainly due to lower government grants under the Government Rental Relief Framework and various support measures in relation to the COVID-19 pandemic.

Other gains and losses in FY 2021 increased by \$15.0 million mainly due to a gain of \$16.4 million on disposal of 60% equity interest in a subsidiary, COSCO SHIPPING Bulk SEA. The other gains and losses

for FY 2020 included a gain on bargain purchase of subsidiaries of \$2.7 million and a gain on disposal of an investment property of \$0.9 million.

Distribution and administrative expenses increased by 22% and 8% respectively in FY 2021 as compared to FY 2020 were mainly due to higher staff costs for marketing and corporate functions.

Finance costs decreased marginally in FY 2021 mainly due to lower borrowing costs, partly offset by higher borrowings.

Share of profit of associated companies of \$2.4 million was contributed by the Group's 40% shareholdings in PT. Ocean Global Shipping Logistics and the 30% shareholdings in Tan Cang-COSCO-OOCL Logistics Company Limited (the "TCCOCL"). The increase in share of profit of associated companies was mainly due to higher profit contributions from both associated companies.

Income tax expense increased by 31% to \$3.7 million mainly due to higher taxable profits in FY 2021. The effective tax rate was lower in FY 2021 as compared to FY 2020 mainly due to higher tax exempt profits from Shipping and non-taxable capital gain on disposal of a subsidiary.

Overall, net profit attributable to equity holders was \$30.1 million, 261% higher than FY 2020 mainly due to the gain on disposal of a subsidiary and higher shipping charter rates, partly offset by lower government grants.

Balance Sheet

(31 December 2021 vs 31 December 2020)

Cash and cash equivalents increased from \$76.3 million to \$108.0 million mainly due to net cash provided by operating activities and net cash inflow from the disposal of a subsidiary, partly offset by outflow for purchase of property, plant and equipment and net cash used in repayment of lease liabilities and interest payments. Please refer to Consolidated Statement of Cash Flows for more details.

Trade and other receivables increased by \$9.4 million to \$53.4 million (31 December 2020: \$44.0 million). The increase in trade and other receivables was mainly due to recognition of dividend receivable of \$7.4 million from an associated company, COSCO SHIPPING Bulk SEA in relation to the post completion payment as agreed in the sale and purchase agreement.

Investments in associated company increased by \$38.6 million to \$55.3 million as at 31 December 2021 mainly due to the recognition of the remaining 40% equity interest in COSCO SHIPPING Bulk SEA, after the completion of the disposal of the Group's 60% equity interest.

Property, plant and equipment decreased by \$22.7 million to \$696.2 million mainly due to the de-recognition of property, plant and equipment in relation to the disposal of subsidiary during FY 2021, partly offset by the progressive construction of Jurong Island Chemical Logistics Facility ("JICLF") which has obtained the Temporary Occupation Permit in April 2021.

Trade and other payables decreased marginally by \$0.5 million to \$61.3 million mainly due to the payments of construction costs for JICLF and trade payables, partly offset by the recognition of the non-trade payables due to former subsidiary.

Total borrowings increased by \$15.4 million to \$358.2 million mainly due to the borrowings procured to finance the construction costs of JICLF and purchase of property, plant and equipment.

Shareholder's equity increased by \$39.3 million to \$574.2 million mainly due to profits and an increase in currency translation reserves in FY 2021.

Cash Flow

Net cash provided by operating activities for FY 2021 was \$58.5 million, \$6.3 million lower as compared to FY 2020. This was mainly due to higher working capital requirements for operations. Please refer to Consolidated Statement of Cash Flows for details.

Net cash used in investing activities for FY 2021 was \$2.8 million. This was mainly due to cash used for the payments for property, plant and equipment, partly offset by the net cash inflow from the disposal of a subsidiary.

Net cash used in financing activities for FY 2021 was \$24.0 million. This was mainly due to the repayment of borrowings and interest costs, partly offset by proceeds from borrowings.

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

Not applicable

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

The global economy is recovering gradually. However, the emergence of the highly transmissible COVID-19 variant, Omicron, has increased the uncertainty of the time needed for countries to overcome the pandemic. It could possibly hinder the progress of countries' economic recovery as well. The effectiveness of the government's efforts to contain the virus and its variants and the countries' progress in vaccine rollouts continue to be key to economic recovery. As such, there is still a high level of uncertainty in terms of the length and depth of its economic impact on the Group's financial performance. Other than pandemic-related disruptions, factors such as rising inflation rates and labour costs will also likely affect the Group's operating cost and profits.

The Company currently has logistics operations in Singapore, Malaysia, Indonesia and Vietnam. It will continue to expand its logistical networks through strategic acquisitions and investments, taking into account the target's scale and scope, historical performance, growth potential, and synergies with the Group's existing logistics operations, as it strives to become the leading integrated logistics player in the South and Southeast Asian region.

In relation to the Company's shipping business, the Company completed the disposal of 60% of the issued and paid-up shares of COSCO SHIPPING Bulk (Southeast Asia) Pte. Ltd. (formerly known as COSCO SHIPPING (Singapore) Pte. Ltd.) ("**COSCO SHIPPING Bulk SEA**") to COSCO (H.K.) Shipping Co., Limited ("**COSCO HK**") on 28 December 2021. COSCO Bulk SEA, an associated company, has a total of 3 vessels with a total tonnage of 163,000 tonnes and an average age of 16 years as at 31 December 2021. The Baltic Dry Index ("**BDI**") started the year at 1,374 points and ended 2021 at 2,217 points, averaging 2,943 points for the entire year, higher than the average of 1,066 points in 2020. The BDI in 2021 proved the volatility of the dry bulk shipping industry. The BDI reached its 13-year high at 5,650 points on 7 October 2021, before falling back to 2,217 points as of the end of 2021, representing an approximate 61% drop in less than 3 months. The Company will work with COSCO HK and its parent company, COSCO SHIPPING Bulk Co., Ltd., to achieve sustainable growth in its shipping business amid the volatility of the dry bulk shipping industry.

In view of the challenges ahead, the Group aims to continue creating value for its shareholders through steady and sustainable growth by engaging in synergistic collaboration among its businesses and continuous optimization of its current diversified portfolio.

5. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Company is evaluating various strategic moves to expand its business, ensure sustainable growth and create long-term shareholders' value. As such, the Board has resolved not to recommend payment of dividend for FY 2021.

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

Not applicable.

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

Sales	Group					
	2H 2021 S\$'000	2H 2020 S\$'000	Change %	FY2021 S\$'000	FY2020 S\$'000	Change %
Logistics	74,363	67,349	10	146,007	129,070	13
Shipping	16,959	19,757	(14)	27,435	33,432	(18)
Property management	5,712	7,145	(20)	12,487	12,686	(2)
Ship repair and marine engineering	6,553	5,319	23	12,534	10,655	18
	103,587	99,570	4	198,463	185,843	7

The Group has 4 main business segments, namely Logistics, Shipping, Property management and Ship repair and marine engineering.

2H 2021

Revenue from logistics activities increased by 10% to \$74.4 million in 2H 2021 due to higher revenue from warehousing and transportation services resulting from higher volume of business activities, partly offset by lower revenue from automotive logistics services. The Logistics segment results for 2H 2021 was a profit \$6.3 million as compared to \$11.8 million in 2H 2020 mainly due to the absence of a one-off

gain on bargain purchase of subsidiaries in 2H 2020, lower government grants and lower revenue from automotive logistics services, partly offset by higher earnings from warehousing services.

Revenue from shipping activities decreased by 14% as there was no vessel chartered in for operations in 2H 2021, excluding the revenue from chartered in vessels of \$9.4 million in 2H 2020, revenue from owned vessels has increased by about \$6.6 million due to higher charter rates in 2H 2021 as compared to 2H 2020. The Baltic Dry Index (BDI), a measure of shipping costs to commodities, averaged 3,619 points in 2H 2021, an increase of 150.6% from the average of 1,444 points in 2H 2020. The Shipping segment results for 2H 2021 was a profit of \$7.3 million as compared to \$0.3 million in 2H 2020 due to a sharp increase in shipping charter rates.

Revenue from Property management decreased by 20% to \$5.7 million in 2H 2021 mainly due to higher rental waiver granted to tenants under the Government Rental Relief Framework and lower rental rates for the Group's retail and office properties. The segment results for Property management was a profit of \$0.7 million in 2H 2021 as compared to a profit of \$0.3 million in 2H 2020. The improvement in profit was mainly due to higher government grants and lower depreciation and amortisation expenses, partly offset by lower rental revenue .

Revenue from Ship repair and marine engineering increased by 23% to \$6.6 million mainly due to higher revenue from ship repair and fabrication works. Profit from Ship repair and marine engineering segment was lower in 2H 2021 mainly due to lower margins for ship repair and fabrication works.

FY 2021

Revenue from logistics activities increased by 13% to \$146.0 million in FY 2021 due to higher revenue from warehousing and transportation services resulting from higher volume of business activities, partly offset by lower revenue from automotive logistics services. The Logistics segment results for FY 2021 was a profit \$17.3 million as compared to \$19.9 million in FY 2020 mainly due to the absence of a one-off gain on bargain purchase of subsidiaries in FY 2020, lower government grants and lower earnings from automotive logistics services, partly offset by higher earnings from warehousing services.

Revenue from shipping activities decreased by 18% to \$27.4 million in FY 2021 mainly due to lower revenue from chartered in vessels. Excluding revenue from chartered in vessels of \$1.5 million in FY 2021 (FY 2020: \$21.9 million), revenue from owned vessels has increased by about \$14.4 million due to higher charter rates in FY 2021 as compared to FY 2020. The Baltic Dry Index (BDI), a measure of shipping costs to commodities, averaged 2,943 points in FY 2021, an increase of 176% from the average of 1,066 points in FY 2020. The Shipping segment results for FY 2021 was a profit of \$9.4 million as compared to \$0.2 million in FY 2020 due to higher shipping charter rates for owned vessels.

Revenue from Property management decreased by 2% to \$12.5 million in FY 2021 mainly due to lower rental rates, partly offset by lower rental waiver granted to tenants for the Group's retail and office properties. The segment results for Property management was a profit of \$1.5 million in FY 2021 as compared to a loss of \$0.4 million in FY 2020. The improvement in profitability was mainly due to lower rental waiver granted to tenants, partly offset by lower government grants and lower rental rates.

Revenue from Ship repair and marine engineering increased by 18% to \$12.5 million mainly due to higher revenue from ship repair and fabrication works. Profit from Ship repair and marine engineering segment was marginally higher in FY 2021 mainly due to increase in volume of ship repair and fabrication works.

9. Interested Person Transactions

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		FY 2021 \$'000	FY 2021 \$'000
Cosco Shipping Seafarer Management Co, Ltd.-Qingdao Branch			2,632
Cosco Shipyard Qingdao Company Ltd			934
Cosco Shanghai Manning Co., Ltd		-	600
Cosco (Qidong) Offshore Co., Ltd		-	2,452
Cosco (Shanghai) Shipyard Co., Ltd		-	383
Cosco (Nantong) Shipyard Co., Ltd		-	299
Cosco (DaLian) Shipyard Co., Ltd		-	1,638
Cosco Shipping Heavy Industry (Guangzhou) Co., Ltd.		-	220
Cosco Shipping Energy Transportation Co Ltd	Subsidiaries of Controlling Shareholders	-	118
Cosco (H.K.) Shipping Co., Limited		57,482 ⁽¹⁾	1,523
COSCO SHIPPING (Hong Kong) Insurance Brokers Limited		-	873
COSCO SHIPPING (South East Asia) Pte Ltd		-	656
Shanghai Ocean Shipping Company		-	106
Golden Land (26) Pte Ltd		-	755
Golden Land (27) Pte Ltd		-	373
Cosco Shipping (Singapore) Petroleum Pte Ltd		-	1,515
TOSCO KEYMAX International Ship Management Co., Ltd		-	156
Chimbusco International Petroleum (S) Pte Ltd		-	2,685
Golden Logistics & Storage Sdn. Bhd.		-	1,073
Xing Yuan (Singapore) Pte Ltd		-	928
Total		57,482	19,919

⁽¹⁾ This relates to the disposal of 60% equity interest in COSCO SHIPPING Bulk SEA to COSCO (H.K.) Shipping Co., Limited for a consideration of USD42,391,000 (equivalent to S\$57,482,000) which was approved by shareholders on 23 December 2021 and completed on 28 December 2021.

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

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

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

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

BY ORDER OF THE BOARD

Mr Zhu Jian Dong
Chairman and President
1/3/2022

CONFIRMATION BY THE BOARD

We hereby confirm on behalf of the directors of the company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the company which may render the financial year ended 31 December 2021 financial results to be false or misleading.

On behalf of the directors

Mr Zhu Jian Dong
Chairman and President

Mr Li Xi Bei
Director

1/3/2022