GRINDROD SHIPPING HOLDINGS LTD.
(Registration number: 201731497H)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

GRINDROD SHIPPING HOLDINGS LTD

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

GRINDROD SHIPPING HOLDINGS LTD.

DIRECTORS' STATEMENT

In the opinion of the directors, the accompanying consolidated financial statements as set out on pages 4 to 82 are drawn up so as to give a true and fair view of the state of affairs of Grindrod Shipping Holdings Ltd. (the "Group") as at 31 December 2023 and 2022, and of the results, changes in equity and cash flows of the Group for each of the three years in the period ended 31 December 2023 and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS OF GRINDROD SHIPPING HOLDINGS LTD.

/s/ Edward David Christopher Buttery
....
Edward David Christopher Buttery

/s/ Gordon William French
....
Gordon William French

27 March 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF GRINDROD SHIPPING HOLDINGS LTD.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Grindrod Shipping Holdings Ltd. and its subsidiaries (the "Group") as of 31 December 2023 and 2022, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the three years in the period ended 31 December 2023 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of the Group as of 31 December 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP
Singapore

27 March 2024

We have served as the Group's auditor since 2017.

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December

	Notes	2023 US$'000	2022 US$'000
ASSETS			
Current assets			
Cash and bank balances	6	59,331	52,228
Trade receivables	7	6,702	11,290
Contract assets	8	2,906	1,313
Other receivables and prepayments	9	18,070	25,066
Due from related parties	5	27	-
Derivative financial instruments	10	176	51
Inventories	11	10,755	15,278
Tax recoverable		109	-
Total current assets		98,076	105,226
Non-current assets			
Restricted cash	6	4,560	4,342
Ships, property, plant and equipment	12	303,192	407,552
Right-of-use assets	13	35,244	26,039
Interest in joint ventures	15	8	8
Derivative financial instruments	10	423	-
Intangible assets	16	4,907	186
Goodwill	17	7,924	-
Other receivables and prepayments	9	1,918	860
Other investments	18	3,613	3,714
Deferred tax assets	19	1,019	1,304
Total non-current assets		362,808	444,005
Total assets		**460,884**	**549,231**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	20	30,695	29,599
Contract liabilities	21	2,987	4,369
Due to related parties	5	388	43
Lease liabilities	23	32,432	22,058
Bank loans and other borrowings	24	18,578	33,330
Retirement benefit obligation	26	125	125
Derivative financial instruments	10	712	138
Provisions	25	277	592
Income tax payable		430	423
Total current liabilities		86,624	90,677
Non-current liabilities			
Trade and other payables	20	1,153	140
Lease liabilities	23	1,373	4,055
Bank loans and other borrowings	24	123,639	165,638
Deferred tax liabilities	19	761	-
Retirement benefit obligation	26	1,194	1,272
Derivative financial instruments	10	20	-
Total non-current liabilities		128,140	171,105
Capital and reserves			
Share capital	27	290,193	320,683
Other equity and reserves	28	(24,508)	(24,686)
Accumulated losses		(19,565)	(8,548)
Total equity		246,120	287,449
Total equity and liabilities		**460,884**	**549,231**

See accompanying notes to consolidated financial statements.

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
Year ended 31 December

	Notes	2023 US$'000	2022 US$'000	2021 US$'000
Continuing operations				
Revenue				
Vessel and other		228,991	430,479	455,839
Ship sales		158,105	29,981	-
	29	**387,096**	**460,460**	**455,839**
Cost of sales				
Voyage expenses		(74,614)	(91,104)	(96,964)
Vessel operating costs		(43,001)	(46,901)	(43,958)
Charter hire costs		(26,952)	(58,926)	(75,381)
Depreciation of ships, drydocking and plant and equipment– owned assets	34	(24,824)	(30,498)	(25,866)
Depreciation of ships and ship equipment – right-of-use assets	34	(30,343)	(35,676)	(34,898)
Other expenses		(555)	(696)	(1,875)
Cost of ship sale		(147,440)	(29,897)	-
Gross profit		**39,367**	**166,762**	**176,897**
Other operating (expense) income	31	(1,352)	341	3,849
Administrative expense		(32,653)	(48,069)	(36,089)
Share of losses of joint ventures	15	-	(5)	(31)
Interest income	32	2,798	2,228	201
Interest expense	33	(17,099)	(17,133)	(12,298)
(Loss) profit before taxation	34	**(8,939)**	**104,124**	**132,529**
Income tax (expense) benefit	35	(683)	(757)	118
(Loss) profit for the year from continuing operations		**(9,622)**	**103,367**	**132,647**
Discontinued operation				
Loss for the year from discontinued operation	36	**-**	**-**	**(3,165)**
(Loss) profit for the year		**(9,622)**	**103,367**	**129,482**
(Loss) profit for the year attributable to:				
Owners of the Company		(9,622)	103,367	118,925
Continuing operations		(9,622)	103,367	122,090
Discontinued operation		-	-	(3,165)
Non-controlling interests		-	-	10,557
		(9,622)	103,367	129,482
(Loss) earnings per share attributable to the owners of the Company		US$	US$	US$
From continuing and discontinued operation				
Basic	38	(0.49)	5.45	6.21
Diluted	38	(0.49)	5.45	5.94
From continuing operations				
Basic	38	(0.49)	5.45	6.38
Diluted	38	(0.49)	5.45	6.10

See accompanying notes to consolidated financial statements

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Year ended 31 December

	Notes	2023 US$'000	2022 US$'000	2021 US$'000
(Loss) profit for the year		**(9,622)**	**103,367**	**129,482**
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit obligation		(6)	111	60
Remeasurement of other investment		(220)	(207)	835
		(226)	(96)	895
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising from translation of foreign operations		(605)	(917)	(1,034)
Net fair value gain (loss) on hedging instruments designated as cash flow hedges		783	(6,794)	4,999
		178	(7,711)	3,965
Other comprehensive (loss) income for the year, net of income tax		**(48)**	**(7,807)**	**4,860**
Total comprehensive (loss) income for the year		**(9,670)**	**95,560**	**134,342**
Total comprehensive (loss) income for the year attributable to:				
Owners of the Company		(9,670)	95,560	123,785
Continuing operations		(9,670)	95,560	127,068
Discontinued operation		-	-	(3,283)
Non-controlling interests		-	-	10,557
		(9,670)	95,560	134,342

See accompanying notes to consolidated financial statements

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December

	Equity attributable to equity holders of the company									
		Other equity and reserves								
	Share capital	Treasury shares	Share compensation reserve	Hedging reserve	Translation reserve	Merger reserve	Accumulated (losses) profit	**Attributable to owners of the company**	Non-controlling interest	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2021	**320,683**	**(387)**	**3,954**	**458**	**(8,749)**	**(18,354)**	**(85,368)**	**212,237**	**41,782**	**254,019**
Profit for the year	-	-	-	-	-	-	118,925	118,925	10,557	129,482
Other comprehensive income for the year, net of income tax	-	-	-	4,999	(1,034)	-	895	4,860	-	4,860
Total comprehensive income for the year	**-**	**-**	**-**	**4,999**	**(1,034)**	**-**	**119,820**	**123,785**	**10,557**	**134,342**
Dividends (Note 39)	-	-	-	-	-	-	(13,546)	(13,546)	-	(13,546)
Equity-settled share-based payments (Note 28)	-	-	3,330	-	-	-	-	3,330	-	3,330
Treasury shares reissued to employees under the Forfeitable Share Plan (Note 28)	-	393	(2,507)	-	-	-	2,114	-	-	-
Acquisition of treasury shares	-	(11,876)	-	-	-	-	-	(11,876)		(11,876)
Acquisition of non-controlling interest	-	-	-	-	-	5,705	-	5,705	(52,339)	(46,634)
Transaction with owners, recognised directly in equity	-	(11,483)	823	-	-	5,705	(11,432)	(16,387)	(52,339)	(68,726)
Balance at 31 December 2021	**320,683**	**(11,870)**	**4,777**	**5,457**	**(9,783)**	**(12,649)**	**23,020**	**319,635**	**-**	**319,635**

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
For the year ended 31 December

	Equity attributable to equity holders of the company							
		Other equity and reserves						
	Share capital	Treasury shares	Share compensation reserve	Hedging reserve	Translation reserve	Merger reserve	Accumulated (losses) profit	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2022	**320,683**	**(11,870)**	**4,777**	**5,457**	**(9,783)**	**(12,649)**	**23,020**	**319,635**
Profit for the year	-	-	-	-	-	-	103,367	103,367
Other comprehensive loss for the year, net of income tax	-	-	-	(6,794)	(917)	-	(96)	(7,807)
Total comprehensive income for the year	**-**	**-**	**-**	**(6,794)**	**(917)**	**-**	**103,271**	**95,560**
Dividends (Note 39)	-	-	-	-	-	-	(135,877)	(135,877)
Equity-settled share-based payments (Note 28)	-	-	8,134	-	-	-	-	8,134
Treasury shares reissued to employees under the Forfeitable Share Plan	-	11,870	(12,911)	-	-	-	1,038	(3)
Transaction with owners, recognised directly in equity	-	11,870	(4,777)	-	-	-	(134,839)	(127,746)
Balance at 31 December 2022	**320,683**	**-**	**-**	**(1,337)**	**(10,700)**	**(12,649)**	**(8,548)**	**287,449**

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
For the year ended 31 December

	Equity attributable to equity holders of the company					
		Other equity and reserves				
	Share capital	Hedging reserve	Translation reserve	Merger reserve	Accumulated (losses) profit	**Total equity**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2023	**320,683**	**(1,337)**	**(10,700)**	**(12,649)**	**(8,548)**	**287,449**
Loss for the year	-	-	-	-	(9,622)	(9,622)
Other comprehensive loss for the year, net of income tax	-	783	(605)	-	(226)	(48)
Total comprehensive loss for the year	**-**	**783**	**(605)**	**-**	**(9,848)**	**(9,670)**
Dividends (Note 39)	-	-	-	-	(1,169)	(1,169)
Shares issued (Note 37)	1,950	-	-	-	-	1,950
Distribution to shareholders (Note 27)	(32,440)	-	-	-	-	(32,440)
Transaction with owners, recognised directly in equity	(30,490)	-	-	-	(1,169)	(31,659)
Balance at 31 December 2023	**290,193**	**(554)**	**(11,305)**	**(12,649)**	**(19,565)**	**246,120**

See accompanying notes to consolidated financial statements.

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended 31 December

	2023	2022	2021
	US$'000	US$'000	US$'000
Operating activities			
(Loss) profit for the year	(9,622)	103,367	129,482
Adjustments for:			
Share of losses of joint ventures	-	5	31
(Gain) loss on ship sales	(10,665)	(84)	1,115
Loss on disposal of business	-	-	26
Gain on disposal of plant and equipment, furniture and fittings and motor vehicles	(12)	(36)	(14)
Loss (gain) on adjustment of right-of-use assets	46	-	(104)
Depreciation and amortisation	57,654	67,275	61,953
Impairment loss (reversal of impairment) recognised on ships	2,000	(1,707)	(3,557)
Impairment loss recognised (reversed) on right-of-use assets	-	985	(1,046)
Impairment loss recognised on goodwill and intangibles	-	-	965
Impairment loss recognised (reversed) on financial assets	53	(45)	681
Impairment loss recognised on net disposal group	-	-	2,551
Impairment loss (reversed) recognised on plant and equipment	(310)	-	1
Provision for onerous contracts (reversed) recognised	(315)	(427)	939
Recognition of share-based payments expenses	-	8,134	3,330
Net foreign exchange gain	(535)	(171)	(744)
Interest expense	17,099	17,133	12,947
Interest income	(2,798)	(2,228)	(236)
Income tax expense (benefit)	683	757	(2,831)
Components of defined benefit costs recognised in profit or loss	146	159	177
Operating cash flows before movements in working capital and ships	53,424	193,117	205,666
Inventories	4,520	(1,371)	(5,089)
Trade receivables, other receivables and prepayments	11,316	(5,556)	(5,361)
Contract assets	(1,593)	2,373	(2,786)
Trade and other payables	(8,230)	(5,515)	6,729
Contract liabilities	(1,382)	(4,072)	3,347
Due to related parties	458	49	233
Operating cash flows before movement in ships	58,513	179,025	202,739
Capital expenditure on ships	(38,076)	(9,306)	(33,455)
Proceeds from ship sales	152,011	29,509	47,819
Net cash generated from operations	172,448	199,228	217,103
Interest paid	(16,938)	(14,553)	(11,623)
Interest received	2,363	1,786	236
Income tax paid	(2,750)	(432)	(864)
Net cash flows generated from operating activities	**155,123**	**186,029**	**204,852**
Investing activities			
Repayment of loans and amount due from joint venture	-	39	788
Purchase of plant and equipment	(652)	(113)	(49)
Purchase of intangible assets	(212)	(126)	(6)
Proceeds from disposal of plant and equipment	16	298	21
Proceeds from disposal of businesses	-	-	68
Dividends and distributions received from a joint venture	-	-	184
Cash transferred in from disposal group	-	-	60
Net cash received from acquisition of subsidiary (Note 37)	2,048	-	-
Net cash generated from investing activities	**1,200**	**98**	**1,066**

GRINDROD SHIPPING HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
For the year ended 31 December

	2023	2022	2021
	US$'000	US$'000	US$'000
Financing activities (Note A)			
Return of share capital	(32,440)	-	-
Long-term interest-bearing debt raised	-	-	48,031
Payment of principal portion of long-term interest-bearing debt	(56,912)	(49,850)	(82,110)
Principal repayments on lease liabilities	(58,276)	(56,930)	(36,040)
Acquisition of non-controlling interest	-	-	(46,634)
Acquisition of treasury shares	-	-	(11,876)
Dividends paid	(1,169)	(135,877)	(13,546)
Restricted cash	1,347	(485)	3,099
Net cash flows used in financing activities	**(147,450)**	**(243,142)**	**(139,076)**
Net increase (decrease) in cash and cash equivalents	8,873	(57,015)	66,842
Cash and cash equivalents at the beginning of the period (Note 6)	46,561	104,243	37,942
Effect of exchange rate changes on the balance of cash held in foreign currencies	(205)	(667)	(541)
Cash and cash equivalents at the end of the period (Note 6)	**55,229**	**46,561**	**104,243**

Note A:
Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank loans and other borrowings (Note 24)	Lease liabilities (Note 23)
	US$'000	US$'000
Balance at 1 January 2022	245,666	33,272
Financing cash flows (i)	(49,850)	(56,930)
Other changes (ii)	3,152	49,771
Balance at 31 December 2022	198,968	26,113
Financing cash flows (i)	(56,912)	(58,276)
Other changes (ii)	161	65,967
Balance at 31 December 2023	142,217	33,804

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.
(ii) Other changes for bank loan relates to interest accruals and payments. Other changes for lease liabilities relate to new lease arrangements entered, existing lease contracts terminated and net foreign exchange differences.

See accompanying notes to consolidated financial statements.

1 GENERAL INFORMATION

Grindrod Shipping Holdings Ltd. (the "Company") is incorporated in Singapore with its principal place of business and registered office at 1 Temasek Avenue, #10-02 Millenia Tower, Singapore 039192. The principal activities of the Group are ship chartering, operating and sales of vessels. Information of the entities within the Group is contained in Note 14.

Following an initial tender offer and subsequent offer that was concluded on December 19, 2022, Taylor Maritime Investments Limited ("TMI") became the majority shareholder of the Company. This transaction is described in Note 5.

On October 3, 2023 we announced the acquisition of the entire issued share capital of Taylor Maritime Management Limited and Tamar Ship Management Limited from, in the case of Taylor Maritime Management Limited, Taylor Maritime Group Limited and, in the case of Tamar Ship Management Limited, Taylor Maritime Group Limited and Temeraire Holding (MI) Limited (Note 37). This acquisition is intended to further increase our revenue streams in terms of ship-management income, unlock synergies in our commercial deployment of the dry bulk fleet and achieve savings resulting from economies of scale with a larger fleet.

On February 24, 2022, the United States imposed additional sanctions on Russia in response to its invasion of Ukraine. Many of these sanctions are targeted at Russian banks and energy companies and Russian sovereign debt. The range of sanctions includes prohibitions on dealings in the debt or equity of certain Russian companies, as well as blocking sanctions imposed on many Russian individuals and entities. Similar sanctions have been imposed in coordination with the United States by the United Kingdom, European Union, and other countries. The invasion of Ukraine by Russia and subsequent sanctions has impacted trade flows by reducing the supply of cargo from that region and increased ton miles as end users find alternative sources of cargo. If the conflict and sanctions continue to impact the global economy for a prolonged period, the rates in the drybulk spot market and our vessel values may be negatively impacted which could negatively impact our operations and cash flows. The related financial impact cannot be reasonably estimated at this time.

Geopolitical tensions have increased since commencement of the Israel-Hamas war on 7 October 2023. There is widespread uncertainty about the degree of any increased escalation of the war, interventions by other groups or nations, and resulting instability in the Middle East. Following attacks on merchant vessels in the region of the Bab al-Mandab Strait and the Gulf of Aden at the southern end of the Red Sea, there is disruption in the maritime trade through Suez-Canal. As a result of these attacks, many shipping companies have routed their vessels away from the Red Sea, which has affected trading patterns, increasing freight rates and expenses. Further escalation or expansion of hostilities could continue to affect our business and results of operations. The related impact cannot be reasonably estimated at this time.

The consolidated financial statements of Grindrod Shipping Holdings Ltd. and its subsidiaries (the "Group") as of 31 December, 2023 and 2022 and for the three years ended 31 December 2023 were authorised for issue by the Board of Directors on 27 March 2024.

2 MATERIAL ACCOUNTING POLICIES

Outlined below are the material accounting policies that are applicable to the consolidated financial statements. However, material policies applicable to the specific accounting items have been included in the applicable detailed notes to the consolidated financial statements for ease of reference.

2.1 Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"). The accounting policies adopted are set out below.

2.2 Application of new and revised IFRS Accounting Standards

From 1 January 2023, the Group has applied a number of amendments to IFRS Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The Group have adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

2.3 New and revised IFRS Accounting Standards in issue but not yet effective

The Group has not applied the following new and revised IFRSs that are relevant to the Group that were issued but are not yet effective:

Amendments to IAS 1	*Classification of liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2.4 Going concern

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements. Refer to more details in Note 4 to the consolidated financial statements.

2 MATERIAL ACCOUNTING POLICIES (cont'd)

2.5 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the parent company and entities controlled by the parent company (its subsidiaries) made up to 31 December each year. Control is achieved when the Group has the power over the investee, is exposed; or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affects its returns. Details of the group's subsidiaries and composition of the group are disclosed in Note 14.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income (loss) are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income (loss) of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

2.6 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"), depending on the classification of the financial assets. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2 MATERIAL ACCOUNTING POLICIES (cont'd)

Debt instruments mainly comprise cash and bank balances, trade receivables, contract assets, other receivables and amount due from related parties that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments relating to other investments that meet the following conditions are subsequently measured at fair value through other comprehensive income (loss) (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables, amounts due from joint ventures and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. Details about the group's credit risk management and impairment policies are disclosed in Note 4 (a), 7, 8 and 9.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2 MATERIAL ACCOUNTING POLICIES (cont'd)

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue cost.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables, amounts due to related parties, bank loans and other borrowings. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group enters into freight forward agreements and bunker swaps to manage its exposure to freight rate and bunker prices respectively. Further details of derivative financial instruments are disclosed in Note 10.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Group designates the derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instruments is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2 MATERIAL ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments

Hedge accounting

The Group designates hedges of freight rate risk and bunker prices as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI and accumulated under the heading of Hedging Reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other operating expense or other operating income.

Amounts previously recognised in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of profit or loss and OCI as the recognised hedged item. However, when the forecast transaction that is hedged, results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. This transfer does not affect OCI. Furthermore, if the Group expects that some or all of the loss accumulated in OCI will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.7 Offsetting Arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2 MATERIAL ACCOUNTING POLICIES (cont'd)

2.8 Voyage expenses

Voyage expenses that relate directly to a contract include charter hire expenses, fuel expenses and port expenses. Contract costs are deferred and amortised over the course of the voyage on a percentage completion basis that is consistent with the revenue recognition. This percentage of completion is derived from time elapsed between the tender of readiness to load a cargo or delivery of a vessel to a charterer, and the completion of discharging a cargo or redelivery of a vessel from a charterer. Contract costs are recognised as an asset if they represent incremental costs of obtaining a contract or fulfilment costs that (i) relate directly a contract or to an anticipated contract, (ii) generate or enhance resources to be used in meeting obligations under the contract and (iii) are expected to be recovered.

2.9 Vessel operating costs

Vessel operating costs primarily consists of crewing, vessel repairs and maintenance and vessel insurance costs. These costs are expensed as incurred on an accrual basis.

2.10 Foreign Currency Transactions and Translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency which is predominantly United States dollars or South African Rands). The consolidated financial statements of the Group are presented in United States Dollars and are rounded to the nearest thousands.

In preparing the financial statements of the group entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in a separate component of equity under the header of translation reserve.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There have been no significant changes in the basis upon which judgements and accounting estimates have been determined.

(i) Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Ships classified as inventories

The Group regularly engages in trading of ships. When a ship ceases to be rented and a decision is made for the ship to be sold, the ship would be classified as inventories (Note 11). The proceeds from the sale of such assets shall be recognised as revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*. The corresponding cost shall be accounted for as cost of sales.

Estimation of lease term of charters with extension options

When estimating the lease term of the respective lease arrangement, management considers all facts and circumstances that create an economic incentive to exercise an extension option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. This is assessed on an ongoing basis and the extension options are only included in the lease term if the lease is reasonably certain to be exercised.

$27,577,000 (2022: $52,621,000) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

If a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee, the above assessment will be reviewed further. The Group exercised options to extend lease term of charters on two supramax vessels.

(ii) Key sources of estimation uncertainty

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 disclosed below.

Vessels and depreciation

In the shipping industry, the use of the 25 to 30 year ship life has become the prevailing standard for the type of ship owned by the Group. However, management depreciates the ships on a straight-line basis after deduction for residual values over the ship's estimated useful life of 15 years, from the date the ship was originally delivered from the shipyard as the Group maintains a young fleet compared to the market average and generally aims to replace ships that are 15 years or older. As a result, ships are depreciated over 15 years to the expected residual market value of a ship of a similar age and specification. Management reassesses the depreciation period of ships that surpass this limit with special consideration of the ships and the purpose for which the ship was retained in the fleet.

Residual values of the ships are reassessed by management at the end of each reporting period based on the current shipping markets, the movement of the markets over the previous five years and the age, specification and condition of the respective ships.

Considerations for useful life of the ships also include maintenance and repair cost, technical or commercial obsolescence and legal or similar limits to the use of ships.

Impairment and reversals of impairment of Vessels (including owned and right-of-use)

Management also reviews the ships (owned and right-of-use) for impairment whenever there is an indication that the carrying amount of the ships may not be recoverable. Management measures the recoverability of an asset by comparing its carrying amount against its recoverable amount. Recoverable amount is the higher of the fair value less cost to sell and value in use. Management identifies an appropriate valuation technique to estimate the fair value that is in accordance with IFRS 13 *Fair Value Measurement*. The selection of technique requires judgment and takes into account the reliability of the valuation technique and the reliability of the inputs used. If the ship is considered to be impaired, an impairment loss is recognised to an amount to the excess of the carrying value of the asset over its recoverable amount. Where an impairment loss subsequently reverses, the reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Value in use is the future cash flows that the ships are expected to generate from charter hire of the ships and the expected running costs thereof over their remaining useful lives, with a cash inflow in the final year equal to the residual value of the ships. Management determined the value-in-use based on past performance of the ships and their expectations of the market development. The future cash flows are determined based on the combination of the following assumptions:

1) Forecast earnings are based on internal estimates having considered: fixed future earnings from existing contracts of affreightment and charter contracts, allowing for dry dock and commercial off hire days, internal forecasts, as well as third party information and historical earnings averages.

2) Pre-tax discount rate of 8.69% (2022: 8.56%) rate is used to discount future cash flows from deployment of the ships to their net present values.

3) Vessel operating expenses and drydock costs are based on management's best estimates.

Accordingly, based on the carrying amounts of the right-of-use ships as at end of each reporting period, the Group has not recognised an impairment loss for the year ended 31 December 2023 (2022: US$985,000 reversal of impairment and 2021: US$1,046,000) in profit or loss in the line item 'Other operating (expense) income. On the other hand, based on the carrying amount of the owned ships as at end of each reporting period the Group has recognised an impairment loss of US$2,000,000 for the year ended 31 December 2023 (reversal of impairment loss 2022: US$1,707,000 and reversal of impairment loss 2021: US$3,557,000) recorded in profit or loss in the line item 'Other operating (expense) income' following the decision to sell two older Handysize vessels at values lower than book value.

As at 31 December 2023 and 2022, a possible change to the following estimate used in management's assessment would cause the recoverable amount to be below the total carrying amount of the owned and right-of-use ships (on the basis that each of the other key assumptions remain unchanged):

Drybulk Carriers

- 0.0% to 24.23%[1] decrease to the charter rate (2022: 0.0% to 22.57% decrease to the charter rate); or
- 0.0% to 76.56%[1] increase to the discount rate (2022: 0.0% to 82.30% increase to the discount rate).

[1] Excludes two vessels (2022: three vessels) that are not sensitive to changes in above estimates.

Based on the key assumptions and taking into account the sensitivity analysis above, management has determined that the estimated recoverable amount of the ships are appropriate.

The recoverable amounts of ships classified as inventories were determined based on estimated selling price less cost to sell, which were determined based on the contracted selling price. The carrying amounts of the ships are disclosed in Notes 12 and 13.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit (based on past performance and management's expectations of the market developments) and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the end of the reporting period was $7,924,000 (2022: $Nil) with no impairment loss recognised. Details of the value in use calculation are provided in Note 17.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Fair value of acquired businesses

On 3 October 2023, the Group acquired Tamar Ship Management Limited and Taylor Maritime Management Limited. In accordance with IFRS 3 *Business Combinations*, the Group is required to record the assets and liabilities of the acquired businesses at fair value. The purchase price allocation includes significant judgements, assumptions and estimates to determine the fair value of assets acquired and liabilities assumed. Management engaged an external valuer to assist in determining the fair value of the purchase consideration and performing the purchase price allocation. The valuations involving the most significant assumptions, estimates and judgements are:

1) Fair value of earn-out consideration
   Earn-out consideration in the purchase consideration is recorded at fair value at the date of acquisition and at each reporting period. In determining the fair value at acquisition and reporting date, the scenario based method was used which involves the use of multiple outcomes and probability-weighing the contingent consideration payable under each outcome. Key assumptions included number of ships under management in the next two years, and probability of the occurrence of a change in buyer control event.

2) Fair value of acquired intangible assets
   Management have separately identified contractual customer relationships as an intangible asset acquired from the acquisition of businesses. The determination of its fair value is by using the multi-period excess earnings method, which is the present value of the projected cash flows that are expected to be generated by the existing intangible asset after reduction by an estimated fair rate of return on contributory assets required to generate the customer relationship revenues. Key assumptions included discounted cash flow, estimated life cycle and customer attrition rates.

Further details of acquisition of businesses are provided in Note 37.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(i) Categories of financial instruments

	2023	2022
	US$'000	US$'000
Financial assets		
Financial assets at amortised cost	84,177	88,127
Derivative instruments designated in hedge accounting relationship	599	51
	84,776	88,178
Financial liabilities		
Financial liabilities at amortised cost	200,197	254,863
Earn-out consideration	8,061	-
Derivative instruments designated in hedge accounting relationships	732	138
	208,990	255,001

(ii) Financial risk management policies and objectives

The management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign currency risk, interest rate risk), credit risk and liquidity risk.

The Group largely does not hold or issue derivative financial instruments for speculative purpose, however, in the current year there are forward freight agreements that were purchased for 2025 in view of the improving sentiment in the drybulk rates for next year. These forward freight agreements could not be designated as a hedge against contracted cargo.

Other than liquidity risk, there has been no change to the Group's exposure to these financial risks. There have been no significant changes to the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2023 and 31 December 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group maintains an allowance for ECL which is recorded as an offset to financial assets, details of which are disclosed in the respective notes. The Group assesses collectability by reviewing on a collective basis where similar characteristics exist and on an individual basis when we identify specific counterparties with known disputes or collectability issues. In determining the amount of the allowance for ECL, the Group considers historical collectability based on past due status.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

At the end of the reporting period, the Group does not have significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are third parties and banks with high internal and external credit ratings.

(b) Interest rate risk management

The Group is exposed to interest rate risk through the impact of bank loans and other borrowings at variable interest rates. The Group monitors its exposure to fluctuating interest rates and generally enters into contracts that are linked to market rates relative to the currency of the asset or liability.

The Group's bank loans and other borrowings were originally advanced at a floating rate based on LIBOR which has been subject to international and regulatory proposals for reform. LIBOR continued to be quoted until 30 June 2023 and thereafter, the Secured Overnight Financing Rate, or SOFR, has been used. Certain of the Group's bank loans matured before LIBOR was discontinued and did not require amendment. All remaining bank loans and other borrowings with the lenders have successfully transitioned to SOFR. The Group does not currently have any interest rate hedging instruments.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. As a result of reduced economic growth expectations, interest rates in 2023 have steadily increased with an opening LIBOR rate of 4.7% in January 2023 to a closing rate SOFR of 5.4% in December 2023.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit (loss) for the year ended 31 December 2023 would increase/decrease by US$712,000 (2022: Profit would increase/decrease by US$997,000 and 2021: Profit would increase/decrease by US$536,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank loans and other borrowings.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) Foreign currency exchange risk management

The Group's main operational activities are carried out in United States dollars and South African rands, which is the functional currency of the respective financial statements of each Group entity. The risk arising from movements in foreign exchange rates is limited as the Group has minimal transactions in foreign currencies which mainly relates to administrative expenses in Singapore dollars, amounts due to related companies in South African rands as well as bank balances in South African rands.

Management reviews and monitors currency risk exposure and determines whether any hedging is considered necessary.

The objective of the foreign exchange exposure management policy is to ensure that all foreign exchange exposures are identified as early as possible and that the identified exposures are actively managed to reduce risk. All exposures are to reflect the underlying foreign currency commitments arising from trade and/or foreign currency finance. Under no circumstances are speculative positions, not supported by normal trade flows, permitted.

At the end of the reporting period, the significant carrying amounts of monetary liabilities and monetary assets denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
United States dollars	(554)	(554)	2,760	584
South African rands	(173)	(1,629)	-	-

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens/weakens by 10% against the functional currency of the entity, profit or loss will increase/(decrease) or, vice versa by:

	Impact on profit or loss	
	2023	2022
	US$'000	US$'000
United States dollars	221	3
South African rands	(17)	(163)

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) Liquidity risk management

Liquidity risk refers to the risk that the Group is unable to pay its creditors due to insufficient funds. The Group maintains and monitors a level of cash deemed adequate by management at all times to finance its obligations as and when they fall due.

The shipping environment has been challenging and volatile over the last several years due to an oversupply of vessels allied to a lower growth rate of the world economy. While there was a rebound in charter rates in 2021 and 2022, charter rates reduced in 2023. Further deterioration in the market could result in unfavourable market conditions and impact to the Group's operations and cash flows and the Group's ability to comply with covenants and other conditions in the loan agreements.

The Group manages liquidity risk by monitoring forecast and actual cash flows and ensuring that adequate borrowing facilities are maintained. The management may, from time to time, at their discretion raise or borrow monies for the purposes of the Group as they deem fit. There are measures in place to preserve cash, maintain adequate financing to meet Group's obligations and protect existing loan covenants imposed by the banks. The covenant levels are monitored continuously to identify any potential covenant issues so that solutions such as waivers or modifications to the loan covenants to obtain more favourable terms can be implemented in advance.

Based on the 12 months cash flow forecast prepared by management from the date of the authorisation of the financial statements, the Board of Directors has no reason to believe that the Group will not continue as a going concern and has assessed that there is no material uncertainty related to these conditions and there is no substantial doubt about the Group's ability to continue as a going concern. Management has plans in place to sell certain vessels to maintain sufficient liquidity and refinancing of maturing obligations which will provide adequate comfort in covenant levels at the next reporting date.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the consolidated statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	% p.a	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
2023						
Non-interest bearing	-	29,928	2,308	-	-	32,236
Lease liabilities	7.89	33,459	1,437	-	(1,091)	33,805
Variable interest rate	9.44	28,570	115,041	27,913	(29,307)	142,217
		91,957	118,786	27,913	(30,398)	208,258
2022						
Non-interest bearing	-	29,782	-	-	-	29,782
Lease liabilities	6.47	22,903	4,177	-	(967)	26,113
Variable interest rate	8.16	45,254	161,350	33,909	(41,545)	198,968
		97,939	165,527	33,909	(42,512)	254,863

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of reporting period.

	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	US$'000	US$'000	US$'000	US$'000
Group				
2023				
Gross settled:				
Forward freight agreements				
Gross inflow	20	422	-	442
Gross outflow	(586)	-	-	(586)
	(566)	422	-	(144)
Bunker swaps				
Gross inflow	156	1	-	157
Gross outflow	(125)	(20)	-	(145)
	31	(19)	-	12
	(535)	403	-	(132)
2022				
Gross settled:				
Bunker swaps				
Gross inflow	51	-	-	51
Gross outflow	(138)	-	-	(138)
	(87)	-	-	(87)

(e) Shipping market price risk management

The Group is exposed to the fluctuations in market conditions in the shipping industry which in turn affects the Group's profitability. Management continually assesses shipping markets using their experience and detailed research. Risks are managed by fixing tonnage on longer term time charters, contracts of affreightment and entering into forward freight agreements. The carrying amount of the derivative financial instruments is disclosed in Note 10.

Shipping market price sensitivity

The sensitivity analyses below have been determined based on the exposure to shipping market price risk at the end of the reporting period. In respect of derivative financial instruments, if the shipping market prices had been 10% higher/lower while other variables were held constant:

- Profit (loss) for the year, and ended 31 December 2023 would decrease/increase by US$142,000 (2022: decrease /increase by US$Nil and 2021: decrease/increase by US$Nil); and
- hedging reserve for the year ended 31 December 2023 would decrease/increase by US$Nil (2022: decrease/increase by US$Nil and 2021: decrease/increase by US$3,671,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(f) Commodity price risk management

The Group uses bunker swaps to manage exposure to commodity price risk where the positions are not naturally economically hedged through the combination of holding inventory, forward sales contracts and forward purchase contracts. Management continually assess commodity price through their experience and detailed research. The carrying amount of the derivative financial instruments is disclosed in Note 10.

Commodity price sensitivity

The sensitivity analyses below have been determined based on the exposure to commodity price risk at the end of the reporting period. In respect of derivative financial instruments, if the commodity prices had been 10% higher/lower while other variables were held constant:

- profit (loss) for the year ended 31 December 2023 would decrease/increase by US$Nil (2022: decrease/increase by US$Nil and 2021: decrease/increase by US$Nil); and
- hedging reserve for the year ended 31 December 2023 would decrease/increase by US$846,000 (2022: decrease/increase by US$460,000 and 2021: decrease/increase by US$778,000).

(g) Fair value measurement of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, other liabilities and earn-out consideration approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

Financial instruments measured at fair value on a recurring basis

	2023	2022
	US$'000	US$'000
Financial Assets		
Forward freight agreements	442	-
Bunker swaps	157	51
Financial Liabilities		
Forward freight agreements	(587)	-
Earn-out consideration	(8,061)	-
Bunker swaps	(145)	(138)

Forward freight agreements and bunker swap agreements and have been classified as Level 2 financial instruments, which indicates that the fair value of the instruments were determined based on discounted cash flow with reference to observable inputs for equivalent instruments, discounted at a rate that reflects the credit risk of various counterparties. Further details are disclosed in Note 10.

Earn-out consideration arising from business combination (Note 3 and 37) is classified as a Level 3 financial instrument. The valuation is based on scenario based method to capture the present value of the expected future economics benefits that will flow out of the group. The earn-out consideration will be adjusted downwards if the number of ships under management is less than 25. The occurrence of change of buyer control will result in a 20% premium on the earn-out consideration. A change in these inputs might result in a significantly higher or lower fair value measurement of the earn-out consideration. No gain or loss for the year relating to this earn-out consideration has been recognised in profit or loss.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Level 2 and 3 fair values were determined by applying either a combination of, or one of the following valuation techniques:

- market related interest rate yield curves to discount expected future cash flows; and/or
- projected unit method; and/or
- market value, and/or
- the net asset value of the underlying investments; and/or
- a price earnings multiple or a discounted projected income/present value approach

The fair value measurement for income approach valuation is based on significant inputs that are not observable in the market. Key inputs used in the valuation include discount rates and future profit assumptions based on historical performance but adjusted for expected growth. Management reassess the earnings or yield multiples at least annually based on their assessment of the macro- and micro-economic environment.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
2023				
Financial Assets				
Derivative financial instruments	-	599	-	599
Financial Liabilities				
Derivative financial instruments	-	(732)	-	(732)
Earn-out consideration	-	-	(8,061)	(8,061)
2022				
Financial Assets				
Derivative financial instruments	-	51	-	51
Financial Liabilities				
Derivative financial instruments	-	(138)	-	(138)

There were no transfers between Level 1 and 2 of the fair value hierarchy during the current or prior year.

(iii) Capital management policies and objectives

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt and equity, which comprises of share capital and reserves.

The Group also reviews the capital structure on a semi-annual basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. The management also ensures that the Group maintains gearing ratios within a set range to comply with the loan covenant imposed by a bank.

The Group's overall strategy remains unchanged from prior year.
During the year ended December 31, 2023, excess cash generated from vessel sales after debt repayment on encumbered vessels, was distributed to shareholders by reducing the fully paid-up share capital. This resulted in the Group having a more efficient capital structure, thereby improving Shareholders' return on equity.

5 HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS

On October 11, 2022, the Company entered into a Transaction Implementation Agreement ("TIA"), with TMI and Good Falkirk (MI) Limited ("Good Falkirk"), a wholly-owned subsidiary of TMI (the "Offeror"), providing for a voluntary conditional cash offer (the "TMI Offer") to be made by the Offeror for all of the issued ordinary shares in the capital of the Company. All shares that were validly tendered were accepted for payment, following which TMI became the Company's ultimate holding company as it owned approximately 73.78% of the shares of the Company through its wholly owned subsidiary, Good Falkirk. A subsequent offer period began immediately thereafter and expired on December 19, 2022. On expiration of the subsequent offer period, TMI held approximately 83.23% of the outstanding shares of the Company through its wholly owned subsidiary, Good Falkirk.

(i) Group companies and other related parties

Related companies in these financial statements refer to members of the TMI group that are not members of the Group ("Group companies") and other related parties comprise of companies that are controlled by key management personnel of TMI ("Other") and joint ventures of the group.

The balances are unsecured, interest-free and repayable on demand unless otherwise stated:

	2023	2022
	US$'000	US$'000
Due from group companies	15	-
Due from other	12	-
Due from related parties	27	-
Due to group companies	168	-
Due to joint ventures	39	43
Due to other	181	-
Due to related parties	388	43

5 RELATED PARTIES TRANSACTIONS (cont'd)

During the year ended December 31, 2023, the Group entered into the following transactions and arrangements with Group companies and other related parties:

	Group companies 2023	**Other** 2023	**Group companies** 2022	**Other** 2022	**Group companies** 2021	**Other** 2021
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Charter hire expenses	(6,486)	(628)	-	-	-	-
Freight expenses	(839)	(2)	-	-	-	-
Management fees expenses	-	(31)	-	-	-	-
Management fees	1,960	-	-	-	-	-
Lease income (Note 31)	77	268	-	-	-	-
Ship cost of sale	-	(90)	-	-	-	-
Acquisition of ship and asset under construction [(a)]	(31,875)	-	-	-	-	-

Acquisition of subsidiaries from a related party of TMI is included in Note 37.

These related party transactions occurred under terms that are no more or less favourable than those arranged with third parties.

[(a)] During the year, the Group acquired a ship and a contract for a ship under construction from subsidiaries of TMI. The acquisition was at an agreed price consistent with independent broker valuations obtained in connection with the transactions and were unanimously approved by the disinterested members of the Board of Directors.

(ii) Compensation of directors and key management personnel

The remuneration of the directors and other members of key management is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2023	2022	2021
	US$'000	US$'000	US$'000
Short-term benefits	4,340	7,954	9,200
Share-based payments	-	5,108	1,479
	4,340	13,062	10,679

The remuneration of directors and key management is determined by the remuneration committee of Grindrod Shipping Holdings Limited having regard to the performance of individuals and market trends.

6 CASH AND BANK BALANCES INCLUDING RESTRICTED CASH

	2023	2022
	US$'000	US$'000
Restricted cash, current portion	4,102	5,667
Cash on hand	376	494
Cash at bank	54,853	46,067
Cash and bank balances	59,331	52,228
Less:		
Restricted cash, current portion	(4,102)	(5,667)
Cash and cash equivalents in the statements of cash flows	55,229	46,561
Restricted cash		
Classified as:		
Current	4,102	5,667
Non-current	4,560	4,342
	8,662	10,009

The current portion of the restricted cash represents amounts placed in retention accounts that can only be used to fund loan repayments or interest payments and cash held on behalf of ship owners. In the ordinary course of the technical and commercial management business, the Group receives and holds cash deposited by shipowners. The cash is maintained in one or more segregated bank accounts. The Group has recognised the corresponding receivables/payables to shipowners' customers/suppliers.

The non-current portion of restricted cash represents debt reserves security deposit required due to the conditions of certain banking facilities and these deposits are not available to finance the Group's day to day operations.

Accounting policy

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

7 TRADE RECEIVABLES

	2023	2022
	US$'000	US$'000
Trade receivables	7,357	11,950
Less: Allowances for doubtful debts	(655)	(660)
	6,702	11,290

The credit period is 1 to 30 days (2022: 1 to 30 days). No interest is charged on the outstanding invoice.

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for the amounts due from customers. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables based on the Group's provision matrix. The expected credit loss rate is considered immaterial for trade receivables outstanding for less than 120 days. For trade receivables past due for more than 120 days, the Group would recognise a loss allowance of 100% except for the adjustment to factors that are specific to the debtors, because historical experience has indicated that these receivables are generally not recoverable. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Trade receivables past due – collectively assessed						
2023	Not past due	<30	31-60	61-90	91-120	>120	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default, representing net carrying amount of default	5,288	465	225	367	127	230	6,702

	Trade receivables past due – collectively assessed						
2022	Not past due	<30	31-60	61-90	91-120	>120	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Estimated total gross carrying amount at default, representing net carrying amount of default	8,493	1,237	68	509	241	742	11,290

7 TRADE RECEIVABLES (cont'd)

As at 31 December 2023 and 2022, management has identified a group of debtors to be credit impaired, which include a debtor that disputed an invoiced amount arising from the redelivery of a vessel out of the agreed position and sundry small debtors within the discontinued operation. Hence, management has assessed the recoverability of the outstanding balances separately from the table above.

	2023	2022
	US$'000	US$'000
Gross carrying amount	655	660
Less: Loss allowances	(655)	(660)
Carrying amount net of allowance	-	-

Movement in the loss allowance:

Individually assessed	2023 US$'000	2022 US$'000
Balance at 1 January	(660)	(684)
Net remeasurement of loss allowance	(55)	16
Amount written off	5	7
Effect of foreign exchange differences	55	1
Balance at 31 December	(655)	(660)

8 CONTRACT ASSETS

This relates to unbilled revenue, recognised over the period in which the freight services are performed representing the entity's right to consideration for which payments shall be received in the subsequent year.

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. No provision for loss allowance was made during 2023 and 2022 as the contract assets is aged less than 30 days.

9 OTHER RECEIVABLES AND PREPAYMENTS

	2023	2022
	US$'000	US$'000
Current Assets:		
Deposit	2,034	269
Prepayments	4,412	4,026
Voyages in progress	8,907	17,085
Other receivables	2,717	3,686
	18,070	25,066
Non-current Assets:		
Prepayments	1,918	860
	19,988	25,926

For purpose of impairment assessment, other receivables and loan receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate. No provision for loss allowance was made during 2023 and 2022.

10 DERIVATIVE FINANCIAL INSTRUMENTS

Forward freight agreements and bunker swaps - analysed between:

	2023	2022
	US$'000	US$'000
Assets		
Current assets	176	51
Non-current assets	423	-
Liabilities		
Current liabilities	(712)	(138)
Non-current liabilities	(20)	-

The Group has entered into a number of bunker swaps, as follows:

2023

Current assets

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
January 2024 to June 2024	0.5% FOB Singapore	525.75	1,500	789	55
January 2024 to March 2024	0.5% FOB Rotterdam	522.50	1,350	705	6
January 2024 to September 2024	0.5% FOB Rotterdam	494.00	4,500	2,223	95
				3,717	156

Non-current assets

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
January 2025 to February 2025	0.5% FOB Rotterdam	470.50	400	188	1

Current liabilities

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
March 2024 to April 2024	0.5% FOB Rotterdam	538.75	400	216	(8)
June 2024 to July 2024	0.5% FOB Rotterdam	530.00	400	212	(9)
March 2024	0.5% FOB Rotterdam	580.50	280	163	(16)
April 2024	0.5% FOB Rotterdam	576.25	280	161	(16)
April 2024 to December 2024	0.5% FOB Rotterdam	522.50	4,050	2,116	(75)
October 2024 to December 2024	0.5% FOB Rotterdam	494.00	1,500	741	(1)
				3,609	(125)

Non-current liabilities

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
March 2025 to December 2025	0.5% FOB Rotterdam	470.50	2,000	941	(20)

10 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

2022

Current assets

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
January 2023	0.5% FOB Rotterdam	510.25	350	179	2
January 2023 to December 2023	0.5% FOB Rotterdam	483.50	1,920	928	31
April 2023	0.5% FOB Rotterdam	488.50	400	195	5
May 2023	0.5% FOB Singapore	529.25	250	132	2
April 2023	0.5% FOB Rotterdam	488.50	400	195	5
May 2023	0.5% FOB Singapore	529.25	250	132	2
March 2023 to May 2023	0.5% FOB Singapore	537.50	750	403	4
				2,164	51

Current liabilities

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Quantity	Notional value	Fair value gain
		US$	MT	US$'000	US$'000
January 2023	0.5% FOB Rotterdam	651.00	180	117	(25)
January 2023	0.5% FOB Rotterdam	599.50	450	270	(38)
January 2023 to February 2023	0.5% FOB Rotterdam	573.75	750	430	(47)
February 2023 to July 2023	0.5% FOB Rotterdam	510.25	2,100	1,072	(20)
August 2023 to December 2023	0.5% FOB Rotterdam	503.25	1,000	503	(8)
June 2023	0.5% FOB Singapore	537.50	250	134	-
				2,526	(138)

10 DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

The Group has entered into a number of forward freight agreements in the normal course of business in order to hedge against open positions in the fleet from contracts of affreightment and exposure to earnings on the spot market. As at 31 December 2023, there are 10 (2022: Nil) outstanding forward freight agreements, maturing as follows:

2023

Current assets

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Duration	Notional value	Fair value gain
		US$		US$'000	US$'000
January 2024	BSI-58 ave	14,750	30	443	6
January 2024	BSI-58 ave	15,000	30	450	14
				893	20

Non-current assets

Derivative instruments held for trading

Settlement periods		Strike price	Duration	Notional value	Fair value gain
		US$		US$'000	US$'000
January 2025 to December 2025	BSI-58 ave	11,250	180	2,025	212
January 2025 to December 2025	BSI-58 ave	11,250	60	675	70
January 2025 to December 2025	BSI-58 ave	11,250	120	1,350	141
				4,050	423

Current liabilities

Derivative instruments in designated hedge accounting relationships:

Settlement periods		Strike price	Duration	Notional value	Fair value gain
		US$		US$'000	US$'000
January 2024 to December 2024	BSI-58 ave	12,300	60	738	(99)
January 2024 to December 2024	BSI-58 ave	12,300	60	738	(99)
January 2024 to December 2024	BSI-58 ave	12,300	60	738	(99)
January 2024 to December 2024	BSI-58 ave	12,300	60	738	(99)
January 2024 to December 2024	BSI-58 ave	12,350	120	1,482	(191)
				4,434	(587)

11 INVENTORIES

	2023	2022
	US$'000	US$'000
Bunkers and other consumables at cost	10,755	15,278
	-	-
Ships reclassified from ships, property plant and equipment as held for sale asset (Note 12)[a]	141,345	28,853
Sale of ships recognised as inventories [a]	(141,345)	(28,853)
	10,755	15,278

[a]Ships reclassified from ships, property, plant and equipment as inventories is reconciled as follows:

	2023	2022
	US$'000	US$'000
Cost	260,971	41,297
Accumulated depreciation	(83,663)	(12,444)
Impairment	(35,963)	-
Carrying amount	141,345	28,853

For the year ended 31 December 2023, the Group entered into several memoranda of agreements with 8 distinct third parties for the sale of 9 ships at purchase consideration in aggregate of US$158,105,000. At the reporting date, all the ships have been delivered to the new owners.

On 14 April 2022, the Group entered into memoranda of agreement with a third party for the sale of one ship at purchase consideration of US$29,981,000. The ship was delivered to the third party on 1 June 2022.

Accounting policy

Inventories are assets held for sale in the ordinary course of business or in the form of materials or supplies to be consumed in the rendering of services. Inventories which include bunkers on board ships and other consumable stores are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of disposal and transportation. Cost is determined on a first-in first-out basis. Spares on board ships are charged against income when issued to the ships.

When inventories are sold, the carrying amount is recognised as part of cost of sales. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write-downs or losses are recognised in cost of sales in the period the write-down, loss or reversal occurs.

12 SHIPS, PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings and motor vehicles	Plant and equipment	Ships	Drydocking	Construction in progress	Freehold land and buildings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost:							
Balance at 1 January 2022	4,189	4,331	589,095	18,117	774	238	616,744
Additions	113	-	2,076	7,230	-	-	9,419
Disposals	(826)	(102)	-	(3,604)	-	(232)	(4,764)
Transfer from right-of-use assets (Note 13)	-	-	23,436	-	-	-	23,436
Reclassification to inventories (Note 11)	-	(2,599)	(38,357)	(341)	-	-	(41,297)
Effect of foreign currency exchange differences	(194)	-	-	-	-	(6)	(200)
Balance at 31 December 2022	**3,282**	**1,630**	**576,250**	**21,402**	**774**	**-**	**603,338**
Additions	652	-	16,068	5,133	16,875	-	38,728
Disposals	(941)	(6)	-	(4,267)	-	-	(5,214)
Acquisition of subsidiaries (Note 37)	186	-	-	-	-	-	186
Transfer from right-of-use assets (Note 13)	-	-	44,452	-	-	-	44,452
Reclassification to inventories (Note 11)	-	(158)	(252,646)	(8,167)	-	-	(260,971)
Effect of foreign currency exchange differences	(217)	-	-	-	-	-	(217)
Balance at 31 December 2023	**2,962**	**1,466**	**384,124**	**14,101**	**17,649**	**-**	**420,302**

12 SHIPS, PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment, furniture and fittings and motor vehicles	Plant and equipment	Ships	Drydocking	Construction in progress	Freehold land and buildings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Accumulated depreciation:							
Balance at 1 January 2022	4,092	4,077	99,230	8,447	-	-	115,846
Depreciation	57	129	22,822	7,547	-	-	30,555
Disposals	(815)	(83)	-	(3,605)	-	-	(4,503)
Transfer from right-of-use assets (Note 13)	-	-	4,809	-	-	-	4,809
Reclassification to inventories (Note 11)	-	(2,599)	(9,504)	(341)	-	-	(12,444)
Effect of foreign currency exchange differences	(188)	-	-	-	-	-	(188)
Balance at 31 December 2022	**3,146**	**1,524**	**117,357**	**12,048**	**-**	**-**	**134,075**
Depreciation	154	107	18,515	6,202	-	-	24,978
Disposals	(938)	(7)	-	(4,267)	-	-	(5,212)
Transfer from right-of-use assets (Note 13)	-	-	19,703	-	-	-	19,703
Reclassification to inventories (Note 11)	-	(158)	(79,390)	(4,115)	-	-	(83,663)
Effect of foreign currency exchange differences	(209)	-	-	-	-	-	(209)
Balance at 31 December 2023	**2,153**	**1,466**	**76,185**	**9,868**	**-**	**-**	**89,672**

12 SHIPS, PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment, furniture and fittings and motor vehicles	Plant and equipment	Ships	Drydocking	Construction in progress	Freehold land and buildings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Accumulated impairment:							
Balance at 1 January 2022	1	-	63,108	-	310	-	63,419
Reversal of impairment recognised in profit and loss	-	-	(1,707)	-	-	-	(1,707)
Disposal	(1)	-	-	-	-	-	(1)
Balance at 31 December 2022	**-**	**-**	**61,401**	**-**	**310**	**-**	**61,711**
Impairment loss (reversal of impairment) recognised in profit and loss	-	-	2,000	-	(310)	-	1,690
Reclassification to inventories	-	-	(35,963)	-	-	-	(35,963)
Balance at 31 December 2023	**-**	**-**	**27,438**	**-**	**-**	**-**	**27,438**
Carrying amount:							
At 31 December 2023	809	-	280,501	4,233	17,649	-	303,192
At 31 December 2022	136	106	397,492	9,354	464	-	407,552

Certain ships are pledged to secure bank borrowings as disclosed in Note 24.

12 SHIPS, PROPERTY, PLANT AND EQUIPMENT (cont'd)

Accounting policies

Ships, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using straight-line method to allocate the cost of the assets (other than ships and properties under construction), net of their residual values, over their estimated useful lives as follows:

Office equipment and furniture and fittings	-	3 years
Plant and equipment	-	3 to 5 years
Motor vehicles	-	5 years
Ships	-	15 years
Drydocking	-	2.5 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Ships and properties in the course of construction for are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same bases as other assets, commences when the assets are available for use.

Ships are measured at cost less accumulated depreciation and adjusted for any accumulated impairment losses and reversals of such losses. Cost comprises acquisition cost and costs directly related to the acquisition up until the time when the asset is ready for use, including interest expense incurred to finance the vessel during the period.

From time to time, the Group's ships are required to be drydocked for inspection and re-licensing at which time major repairs and maintenance that cannot be performed while the ships are in operation are generally performed. The Group capitalises the costs associated with drydocking as they occur and depreciates these costs on a straight-line basis over 2.5 to 5 years, which is generally the period until the next scheduled drydocking. A portion of the cost of acquiring a new ship is estimated and allocated to the components expected to be replaced or refurbished at the next scheduled drydocking. If the ship is disposed before the next drydocking, the carrying amount of drydocking expenses is included in determining the gain or loss on disposal of the ship and taken to the profit or loss. If the period to the next drydocking is shorter than expected, the undepreciated balance of the deferred drydocking cost is charged immediately as an expense before the next drydocking.

Fully depreciated ships, plant and equipment still in use are retained in the financial statements.

At each reporting date, the group reviews the carrying amounts of its ships, property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated based on the higher of fair value less costs of disposal and value in use, to determine the extent of the impairment loss (if any).

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increase does not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

Assets that are held for rental are initially classified as ships, property, plant and equipment. When these assets cease to be rented and a decision is made to sell these assets, the carrying amount is transferred to inventories. Upon sale of these assets, the sales value is recorded in gross revenue and the related carrying value of these assets (held as inventories) is recorded in cost of sales. In relation to these assets that are held for rental, the cash payments to acquire such assets and subsequently cash proceeds from the sale of such assets are classified as cash flows from operating activities.

13 RIGHT-OF-USE ASSETS

The Group leases several assets including office property, residential property, ships and ship equipment which are disclosed as right-of-use assets.

	Office and residential property	Ships	Ships equipment	Total
	US$'000	US$'000	US$'000	US$'000
Cost:				
Balance at 1 January 2022	**2,896**	**95,887**	**476**	**99,259**
Additions	898	48,829	39	49,766
Transfer to ships, property, plant and equipment (Note 12)	-	(23,436)	-	(23,436)
Derecognition of right-of-use asset	(405)	-	-	(405)
Effect of foreign currency exchange differences	(48)	-	-	(48)
Balance at 31 December 2022	**3,341**	**121,280**	**515**	**125,136**
Additions	3,272	62,600	83	65,955
Transfer to ships, property, plant and equipment (Note 12)[2]	-	(44,452)	-	(44,452)
Acquisition of subsidiaries (Note 37)	80	-	-	80
Adjustment[1]	(2,710)	-	(144)	(2,854)
Effect of foreign currency exchange differences	11	-	-	11
Balance at 31 December 2023	**3,994**	**139,428**	**454**	**143,876**
Accumulated depreciation:				
Balance at 1 January 2022	**2,097**	**63,633**	**218**	**65,948**
Depreciation	889	35,547	129	36,565
Transfer to ships, property, plant and equipment (Note 12)	-	(4,809)	-	(4,809)
Derecognition of right-of-use asset	(405)	-	-	(405)
Effect of foreign currency exchange differences	(31)	-	-	(31)
Balance at 31 December 2022	**2,550**	**94,371**	**347**	**97,268**
Depreciation	1,695	30,229	114	32,038
Transfer to ships, property, plant and equipment (Note 12)[2]	-	(19,703)	-	(19,703)
Derecognition of right-of-use asset	-	393	-	393
Adjustment[1]	(2,708)	-	(100)	(2,808)
Effect of foreign currency exchange differences	8	-	-	8
Balance at 31 December 2023	**1,545**	**105,290**	**361**	**107,196**
Accumulated impairment:				
Balance at 1 January 2022	**-**	**844**	**-**	**844**
Impairment loss	-	985	-	985
Balance at 31 December 2022	**-**	**1,829**	**-**	**1,829**
Derecognition of right-of-use asset	-	(393)	-	(393)
Balance at 31 December 2023	**-**	**1,436**	**-**	**1,436**
Carrying amount:				
At 31 December 2023	2,449	32,702	93	35,244
At 31 December 2022	791	25,080	168	26,039

[1] Refers to lease modification during the period.

[2] Purchase option on vessel was exercised during the year.

13 RIGHT-OF-USE ASSETS (cont'd)

Right-of-use assets are depreciated over the remaining period of the lease. The average lease term is between 1 and 4 years for property, between 2 and 5 years for ships, and between 2 and 5 years for ship equipment.

The Group has options to purchase certain ships at set prices at certain dates within the contracts. The exercise price is not included in the right-of-use assets for these ships because it is not reasonably certain that the options will be exercised.

For the year ended 31 December 2023, the Group recognised expense of US$27,359,000 (2022: US$60,869,000 and 2021: US$90,763,000) for short-term leases (i.e. a lease period of 12 months or less), US$104,000 (2022: US$82,000 and 2021: US$58,000) for leases of low value assets and US$285,000 (2022: US$8,197,000 and 2021: $11,532,000) for variable lease payments in connection with pool arrangements not included in the measurement of the lease liability.

Corresponding lease liabilities are disclosed in Note 23.

Accounting policy

The right-of-use assets comprise the initial measurement of the corresponding lease liability (Note 23), lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Ships, property, plant and equipment' policy (Note 12).

14 SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2023 %	2022 %
Grindrod Shipping Pte. Ltd.	Ship operating and management	Singapore	100%	100%
Grindrod Shipping (South Africa) Pty Ltd	Ship operating and management	South Africa	100%	100%
Held by Grindrod Shipping Pte. Ltd				
IVS Bulk Owning Pte. Ltd. (ii)	Dormant	Singapore	-	100%
IVS Bulk Carriers Pte. Ltd. (ii)	Dormant	Singapore	-	100%
IVS Bulk 430 Pte. Ltd. (ii)	Dormant	Singapore	-	100%
IVS Bulk 462 Pte. Ltd. (ii)	Dormant	Singapore	-	100%
IVS Bulk 475 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 511 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 512 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 603 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 609 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 611 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 612 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 707 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 3708 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 3720 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 225 Pte. Ltd.(i)	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IM Shipping Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
Island Bulk Carriers Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
Grindrod Shipping Services UK Limited	To provide shipping and shipping related services	United Kingdom	100%	100%
Grindrod Shipping Services HK Limited	To provide shipping and shipping related services	Hong Kong	100%	100%
IVS Bulk 5028 Pte Ltd(iv)	Dormant	Singapore	100%	-
IVS Bulk 725 LLC(iv)	Ship Owning and Operating	Marshall Islands	100%	-
IVS Bulk 784 Pte Ltd(iv)	Dormant	Singapore	100%	-
IVS Bulk 784 LLC(iv)	Dormant	Marshall Islands	100%	-
Unicorn Atlantic Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Baltic Pte. Ltd.	Dormant	Singapore	100%	100%
Unicorn Ionia Pte. Ltd. (ii)	Dormant	Singapore	-	100%
Unicorn Tanker Operations (434) Pte. Ltd. (ii)	Dormant	Singapore	-	100%
Unicorn Ross Pte. Ltd. (ii)	Dormant	Singapore	-	100%
Unicorn Caspian Pte. Ltd. (ii)	Dormant	Singapore	-	100%
Unicorn Marmara Pte. Ltd. (ii)	Dormant	Singapore	-	100%
Unicorn Scotia Pte. Ltd. (ii)	Dormant	Singapore	-	100%
Unicorn Malacca Pte. Ltd. (ii)	Dormant	Singapore	-	100%
Unicorn Bulk Carriers Ltd	Dormant	British Virgin Islands	100%	100%
Unicorn Tankers International Ltd	Dormant	British Virgin Islands	100%	100%
Grindrod Maritime LLC(ii)	Dormant	Marshall Islands	-	100%
Unicorn Sun Pte. Ltd.	Dormant	Singapore	100%	100%

14 SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2023 %	2022 %
Unicorn Moon Pte. Ltd.	Dormant	Singapore	100%	100%
Island View Ship Management Pte. Ltd. (iv)	Ship management	Singapore	100%	-
Taylor Maritime Management Limited (v)	Ship management	Marshall Islands	100%	-
Held by Grindrod Shipping (South Africa) Pty Ltd				
Comshipco Schiffahrts Agentur GmBH	Ship agents and operators	Germany	100%	100%
Kuhle Shipping (Pty) Ltd (iii)	Dormant	South Africa	-	100%
Held by IVS Bulk Pte. Ltd.				
IVS Bulk 541 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 543 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 545 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 554 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 709 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 5855 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 5858 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 712 Pte. Ltd.	Dormant	Singapore	100%	100%
IVS Bulk 7297 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 1345 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 3693 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
IVS Bulk 10824 Pte. Ltd.	Ship Owning and Operating	Singapore	100%	100%
Held by Island View Ship Management Pte. Ltd.				
Tamar Ship Management Limited(v)	Ship Management	Hong Kong	100%	-
Tamar Ship Management Pte. Ltd(v)	Ship Management	Singapore	100%	-
Castle Marine Services Ltd(v)	Ship Management	Hong Kong	100%	-
Held by Taylor Maritime Management Limited				
Taylor Maritime Pte. Ltd(v)	Ship Management	Singapore	100%	-
Taylor Maritime (HK) Limited (v)	Ship Management	Hong Kong	100%	-
Taylor Maritime (UK) Limited (v)	Ship Management	United Kingdom	100%	-

(i) This company was registered in 2022.
(ii) These companies were deregistered in 2023.
(iii) This company was sold on 31 March 2023.
(iv) These companies were registered in 2023.
(v) These companies were acquired on 3 October 2023.

15 INTEREST IN JOINT VENTURES

	2023 US$'000	2022 US$'000
Cost of investment in joint ventures	9	9
Share of post acquisition (loss) profit, net of dividends received	(1)	(1)
Carrying amount	8	8

Details of the joint ventures are as follows:

Name of the joint venture	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Group		Cost of investment in joint ventures	
			2023	2022	2023	2022
Tri-View Shipping Pte Ltd [(a)]	Dormant	Singapore	51%	51%	9	9

* Amount is less than US$1,000.

[(a)] The Group has joint control over this entity by virtue of the contractual arrangement with its joint venture partner(s) requiring resolutions on the relevant activities to be passed based on unanimous approval. This entity was deregistered on 19 January 2024.

The above joint venture is accounted for using the equity method in these consolidated financial statements.

In 2023, the total share of joint venture companies' loss after taxation amounts to US$Nil (2022: US$5,000; 2021: US$31,000).

16 INTANGIBLE ASSETS

	Memberships	Software and licenses	Contractual customer relationships	Carbon Credits	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost:					
Opening balance as at 1 January 2022	29	2,000	-	-	2,029
Additions	-	126	-	-	126
Derecognition of intangible asset	-	(1,173)	-	-	(1,173)
Effects of foreign currency exchange differences	-	(89)	-	-	(89)
Balance at 31 December 2022	29	864	-	-	893
Additions	-	84	-	128	212
Derecognition of intangible asset	-	(207)	-	-	(207)
Acquisition of subsidiaries (Note 37)	-	212	4,948	-	5,160
Effects of foreign currency exchange differences	-	(71)	-	-	(71)
Balance at 31 December 2023	29	882	4,948	128	5,987
Accumulated amortisation:					
Opening balance as at 1 January 2022	-	1,802	-	-	1,802
Amortisation	-	155	-	-	155
Derecognition of intangible asset	-	(1,173)	-	-	(1,173)
Effects of foreign currency exchange differences	-	(77)	-	-	(77)
Balance at 31 December 2022	-	707	-	-	707
Amortisation	-	170	469	-	639
Derecognition of intangible asset	-	(206)	-	-	(206)
Effects of foreign currency exchange differences	-	(60)	-	-	(60)
Balance at 31 December 2023	-	611	469	-	1,080
At 31 December 2023	29	271	4,479	128	4,907
At 31 December 2022	29	157	-	-	186

16 INTANGIBLE ASSETS (cont'd)

Intangible assets include club memberships, software, licenses, contractual customer relationships and carbon credits. Club memberships are lifetime memberships and are not amortised. Software and licenses arose from the installation of major information systems (including packaged software) and are amortised over 3 years, the period over which the benefit is expected to accrue. Contractual customer relationships are amortised over 2 to 21 years, the period over which the benefit is expected to accrue. Carbon credits do not expire and are not amortised.

Accounting policy

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, they are stated on the same basis as intangible assets acquired separately.

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised.

At the end of each reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is indication that the asset may be impaired.

17 GOODWILL

	2023	2022
	US$'000	US$'000
Cost:		
Balance at 1 January	3,292	3,305
Acquisition of subsidiaries (Note 37)	7,924	-
Effects of foreign currency exchange differences	(18)	(13)
Balance at 31 December	11,198	3,292
Accumulated impairment losses:		
Balance at 1 January	3,292	3,305
Effects of foreign currency exchange differences	(18)	(13)
Balance at 31 December	3,274	3,292
Carrying amount:		
At 31 December	7,924	-

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. Before recognition of impairment losses, the cost of goodwill had been allocated as follows:

	2023	2022
	US$'000	US$'000
Cost:		
Island Trading and Shipping	3,089	3,089
Parcel Service	185	203
Taylor Maritime Management Limited	4,470	-
Tamar Ship Management Limited	3,454	-
	11,198	3,292

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs were based on their value in use determined using discounted cash flow (DCF) valuation models. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

A sustained decrease in the profitability of the Parcel Service and Island Trading and Shipping CGUs in 2021 indicated that an impairment of goodwill was required. The remaining goodwill of $965,000 was fully impaired in 2021 and was recorded in profit or loss in the line item 'Other operating income (expense)'.

17 GOODWILL (cont'd)

The following CGUs have carrying amounts of goodwill that are considered significant in comparison with the Group's total goodwill balance:

Taylor Maritime Management Limited

The Group uses cash flow projections based in financial budgets approved by the directors covering a three-year period with the fourth year to terminal based on a growth rate of 2.1% per annum. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows is 13.2%.

Based on the value in use calculations, no impairment was required. As at 31 December 2023, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amount to be below the carrying amounts of the CGU.

Tamar Ship Management Limited

The Group uses cash flow projections based in financial budgets approved by the directors covering a three-year period with an additional two years included based on a growth rate of 3.1% per annum, and 2.0% which was used in the determination of the terminal value. The rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows is 12.6%.

A decrease to the growth rate by 1.42% or an increase to the discount rate by 1.07% used in management's value in use assessment will result in the recoverable amount to be equal to the total carrying amount of goodwill (on the basis that each of the other key assumptions remain unchanged).

18 OTHER INVESTMENTS

Other investments relate to pension fund surplus from a defined benefit pension plan where the accounting policy is included in Note 26. Other investments are measured at fair value.

In connection with the Spin-off of, Grindrod Shipping Pte Limited ('GSPL') and Grindrod Shipping (SA) (Pty) Limited ('GSSA') from Grindrod Limited, Grindrod Limited (former Parent), GSSA and the trustees to the Grindrod Pension Fund (Fund), a defined benefit pension plan operated by Grindrod Limited, resolved that GSSA should be included as a second participating employer of this fund and GSSA will be allocated 40% of the pension surplus which was subject to regulatory approval before this could be enacted. GSPL and GSSA are fellow subsidiaries of the Group.

On 7 October 2020, the relevant regulatory approval was obtained and accordingly effective on the 31 December 2020, GSSA was included in the Fund as the second employer. US$3,150,000 (Rands 46,054,000) was transferred from Grindrod Limited's employer surplus account to the GSSA employer surplus account established within the Fund. Employer surplus account is the excess of the Fund's assets over the Fund's liabilities. GSSA will not contribute to the Fund in respect of the Fund employees and the employer surplus account is only available for use in accordance with the Rules of the Fund.

On 27 September 2023, the relevant regulatory approval was obtained to transfer the balance of the employer surplus account from the Fund to the Alexander Forbes Retirement Fund, which Grindrod Shipping (SA) (Pty) Limited is a participating employer in the Provident section. The balance of the employer surplus account was transferred on 22 December 2023 and will be used for a contribution holiday commencing 1 January 2024.

The employer surplus was initially valued at US$3,150,000 based on the quoted market prices in the active markets. Subsequent fair value change in respect of the allocated fund assets are recorded as a component of other comprehensive income.

The amounts recognised in the consolidated annual financial statements in this respect are as follows:

	2023	2022
	US$'000	US$'000
Recognised asset at 1 January	3,714	3,730
Interest income	434	442
Recognised in other comprehensive income in the current year	(220)	(207)
Translation	(315)	(251)
Present value of other investment at 31 December	3,613	3,714

The principal actuarial assumptions applied in the determination of fair values include:

	2023	2022
Discount rate (p.a.)	12.7 %	12.2 %

19 DEFERRED TAX

	2023	2022
	US$'000	US$'000
Deferred taxation analysed by major category:		
Other timing differences	258	1,304
	258	1,304
Reconciliation of deferred taxation:		
Opening balance	1,304	2,123
Credit to profit or loss for the year (Note 35)	(107)	(665)
Acquisition of subsidiary (Note 37)	(841)	-
Credit (charge) to other comprehensive income arising from actuarial gain	10	(45)
Exchange differences	(108)	(109)
Closing balance	258	1,304
Comprising:		
Deferred tax assets	1,019	1,304
Deferred tax liabilities	(761)	-
	258	1,304

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is US$277,000 (2022: US$2,814,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Accounting policy

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in OCI or directly in equity), in which case the tax is also recognised outside profit or loss (either in OCI or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

20 TRADE AND OTHER PAYABLES

	2023 US$'000	2022 US$'000
Trade payables	8,520	10,035
Accrued expenses	15,017	19,250
Earn-out consideration (Note 37)	8,061	-
Other	250	454
	31,848	29,739
Non-current trade and other payables	(1,153)	(140)
Current trade and other payables	30,695	29,599

Trade payables, accruals and other payables comprising of amounts outstanding for trade purchases and ongoing costs, are recognised at amortised cost and their carrying value approximates fair value. The remaining payment terms are predominately 30 days.

The non-current trade and other payables for 2023 relates to earn-out consideration (Note 37).

The Group's trade and other payables are predominantly non-interest bearing and unsecured.

21 CONTRACT LIABILITIES

Advances received are classified as contract liabilities in accordance with IFRS 15 *Revenue from Contracts with Customers*. These arise when the customers' make payments in advance and the amounts received exceeds the revenue recognised at the end of the reporting period and it shall be recognised as revenue in the subsequent year.

There were no significant changes in the contract liabilities balances during the reporting period.

22 LEASES AND SHIP CHARTERS

a) As Lessor

Operating leases, in which the Group is the lessor relates to 7 ships owned by the Group chartered out under time charter party agreement with a lease term of between 2 months and 11 months. These leases do not have any options to purchase the ship at the expiry of the lease period.

Maturity analysis of operating lease payments:

	2023 US$'000	2022 US$'000
Year 1	5,915	-
Total	5,915	-

b) As Lessee

At 31 December 2023, the Group is committed to US$4,763,000 (2022: US$nil) for short-term leases of ships.

23 LEASE LIABILITIES

	Office and residential property	Ships	Ships equipment	Total
	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2022	818	32,194	259	33,271
Additions	898	48,829	39	49,766
Interest expense	37	1,370	7	1,414
Lease payments	(905)	(57,304)	(135)	(58,344)
- Principal	(868)	(37,934)	(128)	(38,930)
- Purchase option payments [1]	-	(18,000)	-	(18,000)
- Interest expense	(37)	(1,370)	(7)	(1,414)
Effect of foreign currency exchange differences	6	-	-	6
Lease liabilities as at 31 December 2022	854	25,089	170	26,113
Additions [2]	3,310	62,600	83	65,993
Disposals	(66)	-	(44)	(110)
Acquisition of subsidiary (Note 37)	80	-	-	80
Interest expense	199	2,132	3	2,334
Lease payments	(1,824)	(58,667)	(119)	(60,610)
- Principal	(1,625)	(32,055)	(116)	(33,796)
- Purchase option payments [1]	-	(24,480)	-	(24,480)
- Interest	(199)	(2,132)	(3)	(2,334)
Effect of foreign currency exchange differences	5	-	-	5
Lease liabilities as at 31 December 2023	2,558	31,154	93	33,805

[1] Principal repayment and purchase option payment are included in principal repayments of lease liabilities as disclosed under financing activities in the statement of cash flows.

[2] Includes a Japanese Yen denominated committed purchase option to be exercised in 2024. This has been converted at a rate of 142 in terms of a forward exchange contract.

	2023	2022
	US$'000	US$'000
Analysed between:		
Current portion	32,432	22,058
Non-current portion	1,373	4,055
	33,805	26,113

Maturity analysis of lease liabilities is disclosed in Note 4. The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

During the financial year 2022, one of the charter contracts requiring the recognition of a right-of-use asset and a lease liability contains variable payment terms that is linked to an index and such variable lease payments are recognised in charter hire cost in the profit or loss in the period in which the condition that triggers those payments occurs. The charter contract was renewed in May 2022, with no variable payment terms.

23 LEASE LIABILITIES (cont'd)

Accounting policy

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset (Note 13) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The Group has applied the practice expedient to account for any lease and associated non-lease components as a single arrangement.

24 BANK LOANS AND OTHER BORROWINGS

	2023	2022
	US$'000	US$'000
Secured – at amortised cost:		
Bank loans	95,319	148,002
Other borrowings	46,898	50,966
	142,217	198,968
Analysed between:		
Current	18,578	33,330
Non-current portion	123,639	165,638
	142,217	198,968
Interest payable (included in bank loans)	1,102	1,752

Non-current bank loans and other borrowings are estimated to be payable as follows:

Within 2 to 5 years	101,555	138,809
After 5 years	22,084	26,829
	123,639	165,638

Bank loans

i. US$100.0 million senior secured credit facility

The facility bears interest at London Interbank Offered Rate ("LIBOR") plus 2.95% per annum and is made up of two tranches. Tranche A and B are repayable quarterly commencing 16 August 2018 and mature on 15 May 2022 and 15 May 2023 respectively, with the option to extend for a further two years. Tranche A of US$10,000,000 has been fully repaid. Facility fees of US$1,750,000 were payable to the lender upon signing the new loan agreement. Additional fees of US$164,000 were paid on 2 June 2021 for the lender swap. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. As at 31 December 2023, the loan was fully repaid (31 December 2022, the outstanding balance in relation to this facility was US$10,065,000, net of US$160,000 facility fees).

ii. US$6.3 million secured term facility

The facility bears interest at LIBOR plus 2% per annum and is repayable quarterly, commencing on 6 September 2018 and matures on 6 June 2023. Facility fees of US$32,000 were payable to the lender upon signing the new loan agreement. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. As at 31 December 2023, the loan was fully repaid (31 December 2022, the outstanding balance in relation to this facility was US$633,000, net of US$3,000 facility fees).

iii. Combined US$31.4 million senior secured credit facility

On 29 July 2019, the Group entered into two term facilities, each for an amount up to US$15,720,000 to finance the acquisition of two supramax/ultramax newbuildings. The facilities bear interest at Secured Overnight Financing Rate ("Term SOFR") along with a credit adjustment spread plus 2% per annum and is repayable quarterly, commencing on 5 November 2019 and 20 December 2019 and matures on 5 August 2026 and 24 September 2026. Facility fees of US$78,600 were payable to the lender upon drawdown of each loan agreement. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. As at 31 December 2023, the outstanding balances in relation to these facilities are US$22,630,000, net of US$60,000 facility fees (31 December 2022: US$24,692,000, net of US$82,000 facility fees).

24 BANK LOANS AND OTHER BORROWINGS (cont'd)

iv. Combined US$114.1 million senior secured credit facility

On 10 February 2020, the Group entered into a senior secured term loan facility for 11 drybulk vessels for the purpose of refinancing the existing indebtedness. The facility bears interest at Term SOFR along with a credit adjustment spread plus 3.10% per annum and is repayable quarterly, commencing on 13 May 2020 and matures on 13 February 2025. Facility fees of US$1,634,137 were payable to the lender upon drawdown of the loan agreement. These were recorded as transaction costs to the loan account to the extent the loan was drawn down. On 15 September 2021, the finance agreement was amended to drawdown an additional US$23,031,000 and additional fees of US$691,000 were paid to the lender on the second drawdown. As at 31 December 2023, the outstanding balances in relation to these facilities are US$63,599,000, net of US$594,000 facility fees (31 December 2022: US$102,454,000, net of US$1,123,000 facility fees).

vi. Combined US$13.1 million senior secured credit facility

On 31 January 2020, the Group entered into a senior secured term loan facility for one drybulk vessel for the purpose of refinancing the existing indebtedness. On 14 August 2023, the parties to the facility agreement entered into an amendment and restatement agreement the purpose of which was to transition the interest rate from LIBOR to Term SOFR. The facility bears interest at Term SOFR along with a credit adjustment spread plus 2.75% per annum and is repayable quarterly, commencing on 13 May 2020 and matures on 13 February 2025. Facility fees of US$131,300 were payable to the lender upon drawdown of the loan agreement. This was recorded as a transaction cost to the loan account to the extent the loan was drawn down. As at 31 December 2023, the outstanding balance in relation to this facility is US$9,089,000, net of US$29,000 facility fees (31 December 2022: US$10,158,000, net of US$55,700 facility fees).

The bank loans are secured by cash and certain ships owned by the Group. The cash pledged and the carrying value of the ships under security charge as at 31 December 2023 are US$6,970,000 (31 December 2022: US$10,009,000) and US$198,318,000 (31 December 2022: US$330,920,000) respectively. In addition, there are charges over the relevant subsidiaries' earnings, insurances, charter and charter guarantees and any requisition compensation. Certain of the bank loans are guaranteed by Grindrod Shipping Pte. Ltd. and/or Grindrod Shipping Holdings Limited.

The bank loans are arranged at Term SOFR along with a credit adjustment spread plus the respective margins. These bear a weighted average effective interest rate of 9.44% (31 December 2022: 8.16%) per annum.

These bank loan facilities contain financial covenants where the most stringent of which require the Group to maintain the following:

- book value net worth of the lower of (a) the aggregate of US$200 million plus 25% of the amount of positive retained earnings plus 50% of each capital raise and (b) US$275 million;
- cash and cash equivalents (including restricted cash held in the debt service reserve account) of US$30 million;
- a ratio of debt to market adjusted tangible fixed assets of not more than 75%; and
- positive working capital, such that consolidated current assets must exceed the consolidated current liabilities excluding any adjustments made for IFRS 16.

The Group was in compliance with its financial covenants as of 31 December 2023 and 31 December 2022.

Other borrowings

Other borrowings relate to US$60,750,000 (31 December 2022: US$60,750,000) in financing arrangements entered into with third parties with respect to four of the vessels in the Group we regard as owned. The arrangements commenced on 26 June 2019, 20 September 2019, 20 November 2019 and 16 September 2021, respectively, are payable monthly in advance and bear interest at Term SOFR along with a credit adjustment spread plus 1.7% per annum and Term SOFR along with a credit adjustment spread plus 1.75% per annum. The loans mature on 26 May 2030, 20 August 2031, 20 October 2031 and 16 August 2036. As at 31 December 2023, the outstanding balances in relation to these borrowings is US$46,898,000 (31 December 2022: US$50,966,000). The carrying value of the ships under security charge as at 31 December 2023 is US$51,524,000 (31 December 2022: US$55,557,000).

25 PROVISIONS

	2023	2022
	US$'000	US$'000
Provision for onerous contracts [(i)]	277	592
	277	592

[(i)] Provision for onerous contracts represents the present value of the future charter payments that the Group is presently obligated to make under non-cancellable onerous operating charter agreements and contracts of affreightment, less charter revenue expected to be earned on the charter and contract of affreightment. The estimate may vary as a result of changes to ship running costs and charter and freight revenue. No discounting was used as these are short-term onerous contracts and the effect of discounting is immaterial.

	2023	2022
Analysis of provision for onerous contracts:	US$'000	US$'000
Balance at 1 January	592	1,019
Provision raised	277	592
Released to profit or loss	(592)	(1,019)
Balance at 31 December	277	592

Accounting policy

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract which include both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

26 RETIREMENT BENEFIT OBLIGATION

The Group subsidises the medical aid contributions of certain retired employees and has an obligation to subsidise contributions of certain current employees when they reach retirement. In prior periods, the Group undertook to offer pensioners a voluntary benefit in lieu of their current medical subsidy in order to close out the liability on the statement of financial position. The proposed offer had three options, namely an annuity offer, a cash offer or to remain in the scheme. A number of employees chose the annuity and cash offer. The provision has been calculated on the remaining individuals in the scheme.

The risks typically faced by the Group as a result of the post-retirement medical aid are risks relating to inflation, longevity, future changes in legislation, future changes in tax environment, perceived inequality by non-eligible employees, administration of fund and enforcement of eligibility criteria and rules.

During December 2023 and 2022, a valuation was performed by Alexander Forbes. Apart from paying costs of entitlement, the Group is not liable to pay additional contributions in the case the fund does not hold sufficient assets. In that case, the fund would take other measures to restore solvency.

The amounts recognised in the annual financial statements in this respect are as follows:

	2023 US$'000	2022 US$'000
Recognised liability at beginning of the year	1,397	1,613
Recognised in profit or loss in the current year	146	159
Interest on obligation	146	159
Recognised in other comprehensive income in the current year		
Actuarial loss (gain)	16	(156)
Translation	(118)	(101)
Employer payments	(122)	(118)
Present value of unfunded obligation recognised as a liability at end of year	1,319	1,397
Analysis between:		
Current portion	125	125
Non-current portion	1,194	1,272
	1,319	1,397
The principal actuarial assumptions applied in the determination of fair values include:		
Health care cost inflation	7.8%	7.8%
Discount rate	12.0%	11.9%
CPI inflation	6.3%	6.3%
Continuation at retirement	100.0%	100.0%

	2023 Increase	2023 (Decrease)	2022 Increase	2022 (Decrease)
Health care cost inflation	7.8%	(6.9%)	8.5%	(7.5%)
Discount rate	(7.0%)	8.0%	8.1%	(7.1%)

The sensitivity analysis presented above may not be representative of the actual change in the obligation as it is unlikely that the above change in assumptions would occur in isolation of one another.

26 RETIREMENT BENEFIT OBLIGATION (cont'd)

There was no change in the methods and assumptions used in preparing the sensitivity analysis from the prior year. The average duration of the benefit obligation as at 31 December 2023 is 9 years (31 December 2022: 9 years and 2021: 10 years).

	2023	2022
	US$'000	US$'000
Present value of unfunded obligations	1,319	1,397
Present Value of obligations in excess of plan assets	1,319	1,397

Accounting policy

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, and South African defined contribution provident funds, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in OCI in the period in which they occur. Remeasurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Administrative expense'. Net interest income is recognised within interest income (Note 32).

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

27 SHARE CAPITAL

	Number of shares	Share capital
		US$'000
Issued and paid up:		
At 1 January 2021	19,063,833	320,683
Issued during the year	246,191	-
At 31 December 2021	19,310,024	320,683
Issued during the year	161,984	-
At 31 December 2022	19,472,008	320,683
Issued during the year	213,582	1,950
Distribution to shareholders	-	(32,440)
At 31 December 2023	19,685,590	290,193

In the TMI Offer, a proposal (the "Award Election Opportunity") was made by the Offeror and the Company to the holders of outstanding awards which are unvested or vested but remain unsettled ("FSA Holders") which was granted under the Grindrod Shipping Holdings Ltd. 2018 Forfeitable Share Plan (Note 29). On December 1, 2022, 161,984 new ordinary shares were issued to fulfil the outstanding Company Forfeitable Shares.

On 1 March 2021, the Company issued 246,191 additional shares of no par value to certain employees to partially settle the 2018 FSP awards that vested on 1 March 2021.

On 4 October 2023, the Company issued 213,582 additional shares with a par value of US$1,950,000 for the acquisition of Tamar Ship Management Limited and Taylor Maritime Management Limited (Note 37).

On 29 September 2023, the company lodged with the Accounting and Corporate Regulatory Authority in Singapore relevant documents required for a capital reduction which became effective on the same date. On 26 October 2023 and 11 December 2023, the Company reduced its fully paid-up share capital through cash distributions to all shareholders on record as of 20 October 2023 of US$$1.01598 and US$0.63193 per ordinary share, respectively. The distribution to shareholders was excess cash generated from vessel sales after debt repayment on encumbered vessels. This resulted in the Group having a more efficient capital structure, thereby improving shareholders' return on equity.

Except for treasury shares, fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

28 OTHER EQUITY AND RESERVES

	2023	2022
	US$'000	US$'000
Hedging reserve	(554)	(1,337)
Translation reserve	(11,305)	(10,700)
Merger reserve	(12,649)	(12,649)
At 31 December 2023	(24,508)	(24,686)

Treasury shares

	Number of shares	Share capital
		US$'000
Balance at 1 January 2022	825,163	11,870
Reissued to Offeror under the TMI Offer	(825,163)	(11,870)
Balance at 31 December 2022	-	-

On 29 May 2020 and 27 May 2021, shareholders granted the board of directors with the authority to repurchase shares of the company. The repurchase authority expires at the next Annual General Meeting, unless renewed, and may be suspended or terminated by the company at any time without prior notice. The authority allows the company to acquire ordinary shares in the open market on NASDAQ and the JSE. On 1 December 2022, the minimum conditions of the TMI Offer were met and all awards vested. All employees agreed to transfer their shares and all treasury shares were reissued to Good Falkirk (MI). See share compensation reserve below for further information. Shares issued out of treasury shares are accounted for on a first-in first-out basis.

Share compensation reserve

	2023	2022
	US$'000	US$'000
Balance at 1 January	-	4,777
Share-based payments expenses	-	8,134
Treasury shares issued to employees under the Forfeitable Share Plan	-	(12,911)
Balance at 31 December	-	-

The Group operates the 2018 FSP, in which certain employees of the company and its subsidiaries participate. 2018 FSP is an equity settled share based payment which is measured at the fair value of the equity instruments at the grant date and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

On 31 July 2018, the Group granted the participating employee's entitlements to be settled with a specified number of ordinary shares in the company ('Awards") which shares will be allotted and issued in 3 equal tranches over a period of 3 years commencing on 1 March 2020. On 9 June 2020, 2 July 2021, 23 August 2021 and 29 April 2022, the Group granted additional Awards which shares will be allotted and issued in 3 equal tranches over a period of 3 years commencing on 1 March 2021 for the awards granted in 2020, 1 March 2022 for the Awards granted in 2021 and 1 March 2023 for the Awards granted in 2022. This is subject to the condition that the participating employee remains employed during the vesting period relevant to each tranche.

28 OTHER EQUITY AND RESERVES (cont'd)

A participant has no ownership rights (such as rights to dividends and voting) in the ordinary shares subject to the Award until such right has vested and the ordinary shares have been registered in the participant's name. The Award is subject to the risk of forfeiture until the vesting date should the participating employee no longer be employed for the period ending on the vesting date. However, the participating employee may be settled with all or a portion of the Award as determined by the rules of the 2018 FSP depending on the reasons for termination of his employment prior to the vesting date, and, in the case of retirement or termination for a reason not specifically set out in the 2018 FSP prior to the vesting date, subject to the discretion of the Compensation and Nomination Committee. The vesting of the ordinary shares is not subject to any performance-related conditions. The Group may utilise treasury shares or issue new ordinary shares when settling shares upon a participating employee. The employee is not required to make any payment for the ordinary shares settled upon him or her but is liable for taxation thereon.

At any time, the aggregate number of ordinary shares of the company may be granted under Awards that have not vested shall not exceed 5% of the ordinary shares in issue (excluding treasury shares) on the day preceding the Award. The 2018 FSP was adopted on 4 May 2018. As at 31 December 2022, 862,502 ordinary shares were subject to Awards that had not been forfeited or vested and the maximum number of ordinary shares in respect of which further Awards could have been granted under the 2018 FSP in 2022 was 102,999.

On 1 December 2022, the minimum conditions of the TMI Offer were met and all outstanding awards vested and were settled during the year.

Details of the share awards outstanding during the year are as follows:

Number of share awards:	2018	2020	2021	2022	Total
Outstanding at 1 January 2022	220,668	124,500	516,000	-	861,168
Issued during the year	-	-	-	232,646	232,646
Forfeited during the year	-	-	(106,667)	-	(106,667)
Awards vested to employees under the Forfeitable Share Plan	(220,668)	(80,500)	(171,996)	(38,468)	(511,632)
Awards vested to employees under TMI Offer	-	(44,000)	(237,337)	(194,178)	(475,515)
Outstanding at 31 December 2022	-	-	-	-	-
	US$	US$	US$	US$	
Fair value at grant date	10.18	2.90	11.85	25.58	

The fair value at grant date is determined based on the share price on the date of the grant. The Group recognised total expenses of US$8,134,000 relating to the 2018 FSP during 2022. Following the TMI Offer and settlement of the shared based payments scheme in 2022, there are no share awards outstanding as of December 31, 2022 and 2023. Accordingly, no share based payments expense was recognised in 2023.

Hedging reserve

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in OCI and accumulated in hedging reserve is reclassified to profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into United States dollars are brought to account by recognising those exchange differences in OCI and accumulating them in a separate component of equity under the header of translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are also recognised in OCI and accumulated in a separate component of equity under the header of translation reserve.

28 OTHER EQUITY AND RESERVES (cont'd)

Merger reserve

This represents the residual differences between the 'Parent invested capital' and the Company's 'share capital' as a result of the Spin-off of GSPL and GSSA from Grindrod Limited and the residual difference between the non-controlling interest and the purchase consideration for the remaining equity interest in IVS Bulk.

29 REVENUE

A disaggregation of the Group's revenue for the year based on timing of revenue recognition is as follows:

	2023	2022	2021
	US$'000	US$'000	US$'000
Over time:			
Charter hire	82,511	193,631	210,079
Freight revenue	143,535	236,327	245,179
Vessel revenue	226,046	429,958	455,258
Management fees	2,945	521	581
Other	2,945	521	581
At a point in time:			
Sale of ships	153,668	29,600	-
Sale of bunkers and other consumables	4,437	381	-
Ship sales	158,105	29,981	-
	387,096	460,460	455,839

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 December 2023 will be recognised as revenue during the next reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Accounting policy

Vessel revenue

The primary source of revenue for the Group is vessel revenue; comprising of charter hire of ships and freight revenue.

Charter hire - The Group earns hire revenue by placing its vessels on time charter, bareboat charter and in pool arrangements. The performance obligations within pool and time-charter contracts include the bareboat charter and the operation of the vessel. The bareboat charter of the contract is accounted for as an operating lease under IFRS 16 *Leases*. Hire revenue is recognised over time as the Group satisfies its obligation based on time elapsed between the delivery of a vessel to a charterer and the redelivery of a vessel from the charterer.

29 REVENUE (cont'd)

For time and bareboat charter contracts, hire is typically invoiced bi-monthly or monthly in advance and hire revenue is accrued based on the daily hire rates. Other variable hire components of the contract, such as off-hire and speed claims, are recognised only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is subsequently resolved. In a small number of charters, the Group may earn profit share consideration, which occurs when actual spot rates earned by the vessel exceed certain thresholds for a period of time.

For pool arrangements, the Group has two types of such arrangements: 1) Pool arrangements that are controlled and managed by the Group namely, IVS Handysize Pool and IVS Supramax Pool; and 2) Pool arrangements operated by third parties in which the Group's owned vessels are placed. An assessment is performed to determine who is the principal and agent in such arrangements. Indicators that the Group as the pool manager is a principal in a pool arrangement are:

- The contract with the end charterer specifically names the pool, rather than the shipowner;
- The pool manager is responsible for managing issues that may arise during the end charterer's use of the vessel;
- The pool manager has the power to decide which vessel in the pool it will use to fulfill the contract with the end charterer; and
- The pool manager sets the prices that the end charterer will pay to use the vessel.

The Group has evaluated that it has the exclusive rights as the pool manager and hence it is a principal in the IVS Handysize and IVS Supramax Pool arrangements. In such arrangements, the Group recognizes total amount of the gross revenue earned by the pools as the revenue which it expects to be entitled for the satisfaction of the performance obligation and correspondingly, it also recognizes the share of third party vessel owners' net earnings of the pool in the voyage expenses in the period incurred. The Group has identified that the contracts between the pools and vessels owners to contain a lease in accordance with IFRS 16.

On the other hand, for third party pool arrangements that the Group's vessels participate in, the Group recognises revenue from these pool arrangements based on its portion of the net distributions reported by the relevant pool, which represents the net voyage revenue of the pool after voyage expenses and pool manager fees. The net distribution is computed based on pool index and the participation days of the Group's vessels in these third party pool arrangements. The pool index is variable and dependent on the participating vessels within the pool.

Freight revenue – The Group recognises freight revenue for each specific voyage which is usually priced on a current or "spot" market rate and then adjusted for predetermined criteria. The performance obligations for freight revenue commence from the time the ship is ready at the load port until the cargo has been delivered at the discharge port. The revenue will be recognised over the duration of the voyage between the two points, as measured using the time that has elapsed from commencement of performance at the load port. Management assesses the stage of completion as determined by the proportion of the total time expected for the voyage that has elapsed at the end of the reporting period as an appropriate measure of progress towards complete satisfaction of these performance obligations and the revenue is recognised in accordance with the calculated stage of completion. The duration of a single voyage will typically be less than three months. Demurrage and despatch are considered at contract inception and estimates are updated throughout the contract period. The consideration for demurrage and despatch will be recognised in the period within which such consideration was incurred. A contract asset is recognised over the period in which the freight services are performed representing the entity's right to consideration for the services performed as at the end of the reporting period.

Sale of ships, bunkers and other consumables

The Group generates revenue from the sale of ships, bunkers and other consumables. Revenue is recognised when control of the ships, bunkers and other consumables have been delivered to the buyer. The Group only has the right to the consideration at the point of transfer of the asset.

Management fees

The Group also generates revenue from the management and operation of vessels owned by third parties, related companies and other related parties as well as providing corporate management services to such entities. The performance obligations within these contracts will typically consist of crewing, technical management, insurance and commercial management. The performance obligations are satisfied concurrently and consecutively rendered over the duration of the management contract, as measured using the time that has elapsed from commencement of performance. Consideration for such contracts will generally consist of a fixed monthly management fee, plus the reimbursement of crewing and other costs for vessels being managed. Management fees are typically invoiced monthly.

30 SEGMENT INFORMATION

The information reported to the Group's chief operating decision maker, who are directors of the Group, for the purpose of resource allocation and assessment of segment performance is provided based on the 3 operating segments within the Group, which are also reportable segments of the Group:

The Group operates a diversified fleet of owned and long-term chartered vessels across the world. The Group operates the drybulk business with a focus on the categories of vessels – namely Handysize and Supramax/Ultramax, with all others businesses categorized as Others. Accordingly, the reportable segments are: Handysize; Supramax/Ultramax and Others.

The reportable segments of the Group have been identified on a primary basis by the business segment which is representative of the internal reporting used for management purposes, including the chief operating decision maker, as well as the source and nature of business risks and returns.

Joint-ventures financial information are included within the segment information on a proportionate consolidation basis as the Group's chief operating decision maker reviews them together with the entities of the Group. Accordingly, joint-ventures' proportionate financial information are adjusted out to reconcile to the consolidated financial statements in the 'Adjustments' column.

Segment profit (i.e. Gross profit (loss)) represents the profit earned by each segment without allocation of central administration costs and directors' salaries. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Group activities that do not relate to the above segments are accumulated in the 'Unallocated' segment financial information. Revenue reported in the segments represents revenue generated from external customers. There were no inter-segment sales in 2023, 2022 and 2021.

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets at the consolidated Group level.

It is not practical to report revenue or non-current assets on a geographical basis due to the international nature of the shipping market.

For the years ended 31 December 2023, 2022 and 2021, no customers accounted for 10% or more of the Group's drybulk business revenue within the Handysize and Supramax/Ultramax segments.

The accounting policies of the segments are the same as the Group's accounting policies as described in Note 2 and throughout the notes.

30 SEGMENT INFORMATION (cont'd)

The following is an analysis of the Group's revenue, results and additions and impairments to non-current assets by segment

2023

	Drybulk Carrier Business		Other	Total	Unallocated	Total	Adjustments	Total
	Handysize	Supramax/ Ultramax			Total			
	US$'000	US$'000	US$'000	**US$'000**	**US$'000**	**US$'000**	US$'000	**US$'000**
Vessel revenue	87,918	138,128	-	**226,046**	**-**	**226,046**	-	**226,046**
Ship sale revenue	63,760	94,345	-	**158,105**	**-**	**158,105**	-	**158,105**
Other	90	27	2,828	**2,945**	**-**	**2,945**	-	**2,945**
Total revenue	**151,768**	**232,500**	**2,828**	**387,096**	**-**	**387,096**	**-**	**387,096**
Voyage expenses	(25,355)	(49,259)	-	**(74,614)**	**-**	**(74,614)**	-	**(74,614)**
Vessel operating costs	(28,788)	(16,921)	2,708	**(43,001)**	**-**	**(43,001)**	-	**(43,001)**
Charter hire costs	(13,334)	(13,618)	-	**(26,952)**	**-**	**(26,952)**	-	**(26,952)**
Depreciation of ships, drydocking and plant and equipment– owned assets	(14,076)	(10,748)	-	**(24,824)**	**-**	**(24,824)**	-	**(24,824)**
Depreciation of ships and ship equipment – right-of-use assets	(14)	(30,329)	-	**(30,343)**	**-**	**(30,343)**	-	**(30,343)**
Cost of ship sale	(60,582)	(87,168)	310	**(147,440)**	**-**	**(147,440)**	-	**(147,440)**
Other	(373)	(182)	-	**(555)**	**-**	**(555)**	-	**(555)**
Costs of sales	**(142,522)**	**(208,225)**	**3,018**	**(347,728)**	**-**	**(347,728)**	**-**	**(347,728)**
Gross profit	**9,246**	**24,275**	**5,846**	**39,368**	**-**	**39,368**	**-**	**39,368**
Operating (loss) profit	**(2,035)**	**14,550**	**(117)**	**12,398**	**(7,036)**	**5,362**	**-**	**5,362**
Interest income	1,373	1,413	6	**2,792**	**6**	**2,798**	-	**2,798**
Interest expense	(6,416)	(10,682)	(1)	**(17,099)**	**-**	**(17,099)**	-	**(17,099)**
Income tax (expense) benefit	(192)	(203)	9	**(386)**	**(297)**	**(683)**	-	**(683)**
(Loss) profit for the period	(7,270)	5,078	(103)	**(2,295)**	(7,327)	**(9,622)**	-	**(9,622)**
(Reversal of) impairment loss on ships and assets under construction	1,849	(159)	-	**1,690**	**-**	**1,690**	-	**1,690**
Capital expenditure	37,472	837	419	**38,728**	**-**	**38,728**	-	**38,728**

30 SEGMENT INFORMATION (cont'd)

2022

	Drybulk Carrier Business		Others	**Total**	Unallocated	**Total**	Adjustments	**Total**
	Handysize	Supramax/ Ultramax						
	US$'000	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**
Vessel revenue	159,524	268,352	2,082	**429,958**	-	**429,958**	-	**429,958**
Ship sale revenue	-	-	29,981	**29,981**	-	**29,981**	-	**29,981**
Other	410	111	-	**521**	-	**521**	-	**521**
Total revenue	**159,934**	**268,463**	**32,063**	**460,460**	-	**460,460**	-	**460,460**
Voyage expenses	(30,683)	(60,420)	(1)	**(91,104)**	-	**(91,104)**	-	**(91,104)**
Vessel operating costs	(31,625)	(18,249)	2,973	**(46,901)**	-	**(46,901)**	-	**(46,901)**
Charter hire costs	(12,126)	(46,800)	-	**(58,926)**	-	**(58,926)**	-	**(58,926)**
Depreciation of ships, drydocking and plant and equipment– owned assets	(17,946)	(11,791)	(761)	**(30,498)**	-	**(30,498)**	-	**(30,498)**
Depreciation of ships and ship equipment – right-of-use assets	(14)	(35,662)	-	**(35,676)**	-	**(35,676)**	-	**(35,676)**
Cost of ship sale	-	-	(29,897)	**(29,897)**	-	**(29,897)**	-	**(29,897)**
Other	(1,024)	334	(6)	**(696)**	-	**(696)**	-	**(696)**
Costs of sales	**(93,418)**	**(172,588)**	**(27,692)**	**(293,698)**	-	**(293,698)**	-	**(293,698)**
Gross profit	**66,516**	**95,875**	**4,371**	**166,762**	-	**166,762**	-	**166,762**
Operating profit	**54,904**	**76,546**	**2,200**	**133,650**	(14,621)	**119,029**	**5**	**119,034**
Interest income	881	1,085	161	**2,127**	101	**2,228**	-	**2,228**
Interest expense	(7,847)	(8,075)	(1,211)	**(17,133)**	-	**(17,133)**	-	**(17,133)**
Share of losses of joint ventures	-	-	-	**-**	-	**-**	(5)	**(5)**
Income tax benefit	(308)	(426)	(23)	**(757)**	-	**(757)**	-	**(757)**
Profit for the period	47,630	69,130	1,127	**117,887**	(14,520)	**103,367**	-	**103,367**
Reversal of impairment loss recognised on ships	(1,707)	-	-	**(1,707)**	-	**(1,707)**	-	**(1,707)**
Impairment loss on right-of-use asset	-	985	-	**985**	-	**985**	-	**985**
Capital expenditure	5,529	3,812	78	**9,419**	-	**9,419**	-	**9,419**

30 SEGMENT INFORMATION (cont'd)

2021

	Drybulk Carrier Business		Others	Total	Unallocated	Total	Adjustments	Total
	Handysize	Supramax/ Ultramax						
	US$'000	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**
Vessel revenue	157,707	292,179	5,372	**455,258**	-	**455,258**	-	**455,258**
Ship sale revenue	-	-	-	**-**	-	**-**	-	**-**
Other	503	78	-	**581**	-	**581**	-	**581**
Total revenue	**158,210**	**292,257**	**5,372**	**455,839**	**-**	**455,839**	**-**	**455,839**
Voyage expenses	(27,235)	(69,600)	(129)	**(96,964)**	-	**(96,964)**	-	**(96,964)**
Vessel operating costs	(31,043)	(15,811)	2,896	**(43,958)**	-	**(43,958)**	-	**(43,958)**
Charter hire costs	(11,755)	(63,626)	-	**(75,381)**	-	**(75,381)**	-	**(75,381)**
Depreciation of ships, drydocking and plant and equipment– owned assets	(13,724)	(10,474)	(1,668)	**(25,866)**	-	**(25,866)**	-	**(25,866)**
Depreciation of ships and ship equipment – right-of-use assets	(17)	(34,881)	-	**(34,898)**	-	**(34,898)**	-	**(34,898)**
Cost of ship sale	-	-	-	**-**	-	**-**	-	**-**
Other	(457)	(1,419)	1	**(1,875)**	-	**(1,875)**	-	**(1,875)**
Costs of sales	**(84,231)**	**(195,811)**	**1,100**	**(278,942)**	**-**	**(278,942)**	**-**	**(278,942)**
Gross profit	**73,979**	**96,446**	**6,472**	**176,897**	**-**	**176,897**	**-**	**176,897**
Operating profit	**65,612**	**78,777**	**3,616**	**148,005**	(3,379)	**144,626**	**31**	**144,657**
Interest income	7	11	163	**181**	20	**201**	-	**201**
Interest expense	(4,873)	(6,376)	(1,049)	**(12,298)**	-	**(12,298)**	-	**(12,298)**
Share of losses of joint ventures	-	-	-	**-**	-	**-**	(31)	**(31)**
Income tax benefit	3	11	104	**118**	-	**118**	-	**118**
Profit for the period	60,749	72,423	2,834	**136,006**	(3,359)	**132,647**	-	**132,647**
Reversal of impairment loss on owned ships	(3,557)	-	-	**(3,557)**	-	**(3,557)**	-	**(3,557)**
Reversal of impairment loss on right-of-use assets	-	(1,046)	-	**(1,046)**	-	**(1,046)**	-	**(1,046)**
Impairment loss on disposal group	-	-	-	**2,551**	-	**2,551**	-	**2,551**
Impairment of goodwill and intangibles	94	871	-	**965**	-	**965**	-	**965**
Capital expenditure	5,947	26,423	1,134	**33,504**	-	**33,504**	-	**33,504**

31 OTHER OPERATING (EXPENSE) INCOME

	2023	2022	2021
	US$'000	US$'000	US$'000
(Impairment loss) reversal of impairment recognised on ships	(2,000)	1,707	3,557
(Impairment loss) reversal of impairment recognised on right-of-use assets (Note 13)	-	(985)	1,046
Impairment loss on goodwill (Note 17)	-	-	(965)
(Impairment loss) reversal of on financial assets	(53)	45	(2)
Reversal of impairment of asset under construction (Note 12)	310	-	-
Lease income (Note 5)	345	-	-
Net foreign exchange (loss) gain	(237)	(512)	95
Gain on disposal of plant and equipment	12	36	14
Gain on disposal of right-of-use asset	3	-	104
Other operating income	277	52	-
Other operating expenses	(9)	(2)	-
	(1,352)	341	3,849

32 INTEREST INCOME

	2023	2022	2021
	US$'000	US$'000	US$'000
Bank interests	2,363	1,776	201
Other interest	435	452	-
	2,798	2,228	201

33 INTEREST EXPENSE

	2023	2022	2021
	US$'000	US$'000	US$'000
Interest on bank loans	13,912	14,119	6,231
Interest on non-bank loans	-	-	1,808
Amortisation of upfront fees on bank loans	812	1,539	1,263
Other finance costs	41	61	1,095
Interest on lease liabilities	2,334	1,414	1,901
	17,099	17,133	12,298

34 (LOSS) PROFIT BEFORE TAXATION

(Loss) profit before taxation has been arrived at after charging:

	2023 US$'000	2022 US$'000	2021 US$'000
Depreciation of ships, dry-docking and plant and equipment	24,824	30,498	25,866
Depreciation of other property, plant and equipment *	154	57	51
Amortisation of intangible assets *	638	155	165
Total depreciation and amortisation – owned assets	25,616	30,710	26,082
Depreciation of ships and ship equipment – right-of-use	30,343	35,676	34,898
Depreciation of property – right-of-use *	1,695	889	938
Total depreciation and amortisation – right-of-use assets	32,038	36,565	35,836
Total depreciation and amortisation	57,654	67,275	61,918
Cost of inventories recognised as expense (included in voyage expenses)	61,008	78,172	57,633
Expense recognised in respect of equity-settled share-based payments	-	8,134	3,336
Employee benefits expenses (including directors' remuneration and share based payments)	18,330	28,053	27,206
Cost of defined benefit plan and defined contribution plans included in employee benefits expenses	985	1,320	1,096
Tender offer and related expenses	-	10,307	-

* Included in administrative expense

35 INCOME TAX EXPENSE (BENEFIT)

In December 2004, Grindrod Shipping Pte. Ltd. was granted incentives under the Approved International Shipping Enterprise ("AIS") Scheme, with effect from 10 June 2004. The incentives to the company expired in 2014 and has been renewed through 2024 subject to compliance with specified conditions. As such, the shipping profits of Grindrod Shipping Pte. Ltd. are exempted from income tax under Section 13F of the Singapore Income Tax Act. The shipping profits of the subsidiaries incorporated in Singapore are exempted from income tax under Section 13A of the Singapore Income Tax Act.

Income other than shipping profits are taxable at the prevailing Singapore Corporate income tax rate of 17%. During the year ended 31 December 2023, the Singapore operations recorded loss before tax and current income tax expense of US$10,054,000 and US$209,000 respectively (2022: profit US$100,741,000 and US$348,000; 2021: profit US$130,774,000 and US$49,000). During the year ended 31 December 2023, the non-Singapore operations recorded profit before tax, current income tax and deferred tax of US$1,115,000, US$367,000 and US$107,000 respectively (2022: US$2,626,000, benefit US$256,000 and US$665,000; 2021: US$1,873,000, US$380,000 and benefit US$547,000).

The tax rate used for the 2023, 2022 and 2021 reconciliations below is the corporate tax rate of 17% payable by corporate entities in Singapore on taxable profits under tax law in that jurisdiction. The corporate taxation rates payable by the South African entities in terms of the tax law in South Africa is 27% (2022 and 2021: 28%).

	2023	2022	2021
	US$'000	US$'000	US$'000
Current tax			
In respect of the current year	367	428	513
Withholding taxes	306	127	48
In respect of prior years	(97)	(463)	(132)
	576	92	429
Deferred tax			
In respect of the current year	107	665	(547)
	107	665	(547)
Income tax expense (benefit)	683	757	(118)

The total charge (credit) for the year can be reconciled to the accounting profit (loss) as follows:

	2023	2022	2021
	US$'000	US$'000	US$'000
(Loss) profit before tax	(8,939)	104,124	132,529
Income tax (benefit) expense calculated at corporate rate	(1,520)	17,701	22,530
Adjusted for:			
Effect of income that is exempt from tax	(7,772)	(32,053)	(27,890)
Effect of expenses that are not deductible in determining taxable profit	9,506	15,025	6,204
Effect of different tax rates of subsidiaries operating in other jurisdictions	260	420	(878)
Overprovision of current tax in prior year	(97)	(463)	(132)
Withholding tax	306	127	48
	683	757	(118)

35 INCOME TAX EXPENSE (BENEFIT) (cont'd)

Accounting policy

Income tax expense (benefit) in profit or loss represents the sum of the current and deferred tax (Note 19).

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period and any adjustment to tax payable in respect of prior years.

Current tax is recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in OCI or directly in equity), in which case the tax is also recognised outside profit or loss (either in OCI or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

36 DISCONTINUED OPERATION

The Group completed the sale of the remaining MR tankers and Small tankers in April 2021 as part of a plan to exit the tanker business and focus on the drybulk business. The divestments of the vessels was followed by a restructure of the staff and administration which was completed in December 2021. The MR tanker segment and the Small tanker segment were effectively discontinued as at 31 December 2021.

The results of the discontinued operation, which were included in the profit (loss) for the year, were as follows:

	2021
	US$'000
Revenue	52,980
Cost of sales	
Voyage expenses	(421)
Vessel operating costs	(1,942)
Other expenses	(61)
Cost of ship sale	(50,580)
Gross loss	**(24)**
Other operating expense	(2,986)
Administrative expense	(2,253)
Share of losses of joint ventures	(1)
Interest income	35
Interest expense	(649)
Loss before taxation	**(5,878)**
Income tax benefit	2,713
Net loss attributable to discontinued operation (attributable to the owners of the Company)	**(3,165)**

Cash flows relating to the discontinued operation of the tanker business were as follows:

Net cash flows from discontinued operation	
Cash generated from operating activities	21,902
Cash generated from investing activities	962
Cash used in financing activities	(25,949)

Included in the income tax benefit for 2021 was the reversal of a tax provision of US$2,400,000. On the 7 May 2021, the United Kingdom Upper Tribunal found in the Group's favour with respect to the tax dispute with Her Majesty's Revenue & Customs service of the United Kingdom ("HMRC"). HMRC decided not to appeal the decision and a reversal of the tax provision was recorded in profit or loss in the line item 'Income tax benefit (expense)'.

37 ACQUISITION OF SUBSIDIARIES

On 3 October 2023, the Group acquired the entire issued share capital of Tamar Ship Management Limited ("TSM") and Taylor Maritime Management Limited ("TMM") from a related party of TMI, obtaining control of both companies. TSM is a technical ship management company and TMM is a commercial and operational ship management company. Both companies qualify as a business as defined in IFRS 3 *Business Combinations*. TSM and TMM were acquired as their current operations are aligned with the Group's practice and strategy. The acquisitions will further increase the Group's revenue streams in terms of ship management income, achieve savings on the technical side with a larger fleet and unlock synergies in our commercial deployment of the dry bulk fleet.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed at the date of acquisition are set out below:

	TSM	**TMM**	**Total**
	2023	2023	2023
	US$'000	US$'000	US$'000
Cash and bank balances including restricted cash	1,733	2,562	4,295
Trade receivables	72	362	434
Other receivables and prepayments	371	184	555
Due from related parties	-	2	2
Ships, property, plant and equipment	128	58	186
Right-of-use assets	80	-	80
Tax recoverable	67	-	67
Intangible assets	3,018	2,142	5,160
Trade and other payables	(2,268)	(880)	(3,148)
Deferred tax liabilities	(477)	(364)	(841)
Due to related parties	(233)	-	(233)
Lease liabilities	(80)	-	(80)
Income tax payable	-	(2,143)	(2,143)
Fair value of net identifiable assets acquired	2,411	1,923	4,334
Goodwill arising on acquisition [(a)]	3,454	4,470	7,924
Total consideration	5,865	6,393	12,258
Satisfied by:			
Cash	760	1,487	2,247
Equity instruments [(b)]	975	975	1,950
Earn-out consideration [(c)]	4,130	3,931	8,061
	5,865	6,393	12,258

(a) The goodwill arising from the acquisition reflects the expected synergies from combining operations of the acquiree and acquirer as well as intangible assets that do not qualify for separate recognition. None of the goodwill is expected to be deductible for tax purposes.

(b) The fair value of the 106,791 ordinary shares issued to sellers of acquiree as part of the purchase consideration was US$975,000 for TSM and TMM each. This was determined based on the share price on the date of acquisition.

(c) The earn-out consideration is payable in shares of the Company on the first and second anniversary from acquisition completion date. The Company has an option to substitute the shares for cash. The value payable is dependent on the number of vessels under TSM and TMM's management with a maximum of US$3,900,000. The earn-out becomes immediately payable with a 20% premium in the event of change in buyer control following which the Company's shares will no longer be listed on the NASDAQ or the JSE. The amount payable including the 20% premium can range from US$Nil to a maximum of US$5,004,000 and US$4,277,000 for TSM and TMM respectively. The fair value was determined by applying the scenario-based method which involves the use of multiple outcomes with probability-weighing the earn-out consideration payable under each outcome.

37 ACQUISITION OF SUBSIDIARIES (cont'd)

Net cash outflows arising on acquisition of	TSM 2023 US$'000	TMM 2023 US$'000	Total 2023 US$'000
Cash consideration	(760)	(1,487)	(2,247)
Less: cash and bank balances including restricted cash	1,733	2,562	4,295
Net cash received from acquisition of subsidiaries	973	1,075	2,048

Acquisition-related costs amounting to US$155,000, have been excluded from the consideration transferred and have been recognised as an expense in the period, within the Other operating (expenses) income line item in profit or loss.

The acquisition of TSM and TMM contributed US$2,829,000 revenue and US$328,000 profit to the Group's loss for the period between the date of acquisition and the reporting date.

If the acquisition of TSM and TMM had been completed on the first day of the financial year, Group revenue for the year would have been US$399,984,000 and Group loss would have been US$6,300,000.

Accounting policy

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred over the net acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

The earn-out contribution payable is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. It is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

38 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

From continuing operations and discontinued operation

Earnings

	2023	2022	2021
	US$'000	US$'000	US$'000
(Loss) profit for the purpose of basic (loss) profit per share			
Net (loss) profit attributable to the shareholders of the Group	(9,622)	103,367	118,925
Effect of dilutive potential on ordinary shares	-	-	-
(Loss) profit for the purposes of diluted (loss) profit per share	(9,622)	103,367	118,925

Number of shares for the purpose of calculating basic and diluted (loss) profit per share

	2023	2022	2021
Weighted average number of ordinary shares for the purpose of basic (loss) profit per share	19,524,087	18,949,972	19,150,787
Effect of dilutive potential ordinary shares due to FSP share awards	-	-	861,168
Weighted average number of ordinary shares for the purpose of diluted (loss) profit per share	19,524,087	18,949,972	20,011,955
	US$	US$	US$
Basic (loss) profit per share	(0.49)	5.45	6.21
Diluted (loss) profit per share	(0.49)	5.45	5.94

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted (loss) profit per share:

	2023	2022	2021
Number of shares	-	-	650,333

The shares granted under the 2018 FSP became dilutive to basic (loss) profit per share in 2021.

38 EARNINGS PER SHARE (cont'd)

From continuing operations

Earnings

	2023	2022	2021
	US$'000	US$'000	US$'000
(Loss) profit for the purpose of basic (loss)/profit per share			
Net (loss) profit attributable to the shareholders of the Group	(9,622)	103,367	118,925
Adjustments to exclude loss for the year from discontinued operation	-	-	3,165
(Loss) profit from continuing operations for the purpose of basic (loss) profit per share from continuing operations	(9,622)	103,367	122,090
Effect of dilutive potential ordinary share	-	-	-
(Loss) profit for the purposes of diluted (loss) profit per share from continuing operations	(9,622)	103,367	122,090
	US$	US$	US$
Basic (loss) profit per share	(0.49)	5.45	6.38
Diluted (loss) profit per share	(0.49)	5.45	6.10

From discontinued operation

	2023	2022	2021
	US$	US$	US$
Basic loss per share	-	-	(0.17)
Diluted loss per share	-	-	(0.16)

39 DIVIDENDS

	2023	2022	2021
	US$'000	US$'000	US$'000
Amounts recognised as distributions to equity holders in the			
Interim dividend paid 17 March (2022: 22 March and 2021: 13 December)	585	13,650	13,546
Interim dividend paid 19 June (2022: 20 June)	584	8,910	-
Interim dividend paid 19 September	-	15,957	-
Interim dividend paid 1 December	-	97,360	-
	1,169	135,877	13,546
	US$	US$	US$
Interim dividend per share - paid 17 March (2022: 22 March and 2021:13 December)	0.03	0.72	0.72
Interim dividend per share - paid 19 June (2022: 20 June)	0.03	0.47	-
Interim dividend per share - paid 19 September	-	0.84	-
Interim dividend per share - paid 1 December	-	5.00	-

40 COMMITMENTS

The Group has entered into drydock and ballast water treatment contracts for some of its ships during the year. The Group has also entered into a contract for the purchase of a ship under construction. In terms of the agreements, the Group has committed to payments for these ships. The following has been authorised:

	2023	2022
	US$'000	US$'000
Due within one year	17,869	1,399

The expenditure will be financed out of cash resources from operations and bank loans.

41 EVENTS AFTER THE REPORTING PERIOD

a) On 17 January 2024, the ship *IVS Kingbird* was contracted for sale for US$10,395,000. The vessel delivered to her new owners on 1 February 2024.

b) On 6 February 2024, the ship *HB Imabari* delivered to the Group. The final installment was funded by the drawdown of a US$20,200,000 loan facility with IYO Bank on 2 February 2024.

c) On 23 February 2024, the ship *IVS Ibis* was contracted for sale for US$11,700,000. The vessel delivered to her new owners on 26 March 2024.

d) On 29 February 2024, Grindrod Shipping, as parent guarantor and GSPL as borrower entered into a US$83,000,000 senior secured revolving loan facility with Nordea Bank ABP, Filial I Norge as facility agent and security agent and Nordea Bank ABP, Filial I Norge ("Nordea") and Skandinaviska Enskilda Banken AB (Publ), Singapore Branch ("SEB") as lenders relating to eight vessels. The facility has an additional US$30,000,000 that can be accessed as an accordion facility during the 36 months prior to the facility maturing. The facility was drawn in full on 8 March 2024, for the purpose of refinancing the existing indebtedness (the US$114.1 Million Senior Secured Credit Facility Note 24).

e) On 11 March 2024, we entered into a contract to sell the ship, *IVS Naruo*, for US$22,500,000 with delivery to her new owners planned on or before 30 June 2024. Following delivery to the new owners, *IVS Naruo* will be chartered-in for 11 to 13 months and has two one-year options to extend the charter with a purchase option available from the end of the second optional year (provided the charter option is exercised) of US$25,000,000.