



COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196100159G)

**ANNUAL GENERAL MEETING OF THE COMPANY HELD
BY WAY OF ELECTRONIC MEANS ON
THURSDAY, 25 JUNE 2020 AT 2.00 P.M.**

SUMMARY OF QUESTIONS AND ANSWERS

QUESTION 1:

Please comment on the synergistic values of the Company's acquisitions and developments in Malaysia. Will the Company be distributing dividends to its shareholders?

RESPONSE:

In 2018, the Company acquired Cogent Holdings Limited and laid the foundation to build a regional logistics integrated network in the South and Southeast Asian region. Since then, the Company has been actively seeking new acquisition targets to enable its expansion in a shorter period of time.

In February this year, the Company completed the acquisition of 80% stake in 4 Malaysian logistics companies for 88 million ringgit, which would allow the Company to provide more comprehensive and end-to-end services to our customers in Malaysia. Other developments in Malaysia also include the acquisition of logistics assets from Golden Logistics for 8.35 million ringgit.

The Company also managed to improve business and operational efficiency for Cogent Malaysia by increasing warehouse utilization rate and a mix in its customer portfolio. There are also plans to increase investments in the construction of warehouses.

Following the completion of the various acquisitions and developments in Malaysia, the Company would be able to benefit from potential synergies and economies of scale.

Moving forward, the Company will continue its expansion plans in the logistics industry in South and Southeast Asia. The Company also recognises the importance of diversifying our businesses and will explore opportunities in other feasible and profitable businesses.

The Company is evaluating various strategic moves to expand its business, ensure sustainable growth and create long-term shareholders' value. As such, the Board has resolved not to recommend payment of dividend for the financial year 2019.

The construction of the Jurong Island Chemical Logistics Facility was originally scheduled to be completed this year. However, due to the COVID-19 pandemic, all construction work were halted since 7 April 2020.

Construction work for the Jurong Island Project had not restarted and it is uncertain if there would be a shift in the completion timeline until the Company obtains greater clarity on when construction works can resume. The contractor is in close contact with relevant government authorities and will strive to resume construction work at the soonest possible time. The Company will make further updates if there are any material developments.

QUESTION 2:

What is the impact of COVID-19 on the Company's business operations?

RESPONSE:

As an overall update, the business operations for the Company's core logistics business in Singapore and Malaysia continued to operate during the Circuit Breaker period in Singapore as part of essential services and the Movement Control Order period in Malaysia. Although there were some temporary disruptions to some aspects of operations in Malaysia, the Company was able to continuously carry on operations in Singapore and Malaysia with the adoption of safe management measures and guidelines set by local governments. The Company was also able to receive support through several government support schemes. Overall, the Company's core logistics business had so far not been severely impacted by the COVID-19 situation.

The health of employees would remain the Company's top priority. Apart from adopting guidelines and measures set out by the government, the Company has also taken additional steps to protect the health of employees. In the midst of the pandemic and changes to daily operations, the Company strived to maintain operational capacity to meet customers' demands, to provide necessary support to other stakeholders and received recognition for good customer service.

Given that the COVID-19 situation continues to evolve, there is still a high level of uncertainty in terms of the length and depth of its economic impact. As such, there remains uncertainty as to the impact, if any or the extent of any impact, that COVID-19 will have on the Company. Nevertheless, the Company believes that the most recent rental waiver measures announced by the Singapore government would have an adverse impact on the rental income from some of the Group's investment properties leased to third party tenants.

For the financial year ended 31 December 2019, the Group's rental income from its investment properties was approximately S\$28.1 million, or an average of approximately S\$2.3 million per month, representing approximately 16.4% of the Group's total revenue of approximately S\$171.5 million. At this stage, the Company is still assessing the extent of any such financial impact pending the release of the implementation details of the measures. The Company will continue to monitor the evolving situation and will give an update in this regard in the Company's first half 2020 financial results announcement.