



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, 29 APRIL 2021 AT 2.00 P.M.**

SUMMARY OF BUSINESS OPERATIONS UPDATE

Mr Zhu Jian Dong, the Chairman and President of the Company, reported that the COVID-19 pandemic had negatively affected global economic development and had changed the way the Company worked and connected with each other. As a result, 2020 had been a challenging year for many businesses, including the Company.

The logistics business in Singapore and Malaysia continued to operate throughout the year as part of essential services. In the face of unprecedented difficulties, the Company's employees worked together and responded calmly, focusing on pandemic prevention and control, while ensuring minimal disruption to its operations. Apart from curbing the spread of COVID-19, the Company continued to strengthen its portfolio in this business segment.

In February 2020, the Company acquired 80% stake in Guper Integrated Logistics, Gems Logistics, Dolphin Shipping Agency and East West Freight Services. The successful completion of this acquisition had helped improve the synergy of its operations in Malaysia and had enhanced its resource utilization efficiency and customer service capabilities. Despite the negative impacts of the pandemic, the Company managed to obtain trust and support from clients, reflecting its growing logistics presence in Malaysia. The acquisition had also contributed positively to the Company's turnover and profit in FY2020.

Regarding the Jurong Island Chemical Logistics Facility, the Company had received Temporary Occupation Permit on 19 April 2021 and would commence operations in phases which would contribute to its revenue in this segment. With the completion of the facility, the Company would now be able to cater to the growing demand for one-stop logistics services within Jurong Island, thereby enhancing its logistics presence in Singapore.

Overall, the logistics business revenue increased by 10% in FY2020, as compared to FY2019. The Company would continue to look out for partnership and acquisition opportunities to strengthen this business segment. This would enhance the Company's capability in serving the growing consumer demand as the South and Southeast Asian region continues its economic growth.

For shipping business, the average charter rates for bulk carriers were lower in 2020 as compared to 2019 due to volatility in the shipping industry. During this difficult period, this segment stayed agile and strove for profit. When opportunities arose, the Company improved profitability by chartering in more vessels for its operations. This had resulted in a 55% increase in shipping business revenue for FY2020, as compared to FY2019.

With regard to the Company's property management business, revenue in FY2020 dropped by about 30% as compared to FY2019 due to rental waiver granted to tenants under the Government Rental Relief Framework and lower rental rates for the retail and office properties. The Company would continue to work with its tenants to overcome the

challenges ahead.

The ship repair and marine engineering business was affected by the COVID-19 related disruptions which resulted in lower volume of businesses. Despite the challenge, this segment remained profitable in FY2020 and the Company would continue to build resilience through enhancement of services offered to its customers.

Overall, the Group's turnover increased by 8% to S\$185.8 million for FY2020 as compared to FY2019, and the net profit attributable to equity holders was S\$8.3 million in FY2020 as compared to S\$7.4 million in FY2019.

The region is gradually recovering from the pandemic. Moving forward, with its vision and mission in mind and with the development opportunities available in South and Southeast Asia, the Company will focus on strengthening its diversified portfolio and on achieving sustainable growth.

The Board had resolved not to recommend payment of dividend for the financial year ended 31 December 2020 as the Company is evaluating various strategic moves to expand its businesses.