



Unaudited Full Year Financial Statement Announcement for the Financial Year Ended 31 December 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) Consolidated Income Statement

	Group		
	FY 2020 S\$'000	FY 2019 S\$'000	Change %
Sales [1]	185,843	171,495	8
Cost of sales	(155,776)	(131,615)	18
Gross profit	30,067	39,880	(25)
Other income [2]			
- Interest	297	591	(50)
- Others	13,261	1,421	833
Other gains and losses [2]	2,126	2,159	(2)
Expenses			
- Distribution	(2,552)	(2,668)	(4)
- Administrative			
- Impairment loss on financial assets [3]	(469)	(315)	49
- Others	(25,102)	(23,539)	7
- Finance	(7,632)	(8,924)	(14)
Share of profit of associated companies	1,879	2,036	(8)
Profit before income tax [3]	11,875	10,641	12
Income tax expense [4]	(2,810)	(2,933)	(4)
Profit for the year	9,065	7,708	18
Profit attributable to:			
Equity holders of the Company	8,337	7,380	13
Non-controlling interests	728	328	122
	9,065	7,708	18
Earnings per share for profit attributable to the equity holders of the Company (expressed in cents per share)			
- basic	0.37	0.33	12
- diluted	0.37	0.33	12

NM denotes not meaningful.

(ii) Consolidated Statement of Comprehensive Income

	Group		
	FY 2020 S\$'000	FY 2019 S\$'000	Change %
Profit for the year	9,065	7,708	18
Other comprehensive loss: Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	(2,514)	(635)	NM
	(2,514)	(635)	NM
Total comprehensive income	6,551	7,073	(7)
Total comprehensive income attributable to:			
Equity holders of the Company	6,025	6,750	(11)
Non-controlling interests	526	323	63
	6,551	7,073	(7)

(iii) Breakdown and Explanatory Notes to Consolidated Income Statement

[1] The Group has recognised the rental waiver of \$7.3 million granted to its tenants under the Government Rental Relief Framework as a reduction of sales revenue.

[2] Other income and Other gains and losses comprises the following:

	Group		
	FY 2020 S\$'000	FY 2019 S\$'000	Change %
Interest income	297	591	(50)
Government grants	12,361	609	1,930
Rental income	167	329	(49)
Compensation received	268	34	688
Sundry income	465	449	4
Other income	13,558	2,012	574
Foreign exchange gain	230	90	156
Gain on modification of lease	-	65	NM
(Loss)/gain on disposal of property, plant and equipment	(635)	1,843	NM
Gain on disposal of an investment property	858	-	NM
Gain on bargain purchase of subsidiaries	2,703	-	NM
(Loss)/gain on sale of bunker stock	(1,030)	161	NM
Other gains and losses	2,126	2,159	(2)

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

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

	Group		
	FY 2020 S\$'000	FY 2019 S\$'000	Change %
Interest on borrowings	(7,632)	(8,924)	(14)
Amortisation of intangible assets	(4,914)	(4,681)	5
Depreciation of property, plant and equipment	(31,877)	(31,928)	0
Depreciation of investment properties	(10,298)	(10,387)	(1)
Impairment loss on financial assets - Impairment of trade and other receivables	(469)	(315)	49

[4] Adjustment for over/(under) provision of tax in respect of prior years:

	Group		
	FY 2020 S\$'000	FY 2019 S\$'000	Change %
Current income tax	672	1,315	(49)
Deferred tax	(147)	(927)	NM

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
Current assets				
Cash and cash equivalents	76,333	67,165	8,450	8,548
Trade and other receivables	43,462	40,856	107	103
Inventories	812	858	-	-
Income tax receivables	-	1,160	-	-
	120,607	110,039	8,557	8,651
Non-current assets				
Trade and other receivables	529	477	-	-
Investments in associated companies	16,652	16,209	13,953	13,953
Investments in subsidiaries	-	-	614,589	614,589
Investment properties	38,515	22,872	-	-
Property, plant and equipment	718,873	672,412	70	62
Intangible assets	123,584	126,352	-	-
Deferred tax assets	-	6	-	-
	898,153	838,328	628,612	628,604
Total assets	1,018,760	948,367	637,169	637,255
Current liabilities				
Trade and other payables	54,307	49,035	40,362	41,092
Current income tax liabilities	2,519	1,549	1	20
Borrowings	31,854	32,312	-	-
Provisions	507	1,505	-	-
	89,187	84,401	40,363	41,112
Non-current liabilities				
Trade and other payables	7,493	988	-	988
Borrowings	311,000	267,465	72,069	72,069
Provisions	1,878	389	-	-
Deferred income tax liabilities	63,886	56,845	-	-
	384,257	325,687	72,069	73,057
Total liabilities	473,444	410,088	112,432	114,169
Net assets	545,316	538,279	524,737	523,086
Equity				
Share capital	270,608	270,608	270,608	270,608
Other reserves	25,560	35,365	45,105	45,105
Retained earnings	238,732	230,395	209,024	207,373
Shareholders' equity	534,900	536,368	524,737	523,086
Non-controlling interests	10,416	1,911	-	-
Total equity	545,316	538,279	524,737	523,086

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
29,468	2,386	32,112	200

Amount repayable after one year

As at 31/12/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
218,697	92,303	195,396	72,069

Details of any collateral

The collaterals for secured borrowings include property, plant and equipment, investment properties and bank deposits. The carrying amount of the property, plant and equipment as security for the group's bank borrowings is approximately \$436,207,000 (31 December 2019: \$428,635,000). Included in secured borrowings are current lease liabilities of \$17,786,000 (31 December 2019: \$20,683,000) and non-current lease liabilities of \$80,853,000 (31 December 2019: \$67,784,000) which are secured over the right-of-use assets classified within property, plant and equipment and investment properties of \$96,120,000 (31 December 2019: \$88,848,000) and \$26,284,000 (31 December 2019: \$9,771,000) respectively.

1(c)

A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY 2020 S\$'000	FY 2019 S\$'000
<u>Cash flows from operating activities</u>		
Profit for the year	9,065	7,708
Adjustments for:		
Income tax expense	2,810	2,933
Amortisation of intangible assets	4,914	4,681
Depreciation of property, plant and equipment	31,877	31,928
Depreciation of investment properties	10,298	10,387
Impairment of trade and other receivables	469	315
Loss/(gain) on disposal of property, plant and equipment	635	(1,843)
Gain on disposal of an investment property	(858)	-
Gain on modification of lease	-	(65)
Share of profit of associated companies	(1,879)	(2,036)
Rental waiver (financing)	(4,178)	-
Gain on bargain purchase	(2,703)	-
Interest expense	7,632	8,924
Interest income	(297)	(591)
Exchange differences	(325)	(79)
	57,460	62,262
Changes in working capital:		
Inventories	46	(197)
Trade and other receivables	5,931	(5,515)
Trade and other payables	2,668	(13)
Provisions	(387)	274
Cash provided by operations	65,718	56,811
Income tax paid	(878)	(5,007)
Net cash provided by operating activities	64,840	51,804
<u>Cash flows from investing activities</u>		
Deferred consideration paid in relation to acquisition of a subsidiary	(1,500)	(6,500)
Acquisition of a subsidiary, net of cash acquired [i]	(24,655)	-
Acquisition of an associated company	-	(416)
Additions to property, plant and equipment	(30,415)	(63,245)
Disposal of property, plant and equipment	173	2,723
Disposal of investment property	1,212	-
Decrease in restricted cash balance	-	257
Dividend received	1,115	1,665
Interest received	300	664
Net cash used in investing activities	(53,770)	(64,852)
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	37,488	51,972
Repayment of borrowings	(11,149)	(9,040)
Principal payment of lease liabilities	(19,598)	(24,657)
Proceeds from non-controlling interests for increase in registered capital of a subsidiary	-	406
Decrease in bank deposits pledged	878	24
Interest paid	(9,061)	(10,502)
Dividend paid to non-controlling interest of a subsidiary	(100)	(300)
Net cash (used in)/provided by financing activities	(1,542)	7,903

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.** (continued)

	Group	
	FY 2020 S\$'000	FY 2019 S\$'000
Net increase/(decrease) in cash and cash equivalents	9,528	(5,145)
Cash and cash equivalents at beginning of financial year	65,980	71,605
Effects of currency translation on cash and cash equivalents	(501)	(480)
Cash and cash equivalents at end of financial year	75,007	65,980
Cash and cash equivalents represented by:		
Cash at bank and on hand	56,618	40,675
Short-term bank deposits	19,715	26,490
Less: Bank deposits pledged	(1,326)	(1,185)
	75,007	65,980

[i] Acquisition of subsidiaries

On 14 February 2020 (the "Acquisition Date"), the Group acquired 80% of the issued share capital of each of Guper Integrated Logistics Sdn Bhd, Gems Logistics Sdn Bhd., Dolphin Shipping Agency Sdn Bhd and East West Freight Services Sdn Bhd (collectively the "New Malaysia Subsidiaries") for a total consideration of RM88,000,000 (equivalent to \$29,610,000). For the purpose of the Purchase Price Allocation ("PPA"), the Group has deemed the acquisition of the New Malaysia Subsidiaries as a single business combination on the grounds that the transactions were discussed and negotiated with a single party and the transaction was conditional on the successful completion of the acquisition of the four New Malaysia Subsidiaries.

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

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

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Non-controlling interests S\$'000	Total S\$'000
The Group					
At 1 January 2020	270,608	35,365	230,395	1,911	538,279
Total comprehensive (loss)/income for the year	-	(2,312)	8,337	526	6,551
Acquisition of subsidiaries [1]	-	(7,038)	-	8,079	1,041
Accretion of redemption liability [1]	-	(455)	-	-	(455)
Dividend declared by a subsidiary to a minority shareholder of a subsidiary	-	-	-	(100)	(100)
At 31 December 2020	270,608	25,560	238,732	10,416	545,316
At 1 January 2019	270,608	35,995	223,015	1,482	531,100
Total comprehensive (loss)/income for the year	-	(630)	7,380	323	7,073
Non-controlling interest share of increase in registered capital of a subsidiary	-	-	-	406	406
Dividend declared by a subsidiary to non-controlling interests of a subsidiary	-	-	-	(300)	(300)
At 31 December 2019	270,608	35,365	230,395	1,911	538,279

[1] Pursuant to the shareholder agreements (“SHA”) entered into for the acquisition of the New Malaysia Subsidiaries, a forward purchase contract is deemed to have been entered into which entitled the Group to acquire the remaining 20% interests in the New Malaysia Subsidiaries. On Acquisition Date, the Group has recognised a redemption liability of \$7,038,000 which represent the present value of the estimated consideration payable to the non-controlling interests upon the exercise of the forward purchase contract. A corresponding charge has also been recognised within the Group’s equity.

As at 31 December 2020, the Group has remeasured the redemption liability based on the terms of the SHA and recognised an accretion charge amounting to \$455,000 which has been recognised within the Group’s equity.

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Non-controlling interests S\$'000	Total S\$'000
The Company					
At 1 January 2020	270,608	45,105	207,373	-	523,086
Total comprehensive income for the year	-	-	1,651	-	1,651
At 31 December 2020	270,608	45,105	209,024	-	524,737
At 1 January 2019	270,608	45,105	206,430	-	522,143
Total comprehensive income for the year	-	-	943	-	943
At 31 December 2019	270,608	45,105	207,373	-	523,086

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

On 3 July 2020, share options to subscribe for 22,238,000 ordinary shares in the Company at an exercise price of \$0.202 per ordinary share were granted to employees pursuant to the COSCO SHIPPING Group Executives Share Option Scheme (the "Option Scheme")

During FY2020, 2,064,000 share options granted under the Option Scheme were lapsed.

The outstanding share options under Cosco Group Employees' Share Option Scheme as at 31 December 2020 were 20,174,000 (31 December 2019: Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 December 2020, share capital of the Company comprised 2,239,244,954 ordinary shares (31 December 2019: 2,239,244,954).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company does not have any treasury shares.

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

The figures have not been audited or reviewed.

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

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and method of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2019.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2020. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 3 Business Combinations
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform

- Amendments to SFRS(I) 16 Covid-19-Related Rent Concessions

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	FY 2020	FY 2019
(i) Based on the weighted average number of ordinary shares on issue (cents per share)	0.37	0.33
Weighted average number of ordinary shares('000)	2,239,245	2,239,245
(ii) On a fully diluted basis (cents per share)	0.37	0.33
Adjusted weighted average number of ordinary shares ('000)	2,239,245	2,239,245

NOTES:

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

There are no dilutive potential ordinary shares outstanding.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net asset value per ordinary share (cents)	23.89	23.95	23.43	23.36

The net asset value per ordinary share is calculated based on the total number of issued shares of 2,239,244,954 (2019: 2,239,244,954).

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

Sales

	Group		
	FY 2020 S\$'000	FY 2019 S\$'000	Change %
Logistics	129,070	117,201	10
Shipping	33,432	21,626	55
Property management	12,686	18,133	(30)
Ship repair and marine engineering	10,655	14,535	(27)
	185,843	171,495	8

Group sales revenue for FY 2020 totalled \$185.8 million, 8% higher than FY 2019. The growth in revenue was mainly due to the inclusion of revenue from the newly acquired subsidiaries in Malaysia, Guper Integrated Logistics Sdn Bhd, Gems Logistics Sdn Bhd., Dolphin Shipping Agency Sdn Bhd and East West Freight Services Sdn Bhd (collectively the "New Malaysia Subsidiaries"); and revenue from the chartered in of bulk carriers.

Logistics activities accounted for about 69% of the Group's revenue in FY 2020. Revenue from logistics activities increased by 10% to \$129.1 million mainly due to revenue contribution of \$18.4 million from the New Malaysia

Subsidiaries. Excluding the revenue from the new Malaysia subsidiaries, revenue from logistics activities would be \$110.7 million for FY 2020, about 6% lower than FY 2019 mainly due to lower revenue from warehousing management and automotive logistics services resulting from lower volume of business activities and rental waiver granted to tenants under the Government Rental Relief Framework.

Revenue from shipping activities increased by 55% from \$21.6 million to \$33.4 million mainly due to revenue contribution from an increased fleet of bulk carriers that the Group had chartered in during FY 2020 as compared to FY 2019. Excluding the revenue from charter-in bulk carriers of \$21.9 million (FY 2019: 5.1 million), revenue from owned bulk carriers has decreased by about \$5.0 million due to lower charter rates in FY 2020 as compared to FY 2019. The Baltic Dry Index (BDI), a measure of shipping costs for commodities, averaged 1,066 points in FY 2020, a decline of 21% from the average of 1,353 points in FY 2019.

Revenue from property management decreased by about 30% or \$5.4 million mainly due to rental waiver granted to tenants under the Government Rental Relief Framework and lower rental rates for its retail and office properties in FY 2020 as compared to FY 2019.

Revenue from ship repair and marine engineering decreased by 27% mainly due to lower volume of ship repair and fabrication works as a result of COVID-19 related disruptions to its customers.

Costs and Profitability

Cost of sales increased by 18% or \$24.2 million was mainly due to the inclusion of the cost of sales of the new Malaysia subsidiaries, increase in charter-hire costs for the increased number of bulk carriers chartered-in during FY 2020 and higher operational costs.

Gross profit decreased by 25% from \$39.9 million in FY 2019 to \$30.1 million in FY 2020 mainly due to lower rental revenue as a result of rental waiver and lower gross margins.

Other income increased by 574% to \$13.6 million in FY 2020 was mainly due to Singapore government grants of \$12.4 million under the various support measures in relation to the COVID-19 pandemic.

Other gains and losses in FY 2020 comprised mainly gain on disposal of an investment property and gain on bargain purchase of subsidiaries. The gain on bargain purchase of subsidiaries of \$2.7 million arose from the differences in the purchase consideration against the fair values of assets and liabilities of the New Malaysia Subsidiaries as at the completion date on 14 February 2020.

Distribution decreased by 4% mainly due to lower marketing and advertising expenses. Administrative expenses increased by 7% mainly due to the inclusion of the administrative expenses of the New Malaysia Subsidiaries.

Finance costs decreased by 14% to \$7.6 million mainly due to lower borrowing costs.

Share of profit of associated companies of \$1.9 million was contributed by the Group's 40% shareholdings in PT. Ocean Global Shipping Logistics ("PTOGS") and the 30% shareholdings in Tan Cang-COSCO-OOCL Logistics Company Limited. Share of profit of associated companies decreased by 8% or \$0.1 million mainly due to lower profits from PTOGS as a result of COVID-19 impact.

Income tax expense decreased by 4% to \$2.8 million mainly due to higher income not subject to tax in FY 2020.

Overall, net profit attributable to equity holders was \$8.3 million, 13% higher than FY 2019 mainly due to government grants and contribution from New Malaysia Subsidiaries, partially offset by rental waiver granted to tenants, weak shipping charter rates and lower profit margins.

Balance Sheet

(31 December 2020 vs 31 December 2019)

Cash and cash equivalents increased from \$67.2 million to \$76.3 million mainly due to net cash provided by operating activities and increase in borrowings, partially offset by net cash outflow for acquisition of subsidiaries and payments for purchase of property, plant and equipment. Please refer to Note 1(c) Cash Flow Statement for more details.

Trade and other receivables increased by \$2.7 million to \$44.0 million (31 December 2019: \$41.3 million). The increase in trade and other receivables was mainly due to the trade and other receivables acquired for the New Malaysia Subsidiaries.

Property, plant and equipment increased by \$46.5 million to \$718.9 million mainly due to the fair values of the property, plant and equipment acquired for the New Malaysia Subsidiaries and the progressive construction of Jurong Island Chemical Logistics Facility ("JICLF").

Trade and other payables increased by \$11.8 million to \$61.8 million mainly due to the trade and other payables assumed for the New Malaysia Subsidiaries and the recognition of redemption liability of \$7.5 million in relation to the present value of the expected future payments associated to the purchase of the non-controlling interest holdings in the new Malaysia subsidiaries. The increase in trade and other payables was partially offset by the payments of outstanding construction costs for JICLF.

Total borrowings increased by \$43.1 million to \$342.9 million mainly due to the borrowings procured to finance the acquisition of the New Malaysia Subsidiaries and the construction costs of JICLF, and borrowings assumed for the New Malaysia Subsidiaries.

For details of the identifiable assets acquired and liabilities assumed, at fair values of the New Malaysia Subsidiaries, please refer to Note 1(c)(i) Acquisition of subsidiaries, net of cash acquired for details.

Shareholder's equity decreased by \$1.5 million to \$534.9 million mainly due to the recognition of a debit balance in other reserves for redemption liability of \$7.5 million and a decrease in currency translation reserves in FY 2020, partially mitigated by profits in FY 2020.

Cash Flow

Net cash provided by operating activities for FY 2020 was \$64.8 million. This was mainly due to cash generated from operations. Please refer to Note 1(c) for details.

Net cash used in investing activities for FY 2020 was \$53.8 million. This was mainly due to cash used for acquisition of the New Malaysia Subsidiaries and the payments for property, plant and equipment.

Net cash used in financing activities for FY 2020 was \$1.5 million. This was mainly due to the repayment of borrowings and interest costs, partially offset by proceeds from borrowings.

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

Not applicable.

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

Through its wholly-owned subsidiary, Cogent Holdings Limited ("Cogent") and its associates, the Company is establishing a logistics network in Singapore, Malaysia, Indonesia, and Vietnam.

In connection with the Group's announcement of the proposed lease of land at Port Klang, Malaysia to construct a warehouse of approximately 300,000 square feet, it is currently facing a delay due to Malaysia's declaration of a state of emergency. For the construction of the JICLF Facility, the Company has obtained a partial temporary occupation permit from the Building and Construction Authority for the first to third stories of the JICLF as per the announcement made on 18 January 2021. The construction of other parts of the JICLF is expected to complete in the first half of 2021.

Regarding the arbitration against crane specialist, the Tribunal has made its final decision as per the announcement made on 9 February 2021. At the time of writing, the Company has not received any payment from the crane specialist, we will work with our legal counsel to enforce the revised Award and recover payments from the crane specialist pursuant to the Award. Further announcements will be made as and when there are any further material developments in the matters mentioned.

It remains the Company's aim to expand its logistics network in South and Southeast Asia through acquisitions and investments. It will continue to explore potential targets to acquire and seek investment opportunities, taking into consideration the targets' business scale and scope, historical performance, growth potential, and synergy with the Group's operations.

The Company's ultimate holding company, China COSCO SHIPPING Corporation Limited, has a well-established logistics business network throughout the People's Republic of China ("PRC"), which the Company will be able to leverage on this existing logistics business platform to potentially develop new business opportunities in the logistics sector in South and Southeast Asia, taking advantage of the "Belt and Road Initiative" formulated by the PRC Government in 2013. The Company will also be able to offer end-to-end services to its customers with logistical needs in Singapore and Malaysia, thereby increasing the Company's competitive edge in relation to its global competitors and entrenching its customers.

With respect to the Group's shipping business, the Company's subsidiary, COSCO SHIPPING (Singapore) Pte Ltd, currently has a total of 3 vessels with a total tonnage of 163,000 tons and with an average age of 15 years. In 2020, the international dry bulk shipping market declined over the same period in 2019. The Baltic Dry Index averaged 1,066 points in 2020, a decline of 21% from the average of 1,353 points in 2019.

Moving forward as one team, the Group aims to create overall synergy by engaging in cross-sales and business optimization with its related companies. This will also help the Group to achieve economies of scale and scope.

With the evolving situation surrounding the Covid-19 pandemic, there is still a high level of uncertainty in terms of the length and depth of its economic impact on the Company's financial performance in the next 12 months. The Company will continue to monitor the evolving situation and place focus on enhancing stakeholders' value.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Board has resolved not to recommend payment of dividend for FY 2020 as the Company is evaluating various strategic moves to expand its business.

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) **Business segments**

	Shipping S\$'000	Ship repair and marine related activities S\$'000	Logistics S\$'000	Property management S\$'000	Others S\$'000	Total S\$'000
Financial year ended 31 December 2020						
Sales:						
- External sales	33,432	10,655	129,070	12,686	-	185,843
- Inter-segment sales	-	-	-	244	8,015	8,259
	33,432	10,655	129,070	12,929	8,015	194,102
Elimination						(8,259)
						185,843
Segment results	162	2,179	19,943	(336)	(4,617)	17,331
Interest income						297
Interest expense						(7,632)
Share of profit of associated companies						1,879
Profit before income tax						11,875
Income tax expense						(2,810)
Net profit						9,065
Other segment items						
Additions to property, plant and equipment	2,152	3,149	38,390	319	49	44,059
Additions to investment properties	-	-	3,860	8,460	-	12,320
Amortisation of intangible assets	-	-	4,325	589	-	4,914
Depreciation of property, plant and equipment	2,998	781	27,072	985	41	31,877
Depreciation of investment properties	6	-	3,345	6,947	-	10,298
Impairment of trade and other receivables	-	214	52	203	-	469
Segment assets	63,258	20,245	875,960	33,634	9,011	1,002,108
Associated companies						16,652
Consolidated total assets						1,018,760
Segment liabilities	5,649	2,070	28,408	23,109	4,949	64,185
Borrowings						342,854
Current income tax liabilities						2,519
Deferred income tax liabilities						63,886
Consolidated total liabilities						473,444
Consolidated net assets						545,316

	Shipping S\$'000	Ship repair and marine related activities S\$'000	Logistics S\$'000	Property management S\$'000	Others S\$'000	Total S\$'000
Financial year ended 31 December 2019						
Sales:						
- External sales	21,626	14,535	117,201	18,133	-	171,495
- Inter-segment sales	-	-	-	-	10,486	10,486
	21,626	14,535	117,201	18,133	10,486	181,981
Elimination						(10,486)
						171,495
Segment results	4,054	2,574	14,627	2,373	(6,690)	16,938
Interest income						591
Interest expense						(8,924)
Share of profit of associated companies						2,036
Profit before income tax						10,641
Income tax expense						(2,933)
Net profit						7,708
Other segment items						
Additions to property, plant and equipment	833	391	74,499	177	1	75,901
Additions to investment properties	-	-	-	23	-	23
Amortisation of intangible assets	-	-	3,802	879	-	4,681
Depreciation of property, plant and equipment	3,088	669	27,205	927	39	31,928
Depreciation of investment properties	14	-	3,143	7,230	-	10,387
Impairment of trade and other receivables	-	-	325	(10)	-	315
Segment assets	63,334	17,197	813,180	29,331	9,110	932,152
Associated companies						16,209
Deferred tax assets						6
Consolidated total assets						948,367
Segment liabilities	4,953	2,003	18,314	19,754	6,893	51,917
Borrowings						299,777
Current income tax liabilities						1,549
Deferred income tax liabilities						56,845
Consolidated total liabilities						410,088
Consolidated net assets						538,279

(b) Geographical segments

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

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

Sales are based on the country in which the services are rendered to the customer. Non-current assets are shown by the geographical area where the assets are located.

	Sales		Non-current assets	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Singapore *	157,122	162,750	813,380	811,059
Malaysia	28,721	8,745	84,773	27,269
	185,843	171,495	898,153	838,328

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

Revenues of approximately \$48,723,000 (2019: \$31,790,000) are derived from two (2019: one) single external customers. These revenues are attributable to the Singapore Logistics and Shipping segments.

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

See Paragraph 8 above.

15. A breakdown of sales

	2020 S\$'000	2019 S\$'000	Change %
(a) Sales reported for first half year	86,273	80,208	8
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,683	4,692	(64)
(c) Sales reported for second half year	99,570	91,287	9
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	7,382	3,016	145

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

Not Applicable.

17. Interested Person Transactions

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		FY2020 S\$'000	FY2020 S\$'000
<u>Between Subsidiaries and:</u>			
China Marine & Seamen Service		-	803
Shanghai Corporation		-	1,766
China Seafarers Management Limited		-	338
Cosco (Cayman) Mercury Co., Ltd		-	836
Cosco (Dalian) Shipyard Co., Ltd		-	2,170
Cosco (Hong Kong) Shipping Co., Ltd		-	2,546
Cosco (Qidong) Offshore Co., Ltd		-	398
Cosco (Shanghai) Shipyard Co., Ltd		-	1,581
Cosco Petroleum Pte Ltd		-	476
Cosco Shipping (Singapore) Petroleum Pte Ltd		-	734
Cosco Shipping (Hong Kong) Insurance Brokers Limited		-	894
Cosco Shipping (South East Asia) Pte Ltd		-	282
Cosco Shipping Energy Transportation Co Ltd	Subsidiaries of Controlling Shareholders	-	205
Cosco Shipping Specialized Carriers Co., Ltd		-	392
Cosco Shipping Technology Co., Ltd.		-	766
Golden Logistics & Storage Sdn. Bhd.		-	18,332
Refined Success Limited		-	561
Cosco Shipping Lines Co.Ltd		-	467
OOCL (Vietnam) Co., Ltd.		-	124
Cosco Shipping Lines (Vietnam) Company Limited		-	397
Tosco Keymax International Ship Management Co., Ltd		-	392
Chimbusco International Petroleum (S) Pte Ltd		-	477
Xing Yuan Pte Ltd		-	407
Golden Land (27) Pte Ltd		-	781
Golden Land (26) Pte Ltd		-	
Total		-	36,125

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

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

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

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

BY ORDER OF THE BOARD

Mr Zhu Jian Dong
Chairman and President
1/3/2021

CONFIRMATION BY THE BOARD

We hereby confirm on behalf of the directors of the company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the company which may render the financial year ended 31 December 2020 financial results to be false or misleading.

On behalf of the directors

Mr Zhu Jian Dong
Chairman and President

Mr Li Xi Bei
Director

1/3/2021