

Chairman's Statement

Audited Group Results for the Year Ended December 2020

The Board of Directors of Kingston Wharves Limited (KWL) is pleased to present the audited group results for the twelve months ended December 31, 2020.

KWL recorded revenues of J\$7.1 billion for the reporting period, a decline of 10% over the corresponding period in 2019. Profit before taxation decreased from J\$2.96 billion in 2019 to J\$2.70 billion in 2020, representing a 8% decline. Net profits attributable to shareholders reflected a 14% or J\$363 million decrease, moving from J\$2.60 billion in 2019 to J\$2.25 billion in 2020. Earnings per stock unit fell to \$1.57 from \$1.82 in 2019.

KWL declared dividends during the year of \$772 million. The dividend per stock unit of \$0.54 in 2020 was equivalent to the dividend per-stock unit in 2019.

Terminal Operations

The annual operating revenue for KWL's Terminal Operations Division amounted to \$5.6 billion, a decrease of 12% year on year. Operating profit for the Terminal Operations Division was \$1.99 billion, a decrease of 18% over the 2019 result. The Kingston Wharves terminal continues to handle a wide range of cargo types serving the domestic and transshipment markets. The volume of cargo handled during the year was reduced as a result of the COVID-19 pandemic.

Logistics

KWL's Logistics Services Division contributed \$2.27 billion in revenue, an increase of 2% year on year and accounted for 32% of revenue for 2020. Operating profit of \$868 million for the Logistics Services Division was up 29% relative to 2019. The Logistics Services Division has emerged as a resilient profit centre within KWL, while offering agile logistics solutions and providing useful alternatives to both commercial and personal effects clients. The division's modern warehousing, digital and systems capabilities also allowed KWL to maintain solid service levels notwithstanding the stringent health and safety requirements associated with the pandemic.

Outlook

Kingston Wharves in 2020, observed its 75th anniversary under the theme *Solid Foundation, Boundaryless Possibilities*.

The COVID-19 crisis served as a potent reminder of the company's longevity and ability to withstand challenges, recalibrate and stay focused on building for greater growth and profitability. Kingston Wharves was very active in tackling the crisis by establishing a COVID-19 management committee to implement prevention measures to safeguard its employees, customers and other stakeholders. The KWL team took steps to maintain the consistency of the company's operations through a range of initiatives to streamline processes and improve operational efficiency. The KWL port terminal remained operational throughout the COVID-19 crisis and maintained its position as a vital gateway for supplies into the island, while facilitating exports. KWL continued to operate as an essential service in the provision of connections to 30 regional shipping ports for bulk, breakbulk and containerized cargo, while serving as a global hub for motor vehicles.

During the year, Kingston Wharves rolled out digital technology to reduce the use of in-branch services and foster customer service excellence. KWL has introduced its *Click N Collect* cargo clearance initiative to improve the customer experience by reducing in-branch wait times and crowding while providing a real-time automated customer interface for cargo tracking.

KWL runs a diversified operation both in terms of our cargo-handling capacity and the range of customers we serve; our customers span multiple sectors—automotive, telecommunications, petroleum, energy, manufacturing, retail, tourism, services infrastructure and agri-business. We view this diversity of services and customers as a strength and intend to maintain it.

KWL is an International Ship and Port Facility (ISPS) code certified facility that is recognized for its strict adherence to international security standards. We will be enhancing our investment in robust security technology, policies and systems in 2021. In this period of relative economic uncertainty, we will prioritize our investment in security as a way of reducing the range of risk factors facing our clients.

We are currently pursuing opportunities for partnerships to expand our footprint locally and globally by leveraging our Special Economic Zone (SEZ) status to provide value-added logistics, and terminal handling services on a tax efficient basis.

Kingston Wharves has proven over its 75 years of existence, that we are a resilient company, able to navigate challenging times while remaining solidly profitable. Importantly, we have also maintained a strong balance sheet that will allow us to seize new opportunities through capital investment and acquisition even during periods of general economic adversity. We will prioritise the development of our terminal infrastructure and the addition of new services that diversify our customer base in the year ahead.

I take this opportunity to thank the KWL team for their safety efforts in an unprecedented year and our customers and shareholders for their continued support and confidence in us as a business.

Jeffrey Hall

Chairman

KINGSTON WHARVES LIMITED

TOP TEN SHAREHOLDERS AT DECEMBER 31, 2020

NAMES	SHAREHOLDING	% OF CAPITAL
JAMAICA PRODUCERS GROUP LTD	600,736,635	42.00
S.B.D. LLC	300,689,810	21.02
KINGSTON PORTWORKERS SUPERANNUATION FUND	159,665,745	11.16
SAJE LOGISTICS INFRASTRUCTURE LIMITED	128,207,690	8.96
MARITIME & TRANSPORT SERVICES LTD	68,125,418	4.76
SAGICOR POOLED EQUITY FUND	32,859,889	2.30
LANNAMAN & MORRIS (SHIPPING) LTD	28,845,258	2.02
NCB INSURANCE CO LTD. - A/C WT 181	9,000,000	0.63
SEAFREIGHT LINE LTD	6,029,108	0.42
SJIML A/C 3119	6,000,000	0.42
	1,340,159,553	93.7044
	JCS D	3,131
	MAIN REGISTER	1,223
NO. OF SHAREHOLDERS AT DECEMBER 31, 2020	TOTAL	4,354

KINGSTON WHARVES LIMITED

DIRECTORS' SHAREHOLDINGS AT DECEMBER 31, 2020

NAMES	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING	TOTAL
DIRECTORS				
BRUCE BRECHEISEN	NIL	S.B.D. LLC	300,689,810	300,689,810
KIM CLARKE	NIL	MARITIME & TRANSPORT SERVICES LTD. SAJE LOGISTICS INFRASTRUCTURE LIMITED A.E. PARNELL COMPANY LIMITED KINGSTON PORTWORKERS SUPERANNUATION FUND	68,125,418 128,207,690 4,277,776 159,665,745	360,276,629
JEFFREY HALL	NIL	JAMAICA PRODUCERS GROUP LIMITED SAJE LOGISTICS INFRASTRUCTURE LIMITED	600,736,635 128,207,690	728,944,325
MARSHALL HALL	NIL	JAMAICA PRODUCERS GROUP LIMITED	600,736,635	600,736,635
ROGER HINDS	NIL	TRANSOCEAN SHIPPING LIMITED SAJE LOGISTICS INFRASTRUCTURE LIMITED	1,481,481 128,207,690	
CHARLES JOHNSTON	47,058	JAMAICA FRUIT & SHIPPING LIMITED JAMAICA PRODUCERS GROUP LIMITED SAJE LOGISTICS INFRASTRUCTURE LIMITED KINGSTON PORTWORKERS SUPERANNUATION FUND	381,068 600,736,635 128,207,690 159,665,745	889,038,196
HARRIAT MARAGH	NIL	LANNAMAN & MORRIS SHIPPING LTD. SEAFREIGHT LINE LIMITED SAJE LOGISTICS INFRASTRUCTURE LIMITED KINGSTON PORTWORKERS SUPERANNUATION FUND	28,845,258 6,029,108 128,207,690 159,665,745	322,747,801
KATHLEEN MOSS	2,000	JAMAICA PRODUCERS GROUP LIMITED	600,736,635	600,738,635
ROBERT SCAVONE	NIL			NIL
GRANTLEY STEPHENSON	193,981	SAJE LOGISTICS INFRASTRUCTURE LIMITED	128,207,690	128,401,671
DORIAN VALDES	NIL			NIL
MARK F. WILLIAMS	90,000		0	90,000

KINGSTON WHARVES LIMITED**SENIOR MANAGERS' SHAREHOLDINGS AT DECEMBER 31, 2020**

NAMES	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING	TOTAL
JODENIA FERGUESON BRYAN	NIL			NIL
VALRIE CAMPBELL	25,000			25,000
LANCELOT GREEN	3,900			NIL
CLOVER MOODIE	40,000			40,000
STEPHAN MORRISON	NIL			NIL
CAPTAIN GEORGE REYNOLDS	NIL			NIL
DENISE WALCOTT-SAMUELS	NIL			NIL