

## **COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration Number: 196100159G)

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### **SHARE SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF APPROXIMATELY 40% OF THE ISSUED SHARES OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PT. OCEAN GLOBAL SHIPPING**

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#### 1. Introduction

The Board of Directors (the “**Board**”) of COSCO SHIPPING International (Singapore) Co., Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement on 4 August 2017 and wishes to announce that the Company has on 3<sup>rd</sup> Nov 2017 entered into a Share Sale and Purchase Agreement (the “**SPA**”) with COSCO SHIPPING (South East Asia) Pte Ltd (the “**Vendor**” and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of approximately 40% of the issued shares (the “**Sale Shares**”) of the issued and paid-up share capital of PT Ocean Global Shipping (the “**Target Company**”) by the Company (the “**Proposed Acquisition**”) for a consideration of S\$13,953,370.86 (the “**Consideration**”) payable in cash. The Consideration has been calculated based on the amount of the agreed purchase price of IDR 136,838,000,000, converted at the exchange rate of IDR 10,000 to S\$1.0197. The agreed purchase price is based on the valuation of the Sale Shares as at 31 March 2017. Payment of the Consideration is to be made by the Company no later than 31 December 2018. The Company will fund the Proposed Acquisition using internal resources.

Completion of the sale and purchase of the Sale Shares is conditional upon *inter alia* the approval of the shareholders of the Target Company in accordance with the articles of association of the Target Company to the transfer of the Sale Shares from the Vendor to the Company, the approval from Indonesian Investment Coordinating Board in respect of the transfer of the Sale Shares from the Vendor to the Company (and where such approval is subject to any conditions, such conditions being acceptable to the Company) and the transfer of the Sale Shares by the Vendor being approved by and registration procedure completed with the state-owned asset supervision and administration commission of the People’s Republic of China or its authorised agency in accordance with applicable laws and regulations. Completion will take place after all the conditions precedent are satisfied and will be deemed to have occurred when all the steps to transfer the Sale Shares have been completed even though payment of the Consideration will occur only later.

The Proposed Acquisition is a “Non-Discloseable Transaction” as defined in Rule 1008 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”).

The Vendor is wholly-owned by China COSCO SHIPPING Corporation Limited. China Ocean Shipping (Group) Company, being the controlling shareholder of the Company, is also wholly-owned by China COSCO SHIPPING Corporation Limited. Therefore, the Proposed Acquisition is an “interested person transaction” (“**IPT**”) within the meaning of Chapter 9 of the Listing Manual.

2. Information on the Target Company

The Target Company is a company incorporated in 1994 in Jakarta, Indonesia. The businesses of the Target Company include logistic service, container canvassing and management, ship agency and chartering and bunkering and recorded a profit for the last financial year.

As at the date of this announcement, the Vendor holds 49% of the issued shares of the Target Company. The remaining 51% shares in the Target Company are held by PT Global Putra Indonesia Maritime (“**GPIM**”).

The Target Company currently holds the entire issued and paid-up capital of PT Global Terminal Marunda (“**PT GTM**” and together with the Target Company, the “**Target Group**”), a company incorporated in Jakarta, Indonesia. The principal activities of PT GTM are container storage and container maintenance.

3. Consideration and value of assets acquired

The Consideration was arrived at on willing-buyer willing-seller basis taking into consideration a valuation conducted by Mazars LLP, an independent valuer, which was jointly appointed by the Parties. The aggregate valuation of the Sale Shares was determined to be from IDR 134,655,000,000 to IDR 139,022,000,000 with a mid-point value of IDR 136,838,000,000 (equivalent to approximately S\$13,953,370.86, converted at the exchange rate of IDR 10,000 to S\$1.0197) as at 31 March 2017. The Valuation was conducted under the market value basis.

Based on the latest audited consolidated financial statements of the Target Company for the financial period ended 31 March 2017, the net tangible asset value of the Sale Shares is IDR 83,290,383,637.

4. Rationale for the Proposed Acquisition

The Company has previously announced, in connection with the disposal of its shipyard business, that it is actively reviewing potential investment opportunities. The Company believes that the Proposed Acquisition will allow the Company to own a stake in a profitable business which is complementary to the continuing business of the Company and which will also provide the Company an opportunity to develop further in the logistics sector in Southeast Asia.

5. IPT

The Vendor is wholly-owned by China COSCO SHIPPING Corporation Limited. China Ocean Shipping (Group) Company, being the controlling shareholder of the Company, is also wholly-owned by China COSCO SHIPPING Corporation Limited. Pursuant to Chapter 9 of the Listing Manual, in relation to the Proposed Acquisition, the Vendor is an “interested person”, the Company is an “entity at risk” and the Proposed Acquisition is accordingly an IPT. Therefore, the Proposed Acquisition is an IPT.

Mr Gu Jing Song, who is a director of the Company, is also a director of the Target Company.

The Consideration of S\$13,953,370.86 represents approximately 4.27% of the latest audited net tangible assets value (“**NTA**”) of the Group as at 31 December 2016 of S\$326,524,000. In accordance with Chapter 9 of the Listing Manual, the Proposed Acquisition is an IPT, the aggregate transaction value of which is more than 3% but less than 5% of the latest audited NTA of the Group, and is hence subject to an immediate announcement to be made.

Other than in connection with the Proposed Acquisition, transactions less than S\$100,000, transactions which have been specifically approved by the Company’s shareholders and transactions under the general mandate for recurrent transactions with interested persons approved by shareholders at the Company’s extraordinary general meeting on 20 April 2017, the aggregate value of all IPTs entered into by the Group with the same interested person for the current financial year amounts to S\$15,966,037 representing approximately 4.89% of the latest audited NTA of the Group. Other than the foregoing, the Group has not entered into any other IPTs in the current financial year.

The Audit Committee of the Company has reviewed the terms of the Proposed Acquisition and are of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. Interests of Directors and Controlling Shareholders

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

By Order of the Board  
**COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.**

Gu Jing Song  
Vice Chairman and President  
3 November 2017