



COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

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**NON-BINDING MEMORANDUM OF UNDERSTANDING 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**

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**”) wishes to announce that the Company has on 4 August 2017 entered into a non-binding Memorandum of Understanding (the “**MOU**”) 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**”).

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

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, if proceeded with, would constitute an “interested person transaction” within the meaning of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The Proposed Acquisition is expected to be of a value less than 5% of the latest audited net tangible assets of the Group.

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. Principal terms of the MOU

The principal terms of the MOU are as follows:

3.1 The terms of the Proposed Acquisition shall be governed by:

- (a) a sale and purchase agreement between the Parties under which the Vendor will sell, and the Purchaser will purchase the Sale Shares on terms and conditions to be agreed between the Parties (the “SPA”); and
- (b) a shareholders' agreement among the Parties and GPIM to regulate their respective rights and responsibilities to operate and manage the business and affairs of the Target Company on terms and conditions to be agreed among the Parties and GPIM.

3.2 The purchase consideration for the Sale Shares shall be determined after further negotiations between the Parties taking into account, *inter alia*, the result of a valuation to be conducted by an independent valuer, to be appointed jointly by the Parties.

3.3 Completion of the SPA will be subject to customary conditions to be set out in the SPA.

3.4 The Parties will use reasonable efforts to negotiate, prepare and execute the SPA and complete the Proposed Acquisition as soon as practicable from the date of the MOU.

4. 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.

5. Further Announcements

The Company will make further announcements in the event that the definitive SPA is signed, and when there are material developments in respect of the Proposed Acquisition.

6. Caution

Shareholders are advised to exercise caution when dealing or trading in the shares of the Company as there is no certainty or assurance that a definitive SPA in respect of the Proposed Acquisition will be entered into or that the Proposed Acquisition will be proceeded with. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

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

By Order of the Board
Gu Jing Song
Vice Chairman and President
4 August 2017