

COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 196100159G)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF GOLDEN LOGISTICS & STORAGE SDN BHD FROM AN INTERESTED PERSON

1. INTRODUCTION

The Board of Directors of COSCO SHIPPING International (Singapore) Co., Ltd. (the “**Company**” and its subsidiaries, collectively the “**Group**”) wishes to voluntarily announce, under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited relating to interested person transactions, that the Company’s wholly-owned subsidiary, SH Cogent Logistics Pte Ltd (the “**Purchaser**”) has today entered into a conditional share sale agreement (“**Share Sale Agreement**”) with COSCO Shipping (South East Asia) Pte Ltd (the “**Vendor**”) to acquire an aggregate of 10,000,000 ordinary shares (the “**Sale Shares**”) of Golden Logistics & Storage Sdn Bhd (the “**Target Company**”), representing the entire issued and paid-up share capital of the Target Company (the “**Proposed Acquisition**”). The Proposed Acquisition is in the ordinary course of business of the Group, and is not expected to have a material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2023.

2. DETAILS OF THE INTERESTED PERSON

The Vendor is a company incorporated in Singapore wholly-owned by China COSCO SHIPPING Corporation Limited (“**China COSCO Shipping**”), a state-owned enterprise headquartered in Shanghai, China.

The Company’s immediate holding company, China Ocean Shipping Company Limited (“**COSCO Group**”), is also wholly-owned by China COSCO SHIPPING. Accordingly, the Vendor is an associate of China COSCO Shipping and is therefore considered to be an “interested person” and the Proposed Acquisition constitutes an “interested person transaction” within the meaning of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

3. RATIONALE FOR AND BENEFIT OF THE PROPOSED ACQUISITION

The Target Company is principally involved in the operation of non-container shipping agency, bulk cargo agency and logistics (the “**Services**”). In the past years, the Target Company has established a good foundation for the Services. After the Proposed Acquisition, the Purchaser will be able to better provide its customers with integrated logistics solutions which include the Services. The Proposed Acquisition will thus promote the business integration of the Purchaser in Malaysia and enable the Purchaser to further expand its business scope.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

Pursuant to the Share Sale Agreement, the salient terms of the Proposed Acquisition are as follows:

4.1 Consideration and Payment

The aggregate consideration for the Sale Shares is MYR 10.86 million (the “**Consideration**”).

The Consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendor on a willing-buyer willing-seller basis taking into account, *inter alia*, the latest audited financial statements and the financial due diligence findings of the Target Company and an indicative valuation of 100% equity interest in the Target Company conducted by an independent professional valuer agreed upon between the Vendor and the Purchaser, and whose formal appointment was eventually made by the Vendor and the Target Company.

The Consideration shall be satisfied in cash by the Purchaser on completion of the Share Sale Agreement (“**Completion**”).

4.2 Conditions Precedent

4.2.1 Conditions to be fulfilled within the Conditional Period (as defined below)

The obligation of the Purchaser and the Vendor to proceed with Completion is conditional upon the satisfaction (or waiver) of the following conditions precedent being obtained, procured and/or fulfilled within the period of ninety (90) days from the date of the Share Sale Agreement with an automatic extension of an additional thirty (30) days or such further period as the parties may mutually agree (such period, the “**Conditional Period**”):

- (a) the Proposed Acquisition having been approved by the directors of the Purchaser;
- (b) all necessary approvals of the directors and/or members of the Vendor and/or the Target Company (as required) for the Proposed Acquisition being obtained;
- (c) the Vendor having provided to the Purchaser the audited balance sheets and profit and loss accounts of the Target Company at as 30 June 2023 (including all documents required by law to be annexed with them) and the latest audited financial statements of the Target Company for the financial year ended 31 December 2022;
- (d) the Purchaser being satisfied with the results of its due diligence investigation into the financial, legal, business, contractual, tax position and prospects of the Target Company and the Target Company’s title to its respective assets and liabilities;
- (e) if required, the Vendor having procured written consents or approvals from the banks or financial institutional lender to the Target Company to continue with the banking facilities with conditions not more onerous or detrimental to the Target Company than those presently existing;
- (f) the Vendor having procured and maintained, at its own costs, the necessary licenses and/or approvals from the governmental, regulatory body or competent authority for the Target Company to carry out the business legally in Malaysia; and
- (g) such other waivers, consents or approvals as may be required (or deemed necessary by the parties) from any third party, ministry, governmental authority,

regulatory body or competent authority having jurisdiction over any part of the transactions contemplated under the Share Sale Agreement being obtained.

If any one of the conditions precedent set out above is not fulfilled or waived within the Conditional Period such that Completion does not take place, the Share Sale Agreement shall cease and determine. Upon such cessation and determination of the Share Sale Agreement, none of the parties shall have any claim against the other for costs, damages, compensation or otherwise in respect of the non-completion of the Share Sale Agreement, except in respect of antecedent breaches, if any.

4.2.2 Further conditions to Completion

The obligation of the Purchaser and the Vendor to complete the Proposed Acquisition is further conditional upon:

- (a) no termination event (as set out in the Share Sale Agreement) having occurred or would occur as a result of Completion;
- (b) the conditions precedent set out in paragraph 4.2.1 having been satisfied or waived within the Conditional Period;
- (c) there being no material adverse change in the financial condition or operation of the Company since the date of the Share Sale Agreement;
- (d) the Vendor not having breached all representations, warranties, covenants and undertakings made by the Vendor under the Share Sale Agreement, and all representations and warranties made by the Vendor contained in the Share Sale Agreement are true and accurate as at the Completion date, as if given on that date by reference to the facts and circumstances then existing; and
- (e) no governmental entity having enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which has or would have the effect of making the transactions contemplated under the Share Sale Agreement illegal or restraining or prohibiting consummation of any transaction contemplated under the Share Sale Agreement.

5. **STATEMENT BY AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee of the Company has reviewed and approved the Share Sale Agreement and is 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. **TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS**

For the current financial year:

- 6.1 the current total of all interested person transactions including the Proposed Acquisition (excluding transactions which are less than S\$100,000 and transactions under the Company's general mandate for interested person transactions) entered into by the Group with China COSCO SHIPPING and its associates is S\$3,112,551 representing 0.67% of the Group's latest audited net tangible assets value of S\$467,283,000; and

6.2 the current total of all interested person transactions including the Proposed Acquisition entered into by the Group excluding transactions which are less than S\$100,000 and transactions under the Company's general mandate for interested person transactions after the transaction, is S\$3,112,551.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

Mr Zhu Jian Dong and Mr Guo Hua Wei who are directors of the Company, are members of the managing body of or directors nominated by COSCO Group, the Company's 53.35% shareholder and wholly-owned subsidiary of China COSCO Shipping, and had abstained from making any recommendation and giving any approval in respect of the Proposed Acquisition.

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than by reason of their shareholdings and/or directorships in the Company) in the Proposed Acquisition.

By Order of the Board

Zhu Jian Dong
Chairman and President
15 December 2023