

COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 196100159G)

ANNOUNCEMENT PURSUANT TO RULE 704(18)(C) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED – PROPOSED DISPOSAL OF SHARES IN GREATING FORTUNE PTE LTD

1. INTRODUCTION

The board of directors (“**Board**” or the “**Directors**”) of COSCO SHIPPING International (Singapore) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary, Cogent Container Depot Pte Ltd (“**CCDPL**”) has entered into a conditional Share Purchase Agreement with Grand Forward (S) Pte Ltd (“**GFSP**”) and Triros Singapore Investment Pte Ltd (“**TSIPL**”) pursuant to which CCDPL agrees to sell and GFSP and TSIPL agree to purchase from CCDPL an aggregate of 225,000 ordinary shares (the “**Sale Shares**”) representing 51% of the issued and paid-up share capital of Greating Fortune Pte Ltd (“**GF**”) (the “**Proposed Disposal**”).

2. INFORMATION RELATING TO THE PROPOSED DISPOSAL

2.1 Rationale for the Proposed Disposal

GF was incorporated on 16 June 2017 in Singapore for the purpose of undertaking a joint venture among CCDPL, GFSP and TSIPL. GF’s scope of business is, amongst others, to develop, establish, manage and operate the business of carrying out container repair, maintenance and washing work for customers of CCDPL at CCDPL’s premises in Singapore.

As part of the Group’s development strategy for CCDPL to focus its operation on the yard business instead of the container repair and maintenance business, CCDPL is disposing of its shareholdings in GF to GFSP and TSIPL.

2.2 The Purchasers

The purchasers of the Sale Shares, GFSP and TSIPL, are existing shareholders of GF. As at the date of this announcement, GFSP holds 125,000 ordinary shares representing 25% of the issued share capital of GF and TSIPL holds 120,000 ordinary shares representing 24% of the issued share capital of GF.

Under the Share Purchase Agreement, GFSP shall acquire from CCDPL 175,000 ordinary shares and TSIPL shall acquire 80,000 ordinary shares representing 35% and 16% respectively of the issued share capital of GF.

3. CONSIDERATION FOR THE PROPOSED DISPOSAL

3.1 The aggregate consideration for the Proposed Disposal is S\$293,022 (the “**Consideration**”) which was arrived at on a “willing-buyer, willing-seller” basis taking into consideration the valuation of the Sale Shares commissioned by GF as at 30 November 2018.

3.2 The Consideration shall be payable in cash by the purchasers upon completion of the Proposed Disposal.

- 3.3 The net book value of the Sale Shares as at 30 November 2018 was approximately S\$293,000.
- 3.4 Completion of the Proposed Disposal is conditional upon the fulfilment of certain conditions precedent. On completion, CCDPL will transfer the Sale Shares to GFSPL and TSIPL, and GF will cease to be a subsidiary of CCDPL.

4. **FINANCIAL EFFECTS**

The Proposed Disposal is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2018.

5. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for their shareholdings in the Company, none of the Directors and controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal.

By Order of the Board

Gu Jing Song
Vice Chairman and President
21 December 2018