



ENTRY INTO OF JOINT VENTURE AGREEMENT WITH SUPPLY FORTUNE LIMITED, 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 announce that the Company has today entered into a joint venture agreement with Supply Fortune Limited (“**SF**”) to undertake investments in logistics infrastructure assets, with the objective of growing logistics supply chain value in the Southeast Asia region, and to lease such assets for rental income. The parties have agreed, under the joint venture agreement, to incorporate a joint venture company in Singapore pursuant to which the Company and SF shall subscribe for 49% and 51% of the issued and paid-up share capital of the joint venture company respectively.

2. Interested person transaction

SF is a wholly-owned subsidiary of COSCO SHIPPING Holdings (Hong Kong) Co. Limited, which is in turn a wholly-owned subsidiary of COSCO SHIPPING Holdings Co., Ltd.. China COSCO SHIPPING Corporation Limited (“**CSC**”), the controlling shareholder of the Company owns the entire equity interest of China Ocean Shipping Company Limited (“**COSCO Group**”), which holds 53.35% of the shares of the Company and 36.81% of the shares in COSCO SHIPPING Holdings Co., Ltd.. Accordingly, SF is an associate of CSC and is therefore considered an “interested person” as defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited and the joint venture is regarded as an interested person transaction.

3. Rationale and benefit for the joint venture

With container shipping as the core, the joint venture will create a digital supply chain investment platform, which is conducive to improving the service capability of the whole supply chain and providing customers with more high-quality and diversified digital supply chain products and solutions. The Group is also able to tap on the benefits of the joint venture partner to further develop the supply chain market in Southeast Asia, derive industry supply chain value, further enhance the supply chain products in Southeast Asia, and improve the level of end-to-end business customer service.

4. Details of the joint venture agreement

Under the terms of the joint venture agreement, the joint venture company shall have a board of directors which consists of 5 directors, unless otherwise unanimously agreed by the shareholders of the joint venture company in writing. The composition of the board of the joint venture company shall initially comprise of 2 persons to be appointed by the Company and 3 persons to be appointed by SF. A director nominated by SF shall be appointed as the chairman of the board of the joint venture company but the chairman shall not have any second or casting vote. Where any financing by the shareholders of the joint venture company is to be provided, such financing (including the provision of any guarantee or security) shall be provided by the shareholders in their respective shareholding proportions.

The shareholders are subject to pre-emptive rights in relation to the issue and transfer of shares of the joint venture company.

5. Total value of interested person transactions

For the current financial year:

- 5.1 the current total of all transactions entered into by the Group with CSC and its associates after the transaction is S\$1,853,785.83, excluding transactions which are less than S\$100,000 and transactions under the Company's general mandate for interested person transactions; and
- 5.2 the current total of all interested person transactions 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\$20,192,259.94.

6. SGX Listing Manual

Rule 916(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited provides that shareholders' approval will not be required for investment in a joint venture with an interested person if: (a) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner; (ii) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

SF does not have an existing equity interest in the joint venture prior to the participation of the Company. Pursuant to the terms of the joint venture, the risks and rewards of the joint venture are in proportion to the equity shareholdings of the Company and SF respectively. Pursuant to Rule 916(2) of the Listing Manual, the Audit and Risk Management Committee of the Company, having reviewed the joint venture agreement, is of the view that the risks and rewards of the joint venture are in proportion to the respective equity shareholdings of the Company and SF in the joint venture company, and the terms of the joint venture agreement are not prejudicial to the interests of the Company and its minority shareholders.

7. Financial impact

The entry into the joint venture agreement 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 2023.

8. Interests of Directors and Controlling Shareholders

Mr Zhu Jian Dong and Mr Guo Hua Wei who are directors of the Company and members of the managing body of or directors nominated by COSCO Group had abstained from making any recommendation and giving any approval in respect of the joint venture.

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 joint venture.

By Order of the Board

Zhu Jian Dong
Chairman and President
7 March 2023