

COGENT HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200710813D)

VOLUNTARY CONDITIONAL CASH OFFER FOR COGENT HOLDINGS LIMITED

1. Introduction

The board of directors (the "**Board**") of Cogent Holdings Limited (the "**Company**") wishes to inform its shareholders (the "**Shareholders**") that Bank of China Limited, Singapore Branch ("**BOC**"), for and on behalf of COSCO SHIPPING International (Singapore) Co., Ltd. (the "**Offeror**"), has on 3 November 2017 released an announcement (the "**Offer Announcement**") that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued ordinary shares (the "**Shares**") in the capital of the Company, including all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in accordance with Section 139 of the Securities and Futures Act (Chapter 289 of Singapore) and the Singapore Code on Take-overs and Mergers.

2. The Offer

The Offer Announcement states, *inter alia*, that subject to the terms and conditions to be set out in the formal offer document to be issued by BOC, for and on behalf of the Offeror, to the Shareholders in connection with the Offer (the "**Offer Document**"), the Offeror will make the Offer on the following basis:

- (a) the offer price for each Share (the "**Offer Price**") will be **S\$1.02 in cash**;
- (b) the Offeror does not intend to revise the Offer Price or any other terms of the Offer, save that the Offeror reserves the right to do so in a competitive situation;
- (c) the Shares will be acquired (i) fully paid-up; (ii) free from all liens, equities, pledges, mortgages, charges, encumbrances, rights of pre-emption, rights of first refusal, moratoriums, powers of sale, declarations of trust, hypothecation, retention of title, options or rights to purchase and other third party rights and interests of any kind or nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing ("**Encumbrances**"); and (iii) together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement (the "**Offer Announcement Date**") and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (collectively, "**Distributions**") that may be announced, declared, paid or made by the Company in respect of the Shares on or after the Offer Announcement Date;
- (d) if any Distribution is declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer and the settlement date in respect of the Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such

Distribution, the Offeror reserves the right to reduce the Offer Price payable in respect of such Shares by the amount of such Distribution;

- (e) the Offer will be extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer; and
- (f) the Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer, and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to all the Shares (excluding treasury shares) as at the close of the Offer.

A copy of the Offer Announcement is attached herewith to this announcement (the "**Announcement**") and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. Shareholders are advised to refer to the full text of the Offer Announcement.

3. Despatch of the Offer Document

The Offer Document, which will contain the terms and conditions of the Offer and enclose the appropriate form(s) of acceptance (the "**Offer Document**"), will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Offer Announcement.

4. Financial Adviser, Independent Financial Adviser and Offeree Circular

Credit Suisse (Singapore) Limited is acting as exclusive financial adviser to the Company with respect to this transaction.

The Board will, in due course, appoint an independent financial adviser ("**IFA**") in connection with the Offer. A circular containing, inter alia, the advice of the IFA and the recommendation of the directors of the Company who are considered independent for the purposes of the Offer will be sent to Shareholders within 14 days from the date of despatch of the Offer Document to be issued by or on behalf of the Offeror.

In the meantime, Shareholders are advised to exercise caution when dealing with their Shares and to refrain from taking any action in respect of their Shares which may be prejudicial to their interests. The Company will release further announcements at the appropriate junctures.

5. Responsibility Statement

The directors of the Company (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Offeror) are fair and accurate, and that there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Company jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

COGENT HOLDINGS LIMITED

Tan Min Cheow, Benson
Executive Director and Chief Executive Officer
3 November 2017

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VOLUNTARY CONDITIONAL CASH OFFER

by



BANK OF CHINA LIMITED, SINGAPORE BRANCH

(Entity No.: S36FC0753G)
(Foreign Company registered in Singapore)

for and on behalf of



COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.

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

to acquire all the issued ordinary shares in the capital of

COGENT HOLDINGS LIMITED

(Company Registration No.: 200710813D)
(Incorporated in the Republic of Singapore)

OFFER ANNOUNCEMENT

1. INTRODUCTION

Bank of China Limited, Singapore Branch ("**BOC**") wishes to announce, for and on behalf of COSCO SHIPPING International (Singapore) Co., Ltd. (the "**Offeror**") that, in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued ordinary shares ("**Shares**") in the capital of Cogent Holdings Limited ("**CHL**"), including all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror.

2. THE OFFER

- 2.1 **Terms of the Offer.** Subject to the terms and conditions to be set out in the formal offer document to be issued by BOC, for and on behalf of the Offeror, to shareholders of CHL ("**Shareholders**") in connection with the Offer (the "**Offer Document**"), the Offeror will make the Offer for all the Shares, in accordance with Section 139 of the Securities and Futures Act (Chapter 289) of Singapore, and the Code on the following basis:

- (a) **for each Share: S\$1.02 in cash (the “Offer Price”);**
- (b) **the Offeror does not intend to revise the Offer Price or any other terms of the Offer, save that the Offeror reserves the right to do so in a competitive situation;**
- (c) the Shares will be acquired:
 - (i) fully paid-up;
 - (ii) free from all liens, equities, pledges, mortgages, charges, encumbrances, rights of pre-emption, rights of first refusal, moratoriums, powers of sale, declarations of trust, hypothecation, retention of title, options or rights to purchase and other third party rights and interests of any kind or nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing (“**Encumbrances**”); and
 - (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the “**Offer Announcement Date**”) and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (collectively, “**Distributions**”) that may be announced, declared, paid or made by CHL in respect of the Shares on or after the Offer Announcement Date.

Accordingly, if any Distribution is announced, declared, paid or made by CHL on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer and the settlement date in respect of the Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable in respect of such Shares by the amount of such Distribution.

- 2.2 **Shares of parties acting in concert.** The Offer will be extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in connection with the Offer.
- 2.3 **Offer Acceptance Condition.** The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer, and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to all the Shares (excluding treasury shares) as at the close of the Offer (such condition, the “**Offer Acceptance Condition**”).

Pursuant to the Irrevocable Undertakings (as defined in paragraph 3 below), the aggregate number of Shares held by the Undertaking Shareholders (as defined in paragraph 3 below) amounts to 403,502,775 Shares, representing approximately 84.33% of all Shares in issue as at the Offer Announcement Date.

Based on the total number of issued Shares as at the Offer Announcement Date, the Offer Acceptance Condition will be satisfied upon receipt of valid acceptances from the Undertaking Shareholders pursuant to the Irrevocable Undertakings and the Offer will become and be capable of being declared unconditional as to acceptances and in all other respects.

Save for the Offer Acceptance Condition, the Offer will not be subject to any other conditions.

- 2.4 **No Options and Awards.** As at the Offer Announcement Date, CHL has in place the following employee or performance share incentive schemes:

- (a) the Cogent Holdings Employee Share Option Scheme (the “**ESOS**”); and
- (b) the Cogent Holdings Performance Share Plan (the “**PSP**”).

Based on the latest information available to the Offeror, as at the Offer Announcement Date, as CHL has not implemented the ESOS or the PSP, there are no outstanding options granted pursuant to the ESOS (“**Options**”) and no outstanding awards granted pursuant to the PSP (“**Awards**”). Accordingly, the Offer will not be extended to any Share allotted and issued pursuant to the exercise of any Option or the vesting of any Award and no comparable offer for, or other proposal in respect of, any Option or Award will be made by BOC, for and on behalf of the Offeror, in connection with the Offer.

- 2.5 **Further information.** Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document to be issued.

3. IRREVOCABLE UNDERTAKINGS TO ACCEPT THE OFFER

- 3.1 **Undertaking Shareholders.** As at the Offer Announcement Date, the Offeror has received irrevocable undertakings to, amongst other things, accept the Offer (the “**Irrevocable Undertakings**”) from each of the following Shareholders who are the legal and/or beneficial owners of an aggregate of 403,502,775 Shares (representing approximately 84.33% of all the Shares in issue as at the Offer Announcement Date):

- (a) Mr. Tan Yeow Khoo;
- (b) Mr. Tan Yeow Lam;
- (c) Mr. Tan Min Cheow, Benson; and
- (d) Madam Ng Poh Choo,

(collectively, the “**Undertaking Shareholders**” and each, an “**Undertaking Shareholder**”).

- 3.2 **Irrevocable Undertakings.** Under the terms of the Irrevocable Undertakings, each Undertaking Shareholder has unconditionally and irrevocably undertaken, represented and warranted to the Offeror, amongst other things:

- (a) to accept, or procure the acceptance of, the Offer (including any revised or improved Offer by or on behalf of the Offeror) in respect of all (and not only some of) the Relevant Shares (as defined in paragraph 3.5 below) free from any Encumbrances;
- (b) to fulfil the undertaking in paragraph 3.2(a) above in respect of all the Relevant Shares within three (3) Market Days (as defined in paragraph 3.5 below) from the date that the Undertaking Shareholder receives written notice from the Offeror to fulfil the undertaking in paragraph 3.2(a) above, but in any event no later than two (2) Market Days prior to the first closing date of the Offer as stated in the Offer Document, in accordance with the

procedures to be prescribed in the Offer Document and the relevant accompanying form(s) of acceptance;

- (c) notwithstanding the provisions of any rights of withdrawal under the Code or any terms of the Offer regarding withdrawal, not to withdraw such acceptance(s) of the Offer in respect of all the Relevant Shares unless the Irrevocable Undertaking lapses in accordance with its terms;
- (d) the Relevant Shares will be transferred to the Offeror and/or its nominee(s) fully paid-up and free from all Encumbrances, and will be transferred to the Offeror and/or its nominee(s) together with all rights, benefits and entitlements attached thereto in accordance with the Offer as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all Distributions, if any, which may be announced, declared, paid or made thereon by CHL on or after the Offer Announcement Date);
- (e) not to accept (or permit the acceptance on their behalf of) any Competing Proposal (as defined in paragraph 3.5 below) in respect of all or any of the Relevant Shares, whether or not such Competing Proposal is at a higher price than the Offer Price for the Relevant Shares and/or on more favourable terms than the Offer;
- (f) not to approve, endorse, recommend, vote or agree to vote for any Competing Proposal, whether or not such Competing Proposal is at a higher price than the Offer Price for the Relevant Shares and/or on more favourable terms than the Offer; and
- (g) not (other than pursuant to the Offer) to dispose of or transfer (or permit the disposal or transfer of) all or any of the Relevant Shares to any other party (including through granting or creating any Encumbrances over any of the Relevant Shares or otherwise).

3.3 Key Undertaking Shareholders' Irrevocable Undertakings. Under the terms of the Irrevocable Undertakings entered into by Mr. Tan Yeow Khoo, Mr. Tan Yeow Lam and Mr. Tan Min Cheow, Benson (the "**Key Undertaking Shareholders**"), each Key Undertaking Shareholder has unconditionally and irrevocably undertaken, represented and warranted to the Offeror, amongst other things:

- (a) subject to compliance with each Key Undertaking Shareholder's fiduciary duties and obligations under the Code as a director of CHL, and in compliance with all applicable laws, regulations and rules, each Key Undertaking Shareholder shall use all reasonable endeavours to effect the reconstitution, on the day immediately after the consideration for the acceptance of the Relevant Shares has been settled in accordance with the Code ("**Reconstitution Date**"), of part of, or the entire board of CHL and each of the Group Companies (as defined in paragraph 3.5 below) (as informed to each Key Undertaking Shareholder by the Offeror), and in connection therewith, the appointment of such number of individuals ("**Nominees**") notified by the Offeror to each Key Undertaking Shareholder to the board of CHL and each of the Group Companies on the Reconstitution Date, provided that the Offeror shall: (i) provide the identities and necessary documentation in respect of such Nominees (who satisfy the requirements under the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and at least one (1) of whom shall be ordinarily resident in Singapore) to each Key Undertaking Shareholder and/or his legal adviser at least 10 Market Days prior to the Reconstitution Date; (ii) procure that each such Nominee signs a written consent to act by the Reconstitution Date; and (iii) have clearly indicated prior to the Reconstitution Date that the Offer will not be revised (the "**Reconstitution**") (as applicable);

- (b) in the case of Mr. Tan Yeow Khoon and Mr. Tan Yeow Lam, resign as directors of CHL and each of the Group Companies (as applicable) immediately after the Reconstitution and in any event, on the Reconstitution Date; and
- (c) in the case of Mr. Tan Min Cheow, Benson, resign as a director of CHL and each of the Group Companies (as applicable) on the date which CHL is delisted from the SGX-ST or such later date as notified by the Offeror to him.

3.4 **Termination of Irrevocable Undertakings.** Each Irrevocable Undertaking shall terminate, lapse and cease to have any effect if for whatever reason, other than as a result of a breach by the relevant Undertaking Shareholder of any of his or her obligations set forth in the Irrevocable Undertaking, amongst other things:

- (a) the Offer is not made (by posting of the Offer Document) by the time permitted under the Code; or
- (b) the Offer is withdrawn without becoming or being declared unconditional in all respects.

3.5 **Definitions.** For the purposes of the Irrevocable Undertakings:

- (a) **“Competing Proposal”** means an expression of interest, offer or proposal by a party other than the Offeror to:
 - (i) (whether directly or indirectly) acquire or become the holder of, or otherwise have an economic interest in:
 - (A) all or any material part of the assets, businesses, revenues and undertakings of any Group Company (it being acknowledged that an acquisition of assets, businesses, revenues and undertakings of the Group shall be regarded as material for this purpose if the assets, businesses, revenues and undertakings constitute a “material amount” as defined in Note 2 to Rule 5 of the Code); or
 - (B) any of the share capital of any Group Company;
 - (ii) acquire control of CHL (whether through a general offer or otherwise) or any of its subsidiaries;
 - (iii) otherwise acquire or merge with any Group Company (whether by way of a joint venture, dual-listed company structure, scheme of arrangement or otherwise); or
 - (iv) effect a transaction or series of related transactions which would or is reasonably likely to preclude or restrict the Offer.
- (b) **“Group”** means CHL and its subsidiaries, and a **“Group Company”** shall be construed accordingly;
- (c) **“Market Day”** means a day on which the SGX-ST is open for trading of securities;
- (d) **“Relevant Shares”** means:
 - (i) the Shares held by the Undertaking Shareholders;

- (ii) any other Shares or securities in the capital of CHL which the Undertaking Shareholders may directly or indirectly and through their nominee(s) or otherwise, become the legal and/or beneficial owner of; and
- (iii) any other Shares or securities in the capital of CHL deriving from Shares or securities in the capital of CHL obtained by way of:
 - (A) any dividends, other distribution or return of capital (whether in cash or otherwise) by CHL; or
 - (B) any allotment, creation or issue of shares or other securities convertible into shares, or grant of options or other rights to subscribe for Shares, by CHL,

whether pursuant to any bonus issue, rights issue or distribution or otherwise.

3.6 **No other Undertakings.** Save for the Irrevocable Undertakings, as at the Offer Announcement Date, neither the Offeror nor any party acting in concert with it has received any undertaking from any other party to accept or reject the Offer.

3.7 **Offer Acceptance Condition.** Shareholders should note that, following receipt by the Offeror of valid acceptances of the Offer from the Undertaking Shareholders in accordance with the terms of the Irrevocable Undertakings, the Offer Acceptance Condition will be satisfied, and, accordingly, the Offer will become and be capable of being declared unconditional as to acceptances and in all other respects, assuming there is no change in the total number of Shares after the Offer Announcement Date.

In connection therewith, Shareholders should also note that the Offeror does not intend to maintain the listing status of CHL and that it intends to exercise (if and when entitled) the Compulsory Acquisition Right (as defined in paragraph 12 below).

4. DEFERRED CONSIDERATION

4.1 **Deferred Consideration.** The Key Undertaking Shareholders have agreed to waive their rights to receive, in aggregate, an amount equal to S\$20 million (the “**Deferred Consideration**”) within the time period prescribed under Rule 30 of the Code.

4.2 **Payment of Deferred Consideration.** The Key Undertaking Shareholders have agreed that the Offeror shall, subject to terms and conditions to be separately agreed, be entitled to hold back the Deferred Consideration from the aggregate offer price payable to the Key Undertaking Shareholders.

4.3 **Further details.** Further details of the Deferred Consideration are set out in Part 4 of the Schedule to this Announcement.

5. CEO SERVICE AGREEMENT

5.1 **CEO Service Agreement.** The Offeror intends and desires that there be continuity of management and minimal disruption to CHL’s business. For this purpose, Mr. Tan Min Cheow, Benson will enter into a service agreement with CHL, pursuant to which he will, amongst other things, be employed by CHL for a period ending on the date falling three (3) years from the date on which Mr. Tan Min Cheow, Benson tenders his Shares in acceptance of the Offer.

6. INFORMATION ON THE OFFEROR

6.1 **Date of incorporation and listing.** The Offeror is a public limited company incorporated in Singapore and listed on the mainboard of the SGX-ST.

6.2 **Directors of the Offeror.** The directors of the Offeror as at the Offer Announcement Date are:

- (a) Mr. Wang Yu Hang (Chairman and Non-Independent and Non-Executive Director);
- (b) Mr. Gu Jing Song (Vice Chairman, President and Non-Independent Executive Director);
- (c) Mr. Li Xi Bei (Non-Independent Executive Director);
- (d) Mr. Liang Yan Feng (Non-Independent and Non-Executive Director);
- (e) Mr. Tom Yee Lat Shing (Non-Executive Lead Independent Director);
- (f) Dr. Wang Kai Yuen (Non-Executive Independent Director);
- (g) Mr. Er Kwong Wah (Non-Executive Independent Director);
- (h) Mr. Ang Swee Tian (Non-Executive Independent Director);
- (i) Mr. Li Man (Alternate to Mr. Wang Yu Hang); and
- (j) Mr. Ouyang Chao Mei (Alternate to Mr. Liang Yan Feng).

6.3 **Share capital.** As at the Offer Announcement Date, the Offeror has an issued and paid-up capital of approximately S\$270,608,381.71 comprising 2,239,244,954 issued shares with no treasury shares (based on the results of the instant information search of the Offeror dated the Offer Announcement Date conducted with the Accounting and Corporate Regulatory Authority of Singapore).

6.4 **Substantial shareholder of the Offeror.** As at the Offer Announcement Date, China Ocean Shipping (Group) Company (“**COSGC**”) has a direct interest in 1,194,565,488 issued ordinary shares of the Offeror, representing approximately 53.35% of the issued share capital of the Offeror. China COSCO Shipping Corporation Limited (“**China COSCO**”) is deemed interested in the 1,194,565,488 issued ordinary shares held by COSGC.

7. INFORMATION ON CHL

7.1 **Date of incorporation and listing.** CHL is a public limited company incorporated in Singapore and listed on the mainboard of the SGX-ST. CHL and its subsidiaries (the “**Group**”) are Singapore's leading logistics management service providers with a broad-based clientele that includes local small and medium sized enterprises, large local companies and multinational companies.

7.2 **Directors of CHL.** The directors of CHL as at the Offer Announcement Date are:

- (a) Mr. Tan Yeow Khoo (Executive Chairman);
- (b) Mr. Tan Min Cheow, Benson (Executive Director and Chief Executive Officer);

- (c) Mr. Edwin Tan Yeow Lam (Managing Director);
- (d) Mr. Chan Soo Sen (Lead Independent Director);
- (e) Mr. Chua Cheow Khoon Michael (Independent Director); and
- (f) Mr. Teo Lip Hua Benedict (Independent Director).

7.3 **Share capital.** As at the Offer Announcement Date, CHL has an issued and paid-up capital of approximately S\$45,949,767 comprising 478,500,000 issued shares with no treasury shares (based on the results of the instant information search of CHL dated the Offer Announcement Date conducted with the Accounting and Corporate Regulatory Authority of Singapore).

8. RATIONALE FOR THE OFFER

8.1 **Rationale.** The Offeror is of the view that the Offer represents an opportunity for it to acquire control in one of Singapore's leading full service, integrated logistics service providers with a track record of over 40 years. It is envisaged that:

- (a) as the Offeror's ultimate holding company, China COSCO, has a well-established logistics business network throughout the People's Republic of China (the "**PRC**"), the Offeror will be able to leverage on China COSCO's existing logistics business platform to potentially develop new business opportunities in the logistics sector in Southeast Asia, taking advantage of the "Belt and Road Initiative" formulated by the PRC Government in 2013; and
- (b) the Offeror will be able to offer end-to-end services to its customers with logistical needs in Singapore and Malaysia, thereby increasing the Offeror's competitive edge in relation to its global competitors and entrenching its customers.

8.2 **Opportunity for Shareholders.** The Offer also provides an opportunity for Shareholders to realise their investments in CHL for cash, if they so choose, at a premium over the market prices of the Shares prior to the Offer Announcement Date and without incurring brokerage fees. The Offer Price:

- (a) represents a premium of approximately 242.1% over the net tangible asset ("**NTA**") per Share of S\$0.298 as at 30 June 2017 (being the end of CHL's immediately preceding financial quarter);
- (b) represents a premium of approximately 5.2% over the last transacted price per Share on the SGX-ST of S\$0.970 on 2 November 2017, being the last full trading day of CHL on the SGX-ST prior to the making of this Announcement (the "**Last Trading Day**"); and
- (c) represents a premium of approximately 6.2%, 12.7%, 20.3% and 30.6% over the volume weighted average price ("**VWAP**") per Share as transacted on the SGX-ST for the one (1)-month, three (3)-month, six (6)-month and twelve month periods up to and including the Last Trading Day, respectively.

9. SIC RULINGS

9.1 **SIC rulings.** The Securities Industry Council (“SIC”) has on 2 November 2017 confirmed, amongst other things, the following:

- (a) Rule 30 of the Code will not be applicable to the Deferred Consideration; and
- (b) subject to each of the Key Undertaking Shareholders submitting to the SIC a written confirmation to the effect that they are waiving their rights under Rules 15.2 and 30 of the Code in respect of the Deferred Consideration, the cash confirmation to be given by BOC (in confirming that the Offeror has sufficient resources available to satisfy full acceptance of the Offer) may exclude the Deferred Consideration.

10. FINANCIAL EVALUATION OF THE OFFER PRICE

10.1 **Financial evaluation.** The Offer Price represents the following premium over the historical traded prices of the Shares on the SGX-ST:

Description	Share Price (S\$) ⁽¹⁾⁽²⁾	Premium over Share Price (%) ⁽³⁾
Last transacted price per Share on the SGX-ST on the Last Trading Day	0.970	5.2
VWAP per Share as transacted on the SGX-ST for the one (1)-month period up to and including the Last Trading Day	0.960	6.2
VWAP per Share as transacted on the SGX-ST for the three (3)-month period up to and including the Last Trading Day	0.905	12.7
VWAP per Share as transacted on the SGX-ST for the six (6)-month period up to and including the Last Trading Day	0.848	20.3
VWAP per Share as transacted on the SGX-ST for the twelve month period up to and including the Last Trading Day	0.781	30.6

Notes:

- (1) Based on data extracted from Bloomberg L.P. Calculated by using the total value of the Shares traded over the total volume of the Shares traded for the relevant period.
- (2) Computed based on Share prices rounded to the nearest three (3) decimal places.
- (3) Percentage figures are rounded to the nearest one (1) decimal place.

11. OFFEROR’S INTENTIONS FOR CHL

The Offeror presently intends for CHL to continue with its existing business activities and has no intention to (i) introduce any major changes to the existing businesses of CHL, (ii) re-

deploy any of the major fixed assets of CHL, or (iii) discontinue the employment of any employees of the Group, other than in the ordinary course of business.

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of any member of the Group and/or the Offeror.

12. LISTING STATUS AND COMPULSORY ACQUISITION

- 12.1 **Free Float Requirement.** Pursuant to Rule 723 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), CHL must ensure that at least 10% of the total number of Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). Pursuant to Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and parties acting in concert with it to above 90% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that, if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of CHL at the close of the Offer.

Pursuant to Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, CHL must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Listing Manual further provides that the SGX-ST may allow CHL a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares (excluding treasury shares) held in public hands to at least 10%, failing which CHL may be removed from the Official List of the SGX-ST.

- 12.2 **Listing status.** The Offeror intends to privatise CHL and does not intend to maintain the listing status of CHL. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 723, Rule 724, Rule 1105, or Rule 1303(1) of the Listing Manual, the Offeror has no intention of undertaking or supporting any action for any such trading suspension by the SGX-ST to be lifted.

- 12.3 **Compulsory Acquisition Right.** Pursuant to Section 215(1) of the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”), in the event that the Offeror receives valid acceptances pursuant to the Offer or acquires Shares otherwise than through valid acceptances of the Offer, in respect of not less than 90% of the total number of Shares as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any treasury shares), the Offeror would be entitled to exercise its right to compulsorily acquire, at the Offer Price, all the Shares of Shareholders who have not accepted the Offer (the “**Compulsory Acquisition Right**”).

In such event, the Offeror intends to exercise the Compulsory Acquisition Right. The Offeror will then proceed to delist CHL from the SGX-ST.

- 12.4 **Section 215(3).** Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and their respective nominees, comprise 90% or more of the total number of Shares, Shareholders who have not accepted the Offer have a right to require the Offeror to

acquire their Shares at a consideration equal to the Offer Price. **Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.**

13. CONFIRMATION OF FINANCIAL RESOURCES

BOC, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer by the holders of the Shares, excluding the Deferred Consideration.

14. DISCLOSURES ON HOLDINGS AND DEALINGS

14.1 **Holdings.** As at the Offer Announcement Date and save as disclosed in Part 1 and Part 3 of the Schedule to this Announcement, none of (i) the Offeror and its directors; and (ii) BOC (collectively, the “**Relevant Persons**”):

- (a) owns, controls or has agreed to acquire any:
 - (i) Shares;
 - (ii) securities which carry voting rights in CHL; and
 - (iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in CHL,(collectively, the “**Relevant Securities**”);
- (b) has, other than the Irrevocable Undertakings, received any irrevocable undertaking to accept the Offer;
- (c) has, other than the Irrevocable Undertakings, entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or CHL which might be material to the Offer; or
- (d) has:
 - (i) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise;
 - (ii) borrowed from another person any Relevant Securities (excluding borrowed Relevant Securities which have been on-lent or sold); or
 - (iii) lent any Relevant Securities to another person.

14.2 **Dealings.** Save as disclosed in Part 2 of the Schedule to this Announcement, none of the Relevant Persons has dealt for value in any Relevant Securities in the three (3) months prior to the Offer Announcement Date (the “**Relevant Period**”).

14.3 **Further enquiries.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with it in connection with the Offer. Similarly, BOC has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with it in connection with the Offer.

Further enquiries will be made of such persons after the Offer Announcement Date by the Offeror and BOC and the relevant disclosures, if any, will be made in the Offer Document.

15. DOCUMENTS FOR INSPECTION

Copies of the Irrevocable Undertakings are available for inspection during normal business hours at the offices of Drew & Napier LLC at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 from the Offer Announcement Date until the close of the Offer.

16. OFFER DOCUMENT

The Offer Document, containing the terms and conditions of the Offer and enclosing the relevant acceptance form(s), will be despatched to Shareholders not earlier than 14 days, and not later than 21 days, from the Offer Announcement Date provided that there may be restrictions on despatching the Offer Document to any overseas jurisdiction as disclosed in paragraph 17 below. The Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

In the meantime, Shareholders are advised to exercise caution when dealing in their Shares, pending receipt of the Offer Document and where in doubt they should consult their stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser.

17. OVERSEAS SHAREHOLDERS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for, sell, or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the accompanying relevant form(s) of acceptance, which will contain the full terms and conditions of the Offer, including details on how the Offer may be accepted. **For the avoidance of doubt, the Offer will be open to all Shareholders holding Shares, including those to whom the Offer Document and the accompanying form(s) of acceptance may not be sent. Further details relating to the Overseas Shareholders (as defined below) will be contained in the Offer Document.**

The release, publication or distribution of this Announcement outside Singapore may be restricted by the laws of the relevant overseas jurisdictions and, therefore, persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe any applicable legal requirements.

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of CHL or in the records of The Central Depository (Pte) Limited (as the case may be) or who are otherwise not resident in Singapore (each an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable legal requirements in the relevant overseas jurisdictions.

18. RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to or expressed by the Group) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the Offeror jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by the Group.

Issued by

Bank of China Limited, Singapore Branch

for and on behalf of
COSCO SHIPPING International (Singapore) Co., Ltd.

3 November 2017

Forward-looking statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include, but are not limited to, those using words such as “aim”, “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “project”, “seek”, “strategy” and similar expressions or future conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently-available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those expressed or implied in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor BOC guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

SCHEDULE

PART 1 – HOLDINGS OF RELEVANT SECURITIES

The Relevant Persons do not hold any Relevant Securities as at the Offer Announcement Date.

PART 2 – DEALINGS OF RELEVANT SECURITIES

The Relevant Persons have not dealt in any Relevant Securities in the three (3) months prior to the Offer Announcement Date.

PART 3 – OTHER ARRANGEMENTS

Pursuant to a commitment letter entered into by the Offeror in connection with the Offer, the Offeror has agreed to grant a charge over all the Shares to be acquired by the Offeror in favour of BOC.

PART 4 – DETAILS OF THE IRREVOCABLE UNDERTAKINGS AND DEFERRED CONSIDERATION

Details of the (i) Undertaking Shareholders and the number of Shares to be tendered in acceptance of the Offer by each Undertaking Shareholder pursuant to their respective Irrevocable Undertakings and (ii) the amount of Deferred Consideration withheld from the Key Undertaking Shareholders are set out in the table below:

Name of Undertaking Shareholder	Number of Shares	Percentage of issued Shares ⁽¹⁾	Amount of Deferred Consideration
Mr. Tan Yeow Khoon	328,242,775	68.60%	S\$16,597,794
Mr. Tan Yeow Lam	65,000,000	13.58%	S\$3,286,764
Mr. Tan Min Cheow, Benson	2,283,000	0.48%	S\$115,442
Madam Ng Poh Choo	7,977,000	1.67%	N.A.
Total:	403,502,775	84.33%	S\$20,000,000

Note:

- (1) As a percentage of the total number of Shares in issue as at the Offer Announcement Date. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.