



**中远海运国际（新加坡）有限公司**  
**COSCO SHIPPING INTERNATIONAL**  
**(SINGAPORE) CO., LTD.**

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**Media Release**

**COSCO expands in Malaysia to create a consolidated logistics platform and provide its customers with a one-stop integrated service**

**SINGAPORE 13 August 2019** – Singapore Exchange (“SGX”) mainboard-listed COSCO SHIPPING International (Singapore) Co., Ltd. (the “Company”), one of Singapore’s leading logistics management service providers, today announced several new developments in Malaysia to further strengthen and develop the Company’s operations in Malaysia and to provide our customers with one-stop integrated logistics services :

- Proposed acquisition of 80% shares of Guper Integrated Logistics Sdn. Bhd. (“GIL”), Gem Logistics Sdn. Bhd. (“Gems”) and Dolphin Shipping Agency Sdn. Bhd. (“DSA”)
- Proposed acquisition of 80% shares of East West Freight Services Sdn. Bhd. (“EWF”)
- Proposed lease of land at Port Klang, Malaysia to construct a warehouse of approximately 300,000 square feet
- Proposed acquisition of assets by SH Cogent Logistics Sdn Bhd (“Cogent Malaysia”) from Golden Logistics & Storage Sdn Bhd (“Golden Logistics”)

The announced transactions advance on the Company’s strategy to expand its logistics network in South and Southeast Asia in tandem with the development of the logistics industry in Malaysia. The details are as follows:

**1. Proposed acquisition of 80% shares of Guper Integrated Logistics Sdn., Gem Logistics Sdn. Bhd., Dolphin Shipping Agency Sdn. Bhd. and East West Freight Services Sdn. Bhd.**

The total purchase price for 80% shares of GIL, Gems, DSA and EWF shall be a sum of RM 88 million. GIL, Gems and DSA are subsidiaries of Complete Logistic Services Berhad, a company listed on Bursa Malaysia.

GIL is a company incorporated in Malaysia and provides total logistic services with haulage, forwarding and other associated services.

Gems is a company incorporated in Malaysia and is principally involved in the provision of warehousing services.

DSA is a company incorporated in Malaysia and acts as a shipping agent for provision of freight services.

EFW is a company incorporated in Malaysia and is engaged in the principal business of providing freight, warehousing and forwarding agency services.

GIL, Gems, DSA and EFW have good track records, strong customer base as well as highly experienced management teams, which are not only complementary to the Company's current business operations but are also potentially synergistic between themselves and with the other components of the Company's logistic businesses in Malaysia. This acquisition is in-line with the Company's overall growth and development strategy, and beneficial to the expansion of the logistics businesses in Malaysia.

## **2. Proposed acquisition of assets by Cogent Malaysia from Golden Logistics**

The Company's subsidiary, Cogent Malaysia is in negotiation with Golden Logistics to finalise the acquisition of certain assets. The consideration for the Proposed Asset Acquisition is expected to be between RM 8 million and RM 10 million.

Golden Logistics is a subsidiary of COSCO SHIPPING (South East Asia) Pte Ltd ("COSCO SEA") which is in turn a subsidiary of China COSCO SHIPPING Corporation Limited. China Ocean Shipping Company Limited, being the controlling shareholder of the Company, is also wholly-owned by China COSCO SHIPPING Corporation Limited.

Golden Logistics has been in the logistics business in Malaysia for many years, has strong customer base as well as a strong management team. This acquisition of assets by Cogent Malaysia from Golden Logistics is expected to give full play to existing advantages of both companies, create operational leverage and build an even stronger management team.

The Company will make an announcement when the Proposed Asset Acquisition is entered into or when there is any material development in the acquisition.

## **3. Proposed lease of land at Port Klang, Malaysia to construct a warehouse of approximately 300,000 square feet**

The Company's subsidiary, Cogent Malaysia is in discussion with Westports Malaysia Sdn Bhd to firm up the lease in relation to the land situated at Port Klang, Malaysia.

As announced by the Company on 24 April 2019, the Company intends to construct a warehouse of approximately 300,000 square feet on the land for the Group's operations.

There has been a long-term shortage of quality warehousing facilities in Port Klang and an underlying customer demand for new warehouse facilities. This project not only fulfils current market demand, but also allows Cogent Malaysia

to capitalize on the competitive advantage it possesses in its main business of container transportation, and expands both the upstream and downstream services of its container transportation business.

The Company will make an announcement when the lease agreement is entered into or when there is any material development in the Proposed Lease.

#### **4. Optimization of business operations for Cogent Malaysia and its subsidiaries**

After the acquisition of Cogent Holdings Limited by the Company, the Company increased marketing efforts for Cogent Malaysia to improve business and operational efficiency. As a result of these efforts, Cogent Malaysia has increased its warehouse utilization rate and achieved better mix in its customer portfolio.

Upon completion of the above transactions, the Company will be able to create a consolidated platform to provide our customers with a one-stop integrated service, which will be expanded to include container haulage, freight forwarding, container depot and warehousing. Moving forward as an integrated platform, the Group expects to benefit from potential synergies and economies of scale, by engaging in cross-selling of services and business optimization with its related companies.

The Company will continue to actively expand its logistical networks through strategic acquisitions and investments as it strives to become the leading integrated logistics player in the South and Southeast Asian region.

*This release is an update on the Company's plans for its operations in Malaysia and, for better clarity, should be read together with the announcement that has been concurrently released on SGXNet.*

#### **About COSCO SHIPPING International (Singapore) Co., Ltd.**

Listed on the mainboard of the SGX, COSCO SHIPPING International (Singapore) Co., Ltd., aims to become one of the leading integrated logistics management service providers in South and Southeast Asia, following the 100% acquisition of Cogent Holdings Pte. Ltd. (formerly known as Cogent Holdings Limited) and 40% acquisition of PT Ocean Global Shipping Logistics, an associated company.

#### **For further information, please contact:**

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