COSCO Shipping International (Singapore) Proposed Disposal of Shipyard Assets to COSCO Shipping Heavy Industry

5th May 2017

Presentation Outline

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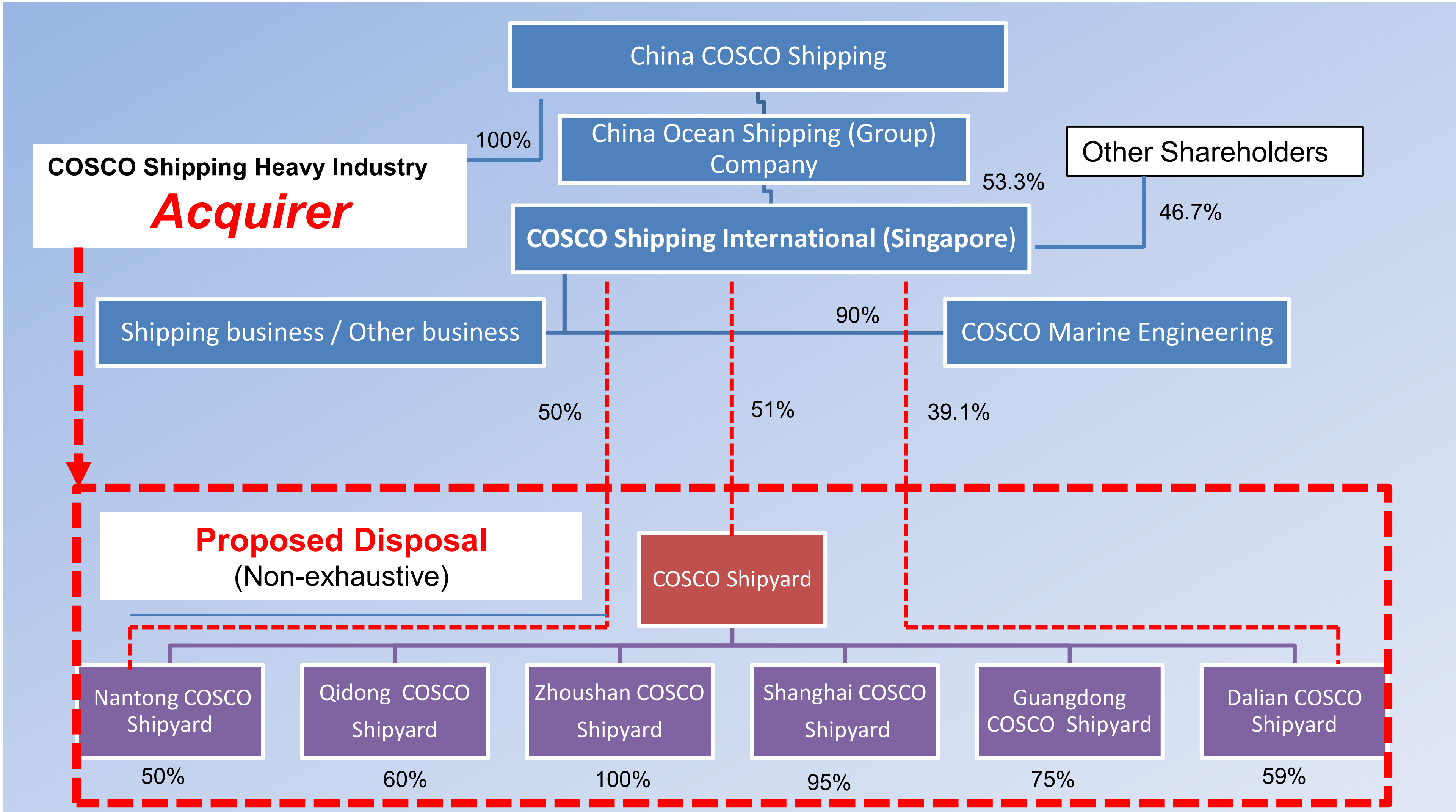
Transaction Highlights

Businesses for sale	▪ **51.0% stake in COSCO Shipyard Group Co. Ltd.** ▪ **50.0% stake in COSCO (Nantong) Shipyard Co. Ltd.** ▪ **39.1% stake in COSCO (Dalian) Shipyard Co. Ltd.**			
		Valuation as at 31 Dec 2016 **RMB**	**P&L 1/1/2017 to 31/3/2017** **RMB**	**Sale Price** **RMB**
Transaction consideration	COSCO Shipyard	51% of 2,716,865,819	51% of -390,062,193	1,186,669,849
	Nantong COSCO Shipyard	50% of 602,040,762	50% of -43,734,553	279,153,105
	Dalian COSCO Shipyard	39.1% of -241,060,890	39.1% of -288,771,756	1
	Aggregate consideration			1,465,822,955
Payment terms	▪ 100% cash consideration payable at closing of transaction			
Approvals	▪ COSCO Shipping International (Singapore) shareholder approval ▪ China regulatory approvals			
Target closing date	▪ 2H 2017			

Proposed Disposal Assets



Transaction Rationale

Challenging market conditions in its offshore marine and shipbuilding business amidst difficult and challenging business and operating conditions

- China COSCO Shipping is restructuring its shipyard businesses to centralize operations and management
- The offshore marine and shipbuilding segment has also been making substantial losses for the past 2 financial years

Creates cash for investment in potential future new businesses and improves COSCO Shipping International (Singapore)'s financial position

- Cash proceeds from the sale can be used to invest in new businesses
- Management is undertaking an active review of potential investment opportunities and will provide updates as necessary
- The Proposed Disposal will enable the Company to exit from a loss-making business and create cash for investment in potential future new businesses, substantially reduce the Company's debt and improve the Company's financial position

Support from China COSCO Shipping

- COSCO Shipping International (Singapore) will continue to benefit from support from its major shareholder, China COSCO Shipping.

Milestones (Indicative)

May 2017

- Signing of Sale & Purchase Agreement and transaction announcement

Jul / Aug 2017

- Extraordinary General Meeting

2H 2017

- Target closing after satisfaction of conditions precedent to closing, including obtaining the necessary regulatory approvals

Conclusion

COSCO Shipping International (Singapore)'s proposed disposal of its shipyard businesses to COSCO Shipping Heavy Industry will enable the Company to exit from a loss-making business

Create opportunities to invest in new businesses

Continues to receive support from its parent company

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