



COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD.
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UPDATE ON SEVAN 650 DRILLING UNIT (“SEVAN DEVELOPER”)

The Board of Directors (the “**Board**”) of COSCO SHIPPING International (Singapore) Co., Ltd. (the “**Company**”) refers to the announcements made on 15 April 2016, 17 October 2016 and 1 June 2017 in relation to the turn-key EPC (Engineering, Procurement and Construction) contract entered into between COSCO (Qidong) Offshore Co., Ltd (“**COSCO Qidong**”) with Sevan Drilling Rig VI Pte Ltd (the “**Rigowner**”) for the Sevan Developer.

As announced on 1 June 2017, the delivery deferral period of Sevan Developer was extended to 30 June 2017 to allow the parties to continue negotiations.

The Board wishes to announce that the Rigowner and COSCO Qidong have agreed to further extend the delivery deferral period for Sevan Developer until 30 June 2020 upon the refund of a sum of US\$25.3 million plus interest by COSCO Qidong for such deferral to be effective. During the extended delivery deferral period, the Rigowner may continue to market the rig for a drilling contract, while COSCO Qidong has the option to terminate the deferral period on 1 July 2018 or 1 July 2019. If COSCO Qidong elects to terminate the deferral period, it has to refund the remaining balance of US\$1 million already paid by the Rigowner plus interest to the Rigowner.

The other terms of the deferment agreement entered into on 15 October 2014 have not been amended.

In view of the deferment and the uncertainty as to whether the Rigowner will take delivery of the Sevan Developer, it is not possible to ascertain the financial impact of the agreement for deferment at this point in time.

The Company will make announcements of any significant development in this matter at the appropriate junctures.

By Order of the Board
Gu Jing Song
Vice Chairman and President
10 July 2017