COSCO SHIPPING INTERNATIONAL (SINGAPORE) CO., LTD

EXTRAORDINARY GENERAL MEETING

AUGUST 30, 2017

COSCO SHIPPING International (Singapore) Co., Ltd

Proposed Disposal of Shipyard Assets

30 Aug 2017

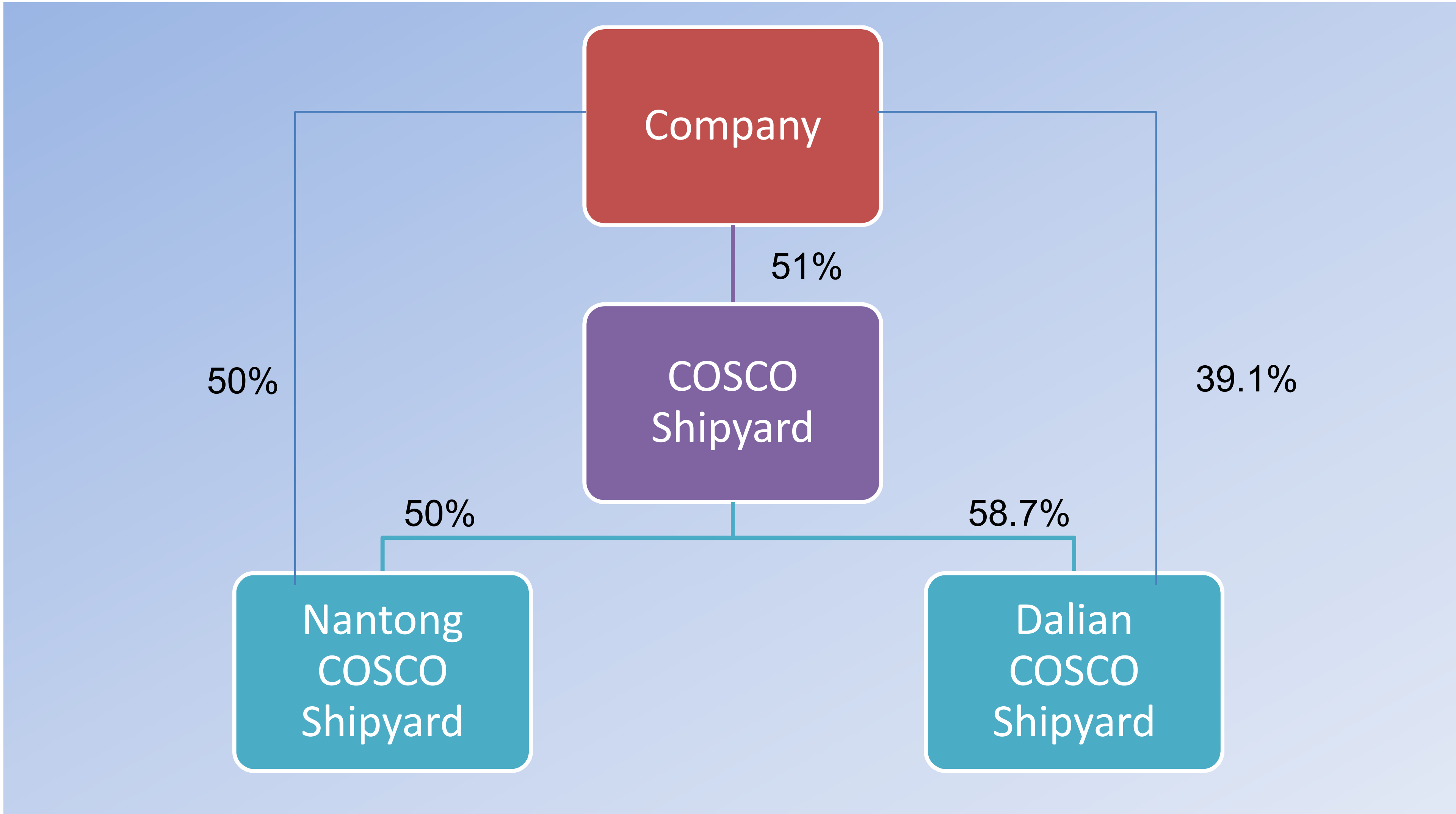
Presentation Outline

The Proposed Disposal
Group Structure of Sale Companies
Disposal Highlights
Disposal Benefits And Rationale
Milestones
SGX-ST,IFA, Audit Committee, Independent Directors
Conclusion

The Proposed Disposal

51.0%	Equity interest in COSCO SHIPYARD GROUP CO., LTD
50.0%	Equity interest in COSCO (NANTONG) SHIPYARD CO., LTD
39.1%	Equity interest in COSCO (DALIAN) SHIPYARD CO., LTD

Group Structure of Sale Companies



Disposal 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			

Disposal Benefits And Rationale

Challenging market conditions in its offshore marine and shipbuilding business

- Substantial losses for past 2 financial years
- Parent Group to centralise operations and management of shipyard business

Company to exit from a loss-making business

- Create cash for investment in potential future new businesses
- Substantially reduce Company's debt
- Improve Company's financial position

Sale proceeds to fund future projects

- Mergers and acquisitions
- Working capital requirements
- Company actively reviewing potential investment opportunities

Milestones

5 May 2017

- Signing of Sale & Purchase Agreement and transaction announcement

30 Aug 2017

- Extraordinary General Meeting

2H 2017

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

SGX-ST, IFA, Audit Committee, Independent Directors

SGX-ST

- SGX-ST confirmed Company will not be considered as a cash company under Rule 1018

Independent Financial Adviser Opinion

- Prime Partners Corporate Finance Pte Ltd
- Proposed Disposal is not prejudicial to the interests of the Company and its minority Shareholders
- Advised Independent Directors to recommend Shareholders vote in favour of the Proposed Disposal

Audit Committee Opinion

- Considered terms of Proposed Disposal and advice of the IFA.
- Of the view that the Proposed Disposal is not prejudicial to the interests of the Company and its minority Shareholders

Independent Directors' Recommend

- Independent Directors believe that the Proposed Disposal is not prejudicial to the interests of the Company and its minority Shareholders.
- Independent Directors recommend that Shareholders vote at the EGM in favour of the ordinary resolution to approve the Proposed Disposal

Conclusion

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

Create opportunities to invest in new businesses that will support China's One Belt, One Road initiative

Disclaimer

This presentation was prepared for informational purposes only and must be viewed in conjunction with the oral presentation provided by us. It does not have any regard to the specific investment objectives, financial situation or individual needs of any particular person receiving this presentation. Investors should seek advice from a professional adviser regarding their investment decisions.

This presentation is not and does not constitute or form part of any offer, solicitation, invitation, advice or recommendation to sell, purchase or subscribe for any securities and no part of it shall form the basis or be relied upon in connection with any contract, commitment or investment decision in relation thereto. This presentation shall not be used or relied upon by any other person for whatever purposes and shall not be reproduced, disseminated or quoted without our prior written consent.