

IMPORTANT

This Offer Document is also forwarded to investors who hold shares in Yantai Raffles Shipyard Limited through DnB Nor Bank ASA and Platinum Nominees Limited, and is sent solely to such investors FOR INFORMATION ONLY.

OFFER DOCUMENT DATED 30 NOVEMBER 2009

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about this Offer (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately. Goldman Sachs (Singapore) Pte. (“**Goldman Sachs**”) is acting for and on behalf of Bright Day Limited (the “**Offeror**”), a wholly-owned subsidiary of China International Marine Containers (Hong Kong) Limited, which is in turn a wholly-owned subsidiary of China International Marine Containers (Group) Co., Ltd., and do not purport to advise the shareholders of Yantai Raffles Shipyard Limited (“**YRSL**” or the “**Company**”).

The views of the independent directors of YRSL and the independent financial adviser to the independent directors of YRSL on the Offer will be made available to you in due course. You may wish to consider their views before taking any decision on the Offer.

If you have sold or transferred all of your issued and fully paid-up ordinary shares in the capital of YRSL (“**Shares**”), you should immediately hand this Offer Document and the accompanying Form of Acceptance and Transfer (“**FAT**”) to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

VOLUNTARY UNCONDITIONAL CASH OFFER

By



GOLDMAN SACHS (SINGAPORE) PTE.

(Company Registration No. 198602165W)
(Incorporated in the Republic of Singapore)

for and on behalf of

BRIGHT DAY LIMITED

(Company No. 1371141)
(Incorporated in Hong Kong SAR)

an indirect wholly-owned subsidiary of



CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.

(Corporate Business Licence Number: 440301501119369)
(Registered in Shenzhen, People's Republic of China)

to acquire all the issued ordinary shares in the capital of

YANTAI RAFFLES SHIPYARD LIMITED

(Company Registration No. 199401560D)
(Incorporated in the Republic of Singapore)

other than those held, directly or indirectly, by
Bright Day Limited, the CIMC Entities (as defined herein) and the BT Entities (as defined herein)

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. ON 4 JANUARY 2010, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

The procedures for acceptance are set out in Appendix V to this Offer Document, and in the accompanying FAT.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document and the FAT:

<i>“Airtrust”</i>	:	Airtrust (Singapore) Pte Limited
<i>“Airtrust Transfer”</i>	:	Shall have the meaning ascribed to it in paragraph 3.5 of this Offer Document
<i>“Announcement”</i>	:	The announcement of the Offer dated 16 November 2009 made by Goldman Sachs for and on behalf of the Offeror
<i>“Announcement Date”</i>	:	16 November 2009, being the date of the Announcement
<i>“BT”</i>	:	Bright Touch Investment Limited
<i>“BT Entities”</i>	:	Shall comprise Brian Chang (or his nominees), BT, LK and YSPL
<i>“CIMC”</i>	:	China International Marine Containers (Group) Co., Ltd.
<i>“CIMC Entities”</i>	:	CIMC HK and Sharp
<i>“CIMC Group”</i>	:	CIMC and its subsidiaries
<i>“CIMC HK”</i>	:	China International Marine Containers (Hong Kong) Limited
<i>“Closing Date”</i>	:	4 January 2010 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day and time for the lodgement of acceptances for the Offer
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore
<i>“DnB”</i>	:	DnB Nor Bank ASA
<i>“Directors”</i>	:	The directors of the Offeror and/or CIMC, as the case may be, as at the Latest Practicable Date
<i>“FAT”</i>	:	Form of Acceptance and Transfer
<i>“FY”</i>	:	Financial year ended or ending (as the case may be) on 31 December of a particular year as stated
<i>“Goldman Sachs”</i>	:	Goldman Sachs (Singapore) Pte.
<i>“HK\$”</i>	:	Hong Kong dollars, being the lawful currency of Hong Kong SAR
<i>“Latest Practicable Date”</i>	:	25 November 2009, being the latest practicable date prior to the printing of this Offer Document
<i>“Liquidity Event”</i>	:	Shall have the meaning ascribed to it in paragraph 5.3 of this Offer Document
<i>“LK”</i>	:	Leung Kee Holdings Limited

<i>“Majority Control”</i>	:	Shall have the meaning ascribed to it in paragraph 3.5(a) of this Offer Document
<i>“Market Day”</i>	:	A day on which the NOTC is open for trading of securities
<i>“NOK”</i>	:	Norwegian Krone, being the lawful currency of Norway
<i>“NOTC”</i>	:	The Norwegian Over-The-Counter system
<i>“Offer”</i>	:	The voluntary unconditional cash offer by Goldman Sachs, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in this Offer Document and the FAT
<i>“Offer Document”</i>	:	This document dated 30 November 2009 issued by Goldman Sachs, for and on behalf of the Offeror, in respect of the Offer
<i>“Offer Period”</i>	:	The period from the Announcement Date until the date the Offer is declared to have closed
<i>“Offer Price”</i>	:	US\$1.41 in cash for each Offer Share
<i>“Offer Shares”</i>	:	All Shares (including all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding Options prior to the close of the Offer) other than those held, directly or indirectly, by the Offeror, the CIMC Entities and the BT Entities as at the date of the Offer
<i>“Offeror”</i>	:	Bright Day Limited
<i>“Options”</i>	:	Options to subscribe for new Shares granted pursuant to the YRSL ESOS
<i>“Overseas Shareholder”</i>	:	Shall have the meaning ascribed to it in paragraph 9 of this Offer Document
<i>“PRC”</i>	:	The People’s Republic of China
<i>“Relevant Day”</i>	:	Shall have the meaning ascribed to it in paragraph 3(a) of Appendix V to this Offer Document
<i>“Relevant Persons”</i>	:	Shall comprise (i) CIMC, CIMC HK, Sharp, the Offeror, and their respective directors and wholly-owned subsidiaries, (ii) the BC Entities and their respective directors and wholly-owned subsidiaries, (iii) Annie Yap Foi Fong nee Annie Chang, Julian Chang, Lotus Jong, Lawrence Chang, Malcolm Chang, Tracy Chang and Wynnie Chang and (iv) Goldman Sachs
<i>“RMB”</i>	:	Renminbi, being the lawful currency of the PRC
<i>“Restricted Jurisdiction”</i>	:	Shall have the meaning ascribed to it in paragraph 9 of this Offer Document
<i>“S\$”</i>	:	Singapore dollars, being the lawful currency of Singapore
<i>“Share Swap”</i>	:	Shall have the meaning ascribed to it in paragraph 3.5(b) of this Offer Document

“Shareholders”	:	The holders of the Offer Shares named in the Register of Members of YRSL
“Shareholders’ Agreement”	:	Shall have the meaning ascribed to it in paragraph 1 of this Offer Document
“Shares”	:	Issued and paid-up ordinary shares in the capital of YRSL
“Sharp”	:	Sharp Vision Holdings Limited
“SIC”	:	The Securities Industry Council of Singapore
“Transfer of Majority Control”	:	Shall have the meaning ascribed to it in paragraph 3.5(a) of this Offer Document
“Transfer Shares”	:	Shall have the meaning ascribed to it in paragraph 3.5(a) of this Offer Document
“US\$” or “USD”	:	United States dollars, being the lawful currency of the United States of America
“VWAP”	:	Volume weighted average price per Share as transacted on the NOTC
“YRSL” or “the Company”	:	Yantai Raffles Shipyard Limited
“YRSL ESOS”	:	The Yantai Raffles Executive Share Option Scheme approved and adopted by YRSL at an extraordinary general meeting held on 21 June 2006
“YRSL Group”	:	YRSL and its subsidiaries
“YSPL”	:	Yantai Shipyard Pte Ltd
“%” or “per cent.”	:	Per centum or percentage

The expression “acting in concert” shall have the meaning ascribed to it in the Code.

Unless otherwise stated, references to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by Goldman Sachs or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, YRSL’s website at <http://www.yantai-raffles.com> and, where permitted, the website of the Norwegian Securities Dealers Association at <http://www.nfmf.no> as well.

The expressions “subsidiary” and “related corporation” shall have the meanings ascribed to them in Section 5 and Section 6 of the Companies Act respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

References to “you”, “your” or “yours” in this Offer Document are to Shareholders.

References to this Offer Document shall include the FAT unless the context requires otherwise.

Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act or the Code or any modification

thereof and used in this Offer Document shall, where applicable, have the meaning assigned to it under the Companies Act or the Code, or any modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of the day and date in this Offer Document shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Any discrepancies in figures included in this Offer Document between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Offer Document to the “issued share capital of YRSL” or the “total issued Shares” shall, unless the context otherwise requires, refer to a total of 273,565,000 Shares based on searches conducted with the Accounting and Corporate Regulatory Authority of Singapore as at the Latest Practicable Date.

Forward-Looking Statements

All statements other than statements of historical facts included in this Offer Document are or may be forward looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or 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 may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and none of the Offeror, CIMC or Goldman Sachs undertakes any obligation to update publicly or revise any forward-looking statements.



GOLDMAN SACHS (SINGAPORE) PTE.

(Company Registration No. 198602165W)
(Incorporated in the Republic of Singapore)

30 November 2009

To: The Shareholders of Yantai Raffles Shipyard Limited

Dear Sir/Madam

VOLUNTARY UNCONDITIONAL CASH OFFER BY GOLDMAN SACHS (SINGAPORE) PTE., FOR AND ON BEHALF OF BRIGHT DAY LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD., FOR THE OFFER SHARES

1. INTRODUCTION

On 16 November 2009, Goldman Sachs announced, for and on behalf of the Offeror, a wholly-owned subsidiary of CIMC HK, which is in turn a wholly-owned subsidiary of CIMC, that the Offeror had entered into an agreement (the "**Shareholders' Agreement**") with CIMC HK, Sharp, LK and BT pursuant to which, amongst other things, the Offeror will make the Offer and immediately after the close of the Offer, the CIMC Entities and the BT Entities will transfer their shares in YRSL to the Offeror in exchange for shares in the Offeror on a 1:1 basis, subject to the terms and conditions of the Shareholders' Agreement.

Following the execution of the Shareholders' Agreement and as at the Announcement Date, the Offeror, together with the CIMC Entities and the BT Entities own, control or have agreed to acquire an aggregate of 145,805,450 Shares, representing approximately 53.30 per cent. of the issued share capital of YRSL.

The Offeror is making a voluntary unconditional cash offer in accordance with Rule 15 of the Code for the Offer Shares.

This Offer Document contains the formal offer by Goldman Sachs, for and on behalf of the Offeror, for the Offer Shares.

2. THE OFFER

For and on behalf of the Offeror, Goldman Sachs hereby offers to acquire all the Offer Shares in accordance with the Code.

The Offer is made on the terms and subject to the conditions set out in this Offer Document and the FAT.

The Offer will be extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Offer of any outstanding Options. For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.

2.1 Consideration

The Offeror will make the Offer on the following basis:

For each Offer Share: US\$1.41 in cash

The Offer Shares are to be acquired (a) fully-paid, (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (c) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends and other distributions or return of capital (if any) which may be announced, declared, paid or made thereon by YRSL on or after the Announcement Date). **If any dividend, other distribution or return of capital is declared, made or paid on or after the Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.**

2.2 Conditions

The Offer is unconditional in all respects. Therefore, the Offer is not conditional upon the level of acceptances which the Offeror may receive in respect of the Offer.

2.3 Options

As at the Latest Practicable Date, based on the latest information available to the Offeror, there are 3,831,006 outstanding Options granted under the YRSL ESOS. Under the rules of the YRSL ESOS, the Options are not freely transferable by holders thereof.

In view of this restriction, the Offeror will not make an offer to acquire the Options in connection with the Offer (although, as stated above, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Options prior to the close of the Offer). For the avoidance of doubt, the Offeror will not make a proposal for the Options in connection with the Offer.

2.4 Warranty

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully-paid, (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (c) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends and other distributions or return of capital (if any) which may be announced, declared, paid or made thereon by YRSL on or after the Announcement Date).

2.5 Duration of the Offer

- (a) Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of this Offer Document.

Accordingly, the Offer will close at 5.30 p.m. on 4 January 2010, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

- (b) Pursuant to Rule 22.4 of the Code, any announcement of an extension of the Offer will state the next closing date, or a statement may be made that the Offer will remain open until

further notice. In the latter case, Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed.

- (c) Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders who had previously accepted the Offer.

2.6 Procedures for Acceptance and Further Details of the Offer

Appendix V to this Offer Document sets out the procedures for acceptance of the Offer, and further details on (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement of the level of acceptances of the Offer; and (c) the right of withdrawal of acceptances of the Offer.

3. INFORMATION ON THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

3.1 The Offeror

The Offeror is an investment holding company incorporated in Hong Kong on 8 September 2009. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of HK\$10.00 comprising 10 ordinary shares which are held by CIMC HK.

As at the Latest Practicable Date, the directors of the Offeror are (a) Jin Jianlong, (b) Yu Yuqun and (c) Wang Yu.

Additional information on the Offeror is set out in Appendix I to this Offer Document.

3.2 CIMC

CIMC was incorporated in 1980 in Shenzhen, PRC, and was listed on the Shenzhen Stock Exchange in 1994. CIMC is a leading provider of transportation equipment manufacturing and services in mainland China. It manufactures and supplies containers, trailers, tank equipment and airport equipment. It has over 100 subsidiaries and 47,000 staff in China, North America, Europe, Asia and Australia.

As at the Latest Practicable Date, the board of directors of CIMC comprises of: (a) Fu Yuning (Chairman), (b) Li Jianhong (Director), (c) Mai Bo Liang (President/Director), (d) Wang Hong (Director), (e) Xu Minjie (Director), (f) Qin Rongsheng (Independent Director), (g) Jin Qingjun (Independent Director) and (h) Xu Jing'an (Independent Director).

Additional information on CIMC is set out in Appendix II to this Offer Document.

3.3 CIMC HK and Sharp

CIMC HK is a private limited company incorporated in 1992 in Hong Kong, and is a major operating subsidiary of CIMC. CIMC HK is the sales agent for the container business of CIMC and is also the investment vehicle for the CIMC Group's container manufacturing businesses and overseas investments.

As at the Latest Practicable Date, the board of directors of CIMC HK comprises of: (a) Jin Jianlong, (b) Mai Bo Liang and (c) Zhao Qingsheng.

Sharp, a wholly-owned subsidiary of CIMC HK, is an investment holding company incorporated in Hong Kong on 30 January 2008. As at the Latest Practicable Date, Sharp has an issued and paid-up share capital of HK\$1.00 comprising one (1) ordinary share which is held by CIMC HK.

As at the Latest Practicable Date, the directors of Sharp are (a) Jin Jianlong, (b) Yu Yuqun and (c) Wang Yu.

3.4 LK and BT

LK and BT are companies incorporated in the British Virgin Islands through which Brian Chang, the Deputy Chairman and Chief Executive Officer of YRSL, holds a portion of his shares in YRSL. The principal business of both LK and BT is investment holding.

As at the Latest Practicable Date, the sole director of LK is Brian Chang and the sole director of BT is Lotus Jong (Brian Chang's sister).

3.5 Shareholders' Agreement and Share Swap

As at the Latest Practicable Date, the BT Entities are in aggregate the legal and beneficial owners of 95,829,600 Shares representing approximately 35.03 per cent. of the issued share capital of YRSL, CIMC HK is the legal and beneficial owner of 22,619,350 Shares representing approximately 8.3 per cent. of the issued share capital of YRSL and Sharp is the legal and beneficial owner of 27,356,500 Shares representing approximately 10 per cent. of the issued share capital of YRSL. As such, as at the Latest Practicable Date, the CIMC Entities and the BT Entities hold in aggregate 145,805,450 Shares, representing approximately 53.30 per cent. of the issued share capital of YRSL. As at the Latest Practicable Date, the Offeror does not hold any Shares.

For purposes of making the Offer, CIMC HK, Sharp, LK, BT and the Offeror (who are acting in concert for the purpose of the Offer) had entered into the Shareholders' Agreement to, *inter alia*, regulate their relationship *inter se* as eventual shareholders of the Offeror on the terms and conditions of the Shareholders' Agreement. The Shareholders' Agreement contains provisions such as those relating to board matters, board and shareholder reserved matters (giving LK and BT veto/consent rights on certain board and shareholder matters in relation to the Offeror and its subsidiaries (which will include YRSL)), pre-emption and tag-along rights.

Prior to the execution of the Shareholders' Agreement, Airtrust, an unrelated third party, had agreed to transfer all its 30,000 shares in YSPL (representing 10 per cent. of the issued share capital of YSPL) to Brian Chang (who then held 90 per cent. of the issued share capital of YSPL), and in consideration thereof, Lotus Jong (Brian Chang's sister) and Wynn timer Chang (Brian Chang's daughter) agreed to transfer to Airtrust an aggregate of 1,920,000 Shares (equivalent to 10 per cent. of the 19,200,000 Shares held by YSPL) (the "**Airtrust Transfer**"). After the completion of the Airtrust Transfer, each of Lotus Jong and Wynn timer Chang now holds (directly or through nominees) 120,000 and 17,100 Shares respectively.

Subject to the terms and conditions of the Shareholders' Agreement, it is intended that immediately after the close of the Offer, *inter alia*:

- (a) in the event that the aggregate shareholding interests of CIMC HK, Sharp and the Offeror in YRSL is not more than 50 per cent. of the total issued Shares ("**Majority Control**") as at the close of the Offer, LK and BT shall procure the sale by the relevant BT Entities to CIMC HK and CIMC HK shall purchase from the relevant BT Entities, following the close of the Offer, such number of Shares (the "**Transfer Shares**") that is required to ensure CIMC HK, Sharp and the Offeror collectively have Majority Control of YRSL up to a maximum of 23,253,025

Shares (representing 8.5 per cent. of the issued share capital of YRSL) (the “**Transfer of Majority Control**”), at US\$1.41 per Transfer Share; and

- (b) thereafter, LK and BT shall procure the transfer to the Offeror of such number of Shares held by the BT Entities (after a Transfer of Majority Control, if any) and the CIMC Entities shall transfer to the Offeror such number of Shares held by the CIMC Entities (after a Transfer of Majority Control, if any) and in consideration thereof, the Offeror shall allot and issue such number of new shares in the Offeror on a 1:1 basis to (i) the BT Entities (and/or its or any of their nominated transferees which are permitted under the Shareholders’ Agreement or a BT Entity) and (ii) CIMC HK (“**Share Swap**”) in accordance with the terms of the Shareholders’ Agreement,

and that the completion of the Transfer of Majority Control (if any) and the Share Swap shall take place simultaneously on the same date.

4. INFORMATION ON YRSL

YRSL was incorporated in 1994 in Singapore, and was admitted to the NOTC, which is administered by the Norwegian Securities Dealers Association, in 2006.

YRSL specialises in the construction of various offshore and marine projects which include jack-up drilling rigs, semi-submersible drilling rigs, floating production storage and offloading vessels, heavy lift vessels, pipe lay vessels and other prototype vessels.

As at the Latest Practicable Date, the board of directors of YRSL is comprised of: (a) Mai Bo Liang (Chairman), (b) Brian Chang (Deputy Chairman and Chief Executive Officer), (c) Julian Chang (Executive Director), (d) Malcolm Chang (Executive Director), (e) Francis James Reidy (Independent Director), (f) Liu Chee Ming (Independent Director), (g) Ang Kong Hua (Independent Director) and (h) Sum Soon Lim (Independent Director).

As at the Latest Practicable Date, YRSL has an issued and paid-up share capital of approximately S\$594,416,915 comprising 273,565,000 Shares.

Additional information on YRSL is set out in Appendix III to this Offer Document.

5. RATIONALE FOR THE OFFER AND FUTURE PLANS FOR YRSL

The Offeror is making the Offer for the following reasons:

5.1 Allow the Offeror to acquire a majority interest in YRSL

Through the Offer, CIMC wishes to increase its shareholding in the YRSL Group and become the single largest shareholder of the YRSL Group. As the single largest shareholder of the YRSL Group, CIMC would like to achieve the following objectives:

- (a) Better align the strategic objectives of the YRSL Group with that of the CIMC Group

The CIMC Group is mainly engaged in the business of manufacturing and supplying containers, trailers, tank equipment and airport equipment. The YRSL Group is a leading offshore and marine fabrication specialist, specialising in the construction of various offshore and marine projects which include jack-up drilling rigs, semi-submersible drilling rigs, floating production storage and offloading vessels, heavy lift vessels, pipe lay vessels and other prototype vessels in the PRC.

In recent years, CIMC has been planning to expand its business into the offshore engineering industry due to the strategic importance of the oil and gas industry to the PRC and the potential growth of the industry as offshore oil and gas exploration and production activities gain increasing importance. The equity acquisition of YRSL in 2008 was the first strategic investment made by CIMC in the industry. YRSL is one of the leading privately-owned builders of semi-submersible drilling rigs in the PRC. It has one of the largest and most modern offshore marine construction infrastructure in the world and has a team of highly skilled and experienced engineers for offshore marine services. The investment into YRSL allowed CIMC to cooperate with an established player and gain immediate exposure to the offshore marine industry.

CIMC and the Offeror are of the view that the Offer represents an opportunity to better align the strategic objectives of the CIMC Group and the YRSL Group. As the new controlling shareholder of YRSL, the Offeror also intends for YRSL to become a platform for the implementation of CIMC's long-term strategy to be a leading offshore marine facilities manufacturer and to provide a broader foundation and stable path for development in this respect.

(b) Tap the skills, experience and expertise of YRSL's current management

In addition, the Offeror has a high regard for the skills and experience of the current management of YRSL, and one of the Offeror's key objectives is to retain and augment the current management team after the close of the Offer to continue to build upon the current businesses and operations of YRSL.

5.2 The Offer represents an opportunity for Shareholders to realise their investment

CIMC is of the view that the Offer presents the Shareholders with an opportunity to realise their investment in the Shares for cash at a price that is at an approximately 15.9 per cent. premium to YRSL's closing share price of NOK 6.90 (equivalent to US\$1.22, based on the exchange rate of US\$1.00:NOK 5.66 on 6 November 2009) on the NOTC on 6 November 2009 (being the last full day of trading in the Shares prior to the Announcement Date). In addition, the trading liquidity of the Shares over the NOTC is low, with an average daily trading volume of approximately 37,944 Shares over the 12-month period immediately preceding the Announcement Date, representing approximately 0.01 per cent. of the issued share capital of YRSL.

In view of the low trading liquidity, the Offer therefore represents an opportunity for the Shareholders to realise their investment in the Shares.

5.3 Future Plans for YRSL

As set out in the Shareholders' Agreement, it is the current intention of the shareholders of the Offeror to effect a Liquidity Event on terms acceptable to each of them within an initial target period of three (3) years after the successful close of the Offer.

In this Offer Document, "**Liquidity Event**" means:

- (a) a single transaction involving the sale, transfer or other disposal of all the shares in the Offeror by the shareholders of the Offeror;
- (b) a sale or disposition of the Offeror's shareholdings in YRSL or all or substantially all its assets; or

- (c) the initial public offering of the shares of the Offeror or the Shares on a recognised stock exchange.

Save as otherwise set out in this paragraph 5, the Offeror currently has no intention to (a) propose any major changes to the businesses of YRSL, (b) redeploy the fixed assets of YRSL, or (c) discontinue the employment of the employees of the YRSL Group. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities (including any Liquidity Event) which may present themselves and which it regards to be in the interests of the Offeror and/or the CIMC Group.

6. BENCHMARKING THE OFFER

The information below relating to certain financial aspects of the Offer has been based on data extracted from Bloomberg on 6 November 2009 (being the last full day of trading in the Shares prior to the Announcement Date) and 25 November 2009 (being the Latest Practicable Date).

The Offer Price represents:

Description	Share Price (NOK)	Premium of Offer Price of US\$1.41 to Share Price (based on the exchange rate of US\$1.00:NOK5.66 on 6 November 2009)
Last transacted price per Share on the NOTC on 17 November 2009 (being the last full day of trading in the Shares prior to the Latest Practicable Date)	7.30	9.6%
Last transacted price per Share on the NOTC on 6 November 2009 (being the last full day of trading in the Shares prior to the Announcement Date)	6.90	15.9%
VWAP for the one month period prior to the last full day of trading in the Shares prior to the Announcement Date (7 October 2009 to 6 November 2009)	7.05	13.4%
VWAP for the three month period prior to the last full day of trading in the Shares prior to the Announcement Date (11 August 2009 to 6 November 2009)	5.50	45.5%
VWAP for the six month period prior to the last full day of trading in the Shares prior to the Announcement Date (25 May 2009 to 6 November 2009)	4.73	69.0%

7. WITHDRAWAL FROM THE NOTC AND COMPULSORY ACQUISITION

7.1 Withdrawal from the NOTC

Under the rules of the NOTC, the minimum float requirement for being admitted to the NOTC is 50 shareholders. A company which is admitted to the NOTC and has been acquired will automatically be removed from the system following an application from the acquiror provided that the acquisition encompasses more than 90 per cent. of the shares in the company. A company admitted to the NOTC may also be removed from the system following an application from the

company itself, provided that the shareholders of the company in general meeting have approved such application with at least a two-thirds majority.

In the event that the Offeror obtains more than 90 per cent. of the total issued Shares as at the close of the Offer, YRSL is expected to be removed from the NOTC. In this regard, an application will be made to the NOTC for YRSL to be removed from the NOTC shortly after the close of the Offer. In the event that the Offeror does not obtain more than 90 per cent. of the Shares as at the close of the Offer, the Offeror may still consider removing YRSL from the NOTC. In this regard, a shareholders meeting of YRSL may be held after the close of the Offer to approve the application for the removal of YRSL from the NOTC.

7.2 Compulsory acquisition

It is the intention of the Offeror to obtain a controlling interest in YRSL. If, during the period of the Offer, the Offeror receives acceptances and/or acquires Shares representing not less than 90 per cent. of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer, and excluding treasury shares held in YRSL), the Offeror intends to exercise its rights of compulsory acquisition under section 215(1) of the Companies Act to acquire all the Offer Shares of the Shareholders who have not accepted the Offer at a price equal to the Offer Price, and thereafter make an application for the removal of YRSL from the NOTC.

In addition, Shareholders who have not accepted the Offer have the right under and subject to section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations and/or their respective nominees acquire 90 per cent. or more of the Shares excluding treasury shares. Shareholders who have not accepted the Offer and who wish to exercise their rights under section 215(3) of the Companies Act are advised to seek their own independent legal advice.

8. CONFIRMATION OF FINANCIAL RESOURCES

Goldman Sachs, as financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances in respect of the Offer.

9. OVERSEAS SHAREHOLDERS

The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown in the Register of Members of YRSL (the “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, the Overseas Shareholders should inform themselves of, and observe, any applicable requirements. Where there are potential restrictions on sending this Offer Document and/or the FATs to any overseas jurisdiction, CIMC, the Offeror and Goldman Sachs reserve the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom this Offer Document and/or the FATs have not been, or may not be, sent.

Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (“**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

Overseas Shareholders may, nonetheless, obtain copies of this Offer Document, the FATs and any related documents, during normal business hours and up to the Closing Date, from the Offeror through its receiving agent, Kinetica Pte. Ltd., 6 Temasek Boulevard, 29th Floor, Suntec Tower Four, Singapore 038986. Alternatively, an Overseas Shareholder may write in to the Offeror through Kinetica Pte. Ltd. at the address listed above to request for this Offer Document, the FATs and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to five (5) Market Days prior to the Closing Date.

It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the FATs and/or any related documents, or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and CIMC, the Offeror and any person acting on its behalf (including Goldman Sachs) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as CIMC, the Offeror and/or any person acting on its behalf (including Goldman Sachs) may be required to pay. In (i) requesting for this Offer Document, the FATs and/or any related documents and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to CIMC, the Offeror and Goldman Sachs that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

CIMC, the Offeror and Goldman Sachs each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders by announcement on YRSL's website at <http://www.yantai-affles.com> and, if permitted, on the website of the Norwegian Securities Dealers Association at <http://www.nfmf.no> and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore and/or Norway, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

10. RESPONSIBILITY STATEMENT

The Directors of CIMC and the Directors of the Offeror (including those who may have delegated detailed supervision of this Offer Document) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Offer Document are fair and accurate and that no material facts have been omitted from this Offer Document, the omission of which would make any statement in this Offer Document misleading.

Where any information has been extracted from published or otherwise publicly available sources or obtained from YRSL, the sole responsibility of the Directors of CIMC and the Directors of the Offeror has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Offer Document.

The Directors of CIMC and the Directors of the Offeror jointly and severally accept responsibility accordingly.

11. GENERAL

Any omission relating to the despatch of this Offer Document, and/or the FAT, or any notice or announcement required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.

The Offer, this Offer Document and the FAT, all acceptances of the Offer, all contracts made pursuant thereto, and all actions taken or deemed to be taken in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore and all accepting Shareholders agree, by accepting the Offer, to submit to the non-exclusive jurisdiction of the Singapore courts.

A person who is not a party to any contracts made pursuant to the Offer, this Offer Document and the FAT has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

Each of CIMC, the Offeror and Goldman Sachs reserves the right to treat acceptances of the Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated herein or in the FAT, or if made otherwise than in accordance with the provisions herein and in the FAT.

Goldman Sachs is acting for and on behalf of the Offeror and does not purport to advise the Shareholders. In preparing the letter to the Shareholders on behalf of the Offeror, Goldman Sachs has not had regard to the general or specific investment objects, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder.

The views of the independent directors of YRSL and the independent financial adviser to the independent directors of YRSL on the Offer will be made available to Shareholders in due course and in any event within 14 days of the posting of this Offer Document. Shareholders may wish to consider their advice before taking any action in relation to the Offer.

Additional general information is provided in Appendix IV to this Offer Document.

Your attention is drawn to all the Appendices to this Offer Document which form part of this Offer Document.

Yours faithfully,
For and on behalf of
Goldman Sachs (Singapore) Pte.

Ms. Boon-Kee TAN
COO & Executive Director
SE Asia Investment Banking
Tel: +65 6889 2736

ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the Directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Jin Jianlong	Room 202, No 25 Xiangnan Road, Nanshan District, Shenzhen, PRC	Director
Mr Yu Yuqun	1-3-4A, Mangrove West Coast Garden, Shen Wan Yi Lu, Nanshan District, Shenzhen, PRC	Director
Mr Wang Yu	Room 13-8C, Jinduanzhibin, Shenzhen Bay, No 5 South IT District, Nanshan District, Shenzhen, PRC	Director

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The principal activity of the Offeror is that of an investment holding company.

As at the Latest Practicable Date, the Offeror had an issued and paid-up share capital of HK\$10.00 comprising 10 ordinary shares which are held by CIMC HK.

3. FINANCIAL SUMMARY

As the Offeror was only recently incorporated on 8 September 2009, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of the making and financing of the Offer, and the transactions contemplated under the Shareholders' Agreement, there has been no known material changes in the financial position of the Offeror subsequent to 8 September 2009, being the date of its incorporation.

5. REGISTERED OFFICE

The registered office of the Offeror is at Units 3101-3102, Vicwood Plaza, No. 199 Des Voeux Road Central, Hong Kong.

ADDITIONAL INFORMATION ON CIMC

1. DIRECTORS

The names, addresses and descriptions of the Directors of CIMC as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Fu Yuning	c/o China Merchants Group Ltd. 40/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Rd., C., Hong Kong	Chairman
Mr Li Jianhong	c/o China Ocean Shipping (Group) Company Ocean Plaza, 158 Fuxingmennei Street Beijing 100031, PRC	Director
Mr Mai Bo Liang	c/o China International Marine Containers (Group) Co., Ltd. CIMC R&D Center, No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen 518067, PRC	President/Director
Mr Wang Hong	c/o China Merchants Group Ltd. 40/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Rd., C., Hong Kong	Director
Mr Xu Minjie	c/o COSCO Pacific Limited 49/F, COSCO Tower, 183 Queen's Road Central, Hong Kong	Director
Mr Qin Rongsheng	c/o Beijing National Accounting Institute Tianzhu Town, Shunyi District, Beijing, PRC	Independent Director
Mr Jin Qingjun	c/o King & Wood 40th Floor, Office Tower A, Beijing Fortune Plaza 7 Dongsanhuan Zhonglu, Chaoyang District Beijing 100020, PRC	Independent Director
Mr Xu Jing'an	Office 906 Tower B, Runfeng Garden, East Jingtian Road, Futian District Shenzhen, PRC	Independent Director

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

CIMC was incorporated in 1980 in Shenzhen, the PRC, and was listed on the Shenzhen Stock Exchange in 1994. CIMC is a leading provider of transportation equipment manufacturing and

services in mainland China. It manufactures and supplies containers, trailers, tank equipment and airport equipment. It has over 100 subsidiaries and 47,000 staff in China, North America, Europe, Asia and Australia.

As at the Latest Practicable Date, the total share capital of CIMC is 2,662,396,051 shares, including 1,231,915,542 A RMB common shares (A shares) and 1,430,480,509 domestically listed foreign shares (B shares).

3. FINANCIAL SUMMARY

A summary of the financial information relating to the CIMC Group for FY2006, FY2007 and FY2008, and for the nine (9) months ended 30 September 2009, is set out below. This summary financial information should be read together with the audited consolidated financial statements of the CIMC Group for FY2006, FY2007 and FY2008, and the unaudited consolidated financial statements of the CIMC Group for the nine (9) months ended 30 September 2009 respectively (copies of which are available for inspection as set out in paragraph 4 of Appendix IV to this Offer Document).

(a) Consolidated Profit and Loss Account of the CIMC Group

A summary of the audited consolidated profit and loss account of the CIMC Group for FY2006, FY2007 and FY2008, and the unaudited consolidated profit and loss account of the CIMC Group for the nine (9) months ended 30 September 2009, is set out below:

	AUDITED						UNAUDITED		
	2006			2007			2008		9 MONTHS ENDED
	USD'000	RMB'000	USD'000	RMB'000	USD'000	RMB'000	USD'000	30 SEPTEMBER 2009	
Operating income	4,210,286	33,573,664	6,439,793	48,760,826	6,830,023	47,327,281	13,885,634		
Less: Operating costs	3,613,794	28,817,113	5,785,095	43,803,581	6,043,005	41,873,791	12,022,410		
Business taxes and surcharges	3,866	30,831	7,346	55,621	4,039	27,989	19,922		
Selling and distribution expenses	126,360	1,007,623	152,255	1,152,846	155,813	1,079,678	464,275		
General and administrative expenses	137,512	1,096,549	211,056	1,598,083	239,777	1,661,486	1,363,696		
Financial expenses	7,826	62,405	49,091	371,704	28,247	195,734	149,022		
Impairment loss (gain)	(27,699)	(220,881)	8,262	62,556	101,331	702,151	217,108		
Losses/(Gain) from changes in fair value	(26)	(207)	(36,278)	(274,684)	63,171	437,729	81,736		
Add: Investment income	48,727	388,559	193,649	1,466,268	60,361	418,256	1,527,775		
(Including: Income from investment in associates and jointly controlled enterprises)	3,975	31,697	16,638	126,978	9,063	62,799	63,741		
Operating profit	397,380	3,168,790	456,615	3,457,387	255,001	1,766,979	1,095,240		
Add: Non-operating income	4,507	35,940	7,896	59,786	29,617	205,224	58,391		
Less: Non-operating expenses	2,250	17,942	2,228	16,869	6,519	45,174	6,292		
(Including: Loss from non-current assets disposal)	267	2,128	283	2,143	2,746	19,027	7		
Profit before income tax	399,637	3,186,788	462,283	3,500,304	278,099	1,927,029	1,147,339		
Less: Income tax expenses	25,398	202,529	23,073	174,698	34,899	241,824	285,651		
Net profit for the year	374,239	2,984,259	439,210	3,325,606	243,200	1,685,205	861,688		
Attributable to:									
Equity shareholders of the Company	353,735	2,820,752	418,048	3,165,373	203,038	1,406,908	775,764		
Minority shareholders	20,504	163,507	21,162	160,233	40,162	278,297	85,924		
Earnings per share									
Basic earnings per share	0.13	1.06	0.16	1.19	0.08	0.53	0.29		
Diluted earnings per share	0.13	1.06	0.16	1.19	0.08	0.53	0.29		

A summary of the net dividend per share of CIMC declared in each of FY2006, FY2007, FY2008 and for the nine (9) months ended 30 September 2009 is set out below:

	Audited			Unaudited
	FY2006	FY2007	FY2008	Nine (9) months ended 30 September 2009
Net dividends per share (US cents)	4.75	5.57	7.02	2.20

(b) Statement of Assets and Liabilities of the CIMC Group

A summary of the audited consolidated balance sheet of the CIMC Group as at 31 December 2008 and the unaudited consolidated balance sheet of the CIMC Group as at 30 September 2009, is set out below:

	← Audited FY2008 →		Unaudited 9 months ended 30 September 2009
	USD'000	RMB'000	RMB'000
Assets			
Current assets			
Cash at bank and on hand	454,451	3,101,353	2,980,114
Financial assets held for trading	56,643	386,553	98,552
Bills receivable	125,052	853,406	424,361
Accounts receivable	614,520	4,193,731	2,892,409
Prepayments	148,642	1,014,391	761,884
Interest receivable	353	2,412	8,079
Dividends receivable	1,581	10,792	11,220
Other receivables	129,552	884,116	888,398
Inventories	1,147,849	7,833,378	7,497,306
Non-current assets due within one year	18,766	128,064	302,142
Other current assets	60,105	410,183	317,043
Total current assets	2,757,514	18,818,379	16,181,478
Non-current assets			
Available-for-sale financial assets	185,308	1,264,613	278,773
Long-term receivables	73,545	501,903	535,209
Long-term equity investments	234,834	1,602,598	1,763,794
Investment property	11,612	79,244	78,595
Fixed assets	1,048,265	7,153,777	7,520,368
Construction in progress	138,263	943,560	1,023,128
Intangible assets	387,647	2,645,457	2,719,383
Goodwill	168,550	1,150,251	1,155,569
Long-term deferred expenses	5,746	39,210	46,690
Deferred tax assets	52,586	358,871	370,678
Total non-current assets	2,306,356	15,739,484	15,492,187
Total assets	5,063,870	34,557,863	31,673,665

	← Audited FY2008 →		Unaudited 9 months ended 30 September 2009
	USD'000	RMB'000	RMB'000
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	323,352	2,206,688	2,702,222
Financial liabilities held for trading	59,997	409,443	201,469
Bills payable	148,504	1,013,448	692,297
Accounts payable	643,466	4,391,266	3,013,132
Advances from customers	100,810	687,964	1,105,595
Employee benefits payable	110,970	757,307	713,310
Taxes payable	61,810	421,815	433,068
Interest payable	7,598	51,852	72,080
Dividends payable	4,756	32,456	31,509
Other payables	232,034	1,583,477	2,070,286
Provisions	83,970	573,046	482,243
Non-current liabilities due within one year	39,616	270,358	123,325
Total current liabilities	1,816,883	12,399,120	11,640,536
Non-current liabilities			
Long-term loans	959,530	6,548,215	4,906,247
Deferred income	3,031	20,685	20,514
Special payables	1,265	8,633	21,552
Provisions	6,064	41,383	42,353
Deferred tax liabilities	88,708	605,379	383,667
Total non-current liabilities	1,058,598	7,224,295	5,374,333
Total liabilities	2,875,481	19,623,415	17,014,869
Shareholders' equity			
Share capital	328,872	2,662,396	2,662,396
Capital reserve	186,386	1,352,772	640,734
Surplus reserve	434,170	3,577,588	3,577,588
Retained earnings	965,638	7,669,924	8,046,329
Translation differences of financial statements denominated in foreign currency	52,711	(1,833,779)	(1,908,700)
Total equity attributable to shareholders of the Company	1,967,777	13,428,901	13,018,347
Minority interest	220,612	1,505,547	1,640,449
Total equity	2,188,389	14,934,448	14,658,796
Total liabilities and shareholders' equity	5,063,870	34,557,863	31,673,665

4. SIGNIFICANT ACCOUNTING POLICIES

The audited consolidated financial statements of the CIMC Group for FY2006, FY2007 and FY2008 have been prepared in accordance with the requirements of the China Accounting Standards for Business Enterprises issued by the Ministry of Finance and the “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (CSRC) in 2007.

Please refer to note 3 to the audited consolidated financial statements of the CIMC Group in the annual reports of CIMC for FY2006, FY2007 and FY2008, for a summary of the significant accounting policies which are of major relevance for the interpretation of the said financial statements of the CIMC Group.

Copies of the annual reports of CIMC for FY2006, FY2007 and FY2008, and the unaudited consolidated financial statements of the CIMC Group for the nine (9) months ended 30 September 2009 are available for inspection as set out in paragraph 4 of Appendix IV to this Offer Document.

Save as disclosed therein:

- (a) there were no significant accounting policies or any matter from the notes of the financial statements of the CIMC Group for FY2006, FY2007 and FY2008 which are of any major relevance for the interpretation of the financial statements of the CIMC Group; and
- (b) there was no change in the accounting policies of the Offeror which will cause the financial statements of the CIMC Group for FY2006, FY2007 and FY2008 not to be comparable to a material extent.

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save (i) as disclosed above, (ii) as a result of the making and financing of the Offer, and the transactions contemplated under the Shareholders’ Agreement, and (iii) for the information of the CIMC Group which is publicly available (including without limitation the unaudited consolidated financial statements of the CIMC Group for the nine (9) months ended 30 September 2009), there has been no known material changes in the financial position of CIMC subsequent to 31 December 2008, being the date of CIMC’s last published audited accounts.

6. REGISTERED OFFICE

The registered office of CIMC is at CIMC R&D Center, No. 2 Gangwan Avenue, Shekou, Nanshan District, Shenzhen 518067, PRC.

ADDITIONAL INFORMATION ON YRSL

1. DIRECTORS

Based on the information available to the Offeror as at the Latest Practicable Date, the names, addresses and descriptions of all the directors of YRSL as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Mai Bo Liang	No. 2 Gangwan Avenue Shekou Industrial Zone Shen Zhen Guang Dong Province PRC 518067	Chairman
Mr Brian Chang	88 King's Road Singapore 266466	Deputy Chairman / Chief Executive Officer
Mr Julian Chang	2B Rochalie Drive Singapore 248231	Executive Director
Mr Chang Yee Meng Malcolm	39 Gilstead Road #01-24 Gilstead Brooks Singapore 309083	Executive Director
Mr Francis James Reidy	515 Wilder Point Virginia Beach VA 23451, USA	Independent Director
Mr Liu Chee Ming	23 Leonie Hill #11-02 Leonie Garden Singapore 239224	Independent Director
Mr Ang Kong Hua	6 Swettenham Close Singapore 248135	Independent Director
Mr Sum Soon Lim	90 Branksome Road Singapore 439613	Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, YRSL has an issued and paid-up share capital of approximately S\$594,416,915 comprising 273,565,000 Shares.

The Shares are ordinary shares carrying equal ranking rights to dividend, voting at general meetings and return of capital. YRSL does not have any other class of share capital as at the Latest Practicable Date.

There is no restriction in the memorandum or articles of association of YRSL on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to members of YRSL or to any other person.

As at the Latest Practicable Date, there are 3,831,006 outstanding Options granted under the YRSL ESOS.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for (a) information on the YRSL Group which is publicly available (including without limitation the unaudited consolidated results of the YRSL Group for the six (6) months ended 30 June 2009) and (b) other announcements released by YRSL on the website of the Norwegian Securities Dealers Association and on its own website), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the YRSL Group, taken as a whole, subsequent to 31 December 2008, being the date of the last balance sheet of YRSL laid before the shareholders of YRSL in a general meeting.

4. REGISTERED OFFICE

The registered office of YRSL is at 1 Claymore Drive, #08-04 Orchard Tower Rear Block Apartment, Singapore 229594.

ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the Offeror, the Relevant Persons, and the following parties presumed to be acting in concert with the Offeror, own, control, or have agreed to acquire an aggregate of 151,038,842 Shares, representing approximately 55.21 per cent. of the total number of issued Shares as set out below:

Name	No. of Shares (held directly or through nominees)	% of total issued Shares
<u>Offeror and Relevant Persons</u>		
The Offeror	0	0
Sharp	27,356,500	10.00
CIMC HK	22,619,350	8.27 ⁽¹⁾
Brian Chang (and his nominees)	15,350,087	5.61 ⁽²⁾
BT	9,521,306	3.48
LK	51,758,207	18.92
Yantai Shipyard Pte Ltd	19,200,000	7.02
Annie Yap Foi Fong <i>nee</i> Annie Chang ⁽³⁾	1,000,000	0.37
Julian Chang ⁽³⁾	1,050,000	0.38
Lotus Jong ⁽³⁾	120,000	0.04
Lawrence Chang ⁽³⁾	1,000,000	0.37
Malcolm Chang ⁽³⁾	1,041,292	0.38
Tracy Chang ⁽³⁾	1,005,000	0.37
Wynnie Chang ⁽³⁾	17,100	0.01

Notes:

- (1) 22,619,350 Shares are registered in the name of DnB and held for the account of CIMC HK.
- (2) 12,976,087 Shares are held by Brian Chang directly and 2,374,000 Shares are registered in the name of DnB and held for the account of Brian Chang.
- (3) Each of Annie Yap Foi Fong *nee* Annie Chang, Julian Chang, Lotus Jong, Lawrence Chang, Malcolm Chang, Tracy Chang and Wynnie Chang is a close relative of Brian Chang.

Save as disclosed above and save as disclosed in this Offer Document (including in relation to the Shareholders' Agreement in paragraph 3.5 of this Offer Document), as at the Latest Practicable Date, none of the Offeror, CIMC, their respective Directors or any party acting in concert with them (including the Relevant Persons) owns, controls or has agreed to acquire any Shares or securities that carry voting rights in YRSL, or instruments which are convertible into Shares or securities which carry voting rights in YRSL, or rights to subscribe for or options in respect of Shares or such securities.

- (b) Save as disclosed in this Offer Document (including in paragraph 3.5 of this Offer Document in relation to the Aitrust Transfer and the Shareholders' Agreement, and as set out below), none of the Offeror, CIMC, their respective Directors or any party acting in concert with them (including the Relevant Persons), has dealt for value in the Shares during the period commencing three (3) months prior to the Announcement Date and ending on the Latest Practicable Date.

- (c) No person has given any irrevocable undertaking to the Offeror or any party acting in concert with it to accept or reject the Offer as at the Latest Practicable Date.
- (d) As at the Latest Practicable Date, save for the Shareholders' Agreement referred to in paragraph 3.5 of this Offer Document (in particular, the Transfer of Majority Control), and restrictions on dealings by parties who are presumed to be acting in concert with the Offeror imposed pursuant to the Shareholders' Agreement or in connection with the provisions of the Code, neither the Offeror nor any party acting in concert with it has entered into any arrangement of the kind referred to in Note 7 to Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to Shares which may be an inducement to deal or refrain from dealing in Shares.
- (e) Save as disclosed in this Offer Document (including in relation to the Shareholders' Agreement in paragraph 3.5 of this Offer Document, and in particular, the Transfer of Majority Control), as at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) the Offeror or any party acting in concert with it and (ii) any of the present or recent directors of YRSL, or the present or recent Shareholders or any other person that has any connection with, or is dependent or conditional upon, the Offer or its outcome.
- (f) As at the Latest Practicable Date, save for the Shareholders' Agreement, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of YRSL or to any director of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to YRSL, as compensation for loss of office or otherwise in connection with the Offer.
- (g) Under the terms of the Shareholders' Agreement, no sale, transfer, lease, assignment, disposal of or parting with control of any interest in all or substantially all of the undertaking, business, property or assets (tangible or intangible) of the Offeror (including any Shares) is permitted, except with the prior consent of LK and BT. Save for the foregoing, and as disclosed in paragraphs 3.5 and 5.3 of this Offer Document in relation to the intended effecting of a Liquidity Event, as at the Latest Practicable Date, there is no agreement, arrangement or understanding in relation to whether or not any of the Offer Shares acquired by the Offeror pursuant to the Offer will or may be transferred to any other person.
- (h) Save as disclosed in this Offer Document and save for the information relating to the Offeror, the CIMC Group or the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Announcement Date and ending on the Latest Practicable Date.

2. GENERAL

- (a) Goldman Sachs has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its letter to the Shareholders and the references to its name in the form and context in which it appears in this Offer Document.
- (b) All costs and expenses of or incidental to the Offer including the preparation and circulation of this Offer Document and the FAT (other than professional fees and other costs relating to the Offer or any revision thereof incurred or to be incurred by YRSL or its independent directors) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.

3. MARKET QUOTATIONS

The closing price of the Shares on the NOTC, as reported by Bloomberg, on (a) 17 November 2009 (being the latest full trading date immediately preceding the Latest Practicable Date) was NOK 7.30 (equivalent to US\$1.29, based on the exchange rate of US\$1.00 to NOK 5.66 on 6 November 2009) and (b) 6 November 2009 (being the latest full trading date immediately preceding the Announcement Date) was NOK 6.90 (equivalent to US\$1.22, based on the exchange rate of US\$1.00 to NOK 5.66 on 6 November 2009).

The highest closing, lowest closing, last transacted prices (in both NOK and US\$, based on the exchange rate of US\$1.00 to NOK 5.66 on 6 November 2009) and trading volume of Shares on the NOTC on a monthly basis from May 2009 to October 2009 (inclusive) (being the six (6) months preceding the Announcement Date) as reported by Bloomberg (the last transacted prices being as at the end of each of the said six (6) months), are set out below:

Date	Highest Closing		Lowest Closing		Last Closing		Volume of Shares traded ('000)
	NOK	US\$	NOK	US\$	NOK	US\$	
October 2009	7.90	1.40	5.75	1.02	6.90	1.22	158
September 2009	6.90	1.22	5.00	0.88	6.90	1.22	989
August 2009	5.50	0.97	5.30	0.94	5.50	0.97	758
July 2009	5.50	0.97	5.10	0.90	5.50	0.97	1,942
June 2009	5.00	0.88	4.00	0.71	5.00	0.88	4,998
May 2009	4.00	0.71	4.00	0.71	4.00	0.71	80

During the period commencing six (6) months preceding the Announcement Date and ending on the Latest Practicable Date, as reported by Bloomberg, the highest closing price for the Shares on the NOTC was NOK 7.90 (equivalent to US\$1.40, based on the exchange rate of US\$1.00 to NOK 5.66 on 6 November 2009) which was transacted on 21 October 2009, and the lowest closing price for the Shares was NOK 4.00 (equivalent to US\$0.71, based on the exchange rate of US\$1.00 to NOK 5.66 on 6 November 2009) which was transacted on 25 May 2009, 28 May 2009, 2 June 2009, 3 June 2009, 4 June 2009, 5 June 2009, 9 June 2009, 10 June 2009, 12 June 2009 and 15 June 2009.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at Kinetica Pte. Ltd., 6 Temasek Boulevard, 29th Floor, Suntec Tower Four, Singapore 038986 during normal business hours for the period for which the Offer remains open for acceptance:

- (a) the memorandum and articles of association of the Offeror;
- (b) the Announcement;
- (c) the letter of consent from Goldman Sachs referred to in paragraph 2(a) of this Appendix IV above;
- (d) the annual reports of CIMC for FY2006, FY2007 and FY2008; and
- (e) the unaudited consolidated financial statements of CIMC for the nine (9) months ended 30 September 2009.

PROCEDURES FOR ACCEPTANCE AND FURTHER DETAILS OF THE OFFER

1. PROCEDURES FOR ACCEPTANCE

If you hold Offer Shares, you are entitled to receive this Offer Document together with the FAT. If you wish to accept the Offer, you should complete and sign the accompanying FAT in accordance with the provisions and instructions in this Offer Document including the provisions and instructions printed on the FAT (which provisions and instructions shall be deemed to form part of the terms of the Offer) and forward, at your own risk, the duly completed and signed FAT, together with the relevant share certificate(s), other document(s) of title and/or any other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Offer, by hand or by post (in the enclosed pre-addressed envelope) to:

Bright Day Limited
c/o Kinetica Pte. Ltd.
6 Temasek Boulevard, 29th Floor
Suntec Tower Four
Singapore 038986

so as to arrive not later than 5.30 p.m. on the Closing Date.

If your Offer Shares are represented by share certificate(s) which are not registered with YRSL in your own name, you must send in at your own risk the relevant share certificate(s), other document(s) of title and/or other relevant documents required by the Offeror, together with a duly completed and signed FAT accompanied by transfer form(s), duly executed by the person(s) registered with YRSL as the holder of the Offer Shares and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it).

If the number of Offer Shares in respect of acceptances for the Offer as inserted by you in the FAT exceeds the number of Offer Shares represented by the share certificate(s) and/or other documents of title accompanying the FAT, or if no such number of Offer Shares is inserted by you, then you shall be deemed to have accepted the Offer in respect of all the Offer Shares as represented by the share certificate(s) and/or other document(s) of title accompanying the FAT.

It is your responsibility to ensure that the FAT is properly completed in all respects. The Offeror, CIMC, Goldman Sachs and/or Kinetica Pte. Ltd. will be entitled to reject any acceptance which are not entirely in order or which does not comply with the provisions and instructions contained herein and in the FAT, or (subject to the preceding paragraph) which is not accompanied by the relevant share certificate(s), other document(s) of title and/or any other relevant document(s) required by the Offeror, or which is otherwise incomplete, incorrect or invalid in any respect. Any decision to reject the FAT on the grounds that it has been incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and none of the Offeror, CIMC, Goldman Sachs or Kinetica Pte. Ltd. accepts any responsibility or liability for the consequences of such a decision.

Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.

No acknowledgment of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other relevant document(s) required by the Offeror will be given.

All communications, notices, certificates, documents and remittances to be delivered, returned or sent to you will be sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register of Members of YRSL) by ordinary post to your address as it appears in the Register of Members of YRSL at your own risk (or, for the purpose of remittances only, to such different name and address as may appear in the FAT and at your own risk).

If you are a Shareholder but you do not receive the FAT, you may obtain such a FAT, upon production of satisfactory evidence that you are a Shareholder, from Kinetica Pte. Ltd., 6 Temasek Boulevard, 29th Floor, Suntec Tower Four, Singapore 038986.

2. SETTLEMENT

Subject to the Offeror having received from you, before the Offer closes, valid acceptances, complete in all respects and in accordance with the instructions given in this Offer Document and the FAT, the Offeror shall remit the appropriate amounts in US\$ to you or as you may direct, in the form of US\$ cheques by ordinary post at your own risk or if valid and complete instructions have been provided by you in the FAT for payment by telegraphic transfer, via telegraphic transfer to a US\$ account designated by you in the FAT, pursuant to Rule 30 of the Code, as soon as practicable but in any event within 10 days after the date of receipt of such acceptances.

For payment by US\$ cheques, such cheques will be drawn on a bank in Singapore for the appropriate amount, and sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register of Members of YRSL) by ordinary post to your address as it appears in the Register of Members of YRSL at your own risk (or to such different name and address as may be specified by you in the FAT and at your own risk).

CIMC, the Offeror, Goldman Sachs and Kinetica Pte. Ltd. each reserves the right to make payment by US\$ cheques in the event that any instruction provided by you in the FAT received by the Offeror relating to telegraphic transfer is inaccurate, incomplete or invalid, or if you have not provided the Offeror with details of a US\$ account to which the payment by telegraphic transfer is to be made, or in the event that payment by telegraphic transfer cannot be made in accordance with the Code for any reason.

3. ANNOUNCEMENTS

(a) Pursuant to Rule 28.1 of the Code, by 8.00 a.m. on the dealing day (the “**Relevant Day**”) immediately after the day on which the Offer is due to expire, or is revised or extended (if applicable), the Offeror will announce the total number of Shares (as nearly as practicable):

- (i) in respect of which valid acceptances of the Offer have been received;
- (ii) held by the Offeror and any party acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror and any party acting in concert with it during the Offer Period,

and will specify the percentages of the issued share capital of YRSL represented by such numbers.

(b) In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by Goldman Sachs or advertising agents for and on behalf of the Offeror to the press or the delivery of or transmission by telephone or facsimile or on the website of the Norwegian Securities Dealers Association at <http://www.nfmf.no> and YRSL's website at <http://www.yantai-raffles.com>.

(c) In computing the number of Offer Shares represented by acceptances, the Offeror will at the time of making an announcement take into account acceptances which are valid in all respects and the requirements of the Code.

4. RIGHT OF WITHDRAWAL

Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

