

## ABRIDGED PRE-LISTING STATEMENT

Grindrod Shipping Holdings Ltd.  
 (Incorporated in Singapore)  
 (Registration number: 201731497H)  
 JSE share code: GSH  
 ISIN: SG9999019087  
 ("Grindrod Shipping" or "the Company")

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION OR REQUIRE GRINDROD SHIPPING TO TAKE ANY FURTHER ACTION

This abridged pre-listing statement ("Abridged Pre-Listing Statement") relates to the secondary inward listing of Grindrod Shipping's Shares in the "Industrials-Transportation Services" sector of the Main Board of the exchange operated by the JSE, with effect from the commencement of trading on Tuesday, 19 June 2018, subject to the Company obtaining the requisite spread of shareholders required by the Listings Requirements and the Proposed Transaction being approved by Grindrod Shareholders.

The information in this Abridged Pre-Listing Statement has been extracted, in summarised form, from the full Pre-Listing Statement issued by Grindrod Shipping on Monday, 7 May 2018. This Abridged Pre-Listing Statement is not complete and does not contain all of the information that investors should consider in relation to the Proposed Transaction. This Abridged Pre-Listing Statement is issued in compliance with the Listings Requirements of the JSE for the purpose of providing information to selected persons in South Africa and other jurisdictions with regard to Grindrod Shipping. Capitalised words and expressions used in this Abridged Pre-Listing Statement shall, unless expressly defined herein or indicated otherwise by the context, bear the meanings given to them in the Pre-Listing Statement.

The Abridged Pre-Listing Statement and full Pre-Listing Statement should be read in conjunction with the Circular detailing the Proposed Transaction together with the Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") relating to the primary listing of Grindrod Shipping Shares on NASDAQ. NASDAQ has approved the Company's application to list the Shares on the NASDAQ Global Select Market under the symbol "GRIN". The Proposed Transaction is subject to the Form 20-F being declared effective by the SEC. Both the Circular and the Form 20-F have been posted to Grindrod Shareholders.

### 1. Background and introduction

On 25 April 2018, the Company was converted from a private company to a public company and it changed its name from "Grindrod Shipping Holdings Pte. Ltd." to "Grindrod Shipping Holdings Ltd." and the Company adopted its present Constitution.

On 23 March 2018, the Company entered into the Sale Agreements in terms whereof it will acquire all of the shares held by Grindrod in GSSA and GSPL. The Company will settle the purchase consideration through the issue of the Compulsorily Convertible Notes to Grindrod. The mechanism through which the Consideration Shares will be issued by the Company to the Grindrod Shareholders is through the Distribution of the Compulsorily Convertible Notes to the Grindrod Shareholders. The Compulsorily Convertible Notes are automatically convertible into the Consideration Shares which will be issued by the Company to the Grindrod Shareholders. The Consideration Shares together with the one pre-existing issued Share comprise the entire issued Share Capital of the Company at Listing.

The Consideration Shares rank pari passu with the one pre-existing issued Share, in all respects. The Company's Shares have no par value and there is no authorised but unissued capital under Singapore law. The Company does not have any treasury shares. Neither this Abridged Pre-Listing Statement nor the full Pre-Listing Statement are an invitation to the general public to purchase or subscribe for the Consideration Shares, but are issued in compliance with the Listings Requirements.

It is currently estimated that the price at which each of the Compulsorily Convertible Notes will be converted into a Consideration Share will be the face value of approximately US\$16.82 each, being in aggregate US\$320,683,000.

The Consideration Shares will be delivered in dematerialised form only and, accordingly, no documents of title will be issued to the Grindrod Shareholders.

The JSE has conditionally approved the Listing of all of the issued Shares in the "Industrials-Transportation Services" sector of the Main Board of the JSE under the abbreviated name "GRINSHIP", share code "GSH" and ISIN: SG9999019087, subject to the Company obtaining the requisite spread of shareholders required by the Listings Requirements and the Proposed Transaction being approved by the Grindrod Shareholders. Following the Listing, all the issued Shares of the Company will be listed on the exchange operated by the JSE (as a secondary listing) and NASDAQ (as a primary listing), in compliance with both the JSE's and NASDAQ's requirements and the laws of South Africa and the United States. The Company has filed a Form 20-F with the SEC (which relates to the registration of the Shares under section 12(b) of the United States Securities Exchange Act of 1934, as amended) and its Shares have been approved for listing on NASDAQ.

At the date of Listing, the issued Shares will not exceed 19,063,832 Shares. The Company's entire share capital consists of shares of no par value and there will be no other class of shares or shares in issue by the Company at the date of Listing.

The Company is the holding company which will acquire the international drybulk and tanker shipping group of Grindrod, whose origins date back to the formation of a shipping and related business in 1910 by Captain John Edward Grindrod. The Company was incorporated in Singapore on 2 November 2017 under the Singapore Companies Act.

Grindrod has been involved in various sectors of the shipping and transport industry for more than 100 years. The drybulk business in its current form under the IVS brand dates back to 1976 and was acquired by Grindrod in 1999. The modern-day tanker business under the Unicorn brand dates back to 1973 when Grindrod acquired a tanker of approximately 20,000 dwt.

The separation from the Grindrod Group and separate listing of the Company is being pursued, among other reasons, because it will (i) allow shareholders to identify more clearly the different characteristics of the Grindrod Shipping Business from the other businesses within the Grindrod Group and to value them separately, (ii) allow management of each business to focus solely on that business and pursue their respective strategies, (iii) provide relevant employees of each business stock-based incentives linked solely to his or her employer and (iv) enable each company to elect an appropriately sized board of directors comprised of individuals with the skills and sector knowledge relevant to each business.

In order to implement the Spin-Off, on the Implementation Date, Grindrod will sell all of the shares it holds in its shipping subsidiaries, GSPL and GSSA, to the Company in exchange for a market related consideration, being US\$320,683,000 that will be settled by way of the issuance of 19,063,832 Compulsorily Convertible Notes to Grindrod. Following the implementation of the Spin-Off, the Company will have GSPL and GSSA as its wholly-owned subsidiaries. The entire GSHPL Group structure, including the Company's interest in joint ventures, is reflected in Annexure 10 of the Pre-Listing Statement.

Grindrod will declare a distribution in respect of the Compulsorily Convertible Notes to be distributed on the Implementation Date pro-rata to all of the Grindrod Shareholders, such that the Grindrod Shareholders will receive one Compulsorily Convertible Note for every 40 shares of Grindrod's ordinary shares. The Compulsorily Convertible Notes will immediately and automatically convert into Shares in the Company following the Distribution of the Compulsorily Convertible Notes to the Grindrod Shareholders. Each Compulsorily Convertible Note will convert into one ordinary share of Grindrod Shipping with shareholders of Grindrod Shipping holding Grindrod Shipping Shares in the same proportion as they hold their Parent ordinary shares immediately following the consummation of the Spin Off, other than with respect to the rounding of any fractional interests.

As of the Implementation Date, the Company and Grindrod will become independent, publicly traded companies and will have separate public ownership. The Company has appointed its own board of directors, a majority of whom will not overlap with the Grindrod Board. The Company will have the same management team that currently operates Grindrod's shipping business (who will no longer work for Grindrod after the Spin-Off) and will not be managed by Grindrod or any Grindrod Shareholders, except to the extent that a member of the Company's senior management team is a Grindrod shareholder and receives Shares in the Spin-Off.

### 2. Overview of Grindrod Shipping

Grindrod Shipping is an international shipping company that owns, charters in and operates a fleet of drybulk carriers and tankers. The Company owns some of their vessels directly and some of their vessels in joint venture arrangements. The Company operates two businesses primarily: (i) the drybulk carriers business, which is further divided into handysize, supramax, and other operating segments; and (ii) the tankers business, which is further divided into medium range tankers, small tankers, and other operating segments. Activities that do not relate to these business segments are accumulated in an "unallocated" segment. The business also historically included a container business held through OACL and a bunker business held through Unicorn Bunker, both of which were sold out of GSSA to a Grindrod subsidiary effective as of 1 January 2018. Neither of these entities form part of the Proposed Transaction. Furthermore, from time to time, the Company has sold vessels in the ordinary course of business. In the drybulk business the Company is primarily focused on the handysize and supramax segments. Grindrod Shipping has 20 handysize drybulk carriers and 13 supramax drybulk carriers in its operating fleet with sizes ranging from 28,240 dwt to approximately 61,420 dwt. Drybulk carriers transport a broad range of major and minor bulk and breakbulk commodities, including ores, coal, grains, forestry products, steel products and fertilizers, among worldwide shipping routes, and are currently employed in pools of similarly sized vessels or in the spot market.

In the tanker business, the Company is focused on the medium range tanker segment and also operates in the small tanker segment. Grindrod Shipping has 11 medium range tankers and four small tankers in their operating fleet with sizes ranging from 16,480 dwt to 51,570 dwt. Tankers carry petroleum products, which include both clean products, such as petrol, diesel, jet fuel and naphtha, and dirty products, such as heavy fuel oil. The tankers do not carry crude oil. Tankers are also classed to carry low hazard chemical products, which include liquid bulk vegetable oils. Tankers are currently employed in pools of similarly sized vessels, commercially managed by one of the Company's joint venture partners or third parties, and under various other arrangements, including charter out, bareboat charter, under contracts of affreightment or in the spot market.

Furthermore, it should be noted that the Company does not receive any degree of governmental protection and neither is the Company affected by any investment encouragement law.

As of the date of the Pre-Listing Statement, Grindrod Shipping operates a fleet of 48 vessels consisting of 25 owned drybulk carriers (including 15 drybulk carriers that are owned through joint ventures), eight long term chartered in drybulk carriers, 12 owned tankers (including six tankers that are owned through joint ventures) and three long term chartered in tankers. The Company regards vessels owned by the joint ventures in which they participate as owned vessels in their fleet. As of the date of the Pre-Listing Statement, the fleet has a total drybulk carrying capacity of approximately 1.4 million dwt and a total liquid bulk carrying capacity of approximately 580,000 dwt.

The Company regards chartered in vessels as part of its fleet if the period of the charter that it initially commits to is 12 months or more. Once the Company has included such chartered in vessels in its fleet, it will continue to regard them as part of the fleet until the end of their chartered in period, including any period that the charter has been extended under an option, even if at a given time the remaining period of their charter may be less than 12 months. Additionally, certain of the Company's chartered in vessels have purchase options.

In addition to its fleet, Grindrod Shipping will from time to time charter in additional vessels for initial committed periods of less than 12 months. The Company may do this entirely for its own profit or loss, or may do this in the name of pools that it commercially manages in which event the profit or loss associated with the vessel will be for the account of the pool. From time to time the Company has, on average, chartered between 10 to 25 vessels on a short-term basis to take advantage of opportunities in the market and to help service its cargo contracts alongside its fleet.

Grindrod Shipping has partnered with various global partners to operate a portion of their drybulk carriers through three joint ventures and a portion of their tankers through two joint ventures. The Company also has a majority interest in a joint venture that has drybulk freight contracts. The Company has entered into an agreement to unwind one of its drybulk carrier joint ventures, pursuant to which it will acquire the two vessels owned by that joint venture. For more information on the vessel held through joint ventures and a description of the key terms of certain of these joint ventures, see "Our Joint Ventures" in the Form 20-F.

The Company has previously and will in future from time to time contract for the construction of newbuilding vessels. As of the date of the Pre-Listing Statement, there are no newbuilding vessels under construction. The Company may also acquire secondhand vessels or newbuilding resales.

From time to time, Grindrod Shipping may buy and sell vessels when they consider market conditions make it appropriate to do so and if tonnage requirements permit. The Company considers that its trading of vessels involves both the acquisition of vessels at times when the Company perceive prices to be weak and the sale of vessels when values rise. In determining whether to acquire vessels the Company takes into account its liquidity position, expectation of fundamental developments in the drybulk and tanker shipping sectors; the level of liquidity in the secondhand charter markets, the cash flow earned by the vessel in relation to its value, the vessel's condition and technical specifications with particular regard to fuel consumption, expected remaining useful life, the credit quality of the charterer and duration and terms of charter contracts for vessels acquired with charters attached, as well as the overall diversification of the Company's fleet and customers.

Grindrod Shipping operates two drybulk commercial pools for which it earns pool management fees from third party vessel owners and some of its joint venture partners. The Company does not operate any tanker commercial pools, instead it participates in tanker commercial pools operated by other parties. The Company also provides commercial management for its drybulk carrier and one of its tanker joint ventures. The Company also technically manage the majority of the vessels that it owns directly or through joint ventures.

In addition, Grindrod Shipping operates a service in the drybulk sector where they ship bulk cargo in parcels that may be significantly less than the full carrying capacity of a vessel, or even less than the carrying capacity of an individual hold on a vessel. When the Company loads more than one parcel of bulk cargo in a hold it will separate the parcels using steel plates and other damage materials. Wherever it makes commercial sense to do so, the Company uses vessels from its fleet to carry this type of cargo. The Company also will source vessels off the spot market to carry the cargo. The Company has operated this service for more than 40 years, with a consistent customer base for most or all of this time.

Other than the technical management and commercial management aspects relating to various ships which are outsourced to a third party under a contract or arrangement, neither the Company's business nor any of its subsidiaries, is managed, or is proposed to be managed, by a third party under a contract or arrangement.

### 3. Summary financial information and operating data

This section should be read in conjunction with Annexures 1 to 4 of the Pre-Listing Statement.

#### Selected Financial Data

The selected historical combined financial data set out below as of and for the years ended 31 December 2017, 31 December 2016 and 31 December 2015 have been derived from the combined financial statements of GSSA (excluding the subsidiary Unicorn Bunker Services Pty Ltd and Ocean Africa Container Lines a division of GSSA) and GSPL for those periods and as of those dates and the related notes included in the Pre-Listing Statement. The other operating data presented has been calculated as described in the footnotes to the table below. This table contains certain information regarding TCE revenue per day (as defined below).

	Years Ended 31 December		
	2017	2016	2015
<b>(In thousands of U.S. Dollars, except Other Operating Data)</b>			
<b>Summary Combined Statements of Profit or Loss Data</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Revenue</b>	355,035	319,271	378,313
Cost of sales	(348,579)	(331,218)	(366,944)
<b>Gross profit</b>	6,456	(11,948)	11,369
Other operating income	3,395	4,608	5,780
Administrative expenses	(25,143)	(21,593)	(21,272)
Share of losses of joint ventures	(12,946)	(3,472)	(18,748)
Interest income	5,263	3,838	2,285
Interest expense	(6,169)	(4,684)	(4,231)
Other operating expenses	(33,557)	(17,468)	(70,703)
<b>Loss before taxation</b>	(62,701)	(50,719)	(95,520)
Income tax expense	316	410	(1,600)
<b>Loss for the year</b>	(62,385)	(50,309)	(97,120)
<b>Summary Combined Statement of Financial Position</b>			
Total assets	484,073	567,536	559,561
Current liabilities	142,247	132,803	154,183
Non-current liabilities	24,138	74,413	3,890
<b>Total liabilities</b>	166,385	207,216	158,073
<b>Total equity</b>	317,688	360,320	401,488
Cash and bank balances	46,521	58,368	68,130

The following table sets forth certain other operating data for Grindrod Shipping's drybulk carriers and tanker businesses. This data should be read together with the information contained in the "Overview of the Business" section of the Pre-Listing Statement.

	Years Ended 31 December		
	2017	2016	2015
<b>Drybulk Business</b>			
<b>Handysize Segment</b>			
Calendar days <sup>(1)</sup>	7,942	7,616	7,877
Available days <sup>(2)</sup>	7,840	7,559	7,762
Operating days <sup>(3)</sup>	7,720	7,460	7,692
Fleet utilization <sup>(4)</sup>	98.5%	98.7%	99.1%
Vessels operating at period end <sup>(5)</sup>	21.2	20.4	21.1
<b>Handysize Segment Average Daily Results</b>			
TCE per day <sup>(6)</sup>	\$7,675	\$5,881	\$7,487
Vessel operating costs per day <sup>(7)</sup>	\$5,034	\$5,091	\$5,160

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