AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED
(Formerly known as "AVIC International Investments Limited")

(Incorporated in Singapore on 11 November 2010)
(Company Registration No. 201024137N)
(the "**Company**" and together with its subsidiaries, the "**Group**")

DISPOSAL OF INTEREST IN SUBSIDIARY – DELTALANGH OY

---

1. Introduction

1.1 The Board of Directors ("**Board**") of AVIC International Maritime Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Deltamarin Ltd ("**Deltamarin**"), an indirect 79.57% owned subsidiary of the Company, had as at the date of this announcement completed a disposal ("**Disposal**") of an aggregate of five (5) ordinary shares in the issued and paid-up share capital of DeltaLangh Oy ("**DeltaLangh**") representing 55.56% of the total number of issued shares in DeltaLangh ("**Sale Shares**"), to Oy Langh Tech Ab ("**Purchaser**"), the joint venture partner of Deltamarin, for an aggregate consideration of EUR200,000 payable in cash via tranches ("**Consideration**").

1.2 As the Sale Shares represent the entire interest of Deltamarin in DeltaLangh, DeltaLangh has ceased to be a subsidiary of the Company following the completion of the Disposal.

2. Background and Rationale for the Disposal

DeltaLangh was incorporated in Finland in June 2014 pursuant to a joint venture arrangement entered into between Deltamarin and the Purchaser for the purposes of marketing, sales and production of exhaust gas cleaning and water treatment systems.

Prior to the Disposal, Deltamarin and the Purchaser each held a 55.56% and 44.44% shareholding interest in DeltaLangh respectively.

The Disposal is conducted as part of the Group's strategies for cutting cost and improving profitability considering the overall sluggish conditions in the global maritime industry. It is expected that the disposal of a subsidiary as such, which has been loss making ever since its incorporation, shall reduce the relevant compliance costs and enhance the overall performance of the Group.

3. Consideration

The Consideration was arrived at on a willing seller-willing buyer basis, taking into consideration the net asset value of Deltamarin's investment in DeltaLangh as at 31 December 2015.

4. Information on the Purchaser

The Purchaser is an independent third party and there is no relationship between the Purchaser, the Company and the Company's Directors or, to the best of the Company's knowledge, the Company's substantial shareholders.

5. Relative figures under Rule 1006 of the Listing Manual

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Listing Manual of the SGX-ST is less than 5%, the Disposal is a "Non-Discloseable Transaction" for the purpose of Chapter 10 of the SGX-ST's Listing Manual.

6. Financial Effects Of The Disposal

As DeltaLangh has been loss making ever since its incorporation in June 2014, the Disposal is expected to contribute positively to the Group's consolidated net tangible assets and earnings per share for the financial year ending 31 December 2016.

7. Interests of Directors and Substantial Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

BY ORDER OF THE BOARD

Dr Diao Weicheng
Executive Chairman
7 January 2016