AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(Formerly known as "AVIC International Investments Limited")

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

THE PROPOSED INTRAGROUP RESTRUCTURING EXERCISE – ADDITIONAL STEP

Further to the Company's announcements dated 12 August 2016 and 20 October 2016 respectively in relation to its proposed intragroup restructuring exercise, the Company wishes to announce that in order to further reduce the layers of intermediary companies and streamline the Group's corporate holding structure, the Group intends to carry out an additional step as part of its intragroup restructuring exercise, whereby AVIC International Offshore Pte. Ltd., being the Company's wholly-owned subsidiary, will transfer all of the shares that it holds in the capital of AVIC Zhenjiang Shipyard Marine Pte. Ltd. ("**AZM**"), consisting of 3,000,000 shares representing 60% of the issued and paid-up share capital in AZM ("**Sale Shares**"), to the Company at a fair market value ("**Proposed Additional Step**"). The remaining 40% of the issued and paid-up share capital of AZM will continue to be held by Jiangsu Zhenjiang Shipyard (Group) Co., Ltd., an independent third party. The consideration in relation to the Sale Shares will be payable by the Company by way of issuance of a promissory note. For the avoidance of doubt, there will be no net impact to the cash position of the Group resulting from the Proposed Additional Step.

The Proposed Additional Step is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2016.

None of the directors of the Company (other than through their respective shareholding in the Company, if any), has any interest, direct or indirect, with respect to the Proposed Additional Step.

The Company will make a further announcement upon the completion of the Proposed Additional Step.

By Order of the Board

Dr Diao Weicheng
Executive Chairman
5 December 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.

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