

## 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")

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### THE PROPOSED INTRAGROUP RESTRUCTURING EXERCISE IN RELATION TO DELTAMARIN GROUP

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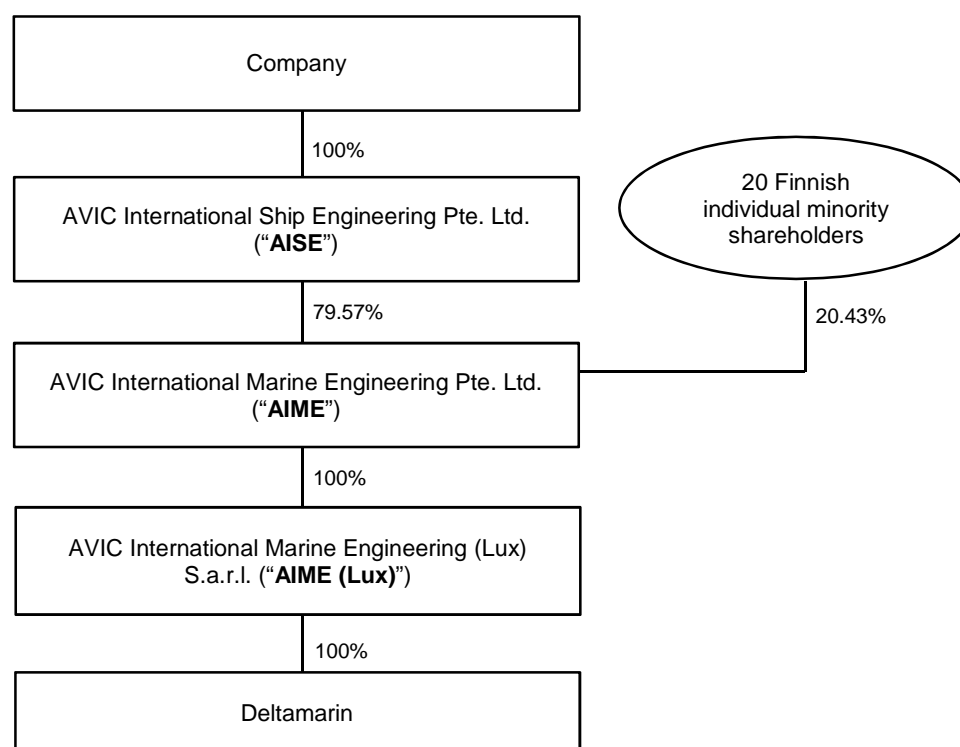
*Capitalised terms used herein shall have the same definitions ascribed to them in the Company's announcement dated 12 August 2016 in relation to its proposed intragroup restructuring exercise to streamline its corporate group structure, unless otherwise stated or the context otherwise requires.*

#### 1. INTRODUCTION

- 1.1. Further to the Company's announcement dated 12 August 2016 in relation to the Proposed Restructuring Exercise, in order to further implement the administrative directive issued by the relevant authority under the Government of the PRC, which requires PRC state-owned enterprises, such as the Group, to streamline its corporate holding structure with a view to reducing layers of intermediary companies, the Company is proposing to undertake an intragroup restructuring exercise in relation to Deltamarin Ltd. ("**Deltamarin**"), a 79.57% owned indirect subsidiary of the Company incorporated in Finland, and its subsidiaries (hereinafter, "**Deltamarin Group**") ("**Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group**").
- 1.2. The Deltamarin Group, being the design arm and an operating sub-group of the Company, is a ship design, offshore engineering and construction group operating in the marine and offshore industries worldwide. Its services include a full range of consulting, design and engineering as well as procurement, construction and installation. For further details on the Deltamarin Group, please visit [www.deltamarin.com](http://www.deltamarin.com).
- 1.3. **The Current Shareholding Structure of Deltamarin Group**

The shareholding structure of Deltamarin Group prior to the Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group is set out below:

**Note:** Please note that for the purpose of clarity, some subsidiaries of the Company have not been included in the following chart. The chart is for illustrative purposes and ease of reference, and it does not comprise the entire Group structure.



As illustrated in the chart above, the Company indirectly holds 79.57% of the shareholding interest in Deltamarin through AISE, AIME and AIME (Lux), and the remaining 20.43% of the shareholding interest in Deltamarin are indirectly held by 20 Finnish individual minority shareholders (each, a “**DM Minority**” and together, “**DM Minorities**”), all of whom are or were employees of Deltamarin.

For further information on the DM Minorities, please refer to the Company’s circular dated 10 December 2012 in relation to the proposed acquisition of the entire issued and paid-up share capital of Deltamarin.

## 2. PROPOSED INTRAGROUP RESTRUCTURING EXERCISE IN RELATION TO DELTAMARIN GROUP

### 2.1. The Proposed Intragroup Restructuring Exercise

#### Conversion of Deltamarin

As part of the Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group, AIME (Lux), being the sole immediate shareholder of Deltamarin, shall transfer its entire shareholding interest in Deltamarin as follows in accordance with the relevant Finnish laws:

- (a) 79.57% of the shareholding interest in Deltamarin to the Company; and

(b) 20.43% of the shareholding interest in Deltamarin to the DM Minorities,

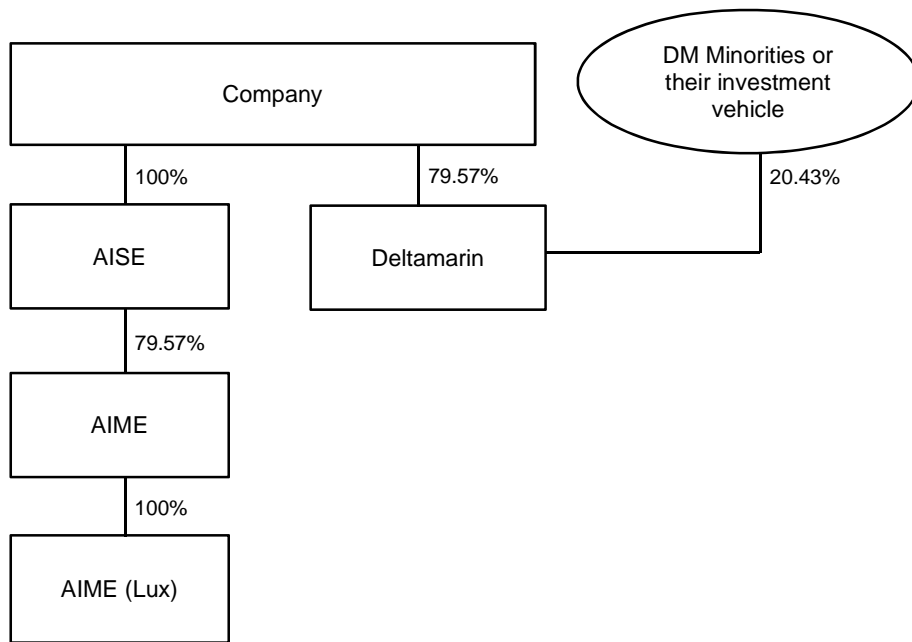
each of the transfers to be at fair market value payable by each of the Company and the DM Minorities in proportion to their respective shareholding interests in Deltamarin by way of issuance of promissory notes (collectively, the “**Conversion of Deltamarin**”).

For the avoidance of doubt, there will be no net impact to the cash position of the Group resulting from the Conversion of Deltamarin.

**The gist of the Conversion of Deltamarin is to move the joint venture arrangement between the Company and the DM Minorities to the immediate shareholder level of Deltamarin. There will be no change in the Company’s effective interest in Deltamarin upon completion of the Conversion of Deltamarin.**

Following the completion of the Conversion of Deltamarin, the Company shall directly hold 79.57% shareholding interest in Deltamarin as illustrated in the chart below:

***Note:** Please note that for the purpose of clarity, some subsidiaries of the Company have not been included in the following chart. The chart is for illustrative purposes and ease of reference, and it does not comprise the entire Group structure.*



Proposed Dissolutions

Following completion of the Conversion of Deltamarin, the following subsidiaries of the Company shall be dissolved in the following sequence:

(i) Firstly, AIME (Lux), a 79.57% owned indirect subsidiary of the Company incorporated in Luxembourg,

- (ii) Secondly, AIME, a 79.57% owned indirect subsidiary of the Company incorporated in Singapore; and
  - (iii) Lastly, AISE, a wholly-owned direct subsidiary of the Company incorporated in Singapore,
- (collectively, the “**Proposed Dissolutions**”).

For the avoidance of doubt, AIME (Lux), AIME and AISE are investment holding companies without material business operations. Further, various professionals including legal counsels from relevant jurisdictions, auditors and tax advisors have been engaged by the Company to provide advice in the Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group.

## **2.2. Relevant Corporate Chart of the Group**

Please refer to Appendix A for the corporate chart of the Group prior to the Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group and Appendix B for the corporate chart of the Group on completion of the Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group.

## **3. FINANCIAL EFFECTS**

The Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group 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.

## **4. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

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 Intragroup Restructuring Exercise in relation to Deltamarin Group.

## **5. FURTHER INFORMATION**

The Company will make further announcements upon the completion of the Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group, or when there are material developments in respect of the Proposed Intragroup Restructuring Exercise in relation to Deltamarin Group.

### **By Order of the Board**

Dr Diao Weicheng  
Executive Chairman  
20 October 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.*

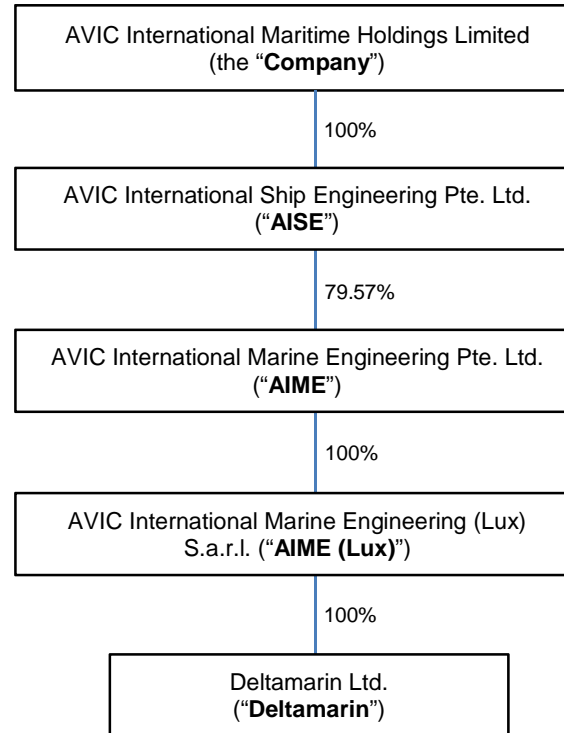
*The contact person for the Sponsor is Mr Ng Joo Khin:*

*Telephone number: (65) 6389 3000*

*Email address: [jookhin.ng@morganlewis.com](mailto:jookhin.ng@morganlewis.com)*

## APPENDIX A

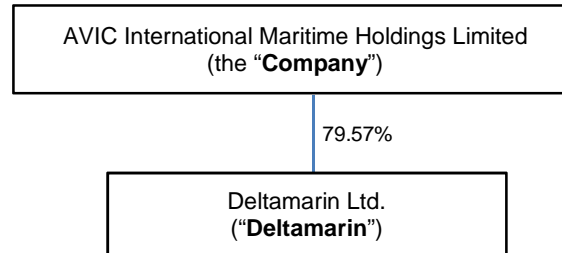
### CORPORATE CHART<sup>1</sup> OF THE GROUP PRIOR TO THE PROPOSED INTRAGROUP RESTRUCTURING EXERCISE IN RELATION TO DELTAMARIN GROUP



<sup>1</sup> **Note:** Please note that for the purpose of clarity, some subsidiaries of the Company have not been included in the chart. The chart is for illustrative purposes and ease of reference, and it does not comprise the entire Group structure.

## APPENDIX B

### CORPORATE CHART<sup>1</sup> OF THE GROUP ON COMPLETION OF THE PROPOSED INTRAGROUP RESTRUCTURING EXERCISE IN RELATION TO DELTAMARIN GROUP



<sup>1</sup> **Note:** Please note that for the purpose of clarity, some subsidiaries of the Company have not been included in the chart. The chart is for illustrative purposes and ease of reference, and it does not comprise the entire Group structure.