CIRCULAR DATED 11 APRIL 2019

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

If you are in any doubt in relation to the contents of this Circular or as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other independent professional adviser immediately.

If you have sold or transferred all your shares in the capital of AVIC International Maritime Holdings Limited (the "**Company**"), you should immediately forward this Circular, the Notice of EGM and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular 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 SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr Ng Joo Khin and his contact particulars are jookhin.ng@morganlewis.com and telephone: +65 6389 3000.

AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201024137N)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	24 April 2019 at 2:45 p.m.
Date and time of Extraordinary General Meeting	:	26 April 2019 at 2:45 p.m. or immediately after the conclusion of the Company's annual general meeting, whichever is later
Place of Extraordinary General Meeting	:	Phoenix Grand Ballroom, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031

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In this Circular, the following definitions apply throughout unless otherwise stated:

Companies within the AVIC Group

"**AVIC**"	:	Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司)
"**AVIC Group**"	:	AVIC, its subsidiaries and its associates
"**AVIC International**"	:	AVIC International Holding Corporation (中國航空技術國際控股有限公司)
"**AVIC IHL**"	:	AVIC International Holdings Limited (中航國際控股股份有限公司) (Stock Code: 161:HK), formerly known as CATIC Shenzhen Holdings Limited (深圳中航集團股份有限公司)
"**AVIC International Beijing**"	:	AVIC International Beijing Co., Ltd. (中國航空技術北京有限公司)
"**AVIC International Kairong**"	:	AVIC International Kairong Limited (中航國際凱融有限公司)
"**AVIC International Shenzhen**"	:	AVIC International Shenzhen Company Limited (中國航空技術深圳有限公司)
"**Company**"	:	AVIC International Maritime Holdings Limited, formerly known as "AVIC International Investments Limited"
"**Deltamarin**"	:	Deltamarin Ltd.
"**Deltamarin Group**"	:	Deltamarin, its subsidiaries and its associated companies
"**Group**"	:	The Company and its subsidiaries

General

"**AGM**"	:	Annual general meeting of the Company
"**Approval Thresholds**"	:	Has the meaning ascribed to it in Section 6(b) of Appendix B to this Circular
"**associates**"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;

(b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

"**associated companies**"	:	Companies in which at least 20% but not more than 50% of its shares are held by the Company or the Group
"**Auditors**"	:	The auditors of the Company for the time being
"**Audit Committee**"	:	The audit committee of the Company
"**Benchmark Rate**"	:	Has the meaning ascribed to it in Section 6(a)(ii)(bb) of Appendix B of this Circular
"**Board**"	:	The board of Directors of the Company for the time being
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 11 April 2019
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore (as may be amended from time to time)
"**controlling shareholder**"	:	A person who (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company (unless the SGX-ST determines that such a person is not a controlling shareholder of the company); or (b) in fact exercises control over the company
"**Constitution**"	:	The constitution of the Company
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date

"**EGM**"	:	The extraordinary general meeting of the Company to be held on 26 April 2019 at 2:45 p.m. or immediately after the conclusion of the Company's annual general meeting, whichever is later, at Phoenix Grand Ballroom, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031, for the purpose of seeking the Shareholders' approval for the Proposed IPT Mandate Renewal, notice of which is set out in the Notice of EGM
"**Entity at Risk**"	:	Shall have the meaning ascribed to it in the Listing Manual as amended from time to time
"**EPC**"	:	Has the meaning ascribed to it in Section 2(g) of Appendix B to this Circular
"**Executive Director(s)**"	:	A Director of the Company who holds an executive position
"**FY2018**"	:	Financial year ended 31 December 2018
"**Information Memorandum**"	:	Information Memorandum dated 10 August 2011 issued by the Company
"**Interested Person(s)**"	:	The interested person(s) of the Company who fall within the IPT Mandate, as set out in Section 4 of Appendix B to this Circular
"**Interested Person Transaction(s)**"	:	The categories of transactions with the Interested Person(s) which fall within the IPT Mandate, as set out in Section 2 of Appendix B to this Circular
"**IPT Manager**"	:	Has the meaning ascribed to it in Section 6(d) of Appendix B to this Circular
"**IPT Mandate**"	:	The Shareholders' general mandate having been obtained on 26 April 2018 pursuant to Rule 920 of the SGX-ST Listing Manual to enter into Interested Person Transactions, by reason of the information stipulated under Rule 920(1) of the SGX-ST Listing Manual having been included in the circular to Shareholders dated 11 April 2018
"**IPT Register**"	:	Has the meaning ascribed to it in Section 6(c) of Appendix B of this Circular
"**Latest Practicable Date**"	:	The latest practicable date prior to the printing of this Circular, being 4 April 2019
"**Listing**"	:	The official listing of the Shares on the SGX-ST on 12 September 2011

"**Listing Undertaking**"	:	The undertaking by AVIC International and AVIC International Beijing as disclosed in the Information Memorandum under the Section entitled "Potential Conflict of Interests"
"**Listing Manual**"	:	The Listing Manual of the SGX-ST Section B: Rules of Catalist, as amended or modified from time to time
"**M&C Services**"	:	The project management and consultancy services relating to ship design and construction (both of which may be out-sourced to third parties or carried on within other AVIC Group entities), which include but are not limited to, consultancy, procurement, newbuilding management and marine finance arrangement
"**Notice of EGM**"	:	The notice of the EGM as set out in the Section entitled "Notice of Extraordinary General Meeting" in this Circular
"**NTA**"	:	Net tangible assets
"**PRC**"	:	The People's Republic of China, excluding the Hong Kong and Macau Special Administrative Regions
"**Proposed IPT Mandate Renewal**"	:	Has the meaning ascribed to it in Section 1 of this Circular
"**Recommending Directors**"	:	Collectively, Mr Teng Cheong Kwee, Ms Alice Lai Kuen Kan and Professor Wang Puqu
"**Securities and Futures Act**"	:	The Securities and Futures Act, Chapter 289 of Singapore (as may be amended from time to time)
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders for the time being of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	The ordinary shares in the share capital of the Company
"**Sponsor**"	:	Stamford Corporate Services Pte. Ltd.
"**Substantial Shareholder**"	:	A person (including a corporation) who has an interest in not less than 5% of the issued voting shares of the Company

"**Shipbuilding Related Agreements**"	:	Has the meaning ascribed to it in Section 6(a)(ii)(cc) of Appendix B of this Circular
"**Ship-trading Consolidation Exercise"**	:	The consolidation of the ship trading related business pursuant to the undertaking given by AVIC International Holding Corporation in connection with the Company's listing on the SGX-ST as disclosed in the Company's information memorandum dated 10 August 2011. For further details, please refer to the 9 June 2014 Announcement
"**Undertakings**"	:	Has the meaning ascribed to it in Section 2(g) of Appendix B of this Circular
"**Underlying Independent Contracting Party**"	:	Has the meaning ascribed to it in Section 6(a)(vii)(aa) of Appendix B of this Circular
"**9 June 2014 Announcement**"	:	The Company's announcement released via SGXNET dated 9 June 2014 in relation to its consolidation of the ship-trading related business

Currencies, Units and Others

"**RMB**"	:	Renminbi
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**%**" or "**per cent**"	:	Per centum or percentage

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the said Companies Act or any modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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

AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201024137N)

Directors:
Dr Diao Weicheng (Executive Chairman)
Mr Sun Yan (Executive Director and Chief Executive Officer)
Mr Li Meijin (Executive Director)
Mr Teng Cheong Kwee (Lead Independent Director)
Ms Alice Lai Kuen Kan (Independent Director)
Professor Wang Puqu (Independent Director)

Registered Office:
8 Robinson Road,
#13-00 ASO Building,
Singapore 048544

11 April 2019

To: The Shareholders of AVIC International Maritime Holdings Limited

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The purpose of this Circular is to provide Shareholders with information relating to the proposed renewal of the IPT Mandate ("**Proposed IPT Mandate Renewal**"), first proposed and adopted at the extraordinary general meeting of the Company held on 26 April 2018, such adoption being expressed to take effect until the conclusion of the Company's forthcoming AGM. The Directors propose to table the renewal of the IPT Mandate pursuant to Chapter 9 of the Listing Manual for the consideration and approval of the Shareholders.

The particulars of the Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed, including the rationale for the renewal and review procedures implemented by the Company to ensure that the Interested Person Transactions with the Interested Persons covered by the renewed IPT Mandate will be transacted on normal commercial terms, are set out in this Circular.

This Circular is important. Shareholders are advised to read this Circular in its entirety (including the relevant Appendices) and any Shareholder, who may require advice in the context of his specific investment, should consult his independent professional adviser(s).

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Introduction to the IPT Mandate

The IPT Mandate was adopted at the extraordinary general meeting of the Company held on 26 April 2018, such adoption being expressed to take effect until the conclusion of the Company's forthcoming AGM.

The authority conferred under the IPT Mandate obtained pursuant to Rule 920 of the Listing Manual enables the Company, its subsidiaries and associated companies which are considered to be "entities at risk" within the meaning of Rule 904 of the Listing Manual to enter into certain interested person transactions in its ordinary course of business with specified classes of interested persons in accordance with the terms and conditions as prescribed therein, provided that such transactions are entered into on an arm's length basis and on normal commercial terms.

2.2 **Details of the IPT Mandate**

The nature of the interested person transactions and the classes of interested person in respect of which the renewal of the IPT Mandate is sought remains unchanged. Details of the IPT Mandate, including for, and the benefits to, the Company, the review procedures for determining transaction prices with the specified classes of interested persons and other general information required by Chapter 9 of the Listing Manual are set out in Appendix B of this Circular.

2.3 **Proposed Renewal of the IPT Mandate**

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. Accordingly the authority conferred under the IPT Mandate shall, unless renewed at the forthcoming AGM, expire on the date of the forthcoming AGM to be held on 26 April 2019.

It is proposed that the IPT Mandate be renewed at the EGM on 26 April 2019, also being the date of the forthcoming AGM. Upon being approved by the Shareholders, the IPT Mandate shall take effect until the conclusion of the next AGM of the Company.

2.4 **Rationale**

The proposed renewal of the IPT Mandate is intended to facilitate transactions in the ordinary course of business of the Group which are recurrent in nature or necessary for the day-to-day operations of the Group, and which may be transacted from time to time with the Interested Persons, provided that they are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

The renewal of the IPT Mandate would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions that fall within the Interested Person Transactions (as defined in Section 2 of Appendix B to this Circular) arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The Company has an existing issued and paid-up share capital of 285,576,000 Shares as at the Latest Practicable Date. As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the capital of the Company as recorded in the Register of Directors' Shareholdings pursuant to Section 164 of the Companies Act and the Register of Substantial Shareholders pursuant to Section 88 of the Companies Act, respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% of Issued Shares[1]	No. of Shares	% of Issued Shares[1]
Directors				
Diao Weicheng	–	–	–	–
Sun Yan	–	–	–	–
Li Meijin	–	–	–	–
Teng Cheong Kwee	–	–	–	–
Alice Lai Kuen Kan	–	–	–	–
Wang Puqu	–	–	–	–

	Direct Interest		Deemed Interest	
	No. of Shares	% of Issued Shares[1]	No. of Shares	% of Issued Shares[1]
Substantial Shareholders				
AVIC[2]	–	–	210,947,369	73.87
AVIC International[2]	–	–	210,947,369	73.87
AVIC International Shenzhen[2]	–	–	210,947,369	73.87
AVIC IHL	210,947,369	73.87	–	–

Note(s):

(1) The percentage of issued ordinary shares is calculated based on the number of issued shares as at the Latest Practicable Date, excluding treasury shares.

(2) AVIC holds 62.52% of the registered capital of AVIC International, which in turn holds the entire registered capital of AVIC International Shenzhen. 35.6% and 39.4% of the share capital of AVIC IHL are directly held by AVIC International Shenzhen and AVIC International respectively. AVIC, AVIC International and AVIC International Shenzhen are therefore deemed interested in the Shares held by AVIC IHL by virtue of Section 7 of the Companies Act.

4. AUDIT COMMITTEE'S STATEMENT

4.1 The Audit Committee consists of Mr Teng Cheong Kwee (Chairman of the Audit Committee), Ms Alice Lai Kuen Kan and Professor Wang Puqu.

4.2 Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee has reviewed the terms of the IPT Mandate (proposed to be renewed) and confirms that:

(a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since approval for the IPT Mandate was last given; and

(b) the methods or procedures for determining the transaction prices under the IPT Mandate are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.3 If during the periodic reviews by the Audit Committee, it is of the view that the established guidelines and procedures are no longer appropriate or adequate to ensure that the Interested Person Transactions (a) will be transacted on an arm's length basis and on normal commercial terms; and (b) would not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new guidelines and procedures.

5. DIRECTORS' RECOMMENDATION

The Directors who are deemed to be non-interested for the purposes of making a recommendation to the Shareholders in respect of the Proposed IPT Mandate Renewal are Mr Teng Cheong Kwee, Ms Alice Lai Kuen Kan and Professor Wang Puqu (collectively, the "**Recommending Directors**").

Having fully considered, *inter alia*, the terms, the rationale and the benefits of the IPT Mandate and the statement of the Audit Committee, the Recommending Directors are unanimously of the opinion that the IPT Mandate, as proposed to be renewed, is in the best interests of the Company. The Recommending Directors unanimously agree that the review procedures for determining the terms of the Interested Person Transactions as stated in Section 6 of Appendix B to this Circular for Interested Person Transactions entered into pursuant to the IPT Mandate, as well as the quarterly reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Recommending Directors unanimously recommend that the Shareholders vote in favour of the ordinary resolution relating to the Proposed IPT Mandate Renewal as set out in the Notice of EGM.

The Recommending Directors, in making their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any Shareholder. As different Shareholders would have different investment objectives, the Recommending Directors recommend that any individual Shareholder who is in any doubt as to the action he/she should take, should consult his/her stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

6. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, AVIC IHL being an Interested Person, will abstain, and have undertaken to ensure that its associates will abstain, from voting on the resolution approving the Proposed IPT Mandate Renewal.

Further, AVIC IHL undertakes to decline, and shall ensure that its associates shall decline, to accept appointment as proxies to attend and vote at the forthcoming EGM in respect of the resolution relating to the approval of the Proposed IPT Mandate Renewal for other Shareholders unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the accompanying Proxy Form attached to the Notice of EGM set out in this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 8 Robinson Road, #13-00 ASO Building, Singapore 048544, not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by such Shareholder will not prevent him from attending and voting in person at the EGM in place of his proxy should he subsequently wish to do so.

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears in the Depository Register as at 72 hours before the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed IPT Mandate Renewal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at 8 Robinson Road, #13-00 ASO Building, Singapore 048544 during normal business hours from the date hereof up to and including the date of the EGM:

(a) the Constitution of the Company; and

(b) the annual report of the Company and the Group for FY2018.

Yours faithfully,

For and on behalf of the Board of Directors of
AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

Dr Diao Weicheng
Executive Chairman
11 April 2019

APPENDIX A – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

1. INTRODUCTION

Chapter 9 of the Listing Manual applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 of the Listing Manual is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

The aforementioned terms "**entity at risk**", "**interested person**" and "**associated companies**" as well as other terms used are defined below.

2. MAIN TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

(a) An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.

(b) An "**associate**" means:

(i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual):

(aa) his immediate family;

(bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;

(ii) in relation to a substantial shareholder or a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

(c) An "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.

(d) A "**chief executive officer**" means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

(e) A "**controlling shareholder**" of a listed company means a person who (i) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the listed company. The SGX-ST may determine that a person who satisfies this section is not a controlling shareholder; or (ii) a person who in fact exercises control over a company.

(f) An "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company.

(g) An "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

(h) An "**interested person transaction**" means a transaction between an entity at risk and an interested person.

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS' APPROVAL

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA) are reached or exceeded.

Immediate Announcement

An immediate announcement is required where the interested person transaction is of a value equal to, or more than, 3% of the group's latest audited NTA. Where the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited NTA, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with the same interested person during that financial year.

Shareholders' Approval

Shareholders' approval is required where the interested person transaction is of a value equal to, or more than:

(a) 5% of the listed group's latest audited NTA; or

(b) 5% of the listed group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S$100,000.

Group's NTA

Based on the latest audited consolidated accounts of the Company, and its subsidiaries, for FY2018, the consolidated NTA of the Group for FY2018 is RMB74.47 million. Accordingly, for the purpose of the Chapter 9 thresholds discussed above, 3% of the NTA of the Group is RMB2.234 million and 5% of the NTA of the Group is RMB3.724 million.

1. THE AVIC GROUP AND OUR GROUP

1.1. The AVIC Group

The AVIC Group, comprising AVIC and its subsidiaries and associates, is a large state-owned corporate giant that is authorised and managed by the Central Government of the PRC.

AVIC is a company incorporated under the law of the PRC, with its registered office at AVIC Building, No. 128 Jianguo Road, Chaoyang District, Beijing, PRC. AVIC is registered in Beijing, PRC, under registration number 100000000041923. AVIC is wholly owned by the PRC government.

The AVIC Group ranked 161st amongst the Fortune Global 500 firms in 2018[(1)]. Its business units cover, amongst others, defence and transport aircrafts, engines, helicopters, avionics and systems, general aviation, aviation research, flight testing, trade, transportation and logistics, asset management, financial services, engineering planning and construction and engineering, procurement and construction projects, automobiles and shipping. Furthermore, the AVIC Group is also engaged in air-conditioning equipment, electronics, recycling, alternative energy, aircraft rental service, medical care, construction, real estate development, shopping malls and other sectors of the service industry.

As at the Latest Practicable Date, AVIC has over 140 direct and indirect subsidiaries and over 28 listed companies worldwide and employs approximately 450,000 employees. Further information on the AVIC Group may be found at http://www.avic.com.

1.2. Our Group

Our vision is to become a key player in the global marine and offshore industry. We strive to provide innovative and integrated solutions optimised for our customers' needs along the entire marine business value chain, including M&C Services, design and engineering, shipbuilding and ship-trading related businesses.

The Group's track record in shipbuilding M&C Services dates back to 1994. Our ship design arm, Deltamarin, has been a forerunner in naval architecture and engineering. With a track record that dates back to 1984, Deltamarin is an experienced developer of profitable, sustainable and cost-efficient vessels. Our indirect major shareholder, AVIC International, has extensive shipbuilding and ship-trading capabilities, given its decades of experience in the industry.

We work with established shipyards in the PRC as co-seller whereby the shipyards are responsible for the construction of the vessels and we are in charge of the non-construction aspects of the shipbuilding project. We may also outsource the design of vessels to several renowned ship design institutes in the PRC. In addition, we also provide marketing and consultancy services to shipyards in the PRC to help promote their corporate profiles in the overseas markets, seek out shipbuyers and secure shipbuilding contracts, including working with the shipyards to negotiate with shipbuyers on the terms and other details of the shipbuilding contracts, amongst others.

1 Resource: http://fortune.com/global500/aviation-industry-corp-of-china/. The consent of the author has not been sought for inclusion of this information. The Board included the above information in the proper form and context in this Circular and has not verified the accuracy of the information.

As disclosed in the Information Memorandum, following the Company's successful Listing on the SGX-ST, the Group intends to diversify into ship-trading related business and shipbuilding. On 8 September 2015, the Group completed the acquisition of 60% shareholding in AVIC Zhenjiang Shipyard Marine Pte. Ltd., which marked the diversification of its business into the ship investment business. For more information on this transaction, please refer to the Company's circular dated 21 July 2015 and announcement dated 8 September 2015.

1.3. Relationship between the AVIC Group and our Group

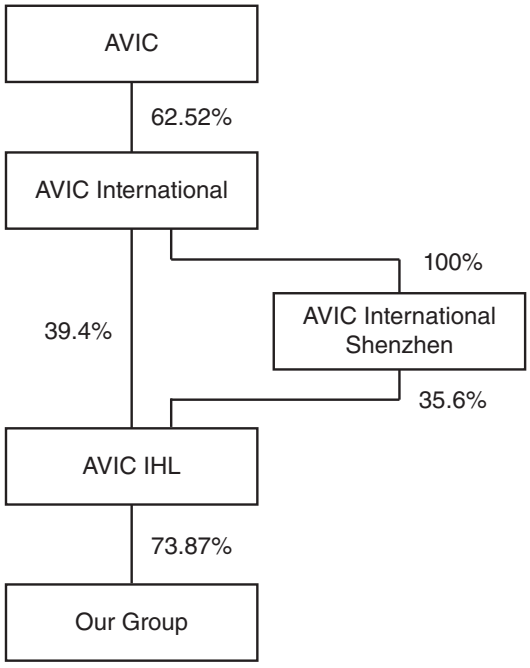
AVIC holds 62.52% of the registered capital of AVIC International, which in turn holds the entire registered capital of AVIC International Shenzhen. 35.6% and 39.4% of the share capital of AVIC IHL are immediately held by AVIC International Shenzhen and AVIC International respectively.

As at the Latest Practicable Date, AVIC IHL is the direct majority shareholder of our Company. AVIC is therefore deemed to be an interested person for the purposes of Chapter 9 of the Listing Manual.

The shareholding structure in relation to AVIC, AVIC International, AVIC International Shenzhen, AVIC IHL, and our Group is as follows:

Note:

Please note that for the purpose of clarity, not all the subsidiaries or associated companies of the AVIC Group have been included in the following diagram. The diagram is for illustrative purposes only and does not comprise the entire AVIC Group structure.



Note:

Shareholders should note that although AVIC International Kairong and AVIC International Beijing have ceased to be Shareholders (as announced by the Company on 6 March 2015), they are each deemed to be an interested person of the Company for the purposes of Chapter 9 of the Listing Manual because (i) AVIC IHL is the sole immediate shareholder of AVIC International Beijing, which is in turn the sole immediate shareholder of AVIC International Kairong; and (ii) AVIC International Kairong and AVIC International Beijing are part of the AVIC Group.

2. SCOPE OF THE IPT MANDATE

The IPT Mandate was proposed and adopted at the extraordinary general meeting held on 26 April 2018. The authority under the IPT Mandate is expressed to take effect from the date it was adopted, being 26 April 2018, and will continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever date is earlier, unless revoked or varied by the Company in a general meeting. Accordingly, the authority under the IPT Mandate shall cease on 26 April 2019, being the date of the forthcoming AGM.

The renewed IPT Mandate shall cover the following transactions involving the provision to or the obtaining from, Interested Persons of products and services in the ordinary course of business of the Group or which are necessary for the day-to-day operations of the Group (the "**Interested Person Transactions**"):

(a) Provision of project management services to the AVIC Group;

Our Group may provide project management services to the AVIC Group in relation to shipbuilding which cover non-construction aspects of a shipbuilding project, including procurement, marine finance (such as offering pre-delivery loans to the shipyard, being the Interested Person, in accordance with the shipyard's production schedule and financing requirements, before the Group receives the corresponding installment payment from the independent third party ship-owner under the shipbuilding contract), handling of export procedural matters and overseeing the utilisation of the progress payment by the ship-buyer.

(b) Provision of marketing and consultancy services to shipyards within the AVIC Group;

Our Group may provide marketing and consultancy services in respect of shipbuilding business of the shipyards within the AVIC Group, which includes the arrangement of banking facilities and conducting marketing activities to promote the shipyards' corporate profile in overseas markets.

(c) Provision of services to the shipyards within the AVIC Group in securing shipbuilding contracts;

Our Group may provide services in seeking potential ship-buyers for shipyards within the AVIC Group, including negotiating with the potential ship-buyers on behalf of the said shipyards in relation to the terms and conditions of the relevant shipbuilding contracts.

(d) The sale or purchase of vessels to/from the AVIC Group;

Our Group may sell vessels to the AVIC Group upon firm orders secured by the AVIC Group from a third party customer. The Group may also purchase vessels from shipyards within the AVIC Group upon securing a firm order from a third party buyer. The sale and purchase of vessels is part of the structure of standard sub-contracting arrangements in the ship-construction contracts entered into by the Group, where a member of the Group may act as co-seller and/or co-buyer of certain vessels upon firm orders being secured from a third-party customer.

(e) The outsourcing of shipbuilding activities to the shipyards within the AVIC Group;

Our Group enters into shipbuilding contracts from time to time as part of our ship-trading and shipbuilding related businesses. Accordingly, we may work with established shipyards and other companies from the AVIC Group, as co-seller or may separately outsource the construction to shipyards within the AVIC Group whereby the shipyards are responsible for the construction of the vessels and we are in charge of the non-construction aspects of the shipbuilding project.

(f) Receiving financing support, services, corporate guarantees, and/or other benefits from the AVIC Group and the provision of security by the Group to secure the financing support, services, corporate guarantees and/or other benefits from the AVIC Group;

Our Group may receive financing services and support such as (i) borrowing of funds from Interested Persons in the course of our Group's day-to-day operational requirements, including shipbuilding activities, purchase of vessels and import of machineries and engines of the ship, as well as (ii) receiving corporate guarantees from Interested Persons to help our Group secure or participate in further contracts (including borrowing of funds from banks) in relation to its ship-trading and shipbuilding business. The Group may also obtain other benefits from the Interested Persons, such as the Interested Persons assisting or representing the Group to secure contracts in relation to the Group's business.

In view of the aforesaid benefits received from the Interested Persons, the Group might extend securities in favour of the relevant Interested Person, in the form of guarantee and/or counter-guarantee, as well as the payment of consideration for receiving such benefits.

(g) The entry into engineering, procurement and design contracts with or in conjunction with the AVIC Group;

With the acquisition of the Deltamarin Group, and the development of the Group's track record in the provision of M&C Services, design and construction services, the Group is looking to consolidate its engineering, procurement, construction ("**EPC**"), installation and commissioning services to provide a one-stop solution to its customers by fully leveraging the broad spectrum of facilities at the Group's resources and also the resources of the AVIC Group.

From time to time, this may involve jointly entering into EPC projects together with the AVIC Group entities which have stronger financial resources and industry experience and reputation and outsourcing, and sub-contracting certain services to the AVIC Group entities, in accordance with the Group's established policies, procedures and decision-making processes to determine whether to take on such EPC projects. Given the size of EPC projects in general and the Group's relatively short track record, a strong financial backing and partnership with other established names are crucial for

the successes in tendering for such projects. The AVIC Group traditionally provided financial backing and guarantees to the projects, and the strength of the AVIC Group's corporate reputation provides a strong competitive advantage to the Group. On the other hand, the Group provides the ship design and project management capabilities. Without limitation to the generality of the cooperative arrangement, the types of cooperation between the Group and the AVIC Group include the following:

(i) jointly bidding for EPC projects with the AVIC Group entities;

(ii) our Group may undertake EPC sub-contract work for projects entered into by the AVIC Group entities, in the event that third parties would only enter into the agreements with the AVIC Group entities; and

(iii) our Group may outsource some of the work to AVIC Group entities, including but not limited to, areas such as ship-construction or for purposes of procurement (to take advantage of the economies of scale offered by the bulk purchases).

As further elaborated in Section 6(a)(viii) of Appendix B of this Circular, the Audit Committee will review and approve such transactions to ensure that there is no conflict of interest and ensure that such transactions are carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

For the avoidance of doubt, pursuant to (i) the initial undertaking given by the AVIC Group in connection with Company's listing on the Main Board of the SGX-ST as elaborated in the Company's information memorandum dated 10 August 2011, and (ii) the further undertaking given by the AVIC Group as elaborated in the Company's announcement dated 9 June 2014 (collectively, the "**Undertakings**"), among other things, all the ship-trading related businesses of the AVIC Group have since been referred to and undertaken by the Group to address the concern over the potential conflicts of interest between the Group and the AVIC Group. In line with the spirit of the Undertakings, as and when there are business opportunities in relation to an EPC project where the third parties involved only approach the AVIC Group entities, the relevant AVIC Group entity will notify the Group in accordance with the AVIC Group's established internal procedure, and thereafter, the management of the Group will be involved in the relevant negotiation process of the said EPC project. Through the Group's management's continuous involvement in the EPC project since its outset, the Group will be made aware if the third parties would only enter into the EPC agreement with the AVIC Group entities. The Group is confident that the AVIC Group will honour its Undertakings as well as its established internal procedure considering AVIC Group's reputation and its relationship with the Chinese central government.

(h) The supply, purchase and rental (where applicable) of equipment and materials to/from the AVIC Group (as the case may be) in connection with the Group's business (including, but not limited to, ship engineering, procurement, construction, installation and commissioning services for vessels);

The Group may from time to time, in the ordinary course of its business (including, but not limited to, ship engineering, procurement, construction, installation and commissioning services for vessels), supply, purchase or rent certain equipment and materials to/from the Interested Persons, as the case may be.

(i) The leasing and sub-leasing of certain office and operational premises to/from the AVIC Group;

As the Group expands its operations and increases its number of subsidiaries, it may from time to time, for operational synergy and economic efficiencies, share premises and lease or sub-lease office and operational areas with other members of the AVIC Group.

(j) The provision of ship design and consultancy services to the AVIC Group; and

According to the 9 June 2014 Announcement, the Group has completed the Ship-trading Consolidation Exercise with a view to folding all the AVIC Group's ship-trading related businesses into the Group's level. Accordingly, the Group has become the AVIC Group's dedicated ship design arm and therefore all the ship design and consultancy services have since been referred to and undertaken by the Group.

(k) The provision or the obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (a) to (j) above.

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate pursuant to Rule 920(1) of the Listing Manual. The IPT Mandate will also not cover any transaction with an Interested Person that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. Finally, transactions with other interested persons (other than the class of Interested Persons detailed in Section 4 of this Appendix B below) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

3. RATIONALE FOR THE IPT MANDATE

(a) Operational Synergy and Integration of Businesses

In accordance with its Listing Undertaking, AVIC International, AVIC International Beijing and the Group are seeking to consolidate the AVIC Group's ship-trading and ship-building related businesses into our Group. To facilitate such processes, and in particular during the transitional stage of the business consolidation, our Group foresees that we may from time to time enter into various transactions with the AVIC Group entities, or partner with one or more AVIC Group entities in contracting with other independent third parties.

As our Group develops its business operations, we increasingly benefit from our partnership with AVIC Group entities, and the strength of the AVIC Group's corporate reputations. By leveraging on the AVIC Group's established track record, reputation and corporate network, our Group can obtain access to projects for which we may not otherwise be in consideration due to our limited market capitalisation and relatively short track record. This is especially crucial as our Group may not always have the necessary experience or operational track record for the entry into such transactions independently.

(b) Support of the AVIC Group and access to the AVIC Group's resources in establishing markets and businesses for the Group

The Group intends to continue to leverage on the AVIC Group's existing overseas network in securing shipbuilding contracts and expanding our business activities globally. In order to fully utilise the resources and advantages available to us, we may from time to time outsource shipbuilding activities to the shipyards within the AVIC Group or partner such shipyards and other AVIC Group entities in various ship construction, commissioning and other related projects. We will continue to provide marketing and consultancy services to the shipyards within the AVIC Group as such cooperation not only boosts their market presence but also provides us with valuable track records. Subject to governmental and regulatory approvals, we expect that some of these shipyards may eventually be consolidated into the Group pursuant to the Listing Undertaking.

The above may lead to management consultancy service agreements, agency agreements, assignment agreements and shipbuilding contracts being entered into between our Group and any AVIC Group entity.

The Directors believe that transacting with the AVIC Group entities will provide our Group with more visibility in the global market, establish relationships with more reputable ship-buyers, build up its management team and increase internal expertise in shipbuilding related business, and consequently, our Group will be better placed to expand our corporate presence and increase our market share globally.

As far as receiving financing support and/or corporate guarantee is concerned, the AVIC Group will continue to give support to our Group, which may be through the provision of corporate guarantees, getting loans and/or procuring the issuance of refund guarantees by banks, as well as assist the ship-buyers in obtaining financing, when required. These financing supports will be on terms not less favourable to our Group than those applicable to similar borrowings procured from unrelated financial institutions.

In view of the time-sensitive nature of commercial transactions, the IPT Mandate pursuant to Chapter 9 of the Listing Manual will enable the Group in the ordinary course of its business, to enter into the categories of Interested Person Transactions as set out in Section 2 of this Appendix B above with the AVIC Group, provided such Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

4. CLASS OF INTERESTED PERSONS

The IPT Mandate will apply to Interested Person Transactions (as described in Section 2 of this Appendix B above) which are carried out between any entity in the Group and any AVIC Group entity. Particulars of the AVIC Group entities are set out in Section 1 of this Appendix B above.

5. BENEFITS TO SHAREHOLDERS

The IPT Mandate will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant entity in our Group into such Interested Person Transactions. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, will improve administrative efficacy considerably, and will allow manpower resources and time to be channelled towards attaining other business objectives available to the Company.

The IPT Mandate is intended to facilitate Interested Person Transactions in the normal course of business of our Group, which are recurrent in nature or necessary for the day-to-day operations of the Group, and which may be transacted from time to time with the Interested Persons, provided that they are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

6. GUIDELINES AND REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

(a) Review Procedures

Having regard to the nature of the Interested Person Transactions and the criteria in establishing the review procedures which are to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the Interested Person Transactions are carried out on normal commercial terms, are in the interests of the Company and are not prejudicial to the interests of the Company and the minority Shareholders, the following review procedures will be implemented:

(i) the guiding principle is that all Interested Person Transactions shall be conducted in accordance with the Group's usual business practices and pricing policies, consistent with the usual profit margins, prices, fees or rates extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms of the Interested Person Transaction are (aa) not more favourable to the Interested Person compared to those extended to unrelated third parties, or (bb) not less favourable to the Group than the terms offered by unrelated third parties;

(ii) in relation to the provision of marine finance by the Group (such as pre-delivery ship financing):

(aa) the Group may extend pre-delivery shipping loans to the shipyard to assist the shipyard in financing the construction of the vessel; such pre-delivery shipping loans shall supplement any advance instalments for the ship construction that are to be made by the ship-owner to the Group in accordance with the shipbuilding contract and the construction schedule of the shipyard;

(bb) as consideration for providing pre-delivery shipping loans, the shipyard shall pay to the Group interest on the pre-delivery shipping loans extended by the Group. To ensure that the transaction is fair and reasonable and is carried out on normal commercial terms, the interest payable to the Group by the related shipyard shall be comparable to the prevailing interest rates offered by two independent commercial banks for similar loans over the same period of time ("**Benchmark Rate**"). In any event, the applicable interest rate shall not be less favourable than the Benchmark Rate. For the avoidance of doubt, in the unlikely event that the Benchmark Rate is lower than the Group's cost of capital, before the extension of the pre-delivery shipping loan, the Group will require the related shipyard to enter into a written undertaking to agree to absorb the additional financing cost (difference between the Group's cost of capital and the Benchmark Rate), such that any risk arising from the said additional financing cost will be transferred to and therefore borne by the related shipyard;

(cc) to ensure that the advance instalments received from the ship-owner are used only for the specified purpose of construction of a specified ship, the Group shall, by entering into various agreements, including but not limited to project management agreements, shipbuilding agency agreements (i.e. between the shipyard as principal and the Group as its agent) and equipment import agreements ("**Shipbuilding Related Agreements**"), set up a bank account managed by the Group only, solely for the remittance of such advance instalments by the ship-owner and/or any payments of agency fees and other related costs under the various Shipbuilding Related Agreements;

(dd) any advance instalments made by ship-owners to the Group in the future may be used to directly set off the pre-delivery advances extended by the Group; and

(ee) all the risks associated with the construction of the vessel shall be borne entirely by the shipyard under any shipbuilding agency agreement entered into between the shipyard (as principal) and the Group (as its agent). The risk of default on advance instalments for the ship construction shall also be borne by the shipyard. The shipyard may provide appropriate security for the pre-delivery shipping loans extended by the Group to the shipyard. The security provided by the shipyards may include, but is not limited to, (i) offering the Group with control or ownership of the vessel under construction, (ii) the provision of corporate guarantees or mortgages over the related shipyard's other fixed assets, or (iii) any combination thereof;

(iii) in the case of the sale and rental (where applicable) of vessels, equipment, materials and/or the provision of services by the Group to Interested Persons, the transactions are to be carried out at the prevailing profit margins, prices, fees or rates which are no more favourable to the Interested Person than the usual commercial terms extended by the Group to unrelated third parties, taking into account all pertinent factors, including but not limited to quantity, quality, customer requirements, specifications, applicable tax and customs savings, delivery time, strategic purpose of the transaction and track record.

In the event where the prevailing profit margins, prices, fees or rates are not available due to the nature of the products or services concerned, (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, will, subject to the Approval Thresholds as set out in Section 6(b) of this Appendix B below, evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the nature of the services, profit margins, delivery schedules, order quantities, customer requirements and specifications and duration of contract.

The pricing for such products or services must be determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual profit margins, prices, fees or rates extended by the Group to unrelated third parties for the same or substantially similar type of transactions;

(iv) in the case of the purchase and rental (where applicable) of vessels, equipment, materials and/or the receiving of services by the Group from the Interested Persons, the prices, fees or rates of such transactions shall not be higher than the most competitive price, fee or rate of two (2) other comparative offers from unrelated third parties reasonably contemporaneous in time, taking into account all pertinent factors, including but not limited to quantity, quality, customer requirements, specifications, applicable tax and customs savings, delivery time, strategic purpose of the transaction and track record.

In the event where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar products or services due to the nature of the products or services to be purchased or received from Interested Persons, (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, will, subject to the Approval Thresholds as set out in Section 6(b) of this Appendix B below, evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the nature of the services, delivery schedules, order quantities, customer requirements and specifications, duration of contract and preferential rates;

(v) in the case of leasing and sub-leasing of office and operational premises from or to the Interested Persons, appropriate steps will be taken to ensure that the lease is commensurate with the prevailing market rates, including making relevant enquiries with independent third party landlords of properties of similar location

and size, or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The rent payable shall be based on the most competitive lease rates of similar properties owned by independent third party landlords, taking into account factors such as size, location and tenure, based on the results of the relevant enquiries;

(vi) in relation to the AVIC Group providing financing support, services, corporate guarantees and/or other benefits to our Group:

(aa) the extension of loans by the Interested Person should be at rates and on conditions no less favourable to the Group than those quoted by unrelated financial institutions;

(bb) in relation to the provision of guarantees, indemnities or securities by the Interested Person, any commission rates (if any) which are chargeable by the Interested Person for the provision of such guarantees, indemnities or securities shall be at rates no less favourable to the Group than those quoted by unrelated financial institutions;

(cc) prior to the entry of the transaction(s) with the Interested Person, contemporaneous quotes should be obtained from at least two unrelated financial institutions for loan and commission rates, as the case may be, for an equivalent amount, and for the equivalent period, of the funds to be borrowed or the guarantees, indemnities or securities to be issued; and

(dd) in cases where for any reason, quotations from fewer than two unrelated financial institutions or no quotations are received from any unrelated financial institutions, (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, shall, subject to the Approval Thresholds as set out in Section 6(b) below, take such necessary steps which would include but are not limited to, (i) reviewing available recent terms and conditions of comparable transactions and (ii) relying on corroborative inputs from market practitioners in order to determine that the terms and conditions provided by the Interested Person are fair and reasonable and are no less favourable than terms which would be offered to the Group by unrelated third party financiers;

(vii) in relation to the provision of security, particularly corporate guarantees or counter-guarantees, by our Group to secure the financing support, services, corporate guarantees and/or other benefits from the AVIC Group in paragraph 6(a)(vi) above:

(aa) the Group shall consider, among other factors, the terms of the underlying contract between the Interested Person and an independent contracting party ("**Underlying Independent Contracting Party**"), pursuant to which the Interested Person shall provide guarantees, indemnities or securities to the Underlying Independent Contracting Party, before deciding whether to provide any corporate guarantees or counter-guarantees to the Interested Person in respect of such underlying contract;

(bb) before the Group decides whether to provide any guarantee/counter guarantee, it shall review the terms of, and the rights and obligations of the parties involved in the underlying contract, to assess (i) if the benefits received from the Interested Person are higher than that received from other independent third parties, and (ii) if guarantees or counter-guarantees to be extended by the Group to the Interested Person are not more favourable than those extended to other independent third parties;

(cc) the maximum exposure in relation to any corporate guarantees or counter-guarantees provided by the Group in favour of the Interested Person shall not exceed the amounts secured by the Interested Person pursuant to the underlying contract between the Interested Person and the Underlying Independent Contracting Party; and

(dd) any corporate guarantee or counter-guarantee to be provided by the Group in favour of the Interested Person shall at all times be carried out in accordance with the established reviewing procedures of the Audit Committee as set out in item (e) of this Section.

(viii) all tender bids for EPC projects with the AVIC Group must be: (i) approved by the Audit Committee prior to our Group submitting a tender for the projects; or (ii) approved by the Chairman of the Audit Committee prior to our Group submitting a tender for the projects, and then ratified by the Audit Committee as soon as practically possible after a tender has been submitted (for transactions which are time-sensitive in nature), to ensure that: there is no conflict of interest in entering into such transactions; the relevant transactions are carried out on normal commercial terms; and the transactions will not be prejudicial to the interests of the Company and its minority Shareholders. In the course of its review and approval or ratification of a transaction, the Audit Committee will take into account all relevant factors, including but not limited to, the following:

(aa) the nature of the Interested Person's interest in the transaction;

(bb) the material terms of the transactions;

(cc) the significance of the transaction to the Interested Person and the Company; and

(dd) any other matters the Audit Committee may deem appropriate.

In respect of the Group providing EPC services to the Interested Persons, the review procedures set out in paragraph 6(a)(iii) above will apply, taking into account all pertinent factors, including but not limited to the nature of the services, project requirements, delivery schedules, order quantities, customer requirements, location and size of project, applicable tax and customs savings, delivery time, strategic purpose of the transaction, past dealings, reputation and credit-worthiness of the contracting parties, and the likely tender prices to be offered by unrelated third parties.

In respect of the Group obtaining EPC services from the Interested Persons, the review procedures set out in paragraph 6(a)(iv) will apply, taking into account all pertinent factors, including but not limited to the nature of the services, project requirements, delivery schedules, order quantities, customer requirements, location and size of project, applicable tax and customs savings, delivery time, strategic purpose of the transaction, past dealings, reputation and credit-worthiness of the contracting parties, and the likely tender prices to be offered by unrelated third parties.

(b) Approval Thresholds

In addition to the guidelines and review procedures set out in Section 6(a) above of this Appendix B, the following approval procedures will be implemented to supplement existing internal control procedures for the Interested Person Transactions to ensure that such transactions are undertaken on an arms' length basis and on normal commercial terms:

(i) the review and approval of (i) any one of the key executive officers and a Director of the Company; or (ii) any two Directors of the Company, with no interest, direct or indirect, in the proposed Interested Person Transaction and who do not hold any appointment with or have any interest in the Interested Person, is required for any proposed Interested Person Transaction where the "value at risk" to the Group is below three per cent. (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group; and

(ii) the review and approval of the Audit Committee is required for any proposed Interested Person Transaction where the value thereof is equal to, or above three per cent. (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group.

The Approval Thresholds set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of the balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for Interested Person Transactions. The Approval Thresholds act as an additional safeguard to supplement the review procedures which will be implemented by the Company for Interested Person Transactions.

If any person has an interest in a transaction falling within a category of transactions to be reviewed or approved by him/her, he/she will abstain from any review, deliberation or decision making in respect of that transaction.

(c) Register of Interested Person Transactions

The Company will maintain a register of Interested Person Transactions ("**IPT Register**") carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into), and will be reviewed by Auditors on an annual basis to ascertain that the guidelines and procedures established to monitor Interested Person Transactions (including the guidelines and review procedures set out at Sections 6(a) and 6(b) of this Appendix B above which are proposed to be established in respect of the Interested Person Transactions) have been complied with.

(d) Appointment of designated personnel to monitor Interested Person Transactions

In order to facilitate the timely monitoring and effective reporting of the Interested Person Transactions, the Company has designated specific personnel within the finance team of the Company ("**IPT Manager**"), and, where relevant, at each of the subsidiaries with substantial operational activities, to be responsible for the monitoring of Interested Person Transactions. Such person shall facilitate the report on matters relating to the Interested Person Transactions to the Audit Committee as and when requested. The IPT Manager shall also ensure that a proper record of the Interested Person Transactions is maintained, and the IPT Register is kept up-to-date, with particulars which include but are not limited to, the date, terms, the basis for the terms, and basis for entering into the Interested Person Transactions as well as all other relevant records or documents such as the underlying contracts.

The designated IPT Manager shall not have any interest, direct or indirect, in the Interested Person Transaction.

(e) Reviews by Audit Committee

The Audit Committee shall review the reports of the IPT Register (as referred to in Section 6(c) of this Appendix B) and Interested Person Transactions below S$100,000 in value (which are not within the scope of the IPT Mandate) on a quarterly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ascertain that the established review procedures to monitor the Interested Person Transactions (including the guidelines and review procedures set out at Section 6(a) and Section 6(b) of this Appendix B which are proposed to be established in respect of the Interested Person Transactions) have been complied with. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transactions and its supporting documents or such other data deemed necessary by our Audit Committee. Our Audit Committee may request for any additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit.

If, during these reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh Shareholders' general mandate for Interested Person Transactions by the Company) to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If any member of the Audit Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction. The remaining member(s) of the Audit Committee undertaking the review and approval will provide his/their views and the basis for which he/they considers he/they will be able to satisfactorily discharge his/their duties in that respect.

In addition, the Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.

7. VALIDITY PERIOD OF THE IPT MANDATE

If the proposed renewal of the IPT Mandate is approved by the Shareholders at the EGM which is scheduled to be held on 26 April 2019 at 2:45 p.m. or immediately after the conclusion of the Company's annual general meeting, whichever is later, at Phoenix Grand Ballroom, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031, the renewed IPT Mandate will take effect from the date of passing of the ordinary resolution relating thereto and will continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever date is earlier, unless revoked or varied by the Company in a general meeting.

8. DISCLOSURE IN THE ANNUAL REPORT AND RESULTS ANNOUNCEMENT

The Company will announce the aggregate value (as determined by the Board) of transactions entered into with the Interested Persons pursuant to the IPT Mandate, for the quarterly financial periods which it is required to disclose pursuant to the Listing Manual, and within the time required for the announcement of such disclosure.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions will be presented in the following format:

Name of Interested Person	**Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**	**Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**

AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201024137N)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED** (the "**Company**") will be held on 26 April 2019, at 2:45 p.m. or immediately after the conclusion of the Company's annual general meeting on the same day, whichever is later, at Phoenix Grand Ballroom, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 for the purpose of considering and, if thought fit, passing, the following resolution:

*Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed thereto in the Company's circular to Shareholders dated 11 April 2019 ("**Circular**") in respect of the resolution herein.*

ORDINARY RESOLUTION

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), in particular for the purposes of Rule 920 of the Listing Manual in relation to a general mandate from the Shareholders, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Circular with the AVIC Group (as defined therein), provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in Appendix B of the Circular (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force for a period of one year or until the conclusion of the next annual general meeting of the Company, whichever is earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed from the SGX-ST from time to time; and

(d) the Directors of the Company and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution.

BY ORDER OF THE BOARD

Dr Diao Weicheng
Executive Chairman
11 April 2019
Singapore

Explanatory Note:

The Ordinary Resolution is to approve the renewal of the IPT Mandate. The IPT Mandate was first proposed and adopted at the extraordinary general meeting of the Company held on 26 April 2018. The IPT Mandate shall, upon being duly approved and adopted by the Shareholders, take effect until the conclusion of the next AGM of the Company.

Notes:

1. (i) A member (who is not a relevant intermediary) of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company is entitled to appoint not more than two proxies to attend, speak and vote on his behalf and where a member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   (ii) A member (who is a relevant intermediary) of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company is entitled to appoint more than two proxies to attend, speak and vote on his behalf, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").

2. A proxy need not be a member of the Company.

3. If a member is unable to attend the Extraordinary General Meeting and wishes to appoint a proxy to attend and vote at the Extraordinary General Meeting on his behalf, then he should complete and sign the relevant Proxy Form and deposit the duly completed Proxy Form at the Company's registered office at 8 Robinson Road, #13-00 ASO Building, Singapore 048544 at least forty-eight (48) hours before the time of the holding of the Extraordinary General Meeting.

4. A Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) as at a time not earlier than seventy-two (72) hours prior to the time of the Extraordinary General Meeting who/which is (i) an individual but is unable to attend the Extraordinary General Meeting personally and wishes to appoint a nominee to attend and vote; or (ii) a corporation, must complete, sign and return the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the Company's registered office at 8 Robinson Road, #13-00 ASO Building, Singapore 048544, at least forty-eight (48) hours before the time of the Extraordinary General Meeting.

5. If a member who has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members of the Company is unable to attend the Extraordinary General Meeting and wishes to appoint a proxy, he should use the Depositor Proxy Form and the Proxy Form for, respectively, the Shares entered against his name in the Depository Register and the Shares registered in his name in the Register of Members of the Company.

6. A Depositor who is an individual and whose name is shown in the Depository Register as at a time not earlier than seventy-two (72) hours prior to the time of the Extraordinary General Meeting and who wishes to attend the Extraordinary General Meeting in person need not take any further action and can attend and vote at the Extraordinary General Meeting as CDP's proxy without the lodgment of any proxy.

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201024137N)

PROXY FORM – EXTRAORDINARY GENERAL MEETING
(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED shares, this Circular to Shareholders dated 11 April 2019 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (name) of _____
_____ (address)

being a member/members of AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			%	

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			%	

or failing him/her, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be held at Phoenix Grand Ballroom, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on 26 April 2019 at 2:45 p.m. or immediately after the conclusion of the Company's annual general meeting, whichever is later, and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM.)

ORDINARY RESOLUTION	For	Against
The Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions		

Dated this _____ day of _____ 2019

Total Number of Shares held in:	
CDP Register	
Register of Members	

_____
Signature(s) of members(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

PROXY FORM

NOTES:

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (i) A member (who is not a relevant intermediary) of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company is entitled to appoint not more than two proxies to attend, speak and vote on his behalf and where a member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   (ii) A member (who is a relevant intermediary) of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company is entitled to appoint more than two proxies to attend, speak and vote on his behalf, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").

3. A proxy need not be a member of the Company.

4. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he thinks fit.

5. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

6. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.

7. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act.

8. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.

9. The instrument appointing a proxy must be deposited at the Company's registered office at 8 Robinson Road, #13-00 ASO Building, Singapore 048544, at least forty-eight (48) hours before the time appointed for holding of the Extraordinary General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.