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**")

VOLUNTARY CONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED FOR AND ON BEHALF OF CHINA MERCHANTS INDUSTRY INVESTMENT LIMITED FOR AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

- LOSS OF FREE FLOAT

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1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of the Company refers to:

(i) the announcement dated 11 November 2019 by United Overseas Bank Limited ("**UOB**") for and on behalf of China Merchants Industry Investment Limited (the "**Offeror**"), a wholly-owned subsidiary of China Merchants Industry Holdings Co., Ltd., in respect of the Offeror's intention to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Announcement**");

(ii) the announcement dated 12 November 2019 by the Company informing the shareholders of the Company ("**Shareholders**") of the Offer;

(iii) the announcement dated 20 November 2019 by the Company informing Shareholders of the appointment of RHB Securities Singapore Pte. Ltd. as the independent financial adviser ("**IFA**") to advise the Directors who are considered independent for the purposes of the Offer (the "**Recommending Directors**");

(iv) the announcement dated 25 November 2019 by UOB for and on behalf of the Offeror, informing Shareholders that the formal offer document dated 25 November 2019 (the "**Offer Document**") containing the terms and conditions of the Offer and enclosing the relevant forms of acceptance had been despatched to Shareholders on 25 November 2019;

(v) the announcement dated 26 November 2019 by the Company informing Shareholders that UOB had, on 25 November 2019, for and on behalf of the Offeror, announced that the Offer Document containing the terms and conditions of the Offer and enclosing the relevant forms of acceptance had been despatched to Shareholders on 25 November 2019;

(vi) the announcement dated 26 November 2019 made by UOB for and on behalf of the Offeror in relation to, among other things, the Offer being declared unconditional in all respects, the level of acceptances of the Offer as at 26 November 2019 and the extension of the closing date (the "**Unconditional Announcement**");

(vii) the announcement dated 27 November 2019 by the Company informing Shareholders that UOB had, on 26 November 2019, for and on behalf of the Offeror, in relation to, among other things, the Offer being declared unconditional in all respects, the level of acceptances of the Offer as at 26 November 2019 and the extension of the closing date;

(viii) the announcement dated 9 December 2019 by the Company informing Shareholders that the Company had despatched a circular dated 9 December 2019 containing, among other things, the advice of the IFA to the Recommending Directors and the recommendation of the Recommending Directors in respect of the Offer; and

(ix) the announcement dated 3 January 2020 made by UOB for and on behalf of the Offeror on, among other things, the level of acceptances of the Offer as at 5.00 pm (Singapore time) on 3 January 2020, the loss of the Free Float Requirement (as defined below) and the Offeror's intentions in relation to the compulsory acquisition of the Shares and the listing status of the Company (the "**Loss of Free Float and Compulsory Acquisition Announcement**").

2. LOSS OF FREE FLOAT AND SUSPENSION IN TRADING

2.1. As stated in the Loss of Free Float and Compulsory Acquisition Announcement, as at 5.00 p.m. (Singapore time) on 3 January 2020, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it; and (b) valid acceptances of the Offer, amounted to an aggregated of 259,478,831 Shares, representing approximately 90.86% of the total number of Shares of the Company.

2.2. The Company wishes to announce that based on the information in the Loss of Free Float and Compulsory Acquisition Announcement, the percentage of Shares held by the public as at the date hereof is approximately 9.14% and is therefore less than the requisite 10% of the total number of issued Shares (excluding treasury shares) as required under Rule 723 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Free Float Requirement**").

2.3. Under Rule 724(1) of the Catalist Rules, if the percentage of Shares held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact, and the SGX-ST may suspend the trading of the Shares. In addition, Rule 724(2) of the Catalist Rules provides that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be removed from the official list of the SGX-ST.

2.4. Shareholders should also note that pursuant to Rule 1303(1) of the Catalist Rules, in a take-over situation, where the offeror succeeds in garnering acceptances exceeding 90% of the issuer's total number of issued shares (excluding treasury shares), thus causing the percentage of an issuer's total number of issued shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of the issuer only at the close of the take-over offer.

2.5. **The Offeror has stated in, among other things, the Offer Document and the Loss of Free Float and Compulsory Acquisition Announcement, that if the Free Float Requirement is not met and/or trading of the Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1104 or Rule 1303(1) of the Catalist Rules, the Offeror does not intend to preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted, and intends to take steps to delist the Company from the SGX-ST. As the Offeror has received valid acceptances pursuant to the Offer or otherwise acquired Shares following the date of despatch of the Offer Document (i.e. 25 November 2019) (the "Commencement Date") other than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror has also stated in the Loss of Free Float and Compulsory Acquisition Announcement that the Offeror is entitled, and intends, to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "Dissenting Shareholders") at the Offer Price of S$0.15 for each Share.**

3. OFFER REMAINS OPEN FOR ACCEPTANCES AND DISSENTING SHAREHOLDERS' RIGHTS

The Offer remains open for acceptances until 5.30 p.m. (Singapore time) on 6 January 2020 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

As the Offeror has received valid acceptances pursuant to the Offer which, together with treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares at the Offer Price of S$0.15 per Share.

The Offeror has stated in, among other things, the Loss of Free Float and Compulsory Acquisition Announcement, that as the Offeror will be proceeding to compulsorily acquire the Shares of the Dissenting Shareholders, the Dissenting Shareholders need not take any action in relation to their right under Section 215(3) of the Companies Act. The Dissenting Shareholders who wish to exercise such right or who are in any doubt as to their position are advised to seek their own independent legal advice.

Shareholders who have not accepted the offer but who still wish to do so should refer to the Loss of Free Float and Compulsory Acquisition Announcement.

4. RESPONSIBILITY STATEMENT

4.1. The directors of the Company (including those who have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Offeror and the Offer) are fair and accurate, and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

4.2. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document, the Unconditional Announcement and any other announcements made by or on behalf of the Offeror),

the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Announcement in its proper form and context.

By Order of the Board

Dr Diao Weicheng
Executive Chairman
5 January 2020

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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.*

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

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