AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(Formerly known as "AVIC International Investments Limited")

(Incorporated in Singapore)
(Company Registration No. 201024137N)

THE PROPOSED ACQUISITION OF SHANGHAI CATIC INDUSTRIAL CO., LTD

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of AVIC International Maritime Holdings Limited (the "**Company**" and collectively with its subsidiaries, the "**Group**") wishes to announce that the Group has entered into two separate conditional sale and purchase agreements dated 21 April 2015 (collectively, the "**Sale and Purchase Agreements**") with each of AVIC Investment Co., Ltd（中航技投资有限责任公司）("**AVIC Investment**") and AVIC International (HK) Group Limited（中航国际(香港)集团有限公司）("**AVIC HK**") (collectively, the "**Vendors**"), pursuant to which the Group has agreed to acquire the entire issued equity of Shanghai Catic Industrial Co., Ltd (上海高航实业有限公司) ("**Target Company**") for a total consideration ("**Total Consideration**") of RMB207,037,675.98 (equivalent to approximately S$45.0 million[1]), subject to the Adjustment (as defined in Section 5.1 below), in the following manner:

(a) 75% of the issued equity of the Target Company for a consideration of RMB155,278,256.99 (subject to the Adjustment) from AVIC Investment; and

(b) 25% of the issued equity of the Target Company for a consideration of RMB51,759,418.99 (subject to the Adjustment) from AVIC HK,

(collectively, the "**Proposed Acquisition**"), subject to the terms and conditions of the Sale and Purchase Agreements.

The Proposed Acquisition will be a very substantial acquisition and an interested person transaction as defined under Chapter 10 and Chapter 9 of the Listing Manual ("**Listing Manual**") of Singapore Exchange Securities Trading Limited ("**SGX-ST**") respectively.

2. INFORMATION IN RELATION TO THE TARGET COMPANY

Shareholders should note that information relating to the Target Company and the Vendors in this section and elsewhere in this Announcement was provided by the Vendors and/or extracted from

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[1] The approximate equivalent amount in S$ has calculated based on the closing exchange rate of RMB1.00 : S$0.2174 on 20 April 2015 (Source: Bloomberg) for illustrative purpose only.

publicly available information. The Company and the Directors have not independently verified the accuracy and correctness of such information. The sole responsibility of the Company and the Directors for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this Announcement in its proper form and context.

The Target Company is a sino-foreign joint venture set up in July 1992. As at the date of this Announcement, the Target Company has a fully paid-up registered capital of US$4 million, of which 75% is held by AVIC Investment and 25% held by AVIC HK. The ultimate holding company of the Target Company is AVIC International Holding Corporation（中国航空技术国际控股有限公司） ("**AVIC International**"), a large state-owned enterprise in the People's Republic of China ("**PRC**"). The respective shareholding structure of the Group and the Target Company and their relationships are summarised and set out in Section 3 below.

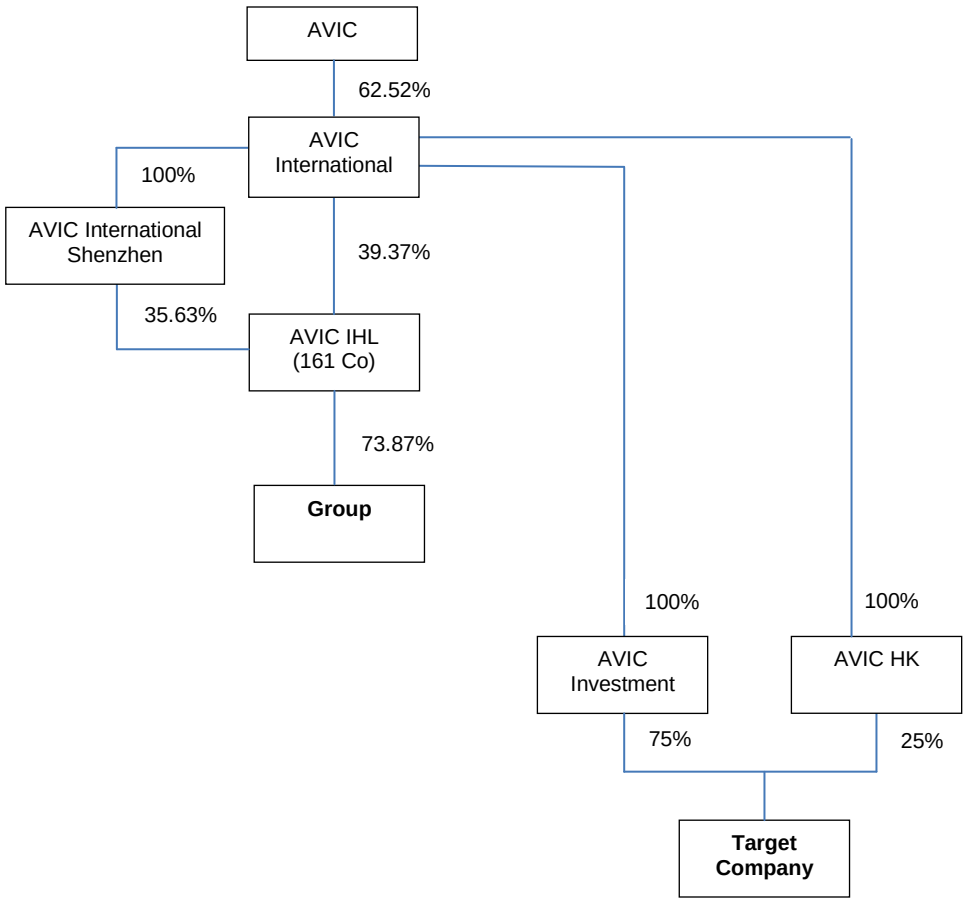
Located in the China (Shanghai) Pilot Free Trade Zone ("**Free Trade Zone**"), the Target Company is principally engaged in the leasing of warehousing facilities (the "**Warehousing Business**") and the provision of logistics services for the aviation industry. The Target Company owns a plot of land ("**Land**") measuring approximately 32,110 square meters in the Free Trade Zone. The Land was first acquired by the Target Company soon after it was set up in July 1992, on which the Target Company built up the warehousing facilities and began the Warehousing Business. In 2012, the Target Company also started to undertake the trading business, initially being only engaged in the import of plastics related products. In 2013, the Target Company expanded into exporting vanes and rollers for air compressors to Japan and Malaysia. The logistics services and trading business are collectively referred to herein as the "**Other Businesses**".

As at the date of this Announcement, the Target Company does not have any subsidiaries or associated companies.

Please refer to Appendix A of this Announcement for a summary of the Target Company's financial information.

3. AVIC GROUP OF COMPANIES

Details of the respective shareholding structure of the Company, the Vendors and the Target Company and their relationships are illustrated in the diagram below.



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

Short name		**Full name**[(1)]
"AVIC"	:	Aviation Industry Corporation of China （中国航空工业集团公司）
"AVIC International"	:	AVIC International Holding Corporation（中国航空技术国际控股有限公司）
"AVIC International Shenzhen"	:	AVIC International Shenzhen Company Limited（中国航空技术深圳有限公司）
"AVIC IHL" or "161 Co"	:	AVIC International Holdings Limited (Stock code: 00161.HK) （中航国际控股股份有限公司）
"AVIC Investment"	:	AVIC Investment Co., Ltd（中航技投资有限责任公司）
"AVIC HK"	:	AVIC International (HK) Group Limited（中航国际(香港)集团有限公司）

Note:

(1) Certain company names have been translated into English for the ease of reference by the Shareholders. These English names may not be registered with the relevant PRC authorities and should not be construed as representations that the English names actually or officially represent the Chinese names and/or characters.

As illustrated above, AVIC International is the ultimate holding company of both the Company and the Vendors and the Vendors are associates of the controlling shareholder of the Company in accordance with the definitions of the Listing Manual. Accordingly, the Proposed Acquisition is an interested person transaction ("**IPT**") as defined in Chapter 9 of the Listing Manual. Please refer to Section 11 of this announcement for more details relating to the IPT.

4. DETAILS OF THE PROPOSED ACQUISITION

4.1 Rationale for the Proposed Acquisition

(1) The main objective of the Proposed Acquisition is to acquire and re-develop the Land owned by the Target Company, which will be used as the Group's headquarters, among other things ("**Proposed Development**").

The Proposed Acquisition and the Proposed Development will enable the Group to consolidate its business operations and to meet its need for office space in the long term. Currently, the Company's business operations in China are conducted from several locations, including Beijing, Shanghai and Xiamen and the R&D centre (i.e. the Group's ship design team) is located in Finland. The Directors believe that to conduct the business operations at a centralised location will help to enhance efficiency. In addition, apart from the existing ship design team in Finland, the Group plans to establish its ship design capabilities in China. The Proposed Development is expected to house the Group's new R&D efforts to strengthen its ship design capabilities in China. The Directors believe that employing more Chinese local R&D staff will result in cost competitiveness in its ship design business sector. The Company expects its R&D staff force to be around 100 in China by end of 2015 and 200 by end of 2016.

(2) Owing to the regulatory requirements in the PRC, acquiring the Land alone may be more costly and legally more cumbersome than acquiring the Target Company, which owns the Land. The Company has no intention to diversify into or continue with the Target Company's existing business. As such, it is agreed that the Target Company will cease the Other Businesses prior to the completion of the Proposed Acquisition ("**Completion**") and that the Company will only acquire the Target Company which will carry on the Warehousing Business during the Interim Period (as defined below), including the Land. Post-Proposed Acquisition, the Warehousing Business will continue to run during the Interim Period so as to provide the Group with a steady stream of rental income from the existing lease agreements, while the Group seeks regulatory approvals for the Proposed Development ("**Interim Period**"). The Company will discontinue the Warehousing Business and commence the Proposed Development, after obtaining necessary approvals for the Proposed Development.

(3) Subject to relevant regulatory approvals for the final proposed development plans, based on the size of the Land and the plot ratio of 3.0 currently applicable to the Land, it is estimated that the Proposed Development will have a total development floor area of up to 97,800 m^2. The Group expects to take up more than 30% for self-use and dispose of the remaining space to recoup the development costs for the Proposed Development. Based on the current market conditions and expected demand for office buildings in the Free Trade Zone, the Group is optimistic that the sale of the remaining space of the Proposed Development would contribute positively to the Group's bottom line and further strengthen its financial resources.

4.2 **Proposed Group Structure**

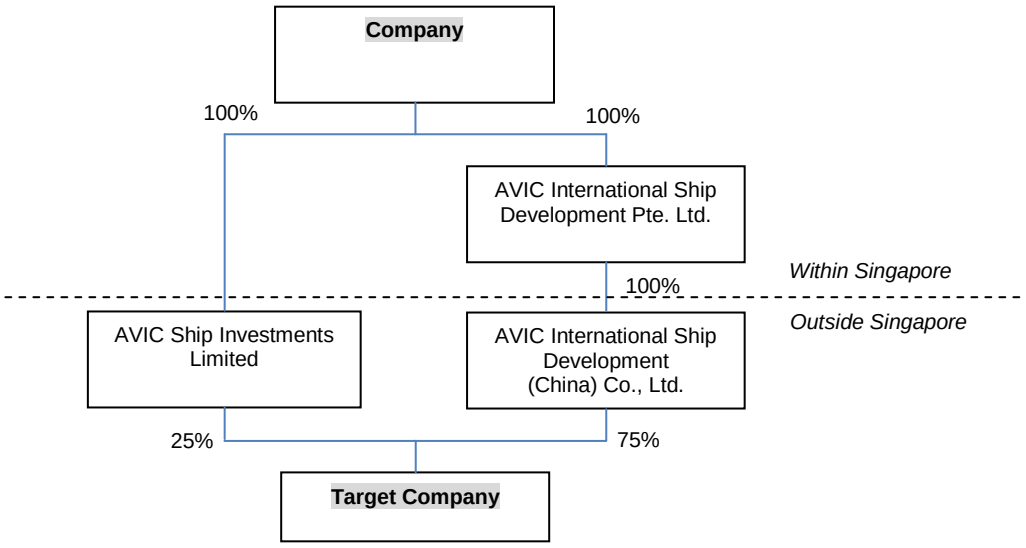
It is proposed that the equity interest of the Target Company shall be transferred to the following subsidiaries of the Group:

(a) 75% of the equity in the Target Company to be transferred from AVIC Investment to AVIC International Ship Development (China) Co., Ltd. (中航国际船舶发展（中国）有限公司) ("**AVIC Ship (Shanghai)**"), a subsidiary of the Group incorporated in Shanghai; and

(b) the remaining 25% of the equity in the Target Company held by AVIC HK to be transferred to AVIC Ship Investments Limited, a Hong Kong subsidiary of the Group.

Upon completion of the Proposed Acquisition, the corporate structure of the Group will be as follows:

Note: *Please note that for the purpose of clarity, some subsidiaries or associated companies, if any, of the Company have not been included in the following chart. The chart below is for illustrative purposes only and does not comprise the entire Group structure.*



4.3 **No Change to the Group's Business and Risk Profile**

The Directors believe that the Proposed Acquisition and the Proposed Development will not change the Group's risk profile as the Company has no intention to continue with the Target Company's existing business (save for the Warehousing Business during Interim Period) or diversify into property development. The Proposed Development is a one-off project and the main purpose is to acquire and re-develop the Land for its own use as part of the Group's long-term growth strategy. The Group will dispose of extra units that it does not need to replenish the financial drain on the Group in connection with the Proposed Development. As the Group has no intention to diversify into property development, it will be engaging external service providers with relevant experience and expertise for the Proposed Development and for the sale of extra units.

5. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

5.1 Consideration for the Proposed Acquisition

The Total Consideration for the Proposed Acquisition under the Sale and Purchase Agreements shall be the sum of RMB207,037,675.98 (equivalent to approximately S$45.0 million) payable in cash, subject to the Adjustment stated in the following paragraph.

The actual transfer price payable shall be subject to adjustment (the "**Adjustment**"), the amount of which will eventually depend on the concluded valuation as stated in the final valuation report that is approved and registered with the relevant authority in the PRC ("**Final Valuation Report**"). It was further agreed that in any event, the Total Consideration (after taking into account the Adjustment) shall be capped at RMB217,389,559.79 (equivalent to approximately S$47.3 million).

The Total Consideration was arrived at after arm's length negotiations between the Company and the Vendors and determined on a willing-buyer, willing-seller basis, taking into account the Preliminary Valuation Report (as defined in Section 7 below).

5.2 Conditions Precedent to the Proposed Acquisition

Completion is conditional upon, *inter alia*, the satisfaction of the following conditions:

(a) the Company is satisfied with the results of its due diligence in relation to the Proposed Acquisition;

(b) each of the Vendors and Company obtaining its internal approvals in relation to the Proposed Acquisition in accordance with its respective articles of association;

(c) the transaction being approved by the relevant governmental authorities in PRC;

(d) the approval from the SGX-ST being obtained for the Proposed Acquisition and the fulfilment of any requirements imposed by the SGX-ST in connection therewith (if any);

(e) the approval from the Hong Kong Stock Exchange ("**HKEx**") being obtained for the Proposed Acquisition and the fulfilment of any requirements imposed by the HKEx in connection therewith (if any);

(f) each of the Vendors waiving their respective rights of first refusal in relation the Proposed Acquisition;

(g) the approval of the shareholders of the Company being obtained at the extraordinary general meeting of the Company to be convened (or any adjournment thereof) in respect of the transactions contemplated in the Sale and Purchase Agreements;

(h) all representations and warranties of the Vendors and the Company under Sale and Purchase Agreements being true, complete, accurate and correct in all material respects to the best knowledge and belief of the Vendors as at the date of the Sale and Purchase Agreements and until the date of the Completion ("**Completion Date**");

(i) the termination of the Other Businesses; and

(j) the Target Company completing the certain registrations with the relevant governmental authorities in PRC.

5.3 **Board of Directors of the Company**

For the avoidance of doubt, there will be no change to the Company's Board of Directors or management team pursuant to the Proposed Acquisition.

6. SOURCE OF FUNDS

The Company intends to use its internal sources of funds and/or external borrowings to fund the Proposed Acquisition.

7. VALUATION REPORT

For the purpose of the Proposed Acquisition, China Alliance Appraisal Co., Ltd. （北京中同华资产评估有限公司） (the "**Valuer**"), an independent professional valuer recognised by the State-owned Assets Supervision and Commission of the PRC, was appointed by AVIC Investment and AVIC Ship (Shanghai) as the independent valuer to conduct the valuation of the shareholders' equity of the Target Company as at 31 December 2014.

The Valuer has issued a preliminary valuation report dated 15 February 2015 ("**Preliminary Valuation Report**"), in which the Valuer has adopted the asset-based method, which involves the valuation of the Land, to appraise the value of the shareholders' equity of the Target Company. The Valuer will issue the Final Valuation Report upon approval and registration of the same with the relevant authority in the PRC.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The proforma financial effects of the Proposed Acquisition, on the earnings per share ("**EPS**"), net tangible assets ("**NTA**") and share capital as set out below are for illustration purposes only and do not reflect the actual future financial results or position of the Group after the completion of the Proposed Acquisition.

The proforma financial effects in this Section are based on the consolidated audited financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**") and the audited financial information of the Target Company for FY2014. The proforma financial effects of the Proposed Acquisition have been prepared based on the following assumptions:

(a) the number of shares is based on the 285,576,000 issued ordinary shares in the capital of the Company ("**Shares**") as at 31 December 2014;

(b) the Proposed Acquisition had been completed on 1 January 2014 for the purpose of computing the proforma financial effects on the EPS of the Group;

(c) the Proposed Acquisition had been completed on 31 December 2014 for the purpose of computing the proforma financial effects on the NTA of the Group;

(d) the Total Consideration is entirely funded by external borrowings at interest rate of 3% per annum; and

(e) the fair value adjustments on the net assets of the Target Company and goodwill arising from the Proposed Acquisition, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisition and will be determined on the Completion Date. Any goodwill arising from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company.

8.1 **Effect on EPS**

For illustrative purposes only, assuming the Proposed Acquisition had been effected on 1 January 2014, the effects of the Proposed Acquisition on the EPS of the Group are as follows:

	Before completion of the Proposed Acquisition	**After completion of the Proposed Acquisition**
Profit/(Loss) attributable to shareholders (RMB'000)	14,441	12,742
Number of Shares ('000)	285,576	285,576
EPS (RMB cents)	5.06	4.46

8.2 **Effect on NTA**

For illustrative purposes only, assuming the Proposed Acquisition had been effected on 31 December 2014, the effects of the Proposed Acquisition on the NTA of the Group have been calculated based on two scenarios as follows:

(a) Scenario 1: Assuming consolidation based on the book value of Target Company

	Before completion of the Proposed Acquisition	**After completion of the Proposed Acquisition**
NTA (RMB'000)	56,282	(127,016)
Number of Shares ('000)	285,576	285,576
NTA per Share (RMB cents)	19.71	(44.48)

(b) Scenario 2: Assuming consolidation based on the revaluation of Target Company

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
NTA (RMB'000)	56,282	56,013
Number of Shares ('000)	285,576	285,576
NTA per Share (RMB cents)	19.71	19.61

8.3 **Effect on Share Capital**

As the Total Consideration will be satisfied by way of cash payment only, the Proposed Acquisition will not have any impact on the issued share capital of the Company.

9. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Acquisition, as computed on the relative bases set out in Rule 1006 of the Listing Manual, are as follows:

	Bases	
(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	Net profits[(1)] attributable to the assets acquired, compared with the Group's net profits/losses	24.6%
(c)	Aggregate value of the consideration[(2)] given, compared with the Company's market capitalisation[(3)] based on the total number of issued shares excluding treasury shares	169.7%
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition compared with the number of equity securities previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

(1) Under Rule 1002(3) of the Listing Manual, net profit is defined as profit or loss before income tax, minority interests and extraordinary items.

(2) For illustrative purpose only, the Total Consideration has been converted into Singapore dollars based on the closing exchange rate of RMB1.00 : S$0.2174 on 20 April 2015 (Source: Bloomberg).

(3) Under Rule 1002(5) of the Listing Manual, "market capitalisation" is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the Sale and Purchase Agreements.

Accordingly, the market capitalisation of the Company is based on 285,576,000 shares in issue and the weighted average price of S$0.094 of the shares transacted on 15 April2015, being the last market day on which the Shares were traded prior to the date of the Sale and Purchase Agreements. The market capitalisation of the Company for the purposes of the Proposed Acquisition is approximately S$26.8 million.

The Board notes that the relative figure under Rule 1006(c) of the Listing Manual exceeds 100%. Accordingly, considering that there is no change in control pursuant to the Proposed Acquisition, the Proposed Acquisition constitutes a "Very Substantial Transaction" as defined under Chapter 10 of the Listing Manual, which must be made conditional upon the approval of the SGX-ST and the approval of Shareholders.

10. SGX-ST'S WAIVERS

10.1 The Company wishes to announce that it has applied to the SGX-ST for the waivers of certain requirements under Rule 1015 of the Listing Manual, and has received a letter from the SGX-ST dated 17 February 2015 advising that the following rules are not applicable:

(a) Rule 1015(3)(a), (b) and (d) of the Listing Manual; and

(b) Rule 1015(5)(a) relating to Part II of Chapter 6 of the Listing Manual.

10.2 In addition, the SGX-ST has also granted the Company waivers from compliance with the following:

(a) **Rule 1015(5)(b) relating to the requirement on the enlarged group and Rule 609 of the Listing Manual.** For the avoidance of doubt, the Company is required to present accountants' reports on the assets to be acquired in relation to (i) the pro-forma financial statements for the Target Company excluding the Other Businesses; and (ii) the audited financial statements of the Target Company. The foregoing accountants reports are required to be reviewed and audited respectively by auditors in compliance with Rule 712 and Rule 609 of the Listing Manual; and

(b) **Rule 1015(2) of the Listing Manual relating to the valuation of the target businesses.** Instead, the Company will be disclosing the valuation of the Land of the Target Company

(Collectively, the "**Waivers**").

10.3 The Waivers are subject to the following:

(a) Disclosure in the shareholders' circular on the Waivers granted, the reasons for seeking the Waivers and the conditions required under Rule 107 of the Listing Manual;

(b) Submission of a written confirmation from the Company that the Waivers do not contravene any laws and regulations governing the Company and the articles of association of the Company; and

(c) Submission of a written undertaking that the Company will not enter into any new warehousing contracts or contract renewals with the current tenants after the Proposed Acquisition is completed and allow the existing leases to run down,

while seeking the approval of the Proposed Development from the relevant authorities.

10.4 The Company applied for the Waiver on the following grounds:

(a) There will be no change in control following the completion of the Proposed Acquisition. The purchase consideration will be satisfied in cash and no new shares will be issued in connection therewith. The Target Company is also part of the AVIC group of companies.

(b) The objective of the Proposed Acquisition is to acquire the Land, not an injection of a new business for the purpose of seeking a backdoor listing. Owing to the regulatory requirements in the PRC, acquiring the Land alone may be more costly and legally more cumbersome than acquiring the Target Company, which owns the Land. The Target Company will cease the Other Businesses prior to the completion of the Proposed Acquisition, while the Warehousing Business will be discontinued once the construction of the Proposed Development commences.

(c) The scale of the Target Company's operations is relatively small, compared to that of the Group. The only ratio calculated on the bases set out in Rule 1006 that may exceed 100% is purchase consideration over market capitalisation, which is mainly due to underlying valuation of the Land. Please refer to Section 9 above for further details.

(d) Given the objective of the Proposed Acquisition as set out under Section 4.1 above, providing the pro forma financial statements of the enlarged group comprising the Target Company and the Group following the completion of the Proposed Acquisition will neither be useful nor meaningful to Shareholders as it is not the Company's intention to continue with the Target Company's existing business. It may also mislead the Shareholders into thinking that the Company is diversifying into logistics business.

(e) The Proposed Development is a one-off project. Although the Group intends to sell extra units to recoup the development costs, the Group has no intention to diversify into property development in the near future.

(f) There will be no change to the Company's Board of Directors or management team pursuant to the Proposed Acquisition. The Target Company's current employees will be redeployed to other business units within the AVIC group of companies after the cessation of the Target Company's business.

(g) The final consideration for the Proposed Acquisition will be determined based on the Adjusted NTA as described in Section 5.1 above. The Company will engage an independent PRC valuer to value the Land and an independent valuation report will be issued in connection with this. An independent financial adviser will also be appointed to opine on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the minority Shareholders ("**IFA's Opinion**"). The valuation report and the IFA's Opinion will be enclosed in the circular in relation to the Proposed Acquisition ("**Circular**").

(h) The audited financial statements of the Target Company for the latest three financial years and the most recent interim period (if applicable) will be disclosed in the Circular.

11. INTERESTED PERSON TRANSACTION

11.1 The Proposed Acquisition is an Interested Person Transaction

As explained in Section 3 above, the Proposed Acquisition is an IPT for the purpose of Chapter 9 of the Listing Manual.

11.2 Materiality Thresholds under Chapter 9

Under Chapter 9 of the Listing Manual, Shareholders' approval is required for an IPT of a value equal to, or exceeding, 5% of the Group's latest audited NTA. The Total Consideration for the Proposed Acquisition (being the amount at risk to the Company) is RMB207,037,600. The Group's latest audited NTA as at 31 December 2014 is approximately RMB56,282,000. As the value of the Proposed Acquisition against the Group's latest audited NTA is 367.9%, which exceeds 5% of the Group's latest audited NTA, Shareholders' approval must be obtained for the Proposed Acquisition.

11.3 Total Value of All IPTs

Save for the Proposed Acquisition, the Group has not enterred into any transaction with the Vendors in the current financial year ending 31 December 2015.

As at the date of this Announcement, the aggregate value of all interested person transactions entered into with the Vendors for the current financial year ending 31 December 2015 is approximately S$45.0 million. The amount is inclusive of the Proposed Acquisition, which is the subject of this Announcement.

As at the date of this Announcement, the aggregate value of all interested person transactions entered into by the Group for the current financial year ending 31 December 2015 is approximately S$50.1 million. The amount is inclusive of the Proposed Acquisition, which is the subject of this Announcement.

11.4 Independent Financial Adviser

MS Corporate Finance Pte. Ltd. has been be appointed as independent financial adviser ("**IFA**") to advise the independent directors of the Company on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

11.5 Audit Committee's Statement

The Audit Committee of the Company will obtain an opinion from the IFA on the Proposed Acquisition before forming its view, which will be disclosed in the Circular, as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

12. FINANCIAL ADVISER

The Company has appointed RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte Ltd) as the financial adviser to the Company in respect of the Proposed Acquisition.

13. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND THEIR ASSOCIATES

None of the Directors (other than in his capacity as a Director) or substantial shareholders or their associates of the Company has any interest, direct or indirect, in the Proposed Acquisition.

14. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly no service contract is proposed to be entered into between the Company and any such person.

15. LEGAL DUE DILIGENCE

Jia Yuan Law Offices (嘉源律师事务所) has been appointed as the legal adviser to the Company to conduct the necessary due diligence on the Target Company, and to advise on the PRC Law and regulations in respect of the Proposed Acquisition.

16. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Vendors as well as the Target Company) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries as at the date hereof, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement 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, through reasonable enquiries, that such information is accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

17. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the Sale and Purchase Agreements are available for inspection during normal business hours at the registered office of the Company at 10 Collyer Quay, #27-00, Ocean Financial Centre, Singapore 049315 for a period of three months from the date of this Announcement.

Upon issue of the Final Valuation Report, copies of the same will be made available for inspection at the registered office of the Company at 10 Collyer Quay, #27-00, Ocean Financial Centre, Singapore 049315 for a period of three months from the date of its issuance.

18. CIRCULAR

A circular to the Shareholders containing further details of the Proposed Acquisition and enclosing a notice of extraordinary general meeting to be convened in connection with the Proposed Acquisition will be despatched by the Company to the Shareholders in due course.

19. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares as the Proposed Acquisition is subject to several conditions and there is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Dr Diao Weicheng
Executive Chairman
21 April 2015

Appendix A

Financial Highlights of Target Company

The financial information of the Target Company set out below is extracted from the audited consolidated financial statements of the Target Company for the financial year ended 31 December 2012 ("**FY2012**"), the financial year ended 31 December 2013 ("**FY2013**") and the financial year ended 31 December 2014 ("**FY2014**").

(RMB'000)	**FY2012**	**FY2013**	**FY2014**
Revenue	18,430	20,175	28,919
Profit from operations	5,483	4,828	5,956
Profit before tax	5,703	4,935	6,040
Profit after tax	4,236	3,683	4,512

(RMB'000)	**FY2012**	**FY2013**	**FY2014**
Non-current assets	45,555	43,558	41,672
Current assets	2,882	5,813	6,634
Non-current liabilities	-	-	-
Current liabilities	20,631	21,682	19,425
Shareholders' equity	27,806	27,689	28,881