

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

- APPROVAL FOR (1) THE DELISTING OF THE COMPANY FROM THE OFFICIAL LIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST"); (2) CONFIRMATION OF NON-APPLICABILITY OF RULE 1307 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SGX-ST ("CATALIST RULES"); (3) CONFIRMATION OF NON-APPLICABILITY OF RULE 1308 OF THE CATALIST RULES; AND (4) WAIVER FROM COMPLIANCE WITH RULE 705(1) OF THE CATALIST RULES

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 (“**Offeree Circular**”) 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;
- (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 pursuant to Section 215(1) of the Companies Act and the listing status of the Company (the “**Loss of Free Float and Compulsory Acquisition Announcement**”);
- (x) the announcement dated 5 January 2020 by the Company informing Shareholders that based on the information in the Loss of Free Float and Compulsory Acquisition Announcement, the percentage of Shares held by the public is approximately 9.14% and is therefore less than the requisite 10% of the total number of issued 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**”). With reference to the Catalist Rules, the SGX-ST may suspend the trading of the Shares accordingly (the “**Loss of Public Float Announcement**”);
- (xi) the announcement dated 6 January 2020 made by UOB for and on behalf of the Offeror, in relation to the close of Offer and the final level of acceptances of the Offer on the close of the Offer (the “**Close of Offer Announcement**”); and
- (xii) the announcement dated 6 January 2020 by the Company in relation to the close of Offer, the final level of acceptances and the suspension in trading of the Shares on the SGX-ST with effect from 9.00 am on 7 January 2020.

2. BACKGROUND TO AND GROUNDS FOR THE SGX APPLICATIONS

Further to the Close of Offer Announcement, the Company had submitted an application on 8 January 2020 to the SGX-ST to seek approval for:

- (a) the delisting of the Company from the SGX-ST (the “**Delisting**”);
- (b) a confirmation that Rule 1307 of the Catalist Rules is not applicable (the “**Rule 1307 Confirmation**”);
- (c) a confirmation that Rule 1308 of the Catalist Rules is not applicable (the “**Rule 1308 Confirmation**”); and
- (d) a waiver of the requirement under Rule 705(1) of the Catalist Rules that the Company announces its financial statements for the financial year ending 31 December 2019 (“**FY2019**”) not later than 60 days after the financial year end.

2.1. The application for Delisting, Rule 1307 Confirmation and Rule 1308 Confirmation

Following the close of the Offer, the Company had made an application to the SGX-ST to be delisted from the Official List of the SGX-ST.

(A) Catalist Rules Requirements

Pursuant to Rule 1307 of the Catalist Rules, the SGX-ST may agree to an application by an issuer to delist from the SGX-ST if:

- (1) the issuer convenes a general meeting to obtain shareholder approval for the delisting; and
- (2) the resolution to delist the issuer has been approved by a majority of at least 75% of the issuer’s total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the Delisting EGM (as defined below). The offeror and the parties acting in concert with it must abstain from voting on the resolution.

Pursuant to Rule 1308 of the Catalist Rules, if an issuer is seeking to delist from the SGX-ST:

- (1) an exit offer must be made to the issuer’s shareholders and holders of any other classes of listed securities to be delisted. The exit offer must (a) be fair and reasonable; and (b) include a cash alternative as the default alternative; and
- (2) the issuer must appoint an independent financial adviser to advise on the exit offer and the independent financial adviser must opine that the exit offer is fair and reasonable.

(B) Grounds for Application for the Rule 1307 Confirmation and the Rule 1308 Confirmation

The Rule 1307 Confirmation is sought based on the following grounds:

- (1) Rule 1309(1)(b) of the Catalist Rules provides that Rule 1307 does not apply to a delisting pursuant to an offer under the Singapore Code on Take-overs and Mergers (the “**Code**”) provided that the offeror is exercising its right of compulsory acquisition.
- (2) As at the close of the Offer at 5.30 p.m. (Singapore time) on 6 January 2020, the total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, and (ii) valid acceptances of the Offer amount to

an aggregate of 259,651,426 Shares, represent approximately 90.92% of the total number of Shares. Based on the Offeror's intentions as stated in the Offer Document and Loss of Free Float and Compulsory Acquisition Announcement, the Offeror is entitled and intends to exercise its right of Compulsory Acquisition to compulsorily acquire all the Shares of the Dissenting Shareholders at the Offer Price of S\$0.15 for each Share. The Offeror also 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 trading suspension by the SGX-ST to be lifted.

- (3) In any event, if the delisting of the Company were to be put to a vote by the Shareholders of the Company ("**Delisting EGM**"), the Offeror will upon completion of the Compulsory Acquisition, be able to unilaterally determine the outcome of the resolution to approve the delisting ("**Delisting Resolution**") proposed to be passed at the Delisting EGM, if such meeting is convened pursuant to Rule 1307 of the Catalist Rules. As stated in the Offer Document and the Loss of Free Float and Compulsory Acquisition Announcement, the Offeror intends to delist the Company. In view of the above, it is a certainty and a foregone conclusion that any Delisting Resolution will be approved, and the Company considers that it would neither be meaningful nor in the Company's interest to incur the unnecessary expenditure of time and costs if the Company were to be required to convene the Delisting EGM for the purposes of approving the Delisting Resolution.

The Rule 1308 Confirmation sought based on the following grounds:

- (1) Rule 1309(1)(b) of the Catalist Rules provides that Rule 1308 does not apply to a delisting pursuant to an offer under the Code provided that the offeror is exercising its right of compulsory acquisition.
- (2) As mentioned above in paragraph 2.1(B)(2), the Offeror is entitled and intends to exercise its right of Compulsory Acquisition to compulsorily acquire all the Shares of the Dissenting Shareholders at the Offer Price of S\$0.15 for each Share.
- (3) Further, upon the completion of the Compulsory Acquisition, there will be no remaining shareholders in the Company other than the Offeror to whom an exit offer can be made. The Offeror will then proceed to delist the Company from the SGX-ST and the date on which the Company will be delisted from the SGX-ST will be announced in due course.
- (4) In any event, the Dissenting Shareholders will have a reasonable exit alternative when the Offeror proceeds to acquire their Shares under Section 215(1) of the Companies Act. The Company had appointed RHB Securities Singapore Pte. Ltd. as the independent financial adviser ("**IFA**") to the Recommending Directors to advise the Recommending Directors in respect of the Offer. In the letter from the IFA to the Recommending Directors dated 9 December 2019 (a copy of which was appended as Appendix 1 to the Offeree Circular), the IFA had opined that the terms of the Offer are fair and reasonable from a financial point of view.

2.2. The Application for the Rule 705(1) Waiver

(A) Catalist Rules Requirements

Pursuant to Rule 705(1) of the Catalist Rules, an issuer must announce the financial statements for the full financial year not later than 60 days after the relevant financial period.

(B) Grounds for Application for the Rule 705(1) Waiver

The Rule 705(1) Waiver for FY2019 is sought based on the following grounds:

- (1) **Trading suspension pending Delisting.** In the Loss of Free Float and Compulsory Acquisition Announcement, it was announced by UOB, for and on behalf of the Offeror, that:
 - (a) as at 5.00 pm (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 amount to an aggregate of 259,478,831 Shares, representing approximately 90.86 per cent. of the total number of Shares; and
 - (b) Rule 724(a) of the Catalist Rules requires the Company to ensure that at least 10 per cent. of the total number of Shares (excluding treasury shares) is at all times held by the public. Based on the latest information available to the Offeror and to the best of the Offeror's knowledge, the Free Float Requirement is no longer satisfied and, as stated in the Offer Document and the Loss of Free Float and Compulsory Acquisition Announcement, 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 trading suspension by the SGX-ST to be lifted. In view of the foregoing, the Offeror will take steps to delist the Company from the SGX-ST.

The Offer has since closed at 5.30 p.m. on 6 January 2020 and trading in the Company's Shares on the SGX-ST has been suspended with effect from 9.00 am on 7 January 2020 following the close of the Offer. As mentioned above, the Offeror does not intend to preserve the listing status of the Company and no steps will be taken to lift the trading suspension in the Shares. Accordingly, Shareholders are not able to deal in the Shares on the SGX-ST with effect from 9.00 am on 7 January 2020.
- (2) **Compulsory Acquisition of Dissenting Shareholders.** As mentioned above in paragraph 2.1(B)(2), the Offeror is entitled and intends to exercise its right of Compulsory Acquisition to compulsorily acquire all the Shares of the Dissenting Shareholders at the Offer Price of S\$0.15 for each Share. The Offeror also does not intend to preserve the listing status of the Company, has no intention of undertaking or supporting any action to satisfy the Free Float Requirement or for any trading suspension by the SGX-ST to be lifted and will take steps to delist the Company from the SGX-ST.
- (3) **Offeror will become sole Shareholder.** After the Compulsory Acquisition is completed, the Offeror will become the sole shareholder of the Company. It would, for this reason, not be meaningful to announce the financial statements for FY2019.

Based on the reasons above, minority shareholders and investors are unlikely to be prejudiced by the non-release of the financial statements for FY2019. Accordingly, it will serve little purpose to require the Company to release the financial statements for FY2019 before the anticipated delisting and will incur additional compliance costs in connection with the preparation and release of the FY2019 financial statements.

3. CONFIRMATION FROM THE SGX-ST

3.1. The Board wishes to announce that the SGX-ST had on 22 January 2020 informed the Company that based on the Company's submission and representations to the SGX-ST, the SGX-ST:

- (a) has no objection to the delisting of the Company from SGX-ST;
- (b) confirms that Rule 1307 of the Catalist Rules is non-applicable;
- (c) confirms that Rule 1308 of the Catalist Rules is non-applicable; and
- (d) has no objection to grant waiver from compliance with Rule 705(1) of the Catalist Rules, (collectively, the **"Waiver and Confirmation"**),

in connection with the proposed compulsory acquisition and delisting process, subject to:-

- (a) the Company making an announcement via SGXNet of the SGX-ST's no objection to the Company's proposed Waiver and Confirmation, the reasons for seeking the Waiver and Confirmation, and the conditions as required under Rule 106 of the Catalist Rules;
- (b) submission of a written confirmation from the Company that the Waiver and Confirmation do not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

3.2. The Company will provide the written confirmations requested by the SGX-ST in due course.

3.3. The SGX-ST's decision is not an indication of the merits of the Delisting.

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 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, the Loss of Free Float and Compulsory Acquisition Announcement, the Close of Offer 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
28 January 2020

*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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