**AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED**

*(Formerly known as "AVIC International Investments Limited")*

(Incorporated in Singapore)
(Company Registration No. 201024137N)
(the "**Company**" and together with its subsidiaries, the "**Group**")

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**THE PROPOSED INTRAGROUP RESTRUCTURING EXERCISE**

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## 1. INTRODUCTION

The Board of Directors of the Company wishes to announce that the Group is proposing to undertake an intragroup restructuring exercise to streamline its corporate group structure ("**Proposed Restructuring Exercise**") which restructuring includes liquidating three of its subsidiaries which do not have active business operations as at the date of this announcement.

## 2. PROPOSED INTRAGROUP RESTRUCTURING EXERCISE

### 2.1. Rationale

The Group is undertaking the Proposed Restructuring Exercise in compliance with the administrative directive issued by the relevant authority under the Government of the People's Republic of China ("**PRC**") which requires PRC state-owned enterprises, such as the Group, to streamline the corporate holding structure of the operating entities. This is also in line with the Group's overall strategy to facilitate compliance with reporting requirements and to reduce compliance costs in view of the overall sluggish conditions in the global maritime industry.

The Proposed Restructuring Exercise comprises the Proposed Equity Transfers and the Proposed Liquidation (both as defined below).

### 2.2. The Proposed Restructuring Exercise

Proposed Equity Transfers

As part of the Proposed Restructuring Exercise, the Company shall procure its wholly-owned subsidiaries, being AVIC International Ship Development Pte. Ltd. ("**AISD**"), Kaixin Industrial Pte. Ltd. ("**Kaixin Singapore**") and AVIC International Offshore Pte. Ltd. ("**AIO**"), to effect the following equity transfers prior to the Proposed Liquidation:

(a) 41.37% of the equity interest of AVIC International Ship Development (China) Co., Ltd. ("**AISD (China)**"), a company incorporated in the PRC, from AISD to the Company;

(b) 50.22% of the equity interest of AISD (China), from Kaixin Singapore to the Company;

(c) 8.41% of the equity interest of AISD (China), from AIO to the Company;

(d) 48% of the shareholding interest of Deltamarin Floating Construction Ltd. ("**DMFC (FL)**"), a company incorporated in the Republic of Finland, from Kaixin Singapore to the Company;

(e) 51% of the shareholding interest of Deltamarin Floating Construction Pte. Ltd. ("**DMFC (SG)**"), a company incorporated in Singapore, from Kaixin Singapore to the Company; and

(f) the entire shareholding interest of AIO, a company incorporated in Singapore, from AISD to the Company,

each of the transfers to be at nominal consideration (collectively, the "**Proposed Equity Transfers**").

Following the completion of the Proposed Equity Transfers, the Company shall directly hold:

(a) 100% equity interest in AISD (China);

(b) 100% shareholding interest in AIO;

(c) 48% shareholding interest in DMFC (FL); and

(d) 51% shareholding interest in DMFC (SG).

For the avoidance of doubt, there is no change in the Company's effective interest in AISD (China), AIO, DMFC (FL) and DMFC (SG) (collectively, the "**Relevant Operating Entities**") before and on completion of the Proposed Equity Transfers.

Proposed Liquidation

Following completion of the Proposed Equity Transfers, the Company shall procure the liquidation of the following subsidiaries:

(a) AISD, a wholly-owned direct subsidiary of the Company;

(b) Kaixin Singapore, a wholly-owned direct subsidiary of the Company;

(c) AVIC Tidestar Fast Offshore Pte. Ltd., a 65% owned indirect subsidiary of the Company,

(collectively, the "**Proposed Liquidation**").

For the avoidance of doubt, there is no change in the Company's effective interest in the Relevant Operating Entities before and on completion of the Proposed Equity Transfers.

**2.3. Relevant Corporate Chart of the Group**

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

**3. FINANCIAL EFFECTS**

The Proposed Restructuring Exercise is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2016.

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

None of the directors of the Company (other than in his capacity as a director or shareholder of the Company, as the case may be), has any interest, direct or indirect, in relation to the Proposed Restructuring Exercise.

**5. FURTHER INFORMATION**

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

**By Order of the Board**

Dr Diao Weicheng
Executive Chairman
12 August 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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

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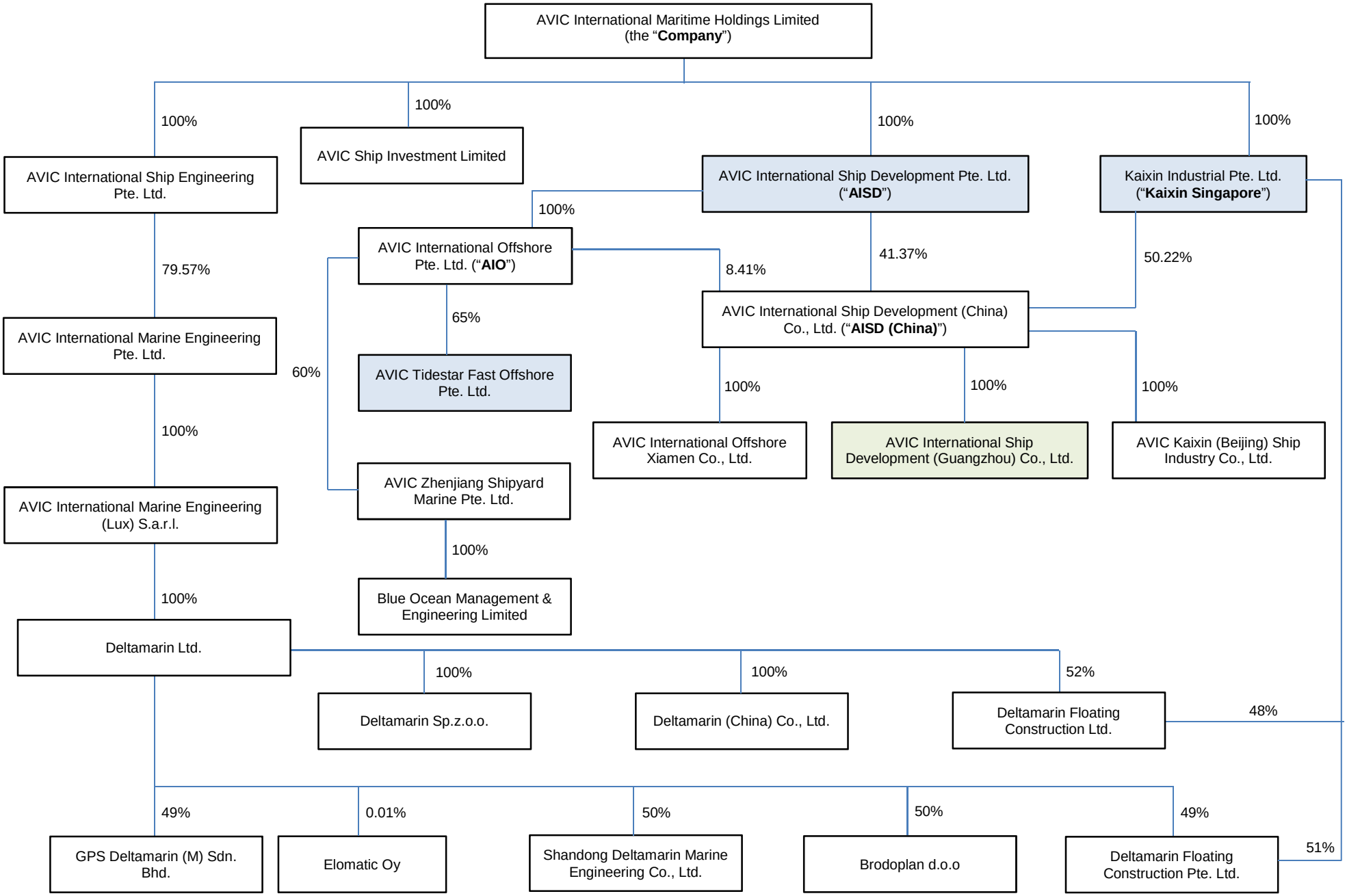
**APPENDIX A**
**CORPORATE CHART OF THE GROUP PRIOR TO THE PROPOSED RESTRUCTURING EXERCISE**



**APPENDIX B**
**CORPORATE CHART OF THE GROUP ON COMPLETION OF THE PROPOSED RESTRUCTURING EXERCISE**

