



AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED
(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

AVIC Maritime reports earnings
RMB11.8 million for 1Q2017

- Revenue increased by 18% year-on-year to RMB 86.1 million, supported by shipbuilding project management service and ship-design service segments
- Overall gross profit margin increased to 59.5% for 1Q2017 from 44.4% for 1Q2016

SINGAPORE, 12 May 2017 – AVIC International Maritime Holdings Limited (“**AVIC Maritime**” or “**中航国际船舶控股有限公司**”, and together with its subsidiaries, the “**Group**”), an integrated marine and offshore one-stop solution provider under the AVIC Group, today reported the financial results for the quarter ended 31 March 2017 (“**1Q2017**”).

Financial Highlights

RMB million	1Q2017	1Q2016	Change %
Revenue	86.1	73.1	18
Shipbuilding project management service	17.4	11.9	46
Shipbuilding project financing service	9.5	-	N/M
Shipbuilding construction service	-	21.2	N/M
Ship-design service	57.0	39.9	43
Finance lease income	2.0	-	N/M
Cost of sales	(34.9)	(40.6)	(14)
Gross profit	51.2	32.5	58
Gross profit margin (%)	59.5	44.4	15.1ppts
Distribution and marketing expenses	(7.3)	(8.7)	(17)
Administrative expenses	(28.9)	(29.8)	(3)
Finance cost	9.6	5.0	93
Profit/(Loss) for the period	12.8	4.0	220
Profit attributable to equity holders	11.8	5.1	131

N/M – Not meaningful



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Financial Review

Group's revenue for 1Q2017, mainly generating from its shipbuilding project management service and ship-design service, increased by 18% year-on-year ("yoy") to RMB86.1 million. Ship building project management service revenue increased by 46% yoy to RMB17.4 million and ship-design service revenue increased by 43% yoy to RMB57.0 million. The revenue was also boosted by project financing income RMB9.5 million and finance lease income of RMB2.0 million for 1Q2017.

Cost of sales decreased by 14% yoy to RMB34.9 million in 1Q2017 as a major shipbuilding contract was completed in 2016. As a result, gross profit increased by 58% yoy in 1Q2017 to RMB51.2 million, and gross profit margin increased from 44.4% to 59.5%.

The Group reported earnings of RMB11.8 million for 1Q2017, 131% increase compared to that of 1Q2016. Earnings per share were RMB 4 cents for 1Q2017, compared to RMB 1.8 cents for 1Q2016.

As of 31 March 2017, Group had a net asset value per share of RMB 47.5 cents, compared to RMB 47.6 cents as of 31 December 2016.

Business Review and Future Plans

Despite some signs of recovery on the shipbuilding market recently, it will still take time for the oversupply of vessels to be absorbed. The Group's strong capability in building dry bulk carriers positions it well to tap on the opportunities that may be brought about by the increase in demand for dry bulk. In addition, working closely in association with AVIC Dingheng, the shipyard within AVIC Group, AVIC Maritime is able to command a competitive position globally in the category of small-size (30,000 DWT and below) chemical tankers. The chemical tankers produced by the Group are highly-specialized, LNG ready, and designed for operation in very cold waters. The Group will continue to leverage on its expertise and further its track record in the building and delivery of specialized vessels, such as Ro-Pax vessels and chemical tankers, where demand is more resilient and promising.

Deltamarin will focus its resources on the design contracts it received in 2016, which included the design contract for the largest mega passenger vessel to be built. This is the largest mega passenger vessel design contract it has received. It is expected that the current design contracts in its order book will take up a high utilization rate for its design capacity for 2017 and following into 2018. With its



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expertise and track record in designing complex and clean energy vessels, Deltamarin is expected to continue to contribute positively to the Group, capitalizing on the synergies between Deltamarin and other members of the Group.

Dr. Diao Weicheng (刁伟程), AVIC Maritime's Executive Chairman commented on the performance and the outlook for the Group,

“The Group had made a good start of the year. We saw an increased revenue coupled with an increased gross profit margin for the first quarter of the year. Cost rationalisation had effectively reduced distribution, marketing and administrative expenses. However, it is clear that it will take some time for our growth to be sufficient to significantly outweigh the burden resulting from the challenging operating environment in the whole maritime industry.

Shipbuilding project management service and ship-design service will continue to be our key drivers. We shall continue to implement the strategy in cost rationalisation and direct more resources in developing higher margin businesses. We see Deltamarin capable to continuing to integrate technology in ship design and shipbuilding, develop expertise in the R&D and the building of high-technology, high-value added vessels, such as chemical tankers and Ro-Ro passenger vessels, and seek to optimize our order book. With enhanced capital management and improve capital efficiency, as well as value creation through enhanced supply-chain related services and support from the AVIC Group, we shall strive to deliver better performance as market conditions become more favorable. ”

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About AVIC

Established in 1994, listed on SGX Mainboard since September 2011 and transferred to the SGX Catalist board in May 2016, AVIC International Maritime Holdings Limited (“AVIC Maritime” or collectively known as the “Group”) is an integrated marine and offshore solution provider under the AVIC Group. The Group offers a wide spectrum of services, ranging from shipbuilding, management and consultancy (“M&C”), design and engineering to ship trading related businesses. Over the decades, AVIC Maritime has maintained a strong track record and built many strong relationships with reputable ship-owners.



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In January 2013, the Group acquired Deltamarin Ltd. (“Deltamarin”), a Finnish design and engineering firm, innovative leader in naval architecture and engineering. Deltamarin’s capability in developing profitable, sustainable and cost-efficient vessel helps strengthen AVIC Maritime’s foothold in ship design, shipbuilding and ship trading related businesses.

The AVIC Group is one of China’s largest industrial state-owned-enterprise, which is also ranked amongst Fortune Global 500 companies since 2009. As a subsidiary of the AVIC Group, AVIC Maritime is able to leverage on AVIC Group’s extensive financial and business network to become a key player in the global marine and offshore industry.

For more information, please visit: <http://www.avicintl.com.sg>

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