



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

(Company Registration No. 201024137N)

Earnings RMB33.0 million for 9M2017

- Revenue increased by 39% year-on-year to RMB 208.2 million in 3Q2017, supported by shipbuilding project management service, shipbuilding construction service and ship-design service segments
- Group reported earnings of RMB33.0 million for the first nine months of 2017
- Deltamarin continues to prosper in ship designing
- Group is in unique position to develop new vessel types, such as ro-pax and clean energy vessels, drawing synergies from Deltamarin and its shipbuilding management and services segments

SINGAPORE, 15 November 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 30 September 2017 (“**3Q2017**”).

Financial Highlights

RMB million	3Q2017	3Q2016	Change %	9M2017	9M2016	Change %
Revenue	208.2	149.5	39	466.2	314.3	48
Shipbuilding project service						
- Project management	11.0	17.7	(38%)	43.5	42.5	2%
- Project financing	13.5	1.9	NM	46.3	1.9	NM
Shipbuilding construction service	42.3	0.7	NM	99.6	55.1	81%
Ship-design service	63.3	47.9	32%	194.2	129.5	50%
Cost of sales	(155.2)	(109.1)	42	(281.2)	(207.0)	36
Gross profit	53.0	40.4	31	185.0	107.3	72
Distribution and marketing expenses	(9.3)	(13.9)	(33)	(28.0)	(32.9)	(15)
Administrative expenses	(30.0)	(24.4)	23	(100.4)	(82.4)	22
Finance cost	(12.4)	(5.9)	109	(34.1)	(13.3)	156
Profit/(Loss) for the period	2.5	(8.6)	NM	35.7	(18.8)	NM
Profit attributable to equity holders	1.3	(5.7)	NM	33.0	(15.8)	NM



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Financial Review

In 3Q2017, the Group's revenue, mainly generated from its shipbuilding project service, shipbuilding construction service and ship-design service, increased by 39% to RMB208.2 million, as compared to RMB149.5 million in 3Q2016. The increase was mainly due to: Shipbuilding construction service revenue increased by RMB41.5 million to RMB42.3 million as a new shipbuilding contract for four vessels has commenced; And ship-design service revenue increased by 32% to RMB63.3 million. Cost of sales increased by 42% to RMB155.2 million in 3Q2017, primarily due to the new shipbuilding contract. Gross profit grew 31% to RMB53.0 million. The Group reported net profit of RMB1.3 million for 3Q2017 (3Q2016: net loss of RMB5.7 million) and achieved a net profit of 33 million for 9M2017, compared with a net loss of 15.8 million in the corresponding period of FY2016.

Earnings per share for 9M2017 stood at RMB11.54 cents, as compared to the loss per share of RMB5.5 cents recorded in 9M2016. As of 30 September 2017, the Group had net asset value per share of RMB58.5 cents, compared to RMB47.6 cents as at 31 December 2016.

Business Review and Future Plans

The mild recovery in China and other major economies in the world, the higher demand for commodities and higher volume of international trade led to a strong rebound in the Baltic Dry Index¹, and eased off the overcapacity situation in the shipping and shipbuilding market. The business environment for shipbuilding industry has become more favourable generally compared to last year. While the sustainability and strength of the recovery remain uncertain, the Group has continue to commit to its strategy to focus on specialized, high-tech and high value-added vessels, where demand is more resilient and promising.

Deltamarin has continued to make significant contributions to the Group. In July 2017, it entered into contracts with Xiamen Shipbuilding Industry Co., Ltd in China to provide basic and detail design, engineering and construction support services for a ro-pax vessel to be built for a renowned Finnish customer. In August 2017, Deltamarin signed contracts with Rauma Marine Constructions (RMC) for the basic design of deck outfitting and machinery for four multi-role corvettes. In view of the increasing utilisation of inland waterways, Deltamarin has developed a multipurpose inland vessel, DeltaBreaker, to cope with the environmental protection requirements. Together with the largest mega passenger vessel design contract received in 2016, Deltamarin will see high capacity utilization in 2017 and 2018.

¹ http://www.eworldship.com/html/2017/bulk_market_1027/133083.html



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

“It’s encouraging to see an improved financial performance in the past few quarters. This reflects our efforts in building up core capabilities in shipbuilding management and ship design and tapping opportunities across the supply chain.

On the shipbuilding front, the AVIC Group’s shipyards have made notable achievements with their flagship products. Benefitting from the AVIC Group’s accomplishment, our shipbuilding construction management service unit has also made significant contribution to profit . On ship design, Deltamarin continues to enhance its performance and produces various new, innovative and creative vessel designs. As the shipbuilding industry evolves towards smart manufacturing, AVIC Maritime is in a unique position to develop new vessel types, such as ropax and clean energy vessels, drawing synergies from Deltamarin and our shipbuilding management and services segments.

As market conditions improve, we will continue to place great focus on the integration of various business units, enhancing our competitiveness and creating shareholder value. With the Belt-and-Road initiative, AVIC Maritime will continue to commit to growing as a strong, established and integrated entity in the maritime business.”

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About AVIC Maritime

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.

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 vessels 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.



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

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This press release 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 Catalyst. The Sponsor has not independently verified the contents of this press release.

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 press release.

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