



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

(Company Registration No. 201024137N)

**AVIC International Maritime reports
net profit of RMB27.6 million in 1H2018**

- Revenue increased by 13% year-on-year to RMB292.2 million in 1H2018, primarily supported by the strong performance of the ship-design segment
- Group strengthened its foothold in the small chemical tanker and RO-PAX vessel segments, especially in the European market
- Group’s ship design division, Deltamarin, continued to build up its order book and upheld its track record in its design of high-tech, clean-energy vessels

SINGAPORE, 14 August 2018 – 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, announced its financial results for the quarter and the half year ended 30 June 2018 (“**2Q2018**” and “**1H2018**” respectively) today.

Financial Highlights

RMB million	2Q2018	2Q2017	Change %	1H2018	1H2017	Change %
Revenue	152.6	171.9	(11)	292.2	258.0	13
Shipbuilding project service						
- Project management	12.5	15.1	(17)	22.4	32.5	(31)
- Project financing	30.1	23.3	29	57.7	32.8	76
Shipbuilding construction service	10.2	57.3	(82)	24.3	57.3	(56)
Ship-design service	97.2	73.9	32	183.7	130.9	40
Cost of sales	59.3	91.1	(35)	125.0	126.0	(1)
Gross profit	93.4	80.8	16	167.2	132.0	27
Distribution and marketing expenses	(7.7)	(11.5)	(33)	(15.3)	(18.7)	(18)
Administrative expenses	(42.9)	(41.5)	3	(73.1)	(70.4)	4
Finance cost	(20.6)	(12.1)	70	(40.4)	(21.7)	86
Profit/(Loss) for the period	11.4	20.5	(44)	27.6	33.2	(17)
Profit attributable to equity holders	8.1	19.8	(59)	21.2	27.9	(24)

N.M.: Not meaningful



AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

Financial Review

In 1H2018, the Group's revenue, mainly generated from its ship-design service, and shipbuilding project management and project financing services, increased by 13% year-on-year ("yoy") to RMB292.2 million. The increase in revenue was mainly attributed to: (1) a 40% increase (yoy) in ship-design services to RMB 183.7 million, which accounted for 63% of the Group's total revenue in 1H2018, compared to 51% in 1H2017 and (2) a 76% increase (yoy) in shipbuilding project financing services to RMB57.7 million. The higher revenue from these segments was partially offset by a decrease in the revenue from shipbuilding construction services and project management services.

Cost of sales decreased by 1% (yoy) to RMB125.0 million in 1H2018, as less cost was incurred in shipbuilding services activities.

Gross profit increased by 27% (yoy) to RMB167.2 million in 1H2018. Gross profit margin increased from 51% (yoy) to 57% in 1H2018 as ship-design service and shipbuilding project financing business contributed increased revenue with higher gross margin in 1H2018.

The Group reported net profit of RMB27.6 million in 1H2018, 17% lower compared to 1H2017, primarily due to the foreign exchange loss recognized over this period. Earnings per share in 1H2018 was RMB7.42 cents, compared to RMB9.78 cents in 1H2017.

As of 30 June 2018, the Group had net asset value per share of RMB65.13 cents, compared to RMB57.76 cents as at 31 December 2017.

Business Review and Future Plans

According to Clarksons Research, 472 new shipbuilding orders (35.2 million DWT) became effective globally in 1H2018, compared to 602 new shipbuilding orders (30.0 million DWT) in 1H2017¹. The shipbuilding market is still on a recovery phase from the downturn. Business environment has become more favourable, especially for dry bulkers and chemical tankers. Globally, the demand for high-tech and clean-energy-ready vessels remains promising, due to environmental protection concerns. Against these positive macro factors, the continuing trade tensions and the higher interest cost caused by rate hikes could cause uncertainties to the industry outlook.

¹ http://www.eworldship.com/html/2018/NewShipMarket_0720/141200.html



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

(Company Registration No. 201024137N)

The Group continues its strong working relationship with AVIC Dingheng Shipbuilding Co., Ltd and AVIC Weihai Shipyard Co., Ltd, both being related shipyards in the AVIC Group. The Group works closely with these shipyards in shipbuilding design and the provision of maritime management and consultancy services, including shipbuilding project financing and management services. Together with these shipyards, the Group has completed and delivered a number of vessels, including containerships, small chemical tankers and RO-PAX vessels. The Group, together with AVIC Dingheng, will look to building up a leading position in the global market in small chemical tankers; and with AVIC Weihai's expertise in the construction of RORO vessel, it will endeavour to secure a more significant market share in servicing the building of high-end RO-PAX vessels.

Deltamarin has been building a strong order book and working to uphold a leading position in the design of high-tech and green vessels around the world. In March 2018, Deltamarin signed a contract with Chinese Guangzhou Shipyard International Co, Ltd for consultancy and engineering services for the DFDS ro-pax ferries. Together with the several major vessel design orders in its order book, including the largest mega passenger vessel design contract received in 2016, Deltamarin will see high capacity utilization in 2018 and 2019.

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

“AVIC Maritime will continue to strengthen its foothold in niche segments, such as small chemical tankers and RO-PAX vessels, where demand is more resilient. In order to cope with the IMO's emission rules and the increasing demand for clean energy vessels, the Group will focus on enhancing R&D capabilities and introducing innovative products. It will also continue to develop new markets and optimize the management, operational and cost structures for efficiency improvement.”



AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

###

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, with its members of the Group, known as the “Group”) is an integrated marine and offshore solution provider under the AVIC Group. The Group offers a wide spectrum of management and consultancy services (the “M&C Services”), ranging from shipbuilding construction service, shipbuilding project management and shipbuilding project financing services; ship design; and project engineering services 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 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>

Contact Information

Financial PR Pte Ltd.
Romil Singh / Reyna Mei
Tel: 65-6438 2990 / Fax: 65-6438 0064
Email: staff@financialpr.com.sg

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 Catalist. 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.

*The contact person for the Sponsor is Mr Ng Joo Khin:
Telephone number: (65) 6389 3000
Email address: jookhin.ng@morganlewis.com*