



AVIC International Investments Limited

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PRESS RELEASE

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AVIC Singapore's 2Q2012 net profit rises 53.5%

- Revenue jumps 92.4% to RMB19.2 million from higher management and service fees
- US\$60 million contract and new service agreement with AVIC Weihai Shipyard expected to contribute positively to earnings this year

For the period ended 30 June

RMB' million	2Q2012	2Q2011	Change (%)
Revenue	19.2	10.0	92.4
Operating Profit	11.2	6.4	75.8
Net Profit	7.2	4.7	53.5

SINGAPORE – 8 August 2012 – PRC-based shipbuilding project management and consultancy (“M&C”) services provider, **AVIC International Investments Limited** (“AVIC Singapore”, and together with its subsidiaries, the “Group”) (中航国际投资有限公司), which is a member of the Aviation Industry Corporation of China (“AVIC”) (中国航空工业集团公司) group of companies (the “AVIC Group”), today reported that its net profit for the three months ended 30 June 2012 (“2Q2012”) increased 53.5% to RMB7.2 million.

The Group’s revenue for the same period similarly saw robust growth, surging 92.4% to hit RMB19.2 million. The significant increase in revenue was due to higher management service fee income for the provision of marketing and consultancy services to a shipyard, which more than doubled in 2Q2012 compared to 2Q2011, as well as a close to 80% year-on-year increase in service fee income derived from M&C services in 2Q2012.

On a segmental basis, 58.9% of its 2Q2012 revenue was derived from management service fee income, while 41.1% was from service fee income.

“The Group achieved commendable growth in our top- and bottom-line in the second quarter, in spite of the challenges faced by the global shipping industry. To date, we have secured a US\$60 million contract for the construction of five service vessels and signed a new service agreement with AVIC Weihai Shipyard – both of which are expected to contribute positively to the Group’s earnings this year,” said AVIC Singapore’s Executive Chairman and Interim Chief Executive Officer Dr Diao Weicheng (刁伟程).

Based on its 2Q2012 results, the Group’s earnings per share grew to 2.52 RMB cents, whilst its net asset value per share rose from 49.8 RMB cents as of 31 December 2011 to 53.0 RMB cents as of 30 June 2012.

Business Updates

Earlier in May 2012, AVIC Singapore made headway in its plans to integrate the ship-trading related activities of its majority shareholder, AVIC International Holding Corporation (“AVIC International”) into the Group. A wholly-owned subsidiary in Singapore, AVIC International Ship Development Pte Ltd, was incorporated for this purpose.

Commenting on the Group’s outlook and strategies, Dr Diao said, “Shipping companies around the world are operating in a very challenging business environment. Nonetheless, we remain positive on the long-term growth prospects of AVIC Singapore. We are actively executing our multi-pronged growth strategy including establishing research and development capabilities particularly in the area of technologically-advanced vessels, as well as expanding along the ship design, shipbuilding and ship-trading related business value chain. As part of the state-owned AVIC Group, we believe we can capitalise on the AVIC Group’s excellent business relationships, strong fundamentals and extensive business network to carry out our expansion plans.”

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About AVIC International Investments Limited

AVIC International Investments Limited (“AVIC Singapore”) is an investment holding company for strategic investments in shipbuilding and ship-trading industry. It is a member of the PRC Central Government-owned Aviation Industry Corporation of China group of companies (the “AVIC Group”). Ranked 311 amongst international Fortune 500 companies in 2011, the AVIC Group is one of the largest industrial groups owned and managed by the Central Government of the PRC.

AVIC Singapore and its subsidiaries (the “Group”) currently provide shipbuilding project management and consultancy (“M&C”) services, and plan to diversify into the ship design, shipbuilding and ship-trading related business.

The Group currently works with established shipyards in the PRC as co-sellers, where the shipyard is responsible for the construction of the vessels and the Group undertakes the non-construction aspects of the shipbuilding project. The Group out-sources the design of vessels to several renowned ship-design institutes in the PRC. As part of the state-owned AVIC Group, it has strong support from major PRC financial institutions and has been able to assist shipyards and the shipowners in obtaining financing, when required.