



AVIC International Maritime Holdings Limited

(Formerly known as AVIC International Investments Limited)
(Registration Number: 201024137N)

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FOR IMMEDIATE RELEASE

AVIC Maritime reports 1Q2014 revenue of RMB105.5 million

- *Shipbuilding and ship design business segments continue to account for the bulk of total revenue*
- *Focus on building professional competencies to improve competitiveness and profitability*

SINGAPORE – 9 May 2014 – Mainboard-listed marine and offshore company **AVIC International Maritime Holdings Limited** (“**AVIC Maritime**”, and together with its subsidiaries, the “**Group**”) (中航国际船舶控股有限公司), 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 posted revenue of RMB105.5 million for the first quarter ended 31 March 2014 (“**1Q2014**”), compared to RMB113.9 million for the same period in the preceding year (“**1Q2013**”).

For the quarter under review, the Group registered lower shipbuilding revenue and ship design fee income, which were partially offset by an increase in other income from the trading of steel plate and a higher management service fee income for the provision of marketing, administration and management services of RMB8.8 million over 1Q2013 due to natural organic growth of the Company. The shipbuilding and ship design business segments continue to account for the bulk of the Group’s revenue in 1Q2014.

Contribution from Deltamarin, the Group’s ship design business segment, accounted for 60.4% of the Group’s total revenue at RMB63.7 million. The Group registered an increase of finance cost of 7.9% or RMB0.3 million due to higher interest expenses incurred as a result of additional shareholder loan. Overall, the increased expenses resulted in the Group reporting a loss of RMB4.7 million compared to a loss of RMB0.8 million in 1Q2013.

Deltamarin specialises in providing design, engineering and contracting services to shipping, shipbuilding, marine and offshore oil and gas industries worldwide. Its B.Delta Bulk Carriers and their derivatives have proven to be popular amongst ship-owners with more than 100 orders secured to-date. In January 2014, it secured an additional order of eight open hatch B.Delta 37 bulk carriers by Yangfan Group shipyard for Polish ship-owner Polska Zegluga Morska P.P., at a total contract value of approximately EUR1 million, to be carried out over an estimated period of six months. In February 2014, Deltamarin also secured the design contract for the world's largest civilian hospital ship awarded by China Shipbuilding Industry Corporation to be built for Mercy Ships at Tianjin Xingang Shipyard at a total contract value of EUR4.2 million.

In addition, Deltamarin is also strengthening its position in the offshore oil and gas industry with the signing of a contract with Bumi Armada in February 2014, for the basic design of a floating production, storage and offloading unit (FPSO). The FPSO design provided by Deltamarin is suitable for the harsh North Sea environment and fulfils the United Kingdom's rules and regulations in all aspects. Total contract value for this design work, to be carried over an estimated six months period, is EUR3.6 million.

Business Outlook & Strategies

The shipping industry has had to navigate rough waters since the end of a boom in 2008. But industry watchers have said certain segments are starting to show signs of recovery, and as a result, more funding is flowing back into the industry.¹ With the reported resurgence of the shipping industry, the AVIC Group has also seen an increase in orders for new vessels with a strong order book till 2017.

With the improving market conditions, coupled with the establishment of the joint venture under the name of Delta-AVIC Pte. Ltd. in February this year with a view to venturing into the engineering, procurement and construction (EPC) business sector, the Group believes that it can actively seek new projects and secure new contracts, given its strong business track record in the industry and the continuous financial support from its major shareholder, AVIC International Holding Corporation.

¹ Channel NewsAsia - Some segments of shipping industry showing signs of recovery, dated 21 March 2014

“The Group has been actively working on the integration of the shipbuilding project management and consultancy business segment from AVIC International Beijing, Shanghai, Xiamen and Guangzhou into AVIC Maritime, which will reinforce and strengthen our focus and capabilities in the maritime management and consultancy business. At the same time, with a well experienced management team and an enhanced marketing and technical support team, we have every confidence to bolster and improve our operating and management capabilities,” said Dr Diao Weicheng (刁伟程), AVIC Maritime’s Executive Chairman.

“Going forward, the Group will continue to actively implement its strategies to provide a one-stop service covering the entire marine business value chain. We will focus on building our professional competencies to improve our competitiveness in the areas of research and design, marketing, shipbuilding project management and consultancy, ship financing services, ship construction management, and supply chain management services.”

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About AVIC International Maritime Holdings Limited

Listed on the SGX-ST Mainboard in September 2011, AVIC International Maritime Holdings Limited (中航国际船舶控股有限公司), also known as AVIC Maritime, is an active player in the marine and offshore industry.

We strive to provide innovative and integrated solutions along the entire marine business value chain. Our wide range of services includes shipbuilding project management and consultancy, design and engineering, shipbuilding as well as ship-trading.

AVIC Maritime’s track record in shipbuilding management and consultancy services dates back to 1994. Our design and engineering subsidiary, Deltamarin, has been a forerunner in naval architecture and engineering. With a track record that dates back to 1984, Deltamarin is an experienced developer of profitable, sustainable and cost-efficient vessels. Our major shareholder, AVIC International Holding Corporation, has extensive shipbuilding and ship-trading capabilities, given its decades of experience in the industry.

Together with our subsidiaries, AVIC Maritime is a member of the Aviation Industry Corporation of China (中国航空工业集团公司) group of companies (the “AVIC Group”), one of the largest industrial groups authorised and managed by the PRC Central Government. The AVIC Group was ranked 212 amongst Fortune Global 500 companies in 2013. As part of the state-owned AVIC Group, we enjoy strong support from the PRC Central Government, including PRC domestic financial institutions.

Led by an experienced and driven management team with in-depth industry knowledge, coupled with our ability to leverage on the AVIC Group’s excellent business relationships, strong fundamentals and global business network, AVIC Maritime is well-positioned to become a key player in the global marine and offshore industry.

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