



AVIC International Maritime Holdings Limited

(Formerly known as AVIC International Investments Limited)
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PRESS RELEASE

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AVIC Singapore's 2Q2013 revenue jumps more than 7 times to RMB142.5 million

- *New revenue streams from shipbuilding and ship-design contributed to top-line growth*

SINGAPORE – 14 August 2013 – Mainboard-listed marine and offshore company **AVIC International Maritime Holdings Limited** (“AVIC Singapore”, 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”), posted a revenue of RMB142.5 million for the three months ended 30 June 2013 (“2Q2013”), which was a 7-fold increase from the corresponding period in the previous financial year (“2Q2012”).

The top-line in 2Q2013 was boosted by the Group’s new revenue streams from its shipbuilding and ship-design businesses. Shipbuilding revenue for the construction of five vessels, comprising three units of ASD tugboats, one unit of diver boat and one unit of bunkering tanker, amounted to RMB59.1 million or 41.4% of the Group’s overall revenue in the reporting quarter.

In addition, the Group recorded ship-design fee income of RMB77.3 million in 2Q2013 following its acquisition of a 79.57% stake in Finnish design and engineering company Deltamarin Oy (“Deltamarin”) in January this year. Contributing 54.3% of the total revenue

in 2Q2013, the Group's ship-design fee income was derived mainly from Europe and Asia, as well as from North and South America, Africa and Australia.

Revenue from the provision of shipbuilding project management and consultancy services declined marginally from RMB7.9 million in 2Q2012 to RMB6.1 million in 2Q2013 due to fewer milestones achieved.

With the newly set up subsidiaries and the recently acquired Deltamarin Group, the Group incurred higher employee benefits, travelling and entertainment as well as office-related expenses. Other operating expenses also increased mainly due to foreign exchange losses arising from the appreciation of the Euro against Singapore dollars and the Chinese yuan against US dollars. As a result, the Group registered a net loss of RMB9.3 million in 2Q2013, compared to a net profit of RMB7.2 million in 2Q2012.

As at the end of 2Q2013, the Group's cash and cash equivalents amounted to RMB419.9 million, up from RMB213.4 million in the corresponding period last year. As at 30 June 2013, the Group's total assets stood at RMB709.2 million, which was a marked increase from RMB587.4 million as at 31 December 2012.

“Our efforts to widen our revenue streams by enhancing our shipbuilding and ship-design capabilities have paid off. Moving forward, we will continue to strengthen our capabilities along the entire marine business value chain so as to provide integrated one-stop solutions to our global customers. At the same time, we are working diligently to improve our operations and processes and in turn, our bottom line,” explained Dr Diao Weicheng (刁伟程), Executive Chairman and Interim Chief Executive Officer of AVIC Singapore.

Commenting on the Group's growth strategy, Dr Diao said, “With 70% of the earth covered by oceans, coupled with the increasing demand for energy, we are assured of the long-term prospects of the marine and offshore industry and believe there are a sea of opportunities for the Group. As part of our growth strategy, we are focusing our efforts on environmentally-friendly and fuel-efficient vessels and services. Our goal is to provide our customers with a full suite of marine-related services, supporting them from financing arrangements and design, right up to shipbuilding and ship-trading.”

Last month, Deltamarin signed a contract with the Chinese Tianjin Xingang Shipbuilding Heavy Industry for the Approval and Detail Design work for two (plus two options) Post Panamax Car Carriers ordered by the Swedish shipowner Wallenius Lines. The vessels for Wallenius Lines are highly efficient Ro-Ro Pure Car Truck Carriers, designed to offer improved fuel efficiency and ensure low environmental impact. The total contract value of Deltamarin's design work, to be carried out over an estimated period of 12 months, is Euro 3.5 million.

“Deltamarin has an unsurpassed number of proven innovations at sea. Its past references include a revolutionary set of innovative designs such as standard bulk carrier designs which offer the lowest fuel consumption with the highest cargo deadweight and cubic capacity available in the market today. The world's highest capacity pure car truck carriers with low fuel consumption, largest semi-submersible heavy-lift vessels, harsher environment offshore vessels and most advanced cruise ships are also developed by Deltamarin,” added Dr Diao.

As part of its expansion plans, AVIC Singapore is also in the midst of obtaining approval from the relevant authorities to integrate the ship-trading and shipbuilding businesses of its majority shareholder, AVIC International Holding Corporation (and its subsidiaries), into the Group.

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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 Singapore, 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 Singapore's track record in shipbuilding management and consultancy services dates back to 1994. Our ship design arm, 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 Singapore 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 250 amongst international Fortune 500 companies in 2012. 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 Singapore is well-positioned to become a key player in the global marine and offshore industry.