



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 revenue surged 15-fold to RMB113.9 million in 1Q2013, on foray into ship-design and shipbuilding

- *Revenue boosted by ship-design fee income of RMB73.6 million from newly acquired Deltamarin, and shipbuilding revenue worth RMB35.1 million*
- *Widened revenue stream and geographical reach*

SINGAPORE – 15 May 2013 – Mainboard-listed shipbuilding management and consultancy (“M&C”), ship-design and shipbuilding services provider, **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”), reported a revenue of RMB113.9 million for the first quarter ended 31 March 2013 (“1Q2013”), representing a surge of 15.8 times of the revenue for the corresponding period in the preceding financial year (“1Q2012”).

The revenue boost is a result of the Group's foray into ship-design and shipbuilding. Deltamarin Oy (“Deltamarin”), the Finnish ship-design firm in which the Group acquired a 79.57% stake in January 2013, contributed RMB73.6 million worth of ship-design fee income to AVIC Singapore. The ship-design fee income was derived from a range of vessels

including Bulk Carrier, Offshore Vessel, Cruise Ship, Special Purpose Vessel, Tanker and Supply Vessel.

The increased revenue was mainly attributable to the Group's first major shipbuilding contract worth approximately US\$60.0 million, for the construction of five vessels (comprising three units of ASD tugboats, one unit of diver boat and one unit of bunkering tanker). In 1Q2013, revenue recognised from the shipbuilding contract amounted to RMB35.1 million.

However, on the back of higher operating expenses due to increases in headcount to support business expansion and expenses related to, and incurred by, the newly acquired Deltamarin, as well as higher income tax expenses in China and Finland, the Group registered a net loss of RMB0.8 million in the quarter, as compared to a net loss of RMB0.4 million in the same corresponding period last year.

Widened Revenue Stream and Geographical Reach

1Q2013 saw a significant shift in AVIC Singapore's revenue mix, signalling the Group's considerable step forward in expanding its capabilities along the ship-design, shipbuilding and ship-trading related businesses value chain.

Ship-design fee income and shipbuilding revenue contributed 64.6% and 30.8% of the Group's overall revenue in 1Q2013 respectively, with service fee income making up the balance of the revenue.

In the corresponding period last year, the Group did not derive any revenue from the ship-design and shipbuilding segment.

Geographically, the Group also boasts a relatively more diverse revenue mix in 1Q2013. Ship-design fee income originated mainly from Europe and Asia, and in part from America, Africa and Australia. Shipbuilding revenue was derived mainly from the Middle East, while Asia was the source of service fee income.

For 1Q2013, the Group registered basic losses per share of 0.4 RMB cents. Net asset value per share stood at 57.6 RMB cents as at 31 March 2013.

Commenting on the Group's 1Q2013 financial performance, Dr Diao Weicheng (刁伟程), Executive Chairman and Interim Chief Executive Officer of AVIC Singapore said, "While we have made much progress in building our capabilities along the ship-design, shipbuilding and ship-trading related businesses value chain, we look to strengthening our existing shipbuilding management and consultancy business. I am happy to note that Deltamarin, an experienced developer of profitable, sustainable and energy efficient concept vessels that is now the ship-design and research and development arm of AVIC Singapore, has started to contribute to our top-line positively, and we are optimistic that it will further propel our business in the international markets."

Earlier this month, on 2 May 2013, the Group's name was officially changed to 'AVIC International Maritime Holdings Limited', upon the approval by shareholders at the Extraordinary General Meeting on 25 April 2013.

Business Outlook

The global shipping industry continues to face challenges such as vessel over-supply and economic uncertainties. Nonetheless, AVIC Singapore remains cautiously optimistic that the shipping industry will recover in tandem with the gradual recovery of the global economy, particularly in the area of environmentally-friendly and fuel-efficient vessels and services, as well as the offshore oil and gas sector.

On the Group's future growth plans, Dr Diao said, "We will strive to implement our long-term growth strategy to prepare ourselves for the eventual industry upturn. With eco-ships fast dominating the international maritime marketplace, we believe Deltamarin will put us in good stead in capturing a bigger share of the market as well as to provide value-added services to our customers."

Last Friday, Deltamarin announced that it received several new orders for its B.Delta Bulk Carrier Series, well-known for its fuel efficiency. These new orders will bring the total number of Deltamarin's B.Delta designs and derivative designs to 59 vessels, all of which are

or will be built at shipyards in China. The total value of all these orders is about Euro 5.1 million, corresponding to about 70 man-years of design work.

In relation to the expansion of its ship-trading and shipbuilding business, AVIC Singapore is 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, and will provide relevant updates when appropriate.

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About AVIC International Maritime Holdings Limited

AVIC International Maritime Holdings Limited (“AVIC Singapore”), together with its subsidiaries, (the “Group”) (中航国际船舶控股有限公司) 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”).

Ranked 250 amongst international Fortune 500 companies in 2012, the AVIC Group is one of the largest industrial groups authorised and managed by the PRC Central Government, with key business units such as defence, transport aircraft, aviation engine, helicopters, avionics, general aviation aircraft, aviation research and development, flight test, trade and logistics, and asset management.

As a leading shipbuilding project management and consultancy (“M&C”) services provider, the Group provides services such as ship-design, construction, procurement, new building management and marine finance arrangement for a variety of ships. Over the years, the Group has established relationships with many reputable shipowners worldwide.

Since its listing on the SGX-ST Mainboard in September 2011, AVIC Singapore has forged ahead with its strategy to expand along the ship-design, shipbuilding and ship-trading related businesses value chain. In January 2013, it acquired a Finnish ship-design firm, Deltamarin Oy, to enhance the Group’s ship-design capability.

Its association with the AVIC Group gives it the competitive edge of getting strong support from the PRC major financial institutions. Backed by an experienced and driven management team with in-depth industry knowledge, AVIC Singapore is well-positioned to soar to greater heights by leveraging on the AVIC Group’s excellent business relationships, strong fundamentals and extensive business network around the world.