



AVIC International Investments Limited

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PRESS RELEASE

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AVIC Singapore's FY2012 revenue rises 40.2% to RMB139.6 million

- *Shipbuilding revenue for the construction of five vessels contributed to its top-line growth*
- *Newly acquired Deltamarin clinches a design contract for the world's highest capacity Pure Car Truck Carrier*

SINGAPORE – 26 February 2013 – Mainboard-listed 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”), has announced a 40.2% increase in revenue to reach RMB139.6 million for its 2012 financial year (“FY2012”).

The boost in revenue was mainly due to the Group's first major shipbuilding contract for the construction of five vessels comprising three units of ASD tugboats, one unit of diver boat and one unit of bunkering tanker.

Shipbuilding revenue contributed to 72.5% of the Group's overall revenue in FY2012, while service fee income derived from the provision of shipbuilding project management and consultancy services (“M&C Service”) amounted to RMB27.1 million in FY2012 or 19.4% of total revenue. The Group registered management services income of RMB11.3 million in FY2012, accounting for 8.1% of the Group's revenue.

On a geographical basis, the service fee income and management services income for FY2012 originated from Asia, while the shipbuilding revenue was derived from Middle East.

On an operating level, employee benefits, office rental, office expenses and other operating expenses rose due to the increase in headcounts, costs incurred for maintaining the Group's facilities and increased activities, following its listing on Mainboard of the SGX-ST,

Overall, the Group registered a net profit of RMB7.8 million for FY2012, achieving basic earnings per share of 2.73 RMB cents. Net asset value per share stood at 56.42 RMB cents as at 31 December 2012.

Business Update

On 26 December 2012, the Group obtained shareholders' approval for the acquisition of Finnish ship-design firm, Deltamarin Oy ("Deltamarin"), which specialises in ship-design, engineering and contracting services for the offshore and marine industry.

With the completion of the acquisition in January this year, the Group now holds a 79.57% stake in Deltamarin. Established in 1984, Deltamarin is a renowned player in the development of profitable, sustainable and energy efficient concepts vessels. The company also owns a rich global client base including shipyards, offshore companies, ship owners and operators, and suppliers of marine equipment, system and services.

"With Deltamarin as our subsidiary and major ship-design arm, the Group has made significant headway in enhancing our in-house research and development capabilities. Deltamarin recently secured a design contract for the world's highest capacity Pure Car Truck Carrier, which is expected to contribute positively to our earnings this year. Deltamarin has for many years worked on eco designs that have resulted in fuel efficient vessel types that have proved their environmental friendliness after sailing for years," said Dr Diao Weicheng (刁伟程), Executive Chairman and Interim Chief Executive Officer of AVIC Singapore. .

Last month, Deltamarin signed a design contract with Xiamen Shipbuilding Industry Co., Ltd. for the Basic (Approval) Design of the world’s highest capacity Pure Car Truck Carriers (“PCTC”). The concept for these PCTCs was developed by Deltamarin together with the shipowner, Höegh Autoliners. The aggregate amount of the design contract value and the possible licence fees calculated based on the currently ordered vessels is expected to be below EUD 2.0 million or RMB16.7 million.

Commenting on the Group’s future growth plans, Dr Diao said, “Despite the current challenges in global shipping industry, we remain cautiously optimistic that the international shipping market will recover. To prepare ourselves for the eventual upturn, we remain committed to our long-term growth strategy.”

“We believe Deltamarin’s expertise and rich global base will contribute to the Group’s growth strategy of expanding our business to become a global shipping industry leader with capabilities across the ship-design, shipbuilding and ship-trading related businesses,” elaborated Dr Diao.

The Group is also in the process of consulting with the relevant authorities for clearance and approval to its restructuring plans to implement the proposed consolidation of the ship-trading related businesses of AVIC International Holding Corporation and its subsidiaries.

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About AVIC International Investments Limited

AVIC International Investments Limited (“AVIC Singapore”), together with its subsidiaries (the “Group”), is a member of the Aviation Industry Corporation of China (“AVIC”) group of companies (the “AVIC Group”). Ranked 250 amongst the world’s largest Fortune 500 companies in 2012, the AVIC Group is one of the largest industrial groups authorised and managed by the Central Government of the PRC.

As a leading shipbuilding project management and consultancy services provider, the Group provides services such as ship-design, construction (both of which are out-sourced to third parties), procurement, new building management and marine finance arrangement for a variety of ships.

Moving forward, AVIC Singapore plans to diversify its business through long-term strategic investments in the global shipbuilding and ship-trading industry. The Group is forging ahead with its strategy to expand along the ship-design, shipbuilding and ship-trading related businesses value chain.

Backed by an experienced management team with in-depth industry knowledge, AVIC Singapore is well-positioned to capitalise on the AVIC Group's excellent business relationships, strong fundamentals and extensive business network to carry out its business.