AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED
(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

AVIC International Maritime reports net profit of RMB10.3 million for 3Q2019, rising 23% YoY

- 3Q2019 revenues from project management and project financing businesses saw 16% and 5% increase (yoy) respectively; total revenue dipped 2% (yoy) due to the decrease in ship design services and finance lease income
- Gross profit increased by 11% (yoy) to S$89.4 million in 3Q2019 on the back of reduced cost of sales attributed to change in mix of ship design contracts
- Deltamarin has signed two design contracts with Merima Oy, a Finland-based company providing turnkey interior solutions for passenger vessels

SINGAPORE, 8 November 2019 – AVIC International Maritime Holdings Limited (**"AVIC Maritime"** or **"中航国际船舶控股有限公司"**, and together with its subsidiaries, the "Group"), a leading integrated marine and offshore one-stop solution provider under the AVIC Group, today announced its financial results for the quarter ended 30 September 2019 **("3Q2019").**

Financial Highlights

RMB million	3Q2019	3Q2018	Change %	9M2019	9M2018	Change%
Revenue	132.2	134.8	(2)	394.0	427.0	(8)
Shipbuilding project service						
- Project management	12.4	10.7	16	38.4	33.1	16
- Project financing	34.7	33.0	5	95.7	90.7	6
Shipbuilding construction service	-	-	-	-	-	-
Ship-design service	84.3	90.2	(7)	256.8	273.9	(6)
Cost of sales	42.8	54.4	(21)	144.1	179.4	(20)
Gross profit	89.4	80.4	11	250.0	247.6	1
Distribution and marketing expenses	8.4	12.3	(31)	24.0	27.6	(13)
Administrative expenses	39.4	35.9	9	119.0	108.6	10
Finance cost	26.0	26.3	(1)	73.8	66.7	11
Profit/(Loss) for the period	10.3	8.4	23	32.4	36.0	(10)
Profit attributable to equity holders	8.6	5.2	68	26.7	26.3	1

Financial Review

The Group's revenue, mainly generated from its ship-design service, shipbuilding project management and project financing services, decreased by RMB2.6 million or 2% year-on-year("yoy") to RMB132.2 million in 3Q2019. The decrease was mainly due to ship-design

service revenue dropping from RMB90.2 million for 3Q2018 to RMB84.3 million for 3Q2019. The Group's Shipbuilding Project Services segment saw an uptick, with revenues from project management and project financing increasing by 16% and 5% to RMB12.4 million and RMB34.7 million respectively for 3Q2019.

Cost of sales decreased by 21% (yoy) to RMB42.8 million in 3Q2019, attributable to the change in mix of ship-design contracts in this quarter.

As a result, the Group's gross profit increased by 11% to RMB89.4 million in 3Q2019.

The Group reported net profit attributable to shareholders of RMB8.6 million in 3Q2019, 68% higher as compared to that of 3Q2018.

Earnings per ordinary share in 3Q2019 is 3.03 RMB cents, compared to 1.80 RMB cents in 3Q2018.

As of 30 September 2019, the Group recorded net assets value per share of RMB65.46 cents, compared to RMB62.20 cents as at 31 December 2018.

Business Review and Future Plans

The global new shipbuilding orders decreased by 51.10%[1] year-on-year in the first nine months in 2019, due to the ensuing uncertainties in the world economy and shipowners taking time to evaluate their options in coping with the IMO2020 rules on sulphur emission. It is expected that the weak economic growth outlook globally and the trade tensions will continue cause uncertainty in the shipbuilding market and to maritime businesses.

Despite the challenges in the market, the Group maintains close collaborations with its partner shipyards on ship design and the provision of maritime management and consultancy services.

Deltamarin's orderbook has continued to grow, further strengthening its foothold in the market for the design of high-tech and green vessels. In October, Deltamarin has signed two design contracts with Merima Oy, a Finland-based company providing turnkey interior solutions for passenger vessels. The contracts cover HVAC and interior design for Merima's turnkey areas aboard the ferry newbuildings for Tallink and Kvarken Link[2]. Together with several other major vessel design orders in its order book, Deltamarin will see high capacity utilization till 2021.

Dr. Diao Weicheng (刁伟程), AVIC Maritime's Executive Chairman, commented on the performance and the outlook for the Group,

"This is a challenging time for the global shipbuilding market and we expect to see that the trade talks, feeble economic outlook and stringent industry regulation will continue to weigh on market sentiment and demand from shipbuilders. However, with the support of the AVIC Group and our customers at large and a dedicated management team, we have been able to see a

[1] http://www.eworldship.com/html/2019/NewShipMarket_1026/153672.html

[2] https://www.deltamarin.com/2019/10/deltamarin-signs-design-contracts-merima/

steady performance in 3Q2019. We will continue to strive to realise the full potential of our vessel design and shipbuilding management and consultancy capabilities in this niche market."

###

About AVIC

Established in 1994, listed on SGX Mainboard since September 2011 and transferred to the SGX Catalist board in May 2016, AVIC International Maritime Holdings Limited ("AVIC Maritime" or collectively known as the "Group") is an integrated marine and offshore solution provider under the AVIC Group. The Group offers a wide spectrum of services, ranging from shipbuilding, management and consultancy ("M&C"), design and engineering to ship trading related businesses. Over the decades, AVIC Maritime has maintained a strong track record and built many strong relationships with reputable ship-owners.

In January 2013, the Group acquired Deltamarin Ltd. ("Deltamarin"), a Finnish design and engineering firm, innovative leader in naval architecture and engineering. Deltamarin's capability in developing profitable, sustainable and cost-efficient vessel helps strengthen AVIC Maritime's foothold in ship design, shipbuilding and ship trading related businesses.

The AVIC Group is one of China's largest industrial state-owned-enterprise, which is also ranked amongst Fortune Global 500 companies since 2009. As a subsidiary of the AVIC Group, AVIC Maritime is able to leverage on AVIC Group's extensive financial and business network to become a key player in the global marine and offshore industry.

For more information, please visit: http://www.avicintl.com.sg

Contact Information

Financial PR Pte Ltd.
Romil Singh / Reyna Mei
Tel: 65-6438 2990 / Fax: 65-6438 0064
Email: staff@financialpr.com.sg

This press release has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this press release.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this press release.

The contact person for the Sponsor is Mr Ng Joo Khin:
Telephone number: (65) 6389 3000
Email address: jookhin.ng@morganlewis.com