



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

(Company Registration No. 201024137N)

AVIC International Maritime reports net profit of RMB18.0 million in 1H2019

- Revenue decreased by 10% year-on-year to RMB261.8 million in 1H2019 due to a decrease in revenue from the ship-design service and because there were no new shipbuilding construction service revenue as all shipbuilding contracts on hand had been completed
- Deltamarin signed a new contract with a major shipbuilding company in Finland to provide design services for over a period of 13 to 14 months
- The Group completed the disposal of its 60% interest in AVIC Zhenjiang Shipyard Marine Pte. Ltd at a consideration of RMB15.1 million

SINGAPORE, 14 August 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 June 2019 (“**2Q2019**”).

Financial Highlights

RMB million	2Q2019	2Q2018	Change %	1H2019	1H2018	Change%
Revenue	127.9	152.6	(16)	261.8	292.2	(10)
Shipbuilding project service						
- Project management	12.2	12.5	(2)	26.0	22.4	16
- Project financing	30.7	30.1	2	61.0	57.7	6
Shipbuilding construction service	-	10.2	(100)	-	24.3	(100)
Ship-design service	84.6	97.2	(13)	172.5	183.7	(6)
Cost of sales	47.1	59.3	(21)	101.2	125.0	(19)
Gross profit	80.8	93.4	(13)	160.6	167.2	(4)
Distribution and marketing expenses	9.7	7.7	26	15.5	15.3	2
Administrative expenses	41.7	42.4	(1)	79.7	72.6	10
Finance cost	22.4	20.6	9	47.8	40.4	18
Profit/(Loss) for the period	9.7	11.4	(15)	22.1	27.6	(20)
Profit attributable to equity holders	7.1	8.1	(12)	18.0	21.2	(15)



AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

Financial Review

In 1H2019, the Group's revenue, mainly generated from its ship-design service, shipbuilding project management and project financing services, decreased by 10% year-on-year ("yoy") to RMB261.8 million. The decrease was mainly due to (1) a decrease of ship-design service revenue dropping from RMB183.7 million in 1H2018 to RMB172.5 million in 1H2019 and (2) there being no contribution to revenue from the shipbuilding construction service as the Fiji shipbuilding contract had been completed. However, shipping project management and project financing segments remained stable: revenue from these segments increased by 16% and 6% yoy to RMB26.0 million and RMB61.0 million respectively in 1H2019.

Cost of sales decreased by 19% yoy to RMB101.2 million in 1H2019 as a result of the completion of the aforesaid shipbuilding contract and fewer ship-design contracts. Gross profit decreased by 4% yoy to RMB160.6 million in 1H2019 although gross profit margin improved by 4.1% yoy.

The Group reported net profit attributable to shareholders of RMB18.0 million in 1H2019, 15% lower compared to that of 1H2018.

Earnings per ordinary share in 1H2019 is 6.31 RMB cents, compared to 7.41 RMB cents in 1H2018.

As of 30 June 2019, the Group recorded net asset value per share of RMB65.12 cents, compared to RMB62.20 cents as at 31 December 2018.

Business Review and Future Plans

Owing to the global supply chain being persistently affected by the trade disputes and coupled with the feeble growth of the major economies, global newbuild shipping orders dropped substantially year-on-year across all major vessel types in the first half of 2019. On 15 May 2019, the Group entered into a conditional sale and purchase agreement for the disposal of its 60% interests in AVIC Zhenjiang Shipyard Marine Pte. Ltd. ("AZM"), a subsidiary that invests in vessels for investment purpose, at a consideration of RMB15.1 million. The shareholders approved the disposal on 2 August 2019 and completion took place subsequently on 7 August 2019. It is contemplated that the disposal of the investment in AZM will further strengthen the Group's financial position.



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

(Company Registration No. 201024137N)

The Group continues to collaborate with its partner shipyards on shipbuilding design and the provision of maritime management and consultancy services, including shipbuilding project financing and management services. One of its partner shipyards delivered seven various vessels over the half year, including two 9900DWT stainless-steel chemical tankers in June. The stainless-steel chemical tankers, with innovative design to cater to various shipping needs, were highly commended on their energy saving capabilities and environmental friendliness. All those vessels will also open doors for future business opportunities in the category. Another partner shipyard has started to build the 5th Ro-Pax vessel for Stena Line of Sweden. The Group continues to maintain strong working relationship with its customers and is pleased that it participates in these various significant shipbuilding projects.

Deltamarin has signed a new contract with a major Finnish shipbuilding company to provide design services. Together with several other major vessel design orders in its order book, Deltamarin will see high capacity utilization till 2021. Over the years, Deltamarin has carried out more than 700 studies exploring various markets, project feasibility, product applicability, machineries and systems. These studies have resulted in an extensive reference library of technologies from which ship owners, suppliers and yards can benefit. Deltamarin is well-positioned to maintain its leading position in technological design for vessels, in particular, of that of green and environmentally friendly vessels for its customers.

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

“As uncertainties continue to loom over the global market, we will continue to focus on our core businesses, leveraging on our extensive experience and proven expertise in ship building management, consultancy and ship-design businesses, to secure more orders in 2019. With Deltamarin's strength in the design of high-tech, green vessels and the Group's strong foothold in niche shipbuilding market, we are well positioned to withstand the uncertainties in the market as a strong, integrated maritime service Group.”



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

(Company Registration No. 201024137N)

###

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.*

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