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

(Incorporated in Singapore on 11 November 2010)
(Registration Number: 201024137N)

PROPOSED JOINT VENTURE BY DELTAMARIN LTD AND DIVESTMENT OF A GROUP JOINT VENTURE COMPANY

A. PROPOSED NEW JOINT VENTURE

The Board of Directors ("**Board**") of AVIC International Maritime Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to inform the Shareholders that Deltamarin Ltd ("**Deltamarin**"), an indirect 79.57% owned subsidiary of the Company, today announced its intention to enter into a joint venture with Oy Langh Tech Ab ("**Langh Tech**") to develop scrubber solutions for ships.

1. More information about Langh Tech

Langh Tech is a newly established sister company of Oy Langh Ship Ab ("**Langh Ship**"). Langh Ship is a Finnish family-owned company whose goal is to stay at the forefront of technological development in order to serve customers as effectively as possible. Langh Ship's fleet comprises five multipurpose cargo vessels and the company has about 1000 units special container mainly for steel carriage. For more information on Langh Tech and Langh Ship, please refer to www.langh.fi.

Save as set out below, none of the directors and the substantial shareholders of the Company, other than in his/its capacity as a Director or shareholder of the Company, has any interest, direct or indirect, in Langh Tech, Langh Ship and in the proposed joint venture.

2. Proposed Joint Venture

Pursuant to the joint venture agreement entered into by Deltamarin and Langh Tech (the "**Parties**"), a joint venture company shall be incorporated in Finland ("**DeltaLangh JV**") under such names as the parties may agree, for the purposes of marketing, sales and production of exhaust gas cleaning and water treatment systems.

It is proposed that DeltaLangh JV shall have an initial issued and paid up share capital of €9000, of which €5000 shall be contributed by Deltamarin and €4000 shall be from Langh Tech. Deltamarin shall directly or indirectly hold 5/9 of the equity interest in DeltaLangh JV and Langh Tech shall directly or indirectly hold 4/9 of the equity interest. The Parties are in the midst of registering the incorporation of the DeltaLangh JV with the Finnish Trade Register.

3. Funding of the Investment

The source of the funds for the issued share capital by Deltamarin will be from the retained earnings of Deltamarin. Where necessary, the Group may from time to time undertake capital injections or make further shareholders' loans for the purposes of funding the operations of the DeltaLangh JV.

4. Rational for the Investment

The investment forms part of the Group's efforts into providing value-added solutions to its customers by providing the full spectrum of engineering, procurement, construction, installation and commissioning services.

As the new sulphur standard in the Sulphur Emission Control Area (SECA) comes into force in 2015, shipping companies are forced to choose a method to tackle the challenge. The new scrubber solution to be offered by the DeltaLangh JV provides shipping companies with a unique environmentally friendly closed loop scrubber solution – as already tested in operation on Langh Ship's vessel M/S Laura during one year period.

The incorporation of the DeltaLangh JV, in itself, is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2014.

For more information, please find attached the press release by DeltaLangh on the proposed joint venture. Shareholders will be informed as and when there are material updates.

B. DIVESTMENT OF INSIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES

Separately, as part of the restructuring of the Deltamarin Group, comprising Deltamarin, its subsidiaries and associated companies (the "**Deltamarin Group**") and to facilitate its integration into our Group, certain dormant or operationally insignificant companies of the Group will be gradually dissolved or disposed off to facilitate the reporting requirements and to reduce compliance costs.

5. Disposal of V.Delta Limited ("V.Delta")

V.Delta was jointly established by Deltamarin and V.Ships Group UK Limited ("**V.Ships**") on 5th March 2007 in the United Kingdom. Each of Deltamarin and V.Ships initially invested US$1.00, and subscribed for one share respectively in V.Delta.

The joint venture was put in place to offer ship repair solutions and conversion projects. Over the years, V.Delta has made some profits and the value of the one share held by Deltamarin has increased in Deltamarin Group's books to twenty-six thousand and thirty-seven euro (€26,037), based on the latest audited accounts of the Company for the financial year ended 31 December 2013. V.Delta has not paid any dividends during its operational life.

Pursuant to sale and purchase agreement signed between Deltamarin and V.Ships, Deltamarin's entire stake in V.Delta was sold to V.Ships for a consideration of €26,037 payable in cash. The consideration was arrived at based on the book value of Deltamarin's investment in V.Delta as of the financial year ended 31 December 2013.

Save in respect of the disposal of Deltamarin's shareholding, the cooperation between Deltamarin and V.Ships will continue as it had originally been conducted so far. The

divestment is made to reduce the compliance and financial reporting costs involved for a small company like V.Delta after the Deltamarin Group's acquisition by the listed Company.

None of the directors and the substantial shareholders of the Company, other than in his/its capacity as a director or shareholder of the Company, has any interest, direct or indirect, in the disposal of V.Delta.

The disposal of V.Delta, in itself, is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2014.

By Order of the Board

Dr Diao Weicheng
Executive Chairman

2 June 2014