



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

(Company Registration No. 201024137N)

UNAUDITED FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE FULL YEAR ENDED 31 DECEMBER 2013
PART 1- INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediate preceding financial year.

1(a)(i) Consolidated Statement of Comprehensive Income for the Fourth Quarter and Full Year ended 31 December 2013

	Group 1 Oct 13 to 31 Dec 13	Group 1 Oct 12 to 31 Dec 12	Change	Group 1 Jan 13 to 31 Dec 13	Group 1 Jan 12 to 31 Dec 12	Change
	(RMB'000)	(RMB'000)	%	(RMB'000)	(RMB'000)	%
Revenue	241,687	78,272	208.8	601,306	139,598	330.7
Cost of sales	(165,228)	(67,770)	143.8	(403,027)	(92,465)	335.9
Gross profit	76,459	10,502	628.0	198,279	47,133	320.7
Other operating income	2,845	2,078	36.9	4,264	2,948	44.6
Marketing and distribution expenses	(6,243)	(2,833)	120.4	(27,061)	(11,872)	127.9
Administrative expenses	(35,686)	(8,738)	308.4	(112,819)	(21,919)	414.7
Finance cost	(4,316)	(1,620)	166.4	(13,304)	(3,048)	336.5
Other operating expenses	(8,674)	-	N/M	(25,975)	-	N/M
Share of results of associates	(909)	-	N/M	(2,173)	-	N/M
Profit (Loss) before income tax	23,476	(611)	N/M	21,211	13,242	60.2
Income tax expense	(4,821)	749	N/M	(15,258)	(5,445)	180.2
Profit for the period / year	18,655	138	N/M	5,953	7,797	(23.7)
<u>Profit attributable to:</u>						
Owner of the company	17,870	138	N/M	2,120	7,797	(72.8)
Non-controlling interests	785	-	N/M	3,833	-	N/M
Profit for the period / year	18,655	138	N/M	5,953	7,797	(23.7)

	Group 1 Oct 13 to 31 Dec 13	Group 1 Oct 12 to 31 Dec 12	Change	Group 1 Jan 13 to 31 Dec 13	Group 1 Jan 12 to 31 Dec 12	Change
	(RMB'000)	(RMB'000)	%	(RMB'000)	(RMB'000)	%
<u>Other comprehensive income (loss)</u>						
Exchange differences arising on translation	8,636	(1,759)	N/M	24,762	739	N/M
Total comprehensive profit (loss) for the period / year	27,291	(1,621)	N/M	30,715	8,536	259.8
<u>Total comprehensive profit(loss) attributable to:</u>						
Owner of the company	26,256	(1,621)	N/M	26,899	8,536	215.1
Non-controlling interests	1,035	-	N/M	3,816	-	N/M
	27,291	(1,621)	N/M	30,715	8,536	259.8

1(a)(ii) Notes to the Consolidated Statement of Comprehensive Income for the Fourth Quarter and Full Year ended 31 December 2013

	Group 1 Oct 13 to 31 Dec 13	Group 1 Oct 12 to 31 Dec 12	Change	Group 1 Jan 13 to 31 Dec 13	Group 1 Jan 12 to 31 Dec 12	Change
	(RMB'000)	(RMB'000)	%	(RMB'000)	(RMB'000)	%
Interest income	932	344	170.9	2,351	898	161.8
Government grant	563	-	N/M	563	-	N/M
Net foreign exchange gain/(loss)	(7,976)	1,733	N/M	(24,632)	2,050	N/M
Interest expenses on borrowings	(3,022)	(1,577)	91.6	(11,571)	(2,910)	297.6
Operating lease expenses	(3,871)	(1,379)	180.7	(15,166)	(5,448)	178.4
Depreciation of plant and equipment	(1,172)	(349)	235.8	(3,912)	(1,344)	191.1
Fixed assets written off	(79)	-	N/M	(218)	(32)	581.3
Amortisation of intangible assets	(2,942)	-	N/M	(3,712)	-	N/M
Bad debts written off	(414)	-	N/M	(1,043)	-	N/M
Gain on disposal of available for sale investments	189	-	N/M	189	-	N/M

N/M – Not meaningful
when differences +/- greater than 1000%

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediate preceding financial year

1(b)(i) Unaudited Statements of Financial Position as at 31 December 2013

	Group		Company	
	31 Dec 2013 (RMB'000)	31 Dec 2012 (RMB'000)	31 Dec 2013 (RMB'000)	31 Dec 2012 (RMB'000)
Assets				
<u>Current assets</u>				
Cash and cash equivalents	403,234	355,262	6,683	2,912
Cash held in trust by a third party	-	216,618	-	-
Pledged cash placed with a bank	49,540	8,036	-	-
Trade receivables	109,087	1,044	-	-
Other receivables	12,399	2,909	165	162
Amount due from subsidiaries	-	-	7,507	11,599
	574,260	583,869	14,355	14,673
<u>Non-current assets</u>				
Plant and equipment	7,594	3,551	52	101
Investment in subsidiaries	-	-	433,130	433,130
Investment in associates	1,060	-	-	-
Available for sale investments	55	-	-	-
Goodwill	120,891	-	-	-
Intangible assets	96,164	-	-	-
Deferred tax assets	557	-	-	-
	226,321	3,551	433,182	433,231
Total assets	800,581	587,420	447,537	447,904
<u>Current liabilities</u>				
Current portion of long-term loan	66,990	21,641	66,990	21,641
Trade payables	25,661	30,187	-	-
Advance received	43,685	23,291	-	-
Other payables and accruals	77,351	14,513	18,221	8,855
Finance lease liabilities	1,018	-	-	-
Income tax payable	6,836	-	-	-
	221,541	89,632	85,211	30,496
<u>Non-current liabilities</u>				
Long-term loan	309,552	336,668	291,032	336,668
Finance lease liabilities	838	-	-	-
Deferred tax liabilities	26,127	-	-	-
	336,517	336,668	291,032	336,668
Total liabilities	558,058	426,300	376,243	367,164

	Group		Company	
	31 Dec 2013 (RMB'000)	31 Dec 2012 (RMB'000)	31 Dec 2013 (RMB'000)	31 Dec 2012 (RMB'000)
Capital and reserves				
Share capital	101,237	101,237	101,237	101,237
Capital reserve	12,470	10,257	10,603	10,257
Statutory reserve	10,209	8,094	-	-
Translation reserve	21,231	(1,331)	22,494	(944)
Accumulated profits/(losses)	42,868	42,863	(63,040)	(29,810)
	188,015	161,120	71,294	80,740
Non-controlling interests	54,508	-	-	-
Total equity	242,523	161,120	71,294	80,740
Total Equity and Liabilities	800,581	587,420	447,537	447,904

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(A) Amount repayable in one year or less, or on demand

As at 31 Dec 2013	
Secured (RMB'000)	Unsecured (RMB'000)
1,018	66,990

As at 31 Dec 2012	
Secured (RMB'000)	Unsecured (RMB'000)
Nil	21,641

(B) Amount repayable after one year

As at 31 Dec 2013	
Secured (RMB'000)	Unsecured (RMB'000)
838	309,552

As at 31 Dec 2012	
Secured (RMB'000)	Unsecured (RMB'000)
Nil	336,668

(C) Details of any collaterals

- In connection with the intra-group restructuring ("Intra-group Restructuring") as disclosed on pages 100 and 101 of the Company's information memorandum dated 10 August 2011, AVIC International Kairong Limited ("AVIC Kairong"), the majority shareholder of the Company, funded the Intra-group Restructuring by extending two unsecured shareholder's loans (the "Shareholder's Loan") to the Company, amounting to an aggregate principal amount of USD24,000,000 ("Principal Sum") with a term of three years. The Shareholder's Loan shall bear an interest rate of 0.85% per annum ("Interest Per Annum"), with the cumulative interest payable to AVIC Kairong being USD612,000 ("Cumulative Interest"). For the avoidance of doubt, the Interest Per Annum and the Cumulative Interest are less than 3% of the Group's audited net tangible assets as at 31 December 2011. The terms of repayment will be negotiated six months before the end of the loan tenure.
- On 8 April 2013, the Company and AVIC Kairong entered into a supplementary agreement, in which both parties agreed that in relation to the repayment of the loan principal of USD24,000,000, the Company will repay the principal loan amount at SGD29,769,600, based on the exchange rate of 1.2404 against USD. With effect from 1 April 2013, the principal interest will remain unchanged at 0.85% and will be payable based on principal amount of SGD29,769,600 instead.

3. For the purposes of the Intra-group Restructuring, on 20 March 2013, AVIC Kairong granted an additional US\$3,250,000 interest free loan to AVIC International Ship Development Pte Ltd ("AISD"), a wholly own subsidiary of the Company with the loan tenure of three years commencing from 20 March 2013.
4. As at 31 December 2013, the Group had an outstanding EUR loan with remaining amount balances of EUR23,400,000 (31 December 2012: EUR26,000,000). The loan, which was obtained with the assistance of AVIC Kairong Limited the majority shareholder of the Company was advanced on 20 December 2012 and is secured by a standby letter of credit issued by Industrial and Commercial Bank of China Limited, Beijing Branch for an aggregate amount of not less than RMB230.00 million. The loan is due for repayment in three instalments: (1) 10% to be repaid 12 months after the date of first drawdown; (2) 20% to be repaid 24 months after the date of first drawdown; and (3) 70% of the principal to be repaid in three years from the date of the loan drawdown. The loan carries fixed interest rate of 3.00% per annum. The loan was obtained to finance the acquisition of Deltamarin Oy, the details of which are set out in the circular to Shareholders dated 10 December 2012. The first instalment of the loan was repaid on 20 December 2013 with an 6 months interest free loan of EUR2,800,000 from AVIC Kairong.
5. As at 31 December 2013, certain plant and equipment with carrying amount of EUR216,894 or RMB 1,825,076 equivalent (2012: nil) are secured by the lessors' titles to the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statements for the Fourth Quarter ended 31 December 2013

	Group	Group	Group	Group
	1 Oct 13 to 31 Dec 13 (RMB'000)	1 Oct 12 to 31 Dec 12 (RMB'000)	1 Jan 13 to 31 Dec 13 (RMB'000)	1 Jan 12 to 31 Dec 12 (RMB'000)
Operating activities				
Profit/(Loss) before income tax	23,476	(611)	21,211	13,242
Adjustments for:				
Share of loss of associates	909	-	2,173	-
Interest income	(932)	(344)	(2,351)	(898)
Interest expenses	3,022	1,577	11,571	2,910
Depreciation of plant and equipment	1,172	349	3,912	1,344
Amortisation of intangible assets	2,942	-	3,712	-
Bad debts written off	414	-	1,043	-
Plant and equipment written off	79	-	218	32
Gain on disposal of available for sales investments	(189)	-	(189)	-
Fair value change of derivative financial instruments	(18)	-	84	-
Net foreign exchange unrealised loss/(gain)	8,549	(3,680)	21,549	345
Operating cash flows before movements in working capital	39,424	(2,709)	62,933	16,975
Trade receivables	(2,960)	(15,570)	(42,645)	10,021
Other receivables	1,745	951	3,843	(534)
Trade payables	9,664	22,275	(32,350)	30,187
Advance received	(3,797)	23,291	20,394	23,291
Other payables and accruals	26,004	9,373	31,797	6,952
Cash generated from operations	70,080	37,611	43,972	86,892
Income taxes paid	(5,229)	(4,066)	(9,109)	(19,114)
Interest received	932	344	2,351	898
Net cash from operating activities	65,783	33,889	37,214	68,676

	Group	Group	Group	Group
	1 Oct 13 to 31 Dec 13 (RMB'000)	1 Oct 12 to 31 Dec 12 (RMB'000)	1 Jan 13 to 31 Dec 13 (RMB'000)	1 Jan 12 to 31 Dec 12 (RMB'000)
Investing activities				
Purchase of plant and equipment (Note A)	(1,873)	(189)	(3,596)	(356)
Proceed from disposal of available for sale investments	461	-	461	-
Net cash inflow on acquisition of a subsidiary (Note B)	-	-	44,346	-
Purchase of intangible assets	(513)	-	(1,653)	-
Increase in cash held in trust by third party	-	(216,618)	-	(216,618)
Net cash (used in) from investing activities	<u>(1,925)</u>	<u>(216,807)</u>	<u>39,558</u>	<u>(216,974)</u>
Financing activities				
Proceeds from shareholder's loan	22,545	50,740	43,238	151,204
Increase in pledged bank deposit	(49,540)	(8,036)	(41,504)	(8,036)
New bank loan raised	-	216,406	200	216,406
Interest paid	(1,595)	(348)	(6,439)	(1,397)
Repayment of loan	(21,857)	(20,000)	(21,857)	(20,000)
Other receivables	-	-	-	20,000
Net cash (used in) from financing activities	<u>(50,447)</u>	<u>238,762</u>	<u>(26,362)</u>	<u>358,177</u>
Net increase in cash and cash equivalents	13,411	55,844	50,410	209,879
Effect of exchange rate changes on the balance of cash held in foreign currencies	(735)	1,923	(2,438)	187
Cash and cash equivalents at beginning of the financial period	<u>390,558</u>	<u>297,495</u>	<u>355,262</u>	<u>145,196</u>
Cash and cash equivalents at end of the financial period	<u>403,234</u>	<u>355,262</u>	<u>403,234</u>	<u>355,262</u>

Note A: Purchase of plant and equipment

During the 4Q2013, the Group acquired property, plant and equipment with an aggregate cost of approximately RMB1,951,000 (4Q2012: RMB 189,000) of which RMB 78,000(4Q2012:Nil) were acquired by means of finance leases, and cash payment made amounted to RMB1,873,000(4Q2012: RMB189,000)

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately RMB 3,849,000 (2012: Nil) of which RMB 253,000 (2012: Nil) were acquired by means of finance leases. Cash payment of RMB 3,596,000 (2012: Nil) were made to purchase property, plant and equipment.

Note B: Acquisition of a subsidiary

On 4 January, 2013, the group acquired a controlling interest in DeltamarinOy ("Deltamarin") for an aggregate consideration satisfied as follows:

- 1) Cash consideration of EUR25,980,000 (RMB214,866,000); and
- 2) The allotment and issuance of an aggregate of 950 new shares of AVIC International Marine Engineering Pte. Ltd. ("AIME"), an indirect wholly-owned subsidiary of the Company, as share consideration (amounting to 20.43% of the enlarged issued share capital of AIME) to the shareholder of Deltamarin amounting to an aggregate issue price of EUR6,129,000.

The fair value of assets acquired and liabilities at acquisition date

	Net Book Value as at acquisition date (RMB'000)	Fair value after purchase price allocation exercise (RMB'000)
Tangible Assets and Liabilities		
Plant & Machineries	6,412	6,803
Investment in associates	3,644	3,560
Derivatives	153	81
Other Assets and Liabilities	61,970	38,397
	72,179	48,841
Intangible Assets Identified		
Brand name	-	55,175
Technical Knowhow	-	40,651
	-	95,826
Provisional Goodwill / Goodwill	157,433	120,891
Non-Controlling interest	(14,746)	(50,692)
Total Purchase Consideration	214,866	214,866
Less: Cash and cash equivalents balances acquired	(44,346)	(44,346)
Decrease in cash held in trust (i)	(214,866)	(214,866)
Net cash inflow on acquisition of a subsidiary	(44,346)	(44,346)

- (i) As at 31 December 2012, the Group had cash held in trust by a third party lawyer for the acquisition of EUR25,980,000 (RMB 216,618,000). On 4 January 2013 (the acquisition date), the amount of cash held in trust of EUR25,980,000 (RMB214,866,000) was paid out for the completion of the acquisition of Deltamarin.

1(d) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

	Share capital	Capital reserve	Statutory reserve	Other reserve	Translation reserve	Accumulated profits/ (losses)	Equity attributable to owner of the Company	Non- controlling interest	Total equity
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
The Group									
Balance at 1 Jan 2013	101,237	10,257	8,094	-	(1,331)	42,863	161,120	-	161,120
Total comprehensive income/(loss) for the period	-	-	-	35	16,359	(15,750)	644	2,781	3,425
Deemed contribution by the shareholder on the shareholder's loan	-	1,867	-	-	-	-	1,867	-	1,867
Non-controlling interest upon acquired of a subsidiary	-	-	-	-	-	-	-	14,746	14,746
Balance at 30 Sep 2013	101,237	12,124	8,094	35	15,028	27,113	163,631	17,527	181,158
Total comprehensive income/(loss) for the period	-	-	-	(35)	6,203	17,870	24,038	1,035	25,073
Deemed contribution by the shareholder on the shareholder's loan	-	346	-	-	-	-	346	-	346
Non-controlling interest from purchase price allocation exercise	-	-	-	-	-	-	-	35,946	35,946
Transfer to statutory reserve	-	-	2,115	-	-	(2,115)	-	-	-
Balance at 31 Dec 2013	101,237	12,470	10,209	-	21,231	42,868	188,015	54,508	242,523

Statement of Changes in Equity

	Share capital	Capital reserve	Statutory reserve	Translation reserve	Accumulated profits/ (losses)	Total equity
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
The Group						
Balance at 1 Jan 2012	101,237	-	6,489	(2,070)	36,671	142,327
Total comprehensive income/(loss) for the period	-	-	-	2,498	7,659	10,157
Deemed contribution by the shareholder on the shareholder's loan	-	6,932	-	-	-	6,932
Balance at 30 Sep 2012	101,237	6,932	6,489	428	44,330	159,416
Total comprehensive income/(loss) for the period	-	-	-	(1,759)	138	(1,621)
Deemed contribution by the shareholder on the shareholder's loan	-	3,325	-	-	-	3,325
Transfer to statutory reserve	-	-	1,605	-	(1,605)	-
Balance at 31 Dec 2012	101,237	10,257	8,094	(1,331)	42,863	161,120

	Share capital	Capital reserve	Translation reserve	Accumulated profits/ (losses)	Total equity
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
The Company					
Balance at 1 Jan 2013	101,237	10,257	(944)	(29,810)	80,740
Total comprehensive income/(loss) for the period	-	-	18,057	(25,650)	(7,593)
Balance at 30 Sep 2013	101,237	10,257	17,113	(55,460)	73,147
Total comprehensive income/(loss) for the period	-	-	5,381	(7,580)	(2,199)
Deemed contribution by the shareholder on the shareholder's loan	-	346	-	-	346
Balance at 31 Dec 2013	101,237	10,603	22,494	(63,040)	71,294

Statement of Changes in Equity

	Share capital	Capital reserve	Translation reserve	Accumulated profits/ (losses)	Total equity
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Balance at 1 Jan 2012	101,237	-	(2,462)	(20,536)	78,239
Total comprehensive income/(loss) for the period	-	-	1,162	(4,014)	(2,852)
Deemed contribution by the shareholder on the shareholder's loan	-	6,932	-	-	6,932
Balance at 30 Sep 2012	101,237	6,932	(1,300)	(24,550)	82,319
Total comprehensive income/(loss) for the period	-	-	356	(5,260)	(4,904)
Deemed contribution by the shareholder on the shareholder's loan	-	3,325	-	-	3,325
Balance at 31 Dec 2012	<u>101,237</u>	<u>10,257</u>	<u>(944)</u>	<u>(29,810)</u>	<u>80,740</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes to the issued share capital of the Company since 31 December 2012. As at 31 December 2013, the issued share capital of the Company was RMB 101,237,000 comprising 285,576,000 ordinary shares.

There were no outstanding convertibles as well as number of shares held as treasury shares of the Company as at 31 December 2013 (31 December 2012: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2012 and 31 December 2013, the share capital of the Company comprised 285,576,000 ordinary shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company did not hold any treasury shares as at 31 December 2013. There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2013.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures presented in this announcement have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

There were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 December 2012, except for the adoption of the new and revised Financial Reporting Standards ("FRS") which came into effect of this financial year from 1 January 2013. The adoption of the new and revised FRSs is assessed to have no material impact to the financial statements of the Group and of the Company in the period of their initial adoption.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

See answer to item 4.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1 Oct 2013 to 31 Dec 2013	1 Oct 2012 to 31 Dec 2012	1 Jan 2013 to 31 Dec 2013	1 Jan 2012 to 31 Dec 2012
Earnings per ordinary share attributable to owners of the Company				
(a) Based on the weighted average number of ordinary shares in issue (RMB cents)	6.26	0.05	0.74	2.73
Weighted average number of ordinary shares	285,576,000	285,576,000	285,576,000	285,576,000
(b) On a fully diluted basis (RMB cents)	6.26	0.05	0.74	2.73
Weighted average number of ordinary shares	285,576,000	285,576,000	285,576,000	285,576,000

Earnings per ordinary share is calculated by dividing the consolidated profit after tax attributable to owners of the Company over the weighted average number of ordinary shares in issue during the period.

There is no difference between the basic and diluted earnings per share.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Net asset value per share based on issued share capital (RMB cents)	65.84	56.42	24.96	28.27
Number of ordinary shares issued at the end of period / year	285,576,000	285,576,000	285,576,000	285,576,000

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group	1 Oct 13 to 31 Dec 13 ("4Q2013")		1 Oct 12 to 31 Dec 12 ("4Q2012")		1 Jan 13 to 31 Dec 13 ("FY2013")		1 Jan 12 to 31 Dec 12 ("FY2012")	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
Revenue by type of services:								
Service fee income	16,357	6.8	4,546	5.8	32,120	5.3	27,053	19.4
Management service fee	23,122	9.6	-	-	26,010	4.3	11,328	8.1
Shipbuilding revenue	107,993	44.7	73,726	94.2	235,233	39.1	101,217	72.5
Ship-design fee income	74,619	30.8	-	-	288,347	48.0	-	-
Other income	19,596	8.1	-	-	19,596	3.3	-	-
Total revenue	241,687	100.0	78,272	100.0	601,306	100.0	139,598	100.0

Consolidated Statement of Comprehensive Income

Revenue

Revenue increased by RMB163.42 million or 208.8% from RMB78.27 million in 4Q2012 to RMB241.69 million in 4Q2013 mainly due to 1) higher shipbuilding revenue for the construction of five vessels including three units of ASD tugboats, one unit of diver boat and one unit of bunkering tanker, 2) ship-design fee income of RMB74.62 million from the newly acquired Deltamarin Group and 3) management service fee income of RMB 23.12 million arising from the provision of marketing, administration and management services. 4) Higher service fee income derived from the provision of shipbuilding project management and consultancy services ("M&C). 5) Other income from the trading of steel plate.

In 4Q2013 the service fee income and management service fee was derived from Asia and shipbuilding revenue was derived from Middle East. Ship-design fee income was mainly derived from Europe and Asia, with contribution from North America, South America, Africa and Australia. In 4Q2012 all of our revenue was derived from Asia.

The higher revenue in FY2013 compared to FY2012 was mainly due to the ship-design fee income from the newly acquired Deltamarin Group and the shipbuilding revenue from the construction of five vessels.

Cost of sales

The increase in cost of sales in 4Q2013, as compared to 4Q2012 was mainly due to the construction work for the five vessels and the contract cost incurred by Deltamarin Group to generate the ship-design fee income. No such ship-design fee contract cost was recorded in 4Q2012 as the acquisition of Deltamarin Group was completed in January 2013. Cost of sales was higher in FY2013 compared to FY2012 for the same reason.

Other operating income

The increase in other operating income in 4Q2013 as compared to the corresponding period last year was mainly due to increases in interest income. Similarly, other operating income increased by RMB1.31 million or 44.6% from RMB2.95 million in FY2012 to RMB4.26 million in FY2013.

Marketing and distribution expenses

Marketing and distribution expenses comprised mainly sales and marketing department's office rental, employee benefits expenses and travelling expenses.

Marketing and distribution expenses increased by RMB3.41 million or 120.4% from RMB2.83 million in 4Q2012 to RMB6.24 million in 4Q2013 mainly due to the expenses from the newly acquired Deltamarin Group. The same reason applied to the increase in Marketing and distribution expenses in FY2013 compared to FY2012.

Administrative expenses

Administrative expenses comprised office rental and office expenses, depreciation expenses, amortisation expenses, professional fee incurred for maintaining the Group's listing status, employee benefits and travelling expenses.

The administrative expenses increased by RMB26.95 million or 308.4% from RMB8.74 million in 4Q2012 to RMB35.69 million in 4Q2013 due mainly to the increase in employee benefits, depreciation and amortisation expenses, operating lease expenses and general office expenses as a result of increased business activities as well as cost incurred in relation to acquisition of Deltamarin Group which cannot be capitalised. The same reason applied to the increase in administrative expenses for FY2013 compared to FY 2012.

Operating lease expenses increased by approximately RMB2.36 million 252% from RMB0.94 million in 4Q2012 to RMB3.30 million in 4Q2013 mainly due to the leasing expenses from the newly acquired Deltamarin Group. The same reason applied to the increase in operating lease expenses for FY 2013 compared to FY 2012.

The Group's depreciation charge for plant and equipment increased by RMB0.73 million or 210.3% in 4Q2013 as compared to 4Q2012 mainly due to the addition of plant and equipment and depreciation charges from Deltamarin Group. The same reason applied to the increase in depreciation charge for FY2013 compared to FY2012.

Other operating expenses

Other operating expenses increased by RMB8.67 million was due mainly to increase in foreign exchange loss arising from long term loans which were denominated in Euro and USD and the bank balances of PRC subsidiaries denominated in USD. In 4Q2013, the appreciation of the Euro against Singapore dollars and RMB against USD which resulted in a foreign exchange loss of RMB 7.98 million in total.

In FY2013, the significant increase in other operating expense was due mainly to the appreciation of the Euro against Singapore dollars and RMB against USD which resulted in a foreign exchange loss of RMB 24.63 million in total.

Share of results of associates

The share of loss from associates in 4Q2013 as well as in FY2013 arose from the share of losses incurred by associates under the newly acquired Deltamarin Group.

Finance costs

Finance costs in 4Q2013 and FY2013 was due mainly to interest expenses incurred on (1) the shareholder's loan of USD24.0 million, (2) a loan of EUR26.00 million and (3) withholding tax expenses incurred in relation to the repayment of EUR dollar loan interest.

Income tax expense

The operating subsidiaries in China and Finland are subject to an income tax rate of 25% and 24.5% respectively. The Group recorded income tax expense of approximately RMB4.82 million in 4Q2013 mainly due to the profits generated by the China subsidiary and Deltamarin Group which cannot be offset against losses incurred by other companies in the Group. The increase in income tax expense in 4Q2013 and FY2013 as compared to the previous corresponding period in 2012 was in line with the higher profit generated by the China subsidiary and Deltamarin Group for 4Q2013 and FY2013.

Profit for the period

The Group reported profit of RMB18.66 million in 4Q2013 compared to RMB0.14 million in 4Q2012 due mainly to the reasons outlined above.

Profit for FY2013 was lower compared to FY2012 mainly due to higher income tax expenses as explained under income tax expense.

Statement of Financial Position

Current assets

As at 31 December 2013, the Group's cash and bank balances represented 78.84% of total current assets. The decrease in Group's cash and bank balances as at 31 December 2013 compared to 31 December 2012 was mainly due to the cash paid for completing the acquisition of Deltamarin. The decrease was partially offset by the receipts of a shareholder's loan amounted to USD3.25 million or RMB20.69 million equivalent.

The trade receivables of RMB109.08 million comprised (1) the amount due from customers of RMB29.66 million, (2) amounts receivables related to ship-designing service contracts of RMB79.43 million. The increase in trade receivables was mainly due to trade receivables from the newly acquired Deltamarin Group and the amount due from the customer on construction contract as at 31December 2013.

The Group's other receivables as at 31 December 2013 comprised mainly prepayments, other tax recoverable, staff advances and deposits. The increase in other receivables was mainly due to the prepayment of Deltamarin Group's business expense as at 31December 2013.

Non-current assets

The Group's plant and equipment comprised a motor vehicle, computers and software, furniture and fixtures, and office equipment. The increase in plant and equipment of RMB4.04 million was mainly attributed to the inclusion of the newly acquired Deltamarin Group.

The investment in associates in 31December 2013 represents the total amount of investment in non-controlling entities by the newly acquired Deltamarin Group.

Intangible assets as at 31 December 2013 comprised ship design engineering software licenses (RMB3.18million), Brandname (RMB55.17million) and Technical knowhow (RMB37.81million) from the acquisition of Deltamarin Group.

The Group's goodwill amounting to RMB120.89 million was recognised from the acquisition of Deltamarin Group based on the purchase price allocation exercise.

The Deferred tax assets represent the timing differences between accounting and tax bases, and are derived from the newly acquired Deltamarin Group.

Current liabilities

Current portion of long term loan represents the loan raised which has been explained in 1(b)(ii)(C)3.

The Group's trade payables consists of (1) the amount due to suppliers (RMB8.84 million), (2) amounts due to customer on construction contract (RMB16.82 million). The decrease of the Group's trade payables was due mainly to payments made.

The Group's advances received represented amounts received on behalf of shipyards for the purpose of acquiring tools and equipment. The increase in advances received was mainly due to less amount having been paid to the supplier of tools and equipment during the financial period.

The Group's other payables comprised withholding taxes payable, sales tax and surcharges payable, accrued operating and office expenses, and amount due to the Company's immediate and intermediate holding companies which was non-trade in nature. The increase in other payable balance was mainly due to the increase in advances from the immediate holding company and accrued operating and office expenses from the newly acquired Deltamarin Group during the financial period.

The provision for income tax payable represents 25% and 24.5% of tax provision for profit generated by our subsidiaries in China and Finland respectively.

Non-current liabilities

Long-term portion of loan and shareholder's loan represents the loan raised which have been explained in 1(b)(ii)(C)1,(C)2 and (C)3.

Deferred tax liabilities represent the tax liabilities for the timing differences arising from the recognition of the intangible assets, ship-design fee income and fair valuation of Deltamarin Group's assets.

Capital reserve

The amount of capital reserve as at 31 December 2013 comprised a deemed contribution from the immediate holding company as a result of initial recognition of shareholder's loan at fair value.

Consolidated cash flow statements

RMB65.78 million in cash was generated from operating activities in 4Q2013, compared to RMB33.89 million in 4Q2012. The increased in cash inflow was attributed mainly to higher profit before tax during the period and increased payables and accruals, partially offset by the increased income tax paid in 4Q2013. For FY2013 Cash generated from operating activities amounted to RMB37.21 million compared RMB68.68 million in FY2012.

In 4Q2013, RMB50.45million net cash was used in financing activities mainly due to partial repayment of Euro dollar loan and increase in pledged bank deposit. Offset by proceeds from shareholder's loan.. In FY2013, cash used in financing activities amounted to RMB26.36 million compared to RMB 358.18 million received from financing activities in FY2012.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast was given in our results announcements since the date of Company's admission into Mainboard of SGX-ST ("Result Announcements"). The 4Q2013 results are in line with the general commentary stated in Paragraph 10 of our past Results Announcements and past announcements released by the Company.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Notwithstanding the challenges in the industry, the Group will continue to focus on its diversification growth strategy, through the expansion of its business to become a well-rounded global shipping industry leader with capabilities across the ship design, shipbuilding and ship-trading related businesses.

We remain cautiously optimistic that the international shipping industry will recover eventually, and are preparing ourselves for the upturn.

The Group is particularly optimistic about the demand prospects for environmentally-friendly and fuel-efficient vessels. We are seeing increased interest for such vessels and its related services, and we are confident that the acquisition of Deltamarin, which has a number of proven innovations in the sustainability arena, will put us in good stead.

AVIC Maritime announced earlier this month that its wholly-owned subsidiary, Kaixin Industrial Pte. Ltd. and Deltamarin have together incorporated a joint-venture company in Singapore, Delta-AVIC Pte.Ltd., with the objective of providing engineering, procurement and construction services for the marine and the oil and gas industry. We see opportunities in this area.

The Group's proposed consolidation of its ship-trading related businesses is also in progress. Following the findings and recommendations by professionals engaged by the Group in relation to the proposed consolidation, the Group is in the process of obtaining the approval from relevant authorities on its restructuring plans.

11 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) The date the Dividend is payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No interim dividend has been declared or recommended for the financial year ended 31 December 2013.

13 A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

14 Summary of Interested Person Transactions

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	(RMB'000)	(RMB'000)
<u>1 Oct 2013 to 31 Dec 2013</u>		
Service fee income from AVIC International Beijing Co., Ltd ("AVIC Beijing")(Note B)	694	
Service fee income from AVIC Beijing (Note G)		14,600
Service fee income from Taizhou CATIC Shipbuilding Heavy Industry Limited (Note H)		464
Interest expenses to AVIC International Kairong Limited (Note D)		316
Management fee income from CATICO (Note E)		2,818
Management fee income from AVIC Beijing (Note F)		14,448
Management fee income from AVIC DingHeng (Note I)		3,100
Ship-designing fee from AVIC International Kairong Limited (Note J)		1,610
Ship-designing fee from AVIC Weihai Shipyard Co., Ltd (Note K)		121
Other income from AVIC Dingheng (Note L)		4,682

1 Jan 2013 to 31 Dec 2013

Service fee income from AVIC International Beijing Co., Ltd ("AVIC Beijing") (Note B)	5,848	
Service fee income from AVIC Beijing (Note C)		6,860
Service fee income from AVIC Beijing (Note G)		14,600
Service fee income from Taizhou CATIC Shipbuilding Heavy Industry Limited (Note H)		464
Interest expenses to AVIC International Kairong Limited (Note D)		1,252
Management fee income from CATICO (Note E)		5,637
Management fee income from AVIC Beijing (Note F)		14,448
Management fee income from AVIC DingHeng (Note I)		3,100
Ship-designing fee from AVIC International Kairong Limited (Note J)		1,610
Ship-designing fee from AVIC Weihai Shipyard Co., Ltd (Note K)		510
Other income from AVIC Dingheng (Note L)		4,682

1 Oct 2012 to 31 Dec 2012

Service fee income from AVIC International Beijing Co., Ltd ("AVIC Beijing")	1,420	-
Service fee income from AVIC Beijing (Note C)	3,396	-

1 Jan 2012 to 31 Dec 2012

Service fee income from AVIC Beijing	8,914	-
Service fee income from CATIC	8,829	-
Service fee income from AVIC Beijing (Note C)	11,272	-
Management service fee income from AVIC Weihai Shipyard Co., Ltd	-	12,000

Note:

(A) The amounts of the transactions are before sales taxes and surcharges.

(B) The details of the interested person transactions are disclosed on page 97 and 98 of the Information Memorandum.

(C) Novation Arrangement

Unless otherwise defined, terms used in this section shall bear the same meaning ascribed to them in the information memorandum of the Company dated on 10 August 2011 (the "Information Memorandum").

For AVIC Group's internal projects/resources consolidation purposes, AVIC Kaixin (Beijing) Ship Industry Co., Ltd., ("Kaixin Beijing") a wholly-owned subsidiary of the Company, had on 6 August 2012 entered into a novation agreement ("Novation Agreement") with CATIC and AVIC International Beijing (the majority shareholder of the Company), pursuant to which CATIC will novate all its rights and obligations under a Sale and Purchase Agreement (as disclosed on page 98 of the Information Memorandum) to AVIC International Beijing and the salient terms and conditions of the Sale and Purchase Agreement remain unchanged.

The Novation Agreement is not expected to have any material impact on the earnings per share and net tangible assets of the Company.

(D) The details of the interest expenses to AVIC Kairong are disclosed in **1(b)(ii)(C)**1. of the announcement.

- (E) AVIC International Offshore Pte Ltd (“AIO”), a wholly-owned subsidiary of the Company, has entered into 2 management service agreements (the “**Management Agreement**”) with CATICO Investments Pte Ltd (“CATICO”) on 05 July 2013 and 26 July 2013 respectively, pursuant to which the management fee of an aggregate amount of USD0.50 million and USD0.41 million (the “Management Fee”, before sales taxes and surcharges) is payable to AIO from CATICO.

These management agreements is for the service period from 05 July 2013 to 31 December 2013 and from 26 July 2013 to 31 December 2013 with service to be provided such as as marketing/sales, administration and management of shipbuilding contracts for 3 vessels (one unit of 85M Hybrid Design Anchor Handling Tug/Supply/Oil Recovery Vessel and two units of 86M Diesel-Electric Platform Supply/Oil Recovery Vessels) and project management services for another 2 units 78M platform supply/oil recovery vessel.

The Company had on 25 April 2013 obtained its shareholders’ approval for the adoption of the IPT Mandate in respect of certain categories of transactions that the Group may, in the ordinary course of business, enter into with any member of the AVIC Group. In this regard, the Service Agreement has been entered into pursuant to the authority conferred under the IPT Mandate in accordance with the guidelines and review procedures for interested person transactions as disclosed in the IPT Mandate.

- (F) AVIC International Maritime Holdings Limited (“the Company”) and Kaixin Industrial Pte Ltd (“Kaixin SG”), a wholly-owned subsidiary of the Company, has entered into a management service agreements with AVIC Beijing on 12 December 2013, pursuant to which the management fee of an aggregate amount of USD 1million and USD 1.3million (before sales taxes and surcharges) is payable to the Company and Kaixin SG.

These management agreements is for the service provided such as shipping related management consultancy services, in term of business promotion, marketing, internal control, management control, technical advancement and business process improvement.

The Company had on 25 April 2013 obtained its shareholders’ approval for the adoption of the IPT Mandate in respect of certain categories of transactions that the Group may, in the ordinary course of business, enter into with any member of the AVIC Group. In this regard, the Service Agreement has been entered into pursuant to the authority conferred under the IPT Mandate in accordance with the guidelines and review procedures for interested person transactions as disclosed in the IPT Mandate.

- (G) In relation to service fee agreement as disclosed in **14(D)** of this announcement, AVIC Kaixin (Beijing) Ship Industry Co., Ltd., (“Kaixin Beijing”) a wholly-owned subsidiary of the Company, had on 2 December 2013 entered into a supplemental agreement with AVIC Beijing. Pursuant to which the service fee of an aggregate amount of RMB14.6million (before sales taxes and surcharges) is payable to Kaixin Beijing by 31 December 2013. This service agreement is for the additional services provided such as transportation for delivery of 19 vessels, insurance coverage, inspection and bargaining work performed for the completion of 19 vessels of Myanmar Project.

The Company had on 25 April 2013 obtained its shareholders’ approval for the adoption of the IPT Mandate in respect of certain categories of transactions that the Group may, in the ordinary course of business, enter into with any member of the AVIC Group. In this regard, the Service Agreement has been entered into pursuant to the authority conferred under the IPT Mandate in accordance with the guidelines and review procedures for interested person transactions as disclosed in the IPT Mandate.

- (H) AVIC Kaixin (Beijing) Ship Industry Co., Ltd., (“Kaixin Beijing”) a wholly-owned subsidiary of the Company, had on 26 November 2013 entered into an agency agreement with Taizhou CATIC Shipbuilding Heavy Industry Limited (“Taizhou Shipyard”) and AVIC International Beijing Co.,Ltd. (“AVIC International Beijing”), pursuant to which Kaixin Beijing and AVIC International Beijing shall act as the co-agent to provide ancillary services for the construction by Taizhou Shipyard of 8 bulk carriers, at a service fee payable to Kaixin Beijing of US\$2.4 million for the 4 carriers plus RMB12.2 million for the other 4 carriers;

The Company had on 25 April 2013 obtained its shareholders' approval for the adoption of the IPT Mandate in respect of certain categories of transactions that the Group may, in the ordinary course of business, enter into with any member of the AVIC Group. In this regard, the Service Agreement has been entered into pursuant to the authority conferred under the IPT Mandate in accordance with the guidelines and review procedures for interested person transactions as disclosed in the IPT Mandate.

- (I) AVIC International Ship Development (China) Co., Ltd. ("AISD Shanghai") a wholly-owned subsidiary, has separately entered into three (3) service agreements with AVIC Dingheng Shipbuilding Co., Ltd. ("Dingheng Shipyard") and AVIC International Shanghai Co., Ltd. ("AVIC International Shanghai") on 1 October 2013. Pursuant to which the management fee on an aggregate amount of RMB12,130,000, ("Management Fee", before sales taxes and surcharges) is payable to AISD Shanghai from Dingheng Shipyard.

Pursuant to the agreement AISD Shanghai is engaged to provide services in support of vessel construction, export, delivery and import of marine equipment; ship-trading related consultancy services in respect of vessel construction, import & export; and other import & export related business and is chargeable by man hour basis.

The Company had on 25 April 2013 obtained its shareholders' approval for the adoption of the IPT Mandate in respect of certain categories of transactions that the Group may, in the ordinary course of business, enter into with any member of the AVIC Group. In this regard, the Service Agreement has been entered into pursuant to the authority conferred under the IPT Mandate in accordance with the guidelines and review procedures for interested person transactions as disclosed in the IPT Mandate.

- (J) Deltamarin Ltd. ("Deltamarin") a 79.57% owned subsidiary has entered into a consultancy, engineering services agreement with AVIC Beijing on 22 October 2013. Pursuant to which the designing services fee on an aggregate amount of EUR450,000. (approximate RMB3.7million).

On 23 October 2013, Deltamarin entered into a supplementary agreement with AVIC Beijing and AVIC Kairong, pursuant to which AVIC Kairong will act as the coordinator to deal with communicating and coordinating affairs between AVIC Beijing and Deltamarin, and the amount is payable to Deltamarin from AVIC Kairong.

The Company had on 25 April 2013 obtained its shareholders' approval for the adoption of the IPT Mandate in respect of certain categories of transactions that the Group may, in the ordinary course of business, enter into with any member of the AVIC Group. In this regard, the Service Agreement has been entered into pursuant to the authority conferred under the IPT Mandate in accordance with the guidelines and review procedures for interested person transactions as disclosed in the IPT Mandate.

- (K) Deltamarin Ltd. ("Deltamarin") a 79.57% owned subsidiary has entered into a consultancy, engineering services agreement with AVIC weihai on 20 May 2013. Pursuant to which the services fee on an aggregate amount of EUR62,000. (approximate RMB0.51million).

The Company had on 25 April 2013 obtained its shareholders' approval for the adoption of the IPT Mandate in respect of certain categories of transactions that the Group may, in the ordinary course of business, enter into with any member of the AVIC Group. In this regard, the Service Agreement has been entered into pursuant to the authority conferred under the IPT Mandate in accordance with the guidelines and review procedures for interested person transactions as disclosed in the IPT Mandate.

- (L) AISD Shanghai a wholly-owned subsidiary has entered into a steel plate trading agreement with AVIC Dingheng on 18 October 2013. Pursuant to which AISD Shanghai will assist AVIC Dingheng to source of steel plate with an agreed aggregated amount of RMB4.7 million and the amount is payable to AISD Shanghai from AVIC Dingheng.

15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Information regarding the Group's reportable segments is presented as follows:

FY2013

	<u>Service fee income</u> (RMB'000)	<u>Shipbuilding revenue</u> (RMB'000)	<u>Management service fee</u> (RMB'000)	<u>Ship-design fee income</u> (RMB'000)	<u>Other Income</u> (RMB'000)	<u>Total</u> (RMB'000)
<u>Revenue</u>						
Related companies	26,219	-	23,179	2,120	4,682	56,200
External	5,901	235,232	2,831	286,228	14,914	545,106
	<u>32,120</u>	<u>235,232</u>	<u>26,010</u>	<u>288,348</u>	<u>19,596</u>	<u>601,306</u>
<u>Result</u>						
Segment result	4,038	11,382	3,195	35,576	1,026	55,217
Unallocated other operating income						2,802
Unallocated corporate expenses						(23,698)
Finance costs						(13,110)
Profit before income tax						<u>21,211</u>
Income tax expense						(15,258)
Profit for the period						<u>5,953</u>

FY2012

	Service fee income (RMB'000)	Shipbuilding revenue (RMB'000)	Management service fee (RMB'000)	Total (RMB'000)
<u>Revenue</u>				
Related companies	26,883	-	11,328	38,211
External	170	101,217	-	101,387
	<u>27,053</u>	<u>101,217</u>	<u>11,328</u>	<u>139,598</u>
<u>Result</u>				
Segment result	7,540	8,752	3,157	19,449
Unallocated other operating income				2,948
Unallocated corporate expenses				(6,107)
Finance costs				(3,048)
Profit before income tax				<u>13,242</u>
Income tax expense				(5,445)
Profit for the period				<u>7,797</u>

Geographical information

The Group generates revenue from customers located in the geographical areas as follows:

	<u>FY2013</u> (RMB'000)	<u>FY2012</u> (RMB'000)
Asia	248,313	38,381
Middle East	235,232	101,217
Europe	89,733	-
Australia	7,242	-
America	20,786	-
	<u>601,306</u>	<u>139,598</u>

Information about major customers

	FY2013				FY2012		
	Service fee income (RMB'000)	Shipbuilding revenue (RMB'000)	Management Service fee (RMB'000)	Ship-design fee income (RMB'000)	Service fee income (RMB'000)	Shipbuilding revenue (RMB'000)	Management Service fee (RMB'000)
Customer 1	26,214	-	14,448	-	19,055	-	-
Customer 2	-	-	-	26,322	-	-	-
Customer 3	-	-	-	17,226	-	-	-
Customer 4	-	-	-	16,563	-	-	-
Customer 5	-	235,232	-	-	-	101,217	-
	<u>26,214</u>	<u>235,232</u>	<u>14,448</u>	<u>60,111</u>	<u>19,055</u>	<u>101,217</u>	<u>-</u>

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

See Paragraph 8 above.

17 A breakdown of sales as follows

	FY2013 (RMB'000)	FY2012 (RMB'000)	Change %
a) Sales reported for the first half	256,390	26,005	885.9
b) Operating (loss)profit after tax before deducting minority interest reported for first half	(11,456)	6,831	N/M
c) Sales report for second half	344,916	113,593	203.6
d) Operating profit after tax before deducting minority interest reported for second half	17,409	966	N/M

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(9) of the Listing Manual, the Board of Directors of the Company would like to confirm that none of the persons occupying managerial positions in the Company or its principal subsidiaries are relatives of a Director or Chief Executive Officer or Substantial Shareholder of the Company, for the financial year ended 31 December 2013.

19 Update on utilisation of Placement Proceeds

Based on the Placement Price of S\$0.285 and the 53,576,000 Placement Shares subscribed for, the net proceeds raised from the Placement are approximately S\$10.6 million (after deducting listing expenses approximately S\$4.7 million). The net proceeds will be used for the same purposes as set out on page 19 of the Offer Information Statement in the following proportion:

- (i) approximately S\$8.0 million to partly finance acquisition; and
- (ii) the balance of approximately S\$2.6 million for our working capital purposes and any future acquisitions, joint ventures and strategic alliances.

As at 31 December 2013, the Group has not started to utilise the Placement Proceeds.

20 Update on the consolidation of the shipbuilding and ship-trading related businesses

The management of the Group is in the process of negotiating with the relevant parties in relation to the proposed consolidation of the shipbuilding and ship-trading related businesses from AVIC International and its subsidiaries as disclosed in the Company's Information Memorandum dated 10 August 2011. The Company will make announcements on the matter via SGXNET as and when appropriate. As at the date of this announcement, the terms and conditions of the proposed consolidation have not been determined.

DMG & Partners Securities Pte Ltd ("DMG") was the financial adviser to AVIC International Investments Limited in relation to its listing on the Singapore Exchange Securities Trading Limited. DMG assumes no responsibility for the contents of this announcement.

On Behalf of the Board of Directors
DiaoWeicheng
Executive Chairman
28 February 2014