



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

(Company Registration No. 201024137N)

## AVIC International Maritime registers growth in both revenue and earnings for 2Q2015

- Revenue up by 235% to RMB147.0 million compared to 2Q2014 mainly due to positive contributions from the shipbuilding segment
- Earnings doubled from RMB3.7 million in 2Q2014 to RMB7.9 million for 2Q2015, mainly due to the revenue growth
- Amidst the challenging industry environment, the Group secured M&C contracts for two 37400DWT bulk carriers and 24 new ship designing contracts

**SINGAPORE, 14 August 2015** – SGX Mainboard-listed, 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**”), an integrated marine and offshore one-stop solution provider under the AVIC Group, reported a profit attributable to shareholders of the company of RMB7.9 million for its second quarter ended 30 June 2015 (“**2Q2015**”).

### Financial Highlights

RMB'mil	2Q2015	2Q2014	Chg %	1H2015	1H2014	Chg %
<b>Revenue</b>	147.0	43.8	235	287.0	149.3	92
- Agency service fee	13.0	8.5	53	20.1	11.9	70
- Management service fee	1.7	5.6	(70)	2.7	9.5	(72)
- Shipbuilding revenue	72.0	(45.3)	n.m.	148.1	(14.7)	n.m.
- EPC Project Income	0.1	-	n.m.	5.9	-	n.m.
- Ship-design fee income	60.2	75.0	(20)	110.2	138.8	(21)
- Other income	-	-	n.m.	-	3.8	n.m.
<b>Cost of sales</b>	(95.3)	4.6	n.m.	(198.9)	(69.1)	188
<b>Gross profit</b>	51.7	48.5	7	88.2	80.2	10
<b>Marketing and distribution expenses</b>	(7.1)	(7.7)	(8)	(17.8)	(16.5)	8
<b>Administrative expenses</b>	(33.3)	(29.5)	13	(63.7)	(54.6)	17
<b>Other operating income</b>	0.6	4.2	(85)	1.2	6.7	(82)
<b>Finance cost</b>	(2.9)	(3.5)	(16)	(5.6)	(6.7)	(17)
<b>Profit/(Loss) for the period</b>	7.2	6.2	15	(5.2)	1.5	n.m.
<b>Profit attributable to equity holders</b>	7.9	3.7	113	(3.7)	(1.8)	n.m.

n.m.: not mentionable



# AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

## **Business Updates**

Amidst the challenging market conditions, the Group has secured 24 new ship designing contracts in 2Q2015 amounting to EUR2.2 million. The Group has won M&C contracts amounting to approximately USD0.7 million for two 37400DWT bulk carriers.

In line with the Group's strategic growth plans, the Group has also entered into three sale and purchase agreements. Two of the three were separate agreements dated 21 April 2015, pursuant to which the Group has agreed to acquire the entire issued equity of Shanghai Catic Industrial Co. Ltd., a company principally engaged in the leasing of warehousing facilities and the provision of logistics services for the aviation industry. The acquisition is still ongoing.

As announced previously, AVIC International Offshore Pte. Ltd., a wholly owned subsidiary of the Group, has entered into a conditional sale and purchase agreement to acquire 60% of the issued and paid-up share capital of AVIC Zhenjiang Shipyard Marine Pte. Ltd. (the "Acquisition"), a joint venture company engaged in the business and trade of acquiring, owning, selling, brokering and chartering of various types of vessels, with a focus on vessel investment. At an EGM held on 5 August 2015, shareholders approved the resolutions in respect of the Acquisition and to expand into the ship investment business.

## **2Q2015 Review**

The Group registered revenue growth of 235% year-on-year (y-o-y) to RMB147.0 million for 2Q2015 mainly from its shipbuilding income and ship design income. Additionally, agency service fees increased 53% to RMB13.0 million. However, as a result of the weak demand in the global marine industry, the revenue growth for the quarter was partially offset by the decline in revenue for the ship-design and the management service business segments as these segments registered declines of 20% and 70% respectively.

The Group reported an increase of RMB3.2 million in gross profit to RMB51.7 million, with the gross profit margin at 35%.

Earnings for the Group almost doubled y-o-y for 2Q2015, with the Group reporting a net profit attributable to shareholders of RMB7.9 million as compared to RMB3.7 million for 2Q2014.

## **Outlook/Future Plans**

Overall conditions in the global maritime industry continue to remain challenging, affected by reduced orders for new vessels amidst an oversupply of commercial vessels and a sluggish global economy.



## AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

However, growth expected from seaborne trade due to weak oil prices and trends of adherence to low-carbon environmental protection initiatives may enhance market competitiveness.

Mr. Diao Weicheng (刁伟程), AVIC Maritime's Executive Chairman commented on the outlook and future plans of the Group, "***The Group strives hard to perform despite the tough industry environment that we are facing. We have started the EPC project business and will continue to focus on expanding on the synergies of AVIC and Deltamarin to innovate and produce newer and better designs.***

***Although, it may take some time to fully enjoy the fruits of our expansion plans, this commitment to the optimisation the Group will in the long term bolster our business structure as a whole.***

###

### **About AVIC**

*Established in 1994 and listed on SGX Mainboard since September 2011, 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 in 2013. 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 / Jonathan Yeoh

Tel: 65-6438 2990 / Fax: 65-6438 0064

Email: [staff@financialpr.com.sg](mailto:staff@financialpr.com.sg)