



AVIC INTERNATIONAL MARITIME HOLDINGS LIMITED

(formerly known as AVIC International Investments Limited)

(Company Registration No. 201024137N)

UNAUDITED FINANCIAL STATEMENTS AND ANNOUNCEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

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 2015

	Fourth Quarter			Full Year		
	Group 1 Oct 15 to 31 Dec 15	Group 1 Oct 14 to 31 Dec 14	Change	Group 1 Jan 15 to 31 Dec 15	Group 1 Jan 14 to 31 Dec 14	Change
	(RMB'000)	(RMB'000)	%	(RMB'000)	(RMB'000)	%
Revenue	172,423	160,059	8	591,382	455,058	30
Cost of sales	(100,199)	(102,164)	(2)	(389,521)	(289,205)	35
Gross profit	72,224	57,895	25	201,861	165,853	22
Other operating income	14,128	5,273	168	16,095	25,104	(36)
Marketing and distribution expenses	(16,694)	(6,944)	140	(41,981)	(29,359)	43
Administrative expenses	(47,891)	(38,426)	25	(138,366)	(120,527)	15
Finance cost	(7,288)	(5,690)	28	(17,159)	(15,951)	8
Other operating expenses, net	(11,687)	(526)	N/M	(13,082)	(528)	N/M
Share of results of associates	650	47	N/M	1,524	(378)	N/M
Profit before income tax	3,442	11,629	(70)	8,892	24,214	(63)
Income tax expense	(9,934)	2,262	N/M	(17,382)	(7,018)	148
(Loss)/Profit for the period	(6,492)	13,891	N/M	(8,490)	17,196	N/M
<u>Profit attributable to:</u>						
Owners of the company	(4,140)	13,301	N/M	(4,211)	14,441	N/M
Non-controlling interests	(2,352)	590	N/M	(4,279)	2,755	N/M
(Loss)/Profit for the period	(6,492)	13,891	N/M	(8,490)	17,196	N/M

	Fourth Quarter			Full Year		
	Group	Group	Change	Group	Group	Change
	1 Oct 15 to 31 Dec 15	1 Oct 14 to 31 Dec 14		1 Jan 15 to 31 Dec 15	1 Jan 14 to 31 Dec 14	
(RMB'000)	(RMB'000)	%	(RMB'000)	(RMB'000)	%	
<u>Other comprehensive income/(loss)</u>						
Items that may be subsequently reclassified to profit or loss						
Exchange differences arising on translation	(11,919)	3,366	N/M	(10,594)	(16,544)	(36)
Total comprehensive (loss)/profit for the period	(18,411)	17,257	N/M	(19,084)	652	N/M
<u>Total comprehensive (loss)/profit attributable to:</u>						
Owners of the company	(16,865)	18,964	N/M	(13,456)	4,083	N/M
Non-controlling interests	(1,546)	(1,707)	(13)	(5,628)	(3,431)	64
Total comprehensive (loss)/profit for the period	(18,411)	17,257	N/M	(19,084)	652	N/M

1(a)(ii) Notes to the Consolidated Statement of Comprehensive Income for the Fourth Quarter and Full Year ended 31 December 2015

	Fourth Quarter			Full Year		
	Group	Group	Change	Group	Group	Change
	1 Oct 15 to 31 Dec 15	1 Oct 14 to 31 Dec 14		1 Jan 15 to 31 Dec 15	1 Jan 14 to 31 Dec 14	
(RMB'000)	(RMB'000)	%	(RMB'000)	(RMB'000)	%	
Interest income	2,046	1,908	7	3,905	3,086	27
Government grant	11,697	4,000	192	11,763	4,000	194
Net foreign exchange gain/(loss)	(2,743)	(1,058)	159	(2,917)	17,305	N/M
Interest expenses on borrowings	(3,655)	(2,895)	26	(12,507)	(11,561)	9
Operating lease expenses	(4,518)	(3,993)	13	(17,583)	(16,906)	4
Depreciation of plant and equipment	(904)	(875)	3	(3,286)	(3,565)	(8)
Plant and equipment written off	(5)	-	N/M	(5)	(57)	(91)
Amortisation of intangible assets	(3,127)	(1,711)	45	(7,772)	(5,619)	38
Bad debts written off	(4,570)	-	N/M	(4,570)	-	N/M
Allowance for doubtful debts Available for sales investment written off	(1,399)	(313)	347	(1,912)	(313)	511
Loss on disposal of subsidiary	-	-	-	(34)	-	N/M
Loss on disposal of associate	(3,676)	-	N/M	(3,676)	-	N/M
	-	(213)	N/M	-	(213)	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 2015

	Group		Company	
	31 Dec 2015 (RMB'000)	31 Dec 2014 (RMB'000)	31 Dec 2015 (RMB'000)	31 Dec 2014 (RMB'000)
Assets				
<u>Current assets</u>				
Cash and cash equivalents	316,963	208,763	900	10,373
Pledged cash placed with a bank	39,401	92,475	-	-
Trade receivables	236,898	220,917	-	-
Other receivables	48,536	79,391	269	335
Amount due from subsidiaries	-	-	7,296	2,089
Inventory	319,141	481	-	-
	960,939	602,027	8,465	12,797
<u>Non-current assets</u>				
Plant and equipment	8,648	8,094	-	10
Investment in subsidiaries	-	-	388,401	393,143
Investment in associates	1,773	405	-	-
Available-for-sale investments	11	49	-	-
Goodwill	103,497	109,203	-	-
Intangible assets	76,707	98,381	-	-
Deferred tax assets	919	497	-	-
Trade receivables	26,837	-	-	-
	218,392	216,629	388,401	393,153
Total assets	1,179,331	818,656	396,866	405,950
<u>Current liabilities</u>				
Current portion of long-term loan	-	136,030	-	136,030
Short-term loan	174,514	9,289	-	-
Trade payables	3,859	49,905	-	-
Advances received	37,169	38,744	-	-
Other payables and accruals	110,350	85,201	3,029	20,071
Amount due to subsidiaries	-	-	154,483	3,103
Finance lease liabilities	935	967	-	-
Income tax payable	12,787	1,377	-	-
	339,614	321,513	157,512	159,204
<u>Non-current liabilities</u>				
Long-term loan	583,471	228,239	206,483	209,007
Finance lease liabilities	831	806	-	-
Deferred tax liabilities	18,535	22,039	-	-
Other non-current liabilities	35	3,735	-	-
	602,872	254,819	206,483	209,007
Total liabilities	942,486	576,332	363,995	368,211

	Group		Company	
	31 Dec 2015 (RMB'000)	31 Dec 2014 (RMB'000)	31 Dec 2015 (RMB'000)	31 Dec 2014 (RMB'000)
Capital and reserves				
Share capital	101,237	101,237	101,237	101,237
Capital reserve	11,944	12,470	10,429	10,603
Merger reserve	(3,664)	-	-	-
Statutory reserve	14,735	11,988	-	-
Translation reserve	1,669	10,914	(4,654)	(4,146)
Accumulated profits/(losses)	48,572	55,530	(74,141)	(69,955)
	174,493	192,139	32,871	37,739
Non-controlling interests	62,352	50,185	-	-
Total equity	236,845	242,324	32,871	37,739
Total equity and liabilities	1,179,331	818,656	396,866	405,950

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 2015	
Secured (RMB'000)	Unsecured (RMB'000)
935	174,514

As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)
967	145,319

(B) Amount repayable after one year

As at 31 Dec 2015	
Secured (RMB'000)	Unsecured (RMB'000)
831	583,471

As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)
806	228,239

(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 former 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 (maturing on 27 August 2015). The Shareholder's Loan bore 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 were less than 3% of the Group's audited net tangible assets as at 31 December 2011. The terms of repayment were to 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 would 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 would remain unchanged at 0.85% and would be payable based on principal amount of SGD29,769,600 instead. On 2 September 2015, the group fully repaid this loan with the loan from ICBC Asia.

- 3 For the purposes of the Intra-group Restructuring, on 20 March 2013, AVIC Kairong granted an additional USD3,250,000 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. On 2 September 2015, the group fully repaid this loan with the loan from ICBC Asia.
- 4 On 5 November 2014, the Group obtained a three-year loan amounting to SGD45,000,000 from BOC Bank secured by the corporate guarantee of AVIC International Holding Limited, an immediate holding company of the Group. The principal of the loan is to be repaid in three years from the date of the loan drawdown in December 2014. The loan carries floating interest rate of 2.00% per annum over SIBOR. The loan was obtained mainly to refinance the acquisition of Deltamarin Oy, the details of which are set out in the circular to Shareholders dated 10 December 2012.
- 5 On 20 August 2013, the Group entered into a revolving credit facility arrangement with OCBC Bank for a limit of SGD17,900,000. In January 2014, the Group had drawn down SGD2,000,000, to be rolled over every 3 months. The loan carries a floating interest rate of 1.40% per annum over SIBOR. On 14 December 2015, the group has fully repaid the SGD2,000,000 to OCBC Bank.
- 6 As at 31 December 2015, certain plant and equipment with carrying amount of EUR245,561 or RMB 1,738,698 equivalent (31 December 2014: EUR233,475 or 1,744,247) were secured by the lessors’ titles to the leased assets.
- 7 On 6 March 2015, 14 April 2015 and 29 July 2015, AVIC Tidestar Fast Offshore Pte Ltd (“ATFO”), a 65%-owned subsidiary of the Group, obtained three unsecured loans of USD353,500, USD483,000 and USD35,000 respectively from Tides Fast Offshore Pte Ltd, a 35% shareholder of ATFO. These loans carry an interest rate of 5% per annum and are repayable on demand.
- 8 On 31 October 2014, the Group entered into a 2-year transferable term loan facility arrangement with China Construction Bank (CCBC) for a limit of USD3,000,000. On 10 April 2015, the Group had drawn down USD2,000,000. The principal of the loan is to be repaid in two years from the date of the loan drawdown on 10 April 2015 .The loan carries a floating interest rate of 2.70% per annum over LIBOR.
- 9 On 19 May 2015, the Group entered into a 3-year term loan facility arrangement with Industrial And Commercial Bank of China (Asia) Limited (ICBC-Asia) for a limit of USD50,000,000 and secured by the corporate guarantee of AVIC International Holding Limited, an immediate holding company of the Group. On 2 September 2015 and 7 October 2015, the Group had drawn down USD42,000,000 and USD8,000,000. The principal of the loan is to be repaid in 3 years from the date of loan drawdown on 2 September 2015 and 7 October 2015. The loan carries a floating interest rate of 2.60% per annum over LIBOR.
- 10 On 8 September 2015, the group completed the acquisition of 60% of the issued and paid-up shares capital of AVIC Zhenjiang Shipyard Marine Pte. Ltd (“AZM”). On 5 June 2014, AZM entered into a 2-year term loan facility arrangement with China Merchants Bank Co., Ltd for a limit of USD23,100,000 and secured by the corporate guarantee of Jiangsu Zhenjiang Shipyard (Group) Co., Ltd. (the 40% shareholder of AZM). As at 31 December 2015, AZM had drawn down an aggregate amount of USD16,500,000. The principal of loan is due to be repaid on 20 May 2016. The loan carries a floating interest rate of 5% per annum over LIBOR.
- 11 On 30 October 2015, the Group entered into 18 months and 15 months term loans facility arrangement with China Minsheng Bank for the limit of RMB23,290,000 and 16,130,000 respectively. On 9 November 2015, the Group had drawn down RMB39,420,000. The principal of the loan is to be repaid in 18 months and 15 months from the date of the loan drawdown on 9 November 2015 .The loan carries a floating interest rate of 5.46% per annum.

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 and Full Year ended 31 December 2015

	Fourth Quarter		Full Year	
	Group	Group	Group	Group
	1 Oct 15 to 31 Dec 15 (RMB'000)	1 Oct 14 to 31 Dec 14 (RMB'000)	1 Jan 15 to 31 Dec 15 (RMB'000)	1 Jan 14 to 31 Dec 14 (RMB'000)
Operating activities				
Profit before income tax	3,442	11,629	8,892	24,214
Adjustments for:				
Share of results of associates	(650)	(47)	(1,524)	378
Interest income	(2,046)	(1,908)	(3,905)	(3,086)
Interest expense	3,655	2,895	12,507	11,561
Depreciation of plant and equipment	904	859	3,286	3,565
Amortisation of intangible assets	3,127	1,735	7,772	5,619
Plant and equipment written off	5	(2)	5	57
Loss on disposal of associate	-	213	-	213
Loss on disposal of subsidiaries	3,676	-	3,676	-
Provision for foreseeable losses	-	5,457	-	5,457
Allowance for doubtful debts	1,399	313	1,912	313
Bad debts written off	4,570	-	4,570	-
Assets available for sales written off	-	-	34	-
Net foreign exchange unrealised (gain)/loss	2,989	2,047	3,196	(18,534)
	21,071	23,191	40,421	29,757
Change in working capital, net of effect from acquisition and disposal of subsidiaries:				
Trade receivables	(63,489)	(59,069)	(55,780)	(136,279)
Other receivables	76,887	(14,456)	87,283	(68,167)
Inventory	(85,994)	(481)	(103,963)	(481)
Trade payables	(19,071)	9,848	(32,235)	23,633
Advance received	26,568	(66,367)	(1,150)	(359)
Other payables and accruals	(58,904)	25,479	(36,817)	11,595
Cash used in operations	(102,932)	(81,855)	(107,264)	(140,301)
Income taxes paid	(3,374)	4,977	(8,928)	(14,322)
Interest received	2,046	1,908	3,905	3,086
Net cash used in operating activities	(104,260)	(74,970)	(107,264)	(151,537)
Investing activities				
Purchase of plant and equipment (Note A)	(995)	(737)	(2,848)	(3,380)
Purchase of intangible assets	(163)	-	(3,013)	(12,659)
Net cash paid for acquisition of a subsidiary	-	-	(20,443)	-
Net cash received for disposal of a subsidiary	1,115	-	1,115	-
Additional investment in an associate	-	(1)	-	(1)
Net cash from/(used in) investing activities	(43)	(738)	(25,189)	(16,040)
Financing activities				
(Increase)/Decrease in pledged bank deposit	98,570	(9,875)	53,073	(42,935)
New bank loan raised	90,266	208,502	369,849	218,296

	Fourth Quarter		Full Year	
	Group	Group	Group	Group
	1 Oct 15 to 31 Dec 15 (RMB'000)	1 Oct 14 to 31 Dec 14 (RMB'000)	1 Jan 15 to 31 Dec 15 (RMB'000)	1 Jan 14 to 31 Dec 14 (RMB'000)
Repayment of related party's loan	-		(31,169)	-
Repayment of term loan	-	(175,105)	-	(175,105)
Repayment of finance lease	(324)	(910)	(1,192)	(1,629)
Proceeds from shareholder's loan	-	-	19,315	-
Proceeds on issue of subsidiary's shares to non-controlling shareholders	-	-	857	-
Dividend paid to non-controlling interest	(2,203)	-	(2,203)	-
Interest paid	(4,666)	(1,986)	(9,096)	(6,032)
Repayment of a former majority shareholder's loan	-	(21,016)	(155,052)	(21,016)
Net cash (used in)/from financing activities	181,643	(390)	244,382	(28,421)
Net increase/(decrease) in cash and cash equivalents	77,340	(76,098)	111,929	(195,998)
Effect of exchange rate changes on the balance of cash held in foreign currencies	(7,457)	507	(3,729)	1,527
Cash and cash equivalents at beginning of the financial period	247,080	284,354	208,763	403,234
Cash and cash equivalents at end of the financial period	316,963	208,763	316,963	208,763

Note A: Purchase of plant and equipment

During 4Q2015, the Group acquired plant and equipment with an aggregate cost of approximately RMB1,312,000 (4Q2014: RMB787,000) of which RMB317,000 (4Q2014: RMB64,000) were acquired by means of finance leases, and cash payment of RMB995,000 (4Q2014: RMB723,000) were made to purchase the plant and equipment.

During FY2015, the Group acquired plant and equipment with an aggregate cost of approximately RMB4,123,000 (FY2014: RMB4,857,000) of which RMB1,275,000 (FY2014: RMB1,477,000) were acquired by means of finance leases, and cash payment of RMB2,848,000 (FY2014: RMB3,380,000) were made to purchase the plant and equipment.

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	Merger reserve	Statutory reserve	Translation reserve	Accumulated profits/ (losses)	Equity attributable to owners of the Company	Non- controlling interests	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 2015	101,237	12,470	-	11,988	10,914	55,530	192,139	50,185	242,324
Total comprehensive loss for the period									
Loss for the period	-	-	-	-	-	(71)	(71)	(1,927)	(1,998)
Other comprehensive income	-	-	-	-	3,480	-	3,480	(2,155)	1,325
Total	-	-	-	-	3,480	(71)	3,409	(4,082)	(673)
Transactions with owners, recognised directly in equity									
Non-controlling interest arising from issue of subsidiary's shares to non-controlling shareholders	-	-	-	-	-	-	-	857	857
Merger reserve arising from acquisition of a subsidiary	-	-	(3,664)	-	-	-	(3,664)	-	(3,664)
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	12,839	12,839
Total	-	-	(3,664)	-	-	-	(3,664)	13,696	10,032
Balance at 30 Sep 2015	101,237	12,470	(3,664)	11,988	14,394	55,459	191,884	59,799	251,683
Total comprehensive income /(loss) for the period									
Profit/(Loss) for the period	-	-	-	-	-	(4,140)	(4,140)	(2,352)	(6,492)
Other comprehensive loss	-	-	-	-	(12,725)	-	(12,725)	806	(11,919)
Transfer to statutory reserve	-	-	-	2,747	-	(2,747)	-	-	-
Total	-	-	-	2,747	(12,725)	(6,887)	(16,865)	(1,546)	(18,411)
Transactions with owners, recognised directly in equity									
Dividend to Non-controlling interest	-	-	-	-	-	-	-	(1,526)	(1,526)
Transaction with Non-controlling interest	-	-	-	-	-	-	-	(250)	(250)
Disposal of subsidiary	-	-	-	-	-	-	-	5,875	5,875
Reversal of deem interest by shareholder's loan	-	(526)	-	-	-	-	(526)	-	(526)
Total	-	(526)	-	-	-	-	(526)	4,099	3,573
Balance at 31 Dec 2015	101,237	11,944	(3,664)	14,735	1,669	48,572	174,493	62,352	236,845

	<u>Share capital</u> (RMB'000)	<u>Capital reserve</u> (RMB'000)	<u>Statutory reserve</u> (RMB'000)	<u>Translation reserve</u> (RMB'000)	<u>Accumulated profits/ (losses)</u> (RMB'000)	<u>Equity attributable to owners of the Company</u> (RMB'000)	<u>Non-controlling interests</u> (RMB'000)	<u>Total equity</u> (RMB'000)
<u>The Group</u>								
Balance at 1 Jan 2014	101,237	12,470	10,209	21,231	42,868	188,015	54,508	242,523
Total comprehensive (loss)/income for the period								
(Loss)/Profit for the period	-	-	-	-	1,139	1,139	2,167	3,306
Other comprehensive (loss)/income	-	188	-	(15,499)	-	(15,311)	(3,769)	(19,080)
Total	-	188	-	(15,499)	1,139	(14,172)	(1,602)	(15,774)
Balance at 30 Sep 2014	101,237	12,658	10,209	5,732	44,007	173,843	52,906	226,749
Total comprehensive income/(loss) for the period								
Profit/(loss) for the period	-	-	-	-	13,302	13,302	588	13,890
Other comprehensive (loss)/income	-	(188)	-	5,140	-	4,952	(2,416)	2,536
Dividend	-	-	-	42	-	42	(893)	(851)
Transfer to statutory reserve	-	-	1,779	-	(1,779)	-	-	-
Total	-	(188)	1,779	5,182	11,524	18,296	(2,721)	15,575
Balance at 31 Dec 2014	101,237	12,470	11,988	10,914	55,530	192,139	50,185	242,324

Statement of Changes in Equity

	<u>Share capital</u> (RMB'000)	<u>Capital reserve</u> (RMB'000)	<u>Translation reserve</u> (RMB'000)	<u>Accumulated profits/ (losses)</u> (RMB'000)	<u>Equity attributable to owner of the Company</u> (RMB'000)
<u>The Company</u>					
Balance at 1 Jan 2015	101,237	10,603	(4,146)	(69,955)	37,739
Total comprehensive loss for the period					
Loss for the period	-	-	-	(4,496)	(4,496)
Other comprehensive loss	-	-	(1,489)	-	(1,489)
Total	-	-	(1,489)	(4,496)	(5,985)
Balance at 30 Sep 2015	101,237	10,603	(5,635)	(74,451)	31,754
Total comprehensive income for the period					
Profit for the period	-	-	-	310	310
Other comprehensive income	-	-	981	-	981
Reversal of deem interest by shareholder's loan	-	(174)	-	-	(174)
Total	-	(174)	981	310	1,117
Balance at 31 Dec 2015	<u>101,237</u>	<u>10,429</u>	<u>(4,654)</u>	<u>(74,141)</u>	<u>32,871</u>
<u>The Company</u>					
Balance at 1 Jan 2014	101,237	10,603	(2,782)	(63,040)	46,018
Total comprehensive income/(loss) for the period					
Profit for the period	-	-	-	4,337	4,337
Other comprehensive income	-	-	46	-	46
Total	-	-	46	4,337	4,383
Balance at 30 Sep 2014	101,237	10,603	(2,736)	(58,703)	50,401
Total comprehensive income/(loss) for the period					
Loss for the period	-	-	-	(11,252)	(11,252)
Other comprehensive loss	-	-	(1,410)	-	(1,410)
Total	-	-	(1,410)	(11,252)	(12,662)
Balance at 31 Dec 2014	<u>101,237</u>	<u>10,603</u>	<u>(4,146)</u>	<u>(69,955)</u>	<u>37,739</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 2014. As at 31 December 2015, the issued share capital of the Company was RMB101,237,000 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 2015 (31 December 2014: 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 2014 and 31 December 2015, 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 2015 (31 December 2014: Nil). There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2015.

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 2014. Following a review by management, the estimated useful life of the brand carried within intangible assets has been revised from indefinite to 30 years during the financial year. This change in accounting estimate has been accounted for prospectively and the amortisation charge for the year amounted to RMB1.6 million.

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.

As items mentioned in 4 above.

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.

	Fourth Quarter		Full Year	
	1 Oct 2015 to 31 Dec 2015	1 Oct 2014 to 31 Dec 2014	1 Jan 2015 to 31 Dec 2015	1 Jan 2014 to 31 Dec 2014
Earnings/(Losses) per ordinary share attributable to owners of the Company				
(a) Based on the weighted average number of ordinary shares in issue (RMB cents)	(1.45)	4.66	(1.47)	5.06
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)	(1.45)	4.66	(1.47)	5.06
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/(loss) 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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net asset value per share based on issued share capital (RMB cents)	61.10	67.28	11.51	13.22
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.

<u>The Group</u>	<u>Fourth Quarter</u>				<u>Full Year</u>			
	<u>1 Oct 15 to 31 Dec 15</u>		<u>1 Oct 14 to 31 Dec 14</u>		<u>1 Jan 15 to 31 Dec 15</u>		<u>1 Jan 14 to 31 Dec 14</u>	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
Revenue by type of services:								
Shipbuilding project management service	29,957	17.4	9,734	6.1	64,921	11.0	24,990	5.5
Marketing and consulting service	1,050	0.6	2,882	1.8	4,282	0.7	17,875	3.9
Shipbuilding construction service	77,006	44.6	103,374	64.6	285,201	48.1	90,853	20.0
EPC service	114	0.1	38,726	24.2	7,024	1.2	78,159	17.1
Ship-design service	64,296	37.3	55,137	34.4	229,954	39.0	242,846	53.4
Other income	-	-	(49,794)	(31.1)	-	-	335	0.1
Total revenue	172,423	100.0	160,059	100.0	591,382	100.0	455,058	100.0

Note: EPC is acronym for "Engineering, Procurement and Construction"

Consolidated Statement of Comprehensive Income

Revenue

The main drivers of Group's revenue continued to be shipbuilding project management service, shipbuilding construction service and ship-design businesses. The RMB12 million increase in revenue in 4Q2015 was mainly attributed to: (1) shipbuilding project management service revenue increasing by RMB20.2 million or 207% in accordance with the milestones achieved in respect of projects; and (2) Ship-design service income increasing by RMB 9.2 million or 17% due to variation in project progress achieved. These increases were partially offset by: (1) Shipbuilding construction service income decreasing by RMB26.4 million or 26% due to variations in percentage of completion achieved, and (2) the RMB38.6 million decline in EPC project income. There was no income from Ship-related trading business in 4Q2014, while in 4Q2014 this business activity recorded a negative income of RMB49.8 million as a result of recognizing the income from this business activity at a net, instead of gross, basis in accordance with the terms and conditions of the sales contract. . Marketing and consulting service income declined by RMB1.8 million or 64% as there were fewer Marketing and consulting service contracts entered into in 4Q2015.

In both 4Q2015 and 4Q2014, the shipbuilding project management service, Marketing and consulting service and Shipbuilding construction service revenues were derived from Asia. Ship-design fee income was mainly derived from Europe and Asia, with contribution from North America, South America, Africa and Australia. EPC project income was mainly derived from Europe.

The revenue in FY2015 increased 30% compared to FY2014, mainly attributed to increase in the shipbuilding revenue and agency service fee. However, the increase was offset by the declined in EPC and management service fee.

Cost of sales and gross profit

Cost of sales in 4Q2015 amounted to RMB100.2 million, giving rise to a gross profit of RMB72.2 million. Gross profit in the previous corresponding period was RMB57.9 million. The increase in gross profit was mainly attributed to the higher profit margin in shipbuilding business.

For FY2015, gross profit increased 22% and gross profit margin declined to 34% from 36%.

Other operating income

Other operating income in 4Q2015 increased 168% to RMB8.9 million, due mainly to a RMB7.7 million increase in government grant.

For FY2015, other operating income decreased by RMB9 million or 36% , mainly due to the foreign exchange gain of RMB17.3 million in FY2014 arising from the long-term loan denominated in Euro.

Marketing and distribution expenses

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

Marketing and distribution expenses increased from RMB6.9 million to RMB16.7 million in 4Q2015. The increase was due to higher travelling and employee benefits expenses as a result of higher headcount.

For FY2015, marketing and distribution expenses increased 43% or RMB12.6 million compared to FY2014.

Operating lease expenses increased RMB0.56 million or 87% to RMB1.2million in 4Q2015 due mainly to the increase in leasing expenses from China subsidiaries.

Administrative expenses

Administrative expenses comprised office rental and office expenses, depreciation expenses, amortisation expenses, professional fees incurred to maintain the Group's listing status, employee benefits and travelling expenses.

Administrative expenses increased by RMB9.4 million in 4Q2015 mainly due to increase in office expenses and employee benefits expenses increased as a result of higher headcount.

The depreciation charge for plant and equipment showed no material change. Amortisation of intangible assets increased by RMB1.4 million, mainly due to the change in estimated useful life of Brands name from indefinite to 30 years.

Finance costs

Finance costs in 4Q2015 increased RMB1.6 million to RMB7.2 million due mainly to new loan raised. In FY2015, finance costs increased 7.5% to RMB17.2 million.

Other operating expenses

Other operating expenses comprised mainly plant and equipment written off, allowance for doubtful debts, bad debts written off and net foreign exchange loss. In 4Q2015, other operating expenses amounted to RMB11.7 million, compared to RMB0.5 million in 4Q2014. The increase was mainly due to a net foreign exchange loss of RMB2.7 million, allowance for doubtful debts of RMB1.4 million, an amount of RMB4.6 million bad debts written off, and a RMB3.6 million loss arising from disposal of a subsidiary.

In FY2015, other operating expenses amounted to RMB13.1 million, compared to RMB0.5 million FY2014.

Share of results of associates

The share of profit from associates in 4Q2015 amounted to RMB0.6 million compared to RMB0.05 million in 4Q2014, mainly due to increase in associates' profit. In FY2015, the Group recorded a share of profit from associates of RMB1.5 million compared to a loss of RMB0.4 million in FY2014.

Income tax expense

The operating subsidiaries in China and Finland are subject to income tax rate of 25% and 20% respectively. Income tax expense in 4Q2015 amounted to RMB9.9 million, mainly due to a provision for tax expense of RMB8.2 million on the gain arising from the restructuring of subsidiaries under common control within the group. In 4Q2014, there was a reversal in deferred income tax expenses due to the reduction in Finland corporate income tax rate from 24.5% to 20%. The same reason applied to the increase in income tax expense from RMB7 million in FY2014 to RMB17.3 million in FY2015.

Profit for the period

After taking income tax expenses and non-controlling interests into account, net loss attributable to shareholders for 4Q2015 was RMB4.1 million, compared to net profit of RMB13.3 million in 4Q2014.

For FY2015, net loss attributable to shareholders amounted to RMB4.2 million compared to a profit of RMB14.4 million in FY2014.

Statement of Financial Position

Current assets

As at 31 December 2015, the Group's cash and bank balances amounted to RMB317 million, an increase of RMB108.2 million from the RMB208.8 million as at 31 December 2014 as more cash was deployed to finance working capital requirements. Pledged bank deposit decreased from RMB92.5 million to RMB39.4 million, and this was mainly due to release of payments to shipbuilders.

Trade receivables increased by RMB16 million or 7% to RMB236.9 million as at 31 December 2015. Trade receivables comprised mainly: (1) RMB98.4 million due from clients, and (2) receivables from construction contract work in progress of RMB138.5 million, of which RMB95.8 million arose from shipbuilding business and RMB37.6 million from ship-design business.

Other receivables as at 31 December 2015 comprised mainly prepayments, other tax recoverable, staff advances and deposits. Other receivables decreased RMB31.1 million or 39%, mainly due to receipt of RMB43.2 million tax recoverable during the period, a RMB3.4 million decrease in prepayments and these were offset by the RMB15.8 million increase in amount owing from related party.

Inventory as at 31 December 2015 amounted to RMB319.1 million, compared to RMB0.5 million as at 31 December 2014. The increase was mainly due to 12 vessels under construction at shipyards held under two subsidiaries, one of which was acquired during the year.

Non-current assets

Plant and equipment comprised motor vehicle, computers and software, furniture and fixtures, and office equipment. Plant and equipment, net of depreciation, increased by RMB0.6 million during the year.

The investment in associates represented the total amount of investment in non-controlling entities held by the Deltamarin Group.

The available-for-sale investments represented investment shares held by Deltamarin Group.

Intangible assets comprised software licenses, Brand name and Technical knowhow. Intangible assets amounted to RMB76.7 million as at 31 December 2015, a decrease of RMB21.7 million compared to RMB98.4 million as at 31 December 2014. The decrease was mainly due to increased amortisation as a result of the change in estimated useful life from indefinite to 30 years, disposal of a subsidiary together with software license which had a carrying amount RMB9.7 million. The decrease was offset by an amount of RMB5.5 million arising from the translation of plant and equipment denominated in Euro to RMB.

The Group's goodwill arose from the acquisition of Deltamarin Group and the amount was recognised based on the purchase price allocation exercise. The goodwill amounted to RM103.5 million as at 31 December 2015, RMB5.7 million lower than the RMB109.2 million as at 31 December 2014 due to the depreciation of Euro which had an impact on the translation of the goodwill denominated in Euro to RMB.

The Deferred tax assets represented the timing differences between accounting and tax bases, and were derived from the Deltamarin Group.

Current liabilities

Short-term loan and current position of long-term loan represented that portion of the loans raised which were repayable within 12 months as at 31 December 2015, the details of which are set out in 1(b)(ii)(C)1, 2, 3, 5, 7&10. The shareholder's loans from AVIC Kairong (items 1, 2 &3) have been fully repaid as at 2 September 2015.

Trade payables comprised mainly (1) amounts due to suppliers (RMB1.9 million), and (2) amounts due to construction contract customers (RMB2 million). Trade payables amounted to RMB3.9 million as at 31 December 2015, RMB46 million lower than that as at 31 December 2014, mainly due to decrease of RMB42.2 million in trade payables to suppliers and decreased RMB3.8 million for amounts due to construction contract customers.

Advances received represented amounts received on behalf of shipyards for acquiring tools and equipment which amounted to RMB37.2 million as at 31 December 2015, compared to RMB38.7 million as at 31 December 2014. The decrease was mainly due to payments made to procure tools and equipment as the shipbuilding progressed.

Other payables and accruals consisted of withholding taxes payable, sales tax and surcharges payable, accrued operating and office expenses, and amount due to the Company's related parties which was non-trade in nature. The RMB24.9 million increased in other payables balance from RMB85.2 million as at 31 December 2014 to RMB110.1 million as at 31 December 2015, was mainly due to the increase in accrual cost of RMB44.5 million for vessels under construction at shipyards. However, these were partially offset by the repayment of amount due to former majority shareholder of RMB18.6 million.

Income tax payable increased by RMB11.4 million from RMB1.4 million as at 31 December 2014 to RMB12.8 million as at 31 December 2015, mainly due to a provision for tax expense of RMB8.2 million on the gain arising from the restructuring of china subsidiaries under common control within the group and provision for income tax expense of RMB3.2 million.

Non-current liabilities

Long-term portion of loan and shareholder's loan represented that portion of the loans raised that were repayable after 12 months as at 31 December 2015, the details of which are set out in 1(b)(ii)(C)4, 8&9. There were three new bank loans (8, 9&11) raised during the year, which resulted in the non-current term loan increasing from RMB228.2 million to RMB583.5 million.

Deferred tax liabilities represented the tax liabilities for the timing differences arising from the recognition of the intangible assets, deferred ship-design fee income and fair valuation of Deltamarin Group's assets. Other non-current liabilities represented the outstanding amount of Technology patent. The decrease was due to partial settlement of the outstanding amount in 4Q2015.

Capital reserve

The amount of capital reserve as at 31 December 2015, comprised a deemed contribution from the former majority shareholder as a result of initial recognition of shareholder's loan at fair value.

Merger reserve

The amount of merger reserve as at 31 December 2015 arose from the acquisition of a subsidiary under common control of the ultimate holding company by applying the merger accounting policy.

Consolidated Cash Flow Statements

Net cash outflow from operating activities in 4Q2015 was RMB104.3 million compared to net cash outflow of RMB74.9 million in the corresponding quarter last year. Cash outflow from operating activities during the quarter was attributed mainly to the increase in inventory and trade receivables, and decrease in trade payable, and partially offset by the decrease in other receivables and increase in advance received. For FY2015, cash outflow from operating activities amounted to RMB107.3 million compared to cash outflow of RMB151.5 million in FY2014.

Net cash outflow generated from investing activities was RMB0.1 million in this quarter which was mainly due to net cash received from the disposal of a subsidiary and partially offset by the payment for plant and equipment. For FY2015, cash outflow from investing activities amounted to RMB25.2 million compared to cash outflow of RMB16.0 million in FY2014.

Net cash inflow generate from financing activities was RMB181.6 million in 4Q2015, compared to net cash outflow of RMB0.4 million in 4Q2014 and this was mainly due to (1) new bank loans raised amounting to RMB90.3 million, and (2) decrease in pledged bank deposit amounting to RMB98.6 million. The cash outflow was partially offset by dividend paid RMB2.2 million and interest paid RMB4.7 million. In FY2015, net cash inflow generated from financing amounted to RMB244.4 million, compared to net cash outflow of RMB28.4 million in the previous year

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 made in the current financial year.

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.

Global shipping, shipbuilding and related businesses took a hard hit in 2015 amid the economic slowdown in many major economies, weak shipping demand, oversupply of vessels and depressed shipping rates. The impact was reflected in the plummeted Baltic Dry Index, which trended down since mid-2015 and dropped to an all-time-low in early 2016.

Shipbuilding and ship design segments contributed 87% of the Group's revenue in 2015, compared to 73% in 2014. This was due to a strong increase in shipbuilding revenue in a weak market supported by a few key projects completed, and the stable ship design performance built on Deltamarin's strong reputation and expertise.

During the year, the Group delivered a total of 2 vessels, including one 38000DWT bulk carrier and one 37000DWT Aspahalt Tanker. As of 31 December 2015, the Group had an overall outstanding order book of 53 vessels, which is expected to support the performance of the Group in the current weak market.

In FY2015, Deltamarin, the Group's ship design arm, secured new designing contracts amounting to EUR27 million. Key developments at Deltamarin Ltd included a joint development project to equip the dry bulk carriers of the future with LNG propulsion, a revolutionary Multigas Carrier Design, an Artic Tanker Design, a Compact Ferry Design "DeltaLinx", an Icebreaking Stand-by Vessel Design and a Future Container Feeder Design.

While EPC business and agency business revenue can be relatively small and volatile in nature, and the EPC segment was negatively impacted by the fallen oil prices, the Group has the expertise, infrastructure and network globally to grow these businesses to complement the core business.

Looking ahead, the shipbuilding market is expected to remain challenging in the foreseeable future. In China, the consolidation of the industry is still going on, and there has been a trend for new orders to favour yards of decent size and capabilities. The Group will seek to leverage on its expertise and continue to build up its shipbuilding order book. The need for environmental-protection will continue to support the demand for the design of high-tech, green vessels, and we expect Deltamarin to continue to ride the wave, grow its business network and contribute to the Group's financial performance with more of these relevant ship designs.

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 year ended 31 December 2015.

13 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)
	Note (B)	
<u>1 Oct 2015 to 31 Dec 2015</u>		
Transaction for Management fee income		
AVIC Dingheng Shipbuilding Co., Ltd	-	350
Transaction for Service fee income		
AVIC Weihai Shipyard Co., Ltd	-	4,525
AVIC Dingheng Shipbuilding Co., Ltd	-	17,152
Transaction for Shipbuilding contract cost		
AVIC Weihai Shipyard Co., Ltd	-	57,769
Transaction for Shipbuilding contract income		
CATIC Beijing Co., Ltd	-	77,006
Transaction for Ship-designing fee income		
AVIC Weihai Shipyard Co., Ltd		4,159
Transaction for Property management fees		
AVIC Property Management Co., Ltd.		894
Transaction for Corporate guarantee fee		
AVIC International Holding Limited		200
Transaction for Rental expense		
AVIC International Kairong Limited		505

1 Jan 2015 to 31 Dec 2015

Transaction for Interest expenses

AVIC International Kairong Limited (Note C) - 770

Transaction for Management fee income

AVIC Dingheng Shipbuilding Co., Ltd - 1,850
AVIC Zhenjiang Shipyard Marine Pte Ltd 226

Transaction for Service fee income

AVIC Weihai Shipyard Co., Ltd - 16,593
AVIC Dingheng Shipbuilding Co., Ltd - 29,766

Transaction for Shipbuilding contract cost

AVIC Weihai Shipyard Co., Ltd - 220,101

Transaction for Shipbuilding contract income

CATIC Beijing Co., Ltd - 285,201

Transaction for Ship-designing fee income

AVIC Weihai Shipyard Co., Ltd 4,159

Transaction for property management fees

AVIC Property Management Co., Ltd. 894

Transaction for Corporate guarantee fee

AVIC International Holding Limited 200

1 Oct 2014 to 31 Dec 2014

Transaction for Interest expenses

AVIC International Kairong Limited (Note C) 309

Transaction for Management fee income

AVIC Dingheng Shipbuilding Co., Ltd 750
AVIC Zhenjiang Shipyard Marine Pte Ltd 224
AVIC Weihai Shipyard Co., Ltd 1,221

Transaction for Service fee income

Taizhou CATIC Shipbuilding Heavy Industry Limited 2,743
AVIC Dingheng Shipbuilding Co., Ltd - 2,896
AVIC Weihai Shipyard Co., Ltd 1,606

Transaction for Sub- contract cost

AVIC Weihai Shipyard Co., Ltd - 79,071

Transaction for Shipbuilding contract income

CATIC Beijing Co., Ltd 104,783

1 Jan 2014 to 31 Dec 2014

Transaction for Interest expenses

AVIC International Kairong Limited (Note C) - 1,229

Transaction for Management fee income

AVIC Dingheng Shipbuilding Co., Ltd - 7,080

AVIC Zhenjiang Shipyard Marine Pte Ltd	-	723
AVIC Weihai Shipyard Co., Ltd		5,339
Transaction for Service fee income		
AVIC International Beijing Co., Ltd	930	
AVIC Dingheng Shipbuilding Co., Ltd	-	8,962
Taizhou CATIC Shipbuilding Heavy Industry Limited	-	5,644
AVIC Weihai Shipyard Co., Ltd	-	3,991
Transaction for Sub-contract cost		
AVIC Weihai Shipyard Co., Ltd		80,764
Transaction for Shipbuilding contract income		
CATIC Beijing Co., Ltd		107,027
Transaction for Steel selling income		
AVIC Dingheng Shipbuilding Co., Ltd		44,418
Transaction for Ship-designing fee income		
AVIC International Kairong Limited	-	2,077
Transaction for Corporate guarantee fee		
AVIC International Holding Ltd		641
AVIC International Holding Corporation		595

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) The details of the interest expenses to AVIC Kairong are disclosed in 1(b)(ii)(C)1,2 & 3 of the announcement.

14 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.

FY2015

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

	<u>Shipbuilding project management service</u> (RMB'000)	<u>Shipbuilding construction service</u> (RMB'000)	<u>Marketing and consulting service</u> (RMB'000)	<u>Ship-design service</u> (RMB'000)	<u>EPC service</u> (RMB'000)	<u>Total</u> (RMB'000)
Revenue						
Related companies	46,359	285,201	2,076	4,159	-	337,795
External	<u>18,562</u>	<u>-</u>	<u>2,206</u>	<u>225,795</u>	<u>7,024</u>	<u>253,587</u>
	<u>64,921</u>	<u>285,201</u>	<u>4,282</u>	<u>229,954</u>	<u>7,024</u>	<u>591,382</u>
<u>Result</u>						
Segment result	30,933	35,068	2,040	(2,676)	(5,761)	59,604
Unallocated other operating income						12,811
Unallocated other corporate expenses						(48,272)
Unallocated finance cost						<u>(15,252)</u>
Profit before income tax						8,891
Income tax expenses						<u>(17,382)</u>
Profit for the year						<u>(8,491)</u>

FY2014**Information regarding the Group's reportable segments is presented as follows:**

	<u>Shipbuilding project management service</u> (RMB'000)	<u>Shipbuilding construction service</u> (RMB'000)	<u>Marketing and consulting service</u> (RMB'000)	<u>Ship-design service</u> (RMB'000)	<u>EPC service</u> (RMB'000)	<u>Other Income</u> (RMB'000)	<u>Total</u> (RMB'000)
Revenue							
Related companies	19,527	107,027	13,140	2,077	-	147	141,918
External	5,463	(16,174)	4,735	240,769	78,159	188	313,140
	<u>24,990</u>	<u>90,853</u>	<u>17,875</u>	<u>242,846</u>	<u>78,159</u>	<u>335</u>	<u>455,058</u>
<u>Result</u>							
Segment result	10,249	3,992	7,331	29,508	(11,640)	335	39,775
Unallocated other operating income							22,479
Unallocated other corporate expenses							(22,393)
Unallocated finance cost							(15,647)
Profit before income tax							<u>24,214</u>
Income tax expenses							(7,018)
Profit for the year							<u><u>17,196</u></u>

Geographical information

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

	FY2015 (RMB'000)	FY2014 (RMB'000)
Asia	441,154	288,964
Middle East	50,645	(16,174)
Europe	83,293	152,113
Australia	-	1,338
America	16,134	28,343
Africa	156	474
	<u>591,382</u>	<u>455,058</u>

Information about major customers

	FY2015				
	<u>Shipbuilding project management service</u>	<u>Shipbuilding construction service</u>	<u>Marketing and consulting service</u>	<u>Ship-design service</u>	<u>EPC service</u>
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Customer 1	29,766	-	1,850	-	-
Customer 2	16,593	-	-	-	-
Customer 3	-	285,201	-	-	-
Customer 4	-	-	-	50,038	-
Customer 5	-	-	-	15,908	-
Customer 6	-	-	-	15,363	-
Customer 7	-	-	-	15,159	-
	<u>46,359</u>	<u>285,201</u>	<u>1,850</u>	<u>96,468</u>	<u>-</u>

	FY2014				
	<u>Shipbuilding project management service</u>	<u>Shipbuilding construction service</u>	<u>Marketing and consulting service</u>	<u>Ship-design service</u>	<u>EPC service</u>
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Customer 1	6,424	-	5,520	-	-
Customer 2	8,962	-	7,080	-	-
Customer 3	-	107,027	-	-	-
Customer 4	-	-	-	37,286	-
Customer 5	-	-	-	22,152	-
Customer 6	-	-	-	15,457	-
Customer 7	-	-	-	-	58,479
	<u>15,386</u>	<u>107,027</u>	<u>12,600</u>	<u>74,895</u>	<u>58,479</u>

15 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.

16 A breakdown of sales as follows

	FY2015 (RMB'000)	FY2014 (RMB'000)	Change %
a) Sales reported for the first half	287,016	149,275	92
b) Operating profit/(loss) after tax before deducting minority interest reported for first half	(5,234)	1,528	N/M
c) Sales report for second half	304,366	305,783	(1)
d) Operating profit/(loss) after tax before deducting minority interest reported for second half	(3,256)	15,668	N/M

17 Confirmation of undertakings from Directors and Executive Officers pursuant to Rule 720 (1).

Pursuant to Rule 720 (1) of Listing Manual, the company confirms that it has procured the undertakings from all its directors and Executive Officers in the format as set out in Appendix 7.7.

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 Listing Manual, the Board of Director 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 Company, for the financial year ended 31 December 2015.

19 Update on utilisation of Placement Proceeds

Based on the Placement Price of SGD0.285 and the 53,576,000 Placement Shares subscribed for, the net proceeds raised from the Placement are approximately SGD10.6 million (after deducting listing expenses approximately SGD4.7 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 SGD8.0 million to partly finance acquisition; and
- (ii) The balance of approximately SGD2.6 million for our working capital purposes and any future acquisitions, joint ventures and strategic alliances.

As at 31 December 2015, the Group had revised the use of compliance proceeds amount approximately SGD10.6 million into general working capital purpose and any future acquisitions, joint ventures and strategic alliances as set out on the Company's 21 November 2014 announcement on Change Of Use Of Compliance Placement Proceeds.

On Behalf of the Board of Directors

Dr Diao Weicheng
Executive Chairman
26 February 2016