



## **AVIC International Maritime Holdings Limited**

(Formerly known as AVIC International Investments Limited)  
(Registration Number: 201024137N)

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### **PRESS RELEASE**

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## **AVIC Maritime's FY2013 gross profit surges 320.7% to RMB198.3 million**

- *Revenue jumps 330.7% to RMB601.3 million, boosted by growth from all business segments and ship-design contribution from Deltamarin*
- *Wider revenue streams and geographical spread*

**SINGAPORE – 28 February 2014** – Mainboard-listed marine and offshore company **AVIC International Maritime Holdings Limited** (“AVIC Maritime”, and together with its subsidiaries, the “Group”) (中航国际船舶控股有限公司), a member of the Aviation Industry Corporation of China (“AVIC”) (中国航空工业集团公司) group of companies (the “AVIC Group”), posted a stellar 330.7% year-on-year (“y-o-y”) jump in revenue to RMB601.3 million for the financial year ended 31 December 2013 (“FY2013”). Gross profit was RMB198.3 million, a 320.7% jump from the preceding financial year (“FY2012”).

The boost in revenue was achieved on the back of growth in all business segments and a wider revenue streams including contribution from Deltamarin Oy (“Deltamarin”), a Finnish design and engineering company which the Group acquired a 79.57% stake in January 2013.

The year in review marked the Group’s foray into ship-design, following the acquisition of Deltamarin. This segment was the biggest revenue contributor, attributing approximately 48.0% to total revenue at RMB288.3 million.

Another major contributor to the Group’s revenue was the shipbuilding segment, which accounted for 39.1% of total revenue and registered a 132.4% year-on-year growth

to RMB235.2 million. The growth was mainly due to the construction of five vessels, comprising three units of ASD tugboats, one unit of diver boat and one unit of bunkering tanker.

FY2013 also saw AVIC Maritime diversifying its geographical reach from Asia and the Middle East to Europe, Australia and America, strengthening the Group's position as an integrated one-stop maritime solutions provider to international customers. Of the major business segments, shipbuilding revenue was derived mainly from the Middle East, while ship-design revenue originated from various regions, Asia and Europe, as well as from America, Africa and Australia.

Commenting on the Group's performance, AVIC Maritime Executive Chairman Dr Diao Weicheng (刁伟程) said, "2013 was a distinctive year for AVIC Maritime. Besides focusing on our existing business, we also completed the acquisition of Deltamarin, which expanded our revenue streams and further established ourselves as a significant player in the global marine industry. The acquisition allowed us to gain a foothold in the ship-design arena, thereby strengthening our capabilities along the entire marine business value chain, including shipbuilding and ship-design."

On the back of strong revenue growth which more than offset the increased administrative expenses such as employee benefits and office-related expenses due to expanded operations and expenses related to the acquisition of Deltamarin, profit before finance cost and taxation achieved in FY2013 was RMB34.52 million, an increase of 111.9% as compared to RMB16.29 million recorded in FY2012.

During the year in review, the Group incurred higher finance cost, operating expenses and income tax expenses from the Group's China subsidiaries and Deltamarin. The Group's bottom-line was further impacted by the unrealised foreign exchange losses of RMB16.14 million incurred from its long-term Euro denominated loan, due to the appreciation of Euro against the Singapore dollar. As a result, net profit declined 23.7% y-o-y from RMB7.80 million in FY2012 to RMB5.95 million in FY2013.

### **Healthy financial position**

The Group's financial position remained strong. As at 31 December 2013, the Group's total assets stood at RMB800.6 million compared to RMB587.4 million as at 31 December 2012. This was backed by strong cash and cash equivalents of RMB405.8 million. Net asset value per share based on issued share capital of 285,576,000 shares stood at 84.92 RMB cents as at 31 December 2013 compared to 56.42 RMB cents as at 31 December 2012.

### **Business Outlook & Strategies**

On the Group's growth strategy, Executive Chairman Dr Diao said, "We are hopeful that the global marine industry will soon make a comeback after being in the doldrums in the past few years, which is why we have been building up our capabilities amidst the downturn so as to seize opportunities when the industry emerges again. The Group is particularly optimistic about the demand prospects for environmentally-friendly and fuel-efficient vessels. We are seeing heightened interest for such vessels and its related services, and we are confident that the timely acquisition of Deltamarin, which has an unrivalled number of proven innovations in the sustainability arena, will put us in good stead."

"AVIC Maritime continues to enjoy strong support from the AVIC Group, an international Fortune 500 company, as well as the domestic financial institutions," Dr Diao added.

### **Business Update**

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.

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***About AVIC International Maritime Holdings Limited***

*Listed on the SGX-ST Mainboard in September 2011, AVIC International Maritime Holdings Limited (中航国际船舶控股有限公司), also known as AVIC Maritime, is an active player in the marine and offshore industry.*

*We strive to provide innovative and integrated solutions along the entire marine business value chain. Our wide range of services includes shipbuilding project management and consultancy, design and engineering, shipbuilding as well as ship-trading.*

*AVIC Maritime's track record in shipbuilding management and consultancy services dates back to 1994. Our ship design arm, Deltamarin, has been a forerunner in naval architecture and engineering. With a track record that dates back to 1984, Deltamarin is an experienced developer of profitable, sustainable and cost-efficient vessels. Our major shareholder, AVIC International Holding Corporation, has extensive shipbuilding and ship-trading capabilities, given its decades of experience in the industry.*

*Together with our subsidiaries, AVIC Maritime is a member of the Aviation Industry Corporation of China (中国航空工业集团公司) group of companies (the "AVIC Group"), one of the largest industrial groups authorised and managed by the PRC Central Government. The AVIC Group was ranked 212 amongst international Fortune 500 companies in 2013. As part of the state-owned AVIC Group, we enjoy strong support from the PRC Central Government, including PRC domestic financial institutions.*

*Led by an experienced and driven management team with in-depth industry knowledge, coupled with our ability to leverage on the AVIC Group's excellent business relationships, strong fundamentals and global business network, AVIC Maritime is well-positioned to become a key player in the global marine and offshore industry.*