



# YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

(Incorporated in the Republic of Singapore on 21 December 2005)

## UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group				The Group			
	3rd Quarter				January - September			
	3Q 2009	% of	3Q 2008	+ / (-) %	9M 2009	% of	9M 2008	+ / (-) %
	RMB'000	revenue	RMB'000	Variance	RMB'000	Revenue	RMB'000	Variance
Revenue	2,591,408	100%	2,023,895	28%	7,180,232	100%	5,490,608	31%
Cost of sales	(2,068,130)	-80%	(1,558,252)	33%	(5,622,655)	-78%	(4,365,704)	29%
Gross profit	523,278	20%	465,643	12%	1,557,577	22%	1,124,904	38%
Other income	87,972	3%	50,311	75%	179,944	3%	110,419	63%
Other gains/(losses), net	35,509	1%	30,825	15%	240,015	3%	201,084	19%
Expenses								
- Administrative	(45,810)	-2%	(41,911)	9%	(142,850)	-2%	(122,389)	17%
- Finance	(5,381)	-0.2%	(8,147)	-34%	(10,460)	-0.1%	(11,577)	-10%
Share of results of associated companies #	(2,695)	-0.1%	(2,039)		(4,032)	-0.06%	(2,866)	
Profit before income tax	592,873	23%	494,682	20%	1,820,194	25%	1,299,575	40%
Income tax expense	(38,646)	-1%	(19,423)	99%	(175,328)	-2%	(70,429)	149%
<b>Net profit</b>	<b>554,227</b>	<b>21%</b>	<b>475,259</b>	<b>17%</b>	<b>1,644,866</b>	<b>23%</b>	<b>1,229,146</b>	<b>34%</b>
<b>Attributable to:</b>								
Owners of the parent	554,227		475,260	17%	1,644,866		1,184,685	39%
Minority interest	-		(1)	n.m.	-		44,461	n.m.
	<b>554,227</b>	<b>21%</b>	<b>475,259</b>	<b>17%</b>	<b>1,644,866</b>	<b>23%</b>	<b>1,229,146</b>	<b>34%</b>

# Share of results of associated companies is after tax and minority interest  
n.m. denotes not meaningful

**1(a)(ii) Profit after taxation is arrived at:**

	The Group		
	3rd Quarter		+ / (-) %
	3Q 2009	3Q 2008	Variance
	RMB'000	RMB'000	%
<b>After charging:</b>			
Depreciation and amortization	34,411	22,430	53%
Finance costs - Interest on borrowings	5,381	8,147	-34%
Loss on disposal of property, plant and equipment	-	177	n.m.
<b>After crediting:</b>			
Interest income	87,972	50,211	75%
Foreign exchange related gains/(losses), net	7,887	16,688	-53%
Fair value gain on financial assets, at fair value through profit or loss	2,345	-	n.m.
Gain on disposal of financial assets, available-for-sale	-	6,631	-100%
Gain on disposal of scrap raw materials	25,276	8,844	n.m.

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

	<b><u>The Group</u></b>		<b><u>The Company</u></b>	
	As at 30 Sep 2009 RMB'000	As at 31 Dec 2008 RMB'000	As at 30 Sep 2009 RMB'000	As at 31 Dec 2008 RMB'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5,720,089	3,060,384	38,206	4,073
Restricted cash	3,040,625	2,619,030	-	-
Financial assets, at fair value through profit or loss	222	1,213,592	-	-
Derivative financial instruments	64,486	128,355	2,688	60,657
Financial assets, available-for-sale	9,300	9,300	-	-
Financial assets, held-to-maturity	1,282,589	1,782,049	-	-
Trade receivables	726,160	600,029	-	-
Other receivables, prepayments and other current assets	4,613,747	4,784,757	575,663	935,931
Inventories	924,985	1,474,367	-	-
Due from customers for contract works	336,214	130,002	-	-
	<b>16,718,417</b>	<b>15,801,865</b>	<b>616,557</b>	<b>1,000,661</b>
<b>Non-current assets</b>				
Derivative financial instruments	-	5,351	-	5,351
Property, plant and equipment	1,952,934	1,961,583	-	-
Lease prepayments	384,374	390,363	-	-
Intangible assets	377	411	-	-
Investment in associated companies	50,070	14,102	-	-
Investment in subsidiaries	-	-	4,526,196	4,526,196
Financial assets, held-to-maturity	900,000	-	-	-
Deferred income tax assets	29,672	46,310	-	-
	<b>3,317,427</b>	<b>2,418,120</b>	<b>4,526,196</b>	<b>4,531,547</b>
<b>Total assets</b>	<b>20,035,844</b>	<b>18,219,985</b>	<b>5,142,753</b>	<b>5,532,208</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and bills payable	1,388,081	685,946	-	-
Accrual, other payables and other current liabilities	448,142	348,441	46,909	36,326
Current income tax liabilities	45,144	61,477	4,802	4,802
Derivative financial instruments	149,935	59,261	2,688	56,573
Due to customers for contraction contracts	10,703,680	11,726,053	-	-
Advances received on construction contracts	609,785	397,310	-	-
Borrowings	920,429	489,983	-	-
	<b>14,265,196</b>	<b>13,768,471</b>	<b>54,399</b>	<b>97,701</b>
<b>Non-current liabilities</b>				
Derivative financial instruments	10,275	123,114	-	5,351
Deferred income tax liabilities	98,306	12,962	-	11,881
	<b>108,581</b>	<b>136,076</b>	<b>-</b>	<b>17,232</b>
<b>Total liabilities</b>	<b>14,373,777</b>	<b>13,904,547</b>	<b>54,399</b>	<b>114,933</b>
<b>NET ASSETS</b>	<b>5,662,067</b>	<b>4,315,438</b>	<b>5,088,354</b>	<b>5,417,275</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	4,980,010	4,980,010	4,944,793	4,944,793
Treasury shares	(610)	(610)	(610)	(610)
Other reserves	(2,421,061)	(2,624,355)	(40,192)	(40,192)
Retained earnings	3,103,728	1,960,393	184,363	513,284
<b>Total equity</b>	<b>5,662,067</b>	<b>4,315,438</b>	<b>5,088,354</b>	<b>5,417,275</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at</b>		<b>As at</b>	
<b>30 September 2009</b>		<b>31 December 2008</b>	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
920,429	-	489,983	-

**Amount repayable after one year**

None.

**Details of any collateral**

The short-term borrowings from the bank are secured by the same amount of restricted cash in designated bank accounts under the name of the Group as collateral deposits.

**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.**

	<b>The Group</b>	
	3rd Quarter	
	<b>3Q 2009</b>	<b>3Q 2008</b>
	RMB '000	RMB '000
<b>Cash flows from operating activities</b>		
Total profit	554,227	475,259
Adjustments for:		
- Income tax expenses	38,646	19,423
- Depreciation on property, plant and equipment	32,380	21,397
- Amortisation of land use rights	1,996	995
- Loss/(gain) on disposal of property, plant and equipment	-	177
- Amortisation of intangible assets	35	38
- Fair value gain on financial assets, at fair value through profit or loss	(2,345)	-
- Gain on disposal of financial assets, available-for-sale	-	(6,631)
- Interest expenses	5,381	8,147
- Interest income	(87,972)	(50,211)
- Fair value change on derivative financial instruments through profit or loss	11,288	-
- Share of loss of associated companies	2,695	2,039
	<b>556,331</b>	<b>470,633</b>
Change in working capital, net of effects from acquisition and disposal of subsidiaries		
- Inventories	(121,314)	(147,553)
- Due from and due to customers for construction contracts	(387,382)	85,640
- Advances received on construction contracts	332,297	-
- Trade receivables, net	(143,978)	(38,651)
- Other receivables, prepayments and other current assets	(25)	(71,824)
- Trade and bills payables	292,893	87,177
- Accruals, other payables and other current liabilities	(177,437)	238,794
- Restricted cash	184,816	1,785,735
Cash generated from operations	<b>536,201</b>	<b>2,409,951</b>
Interest paid	(5,383)	(8,147)
Income tax paid	(35,524)	(23,999)
<b>Net cash provided by operating activities</b>	<b>495,294</b>	<b>2,377,805</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of financial assets, at fair value through profit or loss	2,345	-
Proceeds from sales of financial assets, available-for-sale	-	56,631
Proceeds from redemption of financial assets, held-to-maturity upon maturity	628,804	20,000
Interest received	85,383	50,211
Loans repayments received from third parties	-	370,000
Purchase of property, plant and equipment	(19,051)	(89,429)
Acquisition of financial assets, held-to-maturity	(1,200,000)	(2,750,000)
Acquisition of financial assets, at fair value through profit or loss	(222)	-
Acquisition of equity interest in existing subsidiaries from minority shareholder	-	(464,816)
Incorporation of an associated company	(40,000)	-
<b>Net cash used in investing activities</b>	<b>(542,741)</b>	<b>(2,807,403)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	204,945	93,551
Repayments of borrowings	(240,756)	-
Purchase of treasury shares	-	(289,300)
<b>Net cash (used in)/provided by financing activities</b>	<b>(35,811)</b>	<b>(195,749)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(83,258)</b>	<b>(625,347)</b>
Cash and cash equivalents at the beginning of financial year	5,803,347	3,360,887
<b>Cash and cash equivalents at the end of financial year</b>	<b>5,720,089</b>	<b>2,735,540</b>

**1(d)(i)(a) STATEMENTS OF COMPREHENSIVE INCOME for the Third Quarter ended 30 September 2009**

	GROUP			GROUP		
	3Q 2009 RMB'000	3Q 2008 RMB'000	+ / (-) % variance	9M 2009 RMB'000	9M 2008 RMB'000	+ / (-) % variance
<b>Net profit</b>	<b>554,227</b>	<b>475,259</b>	<b>17%</b>	<b>1,644,866</b>	<b>1,229,146</b>	<b>23%</b>
<b>Other comprehensive income:</b>						
Financial assets, available-for-sale						
- Fair value changes	-	(3,256)		(175)	(1,415)	
Cash flow hedges						
- Fair value gains/(loss)	7,667	(74,941)		17,482	133,087	
- Transfers	(1,993)	(23,690)		(4,700)	(54,247)	
<b>Total Comprehensive Income</b>	<b>559,901</b>	<b>373,372</b>		<b>1,657,473</b>	<b>1,306,571</b>	
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	559,901	373,697	50%	1,657,473	1,262,250	31%
Minority interest	-	(325)	n.a.	-	44,321	n.a.
	<b>559,901</b>	<b>373,372</b>		<b>1,657,473</b>	<b>1,306,571</b>	

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

**THE GROUP**

	Attributable to equity holders of the Group					Minority interest	Total equity
	Share capital RMB'000	Treasury Shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	RMB'000	RMB'000
Balance at 1 July 2009	4,980,010	(610)	(2,489,683)	2,612,449	5,102,166	-	5,102,166
Profit appropriation <sup>(1)</sup>	-	-	62,948	(62,948)	-	-	-
Total comprehensive income for 3rd quarter FY2009	-	-	5,674	554,227	559,901	-	559,901
Balance at 30 September 2009	4,980,010	(610)	(2,421,061)	3,103,728	5,662,067	-	5,662,067
Balance at 1 July 2008	3,337,159	(74,731)	(2,222,617)	1,224,135	2,263,946	1,608	2,265,554
Repurchase of shares and held as treasury shares	-	(289,300)	-	-	(289,300)	-	(289,300)
Share to be issued	1,528,815	-	-	-	1,528,815	-	1,528,815
Profit appropriation <sup>(1)</sup>	-	-	50,992	(50,992)	-	-	-
Total comprehensive income for 3rd quarter FY2008	-	-	(101,563)	475,260	373,697	(325)	373,372
Balance at 30 September 2008	4,865,974	(364,031)	(2,273,188)	1,648,403	3,877,158	1,283	3,878,441

## THE COMPANY

	Attributable to equity holders of the Company				Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	
Balance at 1 July 2009	4,944,793	(610)	(40,192)	206,208	5,110,199
Total comprehensive income for 3rd quarter FY2009	-	-	-	(21,845)	(21,845)
Balance at 30 September 2009	4,944,793	(610)	(40,192)	184,363	5,088,354
Balance at 1 July 2008	3,301,942	(74,731)	-	239,520	3,466,731
Repurchase of shares and held as treasury shares	-	(289,300)	-	-	(289,300)
Share to be issued	1,528,815	-	-	-	1,528,815
Total comprehensive income for 3rd quarter FY2008	-	-	-	(8,957)	(8,957)
Balance at 30 September 2008	4,830,757	(364,031)	-	230,563	4,697,289

- (1) This represents amounts set aside for reserve fund and enterprise expansion fund in compliance with local laws in the PRC where subsidiaries of the Group operate. The reserve fund can only be used, upon approval by the relevant authority, to offset prior year's losses or to increase capital while the enterprise expansion fund can only be used to increase capital upon approval by the relevant authority.

- 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 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 other changes in company's share capital since 30 June 2009.

	Number of Shares('000)	
	As at 30 September 09	As at 30 September 08
Shares maybe issued on conversion	-	-
Shares held as treasury shares	239	110,277
Issued shares excluding treasury shares	3,653,283	3,190,620

- 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.**

	Number of Shares ('000)	
	As at 30 September 09	As at 30 September 08
Issued shares at the end of periods	3,653,522	3,300,897
Treasury shares at the end of periods	(239)	(110,277)
Net issued shares at the end of periods	3,653,283	3,190,620

**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.**

Total number of treasury shares	Number of Shares ('000)	RMB '000
Balance as at 1 July 2009	239	610
Repurchased during 3QFY2009	-	-
Treasury shares re-issued	-	-
Balance as at 30 September 2009	<u>239</u>	<u>610</u>

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

The figures 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 audited or reviewed.

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

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements, except for those as disclosed under paragraph 5.

**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.**

On 1 January 2009, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in this financial year. They are:

FRS 1R – presentation of financial statements

FRS 1R requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in a separate Statement of comprehensive income.

The 'Balance sheets and Cash flow statements' have been re-titled to 'Statement of financial position' and 'statements of cash flows' respectively.

Comparatives for 2008 have been restated to conform to the requirements of the revised standard.

**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:-**



	The Group	
	3Q FY 2009	3Q FY 2008
(a) Based on weighted average number of ordinary shares in issue (RMB cents)	15.17	14.46
Weighted average number of Ordinary shares	3,653,283,000	3,286,974,827
(b) On fully diluted basis (RMB cents)	15.17	13.06

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 financial period reported on; and (b) immediately preceding financial year.**

	The Group		The Company	
	30/09/09	31/12/08	30/09/09	31/12/08
Net asset value per ordinary share based on issued share capital excluding treasury shares (RMB cents)	154.99	118.12	139.28	148.29

The Group's and the company's net assets value per ordinary share as at 30 September 2009 and 31 December 2008 have been computed based on the share capital of 3,653,283,000 shares.

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.**

#### Income statement review

Revenue increased by 28% or RMB567 million, to RMB2,591 million for the quarter ended 30 September, 2009, compared with RMB2,024 million for the same quarter last year. The increase was primarily due to increasing productivity from our new yard and the construction of larger vessels. In 3Q 2009, 7 vessels were delivered according to schedule, same as number of vessels delivered in 3Q 2008. We started to recognize revenue from building of 13 new vessels in 3Q 2009, an increase from the 8 new vessels under construction for the comparable quarter of prior year.

Type of Vessel	Revenue	
	3Q 2009 RMB'000	3Q 2008 RMB'000
<u>Containerships</u>		
2500TEU	241,307	754,619
1350TEU	109,529	271,238
4250TEU	940,308	695,608
	1,291,144	1,721,465
<u>Multi purpose cargo</u>		
13000DWT	135,487	43,445
7600DWT	-	159,411
92500DWT	1,163,996	99,574
	1,299,483	302,430
Total *	2,590,627	2,023,895

\* Note: Revenue from other businesses was not included.

#### Operating cost

The major components of operating cost include raw material, such as steel and main engine, processing fees, consumables used, and other fees and projected related costs. Corresponding to the higher revenue, our cost of sales of RMB2,068 million for 3Q 2009 was higher than the RMB1,558 million recorded in 3Q 2008.

#### Gross Profit

Gross profit increased by 12.4%, or RMB57.7 million, to RMB523.3 million for 3Q2009 from RMB465.6 million for the comparable quarter prior year. The increase for 3Q2009 was due primarily to increase in construction activities of the Group.

Gross profit margin decreased to 20.2% from 23% for the comparable quarter prior year. The decrease was primarily due to sale of high margin vessels in the comparable quarter prior year, and increased operating cost of the reported quarter associated with providing docking facilities and managing higher expectation from our customers.

#### Other income and gains

Other income comprises mainly interest income, increased by RMB37.7 million to RMB88.0 million in 3Q 2009 from RMB50.3 million in 3Q 2008. The increase was a result of higher average cash balance in 3Q 2009 as compared to the same quarter in last year. Other gains, which comprise mainly of gain on disposal of scrap raw materials, and gains derived from foreign exchange related gains, recorded an increase due mainly to availability of more scrap raw material from increased production activities.

#### Expenses

Administrative expenses increased by 9.3 %, or RMB 3.9 million, to RMB45.8 million for 3Q 2009, from RMB 41.9 million for the comparable quarter last year, due to an increase in overheads to support growth.

Finance expense decreased by 33.3%, or RMB2.7 million, to RMB5.4 million for 3Q 2009, from RMB8.1 million for the comparable period last year. Although the average short term borrowing outstanding was higher for the quarter ended 30 September 2009 compared to the same quarter in the prior year, interest expense decreased due to a decrease in the interest rates.

#### Corporate Income Tax

Our effective tax rate for 3Q 2009 was 6.5%, a significant increase from 3.9% in 3Q 2008 due mainly to the full provision of 5% withholding tax over our Chinese subsidiaries' earning in 3Q 2009 according to the New Corporate Income Tax Law ("CIT") and deferred tax assets related to warranty.

### **Statements of financial position Review**

#### Assets

Inventories including raw materials such as steel, spare parts & other shipbuilding material increased from RMB804 million as at 30 June 2009 to RMB925 million as at 30 September 2009. The increase is in line with more production activities scheduled for the coming months.

Financial assets of RMB2,192 million represent plain vanilla financial product investments made in various bank products, which include RMB900 million for tenor for more than 12 months, and RMB1,292 million for tenor less than 12 months.

#### Liabilities

Trade and bills payable increased from RMB1,095 million as at 30 June 2009 to RMB1,388 million as at 30 September 2009 as a result of increased acceptance payable (RMB664 million) to enhance interest income from shorter cash flow cycle. Higher short term borrowings were the result of increased borrowings in USD, to allow us to enjoy the interest rate differential between USD borrowing and RMB deposit rates in China.

#### Equity

The change of "Total equity attributable to equity holders" to RMB5,662 million as at 30 September 2009 from RMB5,102 million as at 30 June 2009 was mainly a result of profits earned during the reporting period.

## Statements of cash flows review

RMB495 million was generated from operating activities in 3Q 2009, due mainly to the profit contributed from our core business.

The major outflow from investing activities was due primarily to the net increase of amount invested in financial asset, held to maturity by the Group during the reporting period.

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

Not applicable.

**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.**

The Group delivered 7 vessels in 3Q 2009. Another 6 vessels were delivered between 1 October 2009 and the date of this announcement which brings the total number of vessels delivered in 2009 to 30 vessels. The Group expects to achieve on time deliveries for the remaining 10 vessels in 2009 as most of these vessels are in the final stages of construction. The Group expects to deliver 46 vessels in 2010. As at the announcement date, there had been no cancellation of order from any customer.

Up till the date of this announcement, the Group managed to secure shipbuilding contracts to build six (6) 92500 DWT Multi-purpose Bulkers and two (2) 19000DWT Multi-purpose Bulkers with an aggregate value of USD 300 million with deliveries going up to 2012. The above new orders include the purchase of two vessels constructed by ourselves, which was announced in paragraph 10 of Unaudited Financial Statement and Dividend Announcement for the 2nd Quarter ended 30 June 2009. With these new contracts, Group's total order book stood at 134 vessels with a total value of USD5.8 billion as at the announcement date.

The Group has entered into an agreement with several strategic partners to set up scrap steel processing business and will use it as a platform to enter into environmental-friendly ship breaking business. The management is hopeful that this new company would eventually be an important business segment to complement our shipbuilding business. Currently, the procedures for approval are in progress, and the Group is evaluating the necessary infrastructure framework. The Group expects to start business activities in first half of 2010. A separate announcement will be made for this business initiative.

Moving forward, the Group will continue to monitor our customers' financial well being. With our strong cash holdings and sizable order book, the Board remains confident of delivering continued growth and profitability for year 2009.

**11. Dividend**

**(a) Current Financial Period Reported On**

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

None

**(c) Whether the dividend is before tax, net of tax or tax exempt**

Not applicable.

**(d) Date payable**

Not applicable.

**(e) Books closure date**

Not applicable.

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

No dividend has been declared for the period under review.

**13. Interested Person Transactions**

None

**14. CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Ren Yuanlin and Yu Keping, being two of the Directors of Yangzijiang Shipbuilding (Holdings) Ltd. (the "Company"), do hereby confirm on behalf of the Board of Directors of the company (the "Board") that, to the best of their knowledge, nothing has come to the attention of the Board which may render the financial statements for the period ended 30 September 2009 to be false or misleading, in all material respects.

On behalf of the Board of Directors

Ren Yuanlin  
Executive Chairman

Yu Keping  
Non-Executive Director