



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 FINANCIAL YEAR ENDED 31 DECEMBER 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.

	<u>The Group</u>				<u>The Group</u>			
	<u>4th Quarter</u>				<u>Full year</u>			
	4Q 2009	% of	4Q 2008	+ / (-) %	2009	% of	2008	+ / (-) %
	RMB'000	Revenue	RMB'000	Variance	RMB'000	Revenue	RMB'000	Variance
Revenue	3,443,410	100%	1,868,488	84%	10,623,642	100%	7,359,096	44%
Cost of sales	(2,766,315)	-80%	(1,630,380)	70%	(8,388,970)	-79%	(5,996,084)	40%
Gross profit	677,095	20%	238,108	184%	2,234,672	21%	1,363,012	64%
Other income	180,583	5%	122,012	48%	360,527	3%	232,431	55%
Other gains/(losses), net	(61,307)	-2%	73,155	-184%	178,708	2%	274,239	-35%
Expenses								
- Administrative	(69,689)	-2%	(38,032)	83%	(212,539)	-2%	(160,421)	32%
- Finance	1,999	0.1%	4,934	-59%	(8,461)	-0.1%	(6,643)	27%
Share of results of associated companies #	675	0.0%	112	502%	(3,357)	-0.03%	(2,754)	22%
Profit before income tax	729,356	21%	400,289	82%	2,549,550	24%	1,699,864	50%
Income tax expense	(84,271)	-2%	(5,220)	1514%	(259,599)	-2%	(75,649)	243%
Net profit	645,085	19%	395,069	63%	2,289,951	22%	1,624,215	41%
Attributable to:								
Owners of the parent	645,085		395,075		2,289,951		1,579,760	45%
Minority interest	-		(6)		-		44,455	n.m.
	645,085	19%	395,069	63%	2,289,951	22%	1,624,215	41%

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		+ / (-) % Variance %
	FY 2009 RMB'000	FY 2008 RMB'000	
After charging:			
Depreciation and amortization	129,693	89,272	45%
Interest on bank borrowings	14,155	27,009	-48%
Currency translation gains - net	(5,694)	(20,366)	-72%
Finance costs	8,461	6,643	27%
Loss on disposal of property, plant and equipment	-	417	n.m.
Other	5,866	-	n.m.
After crediting:			
Interest income	346,644	232,431	49%
Foreign exchange related gains/(losses), net	84,052	200,492	-58%
Fair value gains on financial assets, at fair value through profit or loss	88,484	-	n.m.
Gain on disposal of financial assets, available-for-sale	-	45,549	n.m.
Gain on disposal of associated companies	-	1,856	n.m.
Dividend income	524	-	n.m.
Subsidy income	6,687	-	n.m.
Rental income	6,672	-	n.m.

n.m. denotes not meaningful

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.

	<u>The Group</u>		<u>The Company</u>	
	As at 31 Dec 2009 RMB'000	As at 31 Dec 2008 RMB'000	As at 31 Dec 2009 RMB'000	As at 31 Dec 2008 RMB'000
<u>ASSETS</u>				
<u>Current assets</u>				
Cash and cash equivalents	3,806,955	3,060,384	135,434	4,073
Restricted cash	2,979,646	2,619,030	-	-
Financial assets, through profit and loss	59,996	1,213,592	69,837	-
Financial assets, available-for-sale	300	9,300	-	-
Financial assets, held-to-maturity	1,708,831	1,782,049	-	-
Derivative financial instruments	305	128,355	305	60,657
Trade receivables	1,298,654	600,029	-	-
Other receivables, prepayments and other current assets	4,002,797	4,784,757	1,232,553	935,931
Inventories	837,362	1,474,367	-	-
Due from customers for construction contracts	-	130,002	-	-
Total current assets	14,694,846	15,801,865	1,438,129	1,000,661
<u>Non-Current assets</u>				
Property, plant and equipment	1,966,580	1,961,583	-	-
Lease prepayments	384,317	390,363	-	-
Intangible assets	343	411	-	-
Investment in associated companies	50,745	14,102	-	-
Investment in subsidiaries	-	-	4,526,196	4,526,196
Financial assets, held-to-maturity	3,079,536	-	-	-
Derivative financial instruments	-	5,351	-	5,351
Deferred income tax assets	44,590	46,310	-	-
Other receivables	175,000	-	-	-
Total non-current assets	5,701,111	2,418,120	4,526,196	4,531,547
Total assets	20,395,957	18,219,985	5,964,325	5,532,208
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Trade and bills payables	940,232	685,946	-	-
Accrual, other payables and other current liabilities	647,953	348,441	231,547	36,326
Current income tax liabilities	69,906	61,477	3,558	4,802
Derivative financial instruments	109,430	59,261	-	56,573
Due to customers for construction contracts	11,079,203	11,726,053	-	-
Advances received on construction contracts	137,560	397,310	94,818	-
Borrowings	907,077	489,983	-	-
Total current liabilities	13,891,361	13,768,471	329,923	97,701
<u>Non-current liabilities</u>				
Deferred income tax liabilities	164,035	12,962	156,844	11,881
Derivative financial instruments	30,257	123,114	-	5,351
Total non-current liabilities	194,292	136,076	156,844	17,232
Total liabilities	14,085,653	13,904,547	486,767	114,933
NET ASSETS	6,310,304	4,315,438	5,477,558	5,417,275
<u>EQUITY</u>				
<u>Capital and reserves attributable to equity holders of the Company</u>				
Share capital	4,980,010	4,980,010	4,944,793	4,944,793
Treasury shares	(610)	(610)	(610)	(610)
Other reserves	(2,338,582)	(2,624,355)	(40,192)	(40,192)
Retained earnings	3,669,486	1,960,393	573,567	513,284
Total equity	6,310,304	4,315,438	5,477,558	5,417,275

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

Amount repayable in one year or less, or on demand

As at		As at	
31 December 2009		31 December 2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
907,077	-	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**

	The Group	
	2009	2008
	RMB '000	RMB '000
Cash flows from operating activities		
Net profit	2,289,951	1,624,215
Adjustment for:		
Income Tax	259,599	75,649
Depreciation on property, plant and equipment	123,509	85,352
Amortisation of land use rights	6,046	4,003
Loss/(gain) on disposal of property, plant and equipment	-	417
Amortisation of intangible asset	138	125
Gain on disposal of associates	-	(1,856)
Gain on disposal of available-for-sale financial assets	-	(45,549)
Fair value gain on financial assets at fair value, through profit and loss	(88,484)	(23,592)
Fair value loss/(gain) on derivative financial instrument	51,566	(207,469)
Ineffectiveness on cash flow hedge	58,489	296,610
Transfer from hedging reserve	(3,078)	(54,247)
Interest expense	14,155	27,009
Unrealised translation loss/(gain)	1,828	(15,524)
Interest income	(346,644)	(232,431)
Share of loss of associated companies	3,357	2,754
	2,370,432	1,535,466
Change in working capital, net effects from acquisition and disposal of subsidiaries		
Inventories	637,005	(1,061,218)
Due from/(to) customers for contract work	(516,848)	3,738,115
Advances received on construction contracts	(259,750)	(899,515)
Trade and bills receivable, net	(698,626)	(1,050)
Other receivables, prepayment and other current assets	593,043	(619,600)
Trade and bills payable	254,286	365,980
Accruals, other payables and other current liabilities	309,618	(45,357)
Restricted cash	(360,616)	(256,409)
Cash generated from operations	2,328,544	2,756,412
Interest paid	(14,155)	(27,009)
Income taxes paid	(98,708)	(151,159)
Net cash provided by operating activities	2,215,681	2,578,244
Cash flows from investing activities		
Proceeds from sales of investment in associates	-	120,000
Proceeds from sales of financial assets, available-for-sale	9,000	214,497
Proceeds from sales of investment in subsidiaries	-	51,439
Proceeds from disposal of equity interests in existing subsidiaries	-	6,000
Proceeds from sales of investment, held to maturity	2,450,000	12,272,070
Proceeds from sales of financial assets, through profit and loss	1,251,995	-
Interest received	361,269	186,640
Loans repayments received from third parties	-	654,000
Purchase of property, plant and equipment	(138,612)	(464,498)
Acquisition of financial assets, hold to maturity	(5,457,200)	(13,992,070)
Acquisition of financial assets, available-for-sale	-	(77,773)
Acquisition of financial assets at fair value, through profit and loss	(9,915)	(1,190,000)
Acquisition of equity interest in subsidiary from minority shareholder	-	(1,119,786)
Acquisition of intangible assets	(70)	-
Capital injection in an associated company	(40,000)	(80,400)
Net cash used in investing activities	(1,573,533)	(3,419,881)
Cash flows from financing activities		
Proceeds from borrowings	1,139,745	700,705
Repayments of borrowings	(724,479)	(223,640)
Purchase of treasury shares	-	(582,775)
Dividends paid to equity holders	(310,843)	(431,026)
Net cash provided by/(used in) financing activities	104,423	(536,736)
Net (decrease)/increase in cash and cash equivalents	746,571	(1,378,373)
Cash and cash equivalents at the beginning of the financial year	3,060,384	4,438,757
Cash and cash equivalents at the end of the financial year	3,806,955	3,060,384

1(d)(i)(a) STATEMENTS OF COMPREHENSIVE INCOME for the Financial Year ended 31 December 2009

	GROUP			GROUP		
	4Q 2009 RMB'000	4Q 2008 RMB'000	+ / (-) % variance	FY 2009 RMB'000	FY 2008 RMB'000	+ / (-) % variance
Net profit	645,085	395,069	63%	2,289,951	1,624,215	41%
Other comprehensive income						
Financial assets, available-for-sale						
- Fair value gains	-	(1,912)		(175)	(3,327)	
Cash flow hedges						
- Fair value gains	3,151	(92,615)		15,933	(13,775)	
Other comprehensive income, net of tax	3,151	(94,527)		15,758	(17,102)	
Total comprehensive income	648,236	300,542	116%	2,305,709	1,607,113	43%
Total comprehensive income attributable to:						
Equity holders of the Company	648,236	300,758	116%	2,305,709	1,563,008	48%
Minority interests	-	(216)		-	44,105	
	648,236	300,542		2,305,709	1,607,113	

1(d)(i)(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						Total equity RMB'000
	Share capital RMB'000	Treasury Shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Minority interest RMB'000	
2009 Beginning of financial year	4,980,010	(610)	(2,624,355)	1,960,393	4,315,438	-	4,315,438
Dividend relating to 2008 paid	-	-	-	(310,843)	(310,843)	-	(310,843)
Profit appropriation ⁽¹⁾	-	-	270,015	(270,015)	-	-	-
Total comprehensive income	-	-	15,758	2,289,951	2,305,709	-	2,305,709
End of financial year	4,980,010	(610)	(2,338,582)	3,669,486	6,310,304	-	6,310,304
2008 Beginning of financial year	3,337,159	-	(12,182)	854,247	4,179,224	128,348	4,307,572
Dividend relating to 2007 paid	-	-	-	(265,920)	(265,920)	-	(265,920)
Dividend relating to 2008 paid	-	-	-	(165,106)	(165,106)	-	(165,106)
Repurchase of shares and held as treasury shares	-	(582,775)	-	-	(582,775)	-	(582,775)
Transfer of treasury shares	-	582,165	-	-	582,165	-	582,165
Loss on transfer of treasury shares	-	-	(40,192)	-	(40,192)	-	(40,192)
Disposal of interests in subsidiaries	-	-	1,000	-	1,000	(8,633)	(7,633)
Acquisition of minority interests	-	-	(2,598,817)	-	(2,598,817)	(163,820)	(2,762,637)
Reclassification	-	-	(130,685)	130,685	-	-	-
Issue new shares	1,642,851	-	-	-	1,642,851	-	1,642,851
Profit appropriation ⁽¹⁾	-	-	173,273	(173,273)	-	-	-
Total comprehensive income	-	-	(16,752)	1,579,760	1,563,008	44,105	1,607,113
End of financial year	4,980,010	(610)	(2,624,355)	1,960,393	4,315,438	-	4,315,438

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	
2009 Beginning of financial year	4,944,793	(610)	(40,192)	513,284	5,417,275
Dividend relating to 2008 paid	-	-	-	(310,843)	(310,843)
Total comprehensive income	-	-	-	371,126	371,126
End of financial year	<u>4,944,793</u>	<u>(610)</u>	<u>(40,192)</u>	<u>573,567</u>	<u>5,477,558</u>
2008 Beginning of financial year	3,301,942	-	-	491,177	3,793,119
Dividend relating to 2007 paid	-	-	-	(265,920)	(265,920)
Dividend relating to 2008 paid	-	-	-	(165,106)	(165,106)
Issue new shares	1,642,851	-	-	-	1,642,851
Repurchase of shares and held as treasury shares	-	(582,775)	-	-	(582,775)
Treasury shares used for acquisition	-	582,165	-	-	582,165
Capital reserves arising from using treasury shares to pay for acquisition	-	-	(40,192)	-	(40,192)
Total comprehensive income	-	-	-	453,133	453,133
End of financial year	<u>4,944,793</u>	<u>(610)</u>	<u>(40,192)</u>	<u>513,284</u>	<u>5,417,275</u>

- (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 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 other changes in company's share capital since 31 December 2008.

	Number of Shares('000)	
	As at 31 December 09	As at 31 December 08
Shares maybe issued on conversion	-	-
Shares held as treasury shares	239	239
Issued shares excluding treasury shares	3,653,283	3,653,283

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 31 December 09	As at 31 December 08
Issued shares at the end of periods	3,653,522	3,653,522
Treasury shares at the end of periods	(239)	(239)
Net issued shares at the end of periods	3,653,283	3,653,283

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 January 2009	239	610
Repurchased during FY2009	-	-
Treasury shares re-issued	-	-
Balance as at 31 December 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.

FRS 108 - Operating Segments, under which segment information is presented on the same basis as that used for internal reporting purpose.

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

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	
	FY 2009	FY 2008
(a) Based on weighted average number of ordinary shares in issue (RMB cents)	62.68	45.13
Weighted average number of Ordinary shares	3,653,283,000	3,500,361,597
(b) On fully diluted basis (RMB cents)	62.68	45.13

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	
	31/12/09	31/12/08	31/12/09	31/12/08
Net asset value per ordinary share based on issued share capital excluding treasury shares (RMB cents)	172.73	118.12	149.94	148.29

The Group's and the company's net assets value per ordinary share as at 31 December 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

4Q 2009 vs. 4Q 2008

Compared to 4Q2008, the increase of RMB1,575 million to RMB3,443 million for revenue in 4Q 2009 was mainly due to increased number of vessels under construction and delivered in 4Q2009. The increase was attributed to improved efficiency in our new yard. In 4Q 2009, 16 vessels were delivered according to the schedule, as compared to 9 vessels delivered in 4Q2008.

Type of Vessel	Revenue	
	4Q 2009 RMB'000	4Q 2008 RMB'000
<u>Containerships</u>		
2500TEU	244,998	706,231
1350TEU	229,705	207,497
4250TEU	1,723,589	395,714
	2,198,292	1,309,442
<u>Multi purpose cargo</u>		
13000DWT	522,879	14,737
7600DWT	282,609	57,633
92500DWT	439,630	403,527
	1,245,118	475,897
Total *	3,443,410	1,785,339

* Note: Revenue from other businesses was not included.

Operating cost

As a result of more vessels being constructed during the 4Q2009, operating cost was comparatively higher by RMB1,136 million to RMB2,766 million from RMB1,630 million in 4Q2008.

Gross Profit

Gross profit was higher in 4Q2009 by RMB439 million to RMB677 million from RMB238 million in 4Q2008 due partially to increased production activities, and also the lower gross profit margin of 13% in 4Q2008 in comparison to 20% in 4Q2009, was also partly attributes to the adjustment of provision to better reflect cost variation in 4Q2008 in relation to all vessels under construction as at 31 December 2009.

Other income and gains

Other income (that comprises mainly interest income from held-to-maturity investments and bank balances) increased by RMB58.6 million or 48% to RMB180.6 million in 4Q 2009 from RMB122 million in 4Q 2008. The increase was mainly due to increased investment in held-to-maturity financial assets.

Other gains/(losses), which comprises mainly foreign exchange related gains recorded a net loss in 4Q2009. This was due to less favorable rates for forward contracts delivered in 4Q2009 in comparison to 4Q2008, and the negative mark to market variation for the outstanding orders denominated in EUR which was recognized separately as a derivative in accordance with the Financial Reporting Standards. 5% of the Group's outstanding order book was contracted in EUR to hedge the ship engines to be paid in EUR.

Expenses

The higher 4Q2009 administrative expenses of RMB69.7 million compared to RMB38 million of 4Q2008 was mainly due to the increase in overheads to support growth.

Share of results of associated companies

It represents the share of results from Group's associated company, Shanghai Henggao Ships Designing Co., Ltd.

Corporate Income Tax

The Group's tax charge in 4Q2009 included the full provision for withholding tax over our Chinese subsidiaries' earnings in 4Q2009. This was in line with the full year effective tax rate of 10.2%.

FY2009 vs. FY2008

Revenue

The Group achieved a record revenue of RMB10,624 million in FY2009, which was RMB3,265 million or 44% higher than that of FY2008. In FY2009, 40 vessels were delivered according to schedule as compared to 27 vessels delivered in FY2008.

Type of Vessel	Revenue	
	2009 RMB'000	2008 RMB'000
<u>Containerships</u>		
2500TEU	1,180,137	3,557,693
1350TEU	731,565	967,873
4250TEU	4,057,370	1,363,931
	5,969,072	5,889,497
<u>Multi purpose cargo</u>		
13000DWT	1,106,085	190,692
7600DWT	386,850	439,515
92500DWT	3,097,609	726,274
	4,590,544	1,356,481
Total *	10,559,616	7,245,978

* Note: Revenue from other businesses was not included.

Profitability

Corresponding to higher revenue, Group's gross profit for FY2009 was higher than that of FY2008 by RMB871.7 million or 64%.

In FY2009, Group's Gross profit margin (GP margin) of 21% was comparatively higher than of FY2008 by 2% due mainly to high margin vessels delivered in first half of FY2009.

Other gain/(losses) for FY2009 was lower than that of FY2008 by RMB95.5 million or 35% was a result of less favorable rates for forward contracts delivered in FY2009 in comparison to FY2008 and negative mark to market variation of EUR denominated contract value. These were offset by higher other income recognized from increased investment in held-to-maturity financial assets in FY2009 by RMB128.1 million or 55%.

Increased Income tax charges in FY 2009 in comparison to that for FY2008 was due to the full provision for withholding tax and increased tax rate for our old yard, Jiangsu Yangzijiang Shipbuilding Co. Ltd. This was offset by higher GP margin in FY2009.

Group's profit after tax for FY2009 of RMB 2,290 million was 41% higher than that of FY2008, which was in tandem with the increase in Group's revenue.

Group's net profit margin of 22% in FY2009 was comparable to that of FY2008.

Statements of financial position review

Assets

Compared to 31 December 2008, the slight changes in property, plant and equipment and lease repayment were mainly from depreciation and upkeep of our existing operating facilities.

RMB40 million invested in the capital of Everbright Venture Capital Jiangyin Co. Ltd. ("EVCJCO") as part of the total commitment of RMB100 million for 20% equity interest in EVCJCO attributes to the increase of investment in associated companies compared to 31 December 2008.

The Group increased its investment in non-current held-to-maturity financial assets as compare to 31 December 2008.

In respect of net current assets, the increase was mainly attributable to increase in short-term investments and bank balances.

Liabilities

The slight increase in Trade and bills payable, accrual and other payable and defer income tax liabilities as at 31 December 2009 is in tandem with the increased productivities in comparison to 31 December 2008.

Derivative financial instruments

This relates to the fair value of the outstanding plain vanilla forward currency contracts which were entered for purpose of hedging.

Equity

The change of "Total equity attributable to equity holders" to RMB6,310 million as at 31 December 2009 from RMB4,314million as at 31 December 2008 was mainly a result of profits earned during the reporting period and the dividend paid in relation to FY2008.

Statements of cash flows review

RMB 2,216 million was generated from operating activities in FY2009, due mainly to the profit contributed from our core business and the consistent working capital movements.

The Group's net cash used in investing activities of RMB 1,574 million in FY2009 was mainly due to higher purchase of held-to-maturity investments.

Net cash provided by financing activities of RMB 104 million was mainly the result of the increased in short term borrowings and dividend payouts during the period under review.

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.

40 vessels were delivered as per schedule in FY2009 totaling up to 1,833,506 DWT or 735,434 CGT. In 4Q 2009, the Group continued to secure new shipbuilding contracts to build four (4) 92500 DWT Multi-purpose bulkers. With that, the Group's total order book stood at 127 vessels with a total value of USD5.6 billion as at 31 December 2009. The Group does not expect any cancellation in respect of its existing contracts, and now 48 vessels are expected to be delivered in 2010 as compared to 46 vessels announced in paragraph 10 of Unaudited Financial Statement and Dividend Announcement for the 3rd Quarter ended 30 September 2009.

The Group is diversifying into ship demolition and scrap steel processing segments with two companies to be set up with several strategic partners. The management is hopeful that these new companies would eventually be important business segments to complement our shipbuilding business.

Moving forward, the Group will continue to monitor our customers' financial well being. With our healthy cash holdings and sizable order book, the Board remains confident of delivering continued growth and profitability for year 2010.

11. Dividend

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

Name of Dividend	Ordinary Share Final Dividend (Proposed)
Dividend Type	Cash
Dividend Rate	3.5 Singapore cents per ordinary share
Tax rate	Tax exempt (One-tier)
Book Closure date	to be announced in due course
Payment Date	to be announced in due course

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

Name of Dividend	Ordinary Share Final Dividend
Dividend Type	Cash
Dividend Rate	2.8 Singapore cents per ordinary share
Tax rate	Tax exempt (One-tier)
Book Closure date	12-May-09
Payment Date	22-May-09

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

Tax exempt (One-tier).

(d) **Date payable**

The payment of the recommended final tax exempt (one-tier) dividend of 3.5 Singapore cents per share will be subjected to shareholders' approval to be obtained at the coming Annual General Meeting. The payment date will be announced in due course.

(e) **Books closure date**

To be announced in due course.

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

Not applicable.

13. **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**

(a) Segment information**For the financial year
ended 31 December
2009**

	Shipbuilding	Investments	Total
	RMB'000	RMB'000	RMB'000
Revenues	10,623,642	-	10,623,642
Other income	-	185,723	185,723
Other gains - net	-	88,484	88,484
	<u>10,623,642</u>	<u>274,207</u>	<u>10,897,849</u>
Segment result	2,234,672	274,207	2,508,879
Other income			174,804
Other gains -net			90,224
Unallocated costs			(215,896)
Finance costs-net			<u>(8,461)</u>
Profit before income tax			2,549,550
Income tax expense			<u>(259,599)</u>
Net profit			<u>2,289,951</u>
Other segment items			
Capital expenditure:			
- property, plant and equipment	128,507	-	128,507
- Intangible assets	70	-	70
Depreciation	<u>123,509</u>	<u>-</u>	<u>123,509</u>
Segment assets	15,067,378	4,848,363	19,915,741
Unallocated assets			<u>480,216</u>
Total assets			<u>20,395,957</u>
Segment liabilities	12,944,635	-	12,944,635
Unallocated liabilities			<u>1,141,018</u>
Total liabilities			<u>14,085,653</u>

**For the financial year ended 31
December 2008**

	Shipbuilding	Investments	Total
	RMB'000	RMB'000	RMB'000
Revenues	7,359,096	-	7,359,096
Other income	-	89,679	89,679
Other gains - net	-	23,592	23,592
	<u>7,359,096</u>	<u>113,271</u>	<u>7,472,367</u>
Segment result	1,363,012	113,271	1,476,283
Other income			142,752
Other gains -net			250,647
Unallocated costs			(163,175)
Finance costs-net			(6,643)
Profit before income tax			1,699,864
Income tax expense			(75,649)
Net profit			<u>1,624,215</u>
Other segment items			
Capital expenditure:			
- property, plant and equipment	831,935	-	831,935
- lease prepayments	199,096	-	199,096
Depreciation	85,144	-	85,144
	<u>14,276,561</u>	<u>2,995,641</u>	<u>17,272,202</u>
Segment assets			
Unallocated assets			947,783
Total assets			<u>18,219,985</u>
Segment liabilities	13,340,125	-	13,340,125
Unallocated liabilities			564,422
Total liabilities			<u>13,904,547</u>

(b) Segment information

The Group's sales, based on the customers' location, are mainly in countries such as Germany, China, Canada and other European countries.

	Year ended 31 December	
	2009	2008
	RMB'000	RMB'000
Germany	4,608,085	3,926,931
Canada	1,279,170	2,086,918
Other European Counties	3,674,049	1,036,722
Japan	170,683	-
China	891,655	308,525
	<u>10,623,642</u>	<u>7,359,096</u>

14. 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.

15. A breakdown of sales

	2009 RMB'000	2008 RMB'000	Change %
(a) Sales reported for first half year	4,588,824	3,466,713	32%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	1,090,639	753,887	45%
(c) Sales reported for second half year	6,034,818	3,892,383	55%
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	1,199,312	870,328	38%

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

	Latest Full Year SGD'000	Previous Full Year SGD '000
Ordinary	127,865	102,292
Total	127,865	102,292

The Directors proposed a final exempt (one-tier) ordinary dividend of SGD3.5 cents per ordinary share amounting to a total of SGD 127,865,000 based on current 3,653,283,000 net issued shares as of 31 December 2009 for the shareholders' approval at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

17. Interested Person Transactions

None

On behalf of the Board of Directors

Ren Yuanlin
Executive Chairman

Yu Kebing
Non-Executive Director