



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

RECLASSIFICATION TO THE UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

The Board of Directors of Yangzijiang Shipbuilding (Holdings) Ltd (the “Company”) together with its subsidiaries (the “Group”) refers to the announcement released by the Company on 23 February 2010 in respect of the unaudited full year financial statements for the financial year ended 31 December 2009 (“FY2009”).

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to highlight that there are certain reclassifications to the unaudited consolidated statement of financial position and consolidated statement of cash flows for FY2009, following the finalisation of the audit. The clarification of the aforesaid reclassification is set out in the Appendix A of this announcement.

The reclassifications do not have any impact on the financial results of the Group for FY2009.

By order of the Board

Ren Yuanlin (任元林)
Executive Chairman
22 April 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | The Group | | Variance | Notes |
|---|----------------------------|------------------------------|----------|-------|
| | Audited 2009 RMB'000 | Unaudited 2009 RMB'000 | | |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 3,806,955 | 3,806,955 | - | |
| Restricted cash | 2,979,646 | 2,979,646 | - | |
| Financial assets, at fair value through profit or loss | 5,420 | 59,996 | (54,576) | A |
| Derivative financial instruments | 70,142 | 305 | 69,837 | A |
| Financial assets, available-for-sale | 300 | 300 | - | |
| Financial assets, held-to-maturity | 1,708,831 | 1,708,831 | - | |
| Trade receivables | 1,298,654 | 1,298,654 | - | |
| Other receivables, prepayments and other assets | 4,002,797 | 4,002,797 | - | |
| Inventories | 837,362 | 837,362 | - | |
| Due from customers on construction contracts | - | - | - | |
| | <u>14,710,107</u> | <u>14,694,846</u> | | |
| Non-current assets | | | | |
| Derivative financial instruments | - | - | - | |
| Other receivables | 175,000 | 175,000 | - | |
| Lease prepayments | 384,317 | 384,317 | - | |
| Investments in subsidiaries | - | - | - | |
| Investments in associated companies | 50,745 | 50,745 | - | |
| Financial assets, held-to-maturity | 3,079,536 | 3,079,536 | - | |
| Property, plant and equipment | 1,966,580 | 1,966,580 | - | |
| Intangible assets | 343 | 343 | - | |
| Deferred income tax assets | 44,590 | 44,590 | - | |
| | <u>5,701,111</u> | <u>5,701,111</u> | | |
| Total assets | <u>20,411,218</u> | <u>20,395,957</u> | | |

APPENDIX A (continued)

| | The Group | | | |
|---|----------------------------|------------------------------|-----------|-------|
| | Audited 2009 RMB'000 | Unaudited 2009 RMB'000 | Variance | Notes |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and bills payables | 940,232 | 940,232 | - | |
| Accruals, other payables and other liabilities | 459,657 | 647,953 | (188,296) | B |
| Current income tax liabilities | 69,906 | 69,906 | - | |
| Derivative financial instruments | 124,691 | 109,430 | 15,261 | A |
| Due to customers on construction contracts | 11,079,203 | 11,079,203 | - | |
| Advances received on construction contracts | 137,560 | 137,560 | - | |
| Borrowings | 907,077 | 907,077 | - | |
| Provisions | 188,296 | - | 188,296 | B |
| | <u>13,906,622</u> | <u>13,891,361</u> | | |
| Non-current liabilities | | | | |
| Derivative financial instruments | 30,257 | 30,257 | | |
| Deferred income tax liabilities | 164,035 | 164,035 | | |
| | <u>194,292</u> | <u>194,292</u> | | |
| Total liabilities | <u>14,100,914</u> | <u>14,085,653</u> | | |
| NET ASSETS | <u>6,310,304</u> | <u>6,310,304</u> | | |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 4,980,010 | 4,980,010 | | |
| Treasury shares | (610) | (610) | | |
| Other reserves | (2,338,582) | (2,338,582) | | |
| Retained earnings | 3,669,486 | 3,669,486 | | |
| | <u>6,310,304</u> | <u>6,310,304</u> | | |
| Total equity | <u>6,310,304</u> | <u>6,310,304</u> | | |

CONSOLIDATED STATEMENT OF CASH FLOWS

| | The Group | | Variance | Notes |
|---|----------------------------|------------------------------|----------|-------|
| | Audited 2009 RMB'000 | Unaudited 2009 RMB'000 | | |
| Cash flows from operating activities | | | | |
| Net profit | 2,289,951 | 2,289,951 | - | |
| Adjustments for: | | | | |
| - Income tax expenses | 259,599 | 259,599 | - | |
| - Depreciation on property, plant and equipment | 123,509 | 123,509 | - | |
| - Amortisation of land use rights | 6,046 | 6,046 | - | |
| - Loss on disposal of property, plant and equipment | - | - | - | |
| - Amortisation of intangible assets | 138 | 138 | - | |
| - Gain on disposal of an associated company | - | - | - | |
| - Gain on disposal of financial assets, available-for-sale | - | - | - | |
| - Fair value gain on financial assets, at fair value through profit or loss | (88,484) | (88,484) | - | |
| - Ineffectiveness on cash flow hedge | - | 58,489 | (58,489) | C |
| - Transfer from hedging reserve | - | (3,078) | 3,078 | C |
| - Interest expenses | 14,155 | 14,155 | - | |
| - Unrealised translation loss/(gain) | 1,828 | 1,828 | - | |
| - Interest income | (346,644) | (346,644) | - | |
| - Fair value change on derivative financial instruments | 106,977 | 51,566 | 55,411 | C |
| - Share of loss of associated companies | 3,357 | 3,357 | - | |
| | 2,370,432 | 2,370,432 | | |
| Change in working capital, net of effects from acquisition and disposal of subsidiaries | | | | |
| - Inventories | 637,005 | 637,005 | | |
| - Due from and due to customers on construction contracts | (516,848) | (516,848) | | |
| - Advances received on construction contracts | (259,750) | (259,750) | | |
| - Trade receivables | (698,626) | (698,626) | | |
| - Other receivables, prepayments and other assets | 593,043 | 593,043 | | |
| - Trade and bills payables | 254,286 | 254,286 | | |
| - Accruals, other payables and other liabilities | 215,449 | 309,618 | (94,169) | D |
| - Provisions | 94,169 | - | 94,169 | D |
| - Restricted cash | (360,616) | (360,616) | | |
| Cash generated from operations | 2,328,544 | 2,328,544 | | |
| Interest paid | (14,155) | (14,155) | | |
| Income tax paid | (98,708) | (98,708) | | |
| Net cash provided by operating activities | 2,215,681 | 2,215,681 | | |

APPENDIX A (continued)

| | The Group | | | |
|---|--------------------|--------------------|-----------------|--------------|
| | Audited | Unaudited | | |
| | 2009 | 2009 | | |
| | RMB'000 | RMB'000 | Variance | Notes |
| Cash flows from investing activities | | | | |
| Proceeds from sales of investment in an associated company | - | - | - | |
| Proceeds from sales of financial assets, available-for-sale | 9,000 | 9,000 | - | |
| Proceeds from sales of investment in subsidiaries | - | - | - | |
| Proceeds from redemption of financial assets, held to maturity upon maturity | 2,450,000 | 2,450,000 | - | |
| Proceeds from sales of financial assets, through profit or loss | 1,251,995 | 1,251,995 | - | |
| Interest received | 361,269 | 361,269 | - | |
| Loans repayments received from third parties | - | - | - | |
| Purchase of property, plant and equipment | (138,612) | (138,612) | - | |
| Acquisition of financial assets, held-to-maturity | (5,457,200) | (5,457,200) | - | |
| Acquisition of financial assets, available-for-sale | - | - | - | |
| Acquisition of financial assets, at fair value through profit or loss | (9,915) | (9,915) | - | |
| Acquisition of intangible assets | (70) | (70) | - | |
| Capital injection in an associated company | (40,000) | (40,000) | - | |
| Net cash used in investing activities | (1,573,533) | (1,573,533) | | |
| Cash flows from financing activities | | | | |
| Acquisition of equity interest in existing subsidiaries from minority shareholder | - | - | - | |
| Proceeds from borrowings | 1,139,745 | 1,139,745 | - | |
| Repayments of borrowings | (724,479) | (724,479) | - | |
| Purchase of treasury shares | - | - | - | |
| Dividends paid to equity holders | (310,843) | (310,843) | - | |
| Net cash provided by/(used in) financing activities | 104,423 | 104,423 | - | |
| Net increase/(decrease) in cash and cash equivalents | 746,571 | 746,571 | - | |
| Cash and cash equivalents at the beginning of financial year | 3,060,384 | 3,060,384 | - | |
| Cash and cash equivalents at the end of financial year | 3,806,955 | 3,806,955 | | |

Notes:

The reclassifications to the unaudited consolidated statement of financial position and consolidated statement of cash flows pertained to the following:

Consolidated Statement of Financial Position

- A Reclassification to present all foreign currency forward contracts under derivative financial instruments.
- B Reclassification to present separately the provisions for warranty.

Consolidated Statement of Cash Flows

- C Categorisation of all fair value changes on derivative financial instruments as one non-cash adjustment item in arriving at the net operating cash flows.
- D Reclassification to present separately the changes to working capital in conjunction with item B above.

The change in the company is similar nature of item A.