



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.
(Company Registration No. 200517636Z)
(Incorporated in the Republic of Singapore on 21 December 2005)

**RESPONSE TO QUERY BY SGX-ST ON CLARIFICATION ON LISTING RULE 1207 (10)
IN ANNUAL REPORT 2011**

就2011年年報回復新加坡證券交易所有關上市守則1207(10)詢問

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**”) wishes to respond to a query raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in its email of 27 April 2012 in relation to Listing Rule 1207 (10) in the Company’s Annual Report for the financial year ended 31 December 2011 (“**Annual Report 2011**”).

董事局謹代表揚子江船業控股有限公司(以下簡稱“公司”)，就公司截止至2011年12月31日2011年年報(以下簡稱“2011年年報”)，回復新加坡證券交易所(以下簡稱“新交所”)於2012年4月27日電郵中有關上市守則1207(10)之詢問。

SGX-ST’s Query:

新交所之詢問：

For the purpose of complying with Listing Rule 1207(10) of the Listing Manual, please note that:
為符合《上市守則》中上市規則1207(10)之要求，請注意：

- (a) A disclaimer to the effect of “Absence of evidence to the contrary” is not allowed in the opinion;
“無反面證據”的聲明不允許作為意見使用;
- (b) The Board and the Audit Committee must opine whether the internal controls are adequate to address all 3 areas of risks (i.e. financial, operational and compliance risks); Words to the effect of “In its current business environment” or “business operations” without express mention of all the 3 risk areas are not acceptable; and
董事會及審計委員會必須對當前所有三個方面(即財務、營運及合規風險)之內部控制是否足以應對風險表達其意見;使用詞匯如“在其目前的營商環境”或“業務運作”而沒有明確提到所有三個風險領域，將不被接受;
- (c) Both the Board and the AC must provide the opinion: “The Board and the Audit Committee believes” is not acceptable.
董事會和審計委員會都必須提供意見：使用詞匯“董事會和審計委員會認為”，將不被接受。

We note that the confirmation provided in your annual report is not consistent with some of the guidelines stated above. Hence, please provide a clean opinion that is in compliance with Listing Rule 1207(10).
我們注意到，年度報告中提供的確認，與上述部分闡述存在不符。因此，請遵守上市守則1207(10)提供一個無保留意見。

Company’s Response:

公司回復：

In addition to the information in page 32 of the Annual Report on Internal Controls, the Company wishes to provide the following additional information:

除年度報告第32頁中有關內部控制的信息，公司謹提供以下附加信息：

The Audit Committee has reviewed the Company's system of internal controls and is satisfied that the overall systems of controls are adequate to meet the needs of the Group in its current business environment. Based on the work performed by both the External Auditors and the Internal Audit Team, the assurance from Management and the on-going review as well as the continuing efforts in enhancing controls and processes which currently in place, the Board, with the concurrence of the Audit Committee, opined that there are adequate internal controls in place for the Group to address all financial, operational and compliance risks during the year.

審計委員會已審閱公司之內部控制系統，并对整個控制系統在集團目前的經營環境足以應付其需要表示滿意。就外聘審計和內部稽核團隊展開之工作，董事會认为，現有的管理层保證，持續的審查以及控制流程的不斷加強，並經由審計委員會確認，集團有適當的內部控制，足以應對2011年財務年度所有的財務，營運及合規風險。

BY ORDER OF THE BOARD

謹代表董事局

Ren Yuanlin /任元林

Executive Chairman /執行主席

2 May 2012/ 2012 年 5 月 2 日