



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 2018

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			
	4th Quarter				January - December			
	4Q 2018	% of	4Q 2017	+/(-)%	2018	% of	2017	+/(-)%
	RMB'000	Revenue	RMB'000	Variance	RMB'000	Revenue	RMB'000	Variance
Revenue	4,944,844	100%	6,354,612	-22%	23,238,289	100%	19,205,596	21%
Cost of sales	(4,045,038)	-82%	(5,410,409)	-25%	(18,915,433)	-81%	(15,893,633)	19%
Gross profit	899,806	18%	944,203	-5%	4,322,856	19%	3,311,963	31%
Interest income	37,383	1%	29,534	27%	185,455	1%	138,440	34%
Other income	493,898	10%	475,598	4%	587,340	3%	531,813	10%
Other gains/(losses), net	343,749	7%	(400,838)	n.m.	568,985	2%	188,146	202%
Expenses								
- Administrative								
• Reversal of impairment loss								
/(Impairment loss) on Financial assets	210,726	4%	(235,938)	n.m.	(211,805)	-1%	(295,783)	-28%
• Inventory written down	(211,080)	-4%	-	n.m.	(211,080)	-1%	-	n.m.
• Others	(193,884)	-4%	(49,140)	295%	(457,141)	-2%	(314,084)	46%
- Finance	(35,409)	-1%	(39,150)	-10%	(133,782)	-1%	(113,202)	18%
Share of (loss)/profit of associated companies and a joint venture [#]	(92,685)	-2%	35,582	n.m.	(85,826)	-0.4%	40,069	n.m.
Profit before income tax	1,452,504	29%	759,851	91%	4,565,002	20%	3,487,362	31%
Income tax expense ^[2]	(384,257)	-8%	(33,973)	1031%	(941,206)	-4%	(395,440)	138%
Net profit	1,068,247	22%	725,878	47%	3,623,796	16%	3,091,922	17%
Attributable to:								
Equity holders of the Company	1,245,400	25%	677,916	84%	3,614,044	16%	2,931,498	23%
Non-controlling interests	(177,153)	-4%	47,962	n.m.	9,752	0.04%	160,424	-94%
	1,068,247		725,878	47%	3,623,796		3,091,922	17%

[#] Share of (loss)/profit of associated companies and a joint venture is after tax.
n.m. denotes not meaningful.

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

	The Group		+ / (-) % Variance %
	FY2018 RMB'000	FY2017 RMB'000	
After charging:			
Depreciation and amortization	532,300	482,558	10.3%
Finance costs - Interest on borrowings and net foreign currency translation on bank borrowings	133,782	113,202	18%
Impairment loss of other investment at amortised costs	323,367	-	n.m.
Impairment loss of financial assets, held-to-maturity	-	230,265	n.m.
Impairment loss of financial assets, available-for-sale	-	91,159	n.m.
Loss from disposal of associated companies	-	6,063	n.m.
Write off trade and other receivable	232,748	-	n.m.
Inventory write-down	211,080	-	n.m.
After crediting:			
Foreign exchange related gains/(losses), net	425,060	(745,161)	n.m.
Reversal of impairment loss/(impairment loss) of loans to non-related parties - microfinance	91,912	(7,109)	n.m.
Gain on disposal of financial assets, at fair value through profit or loss	156,709	-	n.m.
Reversal of impairment loss on other receivables from non-related parties	19,650	32,750	-40%
Interest income	185,455	138,440	34%
Fair value (loss)/gain on financial assets, at fair value through profit or loss	(50,282)	143,094	n.m.
Fair value gain on derivative financial instruments	-	223,209	n.m.
Gain from disposal/dissolution of subsidiaries	-	228,303	n.m.
Gain from disposal of a joint venture	-	34,248	n.m.
Subsidy income	216,301	236,884	-9%
Income from forfeiture of advances received	169,478	80,556	110%
Income from forfeiture of security guarantees	207,289	321,550	-36%
Gain from disposal of property, plant and equipment	43,265	74,639	-42%
Dividend income	184,072	71,516	157%
Reversal of allowance/(allowance) for losses recognised on onerous contracts, net of utilisation	119,038	(1,202,840)	n.m.

[2] Adjustment for over provision of tax in respect of prior years:

	The Group		+ / (-) % Variance %
	FY2018 RMB'000	FY2017 RMB'000	
Current income tax	-	80,768	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.

	<u>The Group</u>			<u>The Company</u>	
	As at 31 Dec 2018 RMB'000	As at 31 Dec 2017 RMB'000 (Restated)	As at 1 Jan 2017 RMB'000 (Restated)	As at 31 Dec 2018 RMB'000	As at 31 Dec 2017 RMB'000
ASSETS					
Current assets					
Cash and cash equivalents	6,594,143	6,195,431	7,085,796	488,556	832,021
Restricted cash	208,756	29,405	1,219,695	-	-
Financial assets, at fair value through profit or loss	804,384	748,523	605,429	-	-
Other investment at amortised costs	11,179,556	-	-	-	-
Financial assets, available-for-sale	-	1,027,293	648,843	-	-
Financial assets, held-to-maturity	-	7,573,617	5,296,709	-	-
Trade and other receivables	5,050,978	5,290,056	5,346,997	8,488,478	10,075,526
Inventories	2,605,707	2,628,201	2,032,459	-	-
Contract assets	5,861,815	5,960,320	3,929,478	-	-
Derivative financial instruments	-	-	36,371	-	-
	32,305,339	29,452,846	26,201,777	8,977,034	10,907,547
Non-current assets					
Other investment at amortised costs	3,630,820	-	-	-	-
Financial assets, held-to-maturity	-	4,405,252	5,609,925	-	-
Trade and other receivables	1,405,103	1,238,174	1,258,379	2,834,232	2,345,870
Derivative financial instruments	-	-	23,002	-	-
Lease prepayments	970,610	990,795	1,080,656	-	-
Investment in subsidiaries	-	-	-	5,282,570	5,282,570
Investment in associated companies	1,454,006	1,394,702	882,622	134,062	134,062
Investment in a joint venture	-	-	4,796	-	-
Financial assets, at fair value through profit or loss	446,770	-	-	-	-
Financial assets, available-for-sale	-	400,000	200,000	-	-
Property, plant and equipment	5,162,755	4,820,729	5,476,950	7	22
Intangible assets	17,527	9,864	7,906	-	-
Deferred income tax assets	692,207	660,291	488,170	-	-
	13,779,798	13,919,807	15,032,406	8,250,871	7,762,524
Total assets	46,085,137	43,372,653	41,234,183	17,227,905	18,670,071
LIABILITIES					
Current liabilities					
Trade and other payables	4,707,550	5,859,041	5,605,757	4,313,370	4,192,887
Contract liabilities	5,020,735	3,609,251	2,265,626	-	-
Derivative financial instruments	-	-	281,166	-	-
Borrowings	1,149,001	2,531,973	2,579,435	483,098	1,141,730
Provisions	321,492	371,993	488,633	-	-
Current income tax liabilities	1,343,444	1,203,376	1,130,020	4,740	-
	12,542,222	13,575,634	12,350,637	4,801,208	5,334,617
Non-current liabilities					
Derivative financial instruments	-	-	1,416	-	-
Borrowings	2,894,980	2,358,773	4,645,022	-	-
Deferred income tax liabilities	1,067,678	921,549	1,037,999	-	-
	3,962,658	3,280,322	5,684,437	-	-
Total liabilities	16,504,880	16,855,956	18,035,074	4,801,208	5,334,617
NET ASSETS	29,580,257	26,516,697	23,199,109	12,426,697	13,335,454
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	7,361,990	7,361,990	6,354,096	7,326,773	7,326,773
Treasury shares	(122,362)	(20,979)	(20,979)	(122,362)	(20,979)
Other reserves	938,173	568,680	324,938	(40,192)	(40,192)
Retained earnings	20,701,800	17,975,023	16,033,911	5,262,478	6,069,852
	28,879,601	25,884,714	22,691,966	12,426,697	13,335,454
Non-controlling interests	700,656	631,983	507,143	-	-
Total equity	29,580,257	26,516,697	23,199,109	12,426,697	13,335,454

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

Amount repayable in one year or less, or on demand

As at 31 December 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
29,218	1,119,783	100,243	2,431,730

Amount repayable after one year

As at 31 December 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
256,730	2,638,250	560,002	1,798,771

Details of any collateral

The secured borrowings from the bank are secured by restricted cash or legal mortgages over the vessels of the Group.

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.

	<u>The Group</u>	
	2018	2017
	RMB '000	RMB '000
Cash flows from operating activities		
Net profit	3,623,796	3,091,922
Adjustments for:		
- Income tax expenses	941,206	395,440
- Depreciation on property, plant and equipment	475,552	461,432
- Amortisation of lease prepayment	20,185	20,192
- Amortisation of intangible assets	36,563	934
- Finance expenses	133,782	113,202
- Loss from disposal of associated companies	-	6,063
- Gain on bargain purchase	(7,023)	-
- Gain from disposal of a joint venture	-	(34,248)
- Gain from disposal/dissolution of subsidiaries	-	(228,303)
- Gain on disposal of financial assets, at fair value through profit and loss	(156,709)	-
- Gain from disposal of property, plant and equipment	(43,265)	(74,639)
- Fair value change on derivative financial instruments	-	(223,209)
- Fair value change on financial assets, at fair value through profit and loss	50,282	(143,094)
- Impairment loss of financial assets, available for sale	-	91,159
- Reversal of impairment loss/(impairment loss) on other receivables from non-related parties	19,650	(32,750)
- Interest income	(185,455)	(138,440)
- Dividend income	(184,072)	(71,516)
- Share of loss/(profit) of associated companies and a joint venture	85,826	(40,069)
	4,810,318	3,194,076
Change in working capital, net of effects from acquisition and disposal of subsidiaries		
- Inventories	26,097	(627,206)
- Construction contract balances	1,509,989	(687,215)
- Trade and other receivables	(16,657)	(352,104)
- Trade and other payables	(1,387,215)	671,570
- Other investment at amortised costs	(2,831,507)	-
- Financial assets, held-to-maturity	-	(1,072,235)
- Provisions	(50,501)	(116,640)
- Restricted cash	(179,351)	1,190,290
Cash generated from operations	1,881,173	2,200,536
Interest paid	(122,605)	(173,352)
Interest received	185,455	138,440
Income tax paid	(636,889)	(583,523)
Net cash provided by operating activities	1,307,134	1,582,101
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	146,387	252,518
Proceeds from sales of financial assets, available-for-sale	-	18,000
Proceeds from sales of financial assets, at fair value through profit and loss	1,234,114	-
Dividend received	184,072	71,516
Acquisition of financial assets, at fair value through profit and loss	(90,100)	-
Acquisition of financial assets, available-for-sale	-	(670,104)
Purchase of property, plant and equipment	(483,484)	(48,333)
Proceeds from striking off of joint venture	-	36
Acquisition of subsidiaries, net of cash disposed	(169,432)	-
Disposal of subsidiaries, net of cash disposed	(386)	88,761
Acquisition of equity interest in existing subsidiaries from non-controlling interests	(139,299)	-
Capital injection by non-controlling interest	75,970	-
Acquisition of intangible assets	(9,528)	(2,892)
Acquisition/additions of investment in associated companies	(187,000)	(544,700)
Return of capital by associated companies	283,333	58,574
Loan to a non-related party	-	(137,218)
Repayment of loan to non-related parties	-	131,000
Net cash provided by/(used in) investing activities	844,647	(782,842)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	1,012,017
Shares issuance cost	-	(4,123)
Purchase of treasury shares	(101,383)	-
Proceeds from borrowings	1,819,137	2,548,991
Repayments of borrowings	(2,600,881)	(4,492,015)
Dividends paid to equity holders	(857,090)	(753,983)
Dividend paid to non-controlling interests	(12,852)	(511)
Net cash used in financing activities	(1,753,069)	(1,689,624)
Net increase/(decrease) in cash and cash equivalents	398,712	(890,365)
Cash and cash equivalents at the beginning of financial period	6,195,431	7,085,796
Cash and cash equivalents at the end of financial period	6,594,143	6,195,431

Reconciliation of liabilities arising from financing activities

	1 January 2018 RMB'000	Proceeds from borrowings RMB'000	Repayments of borrowings RMB'000	Interest payments RMB'000	Non-cash changes		31 December 2018 RMB'000
					Interest expense RMB'000	Foreign exchange movement RMB'000	
Borrowings	4,890,746	1,819,137	(2,600,881)	(122,605)	122,605	(65,021)	4,043,981
	1 January 2017 RMB'000	Proceeds from borrowings RMB'000	Repayments of borrowings RMB'000	Interest payments RMB'000	Non-cash changes		31 December 2017 RMB'000
					Interest expense RMB'000	Foreign exchange movement RMB'000	
Borrowings	7,224,457	2,548,991	(4,492,015)	(173,352)	173,352	(390,687)	4,890,746

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

	The Group		The Group	
	4th Quarter		Full Year	
	4Q 2018	4Q 2017	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000
Net Profit	1,068,247	725,878	3,623,796	3,091,922
Other comprehensive income:				
Items that may be reclassified subsequently to profit and loss:				
Financial assets, available-for-sale				
- Fair value losses, net of tax	-	(17,870)	-	(48,882)
- Reclassification, net of tax	-	63,761	-	63,761
Share of other comprehensive income of associated companies and a joint venture				
- Currency translation gains/(losses)	6,569	(8,052)	6,569	(8,052)
- Reclassification, net of tax	-	(34,420)	-	(34,420)
Currency translation difference arising from consolidation				
- (Losses)/Gains	(35,262)	34,872	13,420	34,872
Items that will not be reclassified subsequently to profit or loss:				
Currency translation difference arising from consolidation				
- Gains	-	-	3,692	-
Total comprehensive income, net of tax	1,039,554	764,169	3,647,477	3,099,201
Total comprehensive income attributable to:				
Equity holders of the Company	1,213,015	716,207	3,634,033	2,938,777
Non-controlling interests	(173,461)	47,962	13,444	160,424
	1,039,554	764,169	3,647,477	3,099,201

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

	<u>Share capital</u> RMB'000	<u>Treasury shares</u> RMB'000	<u>Other reserves</u> RMB'000	<u>Retained earnings</u> RMB'000	<u>Total</u> RMB'000	<u>Non-controlling interest</u> RMB'000	<u>Total equity</u> RMB'000
Balance at 31 December 2017							
As previously reported	7,361,990	(20,979)	568,680	17,975,023	25,884,714	631,983	26,516,697
Adoption of SFRS(I) 9	-	-	5,405	320,650	326,055	-	326,055
Balance as restated at 1 January 2018	7,361,990	(20,979)	574,085	18,295,673	26,210,769	631,983	26,842,752
Transfer ⁽¹⁾	-	-	350,827	(350,827)	-	-	-
Share buy back ⁽²⁾	-	(101,383)	-	-	(101,383)	-	(101,383)
Dividend relating to 2017 paid ⁽³⁾	-	-	-	(857,090)	(857,090)	(12,852)	(869,942)
Acquisition of subsidiaries ⁽⁴⁾	-	-	-	-	-	124,682	124,682
Capital injection by non-controlling interest ⁽⁵⁾	-	-	-	-	-	75,970	75,970
Acquisition of equity interest from non-controlling interest ⁽⁶⁾	-	-	(6,728)	-	(6,728)	(132,571)	(139,299)
Total comprehensive income for the year	-	-	19,989	3,614,044	3,634,033	13,444	3,647,477
End of the financial year	7,361,990	(122,362)	938,173	20,701,800	28,879,601	700,656	29,580,257
2017 Beginning of financial year	6,354,096	(20,979)	324,938	16,033,911	22,691,966	507,143	23,199,109
Transfer ⁽¹⁾	-	-	236,403	(236,403)	-	-	-
Share issue	1,007,894	-	-	-	1,007,894	-	1,007,894
Dividend relating to 2016 paid	-	-	-	(753,983)	(753,983)	(511)	(754,494)
Disposal of subsidiaries	-	-	60	-	60	(35,073)	(35,013)
Total comprehensive income for the year	-	-	7,279	2,931,498	2,938,777	160,424	3,099,201
End of the financial year	7,361,990	(20,979)	568,680	17,975,023	25,884,714	631,983	26,516,697

THE COMPANY

Attributable to equity holders of the Company

	<u>Share capital</u>	<u>Treasury shares</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2018 Beginning of financial year	7,326,773	(20,979)	(40,192)	6,069,852	13,335,454
Share buy back ⁽²⁾	-	(101,383)	-	-	(101,383)
Dividend relating to 2017 paid ⁽³⁾	-	-	-	(857,090)	(857,090)
Total comprehensive income	-	-	-	49,716	49,716
End of financial year	7,326,773	(122,362)	(40,192)	5,262,478	12,426,697
2017 Beginning of financial year	6,318,879	(20,979)	(40,192)	2,087,677	8,345,385
Share issue	1,007,894	-	-	-	1,007,894
Dividend relating to 2016 paid	-	-	-	(753,983)	(753,983)
Total comprehensive income	-	-	-	4,736,158	4,736,158
End of financial year	7,326,773	(20,979)	(40,192)	6,069,852	13,335,454

(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.

(2) In 2018, the Company bought back 23,072,800 shares of the Company by way of market acquisition, which are held as treasury shares.

(3) This represents the final dividend of 4.5 Singapore cents per ordinary share in respect of the financial year ended 31 December 2017. The Company paid the dividend on 7 June 2018. The RMB12,852,000 mainly related to the dividend paid to non-controlling interest of Jiangsu Huayuan Logistics Co., Ltd., ("**Huayuan Logistics**"), who held 40% equity interest in the share capital of Jiangsu Huayuan Logistics Co., Ltd., before the Group acquired the remaining 40% equity interest in 3Q2018.

(4) In 2Q2018, the Company through its wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co., Ltd, acquired 60% equity interest in the capital of Huayuan Logistics.

(5) This represents capital injection from non-controlling shareholders of Yangzijiang Taihua Shipping Pte. Ltd. and Yangzijiang Express Shipping Pte. Ltd., both are 49.48% owned subsidiaries of the Group; and capital injection from non-controlling shareholder of Jiangsu Yangzi Zhuoneng Industrial Co., Ltd ("**Zhuoneng**"), who held 40% equity interest in Zhuoneng.

(6) This represents the acquisition of the remaining 40% equity interest in Huayuan Logistics in 3Q2018 and the acquisition of remaining 40% equity interest in Zhuoneng in 4Q2018, thus making both Huayuan Logistics and Zhuoneng 100% owned subsidiaries of the Group.

1(d)(ii)(b) Number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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 outstanding convertible securities as at 31 December 2018 and 31 December 2017.

1(d)(ii)(c) Number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	Number of Shares ('000)			
	As at 31 December 2018	%	As at 31 December 2017	%
Shares held as treasury shares	28,312	0.71%	5,239	0.13%
Issued shares excluding treasury shares	3,945,765	99.29%	3,968,838	99.87%
Total number of shares	<u>3,974,077</u>	100%	<u>3,974,077</u>	100%

The Company did not have subsidiary holdings as at 31 December 2018 and 31 December 2017.

1(d)(iii) 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 2018	As at 31 December 2017
Issued shares at the end of periods	3,974,077	3,974,077
Treasury shares at the end of periods	(28,312)	(5,239)
Issued shares excluding treasury shares	<u>3,945,765</u>	<u>3,968,838</u>

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 2018	5,239	20,979
Repurchased during 2018	23,073	101,383
Treasury shares re-issued	-	-
Balance as at 31 December 2018	<u>28,312</u>	<u>122,362</u>

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company does not have any subsidiary holdings.

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 applicable.

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 policy 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.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

Adoption of SFRS(I)s

The following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company are effective on or after the same date.

- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- SFRS(I) 16 Leases
- Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation
- Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

i) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Following the presentation requirements in SFRS(I) 15, the Group has presented due from customers on construction contracts as contract assets and due to customers on construction contract as contract liabilities.

ii) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempt the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of SFRS(I) 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

1) Classification and measurement

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9.

As a result, certain balance sheet items and reserves were adjusted as at 1 January 2018.

2) Impairment of financial assets

Financial assets are subject to expected credit loss impairment model under SFRS(I) 9. As a result, the Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

Impact on the comparative for 2018 Financial Statements

The following reconciliations summarise the impacts on initial application of SFRS(I) 15 and SFRS(I) 9 on the Group's financial statements.

Group Balance Sheet

	Effect of SFRS(I) 15 01.01.2017 RMB'000	Effect of SFRS(I) 15 31.12.2017 RMB'000	Effect of SFRS(I) 9 01.01.2018 RMB'000
Decrease in due from customers on construction contracts	(3,929,478)	(5,960,320)	-
Increase in contract assets	3,929,478	5,960,320	-
Decrease in due to customers on construction contracts	(1,808,605)	(3,607,332)	-
Decrease in Advances received on construction contracts	(457,021)	(1,919)	-
Increase in contract liabilities	2,265,626	3,609,251	-
Decrease in financial assets, available-for-sale	-	-	(1,427,293)
Increase in financial assets, at fair value through profit or loss	-	-	1,538,218
Increase in investments in associated companies	-	-	234,894
Decrease in financial assets, held-to-maturity	-	-	(11,978,869)
Increase in other investment at amortised costs	-	-	11,978,869
Increase in deferred income tax liabilities	-	-	(19,764)
Movement in net assets	-	-	326,055
Increase in other reserves	-	-	5,405
Increase in retained earnings	-	-	320,650
Movement in total equity	-	-	326,055

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:-

Earnings per share	The Group	
	FY 2018	FY 2017
(a) Based on weighted average number of ordinary shares in issue (RMB cents) – Basic EPS	91.34	75.59
Weighted average number of Ordinary shares	3,956,781,752	3,878,005,123
(b) On fully diluted basis (RMB cents)	91.34	75.59

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is equal to basic earnings per share as at the years ended 31 December 2018 and 2017 as the Company has no potential dilutive ordinary shares.

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	
	31/12/18	31/12/17	31/12/18	31/12/17
Net asset value per ordinary share based on issued share capital excluding treasury shares (RMB cents)	731.91	652.2	314.94	336.00

The Group's and the Company's net assets value per ordinary share as at 31 December 2018 and 31 December 2017 have been computed based on the share capital of 3,945,765,200 and 3,968,838,000 shares respectively.

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

Shipbuilding Related Segment	4Q2018		4Q2017	
	RMB'000	%	RMB'000	%
Shipbuilding				
Turnover	3,147,014	100%	4,338,810	100%
Cost	(2,852,187)	-91%	(3,760,798)	-87%
Margin	294,827	9%	578,012	13%
Trading				
Turnover	1,067,542	100%	1,504,133	100%
Cost	(1,040,430)	-97%	(1,490,080)	-99%
Margin	27,112	3%	14,053	1%
Others				
Turnover	211,342	100%	195,100	100%
Cost	(129,374)	-61%	(151,303)	-78%
Margin	81,968	39%	43,797	22%

Investment Segment	4Q2018		4Q2017	
	RMB'000	%	RMB'000	%
Other investment at amortised costs				
Interest Income	481,667	100%	301,108	100%
Sale taxes and levies	(22,781)	-5%	(7,808)	-3%
Net interest income	458,886	95%	293,300	97%
Micro Finance Business				
Interest Income	37,279	100%	15,461	100%
Sale taxes and levies	(265)	-1%	(420)	-3%
Net interest income	37,014	99%	15,041	97%

Revenue

Revenue for the Group comprises income generated from the shipbuilding related segment and investment segment.

11 vessels were delivered in 4Q2018, more than the 6 vessels delivered in 4Q2017. In spite of more vessels delivered in this quarter, the Group recorded a lower shipbuilding revenue of RMB3,147 million in 4Q2018 mainly due to construction of less larger size containerships during the period. Meanwhile, trading business also contributed a revenue of RMB1,068 million in 4Q2018. Revenue generated by other shipbuilding related businesses such as shipping logistics & chartering and ship design services was RMB211 million in 4Q2018.

In line with the increased size of investments in other investment at amortised costs, our interest income derived from other investment at amortised costs under investment segment recorded at RMB482 million, higher than same quarter last year.

Investment income derived from micro finance business in 4Q2018 increased to RMB37 million as compared to RMB15 million of 4Q2017.

Operating cost

In 4Q2018, our cost of sales of RMB2,852 million was also lower than RMB3,761 million recorded in 4Q2017. The cost of RMB2,852 million also included a provision of an additional RMB100 million allowance for losses recognised on onerous contracts in 4Q2018 as a result of the rising labor costs, raw materials costs and the weakening USD against RMB.

In 4Q2018, total cost of RMB23 million was incurred for the Group's investment segment, which mainly consist of value added taxes and levies on interest income.

Gross Profit

The Group's shipbuilding business registered a gross profit margin of 9% in 4Q2018, lower than previous quarters of the year, mainly due to the RMB100 million provision of allowance for losses on onerous contracts recognised during the quarter.

Trading business contributed gross profit of RMB27million in 4Q2018.

In line with the increased size of investments, net interest income generated by investment segment increased to RMB496 million in 4Q2018 from RMB308 million of the same quarter last year.

Interest income

Interest income mainly includes interest income from bank deposits and interest income for ship finance leases, increased from RMB29.5 million in 4Q2017 to RMB37.4 million in 4Q2018.

Other income

Other income increased from RMB476 million in 4Q2017 to RMB494 million in 4Q2018, mainly consists of RMB169 million income from forfeiture of advances received, RMB207 million income from forfeiture of security guarantees and a dividend income of RMB90 million from financial assets, at fair value through profit or loss.

Other gains/losses - net

Other gains/losses mainly comprise foreign exchange related gains/losses, and fair value change on financial assets, at fair value through profit or loss and subsidy income etc. The Group recorded other gain of RMB344 million in 4Q2018 as compared to a loss of RMB401 million in 4Q2017. The gain mainly relates to foreign exchange gain.

Expenses

In 4Q2018, total administrative expenses decreased to RMB194 million from RMB285 million in 4Q2017.

The drop in administrative expenses this quarter was mainly due to a reversal of impairment loss of RMB99 million on other investment at amortised costs and RMB91 million on loans to non-related parties - microfinance in 4Q2018. Meanwhile, we have further written down our jack up rig by another RMB211 million.

In 4Q2018, finance cost decreased slightly to RMB35 million as compared to RMB39 million in 4Q2017, mainly due to reduced borrowings at group level during the quarter under review as compared to the previous corresponding period.

Share of results of associated companies

This represents the share of results from the Group's associated companies. Share of loss of associated companies of RMB93 million mainly consists of the share of fair value loss of venture capital investments in 4Q2018.

FY2018 vs. FY2017

Shipbuilding Related Segment	FY2018		FY2017	
	RMB'000	%	RMB'000	%
Shipbuilding				
Turnover	14,023,336	100%	12,300,558	100%
Cost	(11,552,136)	-82%	(10,200,562)	-83%
Margin	2,471,200	18%	2,099,996	17%
Trading				
Turnover	7,021,366	100%	5,401,391	100%
Cost	(6,919,360)	-99%	(5,334,096)	-99%
Margin	102,006	1%	67,295	1%
Others				
Turnover	581,427	100%	392,749	100%
Cost	(376,260)	-65%	(315,284)	-80%
Margin	205,167	35%	77,465	20%

Investment Segment	FY2018		FY2017	
	RMB'000	%	RMB'000	%
Other investment at amortised costs				
Interest Income	1,549,279	100%	1,078,623	100%
Sale taxes and levies	(67,200)	-4%	(43,129)	-4%
Net interest income	1,482,079	96%	1,035,494	96%
Micro Finance Business				
Interest Income	62,881	100%	32,275	100%
Sale taxes and levies	(477)	-1%	(562)	-2%
Net interest income	62,404	99%	31,713	98%

Revenue

In 2018, 46 vessels were delivered according to schedule as compared to 33 vessels delivered in 2017. In line with higher volume of shipbuilding activities, revenue contributed from shipbuilding business in FY2018 recorded a 14% increase as compared to FY2017. Revenue contribution from trading business increased from last year as a result of higher volume of trading business in FY2018. Revenue generated by other shipbuilding related businesses such as shipping logistics & chartering and ship design services was RMB581 million in FY2018, compared to RMB393 million in FY2017, mainly due to higher charter rate this year and the additional revenue of RMB154 million contributed by Shanghai Huayuan Shipping Co., Ltd, a shipping company acquired by the Group in 2018, providing domestic shipping services.

In line with the increased size of investments in other investment at amortised costs, our interest income derived from other investment at amortised costs under investment segment recorded at RMB1,549 million, higher than RMB1,079 million of last year.

Investment income derived from micro finance business in FY2018 increased to RMB63 million as compared to RMB32 million of FY2017.

Operating cost

In line with higher shipbuilding revenue this year, cost of sales of shipbuilding business for FY2018 is RMB11,552 million, representing a 13% increase as compared to RMB10,201 million in FY2017.

In FY2018, total cost of RMB68 million was incurred for the Group's investment segment, which mainly consists of value added taxes and levies on interest income.

Gross Profit

In FY2018, gross profit margin of the Group's shipbuilding business was 18%, slightly higher than that of FY2017.

Trading business contributed about 32% of total revenue from shipbuilding related segment in FY2018 with typically low gross profit margin of 1.5%.

A higher gross profit of RMB205 million was recorded in FY2018 for other shipbuilding related business compared to RMB77 million in FY2017. This was mainly due to improved charter rates of our shipping logistics & chartering business in FY2018 and the acquisition of Shanghai Huayuan Shipping Co., Ltd in 2018.

In line with higher interest income from investment segment, net interest income contributed by this segment in FY2018 was also higher than last financial year.

Interest income

Interest income mainly includes interest income from bank deposits and interest income for ship finance leases, increased from RMB138 million in FY2017 to RMB185 million in FY2018, the increase was mainly due to higher interest income from bank deposits.

Other income

Other income increased from RMB532 million in FY2017 to RMB587 million in FY2018, mainly consists of RMB207 million income from forfeiture of security guarantees, RMB184 million dividend income from financial assets, at fair value through profit or loss and RMB169 million income from forfeiture of advances received.

Other gains/losses - net

Other gains/losses mainly comprise foreign exchange related gains/losses, fair value change on financial assets, at fair value through profit or loss and subsidy income etc. The Group recorded other gains of RMB569 million in FY2018, which was mainly related to foreign exchange related gains of RMB425 million, a subsidy income of RMB216 million, gain of RMB157 million on disposal of financial assets, at fair value through profit or loss. These gains were partly offset by the write-off of trade and other receivable of RMB233 million.

Expenses

In FY2018, total administrative expenses increased to RMB880 million from RMB610 million in FY2017. These expenses had included a net impairment loss on financial assets of RMB212 million, mainly made on our other investment at amortised costs and write-down of inventory of RMB211 million, which related to the jack up rig we held as inventory at the end of FY2018.

In FY2018, finance cost increased slightly to RMB134 million from RMB113 million in FY2017.

Share of results of associated companies

This represents the share of results from the Group's associated companies. Share of loss of associated companies of RMB86 million mainly consists of the share of fair value loss of venture capital investments in FY2018.

Corporate Income Tax

The taxation charge of RMB941 million was arrived after accounting for an average of 6% withholding tax on Chinese subsidiaries' distributable profits and an average corporate tax rate of 15% in year 2018. Group's effective tax rate for FY2018 was 21%, higher than 11% of FY2017. The relatively low tax rate of 11% in FY2017 was due to a tax credit of RMB78 million received by Xinfu Yard and several non-taxable income recognised in FY2017.

Statements of Financial Position Review

Assets

Contract assets at the end of FY2018 had decreased slightly to RMB5,862 million from RMB5,960 million as at the end of FY2017.

The RMB2,606 million inventory mainly consists steel material and equipment which are used in the Group's shipbuilding activities, as well as inventory work-in-progress. This year, we had written down another RMB211 million in value of the jack up drilling rig, and the Group is actively seeking for potential buyer for the jack up rig.

Following the adoption of SFRS(I) 9 on 1 January 2018, investment in financial assets, available-for-sale had been re-classed to investment in financial assets, at fair value through profit or loss. As at 31 December 2018, investment in financial assets, at fair value through profit or loss had decreased to RMB1,251 million from a total of RMB2,176 million of investment in financial assets, at fair value through profit or loss and financial assets, available-for-sale recorded at the end of last year as a result of several disposals during the period.

As at 31 December 2018, other investment at amortised costs had increased to RMB14.81 billion from RMB11.98 billion at end of FY2017, and the impairment provision for other investment at amortised costs stood at RMB1,546 million as at the end of FY2018.

The increase of investment in associated companies from RMB1,395 million as at the end of last year to RMB1,454 million, the movement being the share of results during the period, additional investment of RMB187 million and return of capital of RMB283 million received from our associated companies in FY2018.

Liabilities

Warranty provisions for completed and delivered vessels decreased by RMB51 million to RMB321 million as compared to 31 December 2017, being the net movement of provisions made for vessels delivered during the reporting period and reversal of provision after the expiry of warranty of vessels delivered in the previous year.

Borrowings represented the Group's secured and unsecured borrowings of RMB4,044 million, this represents a decrease of RMB847 million from RMB4,891 million as of the end of last year.

With more progress payment received from construction contracts, contract liabilities as at the end of FY2018 had increased to RMB5,021 million as compared to RMB3,609 million at the end of last year. A total of RMB119 million of reversal of allowance for losses recognised on onerous contracts was recognised in FY2018. As of 31 December 2018, the remaining provision of allowance for losses recognised on onerous contracts stood at RMB 1,099 million.

Equity

The change of "Total equity attributable to equity holders" to RMB28,880 million as at 31 December 2018 from RMB25,885 million as at 31 December 2017 was mainly a result of profits earned during the reporting period, which was partly offset by a dividend payment for FY2017 and share purchase during the reporting period.

Statements of cash flows review

Cash and cash equivalents increased from RMB6,195 million to RMB6,594 million due mainly to net cash provided by operating activities and investing activities of RMB1,307 million and RMB845 million respectively during the financial year.

Increase in net working capital requirements (including restricted cash) of RMB3,503 million was primarily attributable to the increase in other investment at amortised costs of RMB2,832 million, decrease in trade and other payable of RMB1,387 million, which was largely offset by the decrease in construction contract balances of RMB1,510 million.

The net cash provided by investing activities of RMB845 million mainly consists of proceeds of RMB1,234 million from sales of financial assets, at fair value through profit and loss, which were partly offset by the purchase of property, plant and equipment of RMB483 million.

Net cash used in financing activities of RMB1,753 million during FY2018 was mainly related to FY2017 dividend payment to equity holders of RMB857 million and net repayment of borrowings of RMB782 million. Overall liquidity remains at a healthy level as evidenced by the current ratio of 2.58 as of 31 December 2018.

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 global shipbuilding market continued to recover in the early part of 2018, although the momentum tapered off later due to ongoing trade tensions between US and China and the forthcoming IMO 2020 global sulphur cap. For the whole year, 1,204 new shipbuilding orders became effective (76.9 million DWT in total), 18.3% lower (12.5% lower by DWT) compared to 2017¹. 1,736 vessels were delivered in 2018, 15.9% lower than in 2017.

Research suggests some improvement in the fundamentals in the shipping and shipbuilding market in 2019. Clarksons estimated that global container shipping volume grew by 4.3% in 2018, a slower pace than in 2017, and expected the

¹ http://www.eworldship.com/html/2019/NewShipMarket_0130/146635.html

growth to remain steady at 4.1% in 2019. Containership capacity grew by 5.6% in 2018, and is estimated at 2.9% in 2019. Global seaborne dry bulk trade growth is estimated at 2.8% (by tonnemiles) in 2018, and the base case projection for 2019 is 3.4%. With fleet growth projection of 3.0% for the year, the fundamentals “look to be fairly balanced”². The impending IMO 2020 global sulphur cap could further limit the “active capacity” by around 1% for containerships and around 0.5% for dry bulkers due to “out of service” time for scrubber retrofits.

Risks from the global economic growth and the trade tensions still exist, which could weigh on the pace of new shipbuilding order placement.

In October 2018, the Group announced the establishment of the shipbuilding joint venture with prominent Japanese shipbuilding entities, Mitsui E&S Shipbuilding Co., Ltd. (“MES-SC”) and Mitsui & Co., Ltd. (“Mitsui”) to expand customer base with diversified vessel types and enter into new areas of shipbuilding business, primarily in LNG related vessels. The joint venture is expected to further enhance Yangzijiang’s shipbuilding capabilities, upgrade its product portfolio and create potential for order book growth.

In 2018, the Group secured new orders for 36 vessels with total contract value of USD1.5 billion. These new orders included (5 units of 12,690TEU containership, 3 units of 2,700TEU containership, 2 units of 2,400TEU containership, 2 units of 1,800TEU containership, 3 units of 83,500DWT combination carrier, 15 units of 82,000DWT bulk carrier, 2 units of 180,000DWT bulk carrier and 4 units of 208,000DWT bulk carrier). As at 31 December 2018, with an outstanding order book of USD3.9 billion for 113 vessels, Yangzijiang was ranked no.1 in China and no. 5³ in the world. These orders will keep the Group’s yard facilities at a healthy utilization rate up to 2021 and provide a stable revenue stream to the Group.

In view of the Group’s robust financial position, stringent risk management, strong delivery track record and reputation as a leading shipbuilder in the world, Yangzijiang commands a favourable position in a recovering market. The Board remains confident of the Group’s stable operational and financial performance for financial year ending 31 December 2019.

11. Dividend

(a) Current Financial Period Reported On

Name of Dividend	Ordinary Share Final Dividend (Proposed)
Dividend Type	Cash
Dividend Rate	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	4.5 Singapore cents per ordinary share
Tax rate	Tax exempt (One-tier)
Book Closure date	23/05/2018
Payment Date	07/06/2018

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

Tax exempt (One-tier).

² Clarksons Research, Dry bulk trade outlook January 2019

³ As of 15 February, 2019.

(d) Date payable

The payment of the recommended final tax exempt (one-tier) dividend of SGD5 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

The segment information for the reportable segments is as follows:

For the financial year ended 31 December 2018	Shipbuilding	Investments	Trading	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	14,023,336	1,612,160	7,903,176	581,427	24,120,099
Inter-segment revenue	-	-	(881,810)	-	(881,810)
Revenue from third parties	14,023,336	1,612,160	7,021,366	581,427	23,238,289
Segment result	2,527,872	1,304,026	47,067	262,131	4,141,096
Segment assets	22,657,865	16,588,641	1,935,529	4,210,895	45,392,930
Segment liabilities	10,326,116	8,483	1,842,819	1,916,340	14,093,758
For the financial year ended 31 December 2017	Shipbuilding	Investments	Trading	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	12,300,557	1,110,898	7,181,601	392,750	20,985,806
Inter-segment revenue	-	-	(1,780,210)	-	(1,780,210)
Revenue from third parties	12,300,557	1,110,898	5,401,391	392,750	19,205,596
Segment result	2,168,021	921,626	45,785	778,314	3,913,746
Segment assets	22,990,031	14,632,134	1,458,521	3,631,676	42,712,362
Segment liabilities	11,065,225	4,915	1,559,741	2,101,151	14,731,032

A reconciliation of segment results to profit before tax is provided as follows:

	2018	2017
	RMB'000	RMB'000
Segment results for reportable segments	3,878,965	3,135,432
Other segment results	262,131	778,314
Other income	326,172	194,192
Other gains - net	695,207	(286,075)
Administrative expenses	(576,309)	(321,192)
Finance expense, net	(21,164)	(13,309)
Profit before tax	4,565,002	3,487,362

Reportable segment's assets and liabilities are reconciled to total assets and liabilities as follows:

	2018	2017
	RMB'000	RMB'000
Segment assets for reportable segments	41,182,035	39,080,686
Others	4,210,895	3,631,676
Unallocated:		
Deferred income tax assets	692,207	660,291
	46,085,137	43,372,653

	2018	2017
	RMB'000	RMB'000
Segment liabilities for reportable segments	12,177,418	12,629,881
Others	1,916,340	2,101,150
Unallocated:		
Income tax liabilities	1,343,444	1,203,376
Deferred income tax liabilities	1,067,678	921,549
	16,504,880	16,855,956

(b) Segment information

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

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
PRC & Taiwan	14,128,345	3,327,219
Germany	94,079	1,362,512
Greece	2,326,538	-
Other European countries	2,330,443	2,860,310
Other Asian countries	3,581,192	11,242,124
Canada and USA	101,434	413,431
Bahamas	81,460	-
Norway	594,798	-
	23,238,289	19,205,596

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

	2018 RMB'000	2017 RMB'000	Change %
(a) Sales reported for first half year	12,926,760	8,472,819	53%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	1,767,131	1,446,718	22%
(c) Sales reported for second half year	10,311,529	10,732,777	-4%
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	1,856,665	1,645,204	13%

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	197,288	178,598
Total	197,288	178,598

The Directors proposed a final exempt (one-tier) ordinary dividend of SGD5 cents per ordinary share amounting to a total of SGD197,288,260 based on current 3,945,765,200 net issued shares as of 31 December 2018 for the shareholders' approval at the forthcoming Annual General Meeting.

17. Interested Person Transactions

The following table sets out the current total of all transactions with the interested person for the year ended 31 December 2018:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Xu Wen Jiong West Gold International Pte Ltd Procurement of marine equipment	RMB 96,158,000 *	Nil [^]

*Aggregate value less than 3% of Group's NTA as at 31 December 2018, shareholder mandate not applicable.

[^]The Company does not obtain a shareholders' mandate for interested person transactions.

18. Use of Proceeds Update

A total of S\$165.8 million of S\$208.8 million raised from the issuance of 137,000,000 ordinary shares on 31 August 2017 has been utilised as follows:

	Use of new placement proceed from the issuance of 137,000,000 ordinary shares	Planned use of Net Proceeds (S\$' million)	Net Proceeds utilised (S\$' million)	Balance of Net Proceeds (S\$' million)
a	Fund new investments and business expansion through acquisitions, joint ventures and/or strategic alliances	Up to 104.4	61.4	43.0
b	Working capital and general corporate purposes	104.4	104.4	-
(a+b)		208.8	165.8	43.0
	Net proceeds received			208.8
	Remaining balance of proceeds			43.0

The above utilisations are in accordance with the intended use of proceeds of Placement as disclosed in the Announcement dated 31 August 2017. The Company will continue to make further announcement(s) via SGXNet when the remaining net proceeds are materially disbursed.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ren Letian	37	Mr. Ren Letian is the son of Mr. Ren Yuanlin, the Executive Chairman and Director of the Company. Mr. Ren Yuanlin is also a substantial shareholder of the Company.	CEO of the Company & General Manager of the Group, in charge of the daily operations of the Group. He was appointed as Company's CEO on 1 st May 2015 and General Manager of the Group on 19 th September 2017.	N.A.

20. CONFIRMATION PURSUANT TO RULE 720 (1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

On behalf of the Board of Directors
Ren Yuanlin
Executive Chairman