



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

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## **CLARIFICATION ANNOUNCEMENT IN RESPONSE TO QUERIES RAISED BY SGX**

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The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Limited (the “Company”) wishes to provide the additional information in response to the following queries raised by the Singapore Exchange Securities Trading Limited relating to the Company’s unaudited financial statements for the period ended 30 September 2019 (“3Q2019 Financial Statements”).

The Board sets out the queries and the corresponding responses below.

a) With reference to the unaudited financial statements for the period ended 30 September 2019, please provide an explanation for:

(i) Decrease in trade and other receivables (current)

As we explained in our 2Q2019 results announcement for the period ended 30 June 2019, the decrease in current trade and other receivables from RMB5,051 million as at 31 December 2018 to RMB4,218 million was mainly due to the decrease of the value added tax (“VAT”) receivable after Chinese tax reform to adjust the value added tax rate from 16% to 13% with effect from 1 April 2019. There was no material movement in 3Q2019.

(ii) Decrease in trade and other payable

The decrease in trade and other payable of RMB4,513 million as of 31 December 2018 to RMB3,965 million was mainly due to more settlements of trade payable and better inventory management during the period.

By Order of the Board

Ren Letian  
Chief Executive Officer

19 November 2019