



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 2015

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 2015	% of	4Q 2014	+/(-)%	2015	% of	2014	+/(-)%
	RMB'000	Revenue	RMB'000	Variance	RMB'000	Revenue	RMB'000	Variance
Revenue	3,125,245	100%	3,781,961	-17%	16,014,348	100%	15,353,551	4%
Cost of sales	(2,195,650)	-70%	(2,933,449)	-25%	(12,295,077)	-77%	(11,209,669)	10%
Gross profit	929,595	30%	848,512	10%	3,719,271	23%	4,143,882	-10%
Other income	39,606	1%	255,409	-84%	271,008	2%	631,131	-57%
Other gains/(losses), net	(615,274)	-20%	(259,472)	137%	167,536	1%	(150,182)	n.m.
Expenses								
- Administrative	(424,711)	-14%	(153,002)	178%	(656,550)	-4%	(434,774)	51%
- Finance	(175,956)	-6%	49,349	n.m.	(514,159)	-3%	(245,231)	110%
Share of profit of associated companies and a joint venture [#]	193,884	6%	20,712	836%	197,744	1%	7,816	2430%
Profit before income tax	(52,856)	-2%	761,508	n.m.	3,184,850	20%	3,952,642	-19%
Income tax expense	61,346	2%	(130,832)	n.m.	(730,609)	-5%	(471,812)	55%
Net profit	8,490	0.3%	630,676	-99%	2,454,241	15%	3,480,830	-29%
Attributable to:								
Equity holders of the Company	41,453	1%	636,564	-93%	2,459,600	15%	3,482,922	-29%
Non-controlling interests	(32,963)	-1%	(5,888)	460%	(5,359)	-0.03%	(2,092)	156%
	8,490		630,676	-99%	2,454,241		3,480,830	-29%

[#] Share of 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		+ / (-) %
	FY2015	FY2014	Variance
	RMB'000	RMB'000	%
After charging:			
Depreciation and amortization	543,415	430,212	26%
Fair value change on derivative financial instruments	312,825	(23,087)	n.m.
Finance costs - Interest on borrowings	514,159	321,389	60%
Impairment loss on property, plant and equipment	209,942	-	n.m.
Impairment loss of financial assets, held-to-maturity	94,770	315,175	-70%
Impairment loss on finance lease receivables	150,872	41,711	262%
Loss/(Gain) on disposal of subsidiaries	63,766	(59,179)	n.m.
After crediting:			
Interest income	179,255	518,887	-65%
Foreign exchange related gains/(losses), net	232,338	(194,390)	n.m.
Gain on disposal of financial assets, available-for-sale	12,282	-	n.m.
Gain on disposal of associated companies	-	49,284	n.m.
Subsidy income	740,367	275,117	169%
Income from forfeiture of advances received	87,987	108,158	-19%

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.

	The Group		The Company	
	As at	As at	As at	As at
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	5,992,935	2,652,565	776,537	422,096
Restricted cash	1,028,550	3,325,850	-	-
Derivative financial instruments	60,603	2,620	35,749	2,302
Financial assets, available-for-sale	275,255	788,437	-	-
Financial assets, held-to-maturity	4,944,342	5,278,932	-	-
Trade and other receivables	6,196,534	6,721,164	6,422,454	8,119,194
Inventories	1,612,875	2,015,098	-	-
Land held for development	54,899	112,396	-	-
Development properties	1,782,336	2,765,475	-	-
Due from customers on construction contracts	3,858,445	2,099,919	-	-
	25,806,774	25,762,456	7,234,740	8,543,592
Non-current assets				
Financial assets, held-to-maturity	5,028,064	5,512,268	-	-
Trade and other receivables	1,138,704	1,167,835	2,017,416	1,209,360
Lease prepayments	1,111,368	1,132,687	-	-
Investment in subsidiaries	-	-	5,638,707	5,358,707
Investment in a joint venture	336,513	345,483	349,249	349,249
Investment in associated companies	1,086,638	463,468	134,062	134,062
Property, plant and equipment	6,401,967	6,116,517	52	79
Intangible assets	2,260	2,402	-	-
Deferred income tax assets	333,774	274,866	-	-
	15,439,288	15,015,526	8,139,486	7,051,457
Total assets	41,246,062	40,777,982	15,374,226	15,595,049
LIABILITIES				
Current liabilities				
Trade and other payables	5,042,007	5,722,708	4,002,888	1,691,920
Derivative financial instruments	78,297	39,200	76,812	39,097
Due to customers on construction contracts	1,702,063	2,406,297	-	-
Advances received on construction contracts	567,550	703,369	-	-
Borrowings	2,208,565	5,414,188	194,808	3,079,608
Provisions	577,862	600,332	-	-
Current income tax liabilities	762,927	478,048	403,752	210,565
	10,939,271	15,364,142	4,678,260	5,021,190
Non-current liabilities				
Trade and other payables	493,866	506,983	-	-
Derivative financial instruments	382,495	50,784	382,495	50,784
Borrowings	6,073,856	2,636,167	2,597,440	1,223,800
Deferred income tax liabilities	997,593	1,143,895	343,418	525,172
	7,947,810	4,337,829	3,323,353	1,799,756
Total liabilities	18,887,081	19,701,971	8,001,613	6,820,946
NET ASSETS	22,358,981	21,076,011	7,372,613	8,774,103
EQUITY	5.6%	9.8%		
Capital and reserves attributable to equity holders of the Company				
Share capital	6,263,016	6,263,016	6,227,799	6,227,799
Treasury shares	(20,979)	(20,979)	(20,979)	(20,979)
Other reserves	195,862	(6,514)	50,888	50,888
Retained earnings	15,361,490	14,237,871	1,114,905	2,516,395
	21,799,389	20,473,394	7,372,613	8,774,103
Non-controlling interests	559,592	602,617	-	-
Total equity	22,358,981	21,076,011	7,372,613	8,774,103

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 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
371,640	1,836,925	3,353,953	2,060,235

Amount repayable after one year

As at 31 December 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
1,193,272	4,880,584	1,126,367	1,509,800

Details of any collateral

The borrowings from the bank are secured by certain assets 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.

	The Group	
	2015	2014
	RMB '000	RMB '000
Cash flows from operating activities		
Total profit	2,454,241	3,480,830
Adjustments for:		
- Income tax expenses	730,609	471,812
- Depreciation on property, plant and equipment	521,800	410,034
- Amortisation of lease prepayments	21,319	20,055
- Amortisation of intangible assets	296	123
- Gain on disposal of property, plant and equipment	(23,891)	-
- Interest expenses	233,399	321,389
- Gain on disposal of associates	-	(49,284)
- Loss/(Gain) on disposal of subsidiaries	63,766	(49,179)
- Gain on disposal of available-for-sale financial assets	(12,282)	-
- Fair value change on derivative financial instruments	312,825	19,601
- Impairment loss on property, plant and equipment	209,942	-
- Share of profit of associated companies and a joint venture	(197,744)	(7,816)
- Others	-	(143)
	4,314,280	4,617,422
Change in working capital, net of effects from acquisition and disposal of subsidiaries		
- Inventories	386,102	(552,034)
- Development properties	(675,239)	(1,408,617)
- Land held for development	-	809,723
- Construction contract balances	(2,598,579)	(1,088,255)
- Trade and other receivables	(631,286)	(687,479)
- Trade and other payables	685,722	(173,296)
- Financial assets, held-to-maturity	818,794	3,336,151
- Provisions	(22,470)	(69,883)
- Restricted cash	2,297,300	5,091,127
Cash generated from operations	4,574,624	9,874,859
Interest paid	(233,399)	(321,389)
Income tax paid	(605,846)	(492,135)
Net cash provided by operating activities	3,735,379	9,061,335
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	29,674	190
Proceeds from sales of investment in associated companies	-	108,300
Proceeds from sales of financial assets, available-for-sale	2,296,385	15,000
Purchase of property, plant and equipment	(225,920)	(729,175)
Acquisition of lease prepayments	-	(62,207)
Disposal of subsidiaries, net of cash disposed	702,505	(46,430)
Proceeds from reduction of equity interest in existing subsidiary	-	140,000
Acquisition of financial assets, available-for-sale	(2,295,987)	(379,744)
Acquisition of subsidiaries, net of cash acquired	-	(268,490)
Acquisition of intangible assets	(154)	(2,430)
Incorporation/acquisition of associated companies	(553,513)	(202,744)
Capital injection in an associated company	-	(2,610)
Return of capital by an associated company	81,587	48,943
Dividend received from a joint venture	28,711	30,770
Net cash generated by/(used) in investing activities	63,288	(1,350,627)
Cash flows from financing activities		
Acquisition of equity interest in existing subsidiaries from non-controlling interests	(12,745)	(42,028)
Proceeds from borrowings	5,930,254	7,160,696
Repayments of borrowings	(5,414,188)	(12,683,783)
Capital injection by non-controlling interests	-	30,975
Dividends paid to equity holders	(957,933)	(953,055)
Dividends paid to non-controlling interests	(3,685)	(7,194)
Net cash used in financing activities	(458,297)	(6,494,389)
Net increase in cash and cash equivalents	3,340,370	1,216,319
Cash and cash equivalents as at beginning of financial year	2,652,565	1,436,246
Cash and cash equivalents as at end of reporting period	5,992,935	2,652,565

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 2015	4Q 2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Net Profit	8,490	630,676	2,454,241	3,480,830
Other comprehensive income:				
Items that may be reclassified subsequently to profit and loss:				
Financial assets, available-for-sale				
- Fair value gains	140,177	137,159	105,361	137,159
- Reclassification	15,621	-	(59,538)	-
Share of other comprehensive income of associated companies and joint ventures	(1,497)	-	(1,497)	-
Currency translation difference arising from consolidation				
- Gains	(34,856)	5,023	(34,856)	5,023
Total comprehensive income, net of tax	127,935	772,858	2,463,711	3,623,012
Total comprehensive income attributable to:				
Equity holders of the Company	160,684	778,729	2,468,855	3,625,087
Non-controlling interests	(32,749)	(5,871)	(5,144)	(2,075)

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

	Share capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2015 Beginning of financial year	6,263,016	(20,979)	(6,514)	14,237,871	20,473,394	602,617	21,076,011
Transfer between reserves ⁽¹⁾	-	-	378,048	(378,048)	-	-	-
Dividend relating to 2014 paid ⁽²⁾	-	-	-	(957,933)	(957,933)	(3,686)	(961,619)
Disposal of subsidiaries ⁽³⁾	-	-	(182,982)	-	(182,982)	(23,395)	(206,377)
Acquisition of equity interest in existing subsidiaries from non-controlling interests ⁽⁴⁾	-	-	(1,945)	-	(1,945)	(10,800)	(12,745)
Total comprehensive income for the year	-	-	9,255	2,459,600	2,468,855	(5,144)	2,463,711
End of the financial year	6,263,016	(20,979)	195,862	15,361,490	21,799,389	559,592	22,358,981
2014 Beginning of financial year	6,263,016	(20,979)	(598,242)	12,157,014	17,800,809	472,072	18,272,881
Transfer between reserves	-	-	449,010	(449,010)	-	-	-
Dividend relating to 2013 paid	-	-	-	(953,055)	(953,055)	(7,194)	(960,249)
Reduction of equity interest in existing subsidiary	-	-	(60)	-	(60)	150,060	150,000
Acquisition of subsidiaries	-	-	-	-	-	186,281	186,281
Disposal of subsidiaries	-	-	-	-	-	(177,281)	(177,281)
Acquisition of equity interest in existing subsidiaries from non-controlling interests	-	-	613	-	613	(42,641)	(42,028)
Capital injection by non-controlling interests	-	-	-	-	-	23,395	23,395
Total comprehensive income for the year	-	-	142,165	3,482,922	3,625,087	(2,075)	3,623,012
End of the financial year	6,263,016	(20,979)	(6,514)	14,237,871	20,473,394	602,617	21,076,011

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
2015 Beginning of financial year	6,227,799	(20,979)	50,888	2,516,395	8,774,103
Dividend relating to 2014 paid ⁽²⁾	-	-	-	(957,933)	(957,933)
Total comprehensive income	-	-	-	(443,557)	(443,557)
End of financial year	6,227,799	(20,979)	50,888	1,114,905	7,372,613
2014 Beginning of financial year	6,227,799	(20,979)	50,888	1,280,145	7,537,853
Dividend relating to 2013 paid	-	-	-	(953,055)	(953,055)
Total comprehensive income	-	-	-	2,189,305	2,189,305
End of financial year	6,227,799	(20,979)	50,888	2,516,395	8,774,103

(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) This represents the final dividend of 5.5 Singapore cents per ordinary share in respect of the financial year ended 31 December 2014. The Company paid the dividend on 28 May 2015.

In 2015, the Company's subsidiaries, CS Marine Technology Pte. Ltd. ("CMTPL") and Jiangsu New Yangzi Gas Co., Ltd ("JNYGCO") declared dividend to their shareholders, RMB3.69 million represents dividend paid to their respective non-controlling interests.

(3) In 2015, the Company through its wholly-owned subsidiary Jiangsu New Yangzi Shipbuilding Co., Ltd ("JNYS") disposed the 100% equity interest in the registered capital of Jiangsu Hengyuan Real Estate Development Co., Ltd and its subsidiaries, JNYS disposed its entire 40% equity interest in Jiangsu Zhuoran Yangzijiang Energy Equipment Co., Ltd ("JZYEE") in same year.

(4) In 2Q2015, the Company through its wholly-owned subsidiary Jiangsu New Yangzi Shipbuilding Co., Ltd ("JNYS") acquired additional 24% equity interest in the registered capital of Jiangsu New Yangzi Gas Co., Ltd.

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 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 2014.

	Number of Shares ('000)	
	As at 31 Dec 2015	As at 31 Dec 2014
Shares may be issued on conversion	-	-
Shares held as treasury shares	5,239	5,239
Issued shares excluding treasury shares	3,831,838	3,831,838

- 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 Dec 2015	As at 31 Dec 2014
Issued shares at the end of periods	3,837,077	3,837,077
Treasury shares at the end of periods	(5,239)	(5,239)
Net issued shares at the end of periods	<u>3,831,838</u>	<u>3,831,838</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.**

	Number of Shares ('000)	RMB '000
Total number of treasury shares		
Balance as at 1 January 2015	5,239	20,979
Repurchased during FY2015	-	-
Treasury shares re-issued	-	-
Balance as at 31 December 2015	<u>5,239</u>	<u>20,979</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 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.**

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INTFRS") that are mandatory for application for the financial year as follows:

- FRS 103 Business Combinations

The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32, Financial instruments: Presentation. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

- **FRS 108 Operating Segments**

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

- **FRS 24 Related Party Disclosures**

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity').

The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

- **FRS 113 Fair Value Measurement**

The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

This amendment is not expected to have any significant impact on the financial statements of the Group.

The adoption of these new FRS did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial periods.

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 2015	FY 2014
(a)	Based on weighted average number of ordinary shares in issue (RMB cents)	64.19	90.89
	Weighted average number of Ordinary shares	3,831,838,000	3,831,838,000
(b)	On fully diluted basis (RMB cents)	64.19	90.89

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 2015 and 2014 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	
	31/12/15	31/12/14	31/12/15	31/12/14
Net asset value per ordinary share based on issued share capital excluding treasury shares (RMB cents)	568.90	534.30	192.40	228.98

The Group's and the Company's net assets value per ordinary share as at 31 December 2015 and 31 December 2014 have been computed based on the share capital of 3,831,838,000 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 2015 vs. 4Q 2014

Shipbuilding Related Segment	4Q2015		4Q2014	
	RMB'000	%	RMB'000	%
Shipbuilding				
Turnover	2,778,153	100%	3,138,795	100%
Cost	(2,060,795)	-74%	(2,574,643)	-82%
Margin	717,358	26%	564,152	18%
Others				
Turnover	155,087	100%	378,980	100%
Cost	(126,053)	-81%	(344,129)	-91%
Margin	29,034	19%	34,851	9%

Investment Segment	4Q2015		4Q2014	
	RMB'000	%	RMB'000	%
Held-to-Maturity Investment				
Interest Income	167,037	100%	161,073	100%
Sale taxes and levies	(9,542)	-6%	(10,555)	-7%
Net interest income	157,495	94%	150,518	93%
Micro Finance Business				
Interest Income	24,968	100%	103,113	100%
Sale taxes and levies	740	3%	(4,122)	-4%
Net interest income	25,708	103%	98,991	96%

Revenue

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

Revenue derived from shipbuilding business recorded at RMB2,778 million in 4Q2015, and 6 vessels were delivered according to schedule, which was lower than 9 delivered in 4Q2014. Revenue derived from Others Shipbuilding Related Segment is recorded at RMB155 million, the increase was mainly due to the growth of consultation services rendered apart from the group's shipping logistics & design business.

Interest income derived from HTM financial assets under investment segment recorded at RMB167 million, at a similar level as same quarter last year.

Investment income derived on micro finance business decreased in 4Q2015 to RMB25 million as compared to RMB126 million in 4Q2014. It mainly due to smaller loan receivable balance in 4Q2015 as compared to same quarter last year.

Operating cost

Corresponding to lower revenues derived from shipbuilding related segment, our cost of sales of RMB2,187 million for 4Q 2015 was also lower than that of RMB2,919 million recorded in 4Q2014.

In 4Q2015, total cost of RMB126 million was incurred for the Group's Held-to-Maturity Investments, which were business taxes and related levies charged on interest income.

Cost incurred for micro finance business registered a credit balance in 4Q2014 due mainly to tax rebate received from levies that paid in first half of 2015.

Gross Profit

As compared to 4Q2014, the Group's shipbuilding business registered a higher gross profit margin of 26% in 4Q2015, mainly due to provision write-back amounting to RMB186 million for warranties expired which was provided on vessels completed and delivered in FY2012.

As compared to corresponding period of last year, profit generated by investment segment declined, and it is in line with the reduced size of investments in HTM financial assets.

Other income

Other income, which includes interest income from bank deposits and interest income for ship finance lease business, decreased significantly from RMB255 million in 4Q2014 to RMB40 million in 4Q2015. The decrease was mainly due to lower interest income generated from restricted cash and there was an income of RMB108 million recognised in 4Q2014 from forfeiture of advances received from terminated shipbuilding contracts. The Group's restricted cash had decreased significantly as compared to last year as a result of its funding strategy to gradually repay bank borrowings backed by restricted cash deposit and refinanced with long term un-collateralized borrowings.

Other losses - net

Other losses mainly comprises foreign exchange related gains/(losses) and provision of impairments. The Group recorded other losses of RMB615 million in 4Q2015 from loss of RMB259 million in 4Q2014, due mainly to impairment provision of RMB210 million made for vessels owned and operated by our shipping arm and provision of RMB151 million made for finance lease receivable for vessels on bare-boat hire purchase arrangement, additional impairment provision of RMB95 million made for HTM investments and the foreign exchange related losses.

Expenses

In 4Q2015, administrative expenses increased by RMB272 million to RMB425 million as compared to 4Q2014, due mainly to the impairment provision of RMB369 million made for due from customer on construction contracts of the jack up drilling rig under construction, and it is the Group's only jack up drilling rig order on hand.

A significant increase in finance cost in 4Q2015 to RMB176 million as compared to 4Q2014 was mainly due to a revaluation loss on USD borrowings as a result of present strengthening USD against RMB beginning from August 2015.

Share of results of associated companies and a joint venture

It represents the share of results from the Group's associated companies and the Group's joint venture PPL Holdings Pte Ltd. RMB194 million profit recorded in 4Q2015 mainly consists of fair value gain of venture capital investments at the balance sheet date from the Group's associated companies.

Corporate Income Tax

Corporate income tax register a credit balance due mainly to a reversal of tax expense provided for compensation received from government for the relocation of the former shipyard at Jiangyin city.

FY2015 vs. FY2014

Shipbuilding Related Segment	FY2015		FY2014	
	RMB'000	%	RMB'000	%
Shipbuilding				
Turnover	12,208,800	100%	11,402,344	100%
Cost	(9,834,025)	-81%	(8,939,419)	-78%
Margin	2,374,775	19%	2,462,925	22%
Trading				
Turnover	2,050,847	100%	1,724,217	100%
Cost	(2,022,617)	-99%	(1,690,309)	-98%
Margin	28,230	1%	33,908	2%
Others				
Turnover	429,057	100%	539,230	100%
Cost	(365,748)	-85%	(476,343)	-88%
Margin	63,309	15%	62,887	12%

Investment Segment	FY2015		FY2014	
	RMB'000	%	RMB'000	%
Held-to-Maturity Investment				
Interest Income	1,215,369	100%	1,505,050	100%
Sale taxes and levies	(69,148)	-6%	(96,793)	-6%
Net interest income	1,146,221	94%	1,408,257	94%
Micro Finance Business				
Interest Income	110,275	100%	182,710	100%
Sale taxes and levies	(3,539)	-3%	(6,805)	-4%
Net interest income	106,736	97%	175,905	96%

Revenue

In 2015, 36 vessels were delivered according to schedule as compared to 33 vessels delivered in 2014. Revenue contributed from shipbuilding business in FY2015 recorded a 7.1% increase as compare to FY2014. Revenue contribution from trading business increased as compared to last year as a result of higher volume of trading business in FY2015. Revenue generated by other shipbuilding related businesses such as shipping logistics & chartering, ship design services and consultation services was RMB429 million in FY2015, compared to RMB539 million in FY2014.

As investment portfolio has shrunk as compared last year, interest income derived from HTM financial assets under the investment segment decreased from RMB1,505 million in FY2014 to RMB1,215 million in FY2015.

Gross Profit

Gross profit margin from shipbuilding business declined from 21.6% in FY2014 to 19.5% in FY2015 due mainly to lower contract value for vessels built and delivered in FY2015 as compare to FY2014.

Expenses

As result of the impairment provision of RMB369 million made in 4Q2015 for due from customer on construction contracts of the jack up drilling rig under construction, administrative expenses in FY2015 increased by 51% to RMB657 million as compared to FY2014.

Finance cost have increased significantly as compared to last year. This is mainly due to a revaluation loss on USD borrowings as a result of present strengthening USD against RMB beginning from August 2015.

Share of results of associated companies and a joint venture

It represents the share of results from the Group's associated companies and the Group's joint venture PPL Holdings Pte Ltd. RMB198 million profit recorded in FY2015 mainly consists of fair value gain of venture capital investments at the balance sheet date from the Group's associated companies recognised in 4Q2015.

Corporate Income Tax

Group's effective tax rate for FY2015 was 23%, higher than 12% of FY2014. Lower effective tax rate of FY2014 was mainly due to a one-off tax credit of RMB349 million to Jiangsu New Yangzi Shipbuilding Co., Ltd ("JNYS") for its payment of 25% standard income tax rate recorded over the earnings in FY2013. JNYS has been enjoying a preferential enterprise income tax rate of 15% since FY2013 for a period of 3 years by virtue of a preferential tax policy as a "High/New Technology Enterprise", while income tax rate of Jiangsu Yangzijiang Shipbuilding Co., Ltd had reverted to 25% after the expiry of the preferential tax rate of 15% as a "High/New Technology Enterprise" for 6 years since 2009. The taxation charge of RMB730 million was arrived after accounting for 6% withholding tax on Chinese subsidiaries' distributable profits and average corporate tax rate of 17% in year 2015.

As a result of lower gross profit and higher effective tax rate as compared to FY2014, the Group's profit after tax for FY2015 of RMB2,454 million was 29% lower than that of FY2014.

Group's net profit margin of 15% in FY2015 was lower than 23% of FY2014, mainly due to lower gross profit margin and higher effective tax rate.

Statements of Financial Position Review

Assets

At the end of FY2015, restricted cash balance decreased significantly as compared to 31 December 2014, the decrease was mainly due to the funding strategy adopted by the Group to gradually repay bank borrowings which are backed by restricted cash deposit and to refinance these borrowings with long term un-collateralized borrowings. As a result, cash and cash equivalent as of the end of FY2015 increased by RMB3,340 million to RMB 5,993 million from the end of the previous financial year.

In line with the Group's strategy to control the size of investment in non-shipbuilding businesses, investment in financial assets, available-for-sale had decreased to RMB275 million as at 31 December 2015 from RMB788 million recorded at the end of last year, and investments in HTM financial assets had further decreased to RMB9.97 billion from RMB10.79 billion at end of FY2014. As at 31 December 2015, impairment provision for HTM investments stood at RMB961 million.

Following the delivery of vessels built for our shipping related subsidiaries, vessels under construction included in inventories at the end of FY2014 had been transferred to Property, plant and equipment. As a result, inventory at the end of FY2015 decreased to RMB1,613 million from RMB2,015 million at end of last year.

As a result of disposal of Jiangsu Hengyuan Real Estate Development Co., Ltd in 2015, development properties had reduced significantly to RMB1,782 million from RMB2,765 million at the end of previous year. The Group currently holds only one real estate project, which is the land development of the residential buildings on the former shipyard land vacated by the Group's wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co., Ltd.

As more contracts with less favourable payment terms have started construction, due from customers for construction contracts at the end of FY2015 further increased to RMB3,858 million as compared to RMB2,100 million as at the end of last year.

Investment in a joint venture represents the Company's 45% beneficiary interest in PPL Holdings Pte Ltd.

The increase of investment in associated companies from RMB463 million as at the end of last year to RMB1,087 million was mainly due to additional investment in venture capital companies and share of profit from associated companies for the year.

Liabilities

As more contracts with less favourable payment terms have started construction, due to customers on construction contracts and advances received on construction contracts at the end of FY2015 had decreased to RMB1,702 million and RMB568 million respectively as compared to RMB2,406 million and RMB703 million at the end of last year.

Provision relates to warranty provided for the vessels delivered by the Group. The provision balance of the year ended 2015 decreased by RMB22.5 million, as a result of lower amount of provision made for vessels of lower contract value delivered in FY2015 as compared to the reversal of expired warranty from prior years.

Borrowings represented the Group's secured and unsecured borrowings of RMB8,282 million, mainly consisting of Long term unsecured bank borrowings.

Derivative financial instruments

This relates to the fair value of the outstanding derivative financial instruments which were acquired to reduce the currency exposure of the group's future incoming USD denominated income from shipbuilding business.

Equity

The movement in "Total equity attributable to equity holders" to RMB22,359 million as at 31 December 2015 from RMB21,076 million as at 31 December 2014 was mainly a result of profits earned during the reporting period.

Statements of cash flows review

Cash and cash equivalents increased from RMB2,653 million to RMB5,993 million due mainly to net cash provided by operating activities of RMB3,435 million during the financial period.

Operating profit before working capital changes of RMB4,314 million is mainly due to profit generated during 2015, net of non-cash non-operating items such as interest income, interest expenses, depreciation and amortization.

Increase in net working capital requirements (including restricted cash) of RMB879 million was primarily attributable to the increase in construction contract balance of RMB2,599 million, which was largely offset by the decrease of restricted cash of RMB2,297 million and investment in financial assets, held-to-maturity of RMB819 million.

The net cash inflow from investing activities of RMB363 million mainly consist of proceeds from disposal of subsidiaries of RMB1,003 million and additional investment in associated company of RMB554 million during the year.

Net cash used in financing activities of RMB458 million during 2015 was mainly related to FY2014 dividend payment to equity holders of RMB958 million, partially offset by net proceeds from borrowings of RMB516 million. Overall liquidity improved further as evidenced by the current ratio of 2.36 as of 31 December 2015 as compare to 1.68 in FY2014.

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.

According to Clarkson Research, new shipbuilding orders around the globe decreased by 40% year-on-year to 1306 vessels in 2015, compared to 2162 vessels in 2014. Total value of new orders decreased by 39% year-on-year from USD113 billion to USD69 billion, and new shipbuilding price index decreased by 5%¹. The decline in dry bulkers and offshore vessels was most pronounced, by 68% and 73% year-on-year respectively, while oil tankers and containerships saw higher demand. Korean yards took the most orders in 2015 due to the demand for large containerships and oil tankers, while new orders for Chinese yards decreased by 46% due to the weak market for dry bulkers. The decline in total new orders globally also led to lower outstanding orders, which was 7% lower as at the end of 2015 compared to the beginning of the year.

Despite the persistently weakening shipbuilding market with declining number of new orders, the Group secured a total of thirty-seven (37) effective shipbuilding contracts with an aggregate value of US\$2.25 billion in 2015, as compared to new orders of US\$1.8 billion for 2014. The Group also held a total of thirteen (13) outstanding options consisting of two (2) units of 1,668TEU containerships, two (2) units of 1,900TEU containerships, three (3) units of 29,800DWT self-unloading vessels and six (6) units of 83,500DWT combination carriers. There was termination of two units of 82,000DWT bulk carriers in 2015.

As at 31 December 2015, the Group had an outstanding order book of USD5.36 billion, comprising 116 vessels. Jiangsu New yangzi Shipbuilding Co., Ltd, a major ship yard of the Group, continued to rank Top-3 in China and Top-10 globally in terms of both number of new orders and value of outstanding order book. The outstanding order book will allow our yards to be optimally utilised till 2018.

¹ http://www.eworldship.com/html/2016/ship_market_observation_0127/111481.html

Looking ahead, the shipbuilding market is expected to remain challenging in the foreseeable future, given the low shipping demand, shipping rates and oversupply of vessels. In China, the consolidation of the industry is still going on, and there has been a trend for new orders to favor yards of decent size and capabilities. In 2015, the top 10 shipbuilders in China received 70.6% of the total new orders, 15.1 percentage points higher than in 2014². As there is an increase in number of smaller yards going out of business, the increase in concentration ratio is expected to continue, aiding in the removal of the excess shipbuilding capacity in China.

While the market for traditional vessels may stay stagnant, demand for LNG vessels and other clean-energy vessels is expected to increase in the long term. The Group has led its peers in launching R&D in clean energy vessels, leveraging on European partnerships. In February 2015, the Group secured orders for two units of 27,500CBM LNG carriers, adding further diversification to the product portfolio. The expertise and capability in building these high-tech, green vessels will be gradually built up and become the next growth catalyst for the Group.

In 2016, the Group will strive to obtain a healthy amount of new orders in a weak market. At the same time, the Group will continue to strengthen its core shipbuilding capabilities, as well as maintain the top-notch quality of vessels. Leveraging on its strong financial resources, the Group will consider investment projects that will continue to enhance its core shipbuilding capabilities.

The Group has strong business fundamentals and established reputation among its customers. In 2015, the Group won the "Shipbuilding & Repair Yard Award" in the prestigious Seatrade Maritime Awards Asia 2015. With a professional team comprising of people hired from renowned yards and design institutes in China, a strong financial position and ample financial resources, a highly capable management and sound corporate governance that place the Group among the top quality companies on SGX, and the healthy order backlog, the Board remains confident of the Group's financial performance for 2016.

11. Dividend

(a) *Current Financial Period Reported On*

Name of Dividend	Ordinary Share Final Dividend (Proposed)
Dividend Type	Cash
Dividend Rate	4.5 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	5.5 Singapore cents per ordinary share
Tax rate	Tax exempt (One-tier)
Book Closure date	20/5/2015
Payment Date	28/5/2015

(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 SGD4.5 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.

² <http://mil.news.sina.com.cn/2016-01-20/doc-ifxnqriy3236503.shtml>

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 2015	Shipbuilding	Investments	Trading	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	12,208,800	1,325,644	2,050,847	429,057	16,014,348
Revenue from third parties	12,208,800	1,325,644	2,050,847	429,057	16,014,348
Segment result	2,709,259	1,205,728	27,192	(392,481)	3,549,698
Segment assets	20,942,100	11,407,640	2,676,762	5,885,785	40,912,287
Segment liabilities	10,786,257	516,303	937,740	2,094,007	14,334,307

For the financial year ended 31 December 2014	Shipbuilding	Investments	Trading	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	11,402,344	1,687,760	1,724,217	539,230	15,353,551
Revenue from third parties	11,402,344	1,687,760	1,724,217	539,230	15,353,551
Segment result	2,240,600	1,291,967	32,372	24,530	3,589,469
Segment assets	18,836,878	12,708,055	1,079,900	7,878,283	40,503,116
Segment liabilities	11,368,038	95,246	316,890	1,996,446	13,776,620

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

	2015	2014
	RMB'000	RMB'000
Segment results for reportable segments	3,942,179	3,564,939
Other segment results	(392,481)	24,530
Other income	114,833	584,354
Other gains - net	(85,627)	199,758
Administrative expenses	(129,318)	(457,755)
Finance expense, net	(264,736)	36,816
Profit before tax	3,184,850	3,952,642

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

	2015	2014
	RMB'000	RMB'000
Segment assets for reportable segments	35,026,502	32,624,833
Others	5,885,786	7,878,283
Unallocated:		
Deferred income tax assets	333,774	274,866
	<u>41,246,062</u>	<u>40,777,982</u>
	2015	2014
	RMB'000	RMB'000
Segment liabilities for reportable segments	12,240,300	11,780,174
Others	2,094,007	1,996,446
Unallocated:		
Income tax liabilities	762,927	478,048
Deferred income tax liabilities	997,593	1,143,895
Borrowings	2,792,254	4,303,408
	<u>18,887,081</u>	<u>19,701,971</u>

(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	
	2015	2014
	RMB'000	RMB'000
PRC & Taiwan	4,237,130	4,753,178
Germany	1,055,719	1,405,556
Other European countries	4,778,759	1,086,715
Other Asian countries	3,086,552	1,848,868
Canada and USA	2,856,188	6,259,234
	<u>16,014,348</u>	<u>15,353,551</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

	2015 RMB'000	2014 RMB'000	Change %
(a) Sales reported for first half year	8,753,534	7,828,851	12%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	1,755,008	2,038,361	-14%
(c) Sales reported for second half year	7,260,814	7,524,700	-4%
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	699,233	1,442,469	-52%

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	172,433	210,751
Total	172,433	210,751

The Directors proposed a final exempt (one-tier) ordinary dividend of SGD4.5 cents per ordinary share amounting to a total of SGD172,433,000 based on current 3,831,838,000 net issued shares as of 31 December 2015 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 2016.

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 2015:

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)
<u>Xu Wen Jiong</u> West Gold International Pte Ltd Procurement of marine equipment	RMB 82,325,000 *	Nil^

*Aggregate value less than 3% of Group's NTA as at 31 December 2015, shareholder mandate not applicable.

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

18. 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	34	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.	<p>CEO of the Company & Deputy general manager of the Group</p> <p>He was appointed as Company CEO on 1st May 2015 and deputy general manager of the Group on 1st June 2015.</p> <p>With effective from 9th November 2015, he was appointed as general manager of Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd and is in charge of the operations of the yard.</p>	<p>Mr Ren Letian was appointed as Company CEO on 1st May 2015 and deputy general manager of the Group on 1st June 2015.</p> <p>On 9th November 2015, he was also appointed as general manager of Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd and is in charge of the operations of the yard. Before this, he was the general manager of Jiangsu New Yangzi Shipbuilding Co., Ltd.</p>

On behalf of the Board of Directors

Ren Yuanlin
Executive Chairman