



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

DISPOSAL OF SHARES IN JIANGSU ZHONGZHOU MARINE EQUIPMENT CO., LTD.

The Board of Directors of Yangzijiang Shipbuilding (Holdings) Ltd. (the "Company" or the "Group") wishes to announce that Jiangsu Yangzijiang Shipbuilding Co., Ltd. (江苏扬子江船厂有限公司) ("Jiangsu Yangzijiang"), a wholly owned subsidiary of the Company had on 13 March 2008 entered into a Equity Transfer Agreement (the "Agreement") with each of Jingjiang City Dunfeng Ship Dismantle Co., Ltd. (靖江市敦丰拆船有限公司) ("Jingjiang Dunfeng") and Nantong Van Industries Co., Ltd. (南通威望实业有限公司) ("Nantong") pursuant to which Jiangsu Yangzijiang will dispose 80% equity shares in Jiangsu Zhongzhou Marine Equipment Co., Ltd. (江苏中舟海洋工程装备有限公司) ("ZME") (the "Disposal"), being the whole of the Group's interest in ZME to Jingjiang Dunfeng and Nantong.

Consideration

The consideration for the Disposal is equal to the Group's initial cost of investment of RMB54,524,160, which is also 80% of ZME's net book value and paid up capital of ZME.

Rationale and Effects of the Acquisition

The Disposal will not have a significant impact on the earnings of the Group for the financial year ending 31 December 2008.

Interest of directors and/or controlling shareholders

Save for their respective shareholdings in the Company, none of the Directors or controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the transaction contemplated herein.

By order of the Board

Ren Yuanlin (任元林)
Executive Chairman
20 March 2008

UBS AG, acting through its business group, UBS Investment Bank, acted as the Global Co-ordinator and Sole Bookrunner for the initial public offering of the shares of the Company.