



Yangzijiang Shipbuilding (Holdings) Ltd
 4 Robinson Road
 #04-01 House of Eden
 Singapore 048543
 (Co. Reg. No. 200517636Z)

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang's FY2008 Earnings surge 82% to RMB1.6 billion

- Revenue jumped 91% to an all time high of RMB7.4 billion with 27 vessels being delivered in FY2008 as per the schedule
- Proposed one-tier tax exempt final dividend of 1.8 Singapore cents per ordinary share to reward the shareholders
- Order book of USD6.9 billion comprises of 155 vessels as at 31 December 2008

SINGAPORE – 24 February 2009 – Yangzijiang Shipbuilding (Holdings) Limited (“Yangzijiang” or “the Group”), one of PRC’s leading shipbuilders listed on the SGX, is pleased to announce a stellar set of results with record revenue and earnings for the year ended 31 December 2008 (“FY2008”).

Financial Highlights	4Q2008	4Q2007	Change	FY2008	FY2007	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	1,868,488	1,555,035	20	7,359,096	3,855,494	91
Gross Profit	238,108	309,622	(23)	1,363,012	885,253	54
Gross Profit Margin	12.7%	19.9%	-	18.5%	23.0%	-
Other Income	122,012	33,490	264	232,431	121,423	91
Other Gains, Net	73,155	31,729	131	274,239	101,766	169
Operating Expenses	38,032	21,435	77	160,421	117,898	36
Net Profit Attributable to Equity Holders	395,075	315,411	25	1,579,760	869,509	82
Net Profit Margin	21.1%	20.3%	-	21.5%	22.6%	-
Basic EPS* (RMB cents)	-	-	-	45.13	28.2	-

* Based on weighted average number of ordinary shares of 3,500,361,597 for FY2008 (3,082,091,304 for FY2007)

Gross profit for the Group increased by 54% for FY2008 to RMB1.4 billion and the gross profit margin declined from 23% in FY2007 to 19% in FY2008. This was mainly due to a

prudent provision taken for potential cost variation to 8% of shipbuilding contract price from 0.5% previously on vessels that were under construction and partly due to increased material cost and weakening of USD/RMB over the period.

Other income and gains, that comprise of interest income, foreign exchange related gains and gains derived from disposal of financial assets, increased by RMB283 million or 127% in FY2008, highlighting the Group's efforts on better managing its currency risk and improved effectiveness of the treasury functions.

Due to effective cost control measures and economies of scale achieved, the expenses were kept under check. Moreover, due to greater profit contribution from the tax-exempt new yard, the Group's effective tax rate was 4.5% for FY2008 as compared with 13.2% for FY2007.

As a result, the net profit attributable to shareholders soared 82% to a record-high of RMB1.6 billion for FY2008.

“The Group is progressing well over the years and this year's record performance is very encouraging for us. The new yard is contributing well to the overall growth of the Group and going forward we will increase its capacity all the way to 0.8 million CGT.”

Mr Ren Yuanlin, Executive Chairman, Yangzijiang

The Board of Directors has proposed a one-tier tax exempt final dividend of 1.8 Singapore cents per ordinary share to reward the shareholders.

Balance Sheet (RMB'000)	31 Dec 2008	31 Dec 2007
Property, Plant and Equipment	1,961,583	1,230,089
Restricted Cash	2,619,030	2,362,621
Cash and Cash Equivalents	3,060,384	4,438,757
Total Debt	489,983	28,442
Total Equity	4,315,438	4,307,572
Gross Gearing (x)	0.11	0.01
Net Gearing (x)	Net Cash	Net Cash

Along with robust net operating cash flow of RMB2.6 billion for FY2008, the Group's balance sheet remains healthy with a healthy level of cash and cash equivalents and a net cash position.

Outlook / Future Plans

In 2008, the Group was ranked 26th in the world and 6th in China in terms of capacity with delivering 27 vessels as per schedule that totaled up to 850,000 DWT or 403,273 CGT. The Group's total order book stands at 155 vessels with a total value of USD6.9 billion as at 31 December 2008, made up of 7.53 million DWT or 2.86 million CGT. Owing to this, Yangzijiang is now placed 8th in China and 21st in the world¹, which elevated the Group to becoming one of the few prominent non state-owned ship building enterprises in China to be eligible for the stimulus scheme. Introduced by the PRC government on 2 February 2009, the stimulus framework involves a series of proactive measures taken not only to stabilize the landscape for major ship building enterprises to boost market demand, but also focuses on developing the companies' capabilities to remain competitive and towards restructuring within the market, if necessary.

Mr Ren commented, "We have not had any cancellation so far. However, since times are tough in lieu of the prevalent global economic turmoil, we will work closely with the ship owners to weather through the current financial storm."

With cash and cash equivalents of RMB3.1 billion as at 31 December 2008 and a strong balance sheet, the Group is confident to navigate through a pronounced downturn and participate in M&A opportunities that were not available previously.

Barring any unforeseen circumstances, the Board remains confident of continued growth in FY2009.

--The End--

¹ Source: China Ship Marketing Research Center

ABOUT YANGZIJANG SHIPBUILDING (HOLDINGS) LIMITED (Bloomberg Ticker: YZJ SP)

Yangzijiang Shipbuilding (Holdings) Limited is the largest non-state-owned publicly listed shipbuilder by virtue of manufacturing capability in the PRC. The core business is shipbuilding of commercial vessels ranging from containerships, bulk cargo carriers and multi-purpose cargo vessels. The Group owns two shipbuilding bases across the Yangtze River, across each other.

Located in Jiangyin city in the Jiangsu province of PRC, the old shipyard spans approximately 719 metres of deep-water coastline and covers an area of approximately 200,000 square metres (excluding the coastal area).

The new shipyard is located within the Jiangyin Economic Development District in Jingjiang city, has 1,200 metres of deep-water coastline, a production area of 793,000 square metres and a dry dock that is able to accommodate two 100,000 DWT vessels.

For more information please visit the website at: www.yzjship.com

Issued for and on behalf of Yangzijiang Shipbuilding (Holdings) Limited

By Financial PR Pte Ltd

For more information, please contact:

Kathy ZHANG, kathy@financialpr.com.sg

Romil SINGH, romil@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064