



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

**SUBSCRIPTION OF SHARES IN EVERBRIGHT VENTURE CAPITAL JIANGYIN CO. LTD.
(光大创业投资江阴有限公司) (“EVCJCO”)**

The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“YZJ” or the “Company”) wishes to announce that its wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co. Ltd (“JYSCO”) have entered into an agreement with Yixing Light Controlled Infrastructure Investment Co., Ltd (宜兴光控基础设施建设投资有限公司), Jiangyin Xiagang Changjiang Shipbreaking Co. Ltd (江阴市夏港长江拆船厂) and Jingyin High Technology Venture Capital Co., Ltd (江阴市高新技术创业投资有限公司) to subscribe for 20% equity interest in the capital of Everbright Venture Capital Jiangyin Co. Ltd. (光大创业投资江阴有限公司), a company to be incorporated in Jiangyin City, People’s Republic of China at a total consideration of RMB 100 millions. EVCJCO will become an associated company of the Company after the transaction.

EVCJCO is a venture capital investment fund that aims to generate capital gain from providing seed capital in Jiangyin city. The investment is expected to enhance the management’s expertise in cash redeployment. Further, being a responsible corporate, this would proactively promote the public interest by participating in community growth and development in the region.

The operational term of EVCJCO shall be seven (7) years and total issued and paid-up capital will be RMB 500 millions.

The above investment will not have any significant impact on the earnings per share and net tangible assets per share of the YZJ Group for the current financial year ending 31 December 2009.

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
1 July 2009