



**YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**

(Company Registration No. 200517636Z)

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

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**INCORPORATION OF JIANGSU YANGCHUAN EQUIPMENT AND MATERIALS CO., LTD  
(江苏扬船物资有限公司) (“JYEMCO”)**

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The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“YZJ” or the “Company”) wishes to announce that a new subsidiary of the Company, Jiangsu Yangchuan Equipment and Materials Co., Ltd (江苏扬船物资有限公司) (“JYEMCO”) has been incorporated in the People’s Republic of China with a registered paid-up capital of RMB 10,000,000 through its wholly-owned subsidiaries, Jiangsu Yangzijiang Shipbuilding Co. Ltd (“JYSCO”) and Jiangsu NewYangzi Shipbuilding Co. Ltd (“JNYSCO”) by subscribing for 95% of equity interest and 5% equity interest, respectively in the capital of JYEMCO.

The core business of the new subsidiary incorporated in the People’s Republic of China is those related to supply marine equipment and materials. The investment is expected to reduce the dependency on the equipment supplies from third party for the ship building activities of the Group.

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  
22 October 2009