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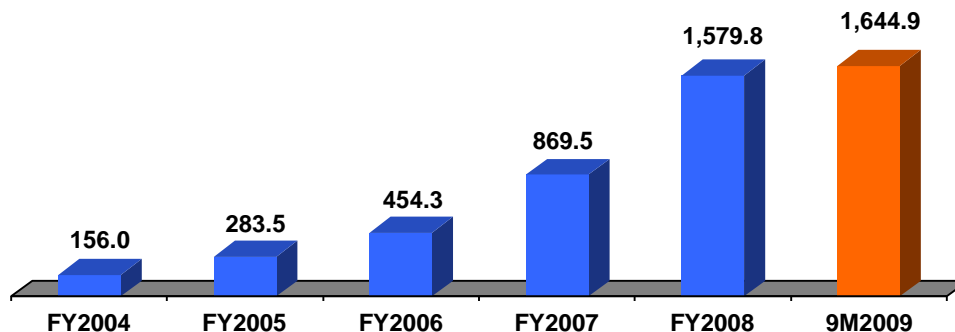
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# Yangzijiang registers growth of 39% in 9M2009 earnings to record RMB1.6 billion

- Earnings for 9M2009 surpasses FY2008 earnings against a 31% increase in revenue to RMB7.2 billion
- Cash and cash equivalents stand at RMB5.7 billion\*
- Order book stands at 134 vessels worth USD5.8 billion\*\*

**SINGAPORE – 3 November 2009 – Yangzijiang Shipbuilding (Holdings) Limited** (“Yangzijiang” or “the Group” or “扬子江船业控股有限公司”), one of PRC’s leading and most enterprising shipbuilder listed on the SGX Main Board, is pleased to announce another set of good results for the three/nine months that ended 30 September 2009 (“3Q2009/9M2009”). The Group recorded an all time high earnings of RMB1.6 billion for 9M2009, already surpassing net profit for full of FY2008.

**Net Profit Attributable to Equity Holders (RMB'mIn)**



\*As at 30 September 2009

\*\*As at 3 November 2009

Financial Highlights	3Q2009	3Q2008	chg	9M2009	9M2008	chg
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	2,591,408	2,023,895	28	7,180,232	5,490,608	31
Gross Profit	523,278	465,643	12	1,557,577	1,124,904	38
Gross Profit Margin	20.2%	23.0%	-	21.7%	20.5%	-
Operating Expenses	45,810	41,911	9	142,850	122,389	17
Other Income	87,972	50,311	75	179,944	110,419	63
Other Gains	35,509	30,825	15	240,015	201,084	19
Net Profit Attributable to Equity Holders	554,227	475,260	17	1,644,866	1,184,685	39
Net Profit Margin	21.4%	23.5%	-	22.9%	21.6%	-

The Group's turnover for 9M2009 rose by 31% to RMB7.2 billion with the progressive rise in the new yard's productivity. 7 vessels were delivered in 3Q2009 (in 3Q2008, 7 vessels were delivered too) that brought the total number of vessels delivered in 9M2009 to 24. Also, the Group started to recognize revenue from building of 13 new vessels in 3Q2009 as compared from 8 new vessels in 3Q2008.

Gross profit for the Group increased by 38% to RMB1.6 billion in 9M2009 due to increased construction activities in the Group's yards. However, for 3Q2009 the gross profit margin declined from 23.0% to 20.2% due to higher steel cost recognized during the quarter and increased cost associated with providing docking facilities to some customers as part of the Group's strategy to support long term customers.

Other income that comprises mainly of interest income increased by 63% to RMB180.0 million in 9M2009 as a result of higher average cash position in the reporting period compared to that of last year. The other gains increased by 19% in 9M2009 to RMB240.0 million as a result of higher gain on disposal of scrap raw materials (due mainly to more scrap raw materials from increased production activities) and foreign exchange related gains.

The Group maintained the operating expenses at the level of 2% of the revenue. The effective tax rate for the Group increased to 9.6% in 9M2009 from 5.4% in 9M2008 mainly due to the full provision of 5% withholding tax over the earnings of both the yards according to the relevant regulations in the PRC and also due to deferred tax assets related to warranty.

As a result, the net profit attributable to equity holders increased by 39% in 9M2009 to RMB1.6 billion.

The basic earnings per ordinary share increased from 36.04 Singapore cents in 9M2008 to 45.02 Singapore cents in 9M2009.

Balance Sheet (RMB'000)	30 Sep 2009	30 Sep 2008
Property, Plant and Equipment	1,952,934	1,510,341
Restricted Cash	3,040,625	2,330,999
Cash & Cash Equivalents	5,720,089	2,735,540
Total Debt	920,429	504,988
Total Equity	5,662,067	3,878,441
Gross Gearing (x)	0.16	0.13
Net Gearing (x)	Net Cash	Net Cash

With healthy profitability, the net cash generated from operating activities remained robust at RMB1.6 billion for 9M2009. This helped the cash and cash equivalents to stand at RMB5.7 billion as at 30 September 2009 with the Group maintaining a net cash position.

## OUTLOOK/ FUTURE PLANS

After the delivery of 7 vessels in 3Q2009, a total of 24 vessels were delivered in 9M2009. During the period between 1 October 2009 and 3 November 2009, another 6 vessels were delivered. The Group is on track to deliver a total of 40 vessels for 2009 as per schedule as the remaining 10 vessels are in the final stages of construction.

The Group managed to secure shipbuilding contracts to build six (6) 92,500 DWT Multi-purpose Bulkers and two (2) 19,000 DWT Multi-purpose Bulkers with an aggregate value of USD300 million with deliveries going up to 2012. This brings the order book to USD5.8 billion comprising of 134 vessels as at 3 November 2009 and till date the Group has not witnessed any cancellation of order from any customer. Also, this includes the two vessels that the Group started constructing in 2Q2009 based on the healthy demand for second-hand bulk carrier vessels, low material cost and availability of certain available time slots on the yard's dry docks.

With the aim of diversifying the revenue sources, the Group has entered into an agreement with several strategic partners to set up a scrap steel processing business, which will be used as a platform to enter into an environment-friendly ship breaking business. The management is hopeful that this new venture would eventually be an important business segment to complement its shipbuilding business. Currently, the procedures for approval are in progress, and the Group is evaluating the necessary infrastructure framework. The Group expects to start business activities in the first half of 2010 and separate announcement will be made for this business initiative.

*“Our main focus currently is on the execution of orders to ensure that the vessel deliveries are completed as per the schedule with uncompromising quality standards.*

*Some encouragement for the Group came in the form of new orders for a total of eight bulk carriers.*

*We are progressing towards setting up a scrap steel processing business that will eventually help us to enter the ship breaking business. We are optimistic that this business will open up another stream of revenue complementing the Group’s existing shipbuilding operations.”*

**Mr Ren Yuanlin (任元林), Executive Chairman, Yangzijiang**

Instead of declaring interim dividends, the Board has previously decided that payment of the dividend would be done on an annual basis in order to minimize administrative and distribution costs.

The Board of Directors has recommended a dividend payout ratio of 30% of the Group’s attributable profits for FY2009, if applicable. The exact amount of the dividend payout would be determined after the review of the full year financial results of the Group in February 2010.

Moving forward, the Group will closely monitor the financial health of all its customers. With a commanding cash position and a sizeable order book, the Board remains confident of continued growth in profitability for FY2009.

--The End--

**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 800 metres of deep-water coastline and covers an area of approximately 200,000 square metres (excluding the coastal area).

The new shipyard is located in Jingjiang city and has 1,940 metres of deep-water coastline, a production area of 1,508,857 square metres and a dry dock that can accommodate two 100,000 DWT vessels and two half 100,000 DWT vessels at one time.

*For more information please visit the website at: [www.yzship.com](http://www.yzship.com)*

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

By Financial PR Pte Ltd

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