



**YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**

(Company Registration No. 200517636Z)

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

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**ACQUISITION OF SHARES IN JIANGSU XINFU SHIPBUILDING CO., LTD  
(江苏鑫福造船有限公司)(“JXSCO”)**

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The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“YZJ” or the “Company”) is pleased to announce that its wholly-owned subsidiary, Jiangsu New Yangzi Shipbuilding Co., Ltd (“JNYSCO”) has entered into an agreement with several strategic partners to acquire a company, Jiangsu Xinfu Shipbuilding Co., Ltd. (江苏鑫福造船有限公司) (“JXSCO”) in the People’s Republic of China with a registered paid-up capital of USD 45,000,000.00. The amount to be invested by JNYSCO is USD 9,000,000.00 which is equivalent to 20% of the equity interest in the share capital of JXSCO.

JXSCO owns a shipyard that is currently under construction and will eventually relates to the main business of ship breaking with ship repairing as a supplemental business. This will serve as a platform to enter into the environmental-friendly ship breaking business. The management of the Company expects this investment to contribute as a business segment to complement the shipbuilding business. The construction is expected to be completed in July 2010 and operations will commence in stages. The capacity of ship breaking business of JXSCO is expected to be 1 million tons per annum with revenue expectation to be approximately RMB 4 billion per annum.

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 2010.

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  
2 February 2010