



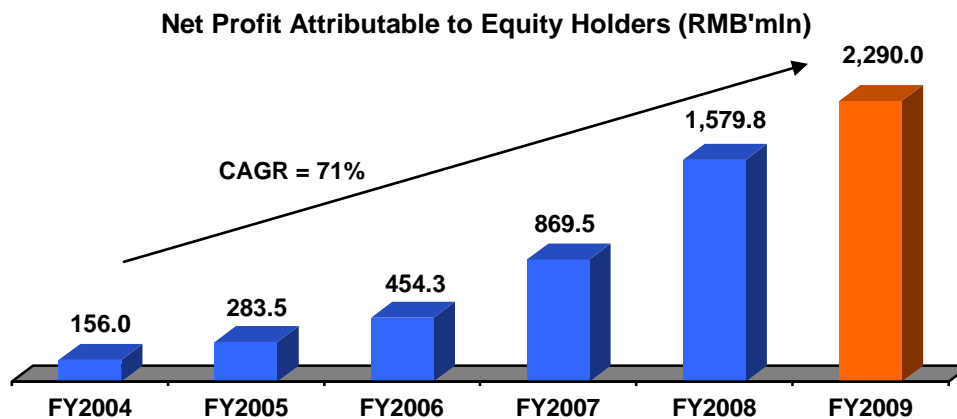
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MEDIA RELEASE – FOR IMMEDIATE RELEASE

## Yangzijiang’s earnings at record high of RMB2.3 billion for FY2009

- 45% earnings growth achieved against a 44% increase in revenue to RMB10.6 billion
- Order book comprising 127 vessels worth USD5.6 billion
- Final cash dividend (one-tier tax-exempt) of 3.5 Singapore cents per ordinary share proposed

SINGAPORE – 23 February 2010 – 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/twelve months that ended 31 December 2009 (“4Q2009/FY2009”). The Group recorded all time high earnings of RMB2.3 billion for FY2009, an increase of 45% when compared to earnings for FY2008.



Financial Highlights	4Q2009	4Q2008	chg	FY2009	FY2008	chg
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	3,443,410	1,868,488	84	10,623,642	7,359,096	44
Gross Profit	677,095	238,108	184	2,234,672	1,363,012	64
Gross Profit Margin	19.7%	12.7%	-	21.0%	18.5%	-
Operating Expenses	69,689	38,032	83	212,539	160,421	32
Other Income	180,583	122,012	48	360,527	232,431	55
Other Gains/(Losses)	(61,307)	73,155	(184)	178,708	274,239	(35)
Net Profit Attributable to Equity Holders	645,085	395,075	63	2,289,951	1,579,760	45
Net Profit Margin	18.7%	21.1 %	-	21.6%	21.5%	-

The Group's turnover for FY2009 increased by 44% to RMB10.6 billion as the Group increased productivity and delivered more vessels in FY2009. A total of 40 vessels were delivered in FY2009 (16 vessels in 4Q2009) as compared to 27 vessels in FY2008 (9 vessels in 4Q2008).

Gross profit for the Group increased by 64% to RMB2.2 billion for FY2009 as the gross profit margin improved from 18.5% to 21.0% due to higher margin vessels delivered in first half of FY2009. Gross profit for 4Q2009 surged 184% to RMB677.1 million with gross profit margin improving from 12.7% to 19.7% mainly due to the first provision for potential cost variation taken in 4Q2008 for all vessels that were under construction at 31 December 2008.

Other income (that comprises mainly interest income from held-to-maturity investments and bank balances) increased by 55% to RMB360.5 million for FY2009 (and by 48% to RMB180.6 million for 4Q2009). The increase was mainly due to increased investment in held-to maturity financial assets.

Other gains (that comprises mainly of foreign exchange related gains) registered a 35% decline to RMB178.7 million for FY2009. This was mainly due to a loss in 4Q2009 of RMB61.3 million, mainly due to less favorable rates for forward contracts delivered in 4Q2009 in comparison to 4Q2008 and negative mark to market variation for the outstanding orders denominated in EUR recognized separately as a derivative in accordance with the reporting standards. The Group has 5% of the order book contracted in EUR to hedge the ship engines to be paid in EUR.

The Group maintained the operating expenses at the level of 2% of the revenue. The effective tax rate for the Group increased to 10.2% in FY2009 from 4.5% in FY2008 mainly due to the full provision for withholding tax and comparatively increased tax rate for the Group's old yard.

Consequently, the net profit attributable to equity holders increased by 45% to RMB2.3 billion for FY2009 and basic earnings per share increased from 45.13 to 62.68 RMB cents.

Balance Sheet (RMB'000)	31 Dec 2009	31 Dec 2008
Property, Plant and Equipment	1,966,580	1,961,583
Restricted Cash	2,979,646	2,619,030
Cash & Cash Equivalents	3,806,955	3,060,384
Total Debt	907,077	489,983
Total Equity	6,310,304	4,315,438
Gross Gearing	14.4%	11.4%
Net Gearing	Net Cash	Net Cash

With increased profitability in FY2009 and consistent working capital movements, the net cash generated from operating activities remained robust at RMB2.2 billion for FY2009. The cash and cash equivalents stood at RMB3.8 billion as at 31 December 2009 with the Group maintaining a net cash position.

## OUTLOOK/ FUTURE PLANS

The Group continued the momentum from 3Q2009 of securing new orders and secured new shipbuilding contracts to build four (4) 92500 DWT Multi-purpose bulkers. With these contracts, the total order book stood at USD5.6 billion as at 31 December 2009 comprising 127 vessels. The Group has not witnessed any cancellation of order so far and does not expect any cancellation in respect to its existing contracts. With new orders secured in second half of 2009, the Group has increased the number of vessels to be delivered in 2010 from 46 (previously announced in 3Q2009 announcement) to 48.

With the aim of diversifying its revenue streams and entering into ship demolition and scrap steel processing segments, the Group is in process of setting up two companies with several strategic partners. The management is hopeful that these new companies would eventually be important business segments to complement its shipbuilding business.

***“The profitability for the financial year is encouraging for the whole Group. We stuck to our vessel delivery schedule and added focus will continue to be on execution of orders. We also managed to keep operating costs under control and would continue to employ this strategy.*”**

***Though not that significant, yet securing some new contracts in the last two quarters in the midst of weak industry sentiments is a testimony of the Group’s***

*quality products and efficiency recognized by customers. Going forward, we would try our best to continue securing new orders and replenish our order book.*

*We have researched and believe that going into ship breaking and scrap steel processing will help the Group to diversify revenue streams and thus made investments to set up two companies with minority stakes. We hope to make more progress towards these segments in subsequent months and would keep our shareholders and investors informed of the progress.”*

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

Instead of declaring interim dividends, the Board had previously decided that payment of the dividend would be done on an annual basis in order to minimize administrative and distribution costs. The Board has proposed a final cash dividend of 3.5 Singapore cents per ordinary share.

The payment of the recommended final tax exempt (one-tier) dividend will be subjected to shareholders' approval to be obtained at the coming Annual General Meeting. The payment date will be announced in due course.

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 and profitability for FY2010.

--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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