



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

PROPOSED SUBMISSION OF APPLICATION FOR ADMISSION TO TRADING ON THE TAIWAN STOCK EXCHANGE (“TSE”) OF TAIWAN DEPOSITORY RECEIPTS (“TDR”)

The Board of Directors of the Company (the “**Board**”) wishes to announce that it has decided to make a submission of application for admission to trading on the TSE of TDR and is looking to offer and list TDRs representing an aggregate of up to 100 million new ordinary shares of the Company on the TSE (the “**TDR Shares**”, and the “**Proposed TDR Issue**” respectively). The TDR Shares, if fully issued will constitute approximately up to 2.74% of the existing issued share capital, and up to 2.66% of the enlarged share capital of the Company and its subsidiaries (the “**Group**”).

The total number of units of TDRs to be issued, the total number of shares of the Company comprising the TDRs, and the issue price per unit of TDR shall be determined between the Company and the appointed issue manager of the Proposed TDR Issue, SinoPac Securities Corporation, subject to the prevailing market and economic conditions, approvals of the relevant government and regulatory authorities in Taiwan, and compliance with the relevant listing rules, regulations and requirements of Taiwan.

The Board believes that the Proposed TDR Issue would be in the best interests of the Company for the following reasons:

- (a) the Proposed TDR Issue offers an alternative listing platform for the Company to broaden and diversify its shareholder base ;
- (b) TSE is amongst the leading stock exchanges in Asia and reportedly has high daily turnover of trade. The Proposed TDR Issue may help to induce better valuation and improve liquidity;
- (c) additional funds raised will help to boost the Company’s war-chest to pursue potential earning-accretive merger & acquisition activities, strategic investments and strengthen its working capital position; and
- (d) the Proposed TDR Issue will promote the corporate profile of the Company to overseas investors and will also help to strengthen and increase the Group’s client base in Taiwan;

In relation to the Proposed TDR Issue, the Company has appointed SinoPac Securities Corporation as the Issue Manager to the Company to provide advice on the Proposed TDR Issue and to handle related pre-issuance matters as well as to act as lead underwriter to the Proposed TDR Issue.

The Company is in the process of preparing the necessary documentation for the submission of an application to the TSE and the Taiwan Central Bank for the offering and listing of TDR representing the TDR Shares, on the TSE. The Proposed TDR Issue will also be subject to approval by the Taiwan Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau, application for which will be made after the grant of approvals by the Taiwan Stock Exchange and the Taiwan Central Bank.

Shareholders should note that the Proposed TDR Issue is conditional, *inter alia*, on the granting of the necessary approvals by the Taiwan Stock Exchange, the Taiwan Central Bank, the Taiwan Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau and the SGX-ST. Further announcements will be made by the Company in relation to the Proposed TDR Issue as and when appropriate.

The Board would like to highlight again that as the Proposed TDR Issue is subject to, among others, the approvals of the relevant government and regulatory authorities in Taiwan and the then prevailing market and economic conditions, the Proposed TDR Issue may or may not proceed. Further, the Directors may, notwithstanding that all requisite regulatory approvals have been obtained, decide not to proceed with the Proposed TDR Issue if, having regard to investors' interest and response at the material time and any other relevant factors, the Directors deem it not in the interest of the Group to proceed with the same. Shareholders and potential investors are as such advised to exercise caution when dealing in the Company's shares. When in doubt, shareholders and potential investors are strongly advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

This announcement does not constitute, and is not intended to be, an offer or a notice, advertisement calling or drawing attention to an offer to the public to subscribe for any TDRs or a statement intended to induce people to apply for any TDRs in the Proposed TDR Issue.

By order of the Board
Ren Yuanlin (任元林)
Executive Chairman

24 May 2010

About TDRs

A Taiwan Depository Receipt (TDR) is a certificate registered in the holder's name or as a bearer security giving title to a number of shares in a non-Taiwan-based company deposited in a bank outside Taiwan. These certificates are traded on the Taiwan Stock Exchange.