



Yangzijiang Shipbuilding (Holdings) Ltd
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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang Shipbuilding announced plan to prepare issuance of Taiwan Depository Receipts (“TDR”)

- **Size of the proposed TDR offering is up to 100 million new ordinary shares**

SINGAPORE – 24 May 2010 – Yangzijiang Shipbuilding (Holdings) Limited (“Yangzijiang” or “the Group” or “扬子江船业控股公司”), one of PRC’s leading and most enterprising shipbuilder who is listed on the SGX Main Board, make an announcement today that it is seeking to offer and list Taiwan Depository Receipts (“TDRs”) of up to 100 million new ordinary shares in the capital of the Group (“TDR Shares”) on the Taiwan Stock Exchange (“TSE”). 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 Group.

The Board believes that the proposed TDR issue would be in the best interests of the Group for the following reasons:

- The proposed TDR issuance offers an alternative listing platform for Yangzijiang to broaden and diversify its shareholder base.
- TSE is amongst the leading stock exchanges in Asia and reportedly has high daily turnover of trade. The proposed TDR issue on TSE may help to induce better valuation and improve liquidity.

- Additional funds raised will help to boost Yangzijiang's war-chest to pursue potential earning-accretive merger & acquisition activities, strategic investments and strengthen its working capital position.
- Issuance of TDR will promote the corporate profile of Yangzijiang 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, Yangzijiang has appointed SinoPac Securities Corp to provide advice on the proposed TDR issue, to advise the Group in relation to the TDRs issuance, to handle related pre-issuance matters as well as to act as lead underwriter to the proposed TDR issue.

Yangzijiang will undertake the preparation of the necessary documentation for the submission of an application to the TSE and the Taiwan Central Bank ("TCB") for the offering and listing of the TDRs representing the TDR Shares on the TSE. The Group will comply with the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") with respect to the issue and allotment of the TDR Shares.

Shareholders should note that the proposed TDR issue is conditional, *inter alia*, on the granting of the necessary approvals by the TSE, the TCB, the Taiwan Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau and the SGX-ST. Further announcements will be made by the Group in relation to the proposed TDR issue as and when appropriate.

The Group's Executive Chairman noted the following in relation to the TDR Issue:

"The current state of Global Maritime Industry poses new challenges and offers a window of consolidation opportunities for shipbuilders. (I believe) the funds raised from TDR will not only able to strengthen our abilities to take on these new challenges, but will also able to enhance the war chest of YZJ to capitalize on potential consolidation wave."

目前全球海事业格局给造船业者带来难得的整合契机和新挑战。(我认为) TDR 发行不仅能强化集团的抗风险能力, 而且能提升集团的资金实力有效地掌握整合机会。

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

Note: 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 of Yangzijiang and potential investors are as such advised to exercise caution when dealing in Yangzijiang'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.

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ABOUT YANGZIJIANG 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.yzjship.com

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

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