



**YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**

(Company Registration No. 200517636Z)

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

---

**SUBSCRIPTION OF SHARES IN JIANGSU HUAGONG VENTURE CAPITAL CO. LTD.**  
**(江苏华工创业投资有限公司) (“JHVCCO”)**

---

The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“YZJ” or “the Company”) wish to announce that its wholly owned subsidiary, Jiangsu NewYangzi Shipbuilding Co. Ltd (“JNYSCO”) has entered into an agreement with several strategic partners including Yangzhou City Mangshan District Government to subscribe for 20% equity interest in the capital of Jiangsu Huagong Venture Capital Co. Ltd. (江苏华工创业投资有限公司), a company to be incorporated in Yangzhou city, People’s Republic of China at a total consideration of RMB 60 millions, thereby making JHVCCO an associated company of the Company.

The operational term of JHVCCO shall be seven (7) years and total issued and paid up capital will be RMB 300 millions.

JHVCCO is a venture capital investment fund that will aim to generate capital gain from providing seed capital in Yangzhou city. The investment is expected to enhance the management's expertise in cash redeployment. Further, being a responsible corporate, this would proactively promote the public interest by participating in community growth and development in the region.

The above investments 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 transactions contemplated herein.

By order of the Board

Ren Yuanlin (任元林)  
Executive Chairman  
11 June 2010