



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.
(Company Registration No. 200517636Z)
(Incorporated in the Republic of Singapore on 21 December 2005)

ENTRY INTO DEED OF AMENDMENT AND RESTATEMENT OF PLACEMENT AGREEMENT

Reference is made to the Company's announcement of 17 April 2010 in relation to, amongst others, the proposed placement of 83,555,000 New Shares at the Issue Price of S\$1.295 per New Share to the Investor. Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them in the aforesaid announcement.

I. Deed of Amendment and Restatement

The Company has today entered into a deed of amendment and restatement of the Placement Agreement ("**Deed**") with the Investor, QD Asia Pacific Ltd., pursuant to which the Company and the Investor have agreed to proceed with the Placement notwithstanding outcome of the completion of the Acquisition, provided that the other conditions precedent to completion of the Placement are satisfied on or before 27 October 2010 (or such other date as may be agreed between the parties).

The Investor is a wholly-owned subsidiary of Qatari Diar Real Estate Investment Company, one of the sovereign wealth funds of the state of Qatar.

II. Use of Proceeds

The Company intends to use the net Placement proceeds to acquire future targets in the shipbuilding and marine offshore industries, where suitable opportunities arise, with the aim to increasing its market share and profitability. As part of its merger and acquisition strategy, the Company frequently engages interested parties on, as well as evaluate, potential acquisition opportunities which are brought to its attention.

Prior to deployment of the net Placement proceeds, they may be deposited with financial institutions, invested in short-term money market instruments or used for any other purposes on a short-term basis, as the Directors may deem fit. The Company will make periodic announcements on the utilization of proceeds from the Placement as and when the proceeds are materially disbursed.

III. Financial Effects

As at the date of this Announcement, the issued and paid-up capital of the Company is RMB 4,979,400,000 divided into 3,653,283,000 ordinary shares ("**Shares**"). Subject to and subsequent to the Placement and upon issue and allotment of the New Shares, the issued and paid-up share capital of the Company will increase to RMB5,502,173,460 divided into 3,736,838,000 Shares.

Based on the unaudited financial statements of the Group for the period ended 31 March 2010, and assuming the Placement had taken place on 31 March 2010 with all the New Shares being in issue during the period:

- (a) the earnings per Share of the Group after adjusting for the New Shares will decrease from RMB16.05 cents to RMB15.69 cents; and

- (b) the net asset value per Share of the Group, after adjusting for the New Shares and the net proceeds of the Placement to the Company, will decrease from RMB188.78 cents to RMB184.56 cents.

A copy of the Deed may be inspected at the registered office of the Company at 8 Cross Street, #11-00 PWC Building, Singapore 048424, during normal business hours from the date of this Announcement.

BY ORDER OF THE BOARD

Ren Yuanlin
Executive Chairman

21 June 2010