



Yangzijiang Shipbuilding (Holdings) Ltd
 4 Robinson Road
 #04-01 House of Eden
 Singapore 048543
 (Co. Reg. No. 200517636Z)

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang delivers record high quarterly earnings of RMB800.5 million in 2Q2010

- Earnings growth of 32% achieved against a 23% increase in revenue to RMB3.1 billion
- Cash and cash equivalents stand at RMB4.3 billion
- Order book stands at 124 vessels worth US\$5.2 billion

SINGAPORE – 11 August 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 the continued growth momentum in the financial results for the three/six months that ended 30 June 2010 (“2Q2010/1H2010”). The Group recorded an all time high quarterly earnings of RMB800.5 million for 2Q2010.

Financial Highlights	2Q2010	2Q2009	chg	1H2010	1H2009	chg
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	3,073,451	2,498,665	23	5,748,955	4,588,824	25
Gross Profit	761,071	609,793	25	1,383,872	1,034,299	34
Gross Profit Margin	24.8%	24.4%	-	24.1%	22.5%	-
Operating Expenses	48,555	50,452	(4)	93,327	97,040	(4)
Other Income	191,251	52,279	266	316,328	91,972	244
Other Gains	13,465	107,248	(87)	53,620	204,506	(74)
Net Profit Attributable to Equity Holders	800,466	607,368	32	1,386,881	1,090,639	27
Net Profit Margin	26.0%	24.3%	-	24.1%	23.8%	-

The Group's turnover for 2Q2010 rose by 23% to RMB3.1 billion with the progressive rise in the new yard's productivity. New yard delivered 8 vessels in 2Q2010 as compared to 6 in 2Q2009. With more deliveries from the new yard, the Group recognized higher revenue from delivery of 12 vessels in 2Q2010 as compared to 11 vessels delivered in 2Q2009.

Notably, the Group managed to keep all shipbuilding contracts intact that were secured prior to the financial crisis. Those higher margin contracts, hence translated to an increase of 25% in gross profit to RMB761.1 million in 2Q2010 and improvement in gross profit margin from 24% to 25%.

Yangzijiang increased its investments in held-to-maturity financial instruments and cash deposits during the period, thereby resulting in a surge in interest income earned. Other income that comprises mainly of interest income therefore rose by more than three folds to RMB191.3 million in 2Q2010 from RMB52.3 million in 2Q2009. The other gains reduced by 87% to approximately RMB13.5 million in 2Q2010 as a result of foreign exchange related losses and negative mark to market variation for the outstanding orders.

The Group maintained the operating expenses at the level of 2% of the revenue. Yangzijiang announced accreditation for their old yard as a "High/New Technology Enterprise" by Jiangsu Ministry of Science and Technology Department on 2 August 2010. As being this accredited enterprise, the old yard enjoys a preferential income tax rate of 15% for a period of 3 years started from FY2009, as opposed to the standard income tax of 25%. Therefore, RMB45.3 million of tax was refunded and it reduced the Group's effective tax rate from 15% to 12.5% in 2Q2010.

As a result, the net profit attributable to equity holders increased by 32% in 2Q2010 to a record quarterly high of RMB800.5 million.

The basic earnings per ordinary share increased from 16.71 RMB cents in 2Q2009 to 21.91 RMB cents in 2Q2010.

Balance Sheet (RMB'000)	30 Jun 2010	31 Dec 2009
Property, Plant and Equipment	1,931,429	1,966,580
Restricted Cash	3,042,410	2,979,646
Cash & Cash Equivalents	4,251,614	3,806,955
Total Debt	774,270	907,077
Total Equity	7,169,365	6,310,304
Gross Gearing (x)	0.11	0.14
Net Gearing (x)	Net Cash	Net Cash

The cash and cash equivalents stood at RMB4.3 billion as at 30 June 2010. With the reduction in loan financing coupled with higher repayments of borrowings, the gross gearing reduced from 14% to 11%.

OUTLOOK/ FUTURE PLANS

The delivery of 12 vessels in 2Q2010 brought the total deliveries for 1H2010 to 22 vessels. The Group expects the remaining 26 vessels to be delivered as per schedule in 2010.

The Group announced new building contract wins for 10 vessels with an aggregate value of US\$234.2 million on 19 July 2010. These contracts were secured in 2Q2010 and the expected delivery date is before July 2012. With these new contracts secured in 2Q2010, the total of new vessels secured increased to 17 vessels worth US\$430.7 million for 1H2010. Hence, the Group's order book stood at 124 vessels with a total value of US\$5.2 billion as at 30 June 2010. (*Note: This order book does not include the order book comprising 20 vessels worth US\$338 million of the recently acquired yard called Jiangsu Changbo Shipyard. Through the process of restructuring, management integration and upgrading of production facilities, Changbo Shipyard will be integrated in the Group and transformed into the Group's new shipyard with 400,000 DWT shipbuilding capacity to deliver 12 vessels a year, an increase of 20% to the Group's capacity.*)

“With our core shipbuilding business well established, the Group is embarking on another phase of growth as it diversifies revenue streams. We are also well positioned to explore M&A opportunities as the marine industry goes through a consolidation phase with value propositions arising for assets. Thus, we are moving towards a much more diversified business model along with capitalizing on opportunities to expand our capacity. We recently acquired majority stake in a new yard and would concentrate to fully integrate the yard in the Group soon.

Also our TDR endeavor is progressing well with final approvals received to list TDRs and with that Yangzijiang became the first S-Chip to receive these approvals. We believe with the signing of the Economic Cooperation Framework Agreement (ECFA), the TDR listing would elevate the Group's profile in Taiwan to strengthen its business connections there and over time would also benefit from the closer cross-strait business collaborations between Taiwan and the mainland.”

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

The Group remains confident of continued growth and profitability for FY2010.

--The End--

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 three shipbuilding bases along the Yangtze River, with details highlighted below.

Located in Jiangyin city in the Jiangsu province of PRC, the old shipyard called Jiangsu Yangzijiang Shipbuilding ("JYS"), 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 called Jiangsu New Yangzi Shipbuilding ("JNYS"), 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 (deadweight tonnage) vessels and two half 100,000 DWT vessels at one time.

Yangzijiang through JYS acquired a 51% stake in a new yard now called Jiangsu Yangzi Changbo Shipbuilding Co., Ltd. This yard has 926 metres of deep-water coast line and production area of 286,471 square metres with production capacity of 400,000 DWT. This yard is located at the downstream of the Yangtze River, 5 km away from JNYS.

For more information please visit the website at: www.yzjship.com

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

By Financial PR Pte Ltd

For more information, please contact:

Romil SINGH / Kathy ZHANG

Email: romil@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064