



**YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**

(Company Registration No. 200517636Z)

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

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**SIGNING OF UNDERWRITING AGREEMENT WITH THE JOINT UNDERWRITERS AND FIXING OF THE TDR ISSUE PRICE AT NT\$18.8 PER TDR (EQUIVALENT TO APPROXIMATELY S\$1.585 PER SHARE OF THE COMPANY, EVERY TWO TDRS REPRESENTING ONE SHARE OF THE COMPANY)**

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**INTRODUCTION**

1. Further to the Company's previous announcements dated 24 May 2010, 24 June 2010, 19 July 2010 and 28 July 2010, and in accordance with Rule 810(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**", and the "**SGX-ST**" respectively), the board of directors of the Company (the "**Board**") is pleased to announce that it has signed an Underwriting Agreement (as defined below) today with the following underwriters:

- (i) SinoPac Securities Corporation (永丰金证券(股)公司) (as the lead underwriter);
- (ii) Polaris Securities Co., Ltd (宝来证券(股)公司);
- (iii) Grand Cathay Securities Corporation (大华证券(股)公司);
- (iv) KGI Securities Co., Ltd. (凯基证券(股)公司);
- (v) Yuanta Securities Corporation (元大证券(股)公司);
- (vi) Ta Ching Securities Co., Ltd. (大庆证券(股)公司);
- (vii) Oriental Securities Co. Ltd (亚东证券(股)公司); and
- (viii) BankTaiwan Securities Co., Ltd. (台银综合证券(股)公司)

(together, the "**Joint Underwriters**").

**THE PROPOSED TDR ISSUE**

**2. Principal Terms of the Underwriting Agreement**

The Board is pleased to announce that on 1 September 2010, the Company has signed the Underwriting Agreement with the Joint Underwriters fixing the issue price for the proposed TDR Issue (the "**TDR Issue Price**"). The TDR Issue Price was finalized based on, *inter alia*, the results of the bookbuilding process held between the dates of 26 August 2010 and 31 August 2010.

**2.1 Issue Price**

The Company and the Joint Underwriters have fixed the TDR Issue Price to be NT\$18.8 per TDR, equivalent to approximately S\$1.585 for every share of the Company, based on the exchange rate of S\$1 to NT\$23.72. For the purpose of clarification, every two TDRs will represent one share of the Company.

In compliance with Rule 811 of the Listing Manual, the issue price represents approximately a 0.32% discount to the weighted average price for trades done on the SGX-ST on the full

market day before the signing of the Underwriting Agreement of S\$1.59, which does not exceed the limit of 10% discount.

## **2.2 Structure of the TDR Issue**

The TDRs shall be offered to the public by way of book building and public subscription. The total number of underwritten TDRs shall be 240,000,000 TDRs, every two TDRs representing 1 ordinary share of the Company.

The TDRs will be issued to the following parties in the following manner:

- (i) 1,000 TDRs will be placed with the Securities and Futures Investors Protection Centre (“**SFIPC**”), as required under Taiwanese regulations;
- (ii) An estimated 21,000,000 TDRs will be retained by the Joint Underwriters, as required under Taiwanese regulations;
- (iii) The remainder of the TDRs will be offered to the public, on a fully underwritten basis in the following manner:
  - a. 197,099,000 TDRs shall be offered through the bookbuilding process; and
  - b. 21,900,000 TDRs shall be offered through public subscription.

## **2.3 Amount of Proceeds to be raised**

The Company expects to raise estimated proceeds of approximately S\$153 million from the Proposed TDR Issue (the “**Proceeds**”).

## **2.4 Intended Use of Proceeds**

The Company intends to use 100% of the Proceeds for its general working capital.

## **3. End-places of the Proposed TDR Issue**

*The information about the subscribers has been obtained from the Securities and Futures Investors Protection Centre (“**SFIPC**”)’s and the official websites of the respective Joint Underwriters*

As mentioned in the paragraph above titled “Structure of the TDR Issue”, Taiwanese regulations require some of the shares to be placed with the SFIPC and the Joint Underwriters.

### About the Securities and Futures Investors Protection Centre

The SFIPC was established in 2003 by the Taiwanese government pursuant to the Securities Investors and Futures Traders Protection Act. The SFIPC was established to strengthen the investor protection mechanism and promote a sound development of the securities and futures markets in Taiwan. Besides consultation and mediation, the SFIPC also handles investor complaints, files class-action lawsuits on behalf of investors, and manages an investor compensation fund.

### About SinoPac Securities Corporation

SinoPac Securities was established in 1988 and became the first brokerage firm to be listed on Taiwan's Over-the-Counter (OTC) Securities Exchange. SinoPac Securities' business divisions include (amongst others) Brokerage, Proprietary Trading, International Business, Fixed Income and Derivatives. It operates through 49 branches and subsidiaries in Hong Kong, London and a representative office in Shanghai.

## **Rationale for placing to the end-places**

### SFIPC

The 1,000 TDRs to be placed with SFIPC is done pursuant to a requirement imposed by the Financial Supervisory Commission, Executive Yuan in accordance with the (Taiwanese) Securities and Futures Act.

### Joint Underwriters

Pursuant to Clause 4-1 of the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms, between 5-15% of the total number of units underwritten have to be held by the joint underwriters for their own account.

### Public subscribers

The remainder of the shares will be offered to the public in Taiwan by way of bookbuilding and public subscription.

## **Restrictions on the Underwriters' freedom to place the TDRs**

The Company will procure an undertaking from each of the Joint Underwriters that they will ensure, to the best of its knowledge and upon making reasonable enquiries, that none of the TDRs shall be subscribed for by any person who is a director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of Listing Manual, unless such subscription is otherwise agreed to by the SGX-ST.

The Joint Underwriters will also undertake not to offer the TDRs to any person so to transfer a controlling interest without prior approval of the Company's shareholders in general meeting (as required under and within the meaning of Rule 803 of the Listing Manual of the SGX-ST).

Shareholders should note that the Proposed TDR Issue is conditional, *inter alia*, on the granting of the necessary approval by the SGX-ST. Further announcements will be made by the Company in relation to the Proposed TDR Issue as and when appropriate.

By order of the Board

Ren Yuanlin  
Executive Chairman  
1 September 2010

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## **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.