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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang's 3Q2010 earnings up 32% to RMB730.4 million

- Achieved against a 19% increase in revenue to RMB3.1 billion as comparatively more vessels delivered in 3Q2010
- Order book stands at 128 vessels worth US\$5.3 billion
- Recent acquisitions of the Changbo yard and new land with wharf to increase production capacity by 40% in 2012

SINGAPORE – 26 October 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 strong growth momentum in the financial results for the three/nine months that ended 30 September 2010 ("3Q2010/9M2010"). Yangzijiang's earnings surged 32% to RMB730.4 million in 3Q2010 as compared to previous corresponding period.

Financial Highlights	3Q2010	3Q2009	chg	9M2010	9M2009	chg
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	3,083,587	2,591,408	19	8,832,542	7,180,232	23
Gross Profit	724,645	523,278	38	2,108,517	1,557,577	35
Gross Profit Margin	23.5%	20.2%	-	23.9%	21.7%	-
Operating Expenses	107,475	45,810	135	200,806	142,850	41
Other Income	203,014	87,972	131	519,342	179,944	189
Other Gains	80,569	35,509	127	134,190	240,015	(44)
Net Profit Attributable to Equity Holders	730,371	554,227	32	2,117,249	1,644,866	29
Net Profit Margin	23.7%	21.4%	-	24.0%	22.9%	-

Production in Yangzijiang's new yard was enhanced during the quarter, resulting in 7 vessels being delivered from the new yard in 3Q2010, as compared to 4 vessels in 3Q2009. Hence, in total the Group delivered 14 vessels in 3Q2010 (compared with 7 vessels in 3Q2009) that pushed the Group's revenue 19% higher to approximately RMB3.1 billion. The Group managed to keep those ship building contracts that were secured prior to the financial crisis. With successful execution of these higher-margin contracts in 3Q2010, gross profit rose 38% to approximately RMB724.6 million whilst gross profit margin improved from 20.2% to 23.5% in 3Q2010.

Other income comprising of interest income generated from held-to-maturity investments and cash deposit more than doubled to approximately RMB203.0 million in 3Q2010 as compared to RMB88.0 million in 3Q2009. This was consistent with the increase in the investments in financial assets held-to-maturity during the period. Those financial assets held-to-maturity invested by the Group were primarily financial products that are offered by Chinese banks used in the financing of Chinese corporate and entities. These products fetch an average annual return of about 10% and are usually backed by various collaterals such as listed shares and land titles.

The other gains increased about 127% to RMB80.6 million in 3Q2010. Besides the positive mark-to-market variation for the outstanding orders denominated in EUR, RMB25.8 million incentive received from the local tax authority and another RMB17 million being received by the Changbo yard as compensation from termination of two shipbuilding contracts were the main factors that pumped up the other gains.

The effective tax rate for the Group rose to 17.6% in 3Q2010 from 6.5% in 3Q2009 mainly due to the average 13.0% tax rate applied to the Group, and the full provision of 5% withholding tax over the Group's Chinese subsidiaries' earnings in 3Q2010 according to the new income tax regulations.

Consequently, the Group's net profit attributable to shareholders increased by 32% to RMB730.4 million in 3Q2010 and the basic earnings per share climbed to RMB19.82 cents, as compared to RMB15.17 cents in 3Q2009.

Balance Sheet (RMB'000)	30 Sept 2010	31 Dec 2009
Property, Plant and Equipment	2,192,943	1,966,580
Restricted Cash	2,589,443	2,979,646
Cash & Cash Equivalents	4,694,976	3,806,955
Total Borrowing	921,118	907,077
Total Equity	8,823,125	6,310,304
Gross Gearing (x)	10.4%	14.4%
Net Gearing (x)	Net Cash	Net Cash

Robust operating cash flow of RMB1.8 billion was generated in 3Q2010, primarily driven by improved efficiency on working capital use and higher profit in the quarter. Net asset value per ordinary share, as a result, increased to RMB228.78 cents as at 30 September 2010 as compared to RMB172.73 cents as at 31 December 2009.

OUTLOOK/ FUTURE PLANS

The Group had announced 28 ship building contract wins worth US\$914.98 million on 30 August 2010, out of which 5 were effective orders, 15 orders that were yet to be effective and 8 outstanding options. The total numbers of effective orders for this series of contract wins were boosted to 18 as of this date. The delivery of 14 vessels in 3Q2010 brought the total deliveries for 9M2010 to 36 vessels. Hence, the Group's order book stood strong at 128 vessels amounting to US\$5.3 billion as of today. These orders will keep the yards busy till late 2012.

“We have come a long way to achieve and consolidate our standing as the Top 5 Chinese yards and the largest non-state owned publicly listed ship builder in China. We are always aware that increasing capacity and improving productive efficiency holds the key to strengthening our foothold in shipbuilding. Hence, we procured the Changbo yard and acquired a new land with wharf next to our new yard. These procurements will set to enhance our production capacity by 40% in the year 2012.

Considering the cyclical nature of shipbuilding, we reckon developing a diversified business model will further strengthen the Group's tenacity and elevate our ability to entrench deeper in the marine industry. We see potential opportunities in the ship breaking and offshore marine activities segment and believe that will be the Group's growth direction in the future. Also, we are looking into building of bigger and newer generation vessels to increase our product range.

We have marked our debut presence in Taiwan subsequent to our successful TDR listing on 8 September 2010. Being the first S-chip to be listed in Taiwan is a very symbolic milestone for Yangzijiang. Going forward, we believe this will allow us to raise our corporate profile in both Taiwan and China, thereby opening up more doors for potential business opportunities for the Group.”

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

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

--The End--

ABOUT YANGZIJANG 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

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