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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Another year of record earnings for Yangzijiang - earnings of RMB3.0 billion for FY2010

- **Revenue increased 22% to RMB12.9 billion with comparatively more vessels delivered in FY2010**
- **Order book stood at 131 vessels worth USD5.31 billion as at 31 December 2010**
- **Proposed final cash dividend of 4.5 Singapore cents per ordinary share**

SINGAPORE – 22 February 2011 – 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 yet another year of record revenue and earnings for the twelve months that ended 31 December 2010 ("FY2010").

Financial Highlights	4Q2010	4Q2009	chg	FY2010	FY2009	chg
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	4,090,266	3,443,410	19	12,922,808	10,623,642	22
Gross Profit	856,721	677,095	27	2,907,872	2,234,672	30
Gross Profit Margin	20.9%	19.7%	-	22.5%	21.0%	-
Operating Expenses	(77,909)	(69,689)	12	(221,349)	(212,539)	4
Other Income	356,830	180,583	98	876,172	360,527	143
Other Gains/(losses)	(40,829)	(61,307)	(33)	93,361	178,708	(48)
Net Profit Attributable to Equity Holders	838,093	645,085	30	2,955,342	2,289,951	29
Net Profit Margin	20.5%	18.7%	-	22.9%	21.6%	-

Group's revenue increased 22% to RMB12.9 billion for FY2010 as the Group delivered 48 vessels in FY2010 (compared with 40 vessels in FY2009). Also, the Changbo yard (that was acquired last year) delivered 2 vessels in 4Q2010.

The Group's gross profit margin improved from 21.0% in FY2009 to 22.5% in FY2010 due to increased efficiency in the new yard and as the yard continued to deliver bigger and higher margin vessels in FY2010. This helped the gross profit to increase 30% in FY2010 to RMB2.9 billion.

The operating expenses for the Group remained stable at about 2% of the revenue for FY2010.

Other gains for the Group decreased 48% to RMB93.4 million in FY2010 due to comparatively less favourable rates for forward contracts delivered in FY2010 and negative mark to market variation of the Euro denominated contract value. However, this drop was offset by higher other income which increased 143% in FY2010 to RMB876.2 million. The increase in other income was consistent with the increase in the investments in financial assets held-to-maturity during the year. (Other income comprises of interest income generated from held-to-maturity investments. 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 approximately 10% and are usually backed by various collaterals such as listed shares, land titles and other forms of collateral.)

The Group's income tax expenses increased 161% to RMB677.2 million and stood at an effective tax rate of about 18.7% for FY2010. This was after accounting for 5% withholding tax on Chinese subsidiaries' distributable profits and average corporate tax rate of 13% for the Group with no material adjustments for under or over provision of taxation with respect to prior year.

The Group's net profit attributable to shareholders increased 29% to RMB3.0 billion for FY2010 with the net profit margin increasing from 21.6% to 22.9%. The basic earnings per share increased from RMB62.68 cents in FY2009 to RMB79.85 cents in FY2010.

Balance Sheet (RMB'000)	**31 Dec 2010**	**31 Dec 2009**
Property, Plant and Equipment	2,629,809	1,966,580
Restricted Cash	2,204,414	2,979,646
Cash & Cash Equivalents	4,543,038	3,806,955
Total Borrowing	1,226,759	907,077
Total Equity	10,078,477	6,310,304
Gross Gearing	12.2%	14.4%
Net Gearing	Net Cash	Net Cash

Robust operating cash flow of RMB3.7 billion was generated in FY2010 (as compared to RMB2.2 billion for FY2009), mainly due to improved efficiency in working capital and higher profitability in the year. The balance sheet remains healthy with a net cash position gearing wise and cash and cash equivalents of about RMB4.5 billion as at 31 December 2010. Net asset value per ordinary share increased to RMB258.76 cents as at 31 December 2010 from RMB172.73 cents as at 31 December 2009.

OUTLOOK/ FUTURE PLANS

In terms of getting new shipbuilding orders, the Group overall in 2010 entered into 50 new shipbuilding contracts worth USD1.38 billion and hence the Group's order book stood at 131 vessels with value of USD5.31 billion as at 31 December 2010.

The contract winning momentum continues in 2011 as the Group secured shipbuilding contracts worth USD147.4 million for two 4,800 TEU container vessels and two 10,000 DWT bulk carriers and these orders are scheduled for delivery in 2012 and 2013 respectively. Also, as per the announcement made by the Group on 30 August 2010 when it entered into 28 shipbuilding contracts, the Group is pleased to announce that 22 orders out of those are now effective orders. The remaining 6 contracts are subject to the ship-owner's exercising their purchase options.

Moreover, as the container shipping market is gradually picking up this year, the Group's niche of building container vessels is starting to show positive signs and the Group is working closely with interested customers to secure more container vessel orders.

As an update on the Changbo yard, the Group is pleased to inform that the yard delivered two vessels in 4Q2010 and the yard is on track to reach its annual production capacity of 400,000 DWT by 2013.

"We are very pleased with another record earnings achieved by the Group and my sincere appreciation goes to our employees, associates and business partners for making this possible. I would also like to thank our shareholders for their continued support and to reward the shareholders; the Board has proposed a final cash dividend of 4.5 Singapore cents for each ordinary share.

In order to improve our competitive edge, we are placing greater emphasis on developing newer and better vessel models with better fuel efficiency and higher loading capacity.

We have been actively engaged in diversifying our revenue streams for better returns to our shareholders. The Group's next Five-Year growth plan is to become

an integrated marine group with diversified revenue streams and to achieve that, we would be exploring feasible opportunities in offshore marine, oil and gas, ship repair, equipment for ship and accelerate the development of ship-breaking and its downstream recycling metal business. We will also continue to explore financial related products that provide better yield when the opportunity arises."

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

With the Group's healthy cash holdings and order backlog, the Board remains confident of delivering continued growth and profitability for 2011.

--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 2,744 metres of deep-water coastline, a production area of 2,006,110 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

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

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