



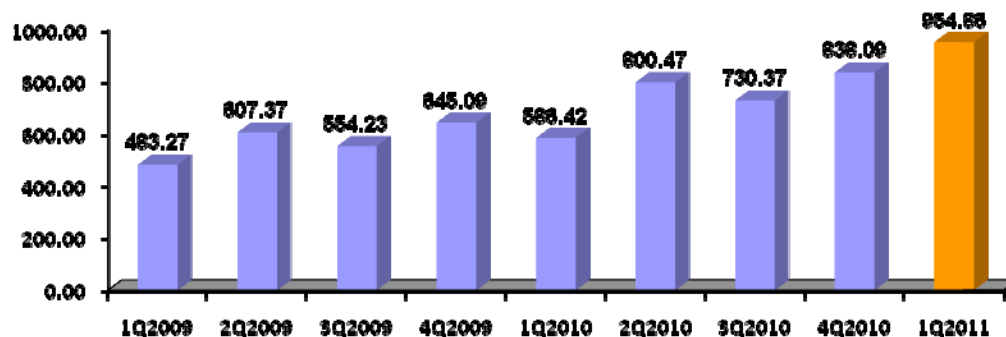
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MEDIA RELEASE – FOR IMMEDIATE RELEASE

## Yangzijiang starting 2011 on a positive note with 63% increase in quarterly earnings to record high of RMB954.9 million for 1Q2011

- Increase of 124% in other income and increase of 210% in other gains gave a boost to the quarterly earnings
- Revenue increased 14% to RMB3.05 billion with comparatively more vessels delivered during the quarter
- Order book stood at 131 vessels worth USD5.38 billion as at 31 March 2011

SINGAPORE – 28 April 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 record high quarterly earnings for the three months that ended 31 March 2011 (“1Q2011”).



*(Net profit attributable to equity holders in RMB million)*

Financial Highlights	1Q2011	1Q2010	chg
	RMB'000	RMB'000	%
Revenue	3,050,413	2,675,504	14
Gross Profit	826,595	622,801	33
Gross Profit Margin	27.1%	23.3%	-
Operating Expenses	(69,418)	(44,772)	55
Other Income	280,725	125,077	124
Other Gains/(losses)	124,336	40,155	210
Net Profit Attributable to Equity Holders	954,860	586,415	63
Net Profit Margin	31.3%	21.9%	-

Group's revenue increased 14% to RMB3.05 billion in 1Q2011 as 14 vessels were delivered (8 from the new yard and 6 from the old yard) as compared with 10 vessels delivered in 1Q2010. Jiangsu Yangzi Changbo Shipbuilding Co., Ltd ("Changbo") also delivered 3 vessels in 1Q2011. Thus, in total the Group delivered 17 vessels in 1Q2011.

Due to recognition of higher margins from construction and delivery of shipbuilding contracts that were secured prior to financial crisis, the Group's gross profit margin improved from 23.3% in 1Q2010 to 27.1% in 1Q2011. This helped the gross profit to increase 33% in 1Q2011 to RMB826.6 million.

The operating expenses were kept under a tight leash and remained stable at about 2% of the revenue for 1Q2011.

The other income<sup>1</sup> for the Group increased 124% to RMB280.7 million in 1Q2011. The increase was mainly due to increased investments in held-to-maturity financial assets in 1Q2011 as compared to the corresponding period last year.

Other gains for the Group registered a huge jump of 210% to RMB124.3 million in 1Q2011 due to positive mark to market variation for the outstanding contracts denominated in Euro.

The Group's income tax expenses increased 27% to RMB195.7 million and stood at an effective tax rate of about 17% for 1Q2011. This was after accounting for 5% withholding tax on Chinese subsidiaries' distributable profits and average corporate tax rate of 13%

<sup>1</sup> Other income comprises of interest income generated from held-to-maturity investments, cash deposits and contributions from Group's 51% owned subsidiary, Jiangsu Runyuan Rural Microfinance Co. Ltd. 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.

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 equity holders increased 63% to RMB954.9 million for 1Q2011 with the net profit margin increasing from 21.9% in 1Q2010 to 31.3% in 1Q2011. The basic earnings per share increased from RMB16.05 cents in 1Q2010 to RMB24.89 cents in 1Q2011.

<b>Balance Sheet (RMB'000)</b>	<b>31 Mar 2011</b>	<b>31 Dec 2010</b>
<b>Property, Plant and Equipment</b>	2,662,579	2,629,809
<b>Restricted Cash</b>	2,226,649	2,204,414
<b>Cash &amp; Cash Equivalents</b>	2,819,669	4,543,038
<b>Financial Assets, Held-to-Maturity</b>	10,004,687	8,614,741
<b>Total Borrowing</b>	1,325,691	1,226,759
<b>Total Equity</b>	11,166,452	10,078,477
<b>Gross Gearing</b>	11.9%	12.2%
<b>Net Gearing</b>	Net Cash	Net Cash

The balance sheet remains healthy with a net cash position gearing wise and cash and cash equivalents of about RMB2.8 billion as at 31 March 2011. Net asset value per ordinary share increased from RMB258.76 cents as at 31 December 2010 to RMB283.65 cents as at 31 March 2011.

## **OUTLOOK/ FUTURE PLANS**

In whole 1Q2011, the Group secured 14 effective shipbuilding contracts with an aggregate value of USD512.3 million and hence the Group's order book stood at 131 vessels with value of USD5.38 billion as at 31 March 2011. Amongst the 14 new orders secured, there are 4 contracts for building our recently developed 4,800 TEU energy-saving container vessels that has proprietary design that meets the current demand for larger capacity vessels with better fuel efficiency.

***“We are pleased with the progress of the Group and the record quarterly earnings definitely help in boosting our confidence.***

***With a view to enhance our competitiveness, we will continue to put greater emphasis on developing newer vessel models that are more fuel-efficient and have higher loading capacity. We are on the right track and are proud of the progress as the recent order wins comprise 4 vessels for our newly designed 4,800 TEU energy-saving containership with proprietary design.***

*We are also looking at increasing our capacity through additional stake in the Xinfu yard and will develop this yard for constructing bigger VLCCs or similar type of vessels.”*

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

As announced on 1 March 2011, the Group intends to increase its stake from 20% to 60% in Jiangsu Xinfu Shipbuilding Co., Ltd (“Xinfu”). The Group over the next 3 years plans to invest RMB4 billion to convert the Xinfu yard into one that can build very large vessels such as the VLCCs or similarly large containerships. When fully operational with a production area of about 166 hectares, the Xinfu yard is expected to have an annual capacity of up to 3 million DWT, which is equivalent to ten (10) VLCCs or twelve (12) 10,000 TEU containerships.

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 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 four 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 20 hectares (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 201 hectares 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 (“Changbo”). This yard has 926 metres of deep-water coast line and production area of 29 hectares with production capacity of 400,000 DWT. This yard is located at the downstream of the Yangtze River, 5 km away from JNYS.

Yangzijiang has entered into an agreement to acquire additional 40% shareholding to bring its stake to 60% in Jiangsu Xinfu Shipbuilding Co., Ltd (“Xinfu”). The yard is located at Taixing City, Jiangsu province, and its principle activities are related to those of shipbuilding, ship repairing, and production and processing of large scale steel structure. Xinfu yard already has a shipbuilding license and enjoys a huge production area of about 166 hectares. This yard once developed would be ideal for building large vessels and the Group has plans of building very-large crude carrier (VLCC) or large containership and other larger vessel types in this yard.

*For more information please visit the website at: [www.yzjship.com](http://www.yzjship.com)*

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

By Financial PR Pte Ltd

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