



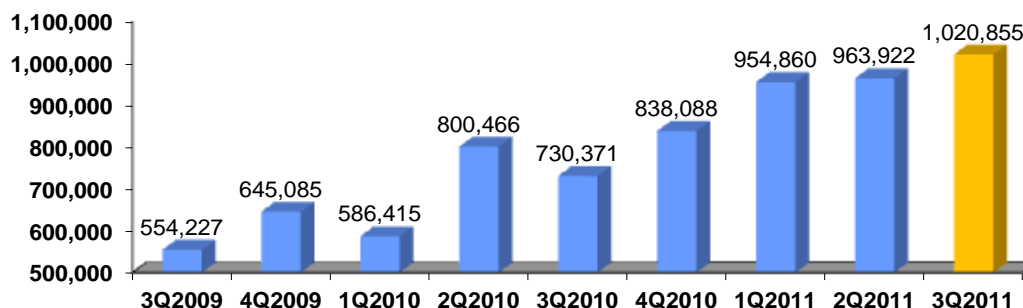
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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang's quarterly earnings crosses billion mark and at record high of RMB1.02 billion for 3Q2011

- Earnings grew 40% in 3Q2011 with more of higher margin vessels delivered and 156% growth in other gains
- Revenue up 12% to RMB3.46 billion in 3Q2011 as the Group delivered total of 19 vessels against 14 vessels in 3Q2010
- The order book stood at 114 vessels worth US\$5.3 billion as at 30 September 2011

SINGAPORE – 9 November 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 its financial results for the three/ nine months ended 30 September 2011 (“3Q2011/ 9M2011”) with all time high quarterly earnings of RMB1.02 billion for 3Q2011. This is the first time that the Group’s quarterly earnings went over RMB1 billion.



(Net profit attributable to equity holders in RMB'000)

Financial Highlights	3Q2011	3Q2010	chg	9M2011	9M2010	chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	3,459,160	3,083,587	12	9,671,442	8,832,542	9
Gross Profit	959,573	724,645	32	2,484,972	2,108,517	18
Gross Profit Margin	27.7%	23.5%	-	25.7%	23.9%	-
Operating Expenses	(101,661)	(107,475)	(5)	(253,634)	(200,806)	26
Other Income	228,817	203,014	13	855,898	519,342	65
Other Gains	206,287	80,569	156	559,484	134,190	317
Net Profit Attributable to Equity Holders	1,020,855	730,371	40	2,939,636	2,117,249	39
Net Profit Margin	29.5%	23.7%	-	30.4%	24.0%	-

Compared to 14 vessels delivered in 3Q2010, the Group delivered 19 vessels in 3Q2011. Thus, due to more vessels being delivered and constructed, the Group registered 12% growth in total revenue to RMB3.46 billion in 3Q2011.

Yangzijiang's gross profit surged 32% in 3Q2011 to RMB959.6 million with improvement in the gross profit margin from 23.5% in 3Q2010 to 27.7% in 3Q2011. The improved gross profit and gross profit margin were due to recognition of higher margin shipbuilding contracts delivered and under construction that were secured prior to the financial crisis and also as the Group delivered more vessels in 3Q2011.

Despite increased production activities and consolidation of five subsidiaries, the Group managed to keep a tight leash on the operating expenses. Operating expenses decreased 5% in 3Q2011 to RMB101.7 million and remained at 3% of the revenue.

The other income (comprising interest incomes generated from held-to-maturity investments, cash deposits and micro-financing businesses) increased 13% in 3Q2011 to RMB228.8 million. The increase was mainly due to increased amount of investments in held-to-maturity financial assets in 3Q2011 when compared with 3Q2010, and the interest income of RMB40 million generated by the Group's micro-financing businesses¹. *[Note: The held-to-maturity financial products, mainly offered by various Chinese banks and trust companies, are used in the financing of Chinese corporations and entities in various industries, like Real Estate, Manufacturing, Local Government Project, etc. These products yield an average annual return of approximately 10% to 15% and are backed by various securities such as listed shares, land titles and other forms of collateral and guarantees.]*

Other gains registered a huge increase from RMB80.6 million in 3Q2010 to RMB206.3 million in 3Q2011 mainly due to RMB158.4 million of tax subsidies received through the

¹ Refers to businesses of Group's subsidiaries, Wuxi Runyuan Technology Microfinance Co. Ltd and Jiangsu Runyuan Rural Microfinance Co. Ltd

Group's subsidiaries. The tax incentive scheme will be valid till 2013. This is part of Group's strategies to streamline its cost structure through better understanding of the local government's regulatory and tax policies, as well as government grants scheme and initiatives.

The Group's net profit attributable to equity holders surged 40% to RMB1.02 billion in 3Q2011 with the net profit margin improving from 23.7% in 3Q2010 to 29.5% in 3Q2011. The basic earnings per share increased from RMB19.82 cents in 3Q2010 to RMB26.61 cents in 3Q2011.

Balance Sheet (RMB'000)	30 Sep 2011	31 Dec 2010
Property, Plant and Equipment	3,183,182	2,629,809
Restricted Cash	4,872,882	2,204,414
Cash & Cash Equivalents	1,806,102	4,543,038
Financial Assets, Held-to-Maturity	10,439,300	8,614,741
Total Borrowing	4,914,387	1,226,759
Total Equity	12,757,184	10,078,477
Gross Gearing	38.5%	12.2%
Net Gearing*	24.4%	Net Cash

*Does not take into account the restricted cash

The Group maintains a robust balance sheet having a net gearing of 24.4% with cash and cash equivalents of about RMB1.81 billion and restricted cash of about RMB4.87 billion as at 30 September 2011. Net asset value per ordinary share increased from RMB258.76 cents as at 31 December 2010 to RMB310.91 cents as at 30 September 2011.

"The high earnings level for this quarter definitely gives the Group a confidence booster. We are pleased at the Group's ability to successfully complete and deliver higher margin shipbuilding contracts that we secured prior to the financial crisis. This reiterates the strength of our yard operations and also the confidence and trust that our clients have on us."

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

OUTLOOK/ FUTURE PLANS

The Group successfully delivered 19 vessels in 3Q2011 and is all set to achieve on time deliveries for the remaining vessels on schedule for remaining part of 2011. As at 30 September 2011, the Group's outstanding order book stood at 114 vessels worth a total value of US\$5.3 billion.

Mr Ren further added on the outlook, *“The industry conditions are tough, but we are confident of winning new shipbuilding orders due to our unique and niche positioning. We knew that for containerhips, the replacement demand would be for newer, bigger and more fuel efficient vessels. Hence our strategy of going towards the 10,000 TEU containerhip and similar vessels based on our superior Research & Development capabilities.*

Also, our balance sheet and cash position is quite strong and that gives ship owners the much needed confidence that we would be able to support the shipbuilding construction progress, particularly at current times when backload payments on shipbuilding contracts can be 60% to 70%.”

Moreover, the Group also receives strong financial support from Chinese banks as shipbuilding is one of the key industries that Chinese Government strongly encourages within China’s stimulus package.

On the outlook for dry bulk segment, **Mr Ren** commented that, *“This segment remains weak due to oversupply concerns and with more vessels coming on-stream; the supply is expected to outpace demand particularly when the economies in the western world are under threat from another financial crisis.”*

With shipbuilding industry at its consolidation stage, the Group’s strategy to maintain its competitiveness in shipbuilding and related business is through moving up the value chain, increasing shipbuilding capacity, improving profitability through vertical expansion, as well as diversifying into the offshore sector with the aim to increase the Group’s market share. The Group will also continue to explore investment opportunities in financial related products that provide better yield as the Group aims to become an integrated marine group with diversified revenue streams.

The recent volatility in Yangzijiang's share price has triggered the Group to exercise the Share Purchase Mandate to buyback shares from the open market. Yangzijiang will continue to buyback shares whenever it deems fit.

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 containerhips, 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 holds 60% equity interest 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

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

By Financial PR Pte Ltd

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