



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

ACQUISITION OF ADDITIONAL 80% BENEFICIAL INTEREST IN JIANGSU HUAYUAN METAL PROCESSING CO., LTD (“HUAYUAN”)

收購江蘇華元金屬加工有限公司（以下簡稱“華元”）額外 80%股權

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“**YZJ**” or the “**Company**”) is pleased to announce that the Company through its wholly-owned subsidiaries, Jiangsu New Yangzi Shipbuilding Co., Ltd and Baoling Investments Pte. Ltd acquired the remaining 80% of the equity interest in the capital of Jiangsu Huayuan Metal Processing Co., Ltd (“**Huayuan**”) which include the 100% interest of Huayuan’s wholly-owned subsidiary, Jingjiang City Dunfeng Ship Dismantle Co., Ltd (“**Dunfeng**”) (the “**Transaction**”).

揚子江船業（控股）有限公司（以下簡稱“揚子江”或“公司”）董事局欣然公佈公司已通過其旗下全資子江蘇新揚子造船有限公司及 Baoling Investments Pte. Ltd 公司收購華元剩餘 80%的股權，並通過收購華元一併持有華元的全資子公司靖江市敦豐拆船有限公司（以下簡稱“敦豐”）的股權（以下簡稱“交易”）。

1. About Huayuan and Dunfeng
華元及敦豐簡介

The core business of Huayuan is primarily related to scrap steel processing, trading and logistic services whereas Dunfeng is primarily engaged in environmental-friendly ship breaking business as one of the few qualified ship demolishing companies in China. Huayuan and Dunfeng have started its operations in 2011 with its production capacity expected to grow in the next three years gradually from the current 200,000 units to 600,000 units of light displacement tonnage (“LDT”) per year. Prior to the Transaction, the Company was the indirect holder of 20% of the equity interest in the registered capital of Huayuan. Following the Transaction, Huayuan and Dunfeng become wholly-owned subsidiaries of the Company.

華元的主要業務是廢鋼加工和金屬貿易物流，其全資子公司敦豐主要從事綠色環保拆船業務，是國內為數不多的有資質拆船企業之一，華元和敦豐在 2011 年已開始生產營業，預計未來三年內產能將從目前的 20 萬輕噸逐步提升至 60 萬輕噸。完成本次收購前，公司持有華元 20%的股權；完成收購後，華元和敦豐均已成為公司的全資子公司。

2. The Transaction
交易

The total consideration for the Transaction is RMB 240,000,000 following an arms’ length negotiation on a willing buyer, willing seller basis taking into account, *inter alia*, the net book value of Huayuan and Dunfeng as at 30 November 2011. The net book value of Huayuan and Dunfeng as at 30 November 2011 was RMB 303,000,000.

收購華元和敦豐 80%股權的支付對價 2.4 億元人民幣，投資對價是買賣雙方經過平等自願的協商而達成的，並權衡了 2011 年 11 月 30 日華元及敦豐的賬面淨值。截至 2011 年 11 月 30 日止，華元及敦豐的淨資產帳面淨值為人民幣 3.03 億。

3. General Rationale of the Transaction
進行此項交易的理由

The Board is of the view that the investment is in the best interest of the Group to diversify into ship breaking business and scrap metal trading and logistics services as an important steel hedging strategy to complement our shipbuilding business, as well as furtherance to enhance the group's sustainable growth of earnings.

董事局認為本項投資將符合集團的最佳利益，以提升集團業務模式進軍拆船和廢金屬物流貿易市場，且作為集團鋼鐵戰略內容形成對造船主業的重要有益補充，有助於實現集團利潤的可持續增長。

4. Financial Effects
財務影響

The above investment will not have any significant impact on the earnings per share and net tangible assets per share of the YZJ Group for the current financial year ending 31 December 2011.

上述投資將不會對揚子江集團 2011 財務年度的每股盈餘及每股淨資產產生顯著的影響。

5. Further Information
更多信息

Save for their respective shareholdings in the Company, none of the directors or controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the transaction contemplated herein.

不考慮持有的公司股權，任何一位董事、控股股東或主要股東與本項交易均無直接或間接的利益關係。

By Order of the Board
謹代表董事局

Ren Yuanlin (任元林)
Executive Chairman 執行主席
22 December 2011 / 2011 年 12 月 22 日