



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

ANNOUNCEMENT ON RELOCATION OF JIANGSU YANGZIJIANG SHIPBUILDING CO. LTD.

江蘇揚子江船廠有限公司搬遷公告

The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“YZJ” or the “Company” or the “Group”) wishes to announce that the Company’s wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co. Ltd. (“JYSCO”) has entered into an agreement with the municipal government of Jiangyin city in the People’s Republic of China in respect of the relocation of JYSCO’s yard and the relevant compensation package (the “Agreement”).

揚子江船業（控股）有限公司（以下簡稱“揚子江”或“公司”或“集團”）董事局在此公佈其全資子公司江蘇揚子江船廠有限公司（以下簡稱“江蘇揚子江”）已就其現有廠區與中國江陰市人民政府簽署搬遷補償協議書。

JYSCO is expected to discontinue its land-based production by 30 September 2012 and complete all the relocation works by 31 March 2013. YZJ has made the necessary arrangements to ensure that the relocation of yard will be smoothly executed and completed and that it will not have negative impact on the Company’s existing vessel delivery schedule. In accordance with the Agreement, the municipal government of Jiangyin city will pay YZJ approximately a total compensation sum of RMB720 million (“Compensation”). The Company will provide quarterly updates on the respective impact of on its net earnings resulted from the Compensation sum and its relevant relocation expenses.

依據協議，江蘇揚子江需於2012年9月30日前停止陸域範圍生產，並在2013年3月31日前完成全部搬遷工作，集團就搬遷工作已做好充足準備，將不會對現有訂單的準時交付產生影響；作為補償，江陰市政府將支付共計約7.2億元人民幣的補償款，此補償款及其相關的搬遷費用對集團的淨收益產生的影響將在實際搬遷過程中在公司財報中給予季度性更新。

Operational Impact on the Group

對集團營運的影響

In view of the weakening global shipbuilding market sentiments, JYSCO’s relocation is one of the Group’s proactive approach in managing the cyclical industry and effects of global financial crisis. Reasonable adjustment to shipbuilding capacity allows the Group to reduce its fixed operating costs, retain its cash resources which is essential to tide through weak markets, align strategic focus on offshore and ship breaking business ventures and upgrade the business model to increase the Group’s immunity to single industry cycle.

在國際造船形勢進入低迷的狀態下，實施對江蘇揚子江的搬遷，是集團應對造船行業週期性變化和國際金融危機的主動行為。適度壓縮造船產能，有利於降低集團固定成本開支；保留現金資產，積極應對未

來造船市場的持續低迷；做好產業轉型升級，集中精力專注于海洋工程領域、拆船物流領域，有效規避單一產業的週期性風險。

With regards to the relocation of JYSCO, the Group has been actively involved in the discussion with the municipal government of Jiangyin city to strive for a chance to participate in the proposed development of the land. The Group may participate in the development project as an additional revenue stream. Furthermore, the internal discussion on the workforce relocation and planning for the existing JYSCO's assets as well as system management are still in progress. Proper measures will be taken to ensure that relocation project will not materially affect the existing operations of the Group.

對於江蘇揚子江搬遷后的相關事項：1、廠區範圍的開發、利用等事項，集團正與江陰市政府積極溝通，磋商方案，爭取參與開發，為集團增加盈利；2、江蘇揚子江的存續，相關造船資質等方面內容的延續，集團生產管理的調整、員工安置等事項，集團內部正積極討論溝通，以確保搬遷不影響集團正常生產經營。

The Group has been operating on a lean workforce since the possibility of relocation was known to the Company in 2011. The remaining workers will be absorbed into the existing yard operations of the Group with minimal staff retrenchment.

集團自2011年得知搬遷計劃後已採取精益勞動力管理。集團將會把現有的員工派往旗下各船廠以降低裁員數量。

Financial Impact

財務影響

As relocation will only be completed in the first quarter of 2013, the above Agreement is not expected to have any significant impact on the earnings per share and net tangible assets per share of the Company for the current financial year ending 31 December 2012.

由於搬遷將在2013年第一季度完成，上述協議預計不會對揚子江集團當前截止至2012年12月31日財務年度的每股盈餘及每股淨資產產生顯著的影響。

BY ORDER OF THE BOARD

謹代表董事局

Ren Yuanlin / 任元林

Executive Chairman / 執行主席

4 July 2012 / 2012年7月4日