Yangzijiang Shipbuilding (Holdings) Ltd
6 Battery Road, #39-02
Singapore 049909
(Co. Reg. No. 200517636Z)

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang reports earnings of RMB3.6 billion for FY2012

- **Revenue of RMB14.8 billion buoyed by contribution from investment segment and ship demolishing business**
- **Preserved gross profit margin at 31% despite industry downturn**
- **Proposed final cash dividend of 5.0 Singapore cents, translating into a dividend payout ratio of 27%**

SINGAPORE – 22 February 2013 – 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, reported net profit attributable to shareholders of RMB3.6 billion for the full year ended 31 December 2012 ("FY2012").

Financial Highlights	**4Q2012**	**4Q2011**	**Chg**	**FY2012**	**FY2011**	**Chg**
	RMB'000	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Revenue	3,563,298	5,235,725	(32)	14,799,092	15,705,828	(6)
Gross Profit	1,088,100	1,579,062	(31)	4,571,519	4,862,695	(6)
Gross Profit Margin	*31%*	*30%*	-	*31%*	*31%*	-
Expenses *	198,064	204,792	(3)	816,841	519,212	57
Other Income	128,785	92,830	39	292,824	150,067	95
Other Gains	(21,314)	(107,440)	(80)	385,936	452,044	(15)
Net Profit Attributable to Equity Holders (PATMI)	807,653	1,036,963	(22)	3,580,772	3,976,599	(10)
PATMI Margin	*23%*	*20%*	-	*24%*	*25%*	-

** Expenses include administrative expenses and finance expenses.*

FY2012 analysis

The Group's overall revenue was recorded at RMB14.8 billion for FY2012, a decline of 6% compared to RMB15.7 billion for FY2011. The Shipbuilding related segment remained as the Group's core revenue driver, contributing about 91% to the Group's revenue in FY2012 (FY2011: 93%).

Revenue contribution from Shipbuilding related business declined 8% year-on-year ("y-o-y") to RMB13.5 billion in FY2012 largely due to lower vessel delivery which resulted from the cessation of shipbuilding contracts. The Group delivered a total of 51 vessels in FY2012, compared to 62 in FY2011. However, the decline in revenue contribution from the Shipbuilding business was partially offset by added contribution from the Group's expanded portfolio of Shipbuilding related segments including ship demolishing and other shipbuilding related businesses. The Ship demolishing business contributed RMB530.4 million, while other shipbuilding related revenue contributed RMB1.1 billion to the Group's Shipbuilding related segment revenue in FY2012.

Revenue contribution from Investment segment (that comprises of interest income from financial assets, held-to-maturity assets and micro finance business) increased 20% y-o-y to RMB1.3 billion in FY2012 as compared to RMB1.1 billion in FY2011. This increase was driven by increased investments in held-to-maturity financial assets and higher loans to third parties in the Micro Finance business.

The Group's overall gross profit declined 6% to RMB4.6 billion in FY2012, compared to RMB4.9 billion in FY2011. However, in spite of the challenging environment in the shipbuilding industry, the Group maintained gross profit margins at 31%.

At RMB386.8 million in FY2012, administrative expenses were maintained at similar levels compared to that of FY2011 as a part of the Group's continued focus on preserving a lean cost structure. However, the decline in administrative expenses was offset by an increase in finance costs arising from higher borrowings, taking total expenses to RMB816.8 million in FY2012, an increase of 57% y-o-y. The Group stood by its cash conservation strategy via financing working capital needs through low cost SGD/USD denominated loans, while RMB was retained as bank deposits to earn interest income. Consequently, other income almost doubled from RMB150.1 million in FY2011 to RMB292.8 million in FY2012.

The lower revenue and higher finance costs led to a 10% decline in net profit attributable to shareholders of RMB3.6 billion in FY2012 (FY2011: RMB4.0 billion). This was represented by basic earnings per ordinary share of RMB93.45 cents in FY2012 (FY2011: RMB103.68 cents).

Balance Sheet (RMB'000)	31 Dec 2012	31 Dec 2011
Property, Plant and Equipment	4,276,704	3,822,124
Restricted Cash	4,170,767	4,193,616
Cash & Cash Equivalents	2,086,659	3,152,365
Financial Assets, Held-to-Maturity	11,376,710	10,473,160
Total Borrowing	7,390,469	8,490,829
Total Equity	16,267,687	13,716,656
Gross Gearing (Borrowings / Equity)	45.4%	61.9%
Net Gearing (Net Borrowings* / Equity)	7.0%	8.3%

Borrowings - (restricted cash + cash & cash equivalents)

Investment in held-to-maturity assets increased to RMB11.4 billion as at 31 December 2012. The Group's balance sheet remained in a strong position with cash holdings of RMB6.3 billion and low gearing of 7.0%. The Group has proposed a final cash dividend of 5.0 Singapore cents per share for FY2012, equivalent to a dividend payout ratio of 27% (FY2011: 26%)*.

OUTLOOK/ FUTURE PLANS

The Group announced cessations for 8 shipbuilding contracts in 1H2012, and has since successfully secured new customers for all 8 of these vessels. 4 vessels have been delivered to new customers, with the remaining 4 scheduled for delivery in 1H2013. Due to the continued worsening of the commercial shipbuilding industry, the Group has recently ceased a further 4 shipbuilding contracts in accordance to contractual terms and confiscated the corresponding deposits so as to minimize operational risks. The ceased shipbuilding contracts involve two 2,500 TEU container ships and two 82,000 DWT dry bulk carriers. The Group is actively sourcing for indicative buyers for the two 2,500 TEU containerships. Construction work for the two 82,000DWT dry bulk carriers have not started.

The Group delivered 12 vessels in 4Q2012, bringing the total vessels delivered in FY2012 to 51. Notwithstanding the challenging business environment, the Group secured US$360.0 million of new orders in January 2013 for the construction of four units of 10,000 TEU containerships. This brings the Group's outstanding order book to US$3.4 billion, comprising of 64 vessels. In addition, the Group also secured a contract to build a Jackup Drilling Rig worth US$170.0 million, with an option for another similar rig.

"The Group remains in a healthy position considering the somber circumstances faced by the commercial shipbuilding industry. We have anticipated this deterioration in the business environment many quarters ahead and were thus able to take a proactive approach. Our strategy to counter this difficult time is by diversifying our business model into an integrated marine service provider.

*Bloomberg: SGD/CNY exchange rate of 4.861 for 31 December 2011 and 5.104 for 31 December 2012

The transformation into an integrated marine service provider includes branching into the ship demolishing and steel fabrication industry. This move paid off in FY2012, during which the ship demolishing business has helped soften the impact from the inevitable decline in the shipbuilding business. We will continue to build the ship demolishing business as a defense against the cyclical nature of shipbuilding. We also have plans underway to strengthen the steel fabrication capacity, and have incorporated Jiangsu Zhuoran Yangzijiang Energy Equipment Co. Ltd with a reputable partner in the energy equipment manufacturing field.

We also sought to expand our vessel construction expertise into the offshore oil and gas space, and successfully secured our first contract to construct a jackup rig worth US$170.0 million during FY2012. We are aware of the steep learning curve involved, and hence have taken the necessary measures to ensure a smooth delivery in addition to our strict cost management practice. Furthermore, we are well placed to broaden our presence in the offshore segment, specifically for FPSOs, through our collaboration with SSP Asia Pte Ltd.

Our Xinfu yard has been activated with 4 new 10,000 TEU containerships made effective from Seaspan. Our old yard will be redeveloped into high-end residential buildings, creating an additional revenue stream that will tide the Group through these challenging times.

Although we expect the industry downturn to persist, the Group has taken steps to ensure that we will be able to ride on the recovery when it happens. To this end, the Group has issued warrants which will give us access to funds to finance working capital required when shipbuilding orders flows into the industry once again. We believe these measures will sustain the Group through the industry downturn, and place us on a faster track to recovery."

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

The industry downturn may have a prolonged impact that stretches beyond 2013. Progress in Shipbuilding and related segments may be slow moving ahead, but steady investments in held-to-maturity assets will provide the Group comfortable cushion against the industry downturn. The Group will maintain the steady investment strategy and continue to adopt a rigorous risk management approach in assessing and evaluating all investments.

The Board remains confident of the Group's financial performance for the year 2013.

--The End--

ABOUT YANGZIJIANG SHIPBUILDING (HOLDINGS) LIMITED (Bloomberg Ticker: YZJ SP)

Established in 1956 and listed on SGX-Mainboard since April 2007, Yangzijiang Shipbuilding (Holdings) Limited ("Yangzijiang Shipbuilding" or collectively known as the "Group") is the largest Chinese listed entity on SGX-Mainboard. Yangzijiang Shipbuilding is also one of the largest non-state-owned publicly listed shipbuilder by virtue of manufacturing capability in the PRC. Notably, the Group is the first Chinese shipyard to secure the 10,000 TEU containership orders in 2011.

Yangzijiang Shipbuilding has evolved into an integrated marine service provider with core shipbuilding business and exposure in ship demolishing and offshore industry. The Group's niche lies in construction of commercial vessels ranging from containerships, bulk cargo carriers and multi-purpose cargo vessels. The Group owns four shipyards in Jiangsu Province, China along the Yangtze River, with total available capacity of 2.2 million CGT and total production area spanning across over 400 hectares.

The Group has also a wholly-owned ship demolishing yard in Jiangsu Province, China with a total production capacity of 200,000 Light Displacement Tonnage ("LDT"). Going forward, the Group has plans to expand the production capacity to 600,000 LDT by 2015.

Yangzijiang Shipbuilding partnered Qatar Investment Corporation, investment arm of Qatar sovereign fund, through a Joint Venture Agreement in 2011 to incorporate an offshore headquarter in Singapore and to establish an offshore construction base in Taicang city, China. The Group wishes to capitalize on the talent pool in Singapore to construct mega offshore structures in China, where the Group can further leverage on China's cost efficiency, proximity to raw materials and labour. The offshore construction base sits on a land area of about 156 hectares with 1,500 meters of coastline.

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
For more information, please contact:

Romil SINGH / KEE Vern Cheng/ Kathy ZHANG
Email: romil@financialpr.com.sg / verncheng@financialpr.com.sg / staff@financialpr.com.sg
Tel: (65) 6438 2990 / Fax: (65) 6438 0064