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

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang remains resilient, reports RMB3.1 billion in FY2013 earnings

- **Gross profit margin boosted by financial investments segment to 33.2%; shipbuilding related segment gross profit margin remains healthy at 27.4%**
- **Contract win momentum continues with US$1.3 billion orders for shipbuilding and offshore segment; outstanding order book of US$4.6 billion supports near term shipbuilding outlook**
- **Proposed final cash dividend of 5.0 Singapore cents per share; translating into a dividend payout ratio of 29.7%**

SINGAPORE – 27 February 2014 – 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 RMB3.1 billion for the full year ended 31 December 2013 ("FY2013").

Financial Highlights	**4Q2013**	**4Q2012**	**Chg**	**FY2013**	**FY2012**	**Chg**
	RMB'000	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Revenue	3,381,566	3,563,298	(5)	14,338,637	14,799,092	(3)
Gross Profit	1,426,787	1,088,100	31	4,761,895	4,571,519	4
Gross Profit Margin	*42.2%*	*30.5%*	-	*33.2%*	*30.9%*	-
Expenses *	91,265	198,064	(54)	593,093	816,841	(27)
Other Income	80,751	128,785	(37)	332,447	292,824	14
Other Gains	(58,121)	(21,314)	173	119,295	385,936	(69)
Net Profit Attributable to Equity Holders (PATMI)	746,300	807,653	(8)	3,095,877	3,580,773	(14)
PATMI Margin	*22.1%*	*22.7%*	-	*21.6%*	*24.2%*	-

** Expenses include administrative expenses and finance expenses*

FY2013 analysis

At the Group level, total revenue remained stable at RMB14.3 billion in FY2013. The Shipbuilding related segment remained as the Group's core revenue driver, contributing about 89.5% to the Group's revenue in FY2013 (FY2012: 91.1%).

Revenue from the shipbuilding related segment declined marginally to RMB12.8 billion in FY2013. During the year, the Group delivered 34 vessels compared to 51 vessels in FY2012. The lower number of vessel delivery was offset by a higher proportion of large vessels delivered in FY2013. The Group also recorded lower revenue from the ship demolition business, which declined 33.4% to RMB353.0 million, while other shipbuilding related revenue declined 24.7% to RMB828.0 million.

The decline in Group revenue was mitigated by a 14.9% increase in revenue from the investment segment (comprising of interest income from financial assets, held-to-maturity and micro finance business) to RMB1.5 billion in FY2013. This was largely due to a steady increase in revenue derived from held to maturity investments from RMB1.1 billion for FY2012 to RMB1.4 billion in FY2013. Meanwhile, revenue from the micro finance business declined to RMB92.9 million in FY2013, compared to RMB215.5 million last year.

Notwithstanding the challenging operating environment, the Group's shipbuilding related segment continued to register a healthy gross profit margin of 27.4% in FY2013 (FY2012: 24.4%) as the Group executed higher-priced orders secured prior to the financial crisis. The strong increase in contribution from the investment segment lifted group gross profit margin to 33.2% in FY2013 (FY2012: 30.9%).

Other income, consisting of interest income from bank deposits and charter income from the ship finance leasing business, increased 14% to RMB332.4 million FY2013. This was moderated by a 69% fall in other gains, primarily due to an impairment provision of RMB345.7 million for vessels held by shipping subsidiaries. Administrative expenses remained well controlled at about 2% of the Group's revenue.

Despite the steady revenue and improved gross profit margin, net profit attributable to shareholders declined 14% to RMB3.1 billion in FY2013, due to increased taxation expenses. This translated into basic earnings per share of RMB80.79 cents in FY2013 (FY2012: RMB93.45 cents).

Balance Sheet (RMB'000)	31 Dec 2013	31 Dec 2012
Property, Plant and Equipment	5,793,041	4,276,704
Restricted Cash	8,416,977	4,170,767
Cash & Cash Equivalents	1,436,246	2,086,659
Financial Assets, Held-to-Maturity	14,127,351	11,376,710
Total Borrowing	13,373,440	7,390,469
Total Equity	18,272,882	16,267,687
Gross Gearing (Borrowings / Equity)	73.2%	45.4%
Net Gearing (Net Borrowings* / Equity)	19.3%	7.0%

**Borrowings - (restricted cash + cash & cash equivalents)*

Investment in held-to-maturity assets increased to RMB14.1 billion as at 31 December 2013. Net gearing increased to 19.3% as at 31 December 2013 on the back of a fund deployment strategy to take advantage of the low borrowing cost climate to further strengthen the Group's cash position. The Group proposed to maintain dividends at 5 Singapore cents per share (FY2012: 5 Singapore cents per share), representing a payout ratio of 29.7% (FY2012: 27.3%)

OUTLOOK/ FUTURE PLANS

The Group delivered 34 vessels in FY2013, out of which 6 vessels were delivered in 4Q2013. In February 2014, the Group added yet another milestone to its strong track record with the successful sea trial for its first 10,000 TEU containership.

Since 13 November 2013, the Group has further secured US$511.0 million in shipbuilding orders for 14 vessels. These comprise of 2 units of 36,000 DWT bulk carriers, 3 units of 64,000 DWT bulk carriers, 3 units of 82,000 DWT bulk carriers, 3 units of 208,000 DWT bulk carriers, 2 units of 1,100 TEU containerships, and 1 unit of 10,000 TEU containership. With these new orders, the Group's outstanding order book increased to US$4.6 billion for 111 vessels as at the date of announcement, with 11 outstanding options worth US$0.83 billion. Of these, 8 outstanding options are for containerships worth US$0.72 billion, while the remaining 3 options are for bulk carriers amounting to US$0.11 billion.

The Group has made substantial progress in its offshore segment, having signed a contract to build 2 semi-submersible rigs for US$825 million, with options for 2 additional similar units. However, the contract has not been made effective pending the receipt of down payment. Construction of the Group's jack-up rig is progressing according to schedule.

The Group has identified 5 business segments, which will strengthen its core expertise in commercial shipbuilding and extend its capability into the offshore oil and gas sector. In addition, the Group has taken into consideration the need to protect shareholders' interest during industry downturns, and has taken measures to maximize returns through investments in held to maturity assets, property development, and complementary businesses such as trading, shipping, and ship demolition.

The Board remains confident of the Group's financial performance for the year 2014.

*Bloomberg: SGD/CNY exchange rate of 4.794 for 31 December 2013 and 5.104 for 31 December 2012

"2013 has been another grueling year for the commercial shipbuilding industry in China, with many yards struggling with severe overcapacity and a dearth of new orders. Yangzijiang has managed to remain resilient through this challenging environment due to our practice of delivering quality vessels, strong risk management, and maintaining sound financial position.

I am encouraged to see that the order momentum has continued into the new financial year. With the strong outstanding order book, our shipyards will remain highly utilized until 2016. Nevertheless, the management of Yangzijiang will be reviewing various methods to increase production efficiency and capacity using our existing infrastructure to enhance earnings.

I am also happy that our offshore segment has been given the opportunity to establish a stronger presence in the offshore oil and gas industry. Going forward, the Group's strategy is to focus on selected key products to swiftly build up expertise, and derive healthy returns through economies of scale. We believe that the Moss CS50 non-DP semi submersible drilling rig is a cost effective design for medium to deep water oil and gas exploration. Yangzijiang has been involved in numerous bidding processes, but we will only undertake projects that suit our strict risk and return profile.

In 2013, we have identified 5 business segments to strengthen the Yangzijiang group as a whole. We will strive to achieve growth in each of these segments in order to achieve an optimum balance of growth drivers, strong profitability, and robust financial position.

As a gesture of thanks to our loyal shareholders, it is my pleasure to announce on behalf of the board of directors that we have maintained the dividend of 5 Singapore cents per share. We hope for your continued support as we grow and evolve into a stronger, more diversified organization."

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

--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 demolition 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 three shipyards in Jiangsu Province, China along the Yangtze River, with total available capacity of 2.0 million CGT and total production area spanning approximately 400 hectares.

The Group has also a wholly-owned ship demolition 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