



**YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**  
(Company Registration No. 200517636Z)  
(Incorporated in the Republic of Singapore on 21 December 2005)

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## **SUBSCRIPTION OF THE SHARES IN SHANGHAI LAUREL OCEAN SYSTEMS LIMITED.**

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The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“YZJ” or the “Company”) is pleased to announce that its wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co. Ltd (“JYSCO”) has entered into an agreement with strategy partners to establish a joint venture company in Shanghai to provide key technique, professional equipment, system integration services and project implementation services in the field of marine intelligence and ocean information technology industry.

### **1. Information on Joint Venture**

The proposed name of the joint venture company is Shanghai Laurel Ocean Systems Limited (“LOSL”) with a registered paid-up capital of RMB 550,000,000. JYSCO will invest a total of RMB 130,000,000 to subscribe for 23.6% equity interest in the share capital of LOSL. The remaining equity interests of LOSL will be held by JV partners at 36.4% and 40% respectively.

The objective of LOSL is to develop itself into a supplier for key technique and professional equipment and service provider of system integration and project implementation in the field of marine intelligence and ocean information technology industry with a vision of becoming the top service provider of professional marine database in China. The business scopes of LOSL include research and development, technology transfer, technical consulting, technology services in fields of marine and information technology, production and sale of computer hardware and software, system integration, research and development, sales, installation, commissioning (subject to special approval) of marine equipment and accessories.

### **2. Future Plan of the Joint Venture**

Following the incorporation of LOSL, it is proposed that Beijing Highlander Digital Technology Co., Ltd (“**Highlander**”), a company listed on Shenzhen Stock Exchange (Stock Code: 300065) which is specialised in field of marine intelligence and ocean information technology industry will acquire the entire 100% equity share in LOSL through a private placement of 28,705,600 new shares at RMB19.16 each to the existing shareholders of LOSL (the “**Proposed Share Transfer**”).

Following the successful Proposed Share Transfer after fulfilment of relevant statutory procedures and approval from the relevant regulatory (ies), JYSCO will cease to be a direct shareholder of LOSL and become a shareholder of Highlander.

### **3. General Rationale for LOSL**

- a. The Board believes that the joint venture will provide the Company an edge over other shipbuilders by offering efficient information system of ship-shore, internet of vessels, internet of things to both the existing and prospective customers;
- b. The Board believes that the joint venture will also provide an alternative source of income from marine electrical system to complement the existing shipbuilding business;
- c. If the Proposed Share Transfer is completed, the Company will continue to enjoy the privilege of purchasing quality marine information systems through the shareholding in Highlander; and

- d. The shareholdings in Highlander will also offer the Company the opportunity to share its profits.

#### 4. **Financial Effects**

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 2015.

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.

By Order of the Board

Ren Yuanlin  
Executive Chairman  
19 June 2015