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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang Reports Earnings of RMB680.7 Million for 3Q2015, Secures New Shipbuilding Orders Worth USD730 Million since Last Announcement

- **Total revenue increased by 10% year-on-year to RMB4.1 billion for 3Q2015 primarily supported by shipbuilding related segment**
- **Core shipbuilding revenue increased by 8.7% to RMB3.3 billion year-on-year with a gross margin of 18%, compared to 21% a year ago**
- **New orders for 12 new vessels worth USD730 million became effective since last results announcement, including two units of 84,000CBM VLGC vessels and four units of 11,800 TEU containerships, among others**
- **Outstanding order book of USD4.8 billion, comprising 107 vessels as of 30 Sep 2015, to keep optimal use of yards' facilities up to 2018**

SINGAPORE – 3 November 2015 – Yangzijiang Shipbuilding (Holdings) Limited ("**Yangzijiang**" or the "**Group**"), one of PRC's leading and most enterprising shipbuilder listed on the SGX Main Board, reported net profit attributable to shareholders of RMB680.7 million for the three months ended 30 September 2015 ("3Q2015").

3Q2015 Analysis

Total revenue increased by 10% to RMB4.1 billion year-on-year ("yoy") in 3Q2015. Shipbuilding Related Segment remained as the Group's core revenue driver, contributing about RMB3.8 billion, or 91.3% to the Group's revenue in 3Q2015 (3Q2014: 88.4%). Held-to-Maturity ("HTM") and Micro Finance Business under Investment Segment contributed 8.1% and 0.6% of the total revenue respectively.

Financial Highlights	3Q2015	3Q2014	Chg	9M2015	9M2014	Chg
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	4,135,569	3,742,739	10	12,889,103	11,571,590	11
Gross Profit	976,613	1,063,921	(8)	2,789,676	3,295,370	(15)
Gross Profit Margin	*24%*	*28%*	-	*22%*	*28%*	-
Expenses ^	(293,441)	(183,747)	60	(570,042)	(576,352)	(1)
Other Income	39,649	68,743	(42)	231,402	375,722	(38)
Other Gains	241,892	74,714	224	782,810	109,290	616
Net Profit Attributable to Equity Holders	680,665	811,191	(16)	2,418,146	2,846,358	(15)
PATMI Margin	*16%*	*22%*	-	*19%*	*25%*	-

^ Expenses include administrative expenses and finance expenses

9 vessels were delivered in 3Q2015 according to schedule, which was higher than the 8 vessels delivered in 3Q2014. As a result, revenue from shipbuilding business increased by 9% yoy to RMB3.34 billion in 3Q2015. Shipbuilding business had a slightly lower gross profit margin of 18% for 3Q2015 compared to 21% for 3Q2014, as a higher proportion of the revenue recognized during the quarter was from vessels with lower profit margin contracted in recent years.

Revenue from trading business increased yoy from RMB215.1 million in 3Q2014 to RMB375.8 million in 3Q2015, and remained profitable. Other complimentary businesses such as shipping & logistics also contributed positively to the revenue and profit of the Group.

As a whole, Investment Segment interest income decreased by 17% yoy to RMB359.9 million in the quarter, of which, interest income from HTM financial assets decreased by 18% yoy to RMB335.6 million in 3Q2015. This was in line with the reduced size of HTM Investment.

Other income decreased significantly from RMB68.7 million in 3Q2014 to RMB39.6 million in 3Q2015, primarily due to the lower interest income generated from restricted cash. The Group's restricted cash decreased significantly compared to last year, as a result of its funding strategy to gradually repay bank borrowings backed by restricted cash deposit and shift to un-secured borrowings with longer tenors.

The Group recorded other gains of RMB241.9 million in 3Q2015 compared to RMB74.7 million in 3Q2014, mainly due to the recognition of RMB557 million as part of the compensation received from government for the relocation of the shipyard. This was partially offset by some losses from the disposal of financial assets, available-for-sale, the disposal of Jiangsu Hengyuan Real Estate Development Co., Ltd and some foreign exchange related losses.

Administrative expenses decreased by 19% yoy to RMB71.7 million following the Group's continued effort in cost rationalization. However, finance cost more than doubled from RMB95.0 million in 3Q2014 to RMB221.7 million in 3Q2015, primarily due to a revaluation loss on the outstanding USD borrowings as a result of the depreciation of RMB against USD at the end of 3Q2015.

Group delivered net profit attributable to shareholders of RMB680.7 million in 3Q2015, 16% lower yoy. Fully diluted earnings per share were RMB17.76 cents for 3Q2015, compared to RMB21.17 cents for 3Q2014.

Balance Sheet (RMB'000)	30 Sep 2015	31 Dec 2014
Property, Plant and Equipment	6,605,747	6,116,517
Restricted Cash	1,814,299	3,325,850
Cash & Cash Equivalents	5,863,175	2,652,565
Financial Assets, Held-to-Maturity	9,736,413	10,791,200
Total Borrowing	8,117,026	8,050,355
Total Equity	22,351,782	21,076,011
Gross Gearing (Borrowings / Equity)	36.3%	38.2%
Net Gearing (Net Borrowings* / Equity)	2.0%	9.8%

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

Cash and cash equivalents increased from RMB2.7 billion as at the end of 2014 to RMB5.9 billion as at 30 September 2015, primarily supported by cash generated from operating activities. With the Group's strategy to control the size of investment in non-shipbuilding businesses, investments in HTM financial assets decreased to RMB9.7 billion as at 30 September 2015 compared to RMB10.8 billion as at end of 2014. Net asset value per share increased to RMB5.68 as of 30 September 2015 from RMB5.34 as at the end of 2014, gross gearing decreased from 38.2% as at the end of 2014 to 36.3% as at the end of September 2015, and net gearing decreased from 9.8% to 2.0% over the same period.

REVIEW / OUTLOOK/ FUTURE PLANS

According to Clarkson Research, new shipbuilding orders around the globe decreased by 45% yoy to 24.4 million CGT in the first three quarters of 2015[1], compared to the 43.9 million CGT for full year 2014. The slowdown in new orders was more severe at Chinese shipyards collectively, primarily due to their heavy reliance on dry bulkers.

As Yangzijiang has been dedicated to enhance its R&D capabilities and constantly introduce new vessel types and models over the years, it has gradually established a well-diversified product portfolio, including large-size containerships, capesize dry bulkers, LNG carriers and VLGC vessels. Building on which, the Group has continued to see a healthy flow of new orders amid the weak market. As at 30 September 2015, the Group had an outstanding order book of USD4.8 billion, comprising 107 vessels. The delivery of the outstanding order book is scheduled to optimize the use of yards' facilities up to 2018.

Since the 2Q2015 results announcement on August 4, there have been a total of 12 new shipbuilding orders worth USD730 million that became effective, which included two units of 84,000CBM VLGC vessels, four units of 11,800 TEU containerships, four units of 3,800 TEU containerships and two units of 1,900 TEU containerships. In addition, the four units of 9,700 TEU containerships announced in August 2015 have each been changed to 11,800 TEU, accompanied by increments in contract value.

[1] http://www.eworldship.com/html/2015/ship_market_observation_1022/107844.html

"The Chinese shipbuilding industry is going through one of the most challenging years in recent history, as the industry order flow, outstanding order book and vessel delivery numbers showed. The oversupply situation for containerships and dry bulkers is expected to continue, and the competition on the market has intensified.

Facing the tough environment, we have become more flexible in profit margin requirement and payment terms. We believe this is the optimal strategy given the situation, and it has proved effective in stimulating order flow since we adopted it.

Our strong financial position has enabled us to be flexible in order taking; it has also given confidence to banks - contrary to their tight lending policy to most of the private shipyards in China, they are willing to offer the credit line, and even refer business to us.

Our persistent effort in building up the R&D capabilities has facilitated the establishment of a diversified product portfolio, and helped us cater to the latest development on the shipbuilding market. While the demand growth for traditional vessels has slowed down, demand for high-technology, more sophisticated and green vessels has become more promising. We have included LNG Carriers and VLGC in the product line, and these high value-added vessel types are expected to provide crucial support for our sustained growth.

The intense competition on the market will accelerate the consolidation and upgrading in the industry, and shipyards with strong R&D capabilities, established client network, consistent delivery record and sound financial position are expected to benefit from the process and grow stronger. In terms of the M&A opportunities that are presented to us, we will only evaluate those that are accretive to our core shipbuilding business, offer favourable return, and enhance shareholder value and the competiveness of the Group in the long run.

In September, Yangzijiang was included as a constituent stock in the STI again. This has been an endorsement on our credibility as a strong and quality listed company. This recognition, together with the trust from our shareholders, will propel us to work hard and create the best value in the long term."

---- Mr Ren Yuanlin (任元林), Executive Chairman,
Yangzijiang Shipbuilding (Holdings) Ltd

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For more information please visit the website at: www.yzjship.com

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Issued for and on behalf of Yangzijiang Shipbuilding (Holdings) Limited

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