



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

SUBSCRIPTION OF THE SHARES IN JIANGSU NON-STATE-OWNED INVESTMENT HOLDING CO., LTD

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 several strategy partners to establish a first non-state-owned investment holding company in Jiangsu, China.

1. Information on Jiangsu Non-state-owned Investment Holding Co., Ltd

Jiangsu Non-state-owned Investment Holding Co., Ltd ("JNIHCO") was initiated by three leading non-state-owned enterprises in Jiangsu province, i.e. Hodo Group, Shagang Group and GCL Group, with a registered paid-up capital of RMB8.6 billion. JYSCO will invest a total of RMB 1,000,000,000 to subscribe for 11.63% equity interest in the share capital of JNIHCO as a joint founder.

The objective of JNIHCO is to render assistance to most of the Jiangsu enterprises to deal with the problem during the process of transformation and upgrading as well as mergers and acquisitions, such as dispersion of investment behavior, insufficient use of financial leverage, limited sources of information and relative weak capability of carrying out cross-border mergers and acquisition.

JNIHCO aims to leverage on the capital, resource and competitive advantages of Jiangsu Non-state-owned enterprises to build up four major platforms, including:

A. Financial service platform

Build up an integrated financial services network by investment in financial institutions such as securities and insurance companies;

B. Industry consolidation platform

Establishing a number of buyout funds and industrial investment funds, and collaborated with capital market to assist in the consolidation of traditional industries and growing industry, as well as to support the emerging industry, and participate in restructuring of state-owned enterprises;

C. Asset management platform

To provide institutions and individuals with asset and wealth value enhancement services;

D. International Investment platform

Response actively to the state call for "One Belt and One Road" and enterprises "going out" strategy, assist business entities to carry out international investment, overseas mergers and acquisitions to promote the upgrading and development of the industry.

2. General Rationale for JNHC

- a. The Board believes that the investment will provide the Group and other leading counterparties in their respective industries an enhanced platform to cooperate with each other to achieve the objective of promoting the transformation and upgrading of Jiangsu Enterprises as well as economy development of Jiangsu, which in turn will ultimately benefit the group.
- b. The Board believes that the joint venture will also provide an alternative source of income from this investment.

3. SGX Listing Rule 1006

The relative figures for the acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST are set out as follows:

Rule 1006 (a) Net asset value of the assets to be disposed of, compared with the Group's net asset value - N/A

Rule 1006 (b) Net profits attributable to the assets acquired compared with the Group's net profits - N/A

Rule 1006 (c) Aggregate value of the consideration given compared with the market capitalization - 6.16%

Rule 1006 (d) Number of equity securities issued as consideration for the acquisition compared with the number of equity securities previously issued - N/A

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 2016.

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

27 June 2016