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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang registers earnings of RMB 415.4 million for 2Q2016, ranked No.1 in China and No.4 in the world with USD 4.7 billion outstanding order book

- **Group reported revenue of RMB 3.0 billion for 2Q2016, 48% lower compared to 2Q2015 mainly due to the decline in revenue from shipbuilding related segment**
- **Gross profit margin for core shipbuilding business increased to 24% for 2Q2016 compared to 15% for 2Q2015, supported by reversal of warranty provision and RMB depreciation against USD**
- **Group secured new orders for 4 units of 1,800 TEU containerships in July 2016, and new shipbuilding orders of USD 600 million in total year to date**
- **Outstanding order book stood at USD 4.7 billion as at the end of June 2016, comprising 89 vessels, to keep optimal use of yards' facilities till 2018-2019**

SINGAPORE – 4 August 2016 – Yangzijiang Shipbuilding (Holdings) Limited ("**Yangzijiang**" or the "**Group**"), a globally-leading shipbuilder based in China and listed on the SGX Main Board, reported net profit attributable to shareholders of RMB 415.4 million for the three months ended 30 June 2016 ("2Q2016").

2Q2016 Analysis

Financial Highlights	2Q2016	2Q2015	Chg	1H2016	1H2015	Chg
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	2,993,551	5,709,976	(48)	5,700,836	8,753,534	(35)
Gross Profit	684,235	1,029,824	(34)	1,332,717	1,813,063	(26)
Gross Profit Margin	*23%*	*18%*	-	23%	21%	-
Expenses ^	(240,061)	(157,415)	53	(378,928)	(276,601)	37
Other Income	51,084	64,709	(21)	96,237	191,753	(50)
Other Gains	94,277	412,102	(77)	234,868	540,918	(57)
Net Profit Attributable to Equity Holders	415,400	1,030,603	(60)	863,377	1,737,481	(50)
PATMI Margin	*14%*	*18%*	-	15%	20%	-

** n.m.: Not meaningful*
^ Expenses include administrative expenses and finance expenses

Group's total revenue declined 48% year-on-year ("yoy") to RMB 3.0 billion. Revenue from Shipbuilding business decline by 52% to RMB 1.8 billion as seven vessels were delivered in 2Q2016 compared to 11 vessels in 2Q2015. Revenue from trading business decreased by 38% yoy in 2Q2016 to RMB 883.9 million. Revenue from other shipbuilding related segment decreased by 37% yoy to RMB 32.5 million, as charter rates declined and revenue from the Group's shipping logistics and chartering business was lower. Under investment segment, interest income derived from held to maturity ("HTM") financial assets decreased by 42% yoy to RMB 257.6 million in 2Q2016. The decrease was mainly due to the lower interest rate received as Group diverted an increasing amount of investment to government-related projects. .

The gross profit margin for Shipbuilding business increased to 24% in 2Q2016 from 15% in 2Q2015, supported by the reversal of warranty provision for vessels delivered in previous period, and the depreciation of RMB against USD during 2Q2016. Trading business, which carries a much lower margin of 2%, contributed about 32% of the revenue to the overall Shipbuilding Related Segment. The net interest income margin for HTM investment improved slightly to 94% in 2Q2016 compared to 92% for 2Q2015.

Other income, which comprises mainly the interest income from bank deposits and ship finance lease business, decreased marginally from RMB 65 million for 2Q2015 to RMB 51 million for 2Q2016.

The Group recorded other gains of RMB 94.3 million in 2Q2016, significantly lower than 2Q2015. The gain mainly comprised a foreign exchange related gain of RMB 122 million and a subsidy income of RMB 30 million, which was partly offset by an additional impairment provision of RMB 53 million made for the HTM investments.

The Group's administrative expenses increased by 25% yoy in 2Q2016 to RMB 114 million, due to higher R&D expenses as a result of enhanced research and development activities. Finance cost increased to RMB 126 million in 2Q2016 from RMB 66 million in 2Q2015, due to a revaluation loss on USD borrowings as a result of further appreciation of USD against RMB at the end of 2Q2016 as compared to the previous quarter.

Consequently, the Group delivered net profit attributable to shareholders of RMB 415.4 million in 2Q2016 compared to RMB 1030.6 million in 2Q2015. Fully diluted earnings per share were RMB 10.8 cents for 2Q2016, compared to RMB 26.9 cents for 2Q2015.

Balance Sheet (RMB'000)	30 Jun 2016	31 Dec 2015
Property, Plant and Equipment	6,510,922	6,401,967
Restricted Cash	507,492	1,028,550
Cash & Cash Equivalents	6,372,995	5,992,935
Financial Assets, Held-to-Maturity	11,661,617	9,972,406
Total Borrowing	7,806,518	8,282,421
Total Equity	22,297,857	22,358,981
Gross Gearing (Borrowings / Equity)	35.0%	37.0%
Net Gearing (Net Borrowings* / Equity)	4.2%	5.6%

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

Cash and cash equivalents increased from RMB 6.0 billion as at the end of 2015 to RMB 6.4 billion as at 30 June 2016, primarily supported by cash generated from operating activities during the period. With increased cash and cash equivalents, the Group strengthened its balance sheet as the gross gearing and net gearing decreased to

35.0% and 4.2% respectively. Net asset value per share increased to RMB 5.70 as at 30 June 2016 from RMB 5.69 as at the end of 2015.

REVIEW / OUTLOOK/ FUTURE PLANS

In July 2016, the Group secured new orders for four units of 1800 TEU containerships with the options for eight identical vessels. Together with the orders for the six units of 400,000 DWT VLOC announced in April, the Group secured new orders for ten vessels with a total contract value of approximately USD600 million year to date. As at the end of June, the Group had an outstanding order book of USD 4.7 billion, comprising 89 vessels. The delivery date of the outstanding order book is scheduled to optimize the use of yards' facilities up to 2018-2019.

"Sentiments on the shipbuilding market remained weak, new orders diminished further, and global outstanding order book decreased to the lowest level since June 2013. Despite the market condition that impacted Yangzijiang's financial performance, we continued to build up the order book, and remained profitable.

The new order gains so far this year have been an endorsement from clients on Yangzijiang's shipbuilding capability, as well as on our strong financial position that ensures smooth production. While we were not immune from the wave of order cancellation on the market, Yangzijiang's reputation, vessel quality and client network have enabled us to arrange for the resale of most of the vessels whose orders were terminated earlier, and minimize the impact. Our prime target now is to maintain the momentum for the order book growth, ensure on-time delivery, manage order cancellations, while optimizing bottom line through cost rationalization.

Through the disposal of the last stake in the real estate business, we further aligned our resources to focus on shipbuilding. As the restructuring and consolidation process going on in the industry, we will evaluate M&A opportunities that offer favourable return and are accretive to core shipbuilding business for the growth in the long term."

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

--The End—

Company Profile

Established in 1956, Yangzijiang Shipbuilding (Holdings) Limited ("Yangzijiang Shipbuilding" or collectively known as the "Group") is one of the largest private shipbuilding companies in China. The Group is listed on SGX Mainboard since April 2007, and is currently one of the Straits Times Index ("STI") constituent stocks. With four shipyards in Jiangsu Province, China along the Yangtze River, the Group produces a broad range of commercial vessels including large containerships, bulk carriers, LNG carriers and VLGC vessels, serving the orders from a well-established customer network covering America, Europe and other parts of the world. Since listing on SGX, it has delivered consistent growth in the past eight years.

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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