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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang reports earnings of RMB877.2 million in 3Q2012 despite industry downturn

- **Revenue remained stable at RMB3.6 billion in spite of lesser vessels being delivered during the quarter**
- **Group well poised to weather rough tides with outstanding order book of US$3.6 billion as at 30 September 2012**
- **Key focus: Delay contraction impact by 2 years and emerge stronger from downturn earlier by 1 year, as compared to industry peers**

SINGAPORE – 7 November 2012 – 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, maintained net profit attributable to shareholders of RMB877.2 million for the three months ended 30 September 2012 ("3Q2012").

Financial Highlights	**3Q2012**	**3Q2011**	**Chg**	**9M2012**	**9M2011**	**Chg**
	RMB'000	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Revenue	3,611,885	3,661,511	(1)	11,235,794	10,447,010	8
Gross Profit	1,063,110	1,161,924	(9)	3,483,419	3,260,540	7
Gross Profit Margin	*29%*	*32%*	-	*31%*	*31%*	-
Expenses *	185,435	128,652	44	618,777	314,420	97
Other Income	44,015	26,466	66	164,039	80,330	104
Other Gains	178,927	206,287	(13)	407,250	559,484	(27)
Net Profit Attributable to Equity Holders (PATMI)	877,245	1,020,855	(14)	2,773,119	2,939,636	(6)
PATMI Margin	*24%*	*28%*	-	*25%*	*28%*	-

** Expenses include administrative expenses and finance expenses.*

3Q2012 analysis

The Group's overall revenue was maintained at about RMB3.6 billion in 3Q2012. Core Shipbuilding related segment remained as the Group's core revenue driver, contributing about 92% to the Group's revenue in 3Q2012 (3Q2011: 94%).

Revenue contribution from Shipbuilding business declined 4% year-on-year ("y-o-y") to RMB3.3 billion in 3Q2012 largely due to lower vessel delivery resulted from vessel cessation back in 1H2012. The Group ceased 8 shipbuilding contracts in 1H2012. Though 3 vessels were completed and delivered to new buyers in October 2012, the targeted quarterly delivery schedule was affected and thus only 9 vessels delivery was recorded in 3Q2012, significantly lower than the 19 vessels delivered in 3Q2011. However, the decline in revenue contribution from Shipbuilding business was partially offset by the added contribution from the Group's expanded portfolio of Shipbuilding related segments including ship demolishing and other shipbuilding related businesses. Ship demolishing business contributed RMB145.6 million to the Group's revenue in 3Q2012.

Revenue contribution from Investment segment (that comprises of interest income from financial assets, held-to-maturity assets and micro finance business) jumped 51% y-o-y to RMB305.4 million in 3Q2012 as compared to RMB202.4 million in 3Q2011. This was largely due to increase in loans to third parties in the Micro Finance business and steady investment in held-to-maturity assets in 3Q2012 as compared to 3Q2011.

Overall Group's gross profit decreased 9% y-o-y to RMB1.1 billion in 3Q2012 and gross profit margin eased from 32% in 3Q2011 to 29% in 3Q2012. Despite challenging operating environment, the Group's Shipbuilding related business continued to generate healthy gross profit margin of 23% in 3Q2012 (3Q2011: 28%).

Administrative expenses were lower at RMB69.9 million in 3Q2012 as compared to RMB101.7 million in the previous corresponding period as a result of the Group's conscientious effort in managing a lean cost structure through group restructuring exercise. However, the decline in administrative expenses was offset by the increase in finance expenses, thereby resulted in higher total expenses of RMB185.4 million in 3Q2012 as compared to RMB128.7 million in 3Q2011. Similar to 2Q2012, the Group adopted cash conservation strategy whereby working capital needs were financed through low costs SGD/USD denominated loans and RMB was maintained as bank deposits earning interest income. Evidently, other income, which is mainly interest income generated from the Group's cash balance, grew 66% y-o-y to RMB44.0 million in 3Q2012.

Other gains decreased 13% y-o-y to RMB178.9 million in 3Q2012 due to lower amount of incentives received from the local tax authority as compared to 3Q2011.

The Group, thus, concluded 3Q2012 with a net profit attributable to shareholders of RMB877.2 million (3Q2011: RMB1.0 billion). This was represented by basic earnings per ordinary share of RMB22.89 cents in 3Q2012 (3Q2011: RMB26.61 cents).

Balance Sheet (RMB'000)	30 Sep 2012	31 Dec 2011
Property, Plant and Equipment	4,070,371	3,822,124
Restricted Cash	5,329,719	4,193,616
Cash & Cash Equivalents	3,402,351	3,152,365
Financial Assets, Held-to-Maturity	9,787,780	10,473,160
Total Borrowing	8,568,158	8,490,829
Total Equity	15,393,407	13,716,656
Gross Gearing (Borrowings / Equity)	55.7%	61.9%
Net Gearing (Net Borrowings* / Equity)	Net Cash	8.3%

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

The Group ceased 8 shipbuilding contracts in 1H2012 with 3 vessels were subsequently completed and delivered in October 2012. As for the remaining 5 vessels, the Group may charter those vessels to its customers via a finance lease model over tenure of 8 to 10 years.

Investment in held-to-maturity assets was kept at RMB9.8 billion as at 30 September 2012. Balance sheet remained rosy with solid cash standing of RMB8.7 billion including restricted cash and a net cash position in terms of gearing as at 30 September 2012.

"I am pleased that the Group continues to bring substantial returns to the shareholder despite the industry downturn."

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

OUTLOOK/ FUTURE PLANS

The Group delivered 9 vessels in 3Q2012, bringing the total vessels delivered in FY2012 till date to 39. The Group's outstanding order book stood at US$3.6 billion comprising of 75 vessels as at 30 September 2012.

"We are determined to maintain shipbuilding as the Group's core business. But considering the downtrend shipbuilding industry is and will be in for the near future, we have taken a proactive approach in diversifying our business model into an integrated marine service provider.

As an integrated marine service provider, we are developing two growth engines, ship demolishing and steel fabrication, and offshore to complement our existing core shipbuilding business. In addition, we are adding on financial investments, property development and shipping logistics as our supplementary revenue streams.

To maintain our competitive edge in shipbuilding industry, we took a proactive approach in upgrading our vessel portfolio to include more energy efficient and environmentally friendly features last year. New products like 4,800 TEU, 10,000 TEU and 64,000 DWT were rolled out during the year and we have secured effective orders for nine 4,800 TEU, seven 10,000 TEU and four 64,000 DWT as at 30 September 2012. We had adjusted our production capacity accordingly last quarter and routed all vessel construction to JNYS. This allows us to maintain a lean cost structure and optimize deployment of available resources. We will consider activating Xinfu yard if the remaining Seaspan options of 10,000 TEU containerships are exercised.

As for offshore, we have concluded MOU with potential buyers and are near to concluding the design, specifications and financing arrangements of the potential orders. We will definitely continue to work on translating these discussions into concrete orders for the Group.

With the phasing out of our old yard, we will be working with established property developers affiliated with Jiangsu Huaxicun Co Ltd, the A-share company listed on Shenzhen Stock Exchange and indirectly owned by renowned China Huaxi Village, to develop the land and the nearby coastal area into high-end residential buildings. Our managing headquarter will be situated in the area as well.

These are steps the Group is taking now to prepare itself for recovery."

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

Industry downturn may have a prolonged impact that stretches beyond 2013. Progress in Shipbuilding and related segments may be slow moving ahead, but steady investment in held-to-maturity assets will provide the Group comfortable cushion against the industry downturn. The Group may maintain the investment balance in held-to-maturity assets and adopt a rigorous risk management approach in assessing and evaluating all investments.

Moving forward, the Board remains confident of the Group's financial performance for the year 2012.

--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 demolishing 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 four shipyards in Jiangsu Province, China along the Yangtze River, with total available capacity of 2.2 million CGT and total production area spanning across over 400 hectares.

The Group has also a wholly-owned ship demolishing 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

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

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