



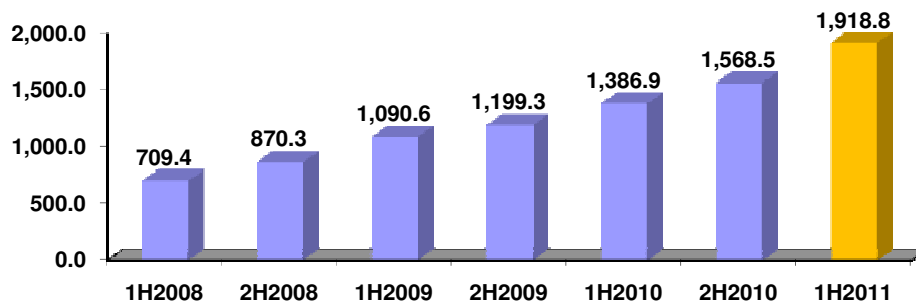
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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang delivers record half yearly earnings of RMB1.9 billion for 1H2011, up 38% y-o-y

- Huge increase of 98% in other income and of 559% in other gains pushed the 1H2011 earnings to record high
- Revenue increased 8% to RMB6.2 billion as the Group delivered total of 29 vessels in 1H2011
- The order book comprises 126 vessels worth US\$5.5 billion as at 30 June 2011

SINGAPORE – 11 August 2011 – 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, is pleased to announce another set of good results with growth in both revenue and earnings for the three/ six months ended 30 June 2011 (“2Q2011/ 1H2011”). For 1H2011, the earnings stood at an all-time high of RMB1.9 billion.



(Net profit attributable to equity holders in RMB million)

Financial Highlights	2Q2011	2Q2010	chg	1H2011	1H2010	chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	3,161,869	3,073,451	3	6,212,282	5,748,955	8
Gross Profit	698,803	761,071	(8)	1,525,398	1,383,872	10
Gross Profit Margin	22.1%	24.8%	-	24.6%	24.1%	-
Operating Expenses	(82,553)	(48,555)	70	(151,971)	(93,327)	63
Other Income	346,356	191,251	81	627,081	316,328	98
Other Gains	228,861	13,465	1,600	353,197	53,620	559
Net Profit Attributable to Equity Holders	963,922	800,466	20	1,918,782	1,386,881	38
Net Profit Margin	30.5%	26.0%	-	30.9%	24.1%	-

Total revenue for the Group increased 8% to RMB6.2 billion as the Group delivered total of 29 vessels in 1H2011 when compared with 22 vessels delivered in 1H2010. In 1H2011, the new yard delivered 13 vessels, the old yard 11 vessels and the Changbo yard delivered 5 vessels.

Group's gross profit increased 10% in 1H2011 to RMB1.5 billion and the gross profit margin improved from 24.1% in 1H2010 to 24.6% in 1H2011. However, the gross profit margin for 2Q2011 decline to 22.1% as fewer vessels secured prior to financial crisis, which has a correspondingly higher contract price, were delivered in 2Q2011.

The Group's operating expenses increased 63% in 1H2011 to RMB152.0 million mainly due to the inclusion of the overhead expenses incurred by new subsidiaries, Changbo Shipyard, Zhongzhou Marine Equipment and the Xinfu yard.

The other income (comprising incomes generated from held-to-maturity investments, cash deposits and micro-financing business) increased 98% in 1H2011 to RMB627.1 million. The increase was mainly due to increased yield and increased amount of investments in held-to-maturity financial assets during 1H2011 when compared with 1H2010. *[Note: The held-to-maturity financial products, mainly offered by various Chinese banks and trust companies, are used in the financing of Chinese corporations and entities in various industries, such as Real Estate, Manufacturing and Local Government Project, etc. These products yield an average return of approximately 10% to 15% p.a., and are backed by various securities such as listed shares, land titles and other forms of collateral and guarantees.]*

Other gains increased from RMB53.6 million in 1H2010 to RMB353.2 million in 1H2011, mainly due to exchange related gains from forward contracts and also due to positive mark to market variation for the outstanding orders. Apart from the exchange related gain, RMB 20.8 million was recorded as incentive received from local tax authority.

The Group's net profit attributable to equity holders increased 38% to RMB1.9 billion in 1H2011 with the net profit margin increasing from 24.1% in 1H2010 to 30.9% in 1H2011. The basic earnings per share increased from RMB37.96 cents in 1H2010 to RMB50.01 cents in 1H2011.

Balance Sheet (RMB'000)	30 Jun 2011	31 Dec 2010
Property, Plant and Equipment	2,731,349	2,629,809
Restricted Cash	4,445,902	2,204,414
Cash & Cash Equivalents	2,797,693	4,543,038
Financial Assets, Held-to-Maturity	10,015,050	8,614,741
Total Borrowing	4,221,681	1,226,759
Total Equity	11,463,748	10,078,477
Gross Gearing	36.8%	12.2%
Net Gearing	12.4%	Net Cash

The balance sheet remains healthy with net gearing of just 12.4% and cash and cash equivalents of about RMB2.8 billion as at 30 June 2011. Net asset value per ordinary share increased from RMB258.76 cents as at 31 December 2010 to RMB284.17 cents as at 30 June 2011.

OUTLOOK/ FUTURE PLANS

In 2Q2011, Yangzijiang achieved a very significant milestone as it entered into shipbuilding contracts worth US\$0.7 billion with Seaspan Corporation to build 7 units of 10,000 TEU containerships with options for additional 18 units of identical vessels to be built. With this, Yangzijiang became the first China shipyard to win a 10,000 TEU containership order, a segment that has been dominated since long by the Korean yards.

“Our yards are operating and performing well and coupled with investments in financial assets, we are able to maintain continued growth in both revenue and earnings.”

Also, it's our privilege to have secured contracts for the 10,000 TEU containerships, the first Chinese shipyard to win such vessel type orders. This reiterates the confidence our customers have on the Group in being able to offer newer and more fuel efficient vessels. Apart from the Seaspan orders, Yangzijiang has also entered into a letter of intent with Peter Döhle to build eight 10,000 TEU container vessels. This shows the robust demand for such vessel type that is more eco-friendly with greater fuel efficiency, lower emissions and enhanced loading capacity.”

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

In tandem with the 10,000 TEU orders, the Group also increased its stake from 20% to 60% in the Xinfu yard and production in the yard is expected to start in 2013.

With the order flow in the last quarter, the Group's order book as at 30 June 2011 stood at US\$5.5 billion comprising 126 vessels.

Mr Ren further added on the outlook, *“On the bulk carrier side, the outlook seems weak as vessel prices are squeezed due to the oversupply concerns. However, our strategy is to maintain our competitiveness in shipbuilding related business and we are moving up the value chain, increasing our total shipbuilding capacity, improving the profitability through vertical expansion, as well as diversifying into the offshore sector with the aim to increase long term market share.”*

With the Group's healthy cash holdings and order backlog, the Board remains confident of delivering continued growth and profitability for 2011.

--The End--

ABOUT YANGZIJIANG SHIPBUILDING (HOLDINGS) LIMITED (Bloomberg Ticker: YZJ SP)

Yangzijiang Shipbuilding (Holdings) Limited is the largest non-state-owned publicly listed shipbuilder by virtue of manufacturing capability in the PRC. The core business is shipbuilding of commercial vessels ranging from containerships, bulk cargo carriers and multi-purpose cargo vessels. The Group owns four shipbuilding bases along the Yangtze River, with details highlighted below.

Located in Jiangyin city in the Jiangsu province of PRC, the old shipyard called Jiangsu Yangzijiang Shipbuilding (“JYS”), spans approximately 800 metres of deep-water coastline and covers an area of approximately 20 hectares (excluding the coastal area).

The new shipyard called Jiangsu New Yangzi Shipbuilding (“JNYS”), is located in Jingjiang city and has 2,744 metres of deep-water coastline, a production area of 201 hectares and a dry dock that can accommodate two 100,000 DWT (deadweight tonnage) vessels and two half 100,000 DWT vessels at one time.

Yangzijiang through JYS acquired a 51% stake in a new yard now called Jiangsu Yangzi Changbo Shipbuilding Co., Ltd (“Changbo”). This yard has 926 metres of deep-water coast line and production area of 29 hectares with production capacity of 400,000 DWT. This yard is located at the downstream of the Yangtze River, 5 km away from JNYS.

Yangzijiang holds 60% equity interest in Jiangsu Xinfu Shipbuilding Co., Ltd (“Xinfu”). The yard is located at Taixing City, Jiangsu province, and its principle activities are related to those of shipbuilding, ship repairing, and production and processing of large scale steel structure. Xinfu yard already has a shipbuilding license and enjoys a huge production area of about 166 hectares. This yard once developed would be ideal for building large vessels and the Group has plans of building very-large crude carrier (VLCC) or large containership and other larger vessel types in this yard.

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

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

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