



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.
(Company Registration No. 200517636Z)
(Incorporated in the Republic of Singapore on 21 December 2005)

INVESTMENT IN SHANGHAI ECONOVO MARINE ENGINEERING CO., LTD.
(上海绎凯船舶设计有限公司)

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**”) together with its subsidiaries, the “**Group**”) wishes to announce that the Company has through its wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co.,Ltd (“**JYSCO**”), entered into a Share Subscription and Capital Injection Agreement with JHW (Shanghai) Trading Co., Ltd and 3 other individuals, pursuant to which JYSCO shall subscribe for a total value of RMB 2,654,082 shares comprising 51% equity interests in the share capital of Shanghai Econovo Marine Engineering Co.,Ltd (“**Shanghai Econovo**”), a company incorporated in People’s Republic of China, for a total subscription price of RMB11,240,816 (the “**Subscription**”). After the Capital Injection, the total share capital of Shanghai Econovo will be RMB 5,204,082.

INFORMATION ON SHANGHAI ECONOVO

Shanghai Econovo is a company incorporated in Shanghai, People’s Republic of China on 23 March 2015. It is a professional engineering company specialised in the naval architecture and marine engineering field with focus on the concept of development, basic design, approval & detailed designs for vessels and offshore projects, as well as the provision of consultation services and technical support in the marine & offshore industry. Shanghai Econovo’s product portfolio covers gas carriers (LPG, LEG & LNG), tankers, bulk carriers, containerships, marine surveillance ship, marine engineering ships, offshore service vessels and FPSO etc.

As a leading designer of gas and bulk carriers, Shanghai Econovo has successfully developed a series of products with high performance and significant green features that is well received by the shipping market. Econovo’s design team is highly specialized in naval architecture, fluid dynamics, structural mechanics, marine engineering, power plants and marine electrical automation. The lead designers have average experience of over 15 years and are reputable in the fields of prophase design and vessels and offshore project development.

RATIONALE

The Board is of the view that the Subscription will allow the Group to enhance its competitiveness in the shipbuilding industry by developing new concept and introducing new technologies to the vessels it builds and fortify its leading position in the shipbuilding industry.

CONSIDERATION

The subscription price of RMB11,240,816 was arrived at on a willing-buyer, willing-seller basis after arms’ length negotiations and taking into account, inter alia, the intangible assets of Shanghai Econovo, mainly the design team force, research and development results, as well as its contribution to enhance the Group’s existing research and development of ship design.

The subscription will be settled in one-time cash payment as normal business practice.

RELATIVE FIGURES COMPUTED ON THE BASIS SET OUT IN RULE 1006

The relative figures as 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 profit attributable to the assets acquired compared with the Group's net profits	- Not meaningful
Rule 1006 (c) Aggregate value of the consideration given compared with the market capitalization	- 0.039%
Rule 1006 (d) Number of equity securities issued as consideration for the acquisition compared with the number of equity securities previously issued	- N/A

FINANCIAL EFFECTS

The Subscription was funded through internal resources and is not expected to have any significant impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2019.

INTERESTS OF DIRECTOR AND SUBSTANTIAL SHAREHOLDERS

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 Subscription.

By Order of the Board

Ren Yuanlin
Executive Chairman
28 February 2019