



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

ACQUISITION OF 60% BENEFICIAL INTEREST IN JIANGSU HUAYUAN LOGISTICS CO., LTD.

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**”) is pleased to announce that the Company has through its wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co Ltd (“**JYSCO**”) entered into a sale and purchase agreement (the “**Agreement**”) to acquire 60% equity interests in the share capital of Jiangsu Huayuan Logistics Co., Ltd. (“**JHLCO**”) (the “**Acquisition**”).

1. The Acquisition

- 1.1 Pursuant to the Agreement, the Company’s wholly-owned subsidiary, JYSCO shall acquire 60% equity interests in the share capital of JHLCO.
- 1.2 JHLCO is a company incorporated in Nanjing city, People’s Republic of China, with a registered paid-up capital of RMB300,000,000 and a net book value of RMB317,897,406 as at 31 December 2017. The core businesses of JHLCO are those related to leasing and chartering of vessels.
- 1.3 JHLCO holds 100% equity interest in the registered capital of Shanghai Huayuan Shipping Co., Ltd, a company incorporated in Shanghai city, People’s Republic of China, with a registered paid-up capital of RMB200,000,000 whose principal activities are of domestic cargo transportation, cargo storage and offshore, aeronautical and highway international cargo transportation agency services.

2. General Rationale of the Transaction

This Acquisition is in line with the Group’s strategy to re-diversify its offerings beyond its core shipbuilding business and it can supplement the existing Group’s business positively.

3. Consideration

The total consideration for the acquisition is RMB180,000,000. The amount of the investment was arrived at after arms’ length negotiations on a willing buyer willing seller basis and taking into account, inter alia, the paid up capital and the net book value of JHLCO based on the financial statement as at 31 December 2017 audited by Jianguyin Tiancheng Accounting Firm Co. Ltd.

4. Relative figures for the acquisition under Rule 1006 of the Listing Manual

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	-	0.38%
Rule 1006 (c) Aggregate value of the consideration given compared with the market capitalization	-	0.01%
Rule 1006 (d) Number of equity securities issued as consideration for the acquisition compared with the number of equity securities previously issued	-	N/A

5. Financial Effects

The above Acquisition will not 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 2018.

6. Further Information

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
25 April 2018