



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

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**DISPOSALS OF EQUITY INTEREST IN THE REGISTERED CAPITAL OF:**

- (1) **JIANGSU HUAYUAN METAL PROCESSING CO., LTD; AND**  
(2) **JIANGSU ZHONGZHOU VESSEL COMPONENT MANUFACTURING CO., LTD**
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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“**YZJ**” or the “**Company**”) and its subsidiaries (the “**Group**”) wishes to announce that the Company had recently through its wholly-owned subsidiaries disposed of its entire 50% equity interest in the registered capital of Jiangsu Huayuan Metal Processing Co., Ltd. (“**Huayuan**”) to a third party, and 100% equity interest in the registered capital of Jiangsu Zhongzhou Vessel Component Manufacturing Co., Ltd. (“**Zhongzhou Vessel**”)(collectively, the “**Disposals**” and each “**Disposal**”) to Mr Ren Yuanlin, our Executive Chairman of the Group, so as to enable the Group diverts its attention from the non-core businesses to the core shipbuilding and related businesses.

**2. DETAILS OF THE DISPOSALS**

**2.1 Disposal of the remaining 50% equity interest in the registered capital of Huayuan (“Disposal 1”)**

The Company had through its indirect wholly-owned subsidiary, Jiangsu New Yangzi Shipbuilding Co., Ltd., disposed of its remaining 50% equity interest in the registered capital of Huayuan, a company incorporated in the People’s Republic of China, with a registered paid-up capital of RMB300,000,000, mainly involved in ship demolishing business through its wholly owned subsidiary, Jingjiang City Dunfeng Ship Dismantle Co., Ltd. Following the said Disposal, Huayuan and its wholly owned subsidiary, Jingjiang City Dunfeng Ship Dismantle Co., Ltd shall cease to be the subsidiaries of the Group.

The consideration for the said disposal was amounted to RMB93,494,250 (equivalent to about S\$19 million)(the “**Sale Consideration 1**”). The Sale Consideration was arrived at pursuant to arms’ length negotiations on a willing buyer willing seller basis, after taking into consideration, inter alia, the net asset value of Huayuan based on the Valuation Report dated 23 May 2017 issued by an independent valuator, Wuxi Youxin Assets Appraisal Co. Ltd., in which the net asset of Huayuan was valued at RMB186,988,500 based on the asset based approach.

**2.1.1 Relative figures for the acquisition/disposal under Rule 1006 of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”):**

The relative figures for the said Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual of SGX-ST are set out as follows:

Rule 1006 (a) Net asset value of the assets to be disposed of, - 0.40%  
compared with the Group’s net asset value

Rule 1006 (b) Net profits attributable to the assets acquired - N/A  
compared with the Group’s net profits

Rule 1006 (c) Aggregate value of the consideration given - 0.35%  
compared with the market capitalisation

Rule 1006 (d) Number of equity securities issued as consideration - N/A  
for the acquisition compared with the number of equity securities  
previously issued

## 2.2 Disposal of the entire 100% equity interest in the registered capital of Zhongzhou Vessel (“Disposal 2”)

YZJ had through its wholly-owned subsidiary, Jiangsu Zhongzhou Marine Equipment Co., Ltd disposed of its entire 100% equity interest in the registered capital of Zhongzhou Vessel, a company registered in the People’s Republic of China, with a registered authorised share capital of RMB1,000,000, mainly involved in the business related to the provision of manufacture base for construction of big vessel components and accessories. Following the said Disposal, Zhongzhou Vessel shall cease to be the subsidiary of the Group.

The consideration for the said disposal was amounted to RMB1,000,000 (equivalent to about S\$0.2 million)(the “**Sale Consideration 2**”). The Sale Consideration 2 was arrived at pursuant to arms’ length negotiations between Zhongzhou Vessel and Mr Ren Yuanlin (“**Mr Ren**”) on a willing buyer willing seller basis, after taking into consideration, inter alia, the net asset value of Zhongzhou Vessel which was valued at RMB1,000,000 as of 30 June 2017 based on the asset based approach.

### 2.2.1 Relative figures for the acquisition/disposal under Rule 1006 of the Listing Manual of SGX-ST:

The relative figures for the said Disposal 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	-	0.005%
Rule 1006 (b) Net profits attributable to the assets acquired compared with the Group’s net profits	-	N/A
Rule 1006 (c) Aggregate value of the consideration given compared with the market capitalisation	-	0.004%
Rule 1006 (d) Number of equity securities issued as consideration for the acquisition compared with the number of equity securities previously issued	-	N/A

2.3 Having regard to the above, as the relative figures as computed on the bases as set out under Rule 1006 (a) and (c) in respect of the Disposals does not exceed 3%, the Disposals constitute a non-disclosable transactions within the meaning of Chapter 10 of the Listing Manual. Accordingly, the approval from the shareholders of the Company is not required.

2.4 As Mr Ren is the purchaser for the Disposal 2 and also the Executive Chairman of the Group, Mr Ren is considered as an interested person for the purpose of Chapter 9 of the Listing Manual of the SGX-ST.

Accordingly, the Transaction is a transaction between the Group and an interested person resulting in interested person transaction for the purpose of Chapter 9 of the Listing Manual of SGX-ST.

As the Sale Consideration 2 of approximately S\$0.2 million represents an amount not exceeding 3% of the latest audited net tangible asset of the Group for the financial year ended 31 December 2016, the interested person transactions constitute a non-disclosable transactions within the meaning of Chapter 9 of the Listing Manual of SGX-ST. Accordingly, the approval from the shareholders of the Company is not required.

### **3. FINANCIAL EFFECT**

The above Disposals will not have any significant impact on the earnings per share and net tangible assets per share of the YZJ's Group for the current financial year ending 31 December 2017.

Save for their respective shareholdings in the Company and information as disclosed in 2.4, none of the directors or controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the transactions contemplated herein.

By Order of the Board

Ren Yuanlin  
Executive Chairman

1 August 2017