



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

DISPOSAL OF THE ENTIRE 100% EQUITY INTEREST IN THE REGISTERED CAPITAL OF JIANGSU HENGYUAN REAL ESTATE DEVELOPMENT CO., LTD AND ITS SUBSIDIARIES

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“**YZJ**” or the “**Company**”) wishes to announce that the Company had recently disposed one of its real estate company to be in line with the Group’s strategy to divert its attention from the non-core businesses to the core shipbuilding and related businesses.

The Disposal

1. The Company’s wholly-owned subsidiary, Jiangsu New Yangzi Shipbuilding Co Ltd had disposed the entire 100% equity interest in the registered capital of Jiangsu Hengyuan Real Estate Development Co., Ltd (“**JHREDCO**”) and the subsidiaries (the “**Disposal**”).
2. JHREDCO is a company incorporated in Jingjiang city, People’s Republic of China, with a registered paid-up capital of RMB1,000,000,000 and a net book value of RMB 1,014,593,876 as at 30 June 2015. The core business of JHREDCO is of real estate development and management, indoor decoration, investment management and consultation. JHREDCO also holds equity interests in Jiangyin Yangzijiang Real Estate Co., Ltd (“**JYRECO**”) and Jiangsu Qianyuan Construction Investment Co., Ltd (“**JQCICO**”), of which the details are as follows:-

Name of companies	Place of incorporation	Registered paid up capital (RMB)	Percentage of shareholding by the Company	Principal activities
JYRECO	Jiangyin city, People’s Republic of China	100,000,000	100%	real estate development and management
JQCICO*	Jingjiang city, People’s Republic of China	30,000,000	70%	investment management

*JQCICO also holds 60% equity interest in the registered capital of Jiangsu Jingyuan Construction Technology Co., Ltd, whereby its principal activities including but not limited to research & development and sale of energy-saving building materials.

Following the aforesaid Disposal of JHREDCO, JYRECO and JQCICO shall cease to be the subsidiaries of the Group through JHREDCO.

3. The total consideration for the Disposal is RMB1,000,000,000. The consideration 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 JHREDCO based on the financial statement as at 30 June 2015.
4. After the completion of the Disposal, the only real estate company under YZJ is Jiangsu Huaxi Yangzi Real Estate Co., Ltd (“**JHYRE**”) which is 50% owned through Jiangsu New Yangzi Shipbuilding Co Ltd. JHYRE is involved in the land development for the purpose of developing high end residential buildings on the former shipyard land vacated by the Company’s wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co., Ltd in Jiangyin city.

Relative figures for the acquisition/disposal under Rule 1006 of the Listing Manual

The relative figures for the 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 - 4.81%

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 capitalization - 4.40%

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 above Disposal will not have any significant impact on the earnings per share and net tangible assets per share of the YZJ Group for the current financial year ending 31 December 2015.

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

4 August 2015