

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

DISPOSAL OF INTEREST IN PPL SHIPYARD PTE LTD

1. Introduction

The Board of Directors ("**Board**") of Yangzijiang Shipbuilding (Holdings) Ltd. ("**Company**", together with its subsidiaries, "**Group**") wishes to announce that:

(a) PPL Holdings Pte Ltd ("**PPL Holdings**"), a joint venture company of which the Company holds 45% effective equity interest; and

(b) E-Interface Holdings Limited ("**E-Interface**"), a wholly-owned subsidiary of PPL Holdings

have today entered into a sale and purchase agreement to dispose of an aggregate 15% equity interest in PPL Shipyard Pte Ltd ("**PPL Shipyard**") owned by PPL Holdings and E-Interface to SembCorp Marine Ltd ("**SembCorp Marine**"), which owns the balance 85% of PPL Shipyard ("**Disposal**").

Following completion of the Disposal ("**Completion**") which is targeted to take place on 29 August 2016 or such other date as the parties may agree, PPL Holdings will cease to have any interest in PPL Shipyard, which will become wholly owned by SembCorp Marine.

2. Rationale and Details of the Disposal

The aggregate consideration for the Disposal is US\$115,058,934 (approximately S\$155,329,561)¹. The Disposal is being undertaken by the Group to realise its investment in PPL Shipyard, and the consideration amount attributable to the Group for its effective economic interest in PPL Shipyard is US\$51,776,520 (approximately S\$69,898,302). The Group intends to apply the net proceeds towards its working capital.

No person is proposed to be appointed as a director of the Company in connection with the Disposal.

3. Relative Figures under Chapter 10 of the Listing Manual

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Rule 1006	Bases	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	1.49%, based on: (a) PPL Shipyard's total net asset value of US\$741,150,000 (approximately S\$1,000,552,500), which proportion attributable to the Group for its effective economic interest in PPL Shipyard is

¹ For purposes of conversion to S\$, the exchange rates of US\$1:S\$1.35 and S\$1:RMB4.9375 have been applied throughout this announcement.

Rule 1006	Bases	Relative Figure
		US\$50,027,625 (approximately S\$67,537,294); and (b) the Group's net asset value of RMB 22,358,981,000 (approximately S\$4,528,401,215), as at 31 December 2015
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profit	-0.42%, based on: (a) PPL Shipyard's total net loss of US\$29,901,000 (approximately S\$40,366,350, which proportion attributable to the Group for its effective economic interest in PPL Shipyard is US\$2,018,318 (approximately S\$2,724,729); and (b) the Group's total net profits of RMB3,184,850,000 (approximately S\$645,032,911), for the financial year ended 31 December 2015 ("FY2015")
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	2.31%, based on: (a) the consideration of US\$51,776,520 (approximately S\$69,898,302) attributable to the Group for its effective economic interest in PPL Shipyard; and (b) market capitalisation of the Company as at the date of this announcement of S\$3,027,152,020.
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset.	Not applicable

The Disposal therefore constitutes a non-disclosable transaction.

4. Financial Effects

The pro forma financial effects of the Disposal on the Company presented below are strictly for illustrative purposes only and do not reflect the actual financial effects or future financial performance and condition of the Company and/or the Group following Completion.

The pro forma financial effects of the Disposal are calculated based on the latest audited financial statements of the Group for FY2015 and the following assumptions:

- (a) that Completion had taken place on 31 December 2015 for purposes of the financial effect on the net tangible assets ("**NTA**") per share in the capital of the Company ("**Share**"); and
- (b) that Completion had taken place on 1 January 2015 for purposes of the financial effect on the earnings per Share ("**EPS**").

NTA per Share

	Before the Disposal	After the Disposal
NTA (RMB'000)	22,358,981	22,367,569
Number of Shares	3,831,838,000	3,831,838,000
NTA per Share (RMB cents)	583.51	583.73

EPS

	Before the Disposal	After the Disposal
Profit after tax attributable to the Shareholders (RMB'000)	2,459,600	2,442,890
Weighted average number of Shares (excluding treasury Shares)	3,831,838,000	3,831,838,000
EPS (RMB cents)	64.19	63.75

5. Interests of Directors and Controlling Shareholders

Save for their respective shareholdings in the Company, none of the directors or the controlling shareholder of the Company has any interest, direct or indirect in the Disposal.

6. Directors' Responsibility Statement

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Disposal and the Group, and the directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. Document Available for Inspection

A copy of the sale and purchase agreement will be made available during normal business hours at the registered office of the Company for a period of three months commencing from the date of this announcement.

By Order of the Board

Ren Yuanlin
Executive Chairman

23 August 2016