



**YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**

(Company Registration No. 200517636Z)

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

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**INCORPORATION OF JIANGSU YANGZI ZHUONENG INDUSTRIAL CO., LTD**

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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 Yanghong Marine Import and Export Co., Ltd, (“**Yanghong**”) subscribed for 60% of the equity interest in the capital of Jiangsu Yangzi Zhuoneng Industrial Co., Ltd. (“**Zhuoneng**”), a company incorporated in the People’s Republic of China with a registered paid-up capital of RMB200 million.

The core businesses of Zhuoneng are related to those of:

- (a) trading of metals, paper products, plastic products including raw materials and products; and
- (b) sales, research and development of mechanical equipment.

The Board is of the view that it is in the best interest of the Group to subscribe for 60% interest in Zhuoneng through Yanghong as it is expected to be an additional revenue stream to the Group and to reduce the dependency on the import and export of steel related products from third party for the shipbuilding activities of the Company.

The above subscription is funded internally 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 2018.

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  
23 March 2018