



**YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**

(Company Registration No. 200517636Z)

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

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**ACQUISITION OF THE REMAINING 40% EQUITY INTEREST IN  
JIANGSU HUAYUAN LOGISTICS CO., LTD.**

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The Board of Directors of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that a wholly-owned subsidiary of the Company, Jiangsu Yangzijiang Shipbuilding Co., Ltd. (“**JYSCO**”) which holds 60% of interests in the share capital of Jiangsu Huayuan Logistics Co., Ltd. (“**Huayuan Logistics**”), had acquired the remaining 40% shareholdings of Huayuan Logistics (the “**Acquisition**”).

**1. The Acquisition**

- 1.1 JYSCO acquired the remaining 40% equity interests in the share capital of Huayuan Logistics.
- 1.2 Huayuan Logistics is a company incorporated in Nanjing city, People’s Republic of China, with a registered paid-up capital of RMB300,000,000. It is primarily involved in the leasing and chartering of vessels, and also wholly-owns a cargo transportation company, namely, Shanghai Huayuan Shipping Co., Ltd. (“**Shanghai Huayuan**”) with a registered paid-up capital of RMB200,000,000.
- 1.3 Following the Acquisition, both Huayuan Logistics and Shanghai Huayuan will become wholly-owned subsidiaries of the Company.

**2. Rationale**

The Company is of the view that the Acquisition is in the interests of the Group and in line with the Group’s strategy to re-diversify its offerings beyond its core shipbuilding business which could offer competitive advantage. The Acquisition would support the existing business of the Group positively. Further, the Group has constantly been seeking opportunities in sectors with good prospects for long-term growth to enhance its value proposition to its shareholders and customers.

**3. Consideration**

The consideration for the Acquisition is RMB119,299,520 which was arrived at arms’ length negotiations on a willing buyer willing seller basis and taking into account, *inter alia*, the paid up capital and the net asset value of Huayuan Logistics based on a valuation report as of 17 August 2018 issued by an independent valuer, Wuxi Youxin Assets Appraisal Co. Ltd., in which the net value of tangible asset of Huayuan Logistics was valued at RMB298,248,800 on the asset-based approach.

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 - 0.65%

Rule 1006 (c) Aggregate value of the consideration given compared with the market capitalization - 0.57%

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 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

31 August 2018