



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

DISPOSAL OF THE ENTIRE 50% EQUITY INTEREST IN THE REGISTERED CAPITAL OF JIANGSU HUAXI YANGZI PROPERTY DEVELOPMENT CO., LTD

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (“**YZJ**” or the “**Company**”) wishes to announce that the Company had recently disposed the entire 50% equity interest in the registered capital of Jiangsu Huaxi Yangzi Real Estate Co., Ltd (“**JHYRE**”) 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 50% equity interest (the “**Sale Share**”) in the registered capital of Jiangsu Huaxi Yangzi Real Estate Co., Ltd (“**JHYRE**”).
2. JHYRE is a company incorporated in Jiangyin city, People’s Republic of China, with a registered paid-up capital of RMB300,000,000. The core business of JHYRE is of real estate development and management, indoor decoration, investment management and consultation.

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.

Following the aforesaid Disposal, JHYRE shall cease to be the subsidiary of the Group.

3. The total consideration for the Disposal is RMB8,077,210. The consideration was arrived at after arms’ length negotiations on a willing buyer willing seller basis and taking into account, inter alia, the net asset value of JHYRE based on the latest unaudited financial statement as at 30 June 2016. The book value and the net tangible asset value attributable to the Sale Share as at 30 June 2016 was approximately RMB20,000,000.
4. After the completion of the Disposal, there will be no more real estate company under the Group.

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 - 0.09%

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 - 0.05%

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 2016.

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

22 July 2016