



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

ACQUISITION OF REMAINING 40% EQUITY INTEREST IN CS MARINE TECHNOLOGY PTE LTD (“CSMT”)

The Board of Directors (the “Board”) of Yangzijiang Shipbuilding (Holdings) Ltd. (the “Company” or “YZJ”) is pleased to announce that the Company has entered into a sale and purchase agreement (the “**Agreement**”) to acquire the remaining 40% equity interest in the registered capital of CS Marine Technology Pte Ltd (“**CSMT**”).

1. The Transaction

- i. Pursuant to the Agreement, the Company shall acquire the remaining 40% equity interest in the registered capital of CSMT. Subsequent to the transaction, CSMT will become a wholly-owned subsidiary of the Company.
- ii. CSMT is a company incorporated in Singapore with a registered paid-up capital of US\$1,000,000.00. Its wholly-owned subsidiary in China, Barber-CS Marine Technology (Shanghai) Co. Ltd is a company specialised in marine consulting, designing and engineering for ship building and offshore.

2. Rationale of the Transaction

The Board believes that the proposed Transaction of CSMT:

- i. gain full control over CSMT to better serve the Group’s shipbuilding business, which is in line with the Group’s strategy to enhance our R&D capability to expand our product range as well as to smooth the shipbuilding process;
- ii. provide the Company an edge over other shipbuilders by offering both existing and prospective customers with high value adding turnkey ship-design services;
- iii. enable the Company to tap on the existing clientele of CSMT in turn, have a positive effect on the Company’s earnings growth; and
- iv. provide alternative source of income from ship design to complement the existing shipbuilding business.

3. Consideration and Terms of Payment

- i. Net asset of CSMT as at 31 March 2016 is valued at US\$1,692,000 based on the asset based approach.
- ii. The total consideration for the acquisition is USD 1.00 which was arrived in accordance with arms’ length negotiations on a willing buyer, willing seller basis taking into account, inter alia, the net book value of CSMT as at 31 March 2016.

4. Financial Effects

The above investment 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.

5. 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
20 May 2016