



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

ACQUISITION OF THE REMAINING 40% EQUITY INTEREST IN JIANGSU YANGZI ZHUONENG INDUSTRIAL CO., LTD.

The Board of Directors of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**” and 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**”) which currently holds 60% of equity interests in the share capital of Jiangsu Yangzi Zhuoneng Industrial Co., Ltd. (“**Zhuoneng**”), acquired the remaining 40% of equity interest of shareholdings of Zhuoneng.(the “**Acquisition**”).

1. The Acquisition

- 1.1 Yanghong acquired the remaining 40% equity interests in the share capital of Zhuoneng.
- 1.2 Zhuoneng is a company incorporated in People’s Republic of China, with a registered paid-up capital of RMB50,000,000. The core business of Zhuoneng are related to trading of metals, paper product, plastic products including raw materials and products and sales, research and development of mechanical equipment.

2. Rationale

The Company is of the view that the Acquisition is in the interests of the Group and it is an additional revenue stream to the Group and to reduce the dependency on the import and export of steel related product from third party for the shipbuilding activities of the Company.

3. Consideration

The consideration for the Acquisition is RMB20,000,000 which was arrived at arms’ length negotiations on a willing buyer willing seller basis and taking into account, inter alia, the net book value of Zhuoneng as at 30 September 2018.

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	-	0.022%
Rule 1006 (c) Aggregate value of the consideration given compared with the market capitalization	-	0.074%
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 was funded through internal resources 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 financial year ending 31 December 2019.

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 Acquisition.

By Order of the Board

Ren Yuanlin
Executive Chairman

30 January 2019