



Yangzijiang Shipbuilding (Holdings) Ltd.
16 Raffles Quay #41-02
Hong Leong Building
Singapore 048581
(Co. Reg. No. 200517636Z)

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang Secures New Orders for USD126 million

- **SITC, a leading logistics shipping company headquartered in Hong Kong, inks orders with Yangzijiang for twelve 1,800TEU containerships**
- **Of the twelve orders, six are firm orders worth USD126 million in total, and six are options for identical vessels at the same unit price**
- **Container freight volume is forecasted to decrease by only 0.1% year-on-year for 3Q2020, and container industry intelligence forecasts a profitable year for shipping companies**

SINGAPORE – 31 August 2020 – Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang” or the “Group”), a globally-leading shipbuilding group based in China, and a Straits Times Index component company listed on the SGX Main Board, announced that it has entered into an agreement with SITC International Holdings Co., Ltd. (“SITC”) for the building and delivery of twelve 1,800TEU containerships.

Out of the orders for the twelve vessels, six are firm orders worth USD126 million in total. These are accompanied by six option orders for identical vessels, to be exercised in three stages, two options each. If all exercised, this batch of orders will be worth USD252 million in total. The six firm orders will be delivered between 2Q2022 and 1Q2023.



Photo: Mr. Yang Xianxiang, Vice Chairman and CEO of SITC, and Mr. Ren Letian, Executive Chairman and CEO of Yangzijiang at the signing ceremony on 30 August 2020

Further to the new order update in the Group’s financial announcement for the first half of FY2020 on 5 August, the Group has also secured orders for two 82,000DWT dry bulkers. With these latest order wins, year to date in 2020, the Group has secured new orders for 23 vessels worth approximately USD700 million (not considering the value of the option orders).



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About the Customer

SITC, headquartered in Hong Kong, is a leading shipping logistics company with container liner shipping in Asia as part of its core business. SITC operates 82 containerships currently, of which, 57 are self-owned. Its existing 68 services routes cover 13 countries and regions, and 69 major ports in Asia. According to Alphaliner statistics, SITC is the 17th largest container shipping companies globally in terms of shipping capacity¹.

SITC has been a customer of Yangzijiang for four years. With the latest batch of orders, SITC has placed orders for 15 containerships with a total contract value of USD372 million.

Mr. Ren Letian, Executive Chairman and CEO of the Group, commented, *“This is the fourth batch of orders that SITC placed with Yangzijiang, and it is an endorsement from SITC on the quality of our vessels and customer service. These orders signified the precious bond and trusted partnership between SITC and Yangzijiang, as we tackle the challenges shoulder to shoulder in the COVID-19-induced economic downturn.*”

Over the past decade, Yangzijiang has established a rich portfolio of containership products, from the smaller ones to 10,000TEU, 11,800TEU and 12,690TEU containerships for some of the major shipowners in the world. With outstanding loading capacity, energy efficiency and reliable performance, these vessels have earned very positive feedback for Yangzijiang. We are committed to constantly improving the efficiency and environmental protection features, thereby assisting our customers in achieving optimal returns.”

¹ <http://www.sitc.com/en/about/index.asp>, as of 30 June, 2020



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Group Photo: SITC& Yangzijiang teams at the Signing Ceremony

Notable Recovery of the Container Shipping Market

According to Sea-Intelligence, a leading provider of innovative objective analysis within the container shipping industry, [container freight volumes is forecasted to decrease by only 0.1% in 3Q2020](#). The consultancy firm noted that the counter-intuitive conclusion was based on three factors, including consumption patterns shifting from services to physical goods, savings from travelling and regular outings giving financial means for more consumer products, and the need for furnishing home office.

In addition, Sea Intelligence reversed its bearish forecast in April 2020, and forecasted that global container liners could [see a total profit of USD10.7-15.4 billion](#)² for 2020, compared to USD5.9 billion for 2019. This is backed by shipping companies' shipping capacity rationalization amid COVID-19, where the reduced capacity provided support to the charter rate (as shown in the SCFI³ chart below)

² Under neutral to bull case scenarios. Smaller profit was forecasted in the case of price war and extreme charter rate fall and freight volume fall

³.SCFI, or Shanghai. Containerized Freight Index, reflects the spot rates of Shanghai export container transport market on 13 global shipping routes



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Company Profile

Established in 1956, Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang Shipbuilding” or collectively known as the “Group”) is one of the largest private shipbuilding companies in China. The Group is listed on SGX Mainboard since April 2007 and is currently one of the Straits Times Index (“STI”) constituent stocks. With four shipyards in Jiangsu Province, China along the Yangtze River, the Group produces a broad range of commercial vessels including large containerships, bulk carriers and LNG carriers, serving the orders from a well-established customer network covering Northern America, Europe and other parts of the world. Since listing on SGX, it has delivered consistent growth in the past ten years.

For more information please visit the website at: www.yzjship.com

Issued for and on behalf of Yangzijiang Shipbuilding (Holdings) Ltd.

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