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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang to issue S\$50 million Convertible Bonds to strategic investors EDBI and Alexandrian Worldwide

- The 12-month Bonds will be mandatorily converted into ordinary shares of the Group upon obtaining necessary approvals for the proposed spin-off and listing of YZJFH
- The Strategic Investors agree to moratorise their allotted shares in YZJFH for a period of 6 months, participating in the Group's growth through its spin-off strategy and bringing confidence and stability to the share price of YZJFH post listing
- The Group intends to utilise its holdings of treasury shares, preventing dilution of minority shareholders' interests
- As part of the transaction, the Group intends to set up its an advanced maritime R&D center in Singapore to focus on areas such as green vessels technologies as well as autonomous vessels, cyber-physical simulations, digital twinning and advanced low latency communication systems which will help strengthen Singapore's capabilities in maritime technology innovation
- YZJFH also intends to establish their global corporate headquarters and international investment division in Singapore, with the plan to launch an Advanced Maritime Fund focusing on sustainability-related investments

SINGAPORE – 4 March 2022 – Yangzijiang Shipbuilding (Holdings) Ltd. (“**Yangzijiang**” or the “**Group**”), a global leader in shipbuilding and a component stock of the Straits Times Index, has entered into separate agreements to issue S\$50 million of Unsecured Convertible Bonds (the “**Bonds**”) to EDB Investments Pte Ltd (“**EDBI**”) and Alexandrian Worldwide Incorporated (“**AWI**”) (collectively, the “**Strategic Investors**”). Each of the Strategic Investors shall subscribe for S\$25 million Bonds and SAC Capital is the placement agent for both transactions.

The Bonds will have a maturity of 12 months. They will be mandatorily converted into ordinary shares of the Group upon obtaining necessary approvals from (i) the relevant authorities, (ii) the SGX, and (iii) shareholders' approval for the proposed spin-off and listing of Yangzijiang Financial Holding Pte Ltd (to be renamed Yangzijiang Financial Holding Ltd., “**YZJFH**”). The Group had earlier [announced](#) its intention to spin-off YZJFH to shareholders by way of dividend in specie. The conversion price for the Bonds is S\$1.345 per share, calculated based on the 50-day volume weighted average share price of the Group

up to (and including) the date of signing of the Convertible Bonds Agreement. The Group intends to utilise its holdings of treasury shares for conversion, which will prevent dilution of minority shareholders' interests. As at announcement date, the Group owns 60,662,600 treasury shares.

The Strategic Investors agree to moratorise their allotted shares in YZJFH, received from the Group by way of dividend in specie, for a period of 6 months after listing. The Group also undertakes to procure Mr Ren Yuanlin, the largest shareholder of the Group, to moratorise his allotted direct and indirect 21.8% stake in YZJFH for a period of 6 months after listing, and 50% of the stake for an additional period of 6 months thereafter. This will help to bring stability and confidence to the share price of YZJFH post listing.

The Bonds may be redeemed, at a premium of 12% p.a. or converted to listed shares using the principal and redemption premium, on maturity or prior to maturity, upon a liquidity event such as a substantial sale of the Group's assets, delisting of Yangzijiang's shares on SGX or if Yangzijiang decides not to proceed with the spin-off and listing of YZJFH. If the Company does not obtain approvals from the relevant authorities for the spin-off and listing of YZJFH, the Notes may be redeemed at a premium of 6% p.a. or converted to listed shares using the principal and redemption premium.

Strategic Investment by EDBI to deepen the presence of a Marine Engineering Champion in Singapore

As a global investor and the strategic investment vehicle for Singapore, EDBI plays a key role in enriching the ecosystem, providing growth capital to globally competitive Singapore-based companies to create successful and sustainable industries.

As part of this partnership with EDBI, Yangzijiang will set up its advanced maritime R&D centre in Singapore to focus on areas such as green vessel technologies as well as autonomous vessels, cyber-physical simulations, digital twinning and advanced low latency communication systems. By setting up a R&D centre in Singapore and leveraging on local R&D expertise, Yangzijiang is committed to advance technological breakthrough and consolidate competitive advantages in green shipbuilding. Yangzijiang currently has R&D centres in China focusing on green vessel technology which sets a strong underlying foundation for its first R&D center outside of China.

YZJFH also intends to establish their global corporate headquarters and international investment division in Singapore, with the plan to launch an Advanced Maritime Fund focusing on sustainability-related investments that will help to plug the local funding gap of supporting enterprises to translate R&D results into commercialization, boosting Singapore's de-carbonization efforts and accelerating the growth of local maritime SMEs and startups.

Additionally, Yangzijiang intends to tap on EDBI's established network to enable greater access to a wider pool of strategic partners to expand cooperation and advance its green vessel technology and capabilities, accelerating its position as a global leading shipbuilder.

Yangzijiang's Key Management sees Underlying Value

AWI was set up by the Group's management team, and this subscription is a testament of the management team's confidence in the underlying value of both entities.

Mr. Ren Letian, Executive Chairman and CEO of the Group, commented on the transaction, *"We are honoured to have EDBI come onboard as our strategic investor and partner to accelerate Yangzijiang Shipbuilding's focus on ESG and their vote of confidence in the prospects of the Group and YZJFH post spin-off. The shipbuilding industry will see strong demand for further developments in green vessel technology and we are committed to working with like-minded partners to seek breakthrough in this sector. With our first advanced maritime R&D center anchored in Singapore, we look forward to deepening our presence in Asia and leverage on Singapore's R&D expertise to improve our standings within green shipbuilding and sustainability."*

Mr. Ren Yuanlin, Honorary Chairman of the Group, added, *"YZJFH has identified new growth areas and investment mandates and post spin-off, will seek expansion into fund and wealth management business in Greater China and Southeast Asia. With EDBI's support, we expect to see more of such strategic partnerships with relevant parties in the future. Singapore remains pivotal to YZJFH's expansion within the Asia Pacific region given its unrivalled status as a financial hub in this region and YZJFH will set up its global headquarters in Singapore. The key management of Yangzijiang also continues to see deep value in both Yangzijiang entities post spin-off, having placed their trust through their investments in Alexandrian."*

Note: This media release should be read in conjunction with the announcement released by Yangzijiang via SGXNet on 4 March 2022.

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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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