



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

## **Business Update for 3Q2021 (3 months ended 30 September 2021)**

### **Yangzijiang reports revenue of RMB4.47 billion and gross profit of RMB1.00 billion for 3Q2021**

**SINGAPORE – 1 November 2021 – 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, today released its voluntary business update for 3Q2021.

#### **Business Performance Review**

Shipbuilding	3Q2021	3Q2020	Change
	RMB'000	RMB'000	%
Revenue	3,689,058	2,552,653	45
Gross Profit	486,154	694,866	(30)
Gross Profit Margin	13%	27%	-14ppts*

*\*Ppts: Percentage points*

Core shipbuilding revenue for 3Q2021 increased by 45% year-on-year ('yoy') to record RMB3,689 million mainly due to higher level of shipbuilding activities during the quarter as compared to a year ago. As a result, 15 vessels were delivered in 3Q2021, as compared to 9 vessels in 3Q2020. There was also a full revenue recognition for two Medium Range ('MR') oil tankers in 3Q2021 when the order was placed with the Group, as revenue for these vessels were not recognized previously.

The Group's shipbuilding business registered a gross profit margin of 13% for 3Q2021, 14 percentage points lower than the 27% recorded in 3Q2020, mainly due to rising raw material costs. In 3Q2020, the gross profit margin was relatively higher as several large size containerships were delivered and the quarter posted a net reversal of RMB94 million loss provision for onerous contracts.

Revenue from the trading segment declined to RMB99.4 million in 3Q2021 due to lower volume of trading activities. This business segment continues to record a gross margin of about 1%.

Shipping and Others	3Q2021	3Q2020	Change
	RMB'000	RMB'000	%
Revenue	255,177	193,516	32
Gross Profit	110,023	63,618	73
Gross Profit Margin	43%	33%	10pts

This business segment includes revenue generated by other shipbuilding related businesses such as shipping logistics and chartering and ship design services. Revenue for this segment was 32% yoy higher in 3Q2021 at RMB255 million due to an expanded fleet size and higher charter rates. It also recorded a higher gross margin of 43% mainly due to higher charter rates.

Investment	3Q2021	3Q2020	Change
	RMB'000	RMB'000	%
Revenue	427,196	525,131	(19)
Gross Profit	403,500	501,866	(20)
Gross Profit Margin	94%	96%	-2pts

Interest income derived from investment segment declined from RMB525 million in 3Q2020 to RMB427 million in 3Q2021, mainly due to reduction in size of investment portfolio.

Overall, the Group's total revenue for 3Q2021 increased by 25% yoy to record RMB4.47 billion, from RMB3.58 billion in 3Q2020. The Group recorded a gross profit of RMB1.00 billion in 3Q2021, a 20.8% yoy decline from RMB1.26 billion in 3Q2020 as gross margin declined by 13 percentage points to 22.4% for 3Q2021.

On top of the gross profits mentioned above, the Group also disposed of one unit of 82,000DWT bulk carrier held under its shipping arm in 3Q2021, recording a gain of about RMB40 million from disposal of property, plant and equipment.

In 3Q2021, following the repayment of debt investment at amortised costs during the period, there was a net release of impairment provision and the Group recorded a net reversal of impairment loss on financial assets of RMB191 million (3Q2020: Provision of impairment loss of RMB183 million). The Group's debt investment at amortised costs before impairment provision as at 30 September 2021 stood at RMB12.59 billion (30 June 2021: RMB18.46 billion).

## BUSINESS UPDATES / OUTLOOK

According to Clarksons, in the first nine months of 2021, the number of new orders placed for containerships (473 vessels, 3.9 million TEUs) has reached the highest level since 1996 and surpassing the previous record set in 2007. Yangzijiang was the top-ranking shipyard, securing about 16% of total orders booked in the first nine months of 2021 (in TEU terms). This achievement was attributable to the Group's loyal,

extensive customer base, a track record in building high-quality vessels and the Group remains committed to ensuring long-term value creation for all our stakeholders and customers.

In 4Q2021 so far, Yangzijiang further secured shipbuilding orders for two 82,300 DWT and four 45,000 DWT bulk carriers with a total contract value of USD200 million. As of announcement date, the Group has secured order wins for 124 vessels worth USD7.41 billion in 2021, Yangzijiang's largest order wins in history and has an outstanding orderbook of USD8.86 billion for 165 vessels.

Power crunch amidst shortage of coal supplies in China has led to electricity rationing and production halt at numerous factories in the months of September and October, but the impact on the Group's shipyards were kept under control. Since the beginning of November, restrictions and constraints on electricity usage have eased and the shipyards are now back to normal operations. Yangzijiang's major shipyards are currently operating at full utilization rates and there are no changes to the Group's scheduled delivery of vessels in 2H2021.

The Group continues to consider various possibilities and its respective tax implications, as part of its strategic review of its debt investment portfolio to allow the Group to focus on its core shipbuilding business.

--The End--

### **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 five shipyards in Jiangsu Province, China along the Yangtze River, the Group produces a broad range of commercial vessels including medium to 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](http://www.yzjship.com)*

---

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

By Financial PR Pte Ltd

For more information, please contact:

Romil SINGH / Jass LIM

Email: [romil@financialpr.com.sg](mailto:romil@financialpr.com.sg) / [jass@financialpr.com.sg](mailto:jass@financialpr.com.sg)

Tel: (65) 6438 2990 / Fax: (65) 6438 0064