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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang reports 89% growth in earnings to RMB761.7 million for 1Q2021, records highest level of outstanding orderbook since 2009

- **Group’s revenue decreased by 25% year-on-year (“yoy”) to RMB2.6 billion for 1Q2021 due to lower shipbuilding activities and lower trading volume**
- **However, gross profit increased 12% yoy to RMB802.3 million as Group’s gross margin improved 11 percentage points to 31% in 1Q2021, underpinned by the construction of more containerships and larger-sized vessels, and improved charter rates**
- **Outstanding order book stood at USD6.6 billion for 146 vessels as at announcement date, highest level since 2009**

SINGAPORE – 29 April 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, reported net profit attributable to shareholders of RMB761.7 million for the three months ended 31 March 2021 (“**1Q2021**”).

Financial Analysis

The Group’s total revenue fell 25% yoy to RMB2.6 billion for 1Q2021. In the shipbuilding related segment, core shipbuilding generated revenue of RMB1.8 billion in 1Q2021, compared to RMB2.3 billion in 1Q2020. While the Group delivered 12 vessels in both 1Q2021 and 1Q2020, revenue declined 20% due to lower shipbuilding activities in 1Q2021. Trading revenue declined from RMB538.0 million for 1Q2020 to RMB115.9 million for 1Q2021 due to lower trading volume. Revenue from other shipbuilding businesses, which consist of shipping logistics & chartering and ship design services, was higher at RMB186.5 million in 1Q2021 compared to RMB145.1 million in 1Q2020, due to an expanded fleet size and improved charter rates.

Financial Highlights	1Q2021	1Q2020	Change
	RMB'000	RMB'000	%
Revenue	2,624,831	3,497,068	(25)
Gross Profit	802,286	714,140	12
Gross Profit Margin	31%	20%	11 ppts*
Reversal of impairment loss/(impairment loss) on financial assets	154,319	(176,080)	n.m
Other Administrative Expenses	(110,231)	(139,959)	(21)
Finance Costs	(5,853)	(14,419)	(59)
Other Income	91,013	89,142	2
Other Gains, net	63,831	107,039	(40)
Net Profit Attributable to Equity Holders	761,725	403,832	89
PATMI Margin	29%	12%	17 ppts*

*Ppts: Percentage points

The Group's debt investment at amortised costs decreased from RMB17.0 billion as at 31 December 2020 to RMB14.9 billion as at 31 March 2021. Accordingly, net interest income derived from the investment segment declined from RMB480.9 million for 1Q2020 to RMB462.7 million for 1Q2021.

The Group's shipbuilding business registered a gross profit margin of 15% for 1Q2021, higher than 8% for 1Q2020, mainly due to the construction of more containerships and larger-sized vessels. Trading business contributed a gross profit of RMB2.1 million during the quarter with a typically low gross profit margin of around 1%. Other shipbuilding related businesses such as shipping logistics & chartering and ship design services registered a gross profit margin of 37% in 1Q2021, significantly higher than 21% for 1Q2020, mainly due to improved charter rates. On the Group level, gross margins for 1Q2021 improved 11 percentage points yoy to 31%. Accordingly, gross profit for 1Q2021 was RMB802.3 million at the Group level, 12% higher than that of 1Q2020.

The Group recorded other gains of RMB63.8 million in 1Q2021 due to a RMB212 million mark-to-market gain on USD denominated assets, partially offset by a fair value loss of RMB170 million primarily related to USD/CNY forward contracts acquired to manage Group's USD currency exposure.

The Group also recorded a net reversal of impairment loss on financial assets of RMB154.3 million under administrative expenses in 1Q2021 as compared to a provision of impairment loss of RMB176.1 million in 1Q2020. There was a net release of impairment provision following the repayment of debt investment at amortised costs during the quarter.

The Group delivered a net profit attributable to shareholders ('PATMI') of RMB761.7 million for 1Q2021, 89% higher than the RMB403.8 million for 1Q2020. PATMI margin for 1Q2021 was 29%, compared to 12% in 1Q2020.

Balance Sheet (RMB'000)	31 Mar 2021	31 Dec 2020
Property, Plant and Equipment	5,106,724	5,226,004
Restricted Cash	5,140	15,624
Cash & Cash Equivalents	13,424,622	6,633,416
Debt Investment at Amortised Costs	14,857,186	16,957,689
Total Borrowing	4,601,165	4,244,053
Total Equity	34,138,946	33,376,515
Gross Gearing (Borrowings / Equity)	13.5%	12.7%
Net gearing*	Net cash	Net cash

* $[(restricted\ cash + cash\ \&\ cash\ equivalents) - total\ borrowing] / total\ equity$

The Group maintained a strong financial position with net cash as at 31 March 2021. Net asset value per share rose from RMB8.40 as at 31 December 2020 to RMB8.60 as at 31 March 2021¹.

REVIEW / OUTLOOK/ FUTURE PLANS

Following a robust fourth quarter for the shipbuilding industry in 2020, which recorded the highest quarterly orders since 2018 in DWT terms, global new shipbuilding orders in the first three months of 2021 continued to be strong, underpinned by strong demand for containerships. According to BIMCO, new orders for containerships recorded 1.4 million TEUs in the first quarter of 2021, exceeding yearly orders placed since 2015. In comparison, orders placed for containerships in 2020 were 1.0 million TEUs. Consequently, the existing orderbook to fleet ratio for containerships jumped to more than 15% as compared to 8.8% six months ago. The Group's expertise and reputation in containership building has led to its securing of its largest order wins since 2008.

Year-to-date 2021, the Group secured new orders for 75 vessels with a total contract value of USD 4.01 billion, Yangzijiang's largest order wins since 2008. These new orders include the following –

Vessel Type	No. of Vessels
24,000TEU containerships	4
15,000TEU containerships	10
12,200TEU containerships	5
11,800TEU containerships	4
4,600TEU containerships	10
2,600TEU containerships	4
2,400TEU containerships	2
1,800TEU containerships	12
82,300DWT bulk carriers	14
66,000DWT bulk carriers	4
31,800DWT Great Lake bulk carriers	4
50,000DWT MR tankers	2

¹ Based on the share capital of 3,848,516,000 shares and 3,852,516,000 shares for 31 March 2021 and 31 December 2020 respectively

The majority of new orders placed were for containerships (51 vessels worth about USD 3.36 billion), which is expected to preserve margins for the Group. As of announcement date, the Group has an outstanding orderbook of USD 6.6 billion for 146 vessels, its highest level since 2009 and will provide the Group with a stable revenue stream for at least the next 2 years.

“Yangzijiang was the key beneficiary to the strong demand for orders placed for containerships since the fourth quarter of 2020, backed by its strong capabilities in this market. Our current outstanding orderbook is at its highest levels since 2009 and to increase capacity, the Group will resume operations at its Changbo yard in the second quarter of 2020. The Changbo yard will allow the Group to deliver 6 to 7 mid-sized vessels every year. I will also like to thank our customers for their trust in Yangzijiang as we continue with our efforts to become one of the best shipbuilders in the world. We will continue to stay ahead of environmental regulations and we aim to play a part in the decarbonization of the shipbuilding industry and increase our capabilities in building eco-friendly vessels.”

--- Mr. Ren Letian (任乐天)

Executive Chairman and CEO, Yangzijiang Shipbuilding (Holdings) Ltd

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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 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

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

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