



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

THE JOINT ACQUISITION OF 100% OF 39 ROBINSON ROAD PTE. LTD. WHICH HOLDS THE PROPERTY LOCATED AT 39 ROBINSON ROAD

1. INTRODUCTION

The Board of Directors of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that the Company, through its 81% owned entity, Yangzijiang Realty Pte. Ltd. (the “**Purchaser**”), has on 29 March 2023 entered into a Share Purchase Agreement (“**SPA**”) with Viva Ventures Pte. Ltd. (the “**Vendor**”), the existing sole shareholder of 39 Robinson Road Pte. Ltd. (the “**Property Company**”) to acquire 100% of the issued and paid-up capital of the Property Company (the “**Acquisition**”), which holds the property located at 39 Robinson Road, Singapore 068911 (the “**Property**”). The consideration of the Acquisition is approximately S\$401 million (the “**Consideration**”), subject to closing adjustments being made in accordance with the relevant provisions of the SPA.

In connection with the Acquisition, the Company will enter into an Agreement with 9Co Parker Pte. Ltd. (“**9Co Parker**”) and ICH Singapore Holdings Pte. Ltd. (“**ICH Singapore**”) (together with the Company, the “**Parties**”), pursuant to which the Parties participate in the equity of the Purchaser in the following proportions:

- (i) the Company - 81%;
- (ii) 9Co Parker – 10%; and
- (iii) ICH Singapore – 9%.

2. INFORMATION ON THE ACQUISITION

2.1 Description of the Property Company and the Property

The Property Company is a Singapore-incorporated asset holding company which main asset is the Property. The Property is a 21-storey freehold commercial building located within the central business district of Singapore, at 39 Robinson Road, Robinson Point, Singapore 068911. The Property comprises 15,723.92 square metres of gross floor area, with retail units on the ground floor, car park bays on levels 3 to 5 and office units on the remaining floors.

2.2 Aggregate Value of the Consideration

The aggregate value of the Consideration is approximately S\$401 million, having taken into account the negotiated and agreed property value between the Parties and the Vendor of S\$399 million (“**Agreed Property Value**”). Due to the time-sensitive nature and urgency of the transaction, there was no latest available valuation obtained on the Property and the Agreed Property Value was determined on a willing-buyer and willing-seller basis, taking into account the Vendor’s request for prompt settlement and an internal valuation done on the Property Company using the discounted cash flow model. The Consideration will be settled in cash and financed principally through cash reserves and internal resources.

The Proposed Acquisition is conditional upon the satisfaction of the customary conditions for transactions of such nature at completion of the Proposed Acquisition (“**Completion**”), which is expected to take place in April 2023.

2.3 Rationale for the Proposed Acquisition

The Group wishes to preserve the value of its funds generated from core shipbuilding activities. The Proposed Acquisition will serve as a hedge against the expected global environment of continued inflation, providing stable cash flow as to minimise fluctuations in the returns of the Company, and capitalising on any potential capital gains from the appreciation of the freehold property.

Acquiring a landmark building in Singapore's financial district will allow the Group to enhance its profile as an STI Index component company. This move provides the Group with a corporate office in one of the world's fastest-growing financial and maritime centres, enabling it to explore extensions of the shipping and maritime sectors in the region.

The Group will appoint a professional real estate asset manager to manage the Property.

3. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, the Proposed Acquisition is a "Disclosable Transaction" within the meaning of Rule 1010 of the Listing Manual. The relative figures of the Compulsory Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

Rule	Base	Relative Figure (%)
1006(a)	Net asset value of the assets to be disposed of compared to Group's net asset value. This is not applicable to an acquisition of assets.	Not applicable ⁽¹⁾
1006(b)	Net loss attributable to the assets acquired or disposed of, compared with the Group's net profits	-1.29% ⁽²⁾
1006(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation	8.20% ⁽³⁾
1006(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Listing Manual is not applicable as the Company is not disposing any asset pursuant to the Proposed Acquisition.
- (2) Computed based on net loss attributable to the assets acquired of approximately RMB36,288,000 (approximately S\$7,000,000) compared with the Group's net profits as at 31 December 2022 of RMB2,819,562,000 (approximately S\$543,894,000).
- (3) Computed based on the sum of the Consideration of approximately S\$401,468,000 and the Company's market capitalisation of approximately S\$4,898,731,000 as at 29 March 2023.
- (4) Rule 1006(d) of the Listing Manual is not applicable as the Company is not issuing consideration shares as consideration for the Proposed Acquisition.
- (5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

4. FINANCIAL EFFECTS OF THE ACQUISITION

4.1 Bases and Assumptions

The financial effects of the Proposed Acquisition on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Group after the completion of the Proposed Acquisition. The financial effects have been prepared on a pro forma basis using the latest announced consolidated full year financial statements of the Group for the year ended 31 December 2022 (“FY2022”).

4.2 Effects of the Proposed Acquisition on the NTA

Assuming that the Proposed Acquisition had been completed on 31 December 2022 and based on the Group’s announced consolidated financial statements for FY2022, the effects on the Net Tangible Assets (“NTA”) per share attributable to shareholders are approximately as follows:

As at 31 December 2022	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated NTA attributable to Shareholders (RMB'000)	17,573,131	17,573,131
Number of Shares (excluding treasury shares)	3,950,589,220	3,950,589,220
Consolidated NTA per Share attributable to Shareholders (RMB cents)	444.82	444.82

4.3 Effects of the Proposed Acquisition on Earnings per Share (“EPS”)

Assuming that the Proposed Acquisition has taken place on 1 January 2022 and based on the Group’s announced consolidated financial statements for FY2022 and the unaudited financial statements of the Property Company for the financial year ended on 31 December 2022, the Proposed Acquisition would have the following approximate effects on the Group’s earnings per share (“EPS”) as presented in the following table:

As at 31 December 2022	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated net earnings attributable to shareholders (RMB'000)	2,807,480	2,778,087
Weighted average number of issued Shares (excluding treasury shares)	3,940,260,810	3,940,260,810
Consolidated EPS (RMB cents)	71.25	70.51

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective directorships and/or shareholding interests in the Company and/or its subsidiaries (as the case may be) and save as disclosed in this announcement, none of the Directors or their associates or, as far as the Company is aware, controlling Shareholders or their associates, has any interest, direct or indirect, in the Proposed Acquisition.

6. DIRECTORS’ SERVICE CONTRACT

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract will be entered into between the Company and any such person.

7. TRADING CAUTION

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. The completion of the Proposed Acquisition is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

8. DOCUMENTS FOR INSPECTION

Copies of the SPA are available for inspection by Shareholders of the Company at the Company's registered office at 80 Robinson Road, #02-00, Singapore 068898, by appointment during normal business hours for a period of three (3) months commencing from the date of this announcement.

9. FURTHER ANNOUNCEMENTS

Completion of the Proposed Acquisition is subject to, among other things, fulfilment of the conditions precedent. There is no certainty and assurance as at the date hereof that the Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further material updates and developments in respect of the Proposed Acquisition.

By Order of the Board

Ren Letian
Executive Chairman and Chief Executive Officer
29 March 2023