



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

(Incorporated in the Republic of Singapore on 21 December 2005)

**CONDENSED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT**

FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2023

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YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.
(Incorporated in Singapore. Registration Number: 200517636Z)
AND ITS SUBSIDIARIES

CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED
31 DECEMBER 2023

Yangzijiang Shipbuilding (Holdings) Ltd. and its Subsidiaries
Condensed Financial Statements
For six-month period and full year ended 31 December 2023

A. Condensed Consolidated Statement of Comprehensive Income

Note	The Group				The Group				
	January - December				2nd Half Year				
	2023	% of	2022	+/-%	2H2023	% of	2H2022	+/-%	
	RMB'000	Revenue	RMB'000	Variance	RMB'000	Revenue	RMB'000	Variance	
Continuing operations									
Revenue	4	24,112,330	100%	20,705,076	16%	12,791,287	100%	10,963,949	17%
Cost of sales		(18,702,077)	-78%	(17,507,878)	7%	(9,490,748)	-74%	(9,190,721)	3%
Gross profit		5,410,253	22%	3,197,198	69%	3,300,539	26%	1,773,228	86%
Other income									
- Interest		484,484	2%	350,248	38%	276,974	2%	200,227	38%
- Others		93,407	0.4%	104,378	-11%	66,816	0.5%	92,345	-28%
Other (losses)/gains, net		(328,184)	-1%	233,110	n.m.	(485,901)	-4%	(72,620)	569%
Expenses									
- Administrative									
- (Impairment loss)/reversal of impairment loss on financial assets - net		(33,647)	-0.1%	78,885	n.m.	14,228	0.1%	169,562	-92%
- Others		(597,721)	-2%	(567,606)	5%	(327,239)	-3%	(289,049)	13%
		(631,368)		(488,721)		(313,011)		(119,487)	
- Finance									
		(96,089)	-0.4%	(106,776)	-10%	(51,072)	-0.4%	(54,501)	-6%
Share of results of associated companies and joint ventures [#]									
		198,014	0.8%	13,057	1417%	147,808	1.0%	7,582	1849%
Profit before income tax	5	5,130,517	21%	3,302,494	55%	2,942,153	23%	1,826,774	61%
Income tax expense	6	(1,061,019)	-4%	(677,508)	57%	(597,160)	-5%	(370,979)	61%
Profit from continuing operations		4,069,498	17%	2,624,986	55%	2,344,993	18%	1,455,795	61%
Discontinued operations									
Profit from discontinued operations	7	-		194,576	-100%	-		-	n.m.
Total profit		4,069,498		2,819,562	44%	2,344,993		1,455,795	61%
Profit attributable to:									
Equity holders of the Company									
		4,101,548		2,807,480	46%	2,375,552		1,442,277	65%
Non-controlling interests									
		(32,050)		12,082	n.m.	(30,559)		13,518	n.m.
		4,069,498		2,819,562		2,344,993		1,455,795	
Profit attributable to equity holders of the Company relates to:									
Profit from continuing operations									
		4,101,548		2,612,904	57%	2,375,552		1,442,277	65%
Profit from discontinued operations									
		-		194,576	-100%	-		-	n.m.
		4,101,548		2,807,480		2,375,552		1,442,277	
Earnings per share attributable for profit from continuing and discontinued operations to equity holders of the Company (expressed in RMB cents per share)									
Basic and diluted									
From continuing operations									
		103.82		66.31		60.13		36.51	
From discontinued operations									
		-		4.94		-		-	

[#] Share of profit of associated companies and joint ventures is after tax.
n.m. denotes not meaningful.

A. Condensed Consolidated Statement of Comprehensive Income (continued)

	The Group			The Group		
	January - December			2nd Half Year		
	2023	2022	+/-%	2H2023	2H2022	+/-%
	RMB'000	RMB'000	Variance	RMB'000	RMB'000	Variance
Profit for the year	4,069,498	2,819,562	44%	2,344,993	1,455,795	61%
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Share of other comprehensive income/(loss) from the associated companies and joint ventures						
- Currency translation gains/(losses)	2,391	11,909	-80%	(2,898)	5,147	n.m.
Currency translation gains arising from consolidation						
- Currency translation gains	177,422	101,495	75%	83,411	29,905	179%
- Reclassification	25,660	-	100%	-	-	n.m.
Cash flow hedges						
- Fair value (losses)/gains	(245,901)	(496,676)	-50%	178,119	(340,558)	n.m.
- Reclassification	330,986	261,573	27%	182,233	154,026	18%
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Currency translation gains/(losses) arising from consolidation	6,137	5,912	4%	(876)	2,891	n.m.
Other comprehensive income/(loss), net of tax	296,695	(115,787)		439,989	(148,589)	
Total comprehensive income, net of tax	4,366,193	2,703,775	61%	2,784,982	1,307,206	113%
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	4,392,106	2,685,781	64%	2,816,417	1,290,797	118%
Non-controlling interests	(25,913)	17,994	n.m.	(31,435)	16,409	n.m.
	4,366,193	2,703,775	61%	2,784,982	1,307,206	113%

B. Condensed Consolidated Statement of Financial Position

	Note	The Group		The Company	
		31 December		31 December	
		2023	2022	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and cash equivalents		16,560,685	10,778,393	56,717	14,242
Restricted cash		88	6,634	-	-
Derivative financial instruments		4,200	33,302	-	-
Financial assets, at fair value through profit or loss		18,294	119,154	-	-
Debt investments at amortised cost		-	1,575,780	-	-
Trade and other receivables	9	4,670,962	3,669,935	6,855,050	6,708,150
Inventories		918,839	1,231,116	-	-
Contract assets		7,076,911	5,595,675	-	-
		<u>29,249,979</u>	<u>23,009,989</u>	<u>6,911,767</u>	<u>6,722,392</u>
Non-current assets					
Financial assets, at fair value through profit or loss		27,300	27,300	-	-
Derivative financial instruments		4,154	137,218	-	-
Trade and other receivables	9	1,255,203	1,625,704	4,801,518	3,548,131
Investment in subsidiaries		-	-	8,069,753	7,226,917
Investment in joint ventures		666,509	453,886	309,327	266,150
Investments in associated companies		54,403	47,424	134,062	134,062
Investment property	10	2,168,537	-	-	-
Property, plant and equipment	11	7,219,062	7,277,768	235	1,045
Intangible assets		21,179	25,842	-	-
Deferred income tax assets		198,001	361,972	-	-
		<u>11,614,348</u>	<u>9,957,114</u>	<u>13,314,895</u>	<u>11,176,305</u>
Total assets		<u>40,864,327</u>	<u>32,967,103</u>	<u>20,226,662</u>	<u>17,898,697</u>
LIABILITIES					
Current liabilities					
Trade and other payables	12	3,671,836	3,172,408	2,508,521	2,641,536
Contract liabilities		8,146,046	5,597,040	-	-
Derivative financial instruments		260,227	71,385	-	-
Borrowings	13	3,965,046	2,269,198	355	798
Current income tax liabilities		1,089,363	782,271	12,370	46
Provisions		443,775	364,418	-	-
		<u>17,576,293</u>	<u>12,256,720</u>	<u>2,521,246</u>	<u>2,642,380</u>
Non-current liabilities					
Derivative financial instruments		4,394	71,752	-	-
Borrowings	13	1,629,600	2,298,342	-	342
Deferred income tax liabilities		511,090	635,529	-	-
		<u>2,145,084</u>	<u>3,005,623</u>	<u>-</u>	<u>342</u>
Total liabilities		<u>19,721,377</u>	<u>15,262,343</u>	<u>2,521,246</u>	<u>2,642,722</u>
NET ASSETS		<u>21,142,950</u>	<u>17,704,760</u>	<u>17,705,416</u>	<u>15,255,975</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		7,361,990	7,361,990	7,326,773	7,326,773
Treasury shares		(127,753)	(127,753)	(127,753)	(127,753)
Other reserves		1,122,235	1,673,870	180,637	180,637
Retained earnings		12,584,081	8,665,024	10,325,759	7,876,318
		<u>20,940,553</u>	<u>17,573,131</u>	<u>17,705,416</u>	<u>15,255,975</u>
Non-controlling interests		202,397	131,629	-	-
Total equity		<u>21,142,950</u>	<u>17,704,760</u>	<u>17,705,416</u>	<u>15,255,975</u>

C. Condensed Consolidated Statement of Cash Flows

	The Group	
	FY2023	FY2022
	RMB'000	RMB'000
Cash flows from operating activities		
Net profit	4,069,498	2,819,562
Adjustments for:		
- Income tax expense	1,061,019	759,173
- Depreciation of property, plant and equipment	475,315	452,331
- Depreciation of investment properties	15,770	868
- Amortisation of intangible assets	4,285	3,834
- Finance expenses	96,089	106,776
- (Gain)/loss on:		
• Dissolution of subsidiaries	(1,088)	(41,819)
• Disposal of property, plant and equipment	(100,831)	236
- Fair value change on:		
• Derivative financial instruments	(5,645)	70,246
• Financial assets at fair value, through profit and loss	5,464	196,523
- Impairment loss on goodwill	5,997	-
- Interest income	(484,484)	(350,544)
- Dividend income	(336)	(592)
- Share of profits of associated companies and joint ventures	(198,014)	(4,371)
	<u>4,943,039</u>	<u>4,012,223</u>
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
- Inventories	312,277	178,246
- Construction contract balances	1,457,165	(530,312)
- Trade and other receivables	(629,855)	(330,969)
- Trade and other payables	571,774	540,384
- Provisions	79,357	(283,980)
- Debt investments at amortised cost	1,575,780	1,515,833
- Restricted cash	6,546	10,673
Cash generated from operations	8,316,083	5,112,098
Interest paid	(96,089)	(106,776)
Interest received	484,484	350,544
Income tax paid	(731,169)	(723,475)
Net cash provided by operating activities	<u>7,973,309</u>	<u>4,632,391</u>
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	521,968	46,349
Proceeds from sales of financial assets, at fair value through profit and loss	95,396	246,675
Dividend received from financial assets at FVTPL	336	592
Dividend received from joint venture	23,980	-
Purchase of property, plant and equipment	(790,100)	(904,847)
Acquisition of asset, net of cash acquired	(2,092,880)	-
Acquisition of a subsidiary, net of cash acquired	-	(108,930)
Acquisition of financial assets, at fair value through profit and loss	-	(37,092)
Acquisition of intangible assets	(5,619)	(1,305)
Acquisition of non-controlling interests	-	(259,900)
Acquisition/additions of investment in associated companies	-	(209,000)
Additions of investments in a joint venture	(43,177)	-
Return of capital by associated companies	-	14,296
Return of capital by joint ventures	-	76,742
Net cash used in investing activities	<u>(2,290,096)</u>	<u>(1,136,420)</u>
Cash flows from financing activities		
Purchase of treasury shares	-	(60,369)
Proceeds from borrowings	3,308,292	6,238,478
Repayments of borrowings	(2,280,401)	(6,210,061)
Principal payment of lease liabilities	(809)	(745)
Capital injection by non-controlling interest	124,654	-
Proceeds from issuance of convertible bond	-	234,660
Cash and cash equivalents of spin-off group at point of distribution	-	(4,307,763)
Dividends paid to equity holders	(1,024,427)	(969,988)
Dividend paid to non-controlling interests	(28,230)	(4,983)
Net cash provided by/(used in) financing activities	<u>99,079</u>	<u>(5,080,771)</u>
Net increase/(decrease) in cash and cash equivalents	<u>5,782,292</u>	<u>(1,584,800)</u>
Cash and cash equivalents at the beginning of financial year	10,778,393	12,363,193
Cash and cash equivalents at the end of financial year	<u>16,560,685</u>	<u>10,778,393</u>

D. Condensed Consolidated Statement of Changes in Equity

	←-----Attributable to equity holders of the Company-----→									
	Share capital RMB'000	Treasury shares RMB'000	Statutory reserves RMB'000	Hedging reserve RMB'000	Currency translation reserves RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interest RMB'000	Total equity RMB'000
2023										
As at 31 December 2022	7,361,990	(127,753)	4,624,921	(235,103)	(30,359)	(2,685,589)	8,665,024	17,573,131	131,629	17,704,760
Profit/(loss) for the year	-	-	-	-	-	-	4,101,548	4,101,548	(32,050)	4,069,498
Other comprehensive income	-	-	-	85,085	205,473	-	-	290,558	6,137	296,695
Total comprehensive income/(loss)	-	-	-	85,085	205,473	-	4,101,548	4,392,106	(25,913)	4,366,193
Transfer ⁽¹⁾	-	-	(841,936)	-	-	-	841,936	-	-	-
Capital injection by non-controlling interest ⁽²⁾	-	-	-	-	-	-	-	-	124,654	124,654
Acquisition of the non-controlling interest of a subsidiary ⁽³⁾	-	-	-	-	-	(257)	-	(257)	257	-
Dividend relating to 2022 paid ⁽⁴⁾	-	-	-	-	-	-	(1,024,427)	(1,024,427)	(28,230)	(1,052,657)
Total transactions with owners, recognised directly in equity	-	-	(841,936)	-	-	(257)	(182,491)	(1,024,684)	96,681	(928,003)
As at 31 December 2023	7,361,990	(127,753)	3,782,985	(150,018)	175,114	(2,685,846)	12,584,081	20,940,553	202,397	21,142,950

D. Condensed Consolidated Statement of Changes in Equity (continued)

	←-----Attributable to equity holders of the Company-----→							Total	Non-controlling interest	Total equity
	Share capital	Treasury shares	Statutory reserves	Hedging reserve	Currency translation reserves	Other reserves	Retained earnings			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2022										
As at 31 December 2021	7,361,990	(269,582)	4,637,147	-	(143,763)	(2,477,682)	26,815,306	35,923,416	138,149	36,061,565
Profit for the year	-	-	-	-	-	-	2,807,480	2,807,480	12,082	2,819,562
Other comprehensive (loss)/income	-	-	-	(235,103)	113,404	-	-	(121,699)	5,912	(115,787)
Total comprehensive (loss)/income	-	-	-	(235,103)	113,404	-	2,807,480	2,685,781	17,994	2,703,775
Purchase of treasury shares	-	(60,369)	-	-	-	-	-	(60,369)	-	(60,369)
Dividends	-	-	-	-	-	-	(969,988)	(969,988)	(4,983)	(974,971)
Dividend in specie	-	-	-	-	-	-	(20,000,000)	(20,000,000)	-	(20,000,000)
Disposal of subsidiaries as part of spin-off	-	-	(78,380)	-	-	-	78,380	-	-	-
Acquisition of the non-controlling interest of a subsidiary	-	-	-	-	-	(240,369)	-	(240,369)	(19,531)	(259,900)
Transfer	-	-	66,154	-	-	-	(66,154)	-	-	-
Treasury shares re-issued	-	202,198	-	-	-	32,462	-	234,660	-	234,660
Total transactions with owners, recognised directly in equity	-	141,829	(12,226)	-	-	(207,907)	(20,957,762)	(21,036,066)	(24,514)	(21,060,580)
As at 31 December 2022	7,361,990	(127,753)	4,624,921	(235,103)	(30,359)	(2,685,589)	8,665,024	17,573,131	131,629	17,704,760

D. Condensed Consolidated Statement of Changes in Equity (continued)

THE COMPANY	Attributable to equity holders of the Company				
	Share	Treasury	Other	Retained	Total
	<u>capital</u>	<u>shares</u>	<u>reserves</u>	<u>earnings</u>	<u>equity</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at at 31 December 2022	7,326,773	(127,753)	180,637	7,876,318	15,255,975
Dividend relating to 2022 paid ⁽⁴⁾	-	-	-	(1,024,427)	(1,024,427)
Total comprehensive income	-	-	-	3,473,868	3,473,868
Balance as at 31 December 2023	7,326,773	(127,753)	180,637	10,325,759	17,705,416
Balance as at at 31 December 2021	7,326,773	(269,582)	148,175	5,317,142	12,522,508
Purchase of treasury shares	-	(60,369)	-	-	(60,369)
Dividend relating to 2021 paid	-	-	-	(969,988)	(969,988)
Dividend in specie	-	-	-	(20,000,000)	(20,000,000)
Treasury shares re-issued	-	202,198	32,462	-	234,660
Total comprehensive income	-	-	-	23,529,164	23,529,164
Balance as at 31 December 2022	7,326,773	(127,753)	180,637	7,876,318	15,255,975

- (1) This represents amounts set aside for reserve fund and enterprise expansion fund in compliance with local laws in the PRC where subsidiaries of the Group operate. The reserve fund can only be used, upon approval by the relevant authority, to offset prior year's losses or to increase capital while the enterprise expansion fund can only be used to increase capital upon approval by the relevant authority.
- (2) In April 2023, the non-controlling shareholders of Yangzijiang Realty Pte. Ltd. (the 81%-owned subsidiary of the Group) injected capital of RMB125 million.
- (3) In 2023, the Group completed the acquisition of the remaining 49% equity interest in Shanghai Econovo Marine Engineering Co., Ltd. ("Econovo"). Subsequent to this transaction, Econovo has become a wholly-owned subsidiary of the Group. At the point of acquisition, the cumulative losses attributable to the non-controlling interest ("NCI") amounted to RMB0.3 million. The consideration paid for this acquisition was nil. The difference between the carrying amount of the NCI and the consideration paid has been duly recognized in other reserves under equity attributable to the owners of the Company.
- (4) The RMB1,024 million represents the final dividend of 5.0 Singapore cents per ordinary share in respect of the financial year ended 31 December 2022. The Company paid the dividend on 25 May 2023. The RMB28 million represents dividend paid to non-controlling shareholders of Yangzijiang Taihua Shipping Pte. Ltd., and Yangzijiang Express Shipping Pte. Ltd., both 49.48%-owned subsidiaries of the Group.

E. Notes to the Condensed Financial Statements

1. Corporate information

Yangzijiang Shipbuilding (Holdings) Ltd. (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office was 80 Robinson Road, #02-00 Singapore 068898.

With effect from 14 November 2023, the address of the registered office was changed to 9 Raffles Place #26-01 Republic Plaza Singapore 048619.

The principal activities of the Company are investment holding and agency service for shipbuilding and related activities. The principal activities of its significant subsidiaries are:

- a) Shipbuilding, production and processing of large-scale steel structures;
- b) Facilitating the sale and export of ships for the shipbuilder and trading of ship related equipment;
- c) Chartering of vessels; and
- d) Holding of investment property.

2. Basis of Preparation

The condensed financial statements as at and for the six-month period and full year ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 Interim Financial Reporting (SFRS(I) 1-34) issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new or amended standards effective as of 1 January 2023 and the accounting for investment property as set out in Note 2.1.

The condensed financial statements are presented in Renminbi (“RMB”), which is the Company’s functional currency.

2.1. New and amended standards and hedge accounting adopted by the Group

The Group adopted the new or amended SFRS(I)s that are effective for annual periods beginning on or after 1 January 2023. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS (I)s, that are relevant to the Group:

- Amendments to:
 - SFRS(I) 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Noncurrent)
 - SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2 (Disclosure of Accounting Policies)
 - SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
 - SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

During the financial year ended 31 December 2023, through the acquisition of 39 Robinson Road Pte. Ltd. ("39 Robinson"), the Group acquired a commercial property in Singapore, which is accounted for as an investment property held at cost as of 31 December 2023.

Investment property

Investment property comprises those portions of an office building that is held for long-term rental yields and/or for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated remaining useful lives of the building components between 4 to 34 years. No depreciation is provided on freehold land.

Cost includes expenditures that is directly attributable to the acquisition of the investment property.

The residual values, useful life and depreciation method of investment property are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.2. Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Executive Chairman and head of respective business departments (collectively known as "Management Team") that are used to make strategic decisions.

The principal activities of shipbuilding segment are that of shipbuilding and offshore marine equipment construction. The principal activities of shipping segment consist of charter hire income earned by vessel owning companies.

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Other segments include terminal services, trading, ship design services, and investment property. These are not identified as reportable operating segments, as they are not separately reported to the Management Team. The results of these operations are included in "Others".

Information regarding the Group's reportable segments is presented in the following tables.

4.1. Continuing reportable segments

	<u>Shipbuilding</u> RMB'000	<u>Shipping</u> RMB'000	<u>Others</u> RMB'000	<u>Total</u> RMB'000
<u>The Group</u>				
1 January 2023 to 31 December 2023				
Segment revenue	22,787,743	1,021,910	302,677	24,112,330
Segment result	4,667,732	568,210	(36,752)	5,199,190
<i>Included within segment result:</i>				
Finance expenses	(94,245)	-	(1,813)	(96,058)
Fair value gain/(loss) on:				
- Derivatives financial instruments	5,645	-	-	5,645
- Financial assets, at fair value through profit or loss	-	-	(5,464)	(5,464)
Impairment loss on:				
- Debt investments at amortised cost	-	-	(65,878)	(65,878)
Depreciation of property, plant and equipment	(322,460)	(137,155)	(15,700)	(475,315)
Depreciation of investment property	-	-	(15,770)	(15,770)
Dividend income	-	-	336	336
Share of profits of associated companies	4,627	-	-	4,627
Share of profits of joint venture	193,387	-	-	193,387
Sales of bunker stock	-	7,320	-	7,320
Bad debt recovery	28,378	-	3,853	32,231
(Loss)/gain on disposal of:				
- Property, plant and equipment	(1,694)	102,525	-	100,831
Business tax on interest income from debt investments at amortised cost	-	-	(841)	(841)
Interest income - finance lease	-	117,193	-	117,193
Income from forfeiture of advances received	20,694	-	-	20,694
Segment assets	31,683,915	5,599,335	3,383,076	40,666,326
Segment assets includes:				
Investment in associated companies	48,464	-	5,939	54,403
Investments in joint ventures	666,509	-	-	666,509
Additions to property, plant and equipment	64,402	693,693	36,371	794,466
Segment liabilities	(17,755,117)	(264,674)	(101,133)	(18,120,924)

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	<u>Shipbuilding</u> RMB'000	<u>Shipping</u> RMB'000	<u>Others</u> RMB'000	<u>Total</u> RMB'000
<u>The Group</u>				
1 January 2022 to 31 December 2022				
Segment revenue	18,372,103	1,382,659	950,314	20,705,076
Segment result	1,872,610	667,194	214,708	2,754,512
<i>Included within segment result:</i>				
Finance expenses	(74,658)	(18,864)	(3,416)	(96,938)
Fair value loss on				
· Derivatives financial instruments	(70,246)	-	-	(70,246)
· Financial assets, at fair value through profit or loss	-	-	(59,069)	(59,069)
Reversal of impairment loss on/(Impairment loss):				
· Debt investments at amortised cost	-	-	59,896	59,896
· Reversal of provision for onerous contracts - net	218,041	-	-	218,041
Depreciation of property, plant and equipment	(317,672)	(127,969)	(6,427)	(452,068)
Dividend income	-	-	592	592
Share of profits of associated companies	5,287	-	-	5,287
Share of profits of joint venture	7,770	-	-	7,770
Sales of bunker stock	-	25,457	-	25,457
Bad debt recovery/(written off)	20,817	-	(1,827)	18,990
(Loss)/gain on disposal of:				
· Property, plant and equipment	(438)	202	-	(236)
Business tax on interest income from debt investments at amortised cost	-	-	(10,667)	(10,667)
Interest income - finance lease	-	134,456	-	134,456
Income from forfeiture of advances received	36,487	-	-	36,487
Inventories write-down, net of reversal	(184,636)	-	-	(184,636)
Segment assets	24,459,131	5,472,944	2,673,056	32,605,131
<i>Segment assets includes:</i>				
Investment in associated companies	41,509	-	5,915	47,424
Investments in joint ventures	453,886	-	-	453,886
Additions to property, plant and equipment	115,222	1,029,154	170,048	1,314,424
Segment liabilities	(13,568,900)	(164,478)	(111,165)	(13,844,543)

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The Group

1 July 2023 to 31 December 2023

Segment revenue	12,128,638	489,466	173,183	12,791,287
Segment result	2,965,208	232,120	1,816	3,199,144

Included within segment result:

Finance expenses	(50,629)	-	(431)	(51,060)
Fair value gain on:				
- Derivatives financial instruments	22,393	-	-	22,393
Depreciation of property, plant and equipment	(157,434)	(70,605)	(6,260)	(234,299)
Depreciation of investment property	-	-	(15,770)	(15,770)
Share of profits of associated companies	2,821	-	-	2,821
Share of profits of joint ventures	144,987	-	-	144,987
Sales of bunker stock	-	2,102	-	2,102
Bad debt recovery	14,228	-	-	14,228
Gain on disposal of:				
- Property, plant and equipment	6,622	3,504	-	10,126
Interest income - finance lease	-	54,192	-	54,192
Income from forfeiture of advances received	20,694	-	-	20,694

<u>Shipbuilding</u>	<u>Shipping</u>	<u>Others</u>	<u>Total</u>
RMB'000	RMB'000	RMB'000	RMB'000

The Group

1 July 2022 to 31 December 2022

Segment revenue	9,850,997	821,712	291,240	10,963,949
Segment result	1,229,318	378,579	284,689	1,892,586

Included within segment result:

Finance expenses	(35,965)	(14,606)	(1,603)	(52,174)
Fair value gain on:				
- Derivatives financial instruments	141,215	-	-	141,215
- Financial assets, at fair value through profit or loss	-	-	13,472	13,472
Reversal of impairment loss on:				
- Debt investments at amortised cost	-	-	165,903	165,903
- Provision for onerous contracts - net	94,796	-	-	94,796
Depreciation of property, plant and equipment	(137,440)	(57,455)	(1,283)	(196,178)
Share of profits of associated companies	1,723	-	-	1,723
Share of profits of joint venture	5,859	-	-	5,859
Sales of bunker stock	-	16,404	-	16,404
Bad debt recovery/(written off)	7,490	-	(3,830)	3,660
Loss on disposal of:				
- Property, plant and equipment	(243)	(148)	-	(391)
Business tax on interest income from debt investments at amortised cost	-	-	(5,693)	(5,693)
Interest income - finance lease	-	77,069	-	77,069
Income from forfeiture of advances received	36,487	-	-	36,487
Inventories write-down, net of reversal	(184,636)	-	-	(184,636)

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Sales between segments are carried out at market terms.

The Management Team assesses the performance of the operating segments based on a measure of segment results. Certain administrative expenses and foreign currency exchange differences are not allocated to segments, as these types of activities and differences are shared by all segments. Interest income on cash and cash equivalents, and foreign currency translation differences on borrowings (classified under finance expenses) are not allocated to segments, as these types of activities are driven by the treasury department of the Group, which manages the cash position of the Group.

(a) Reconciliation

(i) *Segment profits*

A reconciliation of segment results to profit before tax is as follows:

	FY2023	FY2022
	RMB'000	RMB'000
Segment results for reportable segments	5,235,942	2,539,804
Segment results for other segments	(36,752)	214,708
Unallocated:		
Other income	432,348	257,634
Other (losses)/gains - net	(429,196)	362,661
Administrative expenses	(71,794)	(62,475)
Finance expenses	(31)	(9,838)
Profit before tax	<u>5,130,517</u>	<u>3,302,494</u>
	2H2023	2H2022
	RMB'000	RMB'000
Segment results for reportable segments	3,197,328	1,607,897
Segment results for other segments	1,816	284,689
Unallocated:		
Other income	266,802	162,612
Other losses - net	(518,420)	(226,916)
Administrative expenses	(5,361)	819
Finance expenses	(12)	(2,327)
Profit before tax	<u>2,942,153</u>	<u>1,826,774</u>

(ii) *Segment assets*

The amounts provided to the Management Team with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than deferred income tax assets.

Segment assets are reconciled to total assets as follows:

	As at 31	As at 31
	December 2023	December 2022
	RMB'000	RMB'000
Segment assets for reportable segments	37,283,250	29,932,075
Other segment assets	3,383,076	2,673,056
Unallocated:		
Deferred income tax assets	198,001	361,972
Total assets	<u>40,864,327</u>	<u>32,967,103</u>

(iii) *Segment liabilities*

The amounts provided to the Management Team with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments other than current income tax liabilities and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	As at 31 December 2023 RMB'000	As at 31 December 2022 RMB'000
Segment liabilities for reportable segments	(18,019,791)	(13,733,378)
Other segment liabilities	(101,133)	(111,165)
Unallocated:		
Current income tax liabilities	(1,089,363)	(782,271)
Deferred income tax liabilities	(511,090)	(635,529)
Total liabilities	(19,721,377)	(15,262,343)

4.2. Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

	<u>At a point in time</u> RMB'000	<u>Over time</u> RMB'000	<u>Total</u> RMB'000
<u>The Group</u>			
2023			
<i>Shipbuilding segment</i>			
- Shipbuilding revenue	-	21,930,313	21,930,313
- Sale of completed vessels	857,430	-	857,430
<i>Shipping segment</i>			
Charter hire income	-	1,021,910	1,021,910
<i>Others segment</i>			
Rendering of ship design services	22,262	-	22,262
Sale of goods - materials and others	193,271	-	193,271
Interest income from debt investments at amortised cost	14,850	-	14,850
Rental income	455	16,239	16,694
Others	55,600	-	55,600
Total revenue	1,143,868	22,968,462	24,112,330
<u>The Group</u>			
2022			
<i>Shipbuilding segment</i>			
- Shipbuilding revenue	-	17,831,468	17,831,468
- Sale of completed vessels	540,635	-	540,635
<i>Shipping segment</i>			
Charter hire income	-	1,382,659	1,382,659
<i>Others segment</i>			
Rendering of ship design services	14,002	-	14,002
Sale of goods - materials and others	700,754	-	700,754
Interest income from debt investments at amortised cost	177,274	-	177,274
Others	58,284	-	58,284
Total revenue	1,490,949	19,214,127	20,705,076

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	<u>At a point in time</u> RMB'000	<u>Over time</u> RMB'000	<u>Total</u> RMB'000
<u>The Group</u>			
2H2023			
<i>Shipbuilding segment</i>			
- Shipbuilding revenue	-	11,407,423	11,407,423
- Sale of completed vessels	721,215	-	721,215
 <i>Shipping segment</i>			
Charter hire income	-	489,466	489,466
 <i>Others segment</i>			
Rendering of ship design services	11,097	-	11,097
Sale of goods - materials and others	124,666	-	124,666
Rental income	277	9,257	9,534
Others	27,886	-	27,886
Total revenue	885,141	11,906,146	12,791,287

<u>The Group</u>			
2H2022			
<i>Shipbuilding segment</i>			
- Shipbuilding revenue	-	9,703,086	9,703,086
- Sale of completed vessels	147,911	-	147,911
 <i>Shipping segment</i>			
Charter hire income	-	821,712	821,712
 <i>Others segment</i>			
Rendering of ship design services	8,760	-	8,760
Sale of goods - materials and others	154,924	-	154,924
Interest income from debt investments at amortised cost	98,511	-	98,511
Others	29,045	-	29,045
Total revenue	439,151	10,524,798	10,963,949

(a) Revenue from major products

Revenue of shipbuilding segment is derived mainly from the construction of container ships, multiple purpose cargo ships and other types of vessels. Revenue of shipping segment is derived from the charter income earned by vessel owning companies. Revenue from other segment is mainly derived from sales of metal product. Breakdown of the revenue by major product types is as follows:

	2023	2022
	RMB'000	RMB'000
Construction of container ships	20,956,252	17,113,141
Construction of multiple purpose cargo ships	902,532	435,150
Construction of oil tankers & chemical tankers	71,529	109,883
Construction of Liquefied Natural Gas ("LNG") vessels	-	173,294
Sale of jack up rig	574,384	-
Sales of other completed vessels	283,046	540,635
Sales of metal products	193,271	700,754
Interest income from debt investments at amortised cost	14,850	177,274
Rendering of ship design services	22,262	14,002
Charter hire income	1,021,910	1,382,659
Rental income	16,694	-
Others	55,600	58,284
	24,112,330	20,705,076

	2H2023	2H2022
	RMB'000	RMB'000
Construction of container ships	10,497,445	9,570,927
Construction of multiple purpose cargo ships	838,449	94,930
Construction of oil tankers & chemical tankers	71,529	37,229
Sale of jack up rig	574,384	-
Sales of other completed vessels	146,831	147,911
Interest income from debt investments at amortised cost	-	98,511
Charter hire income	489,466	821,712
Rendering of ship design services	11,097	8,760
Sales of metal products	124,666	154,924
Rental income	9,534	-
Others	27,886	29,045
	12,791,287	10,963,949

(b) Geographical information

The Group's revenue based on the customers' locations are as follows:

	FY2023	FY2022
	RMB'000	RMB'000
Greater China	3,204,902	10,582,235
Canada	7,513,907	6,769,705
Japan	2,055,738	1,779,286
Italy	8,308,966	-
Greece	1,151,001	-
Other European countries	578,492	453,068
Other Asian countries	1,299,324	1,120,782
	24,112,330	20,705,076

	2H2023	2H2022
	RMB'000	RMB'000
Greater China	885,257	5,335,004
Canada	470,972	3,862,968
Japan	855,460	1,044,328
Italy	8,308,966	-
Greece	885,393	-
Other European countries	514,409	63,953
Other Asian countries	870,830	657,696
	12,791,287	10,963,949

Revenues of approximately RMB17,495,451,000 (2022: RMB11,387,660,000) are derived from three (2022: three) major customers. These revenues are attributable to the shipbuilding segment.

5. Profit before income tax

5.1. Significant items

	The Group			
	2023	2022	2H2023	2H2022
	RMB'000	RMB'000	RMB'000	RMB'000
After charging:				
Depreciation and amortization	495,370	455,901	252,289	187,707
Finance costs - Interest on borrowings and net foreign currency translation on bank borrowings	96,089	106,776	51,072	54,501
Foreign exchange related losses/(gains), net	666,406	(208,241)	645,469	258,135
Fair value loss/(gain) on financial assets, at fair value through profit or loss	5,464	59,069	-	(13,472)
Inventory write-down	-	184,636	-	184,636
Impairment loss/(reversal of impairment loss) on debt investment at amortised costs	65,878	(59,896)	-	(165,903)
After crediting:				
Gain from dissolution of subsidiaries	1,088	41,819	21	-
Gain/(loss) from disposal of property, plant and equipment	100,831	(236)	10,126	(391)
Fair value gain/(loss) on derivative financial instruments	5,645	(70,246)	22,393	141,215
Bad debt recovery	32,231	18,989	14,228	3,659
Interest income	484,484	350,248	276,974	200,227
Subsidy income	219,613	121,811	125,517	43,994
Income from forfeiture of advances received	20,694	36,487	20,694	36,487
Dividend income	336	592	-	-
Sale of bunker stock and scrap materials	7,320	37,532	7,320	28,479
Reversal of allowance for losses recognised on onerous contracts, net of utilisation	-	218,041	-	94,796

5.2. Related party transactions

The Group had the following transactions with the following related parties.

	2023	2022	2H2023	2H2022
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of goods to a joint venture	7,109	145,597	5,026	68,030
Sales of goods to an associated company	-	23,635	-	23,635
Provision of ship design services to a joint venture	32,249	29,042	15,037	15,681
Provision of services to an associated company	123	-	123	-
Rental income from a joint venture	99,737	85,045	52,302	50,683
Loan to an associated company	27,000	60,000	-	54,000
Repayment of loan to an associated company	47,000	40,000	47,000	40,000
Purchase of materials from an associated company	61,237	220,185	61,237	220,185
Purchase of vessels from a joint venture	409,915	-	409,915	-
Service provided by a joint venture	12,117	-	12,117	-
Professional services received from a related party	26	81	26	81
Purchase of materials from a joint venture	214,484	-	214,484	-
Purchase of materials from other related parties	-	28,888	-	-

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

6. Income taxes

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of comprehensive income are:

	<u>The Group</u>			
	2023	2022	2H2023	2H2022
	RMB'000	RMB'000	RMB'000	RMB'000
Income tax expense attributable to profit is made up of:				
Current year				
- Current income tax	1,036,456	698,843	719,734	245,977
- Deferred income tax	24,517	161,940	(122,574)	226,612
	1,060,973	860,783	597,160	472,589
Under/(over) provision in prior year				
- Current income tax	46	(101,610)	-	(101,610)
	1,061,019	759,173	597,160	370,979
Tax expense is attributable to:				
- continuing operations	1,061,019	677,508	597,160	370,979
- discontinued operations	-	81,665	-	-
	1,061,019	759,173	597,160	370,979

7. Discontinued operations

The results of the discontinued operations are as follows:

	<u>The Group</u>			
	2023	2022	2H2023	2H2022
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	-	440,922	-	-
Cost of sales	-	(27,548)	-	-
Other income	-	779	-	-
Other gains, net	-	(136,836)	-	-
Expenses				
- Reversal of impairment loss on financial assets - net	-	16,115	-	-
- Others	-	(8,505)	-	-
Share of results of associated companies	-	(8,686)	-	-
Profit before income tax from discontinued operations	-	276,241	-	-
Income tax expense	-	(81,665)	-	-
Profit after tax from continuing operations	-	194,576	-	-

8. Dividends

	<u>The Group</u>	
	2023	2022
	RMB'000	RMB'000
<i>Ordinary dividends</i>		
Final exempt dividend paid in respect of the previous financial year of SGD5.0 cents (2022: SGD5.0 cents) per share	1,024,427	969,988

9. Trade and other receivables

	<u>The Group</u>	
	31 December 2023	31 December 2022
	RMB'000	RMB'000
Current		
Finance lease receivables	166,302	157,587
Trade receivables	837,273	1,144,706
Other receivables	349,864	116,245
Other assets	169,520	124,335
Prepayments	3,148,003	2,127,062
	4,670,962	3,669,935
Non-current		
Finance lease receivables	1,252,621	1,535,218
Other receivables	2,582	-
Prepayments	-	90,486
	1,255,203	1,625,704

10. Investment property

During the year ended 31 December 2023, the Group acquired an investment property for a consideration of RMB 2,065 million and incurred capital expenditure of RMB 39 million.

11. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to RMB794 million (2022: RMB1,314 million) and disposed of assets amounting to RMB421 million (2022: RMB56 million).

12. Trade and other payables

	<u>The Group</u>	
	31 December 2023	31 December 2022
	RMB'000	RMB'000
Current		
Trade payables	2,139,418	1,698,712
Other payables	1,179,394	1,187,103
Other operating accruals	186,597	129,111
Deferred compensation income	166,427	157,482
	3,671,836	3,172,408

13. Borrowings

	<u>The Group</u>		<u>The Company</u>	
	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000
Current				
Bank borrowings (secured)	18,400	18,400	-	-
Bank borrowings (unsecured)	3,946,291	2,250,000	-	-
Lease liabilities	355	798	355	798
	<u>3,965,046</u>	<u>2,269,198</u>	<u>355</u>	<u>798</u>
Non-current				
Bank borrowings (secured)	29,600	48,000	-	-
Bank borrowings (unsecured)	1,600,000	2,250,000	-	-
Lease liabilities	-	342	-	342
	<u>1,629,600</u>	<u>2,298,342</u>	<u>-</u>	<u>342</u>
	<u>5,594,646</u>	<u>4,567,540</u>	<u>355</u>	<u>1,140</u>

Secured bank borrowings are secured by legal mortgages over certain land use rights and buildings of the Group.

14. Fair value measurement

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<u>The Group</u>	<u>Level 1</u> RMB'000	<u>Level 2</u> RMB'000	<u>Level 3</u> RMB'000	<u>Total</u> RMB'000
31 December 2023				
Assets				
Financial assets, at fair value through profit or loss	-	-	45,594	45,594
Derivative financial instruments	-	8,354	-	8,354
Liabilities				
Derivative financial instruments	-	(264,621)	-	(264,621)
31 December 2022				
Assets				
Financial assets, at fair value through profit or loss	100,860	-	45,594	146,454
Derivative financial instruments	-	170,520	-	170,520
Liabilities				
Derivative financial instruments	-	(143,137)	-	(143,137)

Other Information Required by Listing Rule Appendix 7.2

YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.
CONDENSED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2023

1. Review

The financial statements have not been audited nor reviewed by our auditors.

2. Number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no outstanding convertible securities as of 31 December 2023 and 31 December 2022.

3. Number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares ('000)			
	As at 31 December 2023	%	As at 31 December 2022	%
Shares held as treasury shares	23,488	0.59%	23,488	0.59%
Issued shares excluding treasury shares	<u>3,950,589</u>	99.41%	<u>3,950,589</u>	99.41%
Total number of shares	<u>3,974,077</u>	100.00%	<u>3,974,077</u>	100.00%

The Company did not have subsidiary holdings as of 31 December 2023 and 31 December 2022.

4. The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of Shares ('000)	
	As at 31 December 2023	As at 31 December 2022
Issued shares at the end of periods	3,974,077	3,974,077
Treasury shares at the end of periods	<u>(23,488)</u>	<u>(23,488)</u>
Issued shares excluding treasury shares	<u>3,950,589</u>	<u>3,950,589</u>

5. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Total number of treasury shares	Number of Shares ('000)	RMB'000
Balance as at 1 January 2023	23,488	127,753
Repurchased during 2023	-	-
Treasury shares re-issued	-	-
Balance as at 31 December 2023	<u>23,488</u>	<u>127,753</u>

6. Net Asset Value

	The Group		The Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Net asset value per ordinary share based on issued share capital excluding treasury shares (RMB cents)	530.06	444.82	448.17	386.17

The Group's and the Company's net assets value per ordinary share as at 31 December 2023 and 31 December 2022 have been computed based on the share capital of 3,950,589,220 shares.

7. Earnings per share

	The Group	
	2023	2022
(a) Based on weighted average number of ordinary shares in issue (RMB cents) - Basic EPS	103.82	71.25
- From continuing operations	103.82	66.31
- From discontinuing operations	-	4.94
Weighted average number of Ordinary shares	3,950,589,220	3,940,260,810
(b) On fully diluted basis (RMB cents)	103.82	71.25

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is equal to basic earnings per share as at 31 December 2023 and 31 December 2022 as the Company has no potential dilutive ordinary shares.

8. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company does not have any subsidiary holdings.

9. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income statement review

2H2023 vs. 2H2022

Continuing operations	2H2023		2H2022	
	RMB'000	%	RMB'000	%
Shipbuilding				
Turnover	12,128,638	100%	9,850,997	100%
Cost	(9,030,457)	-74%	(8,525,830)	-87%
Margin	3,098,181	26%	1,325,167	13%
Shipping				
Turnover	489,466	100%	821,712	100%
Cost	(318,207)	-65%	(484,398)	-59%
Margin	171,259	35%	337,314	41%
Others				
Turnover	173,183	100%	291,240	100%
Cost	(142,084)	-82%	(180,493)	-62%
Margin	31,099	18%	110,747	38%

Revenue

In 2H2023, a total of 25 vessels were delivered, with 5 of them delivered by the joint venture ("Yangzi- Mitsui"). This is in comparison to the 32 vessels delivered in 2H2022, with 5 from the joint venture. During this period, the Group's shipbuilding revenue witnessed a substantial increase of 23%, reaching RMB12,129 million, as opposed to RMB9,851 million in 2H2022. This growth was mainly driven by heightened progressive construction of higher value-added vessels.

The revenue contribution from the shipping business experienced a 40% decrease, from RMB822 million same period last year to RMB489 million. This decline was mainly attributable to lower charter rates during the same period.

Revenue generated by the Group's other businesses, such as terminal services, trading, ship design services, investment property and investments retained post spin-off decreased from RMB291 million in 2H2022 to RMB173 million in 2H2023, primarily due to lower interest income from the Group's debt investment as the Group disposed/recovered its entire debt investment portfolio retained post-spin-off in 1H2023.

Operating cost

As a result of the increased revenue from the shipbuilding business in 2H2023, the cost of sales also rose to RMB9,030 million, compared to RMB8,526 million in 2H2022. There was no allowance (or reversal of allowance) for losses recognised on onerous contracts in 2H2023.

In 2H2023, we experienced a notable decrease in operating costs within our shipping business. This reduction can be attributed to several factors, primarily the decline in fuel costs and a decrease in commission fees, which align with the lower charter rates prevailing during the period. Additionally, our strategic decision to dispose of two aging vessels has led to a consequential reduction in fleet maintenance costs.

Gross profit

In 2H2023, the Group's shipbuilding business showed a significant increase in gross profit margin, rising from 13% in the same period of 2022 to 26% in 2H2023. This improvement mainly attributed to the depreciation of the RMB against the USD, reduced raw material costs and improved new build price of vessels being constructed during the period. The sale of the jack up rig in 2H2023 also contributed positively to the gross profit margin.

The shipping business segment recorded a gross profit margin of 35% in 2H2023, representing a 6 percentage points decrease from the 41% margin achieved in 2H2022. This decline in gross profit margin can be attributed to reduced charter rates for bulk carriers especially domestic vessels operating in China during the period.

Other businesses, such as terminal services, trading, ship design services, investment property, noticed a decline in gross profit margin. In 2H2023, their margin was lower at 18%, from the 38% margin attained in 2H2022. This decline was mainly due to there was no interest income generated from investments in 2H2023 after the Group disposed/recovered its entire debt investment portfolio in 1H2023 as opposed to RMB93 million net interest income generated by this business during the same period last year.

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Other income

The "Other income" category primarily comprises interest income from bank deposits, interest income from ship finance leases, income from forfeiture of advances received and income from the sale of bunker stock.

In 2H2023, interest income noticed a growth from RMB200 million in 2H2022 to RMB277 million. This increase was primarily driven by higher interest income from bank deposits, resulting from a rise in cash and cash equivalents held by the Group during the same period.

Other income - others decreased from RMB92 million in 2H2022 to RMB67 million in 2H2023, mainly due to lower income from sale of bunker stock.

Other (losses)/gains - net

The category of "Other (losses)/gains - net" encompasses several components, including foreign exchange-related gains/losses, fair value changes on derivative financial instruments and financial assets at fair value through profit or loss, gain on disposal of property, plant, and equipment as well as subsidy income.

In 2H2023, the Group reported total other losses amounting to RMB486 million, compared to RMB73 million in 2H2022. These net losses were primarily attributed to the foreign exchange-related losses of RMB645 million, which was partly offset by a subsidy income of RMB126 million and a fair value gain of RMB22 million on derivative financial instruments.

Expenses

In 2H2023, the total administrative expenses increased substantially to RMB313 million from RMB119 million in 2H2022. The increase was due to a lower reversal of impairment loss on financial assets, amounting to RMB14 million in 2H2023, being bad debt recovery, compared to RMB170 million in 2H2022. The reversal of RMB170 million recorded in 2H2022 was mainly from the reversal of impairment loss on debt investments at amortised costs. In line with increased shipbuilding activities, other administrative costs increased to RMB327 million as compared to RMB289 million.

In 2H2023, the finance cost decreased to RMB51 million from RMB55 million in 2H2022. This decline is linked to the Group's reduced borrowing costs. In 2H2022, the Group repaid all of its USD borrowings following the increase of USD interest rates.

Share of results of associated companies and joint ventures

Share of profit of associated companies and joint ventures of RMB148 million mainly consists of share of profits from Yangzi-Mitsui Shipbuilding Co. Ltd.

Corporate income tax

In correspondence with higher profit before tax, income tax expenses for 2H2023 were also higher at RMB597 million as compared to RMB371 million same period last year. The Group's effective tax rate for 2H2023 was 20.3%, same as 2H2022.

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FY2023 vs. FY2022

Continuing operations	2023		2022	
	RMB'000	%	RMB'000	%
Shipbuilding				
Turnover	22,787,743	100%	18,372,103	100%
Cost	(17,801,549)	-78%	(15,956,834)	-87%
Margin	4,986,194	22%	2,415,269	13%
Shipping				
Turnover	1,021,910	100%	1,382,659	100%
Cost	(670,738)	-66%	(819,262)	-59%
Margin	351,172	34%	563,397	41%
Others				
Turnover	302,677	100%	950,314	100%
Cost	(229,790)	-76%	(731,782)	-77%
Margin	72,887	24%	218,532	23%

Revenue

In 2023, a total of 56 vessels were delivered, with 11 of them delivered by the joint venture ("Yangzi-Mitsui"). This is in comparison to the 67 vessels delivered in 2022, with 13 delivered by the joint venture. During this period, driven by intensified progressive construction of higher value-added vessels, the Group's shipbuilding revenue experienced a substantial surge, reaching RMB22,788 million, as opposed to RMB18,372 million in 2022.

The revenue contribution from the shipping business saw a 26% decrease, dropping from RMB1,383 million during last year to RMB1,022 million. This decline was mainly attributable to lower charter rates during the year.

Other businesses include rental income, terminal services, trading, ship design services and investments retained by the Group after spin-off in April 2022 and subsequently disposed/recovered during the year. Revenue generated by other businesses decreased from RMB950 million in 2022 to RMB303 million in 2023, mainly due to lower volume of trading business and lower investment income.

Operating cost

Due to the heightened revenue from the shipbuilding business in 2023, the cost of sales also increased to RMB17,802 million, up from RMB15,957 million in 2022. Notably, there were no allowances made (or reversals of allowances) for losses recognized on onerous contracts in 2023. However, in 2022, a net reversal of loss provision amounting to RMB218 million for onerous contracts was recorded. The net reversal in 2022 was attributed to the progressive construction and reassessment of foreseeable losses on onerous contracts.

In 2023, our shipping business witnessed a significant reduction in operating costs. This noteworthy decrease can be credited to various factors, most notably the downturn in fuel expenses and a concurrent decline in commission fees. These adjustments parallel the prevailing lower charter rates throughout the period. Moreover, our deliberate choice to divest two aging vessels has also resulted in a notable decrease in fleet maintenance expenditures.

Gross profit

In 2023, the gross profit margin of the Group's shipbuilding business saw a significant improvement, rising from 13% in 2022 to 22% in 2023. This improvement primarily attributed to the depreciation of RMB against USD, reduced material costs, and enhanced new build price of vessels constructed during the period. Additionally, the increase in gross profit margin was further bolstered by the sale of a jack up rig in the second half of 2023.

Shipping business registered a gross profit margin of 34% in 2023 from 41% in 2022. This decline in gross profit margin can be attributed to reduced charter rates for bulk carriers during the year.

Other shipbuilding related businesses, including rental income, terminal services, trading, ship design services, and investments retained by the Group subsequent to spin-off, achieved a gross profit margin of 24% in 2023, slightly up from the 23% achieved in 2022. This improvement can be attributed to a strategic reduction in low-margin trading business activities during the period. In 2023, net interest income generated from investments retained by the Group subsequent to spin-off was RMB14 million (2022: RMB167 million).

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Other income

The "Other income" category primarily comprises interest income from bank deposits, interest income from ship finance leases, income from forfeiture of advances received and income from the sale of bunker stock.

In 2023, interest income experienced significant growth, rising from RMB350 million in 2022 to RMB484 million. This increase was primarily driven by higher interest income from bank deposits, resulting from a rise in cash and cash equivalents held by the Group during the year.

Other income – others decreased from RMB104 million to RMB93 million, primarily attributed to reduced income from the sale of bunker stock.

Other (losses)/gains - net

The category of "Other (losses)/gains - net" encompasses several components, including foreign exchange-related gains/losses, fair value changes on derivative financial instruments and financial assets at fair value through profit or loss, gain on disposal of property, plant, and equipment as well as subsidy income.

In 2023, the Group reported total other losses amounting to RMB328 million, contrasting with gains of RMB233 million in 2022. These net losses were primarily attributed to foreign exchange-related losses totalling RMB666 million, a fair value loss of RMB5 million on financial assets at fair value through profit or loss. However, these were partly mitigated by subsidy income of RMB220 million and a gain of RMB101 million from the disposal of property, plant, and equipment, mainly arising from the disposal of two vessels during the year.

Expenses

In 2023, the total administrative expenses increased to RMB631 million from RMB489 million in 2022. The Group recorded an impairment loss on financial assets of RMB34 million, a contrast to the RMB79 million reversal of impairment loss recorded in 2022. This impairment primarily stemmed from a RMB66 million loss on debt investment, partially offset by a RMB32 million bad debt recovery. Additionally, other administrative costs increased from RMB568 million in 2022 to RMB598 million in 2023, attributed to intensified shipbuilding activities throughout the year.

In 2023, finance costs decreased to RMB96 million from RMB107 million in 2022, driven by reduced bank borrowing costs. The Group maintained its strategy of mitigating higher-cost USD borrowings while augmenting lower-cost RMB borrowings.

Share of results of associated companies and joint ventures

The "Share of results of associated companies and joint ventures" represents the portion of results attributed to the Group's associated companies and joint ventures. In 2023, the share of profits from associated companies and joint ventures amounted to RMB198 million. This amount primarily comprises the share of profit from Yangzi-Mitsui Shipbuilding Co., Ltd. ("Yangzi-Mitsui"), which is the joint venture established by the Group in partnership with Mitsui E&S Shipbuilding Co., Ltd. and Pacific Wave Shipping Ltd.

Corporate income tax

In FY2023, the Group's effective tax rate stood at 20.7%, a marginal increase from the 20.5% recorded in FY2022. The uptick in the effective tax rate for FY2023 was primarily attributable to a decline in profits from shipping operations outside mainland China during the reporting period. These profits were subject to a lower income tax rate compared to the standard 25% rate in mainland China.

Statements of Financial Position Review

Assets

As of 31 December 2023, cash and cash equivalents surged to RMB16,561 million from RMB10,778 million as of 31 December 2022, propelled by robust cash inflows from operating activities.

Restricted cash primarily earmarked as deposits for performance guarantees and letters of credit in specific bank accounts, decreased from RMB7 million at the close of 2022 to RMB0.1 million at the end of 2023. This reduction underscores the Group's enhanced credit profile, achieved through the utilization of clean credit lines for performance guarantees and letters of credit.

The investment in financial assets, at fair value through profit or loss, decreased to RMB46 million from RMB146 million as of 31 December 2022. This decrease was mainly a result of the disposal of RMB100 million.

The balance of debt investments at amortised cost decreased to zero as of 31 December 2023 from RMB1,576 million as of 31 December 2022, as these investments were disposed or recovered during the year. The loss

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allowance for debt investment at amortised cost decreased to zero as of 31 December 2023 from RMB1,155 million as of 31 December 2022, the movement being the loss allowance of RMB66 million recognised in profit and loss and utilisation of RMB1,221 million during the year.

Current trade and other receivables increased from RMB3,670 million as of 31 December 2022 to RMB4,671 million as of 31 December 2023. This uptick primarily reflects an escalation in prepayments to suppliers, correlating with the heightened volume of shipbuilding business.

Inventory decreased to RMB919 million as of 31 December 2023 from RMB1,231 million as of 31 December 2022. This decline can largely be attributed to the successful resale of the jack-up rig in the second half of 2023, which had been held as part of the inventory.

Contract assets increased to RMB7,077 million as of 31 December 2023 from RMB5,596 million as of 31 December 2022, as more shipbuilding contracts commenced construction during the year.

The current and non-current derivative financial assets of RMB8 million as of 31 December 2023 mainly represented the fair values of USD/CNY forward contracts with positive valuation. These contracts were entered by the Group to mitigate its currency exposure to future USD-denominated receipts from the shipbuilding business. The movement from RMB171 million as of 31 December 2022 represents the fair value movement during the year.

Non-current trade and other receivables decreased to RMB1,255 million as of 31 December 2023 from RMB1,626 million as of 31 December 2022. This decrease was primarily attributable to a reduction in non-current finance lease receivables following expiration of the leases.

Investment in joint ventures, primarily related to Yangzi-Mitsui, increased from RMB454 million as of 31 December 2022 to RMB667 million as of 31 December 2023. This increase was mainly attributed to the acquisition of additional equity interest of Yangzi-Mitsui for RMB43 million and a share of profits amounting to RMB193 million, partially offset by dividend received of RMB24 million.

As of 31 December 2023, investment in associated companies rose to RMB54 million from RMB47 million as of 31 December 2022. This increase was primarily driven by a share of profits during the year.

Investment property increased from nil as of 31 December 2022 to RMB2,169 million as of 31 December 2023. This increase was a result of the acquisition of a commercial building located in Singapore, acquired through the acquisition of 39 Robinson.

Property, plant, and equipment experienced a slight decrease from RMB7,278 million as of 31 December 2022, to RMB7,219 million as of 31 December 2023. This marginal decline primarily resulted from disposal of two aging vessels and depreciation charges incurred offset by vessel additions during the year.

Deferred income tax assets decreased from RMB362 million as at the end of last year to RMB198 million, the movement being the release of tax benefit to profit or loss during the year.

Intangible assets, including computer software licenses and goodwill from the acquisition of a subsidiary, decreased from RMB26 million as of 31 December 2022 to RMB21 million as of 31 December 2023. This decline was primarily attributed to the amortization of computer software licenses and the impairment of goodwill during the year. Additionally, the reduction was partially mitigated by the addition of computer software licenses amounting to RMB6 million during the year.

Liabilities

As of 31 December 2023, current trade and other payables increased to RMB3,672 million from RMB3,172 million as of 31 December 2022. This increase was primarily due to higher trade payables to suppliers, which aligns with the higher volume of shipbuilding business.

Due to higher advances received on construction contracts from new shipbuilding contracts secured, contract liabilities as of 31 December 2023 surged to RMB8,146 million from RMB5,597 million as of 31 December 2022.

The current and non-current derivative financial liabilities amounted to RMB265 million as of 31 December 2023, mainly representing the fair values of USD/CNY forward contracts with negative valuation. These contracts were entered by the Group to manage its currency exposure to future USD-denominated receipts from the shipbuilding business. The movement from RMB143 million as of 31 December 2022 was the result of the fair value movement during the year.

The Group's borrowings, represented by its secured and unsecured borrowings, amounted to RMB5,595 million as of 31 December 2023, higher than RMB4,568 million as of 31 December 2022. This movement was due to the net addition of bank borrowing during the year.

Provisions increased from RMB364 million as of 31 December 2022 to RMB444 million as of 31 December 2023, primarily due to warranty provisions for more delivered vessels.

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As of 31 December 2023, the current income tax liability increased from RMB782 million as of 31 December 2022, to RMB1,089 million. This rise correlates with the higher current income tax incurred for the year.

As of 31 December 2023, deferred income tax liabilities had decreased to RMB511 million from RMB636 million as of 31 December 2022, being the release of tax expenses to profit or loss during the year.

Equity

The increase in "Total equity attributable to equity holders" to RMB20,941 million as of 31 December 2023 from RMB17,573 million as of 31 December 2022 was primarily driven by the profits earned during the year. The increase was partially offset by FY2022 dividend payment during the year.

Statements of cash flows review

The increase of cash and cash equivalents from RMB10,778 million to RMB16,561 million was primarily driven by the strong net cash provided by operating activities and net proceeds from borrowings during the financial year. This increase was partially offset by cash outflows related to the acquisition of the subsidiary, 39 Robinson, and cash outflows for the FY2022 dividend payment.

The net cash used in investing activities of RMB2,290 million primarily consisted of RMB2,093 million utilized for the acquisition of assets related to 39 Robinson, RMB43 million for additional investment in the joint venture, Yangzi-Mitsui, and RMB790 million used for the addition of property, plant, and equipment, mainly for fleet renewal purposes. These cash outflows were partially offset by proceeds of RMB522 million from the sales of property, plant, and equipment, proceeds of RMB95 million from the sales of financial assets at fair value through profit and loss, and dividend received of RMB24 million from the joint venture, Yangzi-Mitsui.

The net cash provided by financing activities of RMB99 million during FY2023 primarily consists of net proceeds from borrowings amounting to RMB1,028 million and a capital injection of RMB125 million by the non-controlling shareholders of Yangzijiang Realty Pte. Ltd., an 81%-owned subsidiary of the Group, which holds a 100% interest in 39 Robinson. These inflows were partially offset by cash outflows for the 2022 dividend payment to equity holders totalling RMB1,024 million and dividends paid to non-controlling interests amounting to RMB28 million. The overall liquidity remained at a healthy level, demonstrated by a current ratio of 1.66 as of 31 December 2023.

10. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

11. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Macro outlook

Global economic headwinds are likely bottoming out on the back of better-than-expected economic data in the United States and key emerging countries, as well as fiscal support in China. Based on that, the International Monetary Fund has revised its 2024 global growth rate forecast upwards by 0.2 percentage point ("ppt") to 3.1% year-on-year ("yoy"), compared to earlier projections in October 2023.¹

Shipbuilding industry

In July 2023, the International Maritime Organisation ("IMO") reinforced its commitments to greenhouse gas ("GHG") emission reduction by introducing two indicative checkpoints: achieving a 20-30% reduction by 2030 and a 70-80% reduction by 2040, compared to 2008 levels.²

In January 2024, the European Union ("EU") extended the scope of the EU Emissions Trading System to include maritime emissions, mandating ship operators to purchase and surrender emission allowances. Any non-compliance by them could result in fines, refusal of port calls, and potential detention of their ships.³

The ongoing acceleration in environmental regulatory reforms continues to fuel the growth momentum in shipbuilding demand. According to Clarksons Research, global new-build orders grew by 5% yoy in terms of deadweight tonnes

¹ International Monetary Fund: The risks to global growth are broadly balanced and a soft landing is a possibility, January 2024.

² International Maritime Organisation: 2023 IMO Strategy on Reduction of GHG Emissions from Ships, July 2023

³ European Commission: Reducing emissions from the shipping sector, January 2024

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("DWT"), totalling 1,723 vessels⁴. Among these, 539 units were alternative fuel-capable vessels, representing 45% of all orders by DWT⁵.

Looking ahead, Clarksons projected steady growth in new-build demand for 2024, driven primarily by orders for alternative-fuelled vessels and tankers.

Shipping industry

The shipping market remained challenging throughout 2023, mainly attributable to the underperformance in global economies and the subsequent contraction in global trade volume.⁶ Consequently, the Baltic Exchange Dry Index stood at 1,632 as of 20 February 2024, comparable to the year-end index price of 1,515 in 2022.

According to the World Trade Organisation ("WTO"), global trade volume will potentially increase by 3.3% yoy in 2024, a significant improvement from 0.8% in 2023. The growth is expected to be underpinned by the recovery in consumer spending, a demand resurgence in high-tech sectors, and expanded access to finance and credit for manufacturers. This positive outlook signals a promising recovery ahead for the global shipping market.

LNG Terminal and Storage Business

Subsequent to the acquisition of a 55% stake in Jiangsu Yangzi Jiasheng Terminal Co., LTD in 2019 and the remaining 45% equity interest last year, the Group is proactively working towards establishing an integrated LNG logistic hub along the Yangtze River. This hub will ultimately comprise an LNG terminal, LNG storage facilities, as well as an LNG distribution centre.

The LNG terminal conversion plan of converting the current chemical terminal into an LNG terminal is awaiting the local government's final approval. Construction of the LNG storage tank facilities has recently commenced. Once the final approval is obtained, it is anticipated that the capital expenditures ("CAPEX") for the LNG storage tank facilities and the terminal conversion will be approximately RMB1 billion each, with total CAPEX nearing RMB2 billion.

Summary

As an early adopter of green shipbuilding, the Group's orderbook composition reflects its successful penetration and market leadership. As of 31 December 2023, the Group has an outstanding order book of USD14.5 billion for 182 units of vessels. During FY2023, Yangzijiang Shipbuilding secured a total of 97 new orders worth USD7.1 billion, of which 54% are alternative-fuelled vessels. Since the beginning of this year, the Group has secured new orders for 12 vessels valued at US\$ 1.35 billion. Notably, 6 units of these new orders will be capable of power generation using methanol, which stands out as the cleanest fuel option with technological maturity among all available choices.

As we embark on the journey ahead, our commitment to driving positive change in the industry remains unwavering. We will continue to enhance our technological capabilities to further solidify our market position and strive to capture a larger share of the growing market for clean energy vessels.

⁴ Eworldship: Clarkson Research – Shipbuilding Industry Review and Outlook, 23 January 2024

⁵ Hellenic Shipping News: Clarksons: 45% of all newbuild orders placed in 2023 alternative fuel capable, 4 January 2024

⁶ United Nations: Global Trade Update, October 2023

12. Dividend

a) Current Financial Period Reported On

Name of Dividend	Ordinary Share Final Dividend (Proposed)
Dividend type	Cash
Dividend Rate	6.5 Singapore cents per ordinary share
Tax rate	Tax exempt (one-tier)
Book Closure date	To be announced in due course
Payment Date	To be announced in due course

b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Ordinary Share Final Dividend
Dividend type	Cash
Dividend Rate	5.0 Singapore cents per ordinary share
tax rate	Tax exempt (one-tier)
Book Closure date	11 May 2023
Payment Date	25 May 2023

c) Whether the dividend is before tax, net of tax or tax exempt

Tax exempt (One-tier).

d) Date payable

The payment of the recommended final tax exempt (one-tier) dividend of SGD6.5 cents per share will be subjected to shareholders' approval to be obtained at the coming Annual General Meeting. The payment date will be announced in due course.

e) Books closure date

To be announced in due course.

13. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

14. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year SGD'000	Previous Full Year SGD'000
Ordinary	256,788	197,529
Total	256,788	197,529

The Directors proposed a final exempt (one-tier) ordinary dividend of SGD6.5 cents per ordinary share amounting to a total of SGD256,788,299 based on current 3,950,589,220 net issued shares as of 31 December 2023 for the shareholders' approval at the forthcoming Annual General Meeting.

15. Interested Person Transactions

The following table sets out the current total of all transactions with the interested person for the year ended 31 December 2023:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil		

16. Breakdown of sales by half year and net profit

	The Group (Continuing Operations)		
	For the financial year ended		
	31 December 2023	31 December 2022	Increase/ (decrease)
	RMB'000	RMB'000	%
(a) Sales reported for first half year	11,321,043	9,741,127	16%
(b) Profit after tax before deducting non-controlling interests reported for first half year	1,724,505	1,170,627	47%
(c) Sales reported for second half year	12,791,287	10,963,949	17%
(d) Profits after tax before deducting non-controlling interests reported for second half year	2,344,993	1,442,277	63%

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ren Letian	42	Mr. Ren Letian is the son of Mr. Ren Yuanlin, a substantial shareholder of the Company.	Executive Chairman & Chief Executive Officer of the Group, in charge of the daily operations of the Group.	N.A.

18. CONFIRMATION PURSUANT TO RULE 720 (1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

On Behalf of the Board of Directors

Ren Letian
Executive Chairman and Chief Executive Officer

Chen Timothy Teck-Leng
Lead Independent Director

Singapore
Date: 27 February 2024