



## YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration No. 200517636Z)

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

## ESTABLISHMENT OF A JOINT VENTURE COMPANY - JIANGSU RUN YUAN ENERGY CO., LTD

### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has through its wholly-owned subsidiary, Yangzijiang Terminals China Holding Pte. Ltd. (“**YTCH**”) entered into a joint venture agreement with Wuxi China Resources Gas Co., Ltd. (“**WCRG**”) (无锡华润燃气有限公司) and Jiangyin Xinyangchuan Enterprise Management Center (Limited Partnership) (“**Xinyangchuan**”) (江阴新扬船企业管理中心(有限合伙)) to establish a proposed joint venture company, Jiangsu Run Yuan Energy Co., Ltd. (“**JREC**”) (江苏润元能源有限公司) with an aggregate initial issued and paid-up capital of RMB20 million.



### 2. DETAILS OF VENTURE PARTNERS

#### 1. Wuxi China Resources Gas Co., Ltd (“**WCRG**”)

**WCRG** is a subsidiary of China Resources (Holdings) Company Limited, one of the largest state-owned conglomerates and a leading gas utilities group in China, principally engaged in downstream city gas distribution business including piped natural gas distribution and natural gas filling stations operation. Its operations are strategically located in regions that are economically more developed and densely populated, with rich reserves of natural gas in China.

#### 2. Jiangyin Xinyangchuan Enterprise Management Center (Limited Partnership) (“**Xinyangchuan**”)

**Xinyangchuan** is a limited partnership established in the People’s Republic of China. Xinyangchuan is principally engaged in the business of investing in companies operating in various industries such as energy, manufacturing and property development. Mr Ren Yuanlin (the Honorary Chairman and

substantial shareholder) and his son, Mr Ren Letian (the Executive Chairman and Chief Executive Officer) own an aggregate of 41% interest in Xinyangchuan. Accordingly, Xinyangchuan is an associate of Mr Ren Yuanlin pursuant to the Listing manual of the Singapore Exchange Securities Trading Limited (the listing manual) and therefore an interested person transaction pursuant to Rule 904 of the listing manual. The joint venture by YTCH (which is an "entity at risk" pursuant to Rule 904 of the Listing Manual) with Xinyangchuan will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.

### **3. ESTABLISHMENT OF JREC**

It was agreed that YTCH, WCRG and Xinyangchuan shall subscribe for 30%, 51% and 19% equity interest in the proposed joint venture company respectively. The initial capital contribution by the Company into the proposed joint venture company shall be RMB6 million (30% of RMB20 million). Further capital injection may be made in accordance with approved investment opportunity, relevant proposal and implement plan.

The principal activities of JREC is related to those investment and operation of the Jiangyin LNG project including the construction of LNG storage facilities, natural gas trading and businesses in relation to other parts of the LNG supply chain.

### **4. RATIONALE**

The Board is of the view that the proposed establishment of the joint venture company is in the long-term interest of the Group as it will provide the Group with an initial exposure to a broader range of LNG-related business, set the stage for it to capture the long-term growth potential in this market segment, and enhance shareholders' value.

The above establishment of the joint venture company will be funded internally and is not expected to have any material impact on the earnings per share or net tangible assets of the Group for the current financial year ending 31 December 2021.

### **5. INTERESTED PERSON TRANSACTION**

Pursuant to Rule 909 of the Listing Manual, in the case of a joint venture, the value of the interested person transaction for purposes of Chapter 9 of the Listing Manual is the equity participation. Accordingly, the interested transaction value in relation to the joint venture is RMB6 million, the proposed equity interest in the joint venture by YTCH.

The interested person transaction value in relation to the equity participation does not exceed 3% of the Group's latest audited net tangible assets ("Group NTA") of RMB31,769,619,000 as at 31 December 2019.

### **6. CURRENT TOTAL OF INTERESTED PERSON TRANSACTIONS**

The following table sets out the current total of all transactions with the particular interested person whose transaction is the subject of this announcement as at the date of this announcement:

<b>Interested Person Transactions</b>	<b>RMB'000</b>
Jiangyin Xinyangchuan Enterprise Management Center (Limited Partnership)	
• Equity participation in JREC	6,000
• Grant of guarantee to a subsidiary of Xinyangchuan	80,000
<b>Total value of the particular interested persons</b>	<b>86,000</b>

**transactions as at the date of this announcement:**

## **7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER**

Saved as disclosed herein, none of the other Directors or controlling shareholder(s) of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in this transaction.

### **BY ORDER OF THE BOARD**

Ren Letian  
Executive Chairman and Chief Executive Officer

14 January 2021