

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

INTERESTED PERSON TRANSACTION PURSUANT TO RULE 905 OF THE LISTING MANUAL

1. INTRODUCTION

The Board of Directors of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that Jiangsu New Yangzi Shipbuilding Co., Ltd (“**JNYS**”), a wholly-owned subsidiary of the Company incorporated in the People’s Republic of China, has agreed to provide a credit facility of up to RMB1,500 million (the “**Facility**”) to Jiangyin Xinyangchuan Enterprise Management Center (Limited Partnership) (“**Xinyangchuan**”), pursuant to a master facility agreement entered into between JNYS and Xinyangchuan on 16 April 2020 (the “**FA**”).

2. DETAILS OF THE INTERESTED PERSON

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 Executive Chairman of the Company) and his son, Mr. Ren Letian 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” pursuant to Rule 904 of the Listing Manual. The provision of the Facility by JNYS (which is an “entity at risk” pursuant to Rule 904 of the Listing Manual) to Xinyangchuan will constitute an “interested person transaction” under Chapter 9 of the Listing Manual.

3. DETAILS OF THE FACILITY

The salient terms of the Facility are as follows:

(a) **Facility:** Up to RMB1,500 million under a revolving credit facility pursuant to which multiple Drawdowns (as defined below) can be effected.

(b) **Interest:** A fixed rate of 8% per annum, accruing on a daily basis.

All accrued outstanding interest shall be settled half yearly, on the 20 June and 20 December of each calendar year or on the following dates:

- (i) the repayment date of each Drawdown (as defined below) as may be specified by JNYS; and
- (ii) the Facility Termination Date.

(c) **Term of Facility** The Facility shall expire on the earlier of: 31 March 2025, or the occurrence of an Early Repayment Event (as defined below) or an event of default (the "**Facility Termination Date**").

(d) **Use of Facility proceeds:** Proceeds from the Facility shall be used by Xinyangchuan strictly for its working capital requirements. The specific use of each Drawdown (as defined below) shall be disclosed by Xinyangchuan in each request for Drawdown made by it (a "**Drawdown Request**").

(e) **Term of each loan drawn down from the Facility (each, a "Drawdown"):** Prior to each Drawdown, Xinyangchuan shall submit a Drawdown Request to JNYS, specifying, amongst others, the amount of Drawdown requested, the specific use of the Drawdown, the relevant timeline for such use and the proposed security for such Drawdown. JNYS shall only be obliged to disburse the Drawdown, upon its written acceptance of the relevant Drawdown Request.

All Drawdowns and interest accrued thereon shall be repaid by no later than the Facility Termination Date or such earlier date as may be specified by JNYS in its acceptance to the Drawdown Request.

JNYS's consent is required for the early repayment of any Drawdown by Xinyangchuan.

The Drawdowns may be disbursed through a nominated subsidiary of JNYS or such other third party trust or qualified financial institutions as designated by JNYS, and Xinyangchuan shall be responsible for any fees and expenses that may be incurred in connection with each Drawdown.

(f) **Security:** Security to be provided in respect of each Drawdown shall be proposed by Xinyangchuan in the relevant Drawdown Request at a loan-to-value ratio of 50%, and is subject to approval by JNYS. Such security shall include pledges of assets held by the Xinyangchuan and its subsidiaries under investment control (collectively, the "**Borrower Group**").

(g) **Financial covenant:** The net asset value of the Borrower Group shall not be less than RMB1.5 billion and the annual return on net assets of the Borrower

Group shall not be less than 8%.

(h) Early repayment events (“Early Repayment Events”):

Xinyangchun shall be required to immediately inform JNYS, upon the occurrence of, *inter alia*, the following events:

- (i) entry into any merger, demerger, amalgamation, or other corporate reorganisation activities by Xinyangchuan;
- (ii) changes in the partners or actual controllers of Xinyangchuan; and
- (iii) insolvency of Xinyangchuan or the filing of a winding up application in respect of Xinyangchuan.

Upon the occurrence of an event mentioned above, JNYS shall have the discretion to either require Xinyangchuan to repay the outstanding principal amount and any interest accrued but unpaid or affirm such event.

Notwithstanding the above, JNYS is entitled to the repayment of the outstanding principal amount and any interest accrued but unpaid at any time with two month's prior notice.

(i) Events of Default:

The events of default include (but is not limited to):

- (i) failure of Xinyangchuan to repay the principal amount and all interest accrued and outstanding as and when they fall due;
- (ii) non-compliance with the obligations under the FA or security documents by Xinyangchuan or any other security provider (as the case may be);
- (iii) in the event any representation made by Xinyangchuan in the FA is or proves to be incorrect or misleading;
- (iv) Xinyangchuan's entry into any agreement with third parties which, in the sole opinion of JNYS, is prejudicial to JNYS's interest;
- (v) cross-default by Xinyangchuan;
- (vi) any attachment, distress, execution or other legal process affecting all or substantially all of the assets of Xinyangchuan or in the event legal proceedings or other procedure is commenced against Xinyangchuan in relation to its liquidation; and
- (vii) circumstances arise which (A) materially and adversely affect the ability of Xinyangchuan or any other security provider to perform and comply with its payment and other obligations under the FA or any security document or (B) adversely affects the legality, validity or enforceability of the FA or any security document.

4. RATIONALE OF THE FACILITY

The Facility is beneficial to the Group as the Facility utilizes cash in excess of JNYS's working capital requirements and the interest payments that will be earned from the Facility represents an additional source of revenue for JNYS.

5. INTERESTED PERSON TRANSACTION

Pursuant to Rule 909 of the Listing Manual, in the case of lending of funds to an interested person, the value of the interested person transaction for purposes of Chapter 9 of the Listing Manual is the interest payable on the loan and the value of the loan. Accordingly, the interested transaction value in relation to the Facility is RMB1,560 million (being the aggregate of the maximum principal amount and the interest payable on the Facility).

The interested person transaction value in relation to the Facility exceeds 3% of the Group's latest audited net tangible assets ("**Group NTA**") of RMB31,769,619,000 as at 31 December 2019. The Company is therefore required to make an immediate announcement of the Facility pursuant to Rule 905 of the Listing Manual.

Save as disclosed, there are no other interested person transactions entered into by the Group with Mr. Ren Yuanlin, his associates or Xinyangchuan for the financial year ending 31 December 2020.

The interested person transaction value in relation to the Facility does not exceed 5% of the Group NTA. As such, the Company is not required to seek shareholders' approval pursuant to Rule 906 of the Listing Manual for the provision of the Facility by JNYS to Xinyangchuan.

6. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the terms of the Facility and is of the view that the Facility is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

7. CURRENT TOTAL OF INTERESTED PERSON TRANSACTIONS

The following table sets out the current total of all transactions for the financial year ending 31 December 2020 with the particular interested person whose transaction is the subject of this announcement and the current total of all interested person transactions for the same financial year, as at the date of this announcement:

Interest Person Transaction	RMB'000
Jiangyin Xinyangchuan Enterprise Management Center (Limited Partnership)	
• Maximum principal and interest of the Facility to Xinyangchuan	1,560,000
Total for all interested persons for the current financial year	1,560,000

8. 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 the Facility.

BY ORDER OF THE BOARD

Ren Letian
Chief Executive Officer
16 April 2020