



YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200517636Z)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

The Board of Directors (“**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following acquisitions and divestments that occurred during the first-half year ended 30 June 2024 pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”):

(A) ACQUISITIONS AND INCORPORATIONS

(i) Acquisition of 100% equity in Jiangsu Yangxing Property Co., Ltd.

The Group had in March 2024, acquired the 100% equity interest in Jiangsu Yangxing Property Co., Ltd. (“**JYPC**”) through its indirect wholly-owned subsidiary, Jiangsu New Yangzi Shipbuilding Co., Ltd, (“**JNYS**”) (the “**Acquisition I**”) for a cash consideration of RMB20 million (“**Consideration I**”). JYPC is a company incorporated in Jiangsu, People’s Republic of China. JYPC is currently developing a residential project in Dongxing Town, near JNYS, with this being their sole project.

The residential project is approximately 4 kilometers away from JNYS, a 10-minute drive. The project encompasses a construction land area of 18,205 square meters, with buildings occupying 6,080 square meters of land with a total housing area of 22,646 square meters. It consists of 126 high-rise apartments, 36 villas, and 3 commercial units. The project is particularly suitable for addressing the housing needs of our young employees and can serve as staff dormitories.

The Consideration I for the Acquisition I was settled using internal sources of funds. The Consideration was arrived at on a willing-seller, willing-buyer basis after considering, inter alia, the net asset value of JYPC. Based on the unaudited management accounts of JYPC for the period ended 29 February 2024, the net book value amounted to RMB19,586,014.

Following the completion of the acquisition, JYPC is now a 100% subsidiary of the Group.

(ii) Acquisition of the remaining 19% equity in Yangzijiang Realty Pte. Ltd.

The Company had in March 2024 acquired the remaining 19% equity interest in Yangzijiang Realty Pte. Ltd. (“**YZJ Realty**”) comprising 24,168,019 ordinary shares (“**Sale Shares**”) from two existing shareholders of YZJ Realty, being ICH Singapore Holdings Pte. Ltd. and 9Co Parker Pte. Ltd. (collectively, the “**Sellers**”) for a total cash consideration of S\$26,372,916 (“**Consideration II**”) (the “**Acquisition II**”), pursuant to a share sale and purchase agreement entered into between the Company and the Sellers (“**SPA**”).

The Board is of the view that the Acquisition II would be beneficial for and in the interests of the Group, as it allows the Group to consolidate its control over YZJ Realty and the office building held by its 100% owned subsidiary, 39 Robinson Road Pte. Ltd. This move aligns with our commitment to optimize operational efficiency and managing costs effectively.

The Consideration II was arrived at on a willing-buyer, willing-seller basis, taking into account, inter alia, the audited net asset value of the Sale Shares of S\$22,771,509. The book value and net tangible asset of YZJ Realty as at 31 December 2023 was S\$119,850,049. No independent valuation of YZJ Realty was conducted. The payment of the Purchase Consideration was made in cash by the Company and was funded through internal resources.

Following the completion of the Acquisition II, the Company's interest in YZJ Realty has increased from 81% to 100%, and YZJ Realty and its wholly owned subsidiary 39 Robinson Road Pte. Ltd had become wholly-owned subsidiaries of the Company.

(iii) Incorporation of Jiangsu Yangzi Hongyuan Shipbuilding Co., Ltd.

The Company had in April 2024 incorporated a wholly-owned subsidiary, Jiangsu Yangzi Hongyuan Shipbuilding Co., Ltd. ("JYHS"). Information relating to JYHS is set out as follows:

Name of company	:	Jiangsu Yangzi Hongyuan Shipbuilding Co., Ltd.
Date of incorporation	:	19 April 2024
Place of incorporation	:	People's Republic of China
Issued and Paid-up Capital	:	USD2,000,000
Principal activities	:	<ul style="list-style-type: none"> • Construction and sale of vessels • Provision of ship design service • Import and export of goods • Technology transfer • Agent of import and exports • Construction and sale of metal structures
Remark	:	The establishment of JYHS was aimed at facilitating the acquisition of land use right for the establishment of a new clean energy ship manufacturing base

(iv) Incorporation and subscribe for 50% equity in Jiangsu Yangzi Chengkang Marine Heavy Industry Co., Ltd. ("JYCMH")

Our existing associated company, Jiangsu Yangzi Chengkang Marine Equipment Co., Ltd. ("JYCME"), is 40% owned by the Group through Jiangsu Yangzijiang Shipbuilding Co., Ltd. Currently, JYCME shares part of the factory area with Jiangsu Yangzi Mitsui Shipbuilding Co. ("YAMIC") in Taicang, Jiangsu. As YAMIC's shipbuilding business continues to expand, the existing facilities are no longer sufficient to meet JYCME's long-term development needs.

To ensure the continuous and stable operations of JYCME's business and to provide adequate space for its future growth, the Group has decided, after careful consideration, to relocate JYCME's current operations to Nantong City, Jiangsu, and establish a new company, JYCMH to take over JYCME's existing operations. The original company will be dissolved once all of its operations have been transferred to the new company. The relocation will be carried out in phases to ensure smooth operations during the transition period. Post-relocation, JYCME or its successor will double its production capacity based on the existing levels.

The Group proposed to partner with existing JV partner of JYCME to incorporate a 50% owned subsidiary known as Jiangsu Yangzi Chengkang Marine Heavy Industry Co., Ltd. (“**JYCMH**”). Information relating to JYCMH is set out as follows:

Name of company	:	Jiangsu Yangzi Chengkang Marine Heavy Industry Co., Ltd.
Place of incorporation	:	Nantong, People's Republic of China
Issued and Paid-up Capital	:	RMB200,000,000
Principal activities	:	The company will engage in a diverse range of activities related to metal products and services, including manufacturing and sales of metal structures and products, industrial design, repair services, manufacturing and sales of metal materials, import and export of goods, agency services, technology import and export, information technology consulting, manufacturing and sales of coating equipment, and manufacturing of special electronic materials.

JYCMH was therefore incorporated on 4th June 2024.

(B) DIVESTMENTS AND OTHER CHANGES IN SHAREHOLDING

(i) Completion of Members' Voluntary Liquidation of Subsidiaries

To enhance operational efficiency and optimize the corporate structure, the Group has successfully concluded the Members' Voluntary Liquidation of the following subsidiaries in 1st half year of 2024.

1. Dongyuan Ship Leasing (Tianjin) Co., Ltd. (“**DYSL**”), an indirect wholly-owned subsidiary of the Group incorporated in the People's Republic of China, was established to facilitate the sale of a jackup rig. Upon completion of the sale, DYSL was dissolved on 9 February 2024 pursuant to members' voluntary liquidation.
2. Yangzijiang Taihua Shipping Pte. Ltd. (“**YTS**”), an indirect 49.48%-owned subsidiary of the Group incorporated in Singapore, was a shipping company that operated one chemical tanker. Following the disposal of its vessel in 2023, YTS was dissolved on 10 January 2024 pursuant to members' voluntary liquidation.

3. Newyangzi International Trading Pte. Ltd., a dormant indirect wholly-owned subsidiary of the Group incorporated in Singapore, was dissolved on 27 June 2024 pursuant to members' voluntary liquidation.

The above transactions did not have any material impact on the earnings per share and net tangible assets per share of the Group for the financial year ended 31 December 2024.

Save for their respective shareholdings in the Company, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transactions.

By Order of the Board

Ren Letian
Executive Chairman and Chief Executive Officer

12 August 2024