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MEDIA RELEASE

Yangzijiang Shipbuilding's net profit from continuing operations jumps 55.0% to a record-high RMB4.1 billion for FY2023

- **Revenue surged 16.5% year-on-year to RMB24.1 billion driven by higher new build vessel prices and favourable foreign exchange rate.**
- **Gross margin expanded 7.0 percentage points to 22.4% propelled by top-line growth and reduced material costs**
- **Total outstanding orderbook as of 31 December 2023 stood at USD14.5 billion for 182 vessels as demand for clean vessels continues to surge on tightening industry regulations.**
- **Order win momentum continues in 2024 with new order win for 12 vessels valued at US$1.35 billion including 6 methanol dual-fuel 13,000TEU containerships.**

SINGAPORE – 27 February 2024 – Yangzijiang Shipbuilding (Holdings) Ltd. ("**Yangzijiang Shipbuilding**", "**Company**", or together with its subsidiaries, the "**Group**"), a leading shipbuilder based in China and a Straits Times Index component company, reported its financial results for the six months period ("**2H2023**") and full-year ended 31 December 2023 ("**FY2023**").

Financial Highlights	2H2023 RMB mil	2H2022 RMB mil	Change %	FY2023 RMB mil	FY2022 RMB mil	Change %
Revenue	12,791.3	10,963.9	16.7	24,112.3	20,705.1	16.5
Gross Profit	3,300.5	1,773.2	86.1	5,410.3	3,197.2	69.2
Gross Profit Margin	*25.8%*	*16.2%*	*9.6 ppts*	*22.4%*	*15.4%*	*7.0 ppts*
Profit[1] attributable to equity holders ("Net Profit")	2,375.6	1,442.3	64.7	4,101.5	2,612.9	57.0
Net Profit[1] Margin	*18.6%*	*13.2%*	*5.4 ppts*	*17.0%*	*12.6%*	*4.4 ppts*
Return on Equity[2]	*NA*	*NA*	*NA*	*19.6%*	*14.9%*	*4.7 ppts*

NA: Not applicable
Ppt: Percentage point
1. Profit from continuing operations only
2. Profit from continuing operations attributable to equity holders / Equity attributable to equity holders of the Company

Yangzijiang Shipbuilding reported a year-on-year ("**yoy**") revenue growth of 16.5% to RMB24.1 billion for FY2023. Its core shipbuilding segment contributed 94.5% of the Group's total sales, reaching RMB22.8 billion. This translated to a 24.0% yoy increase despite a fewer number of vessels delivered (56 compared to 67 in FY2022). The revenue surge was driven by the commencement of construction of vessels of improved pricing and larger size.

The shipping and other segments contributed the remaining 5.5% of total revenue for FY2023. Revenue from the shipping business declined 26% yoy to RMB1.0 billion due to lower charter rates. Other businesses, which include terminal services, trading, ship design services, investment property and investments fell to RMB302.7 million on lower trading volume and interest income from debt investment, at amortised costs.

In FY2023, gross profit grew by 69.2% year-on-year to RMB5.4 billion, with the gross profit margin widening by 7.0 percentage points to 22.4%. This expansion was chiefly propelled by robust revenue growth in the shipbuilding sector. In addition to the higher new-build ship prices, the Group benefitted from a favorable exchange rate, as the RMB depreciated against the USD, along with reduced raw material costs.

In tandem with that, profit attributable to equity holders of the Company from continuing operations ("Net Profit") rose 57.0% to RMB4.1 billion for the year under review. The bottom line attained is a new historic high for the Group.

Looking at its balance sheet, the Group continues to sit on a robust cash and cash equivalents position of RMB16.6 billion as of 31 December 2023. Meanwhile, Yangzijiang Shipbuilding's total borrowings stood at RMB5.6 billion, translating to a net cash position of RMB11.0 billion.

In line with the strong financial performance and cash holdings, the Group has proposed a final dividend amounting to 6.5 Singapore cents per ordinary share, which will be subjected to shareholders' approval at the upcoming Annual General Meeting ("**AGM**"). The dividend payout ratio is approximately 33.7% for FY2023[1].

<u>Outlook and Future Plans</u>

The global outlook for the shipbuilding segment remains upbeat driven by the ongoing climate-related regulatory push by various authorities. In January 2024, the European Union ("EU") extended the scope of the EU Emissions Trading System to include maritime emissions. This mandates ship operators to purchase and surrender emission allowances[2]. The stricter policy will continue to drive vessel replacement as ship owners seek to phase out non-compliant legacy vessels.

Based on Clarksons, global new-build orders grew 5% yoy for 2023 with 45% of the vessels in terms of deadweight tonnes ("DWT") being classified as alternative-capable vessels. Going forward, Clarksons expects new-build demand for 2024 to continue improving with orders for alternative-fuelled vessels being the key catalyst, particularly tankers[3]. On the supply side, global shipyard capacity remains limited which could drive prices higher.

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%

[1] Earnings per share were translated based on the SGD/CNY= 0.1860, Bloomberg data as of 31 December 2023
[2] European Commission: Reducing emissions from the shipping sector, January 2024
[3] Splash247: Shipyards faced with vexing capacity issues, 23 January 2023

are alternative-fuelled vessels. The robust orderbook value gives the Group a steady earnings visibility up until 2027.

We continued our order win momentum in 2024 driven by demand for alternative-fuelled vessels. YTD2024, we further bolstered our orderbook with new order wins for 12 vessels valued at US$1.35 billion including 6 methanol dual-fuel 13,000TEU containerships.

Executive Chairman and CEO of Yangzijiang Shipbuilding, Mr. Ren Letian (任乐天) said, ***"We are pleased with another record-breaking performance for FY2023. Our efforts in enhancing shipyard operational efficiencies and technical capabilities have proven to be a success. This has enabled us to improve our overall mix of products, producing vessels with a higher premium as evident during the period under review.***

Maritime decarbonisation will remain the key growth driver for the industry in the mid-term. With the tightening of policies being more apparent now, ship operators are accelerating their vessel replacement plans to avoid potential financial impact from non-compliance. With our technical capabilities, Yangzijiang Shipbuilding is well-positioned to ride on this upward trajectory and support the industry's transition."

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About Yangzijiang Shipbuilding

Established in 1956, Yangzijiang Shipbuilding (Holdings) Ltd. is one of the largest non-state-owned shipbuilding companies in China. The Group is listed on SGX Mainboard since April 2007 and is currently one of the Straits Times Index ("STI") constituent stocks. With four shipyards in Jiangsu Province, China along the Yangtze River, the Group produces a broad range of commercial vessels including large containerships, bulk carriers and LNG carriers, serving the orders from a well-established customer network covering Northern America, Europe and other parts of the world. Since listing on SGX, it has delivered consistent growth in the past ten years. Find out more at www.yzjship.com.

Issued for and on behalf of Yangzijiang Shipbuilding (Holdings) Ltd.

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