



Yangzijiang Shipbuilding (Holdings) Ltd.
9 Raffles Place #54-01
Republic Plaza
Singapore 048619
(Co. Reg. No. 200517636Z)

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang’s 2H2022 profit attributable to equity holders from continuing operations hits a record RMB1.4 billion, growing 33% yoy

- **Group’s revenue increased 17% yoy to RMB11.0 billion for 2H2022, underpinned by the fully utilised shipbuilding capacity and shipping fleet**
- **In line with the revenue growth, 2H2022 gross profit increased by 46% yoy to RMB1.8 billion, with 2H2022 gross profit margin edging up 3 pts to 16%**
- **The Group is recommending a final dividend of 5 Singapore cents per ordinary share for FY2022, which is equivalent to 36% pay-out ratio**
- **Backed by the robust outstanding orderbook of US\$11.03 billion for 149 vessels as of the announcement date, the Group will continue leveraging on its R&D capability to build greener and more sophisticated vessels whilst further strengthen its long-term value generation**

SINGAPORE – 23 February 2023 – Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang”, together with its subsidiaries, the “Group”), a globally-leading shipbuilding group based in China, and a Straits Times Index component company listed on the SGX Main Board, reported its financial results for the six months and twelve months ended 31 December 2022 (“2H2022” and “FY2022” respectively).

Strong FY2022 Financial Performance from Continuing Operations

The Group delivered a strong set of results for FY2022. Total revenue increased by 37% yoy to RMB20.7 billion, driven by the active shipbuilding and shipping business activities. In line with the revenue growth, cost of sales of RMB17.5 billion increased by 34% yoy from RMB13.1 billion for FY2021. Gross profit for FY2022 was RMB3.2 billion, up 53% yoy from RMB2.1 billion for FY2021. Gross profit margin for FY2022 stood at 15%, slightly higher than 14% for FY2021. Accordingly, the Group reported net profit from continuing operations of RMB2.6 billion, up 31% yoy.

With the robust financial and operational performance, the Group is declaring a final dividend of 5 Singapore cents per ordinary share to reward its shareholders’ long-term trust and support, which is subject to

shareholders' approval in the forthcoming Annual General Meeting. The proposed dividend represents a 36% pay-out¹ based on fully diluted earnings per share of RMB71.25 cents for FY2022.

Financial Highlights	2H2022	2H2021	Change	FY2022	FY2021	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	10,963,949	9,398,156	17	20,705,076	15,137,154	37
Gross Profit	1,773,228	1,214,804	46	3,197,198	2,084,327	53
Gross Profit Margin	16%	13%	3 ppts ¹	15%	14%	1 ppt
Finance Costs	(54,501)	(33,842)	61	(106,776)	(69,901)	53
Other Income	292,572	247,353	18	454,626	436,344	4
Other (Losses)/Gains, net	(72,620)	605,842	n.m.	233,110	958,719	(76)
Net Profit from Continuing Operations	1,455,795	1,070,836	36	2,624,986	1,999,649	31
PATMI Margin from continuing operations	13%	12%	1 ppts	13%	13%	0 ppt
Return on Equity ²				16%	10%	6 ppts

1. Ppt: Percentage point

2. Profit attributable to equity holders / [total equity – non-controlling interests]

Segmental Performance Review for 2H2022

Core shipbuilding segment registered a higher revenue of RMB9.9 billion in 2H2022, as compared to RMB8.4 billion achieved in 2H2021. Gross profit margin for this segment was 13% in 2H2022, an improvement from 11% for 2H2021. This was due to the depreciation of RMB against USD and the normalisation of steel prices during the reporting period.

Revenue generated from shipping business increased by 49% yoy to RMB822 million, mainly attributable to an expanded charter fleet size and improved charter rates for the reporting period. However, operating costs increased significantly in 2H2022 driven by the rising oil prices, leading to a slightly lower gross profit margin of 41% for 2H2022, as compared to 42% for 2H2021.

Revenue contributed by other business, such as trading, terminal services, ship design services, and investments, declined to RMB291 million in 2H2022, mainly due to lower volume of trading activities. As the reduced trading activities had lower margins, other business segments registered a higher gross profit margin of 38% in 2H2022, as compared to 18% in 2H2021.

Interest income decreased to RMB200 million in 2H2022 from RMB213 million in 2H2021, mainly due to lower bank interest income. Other income - others increased to RMB92 million in 2H2022 from RMB34 million in 2H2021, mainly due to higher material sales income.

¹ Based on CNY/SGD = 5.18, as of 31 December 2022

Other losses of RMB73 million were recorded in 2H2022 due to foreign exchange related losses of RMB258 million, which was partially offset by RMB141 million of fair value gain on derivative financial instruments and RMB44 million of subsidy income.

Finance costs increased to RMB55 million in 2H2022, higher than RMB34 million in 2H2021 due to higher bank borrowing costs.

Consequently, the Group achieved 2H2022 net profit attributable to equity holders from continuing operations of RMB1.4 billion, up 33% yoy. As of 31 December 2022, the Group's balance sheet position remained strong, with cash and cash equivalents registered at RMB10.8 billion.

Balance Sheet (RMB'000)	31 Dec 2022	31 Dec 2021
Property, Plant and Equipment	7,277,768	6,335,345
- Including Property, Plant and Equipment - Shipping	3,182,229	2,184,691
Cash & Cash Equivalents	10,778,393	12,363,193
Debt Investment at Amortised Costs	1,575,780	16,581,505
Total Borrowing	4,567,540	4,456,593
Total Equity	17,704,760	36,061,565
Gross Gearing (Borrowings / Equity)	25.8%	12.4%
Net gearing¹	Net cash	Net cash

1. $[(\text{cash \& cash equivalents}) - \text{total borrowing}] / \text{total equity}$

REVIEW / OUTLOOK / FUTURE PLANS

Yangzijiang's order-win momentum continues. Since its last announcement dated 14 November 2022, the Group has clinched additional 4 units of vessels in 2022 and 14 units of vessels in 2023, totalling 18 vessels for USD0.91 billion. Adding to the existing orderbook, the Group's total outstanding orderbook stood at USD11.03 billion for 149 vessels, further extending its revenue visibility to the end of 2025. In the global race to enable a greener maritime future, the Group's order-win strategies have steadily shifted to alternative fuelled vessels and dual fuel vessels. As of 31 December 2022, 27% of the Group's outstanding orderbook are classified as eco-friendly vessels compared to 15% as at 31 December 2021, which is a great testament to the Group's commitment and efforts. In FY2022, the Group built a total of 71 vessels which exceeded its full year target of 70 vessels, of which 67 units were delivered to customers and 4 units were added into the Group's own fleet.

The shipbuilding industry continues to reap the benefits from stricter environmental regulations. International Maritime Organisation ("IMO") has tightened its greenhouse gas emission reduction measurements since 1 January 2023, which required all existing ships to calculate their attained Energy Efficiency eXisting Ship Index ("EEXI") and to collect

data for the reporting of operational carbon intensity indicator (“CII”) and CII rating². In this evolving and dynamic environment, the Group will continue to be selective on new orders and target prioritize higher value-added vessels to strengthen its long-term profitability. In addition, the Group is working towards converting the existing chemical terminal located on the shore of Yangtze River to an LNG terminal with LNG storage and distribution infrastructure. The new initiative is expected to diversify its revenue streams across the maritime value chain through the provision of LNG terminal services, LNG storage and distribution services, whilst strengthening the collaborations with LNG shipping liners as well as LNG traders.

Having been through a dynamic year in 2022 with geopolitical tensions and inflationary pressures progressively dampening the market sentiments, the shipping industry is expected to see a potential turnaround on the back of China’s reopening. Shipping demand is expected to improve in 2023, boosted by the seasonal cycles post Chinese New Year and lower spot rates as compared to forward shipping rates, thereafter steadily driving up the shipping rates³. Given that the shipping business is an important addition to the Group’s business model in terms of revenue diversification, the Group will well leverage on its current fleet portfolio and seize any possible opportunity for long-term stable revenue generation.

“2022 was a remarkable year for Yangzijiang Shipbuilding as we delivered record numbers post the spin-off of our investment segment. Our shipyard has hit new levels of operational efficiency with the yard delivering 71 vessels during the year. In addition, our R&D team has expanded our capability to build more sophisticated and greener vessels such as the LNG Carrier, dual fuel vessels with ammonia-ready tanks and methanol dual fuel engines. All of these bode well for our future growth as we keep a firm focus on long-term objectives such as sustainable profitability and growth.”

Yangzijiang Shipbuilding is well positioned to progressively convert a sizeable amount of its record-high order book of US\$11 billion. As such, we expect to generate healthy cash flow in the coming years, allowing us to generate sustainable returns to our shareholders.”

--- Mr. Ren Letian (任乐天)

Executive Chairman and CEO, Yangzijiang Shipbuilding (Holdings) Ltd

--The End--

Company Profile

Established in 1956, Yangzijiang Shipbuilding (Holdings) Ltd is one of the largest private 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 five shipyards in Jiangsu Province, China along the Yangtze

² International Maritime Organisation: IMO regulations to introduce carbon intensity measures enter into force on 1 November 2022, October 2022

³ Jefferies Research, January 2023

River, the Group produces a broad range of commercial vessels including medium to large containerships, bulk carriers and LNG carriers, serving the orders from a well-established customer network covering North America, Europe and other parts of the world. Since listing on SGX, it has delivered consistent growth in the past ten years.

For more information, please visit the website at: www.yzjship.com

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

By Financial PR Pte Ltd

For more information, please contact:

Kamal SAMUEL / Vicki ZHOU

Email: kamal@financialpr.com.sg / zhouyan@financialpr.com.sg

Tel: (65) 6438 2990 / Fax: (65) 6438 0064