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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 ppts 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

2

Other losses of RMB73 million were recorded in 2H2022 due to foreign excBax3ct 3 (5-12.3 (22 d)-12.2 (ue)-12.3 (t)-1.1 (o

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 (up 5% from 67 in 2021) during the year. In addition, our R&D team has expanded our c (u)0.5(r)7. .2 (c (u-62 (e0-6

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.

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