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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang Delivers 39% Growth in Earnings to RMB1.64 billion, Record High Order Wins of USD6.67 billion for 112 Vessels YTD

SINGAPORE – 5 August 2021 – Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang” or the “Group”), a globally-leading shipbuilding group based in China, and a Straits Times Index component company listed on the SGX Main Board, reported net profit attributable to shareholders of RMB1.64 billion for the six months ended 30 June 2021 (“1H2021”), increasing 39% year-on-year (‘yoy’).

Financial Analysis

The Group’s total revenue fell 20% yoy to RMB6.60 billion for 1H2021. In the shipbuilding related segment, core shipbuilding generated revenue of RMB4.78 billion in 1H2021, compared to RMB5.29 billion in 1H2020 as the Group delivered 23 vessels in 1H2021, fewer than the 28 vessels delivered in the same period a year ago. Trading revenue declined from RMB1.56 billion for 1H2020 to RMB321.9 million for 1H2021 due to lower trading volume. Revenue from other shipbuilding businesses, which consist of shipping logistics & chartering and ship design services, was higher at RMB596.3 million in 1H2021 compared to RMB325.1 million in 1H2020, due to an expanded charter fleet size and improved charter rates.

Financial Highlights	1H2021	1H2020	Change
	RMB'000	RMB'000	%
Revenue	6,600,236	8,265,321	(20)
Gross Profit	1,686,313	1,983,910	(15)
Gross Profit Margin	26%	24%	2ppts*
Reversal of impairment loss/ (impairment loss) on financial assets	166,229	(334,286)	n.m.
Other Administrative Expenses	(249,529)	(246,291)	1
Finance Costs	(36,059)	(57,718)	(38)
Other Income	265,445	162,667	63
Other Gains, net	351,674	139,223	153
Net Profit Attributable to Equity Holders	1,638,920	1,177,753	39%
PATMI Margin	25%	14%	11ppts

*Ppts: Percentage points

The Group's debt investment at amortised costs remained at similar levels compared to a year ago, recording RMB16.6 billion as at 30 June 2021 compared to RMB17.0 billion as at 31 December 2020. Net interest income derived from the investment segment declined from RMB1.04 billion for 1H2020 to RMB857.0 million for 1H2021, underpinned by lower average interest rates from new investments compared to a year ago.

Gross profit on the Group level declined by 15% yoy to RMB1.69 billion in 1H2021 in-line with lower revenue, partially offset by a higher gross margin. Gross profit margin stood at 26% in 1H2021 as compared to 24% a year ago. The Group's shipbuilding business registered a gross profit margin of 14% for 1H2021, 2 percentage points lower than the 16% recorded in 1H2020, mainly due to the rising raw material costs coupled with strengthening of RMB against USD. Trading business typically records a low gross profit margin of around 1% but improved to 3% in 1H2021 due to higher commission income earned from acting as export agent of vessels. Other shipbuilding related businesses such as shipping logistics & chartering and ship design services registered a gross profit margin of 29% in 1H2021, higher than 21% for 1H2020, mainly due to improved charter rates for bulk carriers.

The Group recorded other gains of RMB351.7 million in 1H2021 due to a higher fair value gain of RMB162.2 million on financial assets at fair value through profit or loss, foreign exchange related gains of RMB112.6 million, higher subsidy income of RMB52.7 million. The Group also disposed of one unit of 82,000DWT bulk carrier held under its shipping arm in 1H2021, recording a gain of RMB25.4 million from disposal of property, plant and equipment.

The Group also recorded a net reversal of impairment loss on financial assets of RMB166.2 million under administrative expenses in 1H2021 as compared to a provision of impairment loss of RMB334.3 million in 1H2020. There was a net release of impairment provision following the repayment of debt investment at amortised costs during the period.

The Group delivered a net profit attributable to shareholders ('PATMI') of RMB1.64 billion for 1H2021, 39% higher than the RMB1.18 billion for 1H2020. PATMI margin for 1H2021 was 25% compared to 14% in 1H2020. The Group recorded net cash flow from operating activities of RMB3.08 billion in 1H2021 as compared with RMB715.6 million in 1H2020.

Balance Sheet (RMB'000)	30 June 2021	31 Dec 2020
Property, Plant and Equipment	4,966,130	5,226,004
Restricted Cash	731,583	15,624
Cash & Cash Equivalents	9,715,711	6,633,416
Debt Investment at Amortised Costs	16,626,280	16,957,689
Total Borrowing	4,682,842	4,244,053
Total Equity	34,189,013	33,376,515
Gross Gearing (Borrowings / Equity)	13.7%	12.7%
Net gearing*	Net cash	Net cash

* $[(restricted\ cash + cash\ \&\ cash\ equivalents) - total\ borrowing] / total\ equity$

The Group maintained a strong financial position with net cash as at 30 June 2021 with net asset value per share of RMB8.61 as at 30 June 2021 (31 December 2020: RMB8.40).

REVIEW / OUTLOOK/ FUTURE PLANS

Buoyed by favourable market sentiments and hinging on Group's reputation and capabilities in shipbuilding, 1H2021 was monumental for the Group across multiple aspects including the value of and the types of orders placed. As of announcement date, the Group has achieved an unparalleled outstanding orderbook of USD8.65 billion for 167 vessels after inking record-high order wins (based on total contract value) YTD in 2021 for 112 vessels and total contract value of USD6.67 billion. New orders in 2021 include the following:

Vessel Type	No. of Vessels
24,000TEU containerships	4
15,000TEU containerships	16
12,200TEU containerships	5
11,800TEU containerships	6
4,600TEU containerships	10
3,500TEU containerships	5
3,300TEU containerships	3
2,600TEU containerships	4
2,400TEU containerships	4
1,800TEU containerships	12
82,300DWT bulk carriers	16
66,000DWT bulk carriers	4
31,800DWT Great Lake bulk carriers	4
50,000DWT MR tankers	4
9,150DWT chemical tanker	1
29,800DWT self-loading bulk carrier	1
40,000 CBM LPG vessels	3
LNG Dual-fuel 7,000TEU containerships	10

Out of these new orders, Yangzijiang has clinched its first batch of orders for 3 units of 40,000 CBM LPG vessels as well as 10+5¹ units of LNG dual-fuel 7,000TEU containerships, a huge step forward for Yangzijiang in the clean energy sector and represents fruition of the Group's investment in R&D towards the designing and building of clean energy vessels. The LNG fuel storage and supply system, and LNG tanks were jointly designed by Yangzijiang, laying a strong foundation for Group's further expansion in the LNG market and placed the Group amongst the playing field of other shipyards that were known to enjoy monopoly over the construction of dual-fuel engine vessels.

These dual-fuel engines and vessels comply with, and exceeds the current guidelines initiated by the IMO. Yangzijiang remains in support of the reduction of carbon emissions of the shipping industry with the ultimate goal of achieving carbon-neutrality and will continue its efforts to develop strong capabilities within the LNG market.

¹ Orders for 5 units of LNG dual-fuel 7,000TEU containerships will come into effect this month, in August 2021

Yangzijiang remains confident to further capture market share within the clean energy sector as more shipowners look to purchase similar vessels to ensure functionality and relevance of their new-built vessels. This bodes well for the Group given the comparatively greater value-add for clean energy vessels and as the shipping industry pivots to sustainable growth.

“Yangzijiang’s best year in terms of the value of contract wins and outstanding orderbook speaks to the strength and reputation of our shipbuilding business. While we continue to pursue growth and set our sights on becoming one of the best shipyards in the world, it also our priority to create a positive impact on the shipping industry and be part of the advancement towards its carbon neutrality goals.

In 2021, there were significant breakthroughs for the Group as we secured our first batch of 40,000 CBM LPG vessels and LNG dual-fuel 7,000TEU containerships, both of which are unprecedented in the Group’s shipbuilding history. This represents the Group’s commitment towards environmental sustainability and we look to further solidify our competitive advantages in the LNG market and play our part against climate change.

---- Mr. Ren Letian (任乐天)

Executive Chairman and CEO, Yangzijiang Shipbuilding (Holdings) Ltd

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Company Profile

Established in 1956, Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang Shipbuilding” or collectively known as the “Group”) 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 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 Northern 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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