



## **YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.**

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

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### **FURTHER RESPONSE TO SGX QUERIES ON COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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The Board of Directors (the “**Board**”) of Yangzijiang Shipbuilding (Holdings) Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the reply dated 21 April 2023 to the queries regarding the Company’s Annual Report for the financial year ended 31 December 2022 from the Singapore Exchange Securities Trading Limited (“**SGX**”). The Board wishes to rectify a discrepancy found in the Annual Report. While it indicated that a board diversity policy “will be put in place,” it is important to clarify that the Board had already officially adopted the Board Diversification Policy in 2022 (as amended from time to time).

We place significant emphasis on fostering diversity and inclusion at all levels of our organization. We understand the importance of diversity, including gender, skills, and experience, within our board of directors.

#### **Our Board Diversification Policy:**

##### **Objectives and Targets:**

Our Board Diversification Policy is a testament to our dedication to promoting diversity within our board. This policy sets clear objectives, which include:

1. To promote diversity, including but not limited to, diversity in terms of gender, skills, and experience on the board.
2. To create a board composition that reflects the diversity of our workforce and stakeholders.
3. To foster an inclusive environment where all board members feel valued and can contribute to the Company's growth.

In line with these objectives, we have set specific targets for our board composition. These targets include gender diversity and the maintenance of a diverse range of skills and industry backgrounds among our board members.

##### **Plans and Timelines:**

###### **1. Recruitment and Nomination Process:**

To identify a diverse slate of candidates for each board opening from different sources based on the above targets.

Regularly assess and update the board's skills matrix and diversity profile to inform future nominations.

###### **2. Onboarding and Development:**

Provide training and resources to all board members to promote an inclusive environment and enhance their understanding of diversity issues.

### **3. Reporting and Accountability:**

The Nominating Committee (“NC”) reviews and assesses Board composition annually on behalf of the Board and recommends the appointment of new Directors. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including but not limited to those described above. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Diversity is a key criterion in the instructions to external search consultants.

#### **Progress Tracking:**

Over the past years, we have made significant strides in enhancing the diversity of our board of directors. Our commitment to fostering diversity, including gender, skills, and experience, has yielded substantial results.

##### **1. Inclusion of Female Representation:**

One of our primary objectives was to have female representation on our board. We are proud to report that we have made considerable progress in this regard. In 2022, we welcomed our first female board member. This achievement underscores our dedication to gender diversity and the value we place on the contributions of women in leadership roles.

##### **2. Diversity of Skills and Backgrounds:**

In addition to gender diversity, we have taken substantial steps to ensure diversity in skills and backgrounds among our directors. Our board now comprises members from a wide array of industries and professional backgrounds. This diversification of skills and experiences has enhanced our decision-making processes, bringing in fresh perspectives and innovative thinking.

Furthermore, in February 2023, we proudly welcomed a new director Mr Poh Boon Hu Raymond to our board who brings an impressive background in banking industry and capital markets. This strategic appointment exemplifies our commitment to enhancing the diversity of skills and backgrounds on our board, ensuring that our governance structure remains well-rounded and well-equipped to address the ever-changing challenges of our industry and capitalize on emerging opportunities. The board's skills matrix has been continuously assessed and updated to align with our evolving needs and diversity goals.

The combination of these achievements has not only made our board more representative of our organization's values but also strengthened our governance structure. The diversity of skills and backgrounds among our directors has led to more informed and well-rounded decisions, and ultimately serving the needs and plans of our Company.

#### **Benefits of Diversity on the Board:**

The combination of skills, talents, experience, and diversity among our board of directors plays a pivotal role in meeting the needs and advancing the plans of the Company.

- 1. Informed Decision-Making:** Our diverse board bring a wide range of professional backgrounds and experiences to the table. This diversity ensures that decisions are made after careful consideration of various viewpoints and approaches, leading to more well-informed and robust choices that drive our Company's success.

2. **Risk Mitigation:** The diverse skills and talents represented on our board provide a depth of knowledge necessary to assess and mitigate risks effectively. Through thorough and multifaceted risk analysis, we can better safeguard the interests of our Company and stakeholders.
3. **Effective Problem-Solving:** Complex challenges often require diverse approaches. Our directors' diverse skill sets and experiences enable our board to tackle problems from multiple angles, ensuring that we identify the best solutions for any given situation.
4. **Stakeholder Trust and Reputation:** The presence of directors from different backgrounds and experiences enhances our organization's credibility and reputation. This trust extends to our stakeholders, including employees, customers, and investors, who value a governance structure that reflects their diversity and needs.
5. **Adaptability:** Our Company operates in a dynamic and ever-changing environment. The diverse backgrounds of our board members allow us to adapt to new industry trends, technologies, and challenges. We are better equipped to capitalize on opportunities and respond effectively to unforeseen disruptions.

In summary, the combination of skills, talents, experience, and diversity among our directors not only fulfils our Company's immediate needs but also aligns with our long-term plans. It positions us to make informed, innovative, and strategic decisions while building trust and adapting to a rapidly evolving business landscape. Our board composition reflects our commitment to meeting the diverse and evolving needs of our organization and its stakeholders.

We believe that our Board Diversification Policy is pivotal to our long-term success, aligning with our organizational values and strategic objectives. It reflects our commitment to creating a governance structure that mirrors the diversity of our workforce and stakeholders.

By Order of the Board

Ren Letian  
Executive Chairman and Chief Executive Officer

9 November 2023