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MEDIA RELEASE

Yangzijiang Shipbuilding’s 1H2024 net profit grows 77.2% yoy to a record high of RMB3.06 billion

- Revenue rose 15.3% yoy to RMB13.0 billion driven by higher shipbuilding activities and improved shipping charter rates.
- Gross margin expanded 8.1 ppts to 26.7% due to more favourable contract pricing, and a favourable exchange rate.
- Secured new order-wins of USD8.5 billion for 79 vessels in 1H2024, achieving 188% of the annual target. Total outstanding orderbook at record USD20.2 billion for 224 vessels.
- Made headway with energy transition plans for a new manufacturing base for clean energy vessels and government approval for an LNG terminal.

SINGAPORE – 12 August 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 ended 30 June 2024 (“1H2024”).

Financial Highlights	1H2024	1H2023	Change
	RMB mil	RMB mil	%
Revenue	13,048.6	11,321.0	15.3
Gross Profit	3,484.1	2,109.7	65.1
Gross Profit Margin	26.7%	18.6%	8.1 ppts
Profit attributable to equity holders (“Net Profit”)	3,058.4	1,726.0	77.2
Net Profit Margin	23.4%	15.2%	8.2 ppts

Yangzijiang Shipbuilding reported revenue of RMB13.0 billion for 1H2024, which was 15.3% higher on a year-on-year (“yoy”) basis. The core Shipbuilding segment contributed 95.0% of the total sales.

For 1H2024, the Shipbuilding segment recorded a 16.3% or RMB1.7 billion yoy improvement in revenue at RMB12.4 billion. This was due to increased progressive construction activities and better pricing of overall newbuild vessels. During the reporting period, the Group delivered a total of 35 vessels. Together with the 2 ships built for its own fleet, the Group had achieved 59% of its annual delivery target of 63 vessels.

The Shipping segment recorded an increase in revenue of 13.5% yoy to RMB604.4 million for 1H2024 due to the increase in charter rates. Other businesses, which comprise terminal services, trading, ship design services and investment property came in at RMB46.2 million for 1H2024.

Gross profit surged 65.1% to RMB3.5 billion for 1H2024. This translated to gross profit margin of 26.7%, which was 8.1 percentage points (“**ppts**”) higher than the previous year. The margin expansion was primarily due to a favourable foreign exchange rate with the depreciation of RMB against USD, as well as revenue recognition from contracts with more favourable pricing.

Consequently, 1H2024 profit attributable to equity holders of the Company (“**net profit**”) jumped 77.2% yoy to RMB3.1 billion.

The Group’s balance sheet remained at a healthy position with a net cash position of RMB16.2 billion.

Outlook and Future Plans

Driven by regulatory push by the International Maritime Organization (“**IMO**”) and European Union (“**EU**”) legislation, investment into alternative marine fuels by ship liners continues to gain momentum. Out of the available alternatives, liquified natural gas (“**LNG**”) remains top-choice when it comes to low-carbon shipping due to its price competitiveness and ready infrastructure.¹

During the period under review, Yangzijiang Shipbuilding secured a total of 79 new orders worth USD8.5 billion. Demand for clean energy vessels remained robust with 79% of the new orders being classified under this category, including 12 gas carriers, 18 LNG dual-fuel vessels, and 17 methanol dual-fuel vessels.

These new order-wins brought the Group’s total outstanding orderbook to a record-high amount of USD20.2 billion for 224 vessels, providing earnings visibility up to mid-2028.

In line with the global trajectory, the Group is positioning itself to capitalise on the energy transition megatrend by enhancing its capabilities and capacity, as well as venturing into synergistic businesses.

On 15 July 2024, the Group signed a framework agreement with the local government to acquire 866,671 square metres (“**sqm**”) of land adjacent to its Yangzi Xinfu Yard. The land will be developed into a new clean energy ship manufacturing base upon further approval from various governmental agencies. The planned total capital expenditures (“**CAPEX**”) for this expansion are approximately RMB3 billion, to be deployed over the next two years. Once completed, the new facility will be able to support the higher demand anticipated for clean energy vessels.

Moreover, the Group has recently received the government approval to convert its fully-owned chemical terminal along the Yangtze River into an LNG terminal. This project, together with the construction of a new LNG storage tank facility, will enable us to develop a comprehensive LNG logistics hub with storage and distribution capabilities. The estimated capital expenditure for the terminal conversion project and the LNG storage tank facilities will be approximately RMB 1 billion each. Once operational, the LNG terminal and the storage tank facilities is expected to provide an additional revenue source to the Group, whilst strengthening the collaborations with LNG ship liners and traders.

Executive Chairman and CEO of Yangzijiang Shipbuilding, Mr. Ren Letian (任乐天) said, *“The energy transition push continues to be the focal point in the maritime industry given the accelerated regulatory developments in the past few years. Our recent success is a testament to the forward-*

¹ <https://www.rystadenergy.com/news/lng-shipping>

looking mindset of the leadership team. Today, we are well-equipped to deliver cutting-edge vessels that meet the environmental criteria of our customers and the industry.

We are not resting on our laurels just yet as we set our eyes on capacity expansion to match the robust demand trajectory anticipated for clean energy vessels. Furthermore, we are also looking at diversifying our revenue stream with the operations of an LNG terminal, which provides recurring and defensive income in the long run. These will ensure that we remain at the forefront of the maritime industry and maintain our market leadership position.”

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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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