



Yangzijiang Shipbuilding (Holdings) Ltd.
扬子江船业(控股)有限公司

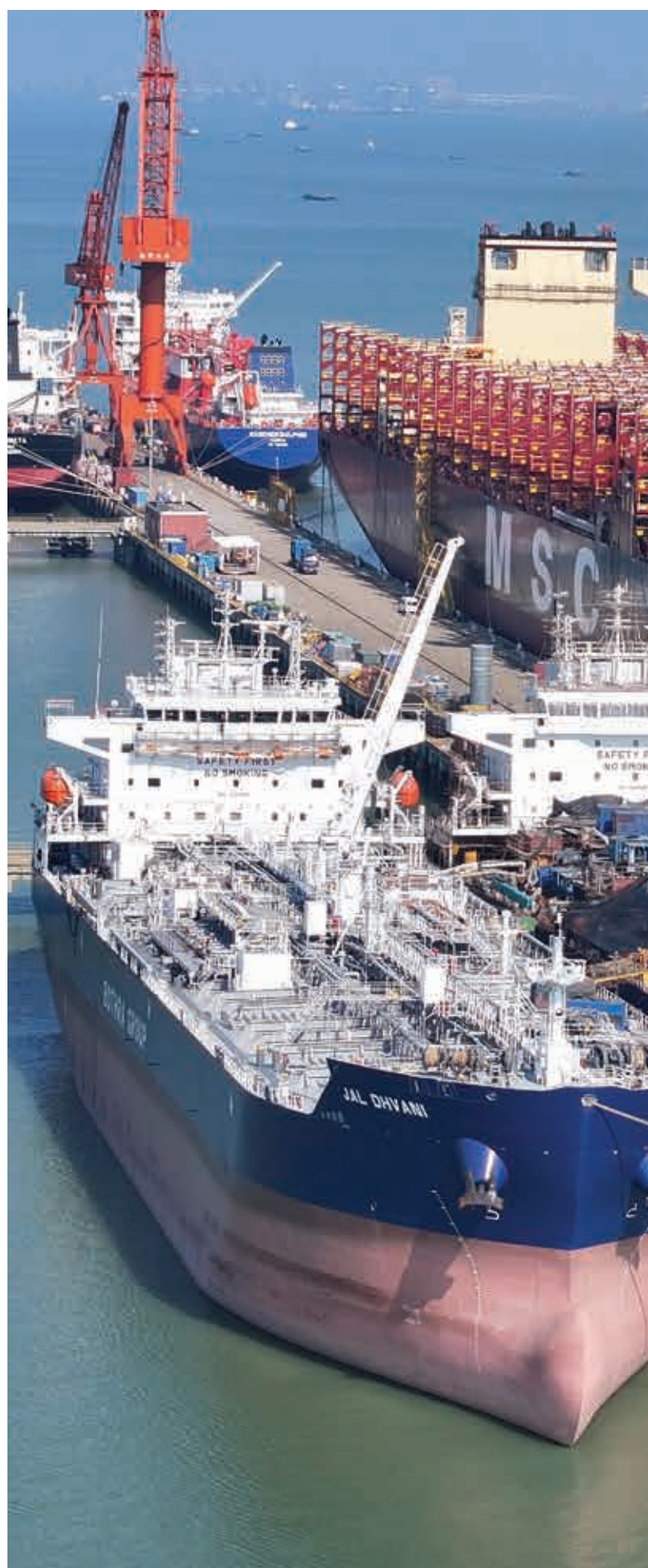


STAYING THE COURSE, DELIVERING VALUE

ANNUAL REPORT 2025

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CORPORATE PROFILE

**WE ARE ONE OF THE LARGEST
PUBLICLY LISTED
SHIPBUILDING COMPANIES
IN CHINA; EN ROUTE TO
WORLD-CLASS EXCELLENCE**

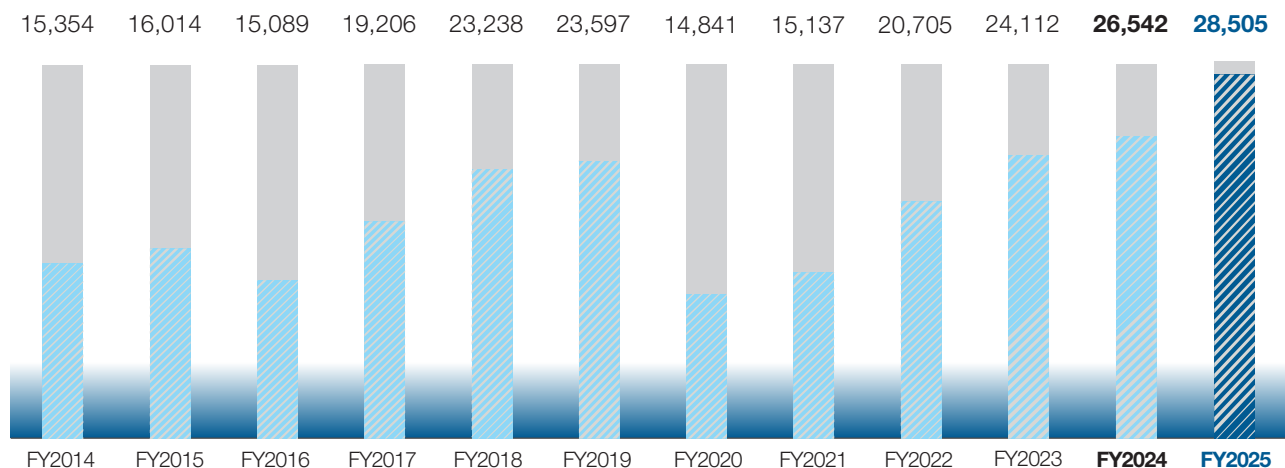
We produce a broad range of commercial vessels such as containerships, oil tankers, bulk carriers, LNG vessels and other gas carriers, our shipbuilding bases are strategically located along the Yangtze River:

- Jiangsu New Yangzi Shipbuilding Co., Ltd
("New Yangzi Yard")
- Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd
("Xinfu Yard")
- Jiangsu Yangzijiang Shipbuilding Group Co., Ltd
("Yangzijiang Yard")
- Jiangsu Yangzi-Mitsui Shipbuilding Co., Ltd.
("YAMIC Yard")
- Jiangsu Yangzi Hongyuan Shipbuilding Co., Ltd.
("Hongyuan Yard") (under construction)



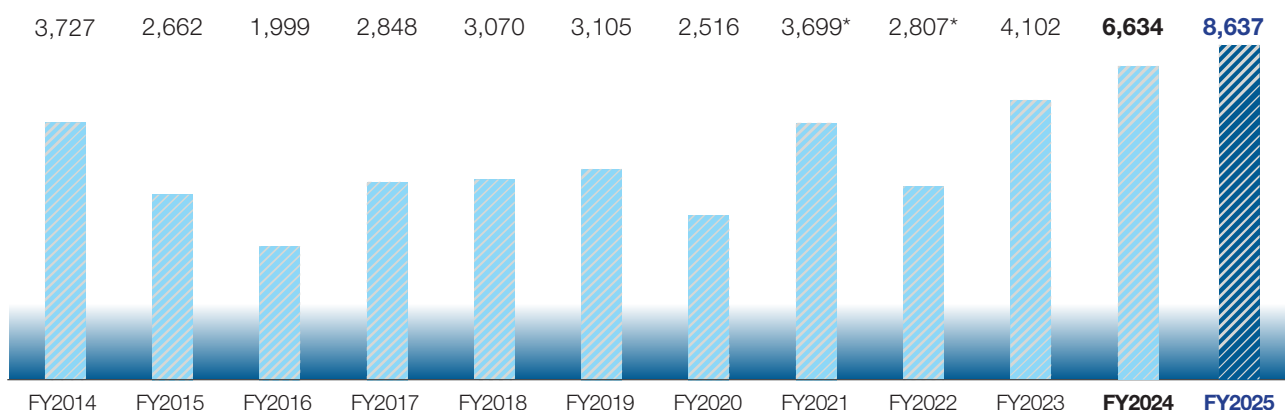
FINANCIAL HIGHLIGHTS

REVENUE* (RMB'MILLION)



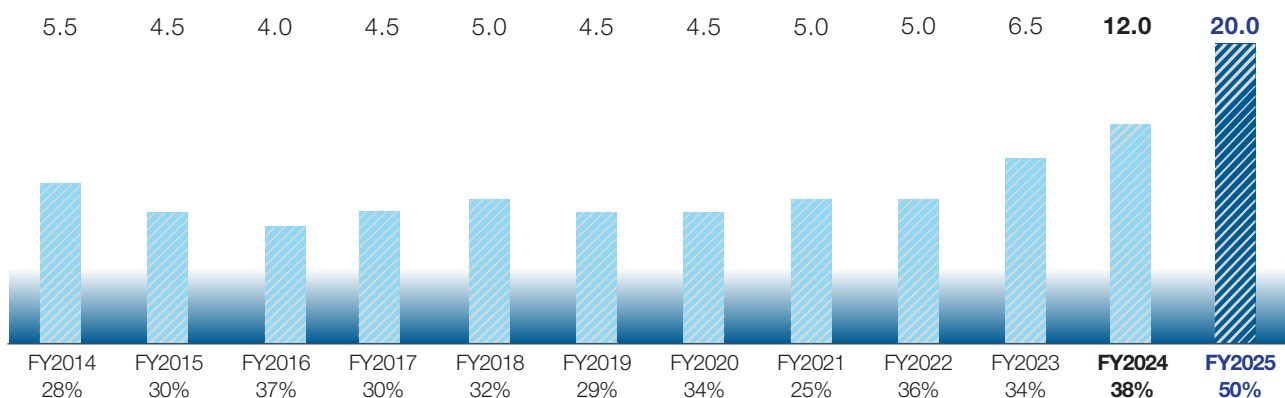
* Revenue from FY2021 onwards relate to revenue from continuing operations only

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RMB'MILLION)



* Net profit attributable to shareholders for FY2021 and FY2022 relate to profit from both continuing operations and discontinued operations

DIVIDEND (SINGAPORE CENTS)/DIVIDEND PAYOUT RATIO (%)



FINANCIAL
HIGHLIGHTS

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
RESULTS					
Revenue	28,504,820	26,541,716	24,112,330	20,705,076	15,137,154
Gross profit	9,760,973	7,608,147	5,410,253	3,197,198	2,084,327
Other income	953,154	794,178	577,891	454,626	436,344
Other gains/(losses)	51,652	161,490	(328,184)	233,110	958,719
Net profit from continuing operations	8,637,076	6,633,616	4,101,548	2,612,904	1,971,192
Net profit from discontinued operations	-	-	-	194,576	1,727,440
Net profit attributable to shareholders	8,637,076	6,633,616	4,101,548	2,807,480	3,698,632
Basic EPS (RMB cents)	219.23	167.91	103.82	71.25	95.79

FINANCIAL POSITION					
Total assets	58,333,847	54,556,325	40,864,327	32,967,103	51,612,264
Shareholders' equity	32,141,914	26,277,952	20,940,553	17,573,131	35,923,416
Cash and cash equivalents	20,075,701	28,119,740	16,560,685	10,778,393	12,363,193
Net asset value per ordinary shares (RMB cents)	816.70	665.17	530.06	444.82	915.62

MARKET CAPITALISATION AT PERIOD END					
Dividends (Singapore dollar)	0.200	0.120	0.065	0.05	0.05
Share price at Period End (Singapore dollar)	3.480	2.990	1.490	1.360	1.340
Payout ratio	50%	38%	34%	36%	25%
P/E	8.66	9.48	7.72	9.89	6.71
P/B	2.33	2.39	1.51	1.58	0.69
Dividend yield	5.75%	4.01%	4.36%	3.68%	3.73%
No. of shares ('000)	3,935,589	3,950,589	3,950,589	3,950,589	3,923,414

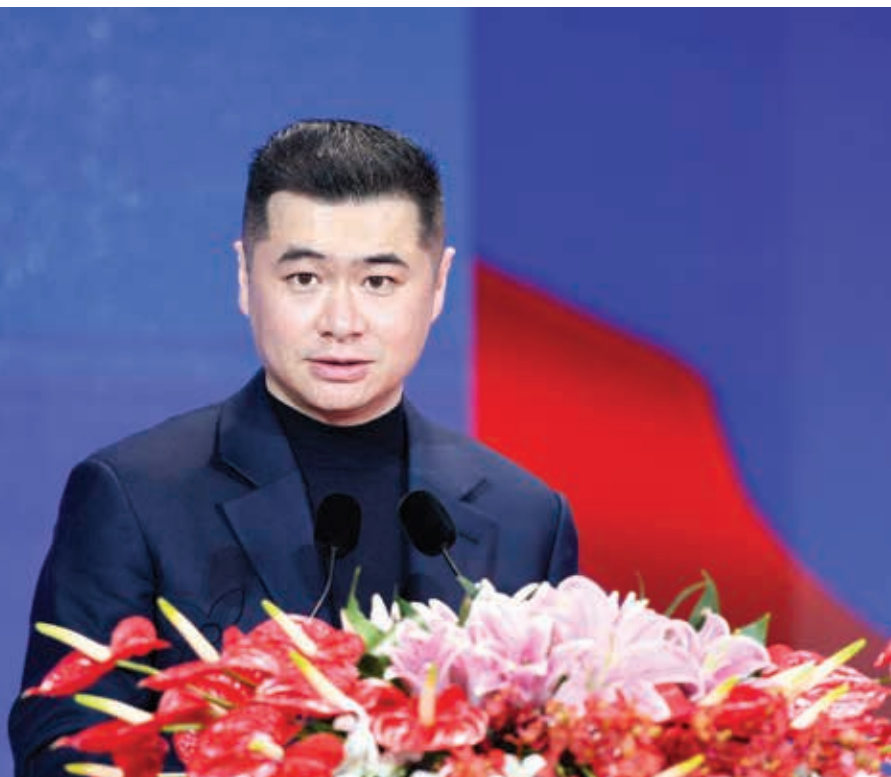




STAYING THE COURSE IN A DYNAMIC MARKET ENVIRONMENT

Staying focused amid market volatility, the Group delivered record profitability, supported by disciplined execution and operational excellence.

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

STAYING THE COURSE IN TURBULENT WATERS

2025 was a challenging year for the global maritime economy, where heightened geopolitical uncertainties, evolving trade policies, and regulatory pressures tested the resilience of the industry worldwide. Notwithstanding these headwinds, Yangzijiang Shipbuilding delivered a solid financial performance, achieving record high revenue and profitability. This strong performance is a testament to our disciplined execution and commitment to quality production, positioning Yangzijiang Shipbuilding to further strengthen our orderbook visibility.

RECORD HIGH REVENUE AND PROFITABILITY

During the year, our total outstanding orderbook stood at US\$22.4 billion, comprising 245 vessels scheduled for delivery between 2026 to 2030. Notably, green vessels accounted for 71% of the total orderbook value, underscoring our strategic focus on energy efficiency vessels in support of the industry's transition to maritime decarbonisation. At the same time, we delivered a total of 56 vessels, including 11 vessels delivered by our joint venture company, Jiangsu Yangzi-Mitsui Shipbuilding Co. Ltd

(“YAMIC”), achieving our FY2025 delivery target through timely and quality execution.

Revenue for the year reached an all-time high of RMB28.5 billion, recording a 7.4% year-on-year (“yoy”) increase, driven by notable growth in our core shipbuilding business. Gross profit grew by 28.3% yoy to RMB9.8 billion, with gross profit margin expanding by 5.5 percentage points (“ppts”) to 34.2%, supported primarily by stronger newbuild pricing and lower raw material costs. In addition, higher contributions from YAMIC and our strategic investment in Tsuneishi Zhoushan Shipbuilding further bolstered overall profitability.



**CHAIRMAN'S
STATEMENT****STRENGTHENING OUR CORE**

The global maritime industry continues to navigate an environment marked by volatility and uncertainty. In the first half of the year, tariff measures introduced renewed headwinds to global trade flows, delaying shipowners' ordering decisions. Despite these near-term disruptions, market sentiment gradually improved in the second half of 2025 with order momentum picking up. This positive momentum is expected to continue

into 2026, supported by ongoing fleet renewal needs and growing demand for green vessels amid the global decarbonisation push.

Against this backdrop, Yangzijiang Shipbuilding remains focused on strengthening our core capabilities and investing in long-term capacity expansion. Construction of the Hongyuan yard remains on track for completion by end 2026, with preliminary shipbuilding activities such as steel fabrication having

already commenced in early 2026. The first vessel delivery from the yard is expected to be in 2027.

With shipyard capacity largely committed after the second half of 2029, we will continue to pursue new orders on a disciplined, market-oriented basis. We have set a 2026 order-win target of US\$4.5 billion, focusing on securing the remaining delivery slots in 2029 while progressively opening delivery positions for 2030.



CHAIRMAN'S STATEMENT

REMAINING AGILE AMID MARKET VOLATILITY

The Baltic Exchange Dry Index (“BDI”) remained volatile in 2025, averaging 1,681 points for the full year¹, reflecting evolving trade patterns and shifting supply demand dynamics. Despite these challenges, we remain focused on maintaining our fleet scale. Through selective acquisitions and disposals, we continue to strengthen asset quality and ensure alignment with evolving market requirements.

Operationally, we maintained a flexible deployment strategy, prioritising spot charters to preserve fleet agility during periods of market volatility, while remaining ready to secure attractive time charters when opportunities arise.

In tandem, the construction of our LNG Terminal Project is progressing steadily and is expected to commence operations in the first half of 2027. The facility will comprise wharf slots for LNG vessels as well as onshore LNG storage tanks. Once operational, this facility is expected to support the diversification of our revenue streams and strengthen the pipeline of potential order inflows for our core shipbuilding business.

DELIVERING VALUE TO SHAREHOLDERS

In recognition of our strong performance, robust orderbook backlog which enhances cash flow visibility, the Board has decided to raise the dividend payout for FY2025 to 50%² and is proposing



a final dividend of 20.0 Singapore cents per ordinary share, subject to shareholders’ approval in the upcoming Annual General Meeting. This is a 66.7% increase from our FY2024 dividend of 12.0 Singapore cents.

ACKNOWLEDGEMENTS

On behalf of the Board, I extend our sincere appreciation to our employees, customers, business partners, and shareholders for their continued trust and support. The team’s relentless efforts have been instrumental in strengthening the Group’s performance and positioning us for the future.

¹ Bloomberg data

² Calculated based on CNY/SGD of 0.1832 as of 31 December 2025.

CHAIRMAN'S
STATEMENT

As we turn the page to the next chapter, we remain steadfast in our commitment to sharpening our competitive edge. Our strategic priorities remain centered on expanding our capabilities and advancing innovation in energy efficiency vessels, paving the way toward a low-carbon future. Backed

by a robust orderbook and a clear vision, we will navigate the evolving maritime landscape with confidence and continue delivering sustainable value to our shareholders.

Thank you for your continued support and confidence in Yangzijiang Shipbuilding.

REN LETIAN

Executive Chairman & Chief Executive Officer
Yangzijiang Shipbuilding (Holdings) Ltd.

CORPORATE MILESTONES

2007

- Successful listing on SGX
- Launched New Yangzi Yard

2008

- Expanded shipyard by 1 million square meters

2009

- Awarded runner-up for Most Transparent Company (Foreign Listing Category) at SIAS Investors Choice Awards 2009

2010

- First Chinese-majority owned company listed on Taiwan Stock Exchange
- Largest and most profitable S-ship company listed on SGX

2011

- Awarded Most Transparent Company Award 2011 (Foreign Listing Category) at SIAS Investors Choice Awards 2011
- Launched the first Chinese-built ship with a Groot Cross-bow
- First Chinese yard to receive orders for 10,000TEU containership vessels

2012

- Executive Chairman, Mr Ren Yuanlin, was voted by Lloyd's List as one of the top 100 most influential personalities in the shipping industry
- Awarded Most Transparent Company Award 2012 (Foreign Listing Category) at SIAS Investor Choice Awards 2012
- New vessel designs, such as 45,000DWT, 46,500DWT, and 8,500DWT vessels, were awarded "New-High-Technology" certifications by the Jiangsu Provincial Technology Board in 2012

2013

- Launched China's first ever 10,000TEU containership in September 2013
- First company to trade its shares in RMB on SGX, in addition to its existing SGD counter on SGX dual-currency trading platform
- Completed the placement of 330,000,000 warrants at an issue price of RMB0.3072 (S\$0.0605) for each warrant, with each warrant carrying the right to subscribe for one (1) new share in the capital of the company at the price of RMB7.617

2014

- Yangzi Xinfu Yard became fully operational and successfully delivered six (6) 10,000TEU containerships
- Clinched orders of its four (4) largest ever 260,000DWT Very Large Ore Carriers ("**VLOC**") from its first Australian customer
- New Yangzi Yard was qualified as a High/New Technology Enterprise and was entitled to a preferential corporate income tax rate of 15% for three years from 2013

2015

- Diversified shipbuilding product mix to LNG carriers with orders worth US\$135 million
- Re-entered STI index from 21 September 2015
- Awarded Gold at PR Awards 2015 for Best IR Campaign in March 2015
- Awarded prestigious Shipbuilding & Repair Yard Award at Seatrade Maritime Awards Asia 2015 in November 2015

2016

- Successfully delivered its first 260,000DWT VLOC which was the largest ever in terms of deadweight tonnage
- Awarded new shipbuilding orders for six (6) 400,000DWT VLOCs by ICBC Leasing, marking a rare case where a Chinese state-owned shipowner placed orders with a non-state-owned shipyard

2017

- Successfully delivered its first Liquefied Natural Gas ("LNG") carrier
- Successfully delivered its largest 11,800TEU containerships
- Successfully launched the first batch of 400,000DWT VLOC which was the largest dry bulk carriers in the world
- Yangzi Xinfu Yard was qualified as a High/New Technology Enterprise and was entitled to a preferential corporate income tax rate of 15% for three years from 2016

2018

- Successfully delivered the first batch of 400,000DWT VLOC
- Joint-ventured with the prominent Japanese shipbuilding yard, Mitsui E&S Shipbuilding Co., Ltd. and Mitsui & Co., Ltd. to establish a shipbuilding joint venture in Taicang, Jiangsu Province

2019

- Started operations of Jiangsu Yangzi-Mitsui Shipbuilding Company ("YAMIC") in August 2019, which is the JV between Mitsui E&S Shipbuilding and Yangzijiang Shipbuilding Holdings

CORPORATE
MILESTONES

2020

- Mr Ren Letian, Group CEO, was appointed as Executive Chairman in April 2020
- Successfully delivered its largest 12,690TEU containerships
- Clinched the first ever 24,000TEU containership orders in December 2020, which was the largest containership in-use in the world

2021

- Achieved record order-wins of US\$7.41 billion for 124 vessels
- Completed the acquisition of remaining 20% stake in Jiangsu Yangzi Xinfu Shipbuilding Co., which owns one of the Group's largest dock facilities
- Clinched its first batch of orders for 40,000CBM Liquefied Petroleum Gas ("LPG") carriers and 7,000TEU LNG dual-fuel containerships
- Proposed spin-off listing of its investment business on SGX Mainboard

2022

- Completed the spin-off of its investment business on SGX Mainboard in April 2022
- Built a record number of vessels of 71 units in 2022, of which 67 units were delivered to customers and 4 units were added to own fleet
- Clinched its first-ever orders of four (4) 8,000TEU LNG dual-fuel containerships that carry the GTT Mark III technology and equipped with an ammonia-ready fuel tank in July 2022
- Entered a Technical Assistance and License Agreement ("TALA") with GTT, a technological expert in membrane containment systems in September 2022
- Successfully delivered its largest 15,000TEU containership in October 2022
- Successfully launched its largest 24,000TEU containerships in October 2022, which is the largest containership in the world
- Awarded runner-up of Most Transparent Company Award (Industrials Category) at the SIAS Investors' Choice Awards 2022
- Established an ESG Committee to optimise ESG management system and contribute to global environmental commitments
- New Yangzi Yard, Yangzi Xinfu Yard, and YAMIC were qualified as the High/New Technology Enterprise and were entitled to a preferential corporate income tax rate of 15% for three years from 2022

2023

- Acquired additional 45% equity interest in Jiangsu Yangzi Jiasheng Terminal Co., Ltd., bringing total controlling stake to 100%
- Commenced construction of LNG storage facilities adjacent to Jiasheng Terminal
- Acquired a landmark office building in 39 Robinson Road Pte. Ltd. to enhance its profile and deepen its roots in Singapore



- Delivered its first 40,000CBM LPG carriers with ammonia-ready technology
- New Yangzi Yard, Yangzi Xinfu Yard, and YAMIC Yard were honoured "Green and Smart Factory" status
- Introduced 2030 sustainability checkpoint of achieving a 25% reduction in carbon intensity compared to 2023

2024

- Repositioned YAMIC Yard to focus on high-end gas carrier construction. Profit contribution from YAMIC more than doubled in the year
- Launched Project Hongyuan, a new world-class clean energy ship manufacturing base adjacent to Xinfu Yard, which is expected to commission by end-2026
- Commenced full construction of the LNG terminal project, including terminal conversion and LNG storage facilities construction
- Delivered the maiden 1,260TEU methanol dual-fuel containership in May 2024
- Completed the first batch of 40,000CBM LPG/LAG dual-fuel carriers in September 2024
- Delivered the first 16,000TEU LNG dual-fuel containership in October 2024
- Awarded the "Highest Returns to Shareholders Over Three (3) Years" at the Edge Singapore Billion Dollar Club 2024

2025

- Completed the acquisition of a 34% equity interest in Tsuneishi Group (Zhoushan) Shipbuilding Co., Ltd., combining the strengths of both groups in research and development, shipbuilding and supply chain capabilities to maximise synergies and achieve complementary benefits
- Delivered the maiden batch of three 36,000m³ dual-fuel LEG carriers from YAMIC Yard in October 2025, reflecting further progress in high-end gas carrier construction capability.
- Awarded the "Highest Returns to Shareholders Over Three (3) Years" in the Industrials category at *The Edge Singapore Billion Dollar Club 2025*





POSITIONING FOR SUSTAINABLE GROWTH

Through continued investment in capacity expansion and advanced vessel capabilities, we are positioning the Group for sustained growth in a decarbonising maritime industry.

BOARD OF DIRECTORS



REN LETIAN

Executive Chairman and
Chief Executive Officer,
Chairman of ESG Committee

Mr. Ren Letian was appointed as Executive Chairman of the Company on 30 April 2020 and the Chief Executive Officer of the Group on 1 May 2015.

Mr. Ren Letian joined the Group as a site project manager in year 2006. Since then, he has assumed several managerial roles at various levels and business divisions in the Group, and gained in-depth knowledge of the operations of the Group.

Under the management of Mr. Ren Letian, the Group's Yangzi Xinfu Yard had successfully delivered 6 vessels of 10,000TEU containerships in 2014 despite numerous challenges faced by the Yangzi Xinfu Yard which only turned operational in 2013. In addition, in 2022, the company clinched its first-ever orders of four (4) 8,000TEU LNG dual-fuel containerships that carry the GTT Mark III technology and equipped with an ammonia-ready fuel tank. He has also received several recognitions from the local government for his outstanding achievements.

He now helms the Group's overall shipbuilding operations and exhibits increased maturity and capability in overseeing various business functions that are integral to the successful delivery of quality vessels.

Mr. Ren Letian is the son of Mr. Ren Yuanlin, the Honorary Chairman of the Group, and holds a Master's Degree from London Southbank University.



YEE CHIA HSING

Independent Non-Executive Director,
Chairman of
Audit and Risk Committee

Mr. Yee Chia Hsing was appointed as Independent Director of our Company on 25 April 2024. Mr. Yee, a First-Class Honours graduate in Accountancy from Nanyang Technological University Singapore, has significant experience in corporate finance, capital markets and management.

Mr. Yee has more than 20 years of experience in the banking and finance industry. After his banking career, he went on to head a health supplements division of a SGX listed company, before taking on the Executive Director/CEO role in another SGX listed company with hospitality assets.

Mr. Yee is a Member of the Audit Committee of Ren Ci Hospital (non-director role). He also sits on the boards of Beng Kuang Marine Limited, Hiap Tong Corporation Ltd, Union Gas Holdings Ltd, Sunpower Group Ltd. and Zhongmin Baihui Retail Group Ltd as Independent Director. Mr. Yee served as a Member of Parliament of Chua Chu Kang GRC ("Nanyang division") from 2015 to 2020.



YEE KEE SHIAN, LEON

Lead Independent
Non-Executive Director,
Chairman of Nominating Committee

Mr. Yee is the Chairman of Duane Morris & Selvam LLP. He serves as the Global Head of Corporate, and leads the Banking & Finance, Fintech & Blockchain, Energy and China practice groups.

He has over two decades of extensive corporate law expertise and regularly advises ultra-high net worth individuals, private equity funds, investment banks, listed and private companies on corporate finance, venture capital, capital markets, takeovers, cross-border mergers and acquisitions, corporate governance, corporate restructurings, joint ventures, as well as complex financing transactions.

Mr. Yee currently also serves as an Independent Non-Executive Director of F J Benjamin Holdings Ltd, Oxpay Financial Limited, Oxley Holdings Limited, TEHO International Inc Ltd and Yangzijiang Financial Holding Ltd, all of which are SGX-ST listed companies.

In addition, he serves on the Advisory Board of Nanyang Business School (NBS) at Nanyang Technological University. He is also a Board member of the Gambling Regulatory Authority, a statutory board under the Ministry of Home Affairs.

Mr. Yee read Law at Christ's College, Cambridge University, where he graduated with honours in 2000. He went on to obtain a Master of Arts from Christ's College, Cambridge University in 2006.

He is an Advocate & Solicitor of the Supreme Court of Singapore and a Solicitor of England and Wales.

BOARD OF DIRECTORS

Ms. Liu was appointed as Non-Independent Non-Executive Director of our Company on 4 August 2022. Ms. Liu joined Yangzijiang Shipbuilding (Holdings) Ltd. as finance controller in November 2007 and was redesignated as Chief Financial Officer of the Group in June 2008. She currently also serves as Executive Chairman of Yangzijiang Financial Holdings Ltd.

Ms. Liu has extensive experience in finance and corporate financial management. Prior to joining Yangzijiang Shipbuilding, Ms. Liu was the Finance Controller of Global Container Freight Pte Ltd, in charge of overall financial function of its subsidiaries in Singapore, China, Taiwan, Malaysia, Myanmar, Cambodia, Thailand and Vietnam.

Ms. Liu graduated from Oxford Brookes University with a Bachelor's Degree in Applied Accounting in 2003. She has been a member of the Institute of Certified Public Accountants of Singapore since 2004 and was awarded the Chartered Financial Analyst (CFA) designation by the CFA Institute in 2007. Ms. Liu was also admitted as a Fellow Member of the Association of Chartered Certified Accountants in 2009.



LIU HUA (刘华)

Non-Independent Non-Executive
Director,
Member of ESG Committee

On 2 February 2023, Mr. Poh Boon Hu Raymond became an Independent, Non-Executive Director, underscoring his commitment to professionalism and accountability. His career began at General Electric Aircraft Engines, where he held leadership roles across various functions, including production, client services, IT, sales, and engineering. He later joined JPMorgan in Singapore and Hong Kong, where he excelled as Head of Global Markets Cross-Asset Sales, demonstrating expertise in managing corporate and financial institutional sectors across diverse markets in the region.

Throughout his tenure at both companies, Mr. Poh earned Six Sigma Master Black Belt certifications, focusing on operational excellence and team development. He played a key role in driving revenue growth and productivity, even in challenging economic conditions.

After retiring from JPMorgan, Mr. Poh was appointed CEO of a Digital Securities platform regulated by the Monetary Authority of Singapore. Under his leadership, the company successfully launched a digital securities exchange and restructured operations to support fractionalized investments.

Mr. Poh holds a Bachelor of Science in Aerospace Engineering, cum laude, from West Virginia University, as well as a post-graduate diploma in Marketing from Temasek Polytechnic. He also completed the Asian Financial Leaders Programme, sponsored by the Monetary Authority of Singapore.



POH BOON HU RAYMOND

Independent Non-Executive Director,
Chairman of Remuneration Committee



SENIOR MANAGEMENT



ZHANG HONGFEI
Deputy General Manager,
Member of ESG Committee

Mr. Zhang serves as the Deputy Chairman of the Group and concurrently holds the position of Chairman of the LNG Energy Business Division. In addition, he oversees the Group's labor union activities, enterprise management, and human resources functions.

Mr. Zhang brings nearly 30 years of expertise in the shipbuilding industry. Before joining the Group, he worked at Chengxi Shipyard Co. from 1997 to November 2002. After joining the Group in November 2004, he held key leadership roles, including Director of the Construction Department and Assistant General Manager of Jiangsu New Yangzi Shipbuilding Co., Ltd. In recognition of his contributions, he was promoted to Deputy General Manager of the Group in January 2016.

Mr. Zhang holds an Engineering Degree from Jiangxi University of Science and Technology which he was conferred in 1997.



SONG SHUMING
Deputy General Manager

Mr. Song was appointed as Deputy General Manager of the Group in 2013. He currently also serves as the General Manager of Jiangsu Yangzi-Mitsui Shipbuilding Co., Ltd. and Jiangsu Yangzijiang Offshore Engineering Co., Ltd., overseeing the operations of both companies.

Mr. Song has over 25 years of experience in the shipbuilding industry. From 2000 and before joining the Group, he worked at Tsuji Co. in Japan. From 2003 to May 2009, he was the Director of Shipbuilding Division and the Manager of Production Management Department in Tsuji Heavy Industry (Jiangsu) Co., Ltd. From June 2009 and after joining the Group, he successively was the General Manager of Jiangsu Zhongzhou Offshore Engineering & Equipment Co., Ltd. From 2013 to 2019, he was appointed as the Deputy General Manager of the Group and the General Manager of Jiangsu Yangzijiang Shipbuilding Co. Ltd and Jiangsu Yangzijiang Offshore Engineering Co., Ltd.

Mr. Song ever studied in Ocean University of Qingdao and Jiangsu University of Science and Technology with the major of Naval Architecture and Ocean Engineering. He also holds a Master degree of Dalian University of Technology.



DU CHENGZHONG
Deputy General Manager

He was appointed as the Deputy General Manager and Head of Quality Control Department in Jiangsu New Yangzi Shipbuilding Co., Ltd. in January 2006. He is now the Deputy General Manager of the Group and the General Manager of Jiangsu New Yangzi Shipbuilding Co., Ltd., and is responsible for operations of Jiangsu New Yangzi Shipbuilding Co., Ltd.

Mr. Du has over 30 years of experience in the shipbuilding industry. In July 1991, he started as a trainee in the machinery engineering workshop of the then Jiangyin Shipbuilding Factory. In July 1992, he was promoted to technician in the same workshop where he held the position till December 1996. From January 1997 to December 2001, he served as a Construction Manager in the Production Department of Jiangsu Yangzijiang Shipbuilding Co. Ltd. In January 2002, he was promoted to Deputy Head of the Machinery Engineering Department and served in the position till December 2004. Thereafter, between January 2005 and December 2005, he held positions as Assistant General Manager and Head of Technical Preparation Department.

Mr. Du holds a Bachelor's Degree in Mathematics and Engineering from Harbin Engineering University (formerly Harbin Shipbuilding Engineering Institute), conferred in 1991. In 1998, he was accredited as an Engineer by the Wuxi City Human Resource Bureau. In 2017, he was further accredited as Researcher Grade Senior Engineer.

**SENIOR
MANAGEMENT**

Mr. Ding was appointed as the Deputy General Manager in 2020 and Chief Financial Officer on 19 April 2022. He is also Chief accountant of the Group since 2017 who is responsible for Group's financial, accounting, taxation and risk management.

Mr. Ding has 30 years of experience in the shipbuilding industry. Before joining the Group, He worked at Chengxi Shipyard Co. from 1995 to June 2004. From 2004 to August 2010, he served as Finance Manager at Cosco Shipyard Group Co., Ltd. In September 2010, he became the Head of the Financial Department and Chief Accountant at Jiangsu New Yangzi Shipbuilding Co., Ltd. In January 2020, he was promoted to Deputy General Manager of the Group, while continuing his role as Chief Accountant at Jiangsu New Yangzi Shipbuilding Co., Ltd.

Mr. Ding earned his degree from Hebei GEO University in 1995.



DING JIANWEN
Deputy General Manager,
Chief Financial Officer

Mr. Yang was appointed as Assistant General Manager of the Group in 2023. He is currently also the General Manager of Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. and Jiangsu Yangzi Hongyuan Shipbuilding Co., Ltd.

Mr. Yang has 20 years of shipbuilding experience under his belt. He began his career in 2004 as an Operations Associate in the Production Management Department and steadily advanced through the ranks. Over the years, he has contributed to 14 research projects focused on ship design and construction methods, leading to substantial improvements in operational efficiency, shorter production lead times, and enhanced overall quality of the ships built by the Group.

Mr. Yang graduated from the East China Shipbuilding Industry College (now known as Jiangsu University of Science and Technology) in 2004.



YANG XUEYAN
Assistant General Manager







**PRECISION IN
EVERY HULL.
COMMITMENT
IN EVERY
DELIVERY.
DELIVERING
STRONGER
RETURNS TO
SHAREHOLDERS**

Underpinned by strong performance and cash flow visibility, the Group increased its dividend to 20 Singapore cents per share, with the payout ratio raised to 50%, enhancing returns to shareholders.

FINANCIAL AND OPERATIONS REVIEW



In FY2025, Yangzijiang Shipbuilding delivered an exceptional set of results, achieving record performance in both revenue and profitability. This outstanding performance was driven by the timely execution and delivery of vessels from our orderbook.

During the year, the Group secured new contract wins of US\$2.5 billion, in line with prevailing market demand dynamics, and successfully delivered a total of 56 vessels with timely and quality execution. The Group ended FY2025 on a strong note, with an outstanding orderbook of US\$22.4 billion, with deliveries spanning from 2026 to 2030. Containerships remained the dominant vessel type within the orderbook, while green vessels accounted for approximately 71% of the total orderbook value.

SEGMENTAL REVIEW

Shipbuilding

The global maritime industry continues to operate against a backdrop of volatility and uncertainty, with macroeconomic headwinds and geopolitical tensions weighing on market sentiment. In the first half of the year, tariff-related concerns and proposed port fees in the United States introduced uncertainty over global trade flows and potential increases in vessel operating costs, leading shipowners to adopt a more cautious stance and defer ordering decisions. Notwithstanding these near-term disruptions, sentiment improved progressively in the second half of the year, with ordering activity gaining traction.

Project Hongyuan remains on track towards completion by end-2026. Preliminary shipbuilding activities, including steel fabrication, have already commenced, with the first vessel scheduled for delivery in 2027. With capital expenditure of approximately RMB3.0 billion, this new facility is designed to produce sophisticated vessels such as dual-

FINANCIAL AND OPERATIONS REVIEW

fuel ships and gas carriers. Located adjacent to the Group's Xinfu yard, the Hongyuan yard will benefit from seamless integration with our existing infrastructure and management systems, thereby enhancing overall operational efficiency.

The Group's joint venture company, YAMIC, continued to focus on constructing higher-end gas carriers to meet evolving market demand. As a result of this strategic positioning, YAMIC recorded an 18.7% year-on-year increase in revenue and a 20.2% year-on-year increase in net profit. Since the repositioning of YAMIC in FY2024 to focus on higher-end gas carriers, gas carriers accounted for approximately 49% of YAMIC's orderbook by contract value as at 31 December 2025, with YAMIC's total orderbook comprising 60 vessels.

Shipping

The Baltic Dry Index experienced volatility in 2025, reflecting elevated geopolitical tensions and market uncertainties arising from tariffs and global trade dynamics. Despite these challenging conditions, the Group's shipping segment remained resilient, generating revenue of RMB1.1 billion in FY2025, representing a decline of 8.1% year-on-year. Gross profit margin narrowed to 28.4% from 43.3% in 2024, primarily due to weaker bulk carrier charter rates and higher operating costs arising from increased repair and maintenance activities.

As of 31 December 2025, the Group operated a fleet of 33 vessels with an average age of 8.6 years, comprising bulk carriers, tankers, containerships and multipurpose vessels. This relatively young fleet enables the

Group to provide comprehensive shipping services to its customers. The Group continues to adopt a flexible fleet deployment strategy, prioritising spot charters to maintain operational agility amid market volatility, while remaining ready to secure attractive time charter contracts when market conditions improve.

OTHER BUSINESS

The Group's LNG terminal project is progressing as planned. Supported by capital expenditure of approximately RMB2.0 billion, construction of the LNG terminal is on track for completion in the first half of 2027. Comprising both LNG terminal and LNG storage tank facilities, the project is expected to address growing market demand upon completion and support the Group's expansion into a broader range of LNG-related business opportunities in the future.

FINANCIAL PERFORMANCE REVIEW

The Group recorded revenue of RMB28.5 billion, an increase of 7.4% year-on-year. This growth was primarily driven by strong performance in its core shipbuilding segment, which accounted for approximately 94% of total revenue for the year. Revenue from the shipbuilding segment reached RMB26.8 billion, up 6.4% year-on-year, supported by the steady execution of vessels contracted at higher newbuild prices.

Revenue from the shipping segment reached RMB1.1 billion, representing a decline of 8.1% year-on-year. The softer performance was mainly attributable to weaker

bulk carrier charter rates as well as higher operating costs arising from increased repair and maintenance activities.

Revenue from other businesses, including trading activities, ship design services and investment property, amounted to RMB537.8 million, up from RMB83.6 million in the previous year. This was primarily driven by higher trading activity, notably, raw material sales to Tsuneishi Group (Zhoushan) Shipbuilding, the Group's 34% owned associate.

Gross profit reached RMB9.8 billion, representing a 28.3% year-on-year increase. Gross profit margin improved by 5.5 percentage points to 34.2%, primarily driven by higher newbuild vessel prices and more favourable raw material costs within the shipbuilding segment.

As a result, the Group achieved a record net profit of RMB8.6 billion, representing an increase of 30.2% year-on-year.

As of 31 December 2025, the Group maintained a strong balance sheet and continued to hold a net cash position, with total cash and cash equivalents and restricted cash amounting to RMB26.1 billion.

In appreciation of shareholders' long-term support and confidence, the Board is recommending a final dividend of 20 Singapore cents per share, an increase from 12 Singapore cents in 2024. This represents a dividend payout ratio of 50%¹ and a dividend yield of approximately 5.7%².

¹ Calculated based on CNY/SGD of 0.1832 as of 31 December 2025.

² Calculated based on share price of S\$3.48 as of 31 December 2025.

FINANCIAL AND OPERATIONS REVIEW



OUTLOOK AND STRATEGY

Shipbuilding order momentum has continued into 2026, driven primarily by fleet replacement demand. At the same time, industry demand has begun rotating from large-sized containerships towards small- to mid-sized containerships and oil tankers. Against this backdrop, the Group remains focused on the timely execution and high-quality delivery of vessels, while continuing to pursue new orders on a disciplined and market-oriented basis. The Group will focus on securing the remaining delivery slots for 2029 while progressively opening positions for 2030.

The dry bulk shipping outlook remains mixed in early 2026, with the Baltic Dry Index hovering at around 1,900. Under such market conditions, the Group will maintain its overall fleet scale while progressively renewing vessels to enhance fuel efficiency and environmental performance. The Group will continue to closely monitor market developments and aims to secure time charter contracts at favourable rates to mitigate the impact of short-term market volatility.

Looking ahead, the Group remains focused on long-term growth and value creation as industry dynamics continue to evolve. Following the

announcement in March 2026 of the proposed acquisition of 10% in Poseidon Corp, the Group continues to strengthen its strategic relationship with Seaspan Corporation to support closer long-term collaboration and integration along the value chain. Our capacity expansion plans remain on track to support future demand, while our continued commitment to green shipbuilding and the development of green shipyards supports the industry's transition toward sustainability. With these initiatives in place, the Group is well positioned to deliver sustainable long-term value for shareholders.

CORPORATE GOVERNANCE REPORT

Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to achieving and maintaining high standards of corporate governance, in all activities undertaken by the Group. The Group’s corporate governance practices and processes are guided by the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and relevant sections of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

This report sets out the Group’s corporate governance practices in the financial year ended 31 December 2025 (“**FY2025**”), and which are benchmarked against the Code. The Company has complied with the principles and substantially with the provisions of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this report.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Role of the Board (Provisions 1.1 & 1.2)

The Board has the overall responsibility to oversee the strategic direction, performance and affairs of the Group and provides overall guidance to the management of the Company (“**Management**”). Besides its statutory responsibilities, the Board’s principal duties include:

- (a) providing entrepreneurial leadership, setting the strategic directions and the long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- (b) constructively challenge Management and review its performance;
- (c) ensuring the adequacy of internal controls, risk management, financial reporting and compliance;
- (d) assumption of corporate governance responsibilities;
- (e) assessment of Management’s performance;
- (f) considering sustainability issues including environmental and social factors in the Group’s strategic formulation; and
- (g) ensuring transparency and accountability to key stakeholder groups.

Directors are fiduciaries of the Company and are collectively and individually always obliged to act objectively in the best interests of the Company, exercising due care, skills and diligence and avoiding conflicts of interest. The Board of Directors (the “**Board**”) has put in a place a Code of Conduct and Ethics to set the appropriate tone from the top for the Group in respect of ethics, values and organizational culture, and ensure compliance with legislative and regulatory requirements, proper accountability within the Group. Pursuant to the code of conduct and ethics, when faced with conflicts of interests, the Directors shall recuse themselves from discussions and decisions involving issues of conflict.

Currently, the Company does not have a formal training programme for new Director(s). However, the Board ensures that incoming new Director(s) are given comprehensive and tailored induction on joining the Board including onsite visits, if necessary, to get familiarised with the business of the Group and corporate governance practices upon their appointment and to facilitate the effectiveness in discharging their duties. Newly appointed Director(s) will be provided a formal letter setting out their duties and obligations. They will be given briefings by Management on the business activities of the Group and its strategic directions as well as its corporate governance practices. The newly appointed Directors who have no prior experience as a director of a listed company in Singapore must undergo mandatory training in his/her roles and responsibilities as prescribed by the SGX-ST.

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Following their appointment, Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities and changes to regulations, risk management and accounting standards, at the Company's expenses. The objective is to enable them to be updated on matters that affect or go towards enhancing their performance as Directors or Board Committee members. Directors may also contribute by recommending suitable training and development programmes to the Board.

In addition, all Directors have completed the Environmental, Social and Governance Essentials course conducted by Singapore Institute of Directors in July 2023.

Board Approval (Provision 1.3)

Matters requiring the Board's approval include the following:

- (a) the Group policies, strategies and objectives;
- (b) annual budgets;
- (c) annual and interim financial statements;
- (d) all announcements of the Company;
- (e) appointment of Directors and key management personnel;
- (f) hedging policies;
- (g) interim dividends and other returns to Shareholders;
- (h) share or bond issuances;
- (i) annual report and sustainability reports;
- (j) major investments or divestments;
- (k) material acquisitions or disposals of assets; and
- (l) remuneration policy and framework for key management personnel.

Matters requiring the Board's approval have been clearly communicated to Management in writing. Save for Board and/or Board Committee (as defined below) meetings, the Board approvals are also obtained through the circulation of Directors' Resolutions in Writing.

Delegation by the Board (Provision 1.4)

The Board has delegated specific responsibilities to the committees of the Board, namely, the Nominating Committee (the "NC"), the Remuneration Committee (the "RC"), the Audit and Risk Committee (the "ARC") (collectively, the "Board Committees") to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively, and reporting back to the Board. Each Board Committee has its own specific Terms of Reference ("TOR") which clearly sets out the composition, duties, authority and responsibilities of such Board Committee, qualifications for membership in such Board Committee, and procedures governing the manner in which such Board Committee operates and makes decisions.

CORPORATE GOVERNANCE REPORT

Board and Board Committee Meetings (Provision 1.5)

The Board meets on a regular basis to approve, among others, announcements of the Group's half and full year financial results. Additional meetings are also convened to discuss and deliberate on urgent substantive matters or issues when circumstances require. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company. Board and Board Committees meetings as well as the annual general meeting ("AGM") are scheduled in advance in consultation with the Board.

The Company's Constitution provides for meetings to be held via telephone conference or other methods of simultaneous communication by electronic or telegraphic means in the event when Directors were unable to attend meetings in person. Management has access to the Directors for guidance or exchange of views outside of the formal environment of the Board meetings.

The number of meetings of Board and Board Committees, as well as the AGM held during FY2025 and the attendance of each Director at those meetings are set out as follows:

Name of Directors	Board of Directors		Audit and Risk Committee		Nominating Committee		Remuneration Committee		Annual General Meeting
	No. of meeting		No. of meeting		No. of meeting		No. of meeting		
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	
Ren Letian	4	4	–	–	–	–	–	–	1
Yee Kee Shian, Leon	4	4	4	4	1	1	1	1	1
Liu Hua	4	4	4	4	1	1	1	1	1
Poh Boon Hu Raymond	4	4	4	4	1	1	1	1	1
Yee Chia Hsing	4	4	4	4	1	1	1	1	1

Access to Information (Provision 1.6)

The Directors also have the opportunity to visit the Group's operational facilities and meet with Management to obtain a better understanding of the business operations. Below are some of the updates that have been provided to the Directors in FY2025:

- the external auditors, PricewaterhouseCoopers LLP, has briefed the ARC members on the latest developments in accounting and corporate governance standards at their attendance in the ARC meetings;
- information on the new audit quality indicators framework;
- Executive Chairman and Chief Executive Officer ("CEO") has updated the Board at each Board meeting on the business outlook of shipbuilding industry and the direction of the Group; and
- Chief Financial Officer ("CFO") has also updated the Board at each Board meetings on each segmental business operation and development of the Group.

Management recognises the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. Board and Board Committee papers are generally issued to members prior to the meeting. The papers are distributed to the Directors prior to the meetings with sufficient time to enable them to obtain further explanations, where necessary, in order to be briefed properly and prepare for the meetings. Any additional material or information requested by the Directors is promptly furnished.

CORPORATE GOVERNANCE REPORT

Management's proposals submitted to the Board for approval include background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committees meetings. To keep the Directors abreast of the Group's operations, the Board is regularly updated on key initiatives and developments relating to the Group's business on a timely basis.

Access to Management, Company Secretary and Advisers (Provision 1.7)

All Directors have access to the Company's senior management, including CEO, CFO and other key management, as well as the Group's internal and external auditors at all times.

To facilitate direct access to Management, Directors are also provided with the names and contact details of the management team. The Directors also have separate and independent access to the Company Secretary through e-mail, telephone and face-to-face meetings. The Company Secretary is responsible for, among other things, ensuring that the Board's procedures are observed and the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001, Companies Act 1967 and the Listing Manual are complied with.

The Company Secretary and his representative attend all Board meetings and Board Committees meetings and records the proceedings and decisions of the Board and of the Board Committees. The Company Secretary ensures that the corporate secretarial aspects of procedures concerning the Board are duly complied. The appointment and the removal of the Company Secretary are subject to the Board's approval.

The Directors, whether as a full Board or in their individual capacity may seek independent professional advice in the furtherance of their duties from time to time. The cost of such professional advice will be borne by the Company. There was no such requirement during the year under review.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence (Provisions 2.1 & 2.2)

The independence of each Independent Non-Executive Director is assessed at least annually by the NC as mentioned under Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Manual of the SGX-ST (the "Rules").

Each Independent Non-Executive Director has also completed and submitted an independence declaration form annually to confirm his independence. The Singapore Exchange Regulation had announced on 11 January 2023, to impose a maximum tenure of nine years for Independent Non-Executive Directors serving on the boards of issuers listed on SGX-ST. The NC had reviewed and affirmed that no Independent Non-Executive Director has served in aggregate more than nine years on the Board.

A summary of the outcome of the assessment is set out below.

Each of Mr Poh Boon Hu Raymond and Mr Yee Chia Hsing, appointed on 2 February 2023 and 25 April 2024 respectively, who does not have any of the relationships and are not faced with any of the circumstances identified under the Rules that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. The NC and the Board are of the view that each of these Directors has demonstrated independence in the discharge of his duties and responsibilities as a Director and is therefore an Independent Non-Executive Director.

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Mr Yee Kee Shian, Leon is the Chairman of Duane Morris & Selvam LLP (“DMS”), one of several law firms which provides legal services to and receives fees from the Group. He has recused himself from the selection and appointment of legal counsels for the Group in situations where DMS is involved in the selection process. Any appointment of DMS would have to be in compliance with the Group’s Interested Person Transactions policy and any such appointment would have to be cleared by the ARC (with Mr Yee Kee Shian, Leon recusing) as well. Although his interest in DMS is more than 5% but the fees paid by the Group to DMS for the provision of its legal services do not form a significant portion of DMS’s revenue for the relevant period.

The NC (with Mr Yee Kee Shian, Leon recusing) also noted that this business relationship has not affected his conduct at meetings where his deliberations, constructive views and ability to maintain objectivity consistently reflect his independent business judgement and is of the view that he is independent. The Board concurs with the NC’s determination that Mr Yee Kee Shian, Leon has demonstrated independence in the discharge of his duties and responsibilities as a director and that his independence was not affected by the foregoing business relationship.

As the Chairman of the Board is not independent, Independent Non-executive Directors make up a majority of the Board. The Board believes that the Executive Chairman has always acted and will continue to act at all times in the best interest of Shareholders as a whole and will strive to protect and enhance the long-term shareholder values and the financial performance of the Group.

Independent Element on the Board (Provisions 2.1, 2.2 & 2.3)

Under provision 2.2 of the Code, the Independent Directors should make up a majority of the Board where the Chairman is not independent. Provision 2.3 of the Code further requires Non-Executive Directors to make up a majority of the Board. The Independent Non-Executive Directors of the Company do make a majority of the Board.

During the FY2025, the Independent Directors and their immediate family members have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Independent Directors’ independent business judgment with a view to the best interests of the Company.

Board Composition (Provision 2.4)

In FY2025, the Board comprises five (5) Directors, consisting of one (1) Executive Director and four (4) Non-Executive Directors, three (3) of whom are independent. The members of the Board and their membership on the Board Committees of the Company are as follows:–

Name of Directors	Board Membership	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Ren Letian	Executive Chairman	–	–	–
Liu Hua	Non-Independent Non-Executive Director	Member	Member	Member
Yee Kee Shian, Leon	Lead Independent Non-Executive Director	Member	Chairman	Member
Poh Boon Hu Raymond	Independent Non-Executive Director	Member	Member	Chairman
Yee Chia Hsing	Independent Non-Executive Director	Chairman	Member	Member

CORPORATE GOVERNANCE REPORT

The Directors bring with them a broad range of business and financial experience, skills and expertise in law, finance, industry, business and management and general corporate matters. Their profiles are set out on pages 14 to 15 of this Annual Report.

The NC is of the view that the present Board size of five is appropriate for the Group's present scope of operations to facilitate quality decision making and the Board has an adequate mix of competency to discharge its duties and responsibilities. Further, no individual or small group of individuals dominates the Board's decision-making process.

Since FY2022, the Company has put in place a Board Diversification Policy which sets out the Company's policy, objectives and targets pertaining to diversity on the Board. The NC is responsible for setting and continually reviewing the Board Diversification Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. The Company prioritizes diversity in experience, encompassing professional, industry, cultural, and social backgrounds, regardless of gender.

The diversity plans and timelines since the adoption of the Board Diversification Policy are set out below:

(a) 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:

- i. To promote diversity, including but not limited to, diversity in terms of gender, skills, and experience on the board.
- ii. To create a board composition that reflects the diversity of our workforce and stakeholders.
- iii. 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.

(b) Plans and Timelines:

- i. 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.

- ii. Onboarding and Development:
Provide training and resources to all board members to promote an inclusive environment and enhance their understanding of diversity issues.
- iii. Reporting and Accountability:
The 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.

CORPORATE GOVERNANCE REPORT

(c) Progress Tracking:

i. 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, Ms Liu Hua. This achievement underscores our dedication to gender diversity and the value we place on the contributions of women in leadership roles.

ii. 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. The 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.

In the same spirit, we appointed Mr Yee Chia Hsing ("**Mr Yee**") as an Independent Director on 25 April 2024. A First-Class Honours graduate in Accountancy from Nanyang Technological University Singapore, Mr Yee has over 20 years of experience in banking, finance, and corporate management. He has held leadership roles in SGX-listed companies, including as Executive Director/CEO of a listed company with hospitality assets.

Mr Yee also serves as an Independent Director on several boards, including Beng Kuang Marine Limited, Hiap Tong Corporation Ltd, Union Gas Holdings Ltd, Sunpower Group Ltd. and Zhongmin Baihui Retail Group Ltd. He is a Member of the Audit Committee at Ren Ci Hospital and previously served as a Member of Parliament for Chua Chu Kang GRC (Nanyang division) from 2015 to 2020. His expertise further strengthens our board, reinforcing our focus on strong governance and sustainable growth.

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.

Non-Executive Directors meet regularly without the presence of Management (Provision 2.5)

The Non-Executive Directors communicated without the presence of Management as and when the need arose. The Chairman of such meetings provides feedback to the Board and/or Executive Chairman as appropriate.

FY2025, the Non-Executive Directors have met more than once in the absence of Management.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Roles of the Executive Chairman and Chief Executive Officer (Provisions 3.1 and 3.2)

Currently, Mr Ren Letian is both the Executive Chairman and CEO of the Company. The Board is of the view that the discharge of responsibilities in the two roles by Mr Ren Letian will not be compromised. Through the establishment of various Board Committees chaired by the Independent Non-Executive Directors and putting in place internal controls for proper accountability and effective oversight by the Board of the Company's business, the Board ensures that there is an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. Accordingly, the Board believes that there is no need for the role of Executive Chairman and CEO to be separated.

Within the Group, there had always been a clear succession plan in place to ensure a smooth transition and handover of corporate leadership. The Board will continue to review the succession plan, in particular, the CEO position, at an appropriate time.

The division of responsibilities between the Executive Chairman and CEO are also clearly established in the Constitution of the Company. The Executive Chairman manages the business of the Board whilst the CEO and his management team translate the Board's decisions into executive action. The CEO has executive responsibilities for the Group's businesses and is accountable to the Board.

The Executive Chairman:

- is responsible for leadership of the Board and is pivotal in creating the conditions for overall effectiveness of the Board, Board Committees and individual Directors;
- takes a leading role in the Company's drive to achieve and maintain high standards of corporate governance with the full support of the Directors, Company Secretary and Management;
- approves agendas for the Board meeting and ensures sufficient allocation of time for thorough discussion of agenda items;
- promotes an open environment for debates and ensures Non-Executive Directors are able to speak freely and contribute effectively;
- exercises control over the quality, quantity and timeliness of information flow between the Board and Management;
- provides close oversight, guidance, advice and leadership to CEO and Management; and
- plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Management at AGMs and other Shareholders' meetings.

Whereas the CEO is the highest ranking executive officer of the Group who is responsible for:

- running the day-to-day business of the Group, within the authorities delegated to him by the Board;
- ensuring the implementation of policies and strategy across the Group as set by the Board;
- day to day management of the executive and senior management team;

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- leading the development of senior management within the Group with aim of assessing the training and development of suitable individuals for future Director's roles;
- ensuring that the Board is kept apprised in a timely manner of issues faced by the Group and of any important events and developments; and
- leading the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

The Executive Chairman schedules the meeting and sets the meeting agenda of the Board and reviews the Board papers before they are presented to the Board. In addition, the Executive Chairman also assists to ensure the Company's compliance with the Code.

Under Provision 4.1(a) of the Code, one of the responsibilities of the NC is to make recommendations to the Board on relevant matters relating to the review of succession plans for Directors, including the Chairman, CEO and other key management personnel. Succession planning for the CEO and key management personnel is under the purview of the NC to ensure continuity of leadership. In addition, NC conducts an annual review of the Board and Board Committees' composition, including their size and diversity of skills and experience. The NC also recommends to the Board the appointment of new Directors, whether to fill vacancies arising from retirement or to strengthen the existing Board composition, with a view to addressing any identified gaps in skill, taking into account the Group's strategy and business operations.

Lead Independent Director (Provision 3.3)

As the Chairman and CEO is the same person, Mr Yee Kee Shian, Leon is appointed as the Lead Independent Non-Executive Director of the Company and is available to Shareholders where they have concerns or issues which communication with the Executive Chairman and CEO and/or CFO has failed to resolve or where such communication is inappropriate. Mr Yee Kee Shian, Leon will also take the lead in ensuring compliance with the Code.

Led by the Lead Independent Non-Executive Director, the Independent Non-Executive Directors meet periodically without the presence of the other Directors, and the Lead Independent Non-Executive Director will provide feedback to the Executive Chairman and CEO after such meetings as appropriate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC Composition and Role (Provisions 4.1 & 4.2)

The NC currently consists of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, the majority of whom, including the NC Chairman, are independent:

Mr Yee Kee Shian, Leon, Chairman	(Lead Independent Non-Executive Director)
Ms Liu Hua	(Non-Independent Non-Executive Director)
Mr Poh Boon Hu Raymond	(Independent Non-Executive Director)
Mr Yee Chia Hsing	(Independent Non-Executive Director)

The NC will meet at least once a year. During FY2025, the NC held one scheduled meeting with full attendance. The NC, which has written TOR, is responsible for making recommendations to the Board on all Board appointments and re-appointments. The key TOR of the NC include the following:

- determining the formal and transparent process for search, nomination, selection and appointment of new Board members and assessing nominees or candidates for appointment and re-election to the Board;

CORPORATE GOVERNANCE REPORT

- (b) making recommendations to the Board on the nomination of retiring Directors and those appointed during the year standing for re-election at the Company's annual general meeting, having regard to the Director's contribution and performance and ensuring that all Directors submit themselves for re-election at regular intervals;
- (c) review the Board structure, size and composition regularly and making recommendation to the Board, where appropriate;
- (d) review the Board succession plans for directors, in particular, the Executive Chairman and CEO;
- (e) determine the independence of Directors annually (taking into account the circumstances set out in the Code and other salient factors);
- (f) develop a process for assessing and evaluating the effectiveness of the Board as a whole and the Committees of the Board and the contribution of each individual Director to an effective Board;
- (g) decide on how the Board's performance may be evaluated and to propose objective performance criteria for Board approval;
- (h) deciding whether or not a Director is able to and has been adequately carrying out his/her duties as a Director; and
- (i) recommend to the Board on the matters relating to the review of training and professional development programs.

Process for the selection, appointment and re-appointment of Directors (Provision 4.3)

The NC has in place a formal process for the selection of new Directors and re-appointment of Directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment. In selecting potential new Directors, the NC will seek to identify the competencies and expertise required to enable the Board to fulfil its responsibilities. The NC will evaluate the suitability of the nominee or candidate based on his/her qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board, before making its recommendation to the Board. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his/her contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's business and affairs) and his/her independence. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required. The Board, on the recommendation of the NC, appoints new Directors.

Pursuant to the Company's Constitution, one-third of the Directors for the time being including the Managing Director (or the equivalent), shall retire from office at least once every 3 years at each AGM. The Board, at the recommendation of the NC, has nominated Mr Ren Letian and Mr Yee Kee Shian, Leon, who will retire by rotation at the forthcoming 20th AGM, for re-election by the Company's Shareholders.

Determination of Independence of a Director (Provision 4.4)

As set out above, the NC has reviewed the independence of the Directors as mentioned under Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules of the SGX-ST. The NC has affirmed that Mr Yee Kee Shian, Leon, Mr Poh Boon Hu Raymond and Mr Yee Chia Hsing are independent and save as disclosed above, are free from any relationship as outlined above. Each Independent Non-Executive Director has also completed and submitted an independence declaration form annually to confirm his independence. Particular scrutiny is applied in assessing the continued independence of Directors and whether they have served beyond nine (9) years from the date of their first appointment, with attention to ensuring their allegiance remains clearly aligned with Shareholders' interests.

CORPORATE GOVERNANCE REPORT

The NC and Board have reviewed the independence of the Independent Non-Executive Directors. Pursuant to the review and NC recommendation, the Board was of the view that each Independent Non-Executive Directors has engaged the Board in constructive discussion, his/her contributions were relevant and reasoned and he/she has exercise independent judgment.

In assisting the NC to determine whether Directors who are on multiple boards have committed adequate time to discharge their responsibilities towards the Company's affairs, the NC had considered the attendances and contributions of Directors to the Board and Board Committees. The NC does not make any recommendation on setting the maximum number of listed company board appointments to which any Director may hold as long as the multiple Board representations by that Director do not hinder that Director from carrying out his/her duties as a Director of the Company adequately. Having reviewed each Director's directorships in other companies as well as each Director's attendance and contribution to the Board in FY2025, the NC is satisfied that the Directors have spent adequate time on the Company's affairs and have duly discharged their responsibilities. All Independent Non-Executive Directors are required to declare their Board representations at the Board meeting whenever there is change and at the beginning of each financial year.

The Board provides for the appointment of alternate directors when any of the Directors think fit. The Board will take into consideration the same criteria for selection of Directors such as his/her qualifications, mix skills sets and competencies.

Directors' Ability to Commit Time and Key Information on Directors (Provision 4.5)

Key information of each director's academic, professional qualifications and other principal commitments can be found on pages 14 and 15 of the "Board of Directors" section of this Annual Report.

Directors' key information are set out below:

Name of Directors	Date of First Appointment	Date of Last Re-election	Present Directorships and Chairmanships in Other Listed Companies	Other Principal Commitments
Ren Letian	30 April 2020	24 April 2023	Nil	Nil
Yee Kee Shian, Leon	1 May 2022	25 April 2024	<ul style="list-style-type: none"> - F J Benjamin Holdings Ltd - Yangzijiang Financial Holding Ltd. - TEHO International Inc Ltd. - Oxley Holdings Limited - Oxpays Financial Limited 	<ul style="list-style-type: none"> - Selvam LLC - Duane Morris & Selvam LLP
Liu Hua	4 August 2022	25 April 2024	Yangzijiang Financial Holding Ltd.	- Yangzijiang Financial Holding Ltd.
Poh Boon Hu Raymond	2 February 2023	29 April 2025	Nil	- TIXIT LLP
Yee Chia Hsing	25 April 2024	29 April 2025	<ul style="list-style-type: none"> - Beng Kuang Marine Limited - Hiap Tong Corporation Ltd. - Union Gas Holdings Limited - Sunpower Group Ltd. - Zhongmin Baihui Retail Group Ltd. 	Nil

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 720(6) of the Listing Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7.4.1 of the Listing Rules of the SGX-ST are disclosed below:

	Ren Letian
Date of Appointment	30 April 2020
Date of last re-appointment (if applicable)	24 April 2023
Age	44
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Ren Letian as the Executive Chairman was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of his qualifications, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer
Professional qualifications	Master's Degree from London Southbank University.
Working experience and occupation(s) during the past 10 years	Chief Executive Officer of Yangzijiang Shipbuilding (Holdings) Ltd. Alternate Director to Mr Ren Yuanlin, former Executive Chairman of Yangzijiang Shipbuilding (Holdings) Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest: 165,797,370 ordinary shares in the share capital of Yangzijiang Shipbuilding (Holdings) Ltd. through Hengyuan Asset Investment Limited. Deemed interest: 852,845,825 ordinary shares in the share capital of Yangzijiang Shipbuilding (Holdings) Ltd. through Yangzi International Holdings Limited.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Ren Letian is the son of Mr Ren Yuanlin, the Honorary Chairman and substantial shareholder of the Company.
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	
Past (for the last 5 years)	None
Present	<ul style="list-style-type: none"> - Yangzijiang Shipbuilding (Holdings) Ltd. – Chief Executive Officer - Yangzijiang Realty Pte. Ltd. - 39 Robinson Road Pte. Ltd.

CORPORATE GOVERNANCE REPORT

	Ren Letian
<p>Information required</p> <p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

CORPORATE GOVERNANCE REPORT

	Ren Letian
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No

CORPORATE GOVERNANCE REPORT

	Ren Letian
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

	Yee Kee Shian, Leon
Date of Appointment	1 May 2022
Date of last re-appointment (if applicable)	25 April 2024
Age	50
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Yee Kee Shian, Leon as the Lead Independent Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of his qualifications, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Lead Independent Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of Nominating Committee, a Member of Remuneration Committee and a Member of Audit and Risk Committee
Professional qualifications	<ul style="list-style-type: none"> – Advocate & Solicitor of the Supreme Court of Singapore – Solicitor of England and Wales
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> – March 2017 to Present: Chairman of Duane Morris & Selvam LLP – April 2013 to Present: Managing Director of Duane Morris & Selvam LLP and Selvam LLC – January 2011 to April 2013: Director with Duane Morris & Selvam LLP – January 2007 to April 2013: Director with Selvam LLC

CORPORATE GOVERNANCE REPORT

	Yee Kee Shian, Leon
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	
Past (for the last 5 years)	<ul style="list-style-type: none"> - Cambridge Alliance China Group Pte. Ltd. - Knightsbridge Fund No. 1 Pte. Ltd. - Knightsbridge Fund No. 2 Pte. Ltd. - Cambridge RE Assets Fund No. 1 Pte. Ltd. - Cambridge RE Assets Fund No. 2 Pte. Ltd. - Cambridge RE Assets Fund No. 3 Pte. Ltd. - Cambridge RE Assets Fund No. 4 Pte. Ltd. - Cambridge RE Assets Fund No. 5 Pte. Ltd. - Cambridge RE Assets Fund No. 6 Pte. Ltd. - Cambridge RE Assets Fund No. 7 Pte. Ltd. - Cambridge RE Assets Fund No. 8 Pte. Ltd. - Cambridge RE Assets Fund No. 9 Pte. Ltd. - Cambridge RE Assets Fund No. 10 Pte. Ltd. - Cambridge RE Assets Fund No. 11 Pte. Ltd. - Krystal Titan Pte. Ltd. - Rabbit Colors Pte. Ltd. - Sweet Orchid Pte. Ltd. - Purple Sunshine Pte. Ltd. - Yellow Lullaby Pte. Ltd. - Pentagon Football Centre Pte. Ltd. - Pacific Star Development Limited (F.K.A LH Group Limited) - Cambridge Alliance Realtor Pte. Ltd. - Cambridge Alliance Global Holdings Pte. Ltd. - Federal International (2000) Ltd - The Knightsbridge Group Pte Ltd. - Knightsbridge Auto Pte Ltd - Laura Ashley Holdings Plc - LHN Logistics Limited

CORPORATE GOVERNANCE REPORT

	Yee Kee Shian, Leon
Present	<ul style="list-style-type: none"> - Selvam LLC - Duane Morris & Selvam LLP - Duane Morris & Selvam Pty Ltd - F J Benjamin Holdings Ltd - Christ's College, Cambridge Fund (Singapore) Limited - Char Yong (Dabu) Foundation Limited - St. Joseph's Institution Philanthropic Fund For the Lasallian Mission Ltd. - Caelius Pte. Ltd. - Ee Hoe Hean Club - Cambridge Alliance Capital Pte. Ltd. - Cambridge Alliance Consultancy Pte. Ltd. - Ladderman Limited - Ladderman (HK) Limited - Yangzijiang Financial Holding Ltd. - Oxpay Financial Limited - TEHO International Inc. Ltd - Oxley Holdings Limited - Victory Wellness Pte Ltd - The Lasallian Trust of Singapore Ltd.
Information required	
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

CORPORATE GOVERNANCE REPORT

	Yee Kee Shian, Leon
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	<p>Yes</p> <p>The relevant entity is Laura Ashley Holdings Plc (the "Laura Ashley"). Mr Yee Kee Shian, Leon stepped down as a Director of the Company on 16 March 2020.</p> <p>Laura Ashley subsequently appointed PricewaterhouseCoopers as administrators on 23 March 2020. This was due to the COVID-19 outbreak, which had an immediate and significant impact on trading of Laura Ashley and its subsidiaries (the "LA Group"). Based on the LA Group's cashflow forecasts and the increased uncertainty, the LA Group expected that it would not be in a position to draw down additional funding in a timely manner sufficient to support its working capital requirements, and therefore Laura Ashley appointed administrators.</p> <p>Laura Ashley moved into creditors' voluntary liquidation with the appointment of a voluntary liquidator on 31 March 2021. Mr Yee Kee Shian, Leon had not undertaken any executive roles and responsibilities in Laura Ashley. Apart from Laura Ashley, he is not a director of any entities which has been wound up or dissolved at present or at any time within two (2) years from the date that he ceased to be a director.</p>
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

CORPORATE GOVERNANCE REPORT

	Yee Kee Shian, Leon
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No

CORPORATE GOVERNANCE REPORT

	Yee Kee Shian, Leon
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Performance Criteria and Assessment Criteria (Provisions 5.1 & 5.2)

The NC has in place a framework for the evaluation of the Board, the Board Committees, and individual members of the Board to assess their effectiveness and the contribution by the Chairman and each individual director to the Board. The evaluation is carried out annually by means of a questionnaire relating to the size and composition of the Board, information flow to the Board, Board procedures and accountability, matters concerning CEO/key management personnel and standards of conduct of Board members being completed by each individual Director. Completed questionnaires are collated by the Company Secretary and the findings presented to the NC for discussion with comparatives from the previous year's results. Based on the findings, the NC and the Board are generally satisfied as to the effectiveness of the Board as a whole, each Board Committee, and the contribution by each Director. The Board is of the view that the Chairman and each individual Director have contributed effectively. The NC highlighted certain areas for improvement and the Board has agreed to implement measures to address them.

The Board has not engaged any external facilitator in conducting the assessment of the Board's performance in FY2025.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC Composition and Role (Provisions 6.1, 6.2 & 6.3)

The RC currently consists of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, the majority of whom, including the RC Chairman, are independent:

Mr Poh Boon Hu Raymond, Chairman	(Independent Non-Executive Director)
Mr Yee Kee Shian, Leon	(Lead Independent Non-Executive Director)
Ms Liu Hua	(Non-Independent Non-Executive Director)
Mr Yee Chia Hsing	(Independent Non-Executive Director)

The RC will meet at least once a year. During FY2025, the RC held once scheduled meeting with full attendance. The RC carries out its duties in accordance with a set of terms of reference which includes mainly, the following:

- reviewing and recommending to the Board for endorsement, a framework of remuneration policies to determine the specific remuneration packages for each Director and key management personnel, including employees related to the Executive Directors and controlling shareholders. The framework covers all aspect of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind;
- reviewing and recommending the remuneration of the Non-Executive Directors, taking into account factors such as their effort, time spent and their responsibilities;
- reviewing and recommending to the Board for endorsement on the payment of performance bonus to certain Executive Directors and executive officers pursuant to the employee incentive plan of the Company;
- reviewing and determining the contents of any service contracts for any Director; and
- carrying out other duties as may be agreed by the RC and the Board, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

The RC is responsible for ensuring a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key management personnel. All aspects of remuneration frameworks, including but not limited to directors' fees, salaries, allowances, bonuses and other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Such frameworks are reviewed periodically to ensure that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies.

Remuneration of Consultants (Provisions 6.4)

The RC may from time to time seek advice on the remuneration of all Directors from external remuneration consultants whose independence and objectivity are not affected by any existing relationships with the Company. The Company did not appoint an external remuneration consultant during FY2025.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration of Directors and KMPs (Provisions 7.1, 7.2 & 7.3)

The remuneration of the Executive Directors and key management personnel has been formulated to attract, retain and motivate such individuals and to create long-term value for its Shareholders. The remuneration package of each Executive Director and key management personnel comprises of a fixed component and a variable component, which is based on the Group's and the individual's performance. An appropriate proportion of the remuneration of such individuals is structured to link rewards to corporate and individual performance.

With regard to the remuneration of Non-Executive Directors, the RC ensures that the Non-Executive Directors are remunerated to a level that is commensurate with their level of contribution taking into account factors such as effort and time spent, and their responsibilities. Non-Executive Directors receive a basic fee for their services. Each member of the RC abstains from voting on any resolutions in respect of his/her own remuneration package.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Disclosure of Remuneration (Provisions 8.1 & 8.3)

Details of the remuneration of Directors and top five (5) key management personnel of the Group for FY2025 are set out below:

Name of Directors	Designation	Fees ⁽²⁾ (S\$)	Salary ⁽¹⁾ (S\$)	Variable Bonus (S\$)	Share-based Cash Incentives (S\$)	Total (S\$)
Ren Letian	Executive Chairman and Chief Executive Officer	–	636,950	120,461	135,535	892,946
Yee Kee Shian, Leon	Lead Independent Non-Executive Director	125,500	–	–	–	125,500
Liu Hua	Non-Independent Non-Executive Director	125,500	–	–	–	125,500
Poh Boon Hu Raymond	Independent Non-Executive Director	125,500	–	–	–	125,500
Yee Chia Hsing	Independent Non-Executive Director	125,500	–	–	–	125,500

Notes:

- (1) In accordance with the CEO Service Agreement.
- (2) The directors' fees are subject to the approval of the Shareholders at the 20th AGM.

CORPORATE GOVERNANCE REPORT

Name of Top 5 Key Management Personnel	Designation	Breakdown of Remuneration in Percentage (%)		
		Fixed (%)	Variable (%)	Total (%)
Band S\$250,000 ~ S\$500,000				
Zhang Hongfei	Deputy General Manager	12	88	100
Below S\$250,000				
Du Chengzhong	Deputy General Manager	16	84	100
Ding Jianwen	Deputy General Manager and Chief Financial Officer	16	84	100
Song Shuming	Deputy General Manager	11	89	100
Yang Xueyan	Deputy General Manager	11	89	100

Except for Mr Ren Letian and Mr Zhang Hongfei, the remuneration of each of the remaining four (4) key management personnel did not exceed S\$250,000. In aggregate, the total remuneration (including CPF contribution thereon and bonus) paid to the top 6 key management personnel in FY2025 was approximately S\$1,779,147. The aggregate remuneration (including contributions to defined contribution plans thereon and bonus) paid to Mr Ren Letian amounted to approximately S\$892,946.

Remuneration of Immediate Family Members of a Director, CEO or Substantial Shareholder (Provision 8.2)

During FY2025, Mr Ren Letian, the son of Mr Ren Yuanlin (Honorary Chairman and substantial shareholder of the Company), served as Executive Chairman and Chief Executive Officer of the Company:

Name of employee who is the immediate family member	Family relationship
Ren Letian	Son of Ren Yuanlin, the Honorary Chairman and the substantial shareholder of the Company

The aggregate remuneration (including contributions to defined contribution plans thereon and bonus) paid to Mr Ren Letian amounted to approximately S\$892,946.

Save as disclosed above, the Group does not have any other employee who is an immediate family member of a Director, CEO or Substantial Shareholder and whose remuneration exceeded S\$100,000 during the financial year.

The Company does not operate any employee share option scheme or equity-settled share scheme. However, the Group maintains a phantom share plan which is cash-settled and does not involve the issuance of shares.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Oversight of Risk Management (Provision 9.1)

The Board is responsible for the overall risk management and internal control framework of the Group. The Board recognises the importance of balancing risks and rewards to achieve an optimal level of risk that the Group can tolerate in achieving its strategic objectives. To assist the Board, the Board has established the ARC which responsibilities include reviewing the risk profile of the Group and to make recommendations to the Board on risk strategy, risk appetite and risk limits. Further details on the composition of the ARC can be found in Principle 10.

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately Management and the Board, working as a team. The process identifies relevant potential risks across the Group's operations with the aim to bring them to within acceptable cost and tolerance parameters.

Management regularly reviews and updates the Board on the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance, environmental, information technology and sanctions-related risks and continues to apply appropriate measures to control and mitigate these risks.

With regard to sanctions-related risks, the Board and the ARC are responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any sanctions-related law or regulation; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Board confirms that there has been no material change in its risk of being subject to any sanctions-related law or regulation as at the date of this Annual Report, and if there is any material change this would be immediately announced on SGXNET.

All significant matters are highlighted to the Board and the ARC for further discussion. The Board and the ARC also work with the Internal Audit Team, external auditors and Management on their recommendations to institute and execute relevant controls with a view to managing such risks.

Assurances from CEO and CFO (Provision 9.2)

The Board notes that no cost-effective system of internal controls could provide absolute assurance against the occurrence of material errors, losses, fraud or other irregularities. In view of the above and based on the internal controls established and maintained by the Group, work performed by the Internal Audit Team, external auditors, and reviews performed by Management, various Board Committees and the Board, so far, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control systems, addressing financial, operational, environmental, compliance, and information technology risks put in place during the financial year were adequate and effective. This is in turn supported by (a) assurance from CEO and the CFO that the financial records of the Company and the Group have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances are in accordance with the relevant accounting standards; and (b) the assurance from CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

Audit and Risk Committee

Principle 10: The Board has an Audit and Risk Committee (“ARC”) which discharges its duties objectively.

Composition, Power and Duties of the ARC (Provisions 10.1, 10.2, 10.3)

The Board recognises the importance of providing accurate and relevant information on a timely basis. To ensure that the corporate governance is effectively practiced, the Board has established self-regulatory and monitoring mechanisms, including the establishment of the ARC to ensure that the Company maintains a sound system of internal controls to safeguard Shareholders’ investments and the Group’s assets as well as to manage potential risks. The ARC currently consists of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, the majority of whom, including the ARC Chairman, are independent:

Mr Yee Chia Hsing, Chairman	(Independent Non-Executive Director)
Mr Yee Kee Shian, Leon	(Lead Independent Non-Executive Director)
Ms Liu Hua	(Non-Independent Non-Executive Director)
Mr Poh Boon Hu Raymond	(Independent Non-Executive Director)

The Board has ensured that all the ARC members, having the necessary accounting and/or related financial management expertise, are appropriately qualified to discharge their responsibilities. None of the ARC members comprise former partners or directors of the Company’s existing auditing firm or auditing corporation.

The ARC meets on a quarterly basis and plays a key role in assisting the Board to review significant financial reporting issues and judgments to ensure the quality and integrity of the accounting reports, the audit procedures, internal controls, financial statements and any announcements relating to the Group’s financial performance. During FY2025, the ARC held four scheduled meetings with full attendance.

The members of ARC carry out their duties in accordance with a set of terms of reference which includes, mainly, reviewing the following:

- (a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company’s financial performance;
- (b) review the periodic consolidated financial statements and any formal announcements relating to the financial performance of the Group before submission to the Board for approval;
- (c) review the Company’s key financial risk areas, with a view to providing an independent oversight of the financial reporting of the Group, the outcome of such review to be disclosed in the annual reports or of the findings are material, to be immediately announced via SGXNET;
- (d) receive and review at least quarterly reports from Management on major risk exposures and the steps taken to monitor, control and mitigate such risks;
- (e) review the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- (f) review and approve all hedging policies implemented by the Group (if any) and conduct periodic review of foreign exchange transactions and hedging policies and procedures;
- (g) overseeing the Group’s sustainability strategy and ESG matters, including monitoring the implementation of sustainability initiatives and related disclosures.
- (h) review the assurance from CEO and CFO on the Group’s financial records and financial statements;

CORPORATE GOVERNANCE REPORT

- (i) appoint, re-appoint or remove the accounting or auditing firm or corporation to which the internal audit function is outsourced (including the review of their fees and scope of work);
- (j) review periodically, the adequacy, accuracy, effectiveness, scope and results of the internal and external audit, independence and objectivity of the internal and external auditors;
- (k) review and make recommendations to the Board on the appointment or re-appointment or termination of the external auditors, including approving the remuneration and terms of engagement of the external auditors;
- (l) review with the internal and external auditors, the audit plans, scope of work, their evaluation of the Company's system of internal controls, audit reports, their management letters and the response of Management, and the results of audits compiled by the internal and external auditors;
- (m) review and discuss with the internal and external auditors, any issues and concerns arising from their audits, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position and Management's response;
- (n) review with the external auditors the Group's existing financial and accounting policies and practices and the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial statements of the Company and the Group;
- (o) review the co-operation given by Management to the Company's internal and external auditors;
- (p) review the Group's compliance with such functions and duties as may be required under the relevant statutes, the Code or the Listing Manual, including such amendments made thereto from time to time; and
- (q) review and approve any interested person transactions falling within the scope of Chapter 9 of the Listing Manual ("**Interested Person Transactions**") and review procedures thereof.

Following the amendments to Rule 705 of the Listing Manual of SGX-ST, the Company will not be required to carry out quarterly reporting of its financial statements. The Board had agreed to cease to release its financial statements on a quarterly basis to the SGX-ST ("**Quarterly Reporting**") as the Company was not required to do Quarterly Reporting following the amendments to the Listing Manual of the SGX-ST. The Board believed that reporting the financial results of the Group on a half-yearly basis coupled with continuing disclosure requirements under the SGX-ST Listing Manual, will be adequate to keep the market informed of the Company's state of affairs and enables the Company to report its business growth with a longer-term reporting cycle.

The ARC discussed with Management on the accounting treatment and methodology applied as well as the assumptions used in judgmental assessment which might impact the results of financial statements. The external auditors had reviewed the financial statements of the Group and highlighted some key audit matters that might significantly impact the financial statements and were reviewed by ARC.

The ARC has discussed significant financial reporting matters with Management and the external auditors which have been included as key audit matters ("**KAMs**") in the independent auditors' report for FY2025, as set out on pages 59 to 61 of this Annual Report.

In assessing each KAM, the ARC took into consideration the approach and methodology applied by Management in the determination of construction revenue recognition using percentage-of-completion method, provision of foreseeable losses on certain construction contracts and the valuation of assets. The reasonableness of the estimates and key assumptions used were also considered by the ARC. Where necessary, views of subject matter experts such as independent valuers were consulted where necessary.

CORPORATE GOVERNANCE REPORT

The ARC also considered the report from the external auditors, including their findings and views on the key areas of audit focus. The ARC concluded that the Group's accounting treatment and estimates in each of the KAMs were appropriate.

The ARC also reviews the independence and objectivity of the external auditors and having reviewed the scope and value of non-audit services provided to the Group by the external auditors, PricewaterhouseCoopers LLP, the ARC is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the external auditors. The aggregate amount of audit and non-audit fees paid or payable to the PricewaterhouseCoopers LLP, Singapore and its member firm for FY2025 were S\$841,000 and S\$48,148 respectively. The ARC has recommended to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment as external auditors of the Company at the forthcoming 20th AGM.

In respect of the re-appointment of PricewaterhouseCoopers LLP, Singapore as the external auditors of the Company, the ARC had taken into the consideration of the Audit Quality Indicators Disclosure Framework published by Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") and ensured that the audit partner in charge of the Group is rotated every five years in compliance with Rule 713 of the Listing Manual of SGX-ST.

The Board and ARC have reviewed the appointment of different auditors for its significant foreign-incorporated subsidiaries and/or associated companies and satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

There were no foreign-incorporated subsidiaries and/or associated companies listed on any stock exchange.

The Group has complied with Rules 712, 713, 715 and 716 of the Listing Manual of SGX-ST in relation to the appointment and re-appointment of its external auditors.

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the Internal Audit Team. On an annual basis, the ARC reviews the internal audit program of the Group so as to align it to the changing needs and risk profile of the Group's activities. The Group had established its own internal audit team that is independent on the activities of its audits and its primary line of reporting is to the Chairman of the ARC. Administratively, the Internal Audit Team report directly to the CEO. The Internal Audit Team carries out its functions under the direction of the ARC which assists the Board in monitoring and managing risks and internal controls of the Group, and reports its findings and make recommendations to the ARC.

Internal audit (Provision 10.4)

The Internal Audit Team carrying out of its function with reference to the standards set by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The ARC ensures that Management provides good support to the Internal Audit Team and provides adequate access to documents, records, properties and personnel when requested in order for the Internal Audit Team to carry out its function accordingly. The primary reporting line of the internal audit function is to the ARC and the Internal Audit Team has full access to the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company. The ARC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or weaknesses in the internal control system and recommendations for improvements are reported to the ARC.

In FY2025, the Company engaged an external professional service firm, Yang Lee & Associates, to perform an agreed scope internal audit, to supplement the activities of the Internal Audit Team.

The internal audit function primarily focusing on whether the current system of internal control provides reasonable assurance on:

- compliance with applicable laws, regulations, policy and procedures;

CORPORATE GOVERNANCE REPORT

- reliability and integrity of information; and
- safeguarding of assets.

Meeting with External and Internal Auditors without Management (Provision 10.5)

The ARC has reviewed and is generally satisfied that the Internal Audit Team is independent, adequately resourced and effective.

The ARC will review the adequacy and effectiveness of the internal audit function annually.

The ARC meets with the external auditors and internal auditors, in each case without the presence of Management, at least once a year.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

General Meetings (Provision 11.1)

The Company believes that active participation from Shareholders in general meetings will greatly enhance Shareholders' visibility of the Group's operations and performance and will further align Shareholders' interest with the Group's future directions and strategies. To encourage active participation at general meetings, the Company is committed to providing Shareholders with adequate, timely and sufficient information. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all Shareholders. The notices are also released via SGXNET and published in local newspapers, as well as posted on the Company's website. Shareholders may also download the Annual Report from the Company's website and SGXNET.

Conduct of General Meetings (Provisions 11.2, 11.3 & 11.4)

The Company's Constitution allows all Shareholders to appoint proxies to attend general meetings and vote on their behalf. Voting in absentia and by electronic mail may only be possible following careful study to ensure that the integrity of the information and authentication of the identity of shareholder via the internet is not compromised. Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate. All Directors including Executive Chairman of the Board and the respective Chairman of the Board Committees, senior management and the external auditors are intended to be in attendance at forthcoming 20th AGM to address any queries of Shareholders.

The Board acknowledges voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution where Shareholders are accorded rights proportionate to the shareholding and all votes counted. To enhance Shareholders' participation, the Group puts all resolutions at general meetings to vote by electronic poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage via SGXNET after the general meetings.

CORPORATE GOVERNANCE REPORT

Minutes of General Meetings (Provision 11.5)

The Company Secretary prepares minutes of general meetings that include substantial and pertinent comments from Shareholders relating to the agenda of the meetings and responses from Management and the Board. Such minutes will be available to Shareholders upon their written request. Copy of the minutes will also be released via SGXNET and the Company's website as soon as practicable.

Dividend Policy (Provision 11.6)

The Company has adopted a dividend policy that it believes appropriately reflects its goals, strategy and risk profile while providing attractive long-term return to investors. The Board is recommending S\$0.20 per ordinary share for FY2025 as the first and final one-tier tax-exempt dividend payable to the Shareholders, subject to the approval of Shareholders at the forthcoming 20th AGM. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account various factors including:

- the results of operations and cash flow;
- the expected financial performance and working capital needs;
- future prospects; and
- capital expenditures and other investment plans;

as well as general economic and business operations in the countries in which we operate and other factors deemed relevant by the Board and statutory restrictions on the payment of dividends.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Shareholder Communication (Provision 12.1)

The Group acknowledges the importance of regular communication with Shareholders and investors through which Shareholders can have an overview of the Group's performance and operation. The Board ensures that all the Company's Shareholders are treated equitably and the rights of all investors, including non-controlling Shareholders are protected. Information is communicated to Shareholders on a timely basis through the Company's annual report, circulars to Shareholders (if any), interim financial results and the various announcements.

The Company is committed to ensuring that its Shareholders have access to accurate information vis-à-vis the Company on a timely basis. This is achieved through posting announcements and news releases on the SGXNet on a timely and consistent basis. Thereafter, the Company had provided Shareholders with half-year and full-year financial statements for FY2025 as prescribed in the Listing Manual. Such half-year and full-year financial statements would be reviewed and approved by the Board prior to release to Shareholders by announcement on the SGXNet. In presenting the half-year and full-year financial statements to Shareholders, the Board seeks to provide Shareholders with a balanced, clear and understandable assessment of the Company and the Group's performance, position and prospects.

In line with the Company's commitment to provide its Shareholders with accurate information on a timely basis, the Company provides, on a voluntary basis, with business updates in between the announcement of its half-year and full-year financial statements. Such business updates contain, among other things, information on the Group's business and operational developments.

CORPORATE GOVERNANCE REPORT

The Company communicates with Shareholders and the investing community through the timely release of announcements to the SGX-ST via SGXNet, as well as analyst briefings, roadshows, meetings, and site visits. Financial results of the Company and the Group were released within 45 days from the half year ended and 60 days from the full year financial year ended during the year. In addition, the Annual Report FY2025 (online digital copy) is published to Shareholders within the mandatory period before the 20th AGM to be held on 28 April 2026.

The Board embraces openness and transparency in the conduct of the Group's affairs, whilst safeguarding its commercial interests. Material information on the Group has been released to the public through the Company's announcements via the SGXNet.

Internal Investor Relations (Provisions 12.2 & 12.3)

The Company does not have an internal investor relations team but has designated personnel, assisted by an external investor relations firm, to handle investor queries and deal with all matters related to investor relations.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Engaging Material Stakeholder Groups (Provisions 13.1 & 13.2)

The Group has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report.

Summary on Sustainability Reporting 2025

The Group remains committed to integrating sustainability into its business strategy and operations, recognising that responsible and sustainable practices are essential to long-term value creation. Sustainability considerations are embedded in the Group's operational, environmental and governance practices as it continues to support the maritime industry's transition towards lower emissions and more efficient vessel technologies.

The Board of Directors has oversight of the Group's sustainability strategy and ESG matters, while management is responsible for implementing sustainability initiatives and monitoring performance across the Group. Sustainability considerations are incorporated into the Group's risk management and strategic decision-making processes.

The Group has identified key material ESG factors that are relevant to its operations and stakeholders. These include environmental performance and energy efficiency, emissions reduction and green shipbuilding technologies, workplace health and safety, employee development, and strong corporate governance and ethical business conduct.

The Sustainability Report 2025 provides a comprehensive overview of the Group's sustainability strategy, governance framework, key ESG priorities and performance during the financial year. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and complies with the requirements of Rules 711A and 711B of the SGX-ST Listing Manual. Climate-related disclosures are aligned with internationally recognised frameworks.

The Group's Sustainability Report 2025 is published separately and is available on the Company's website.

CORPORATE GOVERNANCE REPORT

Corporate Website (Provision 13.3)

The Company maintains a corporate website at <http://www.yzship.com> to communicate and engage with stakeholders.

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSON TRANSACTIONS (Rule 907 of the Listing Manual of SGX-ST)

The following table sets out the current total of all relevant transactions with the interested persons for FY2025:

Name of interested persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) RMB'000
<u>YEE KEE SHIAN, LEON</u> <u>Duane Morris & Selvam LLP</u> Receipt of legal services	RMB34,835* (Equivalent to SGD6,510)	Nil

Shareholder mandate is not applicable as the aggregate value was less than 3% of Group's NTA as at 31 December 2025.

The Group has adopted an interested person transactions ("IPT") policy on 9 April 2007. Subsequently, the Company revised its IPT policy on 24 December 2024 which sets out the procedures for the identification, approval and monitoring of IPTs, along with maintaining an IPT register. All IPTs are subject to review by the ARC on a timely manner and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and its minority Shareholders. The Company did not enter into any IPTs which require Shareholders' approval under SGX-ST Listing Rules regulating IPTs during FY2025.

RISK MANAGEMENT (Rule 1207(10) of the Listing Manual of SGX-ST)

Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and will highlight all significant matters to the Directors and the ARC.

The ARC assisted the Board to regularly review the Company's risk management process and activities to mitigate and manager risk at an acceptable level as determined by the Board.

Financial risk factors have been described in Note 35 of the Financial Statements.

MATERIAL CONTRACTS (Rule 1207(8) of the Listing Manual of SGX-ST)

Save for the service agreement entered into between the Company and the Executive Chairman and CEO and except as disclosed in the Directors' Statements and the Financial Statements and in this Corporate Governance Report, there were no other material contracts of the Company and its subsidiaries involving the interests of the CEO or any director or controlling shareholder, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

DEALING IN SECURITIES

(Rule 1207(19) of the SGX-ST)

The Group has a policy for the Directors and employees of the Group which applies the best practices recommended in the Listing Manual. Under the policy, Directors and employees are prohibited from dealing in the Group's securities while in possession of unpublished material price sensitive information. Directors and certain prescribed employees are prohibited from dealing in the Group's securities during the one-month period immediately preceding the announcement of the Company's half-year and full-year financial statements ("**blackout period**"). An email would be sent to Directors and such prescribed employees prior to the commencement of a blackout period to remind them of their obligation not to dealing in securities during the blackout period. Directors and employees are also discouraged from dealing in securities of the Group on 20-term considerations. Save for the foregoing, the Company has complied with the best practices recommended in the Listing Manual in FY2025.

WHISTLE-BLOWING POLICY

The Company has a whistle-blowing policy which encourages all persons, including employees, to raise concerns about any wrongdoings or improprieties, including the breach of any applicable law and policy, within the Group. The policy provides for independent investigation of any reported incidents and appropriate follow-up actions. The policy encourages reporting of such matters by ensuring, to the extent possible, that the identity of the whistle-blower will be kept confidential and that the Company will not tolerate the harassment or victimization of a whistle-blower who reports in good faith.

The ARC is responsible for the monitoring and oversight of whistle-blowing and whistle-blowing reports are made to the ARC Chairman, save where the report is about the ARC Chairman, in which case the reports are made to the ARC Member. The ARC will be provided with resources to conduct investigations on any report, either by way of the Company designating the appropriate department or engaging, at the Group's expense, independent advisors to assist in the investigation.

The policy and the procedures for making a report are disclosed on the Company's intranet website and made available to all employees. The policy, including the procedures for raising concerns is covered and explained to employees during their onboarding process.

As at the date of this Report, there were no reports received through the whistle-blowing mechanism.

CORPORATE DISCLOSURE

The Company believes that a high level of disclosure is essential to enhance the standard of corporate governance. Hence, the Company is committed to provide a high level of disclosure in all public announcements, press releases and annual reports.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The directors present their statement to the shareholders together with the audited financial statements of the Group for the financial year ended 31 December 2025 and the balance sheet of the Company as at 31 December 2025.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 10 to 108 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Ren Letian
Yee Chia Hsing
Yee Kee Shian, Leon
Liu Hua
Poh Boon Hu Raymond

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2025	At 1.1.2025	At 31.12.2025	At 1.1.2025

The Company

(No. of ordinary shares)

Ren Letian	–	–	1,018,643,195	165,797,370
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- (b) The directors' interests in the ordinary shares of the Company as at 21 January 2026 were the same as those as at 31 December 2025.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Audit and Risk Committee

The members of the Audit and Risk Committee ("ARC") at the end of the financial year were as follows:

Yee Chia Hsing (Chairman)
Yee Kee Shian, Leon
Liu Hua
Poh Boon Hu Raymond

Three of the ARC members are independent directors and one is a non-independent non-executive director.

The ARC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the ARC performed the following:

- (a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) review the periodic consolidated financial statements and any formal announcements relating to the financial performance of the Company and its subsidiaries (the "Group") before submission to the Board for approval;
- (c) review the Company's key financial risk areas, with a view to providing an independent oversight of the financial reporting of the Group, the outcome of such review to be disclosed in the annual reports or of the findings are material, to be immediately announced via SGXNET;
- (d) receive and review at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks;
- (e) review the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- (f) review and approve all hedging policies implemented by the Group (if any) and conduct periodic review of foreign exchange transactions and hedging policies and procedures;
- (g) review the assurance from the Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO") on the Group's financial records and financial statements;
- (h) appoint, re-appoint or remove the accounting or auditing firm or corporation to which the internal audit function is outsourced (including the review of their fees and scope of work);
- (i) review periodically, the adequacy, accuracy, effectiveness, scope and results of the internal and external audit, independence and objectivity of the internal and external auditors;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Audit and Risk Committee (Continued)

- (j) review and make recommendations to the Board on the appointment or re-appointment or termination of the external auditors, including approving the remuneration and terms of engagement of the external auditors;
- (k) review with the internal and external auditors, the audit plans, scope of work, their evaluation of the Company's system of internal controls, audit reports, their management letters and the response of the Management, and the results of audits compiled by the internal and external auditors;
- (l) review and discuss with the internal and external auditors, any issues and concerns arising from their audits, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position and the Management's response;
- (m) review with the external auditors the Group's existing financial and accounting policies and practices and the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial statements of the Company and the Group;
- (n) review the co-operation given by the Management to the Company's internal and external auditors;
- (o) review the Group's compliance with such functions and duties as may be required under the relevant statutes, the Code or the Listing Manual, including such amendments made thereto from time to time; and
- (p) review and approve any interested person transactions falling within the scope of Chapter 9 of the Listing Manual ("Interested Person Transactions") and review procedures thereof.

The Audit and Risk Committee, having reviewed all non-audit services provided by the independent auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the independent auditor.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

REN LETIAN
Director

YEE CHIA HSING
Director

26 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Yangzijiang Shipbuilding (Holdings) Ltd. ("the Company") and its subsidiaries (together "the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2025;
- the balance sheet of the Group as at 31 December 2025;
- the balance sheet of the Company as at 31 December 2025;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>1. Shipbuilding contracts</p> <p><i>Refer to Notes 2.2(a), 3(a), 4, and 29 of the financial statements</i></p> <p>Shipbuilding revenue amounted to RMB26.826 billion (2024: RMB25.216 billion), representing 94% (2024: 95%) of the Group's total revenue for the financial year ended 31 December 2025. Shipbuilding revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The measure of progress is determined based on percentage of completion ("POC"), which is measured by reference to the proportion of costs incurred to the estimated total costs for the shipbuilding contract.</p> <p>A provision for onerous contract is recognised when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it. There were no provisions for onerous contracts as at 31 December 2025.</p> <p>We focused on the recognition of shipbuilding revenue, including the estimation of total shipbuilding costs and the provision for onerous contracts because of the use of significant judgement in estimating inputs to determine the extent of satisfaction of the performance obligation, including contingencies that could arise from variation to original contract terms and claims.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> a. evaluating the key controls and testing the operating effectiveness of those relating to: <ul style="list-style-type: none"> • the preparation of and revisions to the estimated total costs for shipbuilding contracts; and • the recording of actual costs incurred for these contracts; b. based on our understanding of the components that make up the estimated total shipbuilding costs for each type of vessel, reviewing, on a sample basis, the appropriateness of the significant cost components against supporting documents; c. assessing the reliability of management's estimates by comparing the estimated total shipbuilding costs with the actual costs for a sample of contracts completed during the year; d. testing the accuracy of the contract value by agreeing to the agreed price and terms of the shipbuilding contracts including variation orders; e. on a sample basis, agreeing material and subcontractor costs to the suppliers' invoices and approved payment vouchers, and also checking the allocation of overheads to each contract; f. on a sample basis, recomputing the POC for vessels which is determined based on the proportion of the contracts cost incurred to date to the estimated total shipbuilding costs;

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

Key audit matter	How our audit addressed the key audit matter
	<p>g. on a sample basis, reviewing the overall reasonableness of the progress towards completion for vessels under construction through physical verification and by comparing to the contract delivery schedule;</p> <p>h. on a sample basis, performing checks on customers using publicly available information, and/or sighting to performance guarantee issued by shipowners, and/or sighting to receipts of milestone payments due during the year and after the year end, to identify credit risks exposures to assess the adequacy of allowances for credit risk; and</p> <p>i. assessing the existence and completeness of the provision for onerous contracts and/or customer claims (where relevant) for each contract by:</p> <ul style="list-style-type: none"> • reviewing the margins recognised for individual shipbuilding contract; and • reviewing the progress (percentage of completion) of shipbuilding contracts to their scheduled delivery dates for any delay. <p>Based on our procedures, we found the judgement exercised by management in estimating total shipbuilding costs, and determining the extent of satisfaction of the performance obligation for purposes of the recognition of shipbuilding revenue as well as the provision for onerous contracts to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF YANGZIJANG SHIPBUILDING (HOLDINGS) LTD.

Key audit matter	How our audit addressed the key audit matter
2. Liquefied natural gas (“LNG”) Terminal and LNG Storage and Distribution facility	
<p><i>Refer to Note 3(c) of the financial statements</i></p> <p>A total investment of approximately RMB1.9 billion is planned for the construction of a LNG Terminal and LNG Storage and Distribution facility (the “facilities”). The carrying amount of the facilities is RMB1.1 billion (2024: RMB587.8 million) as at year end.</p> <p>The LNG Terminal and LNG Storage and Distribution facility is assessed as one cash-generating unit (“CGU”) because the business strategy of the Group is to make use of the infrastructures at both the terminal and the storage and distribution facilities to provide a one-stop service and charge its customers an all-in service fee.</p> <p>The recoverable amount of the CGU is determined based on value-in-use (“VIU”), measured using discounted cash flows projections.</p> <p>We focused on this area because of the substantial investment committed to a business segment that is relatively new to the Group. Critical judgements and assumptions are also involved in the significant estimates of the expected revenue cashflows, the construction costs to complete and the long-term discount rate, applied in determining the recoverable amount of the CGU.</p> <p>The significant assumptions and judgements are disclosed in Note 3(c) to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> a. assessing the appropriateness of the identification of cash-generating units; b. assessing the appropriateness of the valuation methodology used; c. assessing the reasonableness of key assumptions based on our knowledge of the business and industry and with the involvement of our valuation specialists; d. performing sensitivity analysis to assess the impact on the recoverable amount by reasonable possible changes in the estimated revenue cashflows, construction costs to complete and discount rate; e. testing source data, on a sample basis to supporting evidence for the assumptions made in the cash flow projections; and f. sighting the construction contracts entered into to assess the reasonableness of the construction costs reflected in the cash flow projections and reviewing the capital commitments disclosed in the financial statements. <p>Based on our procedures performed and the condition as at 31 December 2025, we found the assumptions and judgements exercised by management in its cash flow projections to be supported.</p>

Other Information

Management is responsible for the other information. The other information comprises the Corporate Profile, Financial Highlights, Chairman’s Statement, Corporate Milestones, Board of Directors, Senior Management, Financial and Operations Review, Corporate Governance Report, Directors’ Statement, Statistics of Shareholdings, Notice of Annual General Meeting, Appendix and Proxy Form (but does not include the financial statements and our auditor’s report thereon) which we obtained prior to the date of this auditor’s report, and the other sections of the annual report (“the Other Sections”), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Daniel Khoo.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 26 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group	
		2025 RMB'000	2024 RMB'000
Revenue	4	28,504,820	26,541,716
Cost of sales	7	(18,743,847)	(18,933,569)
Gross profit		9,760,973	7,608,147
Other income			
– Interest	5	850,482	735,144
– Others	5	102,672	59,034
Other gains – net	6	51,652	161,490
Expenses			
– Administrative	7		
– Reversal of impairment loss on financial assets – net		39,989	42,175
– Impairment loss on investment property		–	(180,865)
– Others		(874,643)	(681,977)
		(834,654)	(820,667)
– Finance	9	(115,420)	(118,772)
Share of profits of associated companies and joint ventures	21,22	860,867	558,975
Profit before income tax		10,676,572	8,183,351
Income tax expense	10	(2,044,680)	(1,549,088)
Profit for the year		8,631,892	6,634,263
Profit/(loss) attributable to:			
Equity holders of the Company		8,637,076	6,633,616
Non-controlling interests		(5,184)	647
		8,631,892	6,634,263

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group	
		2025 RMB'000	2024 RMB'000
Profit for the year		8,631,892	6,634,263
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Cash flow hedges			
– Fair value gains	32	187,755	21,949
– Reclassification	32	(154,589)	94,903
Share of other comprehensive income from the associated company and joint venture			
– Currency translation gains – net	21,22	3,091	2,137
Currency translation differences arising from consolidation			
– (Losses)/gains		(20,677)	9,981
– Reclassification		(22,649)	(56,701)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Currency translation losses attributable to non-controlling interests		(585)	(2,393)
Other comprehensive (loss)/income, net of tax		(7,654)	69,876
Total comprehensive income		8,624,238	6,704,139
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		8,630,007	6,705,885
Non-controlling interests		(5,769)	(1,746)
		8,624,238	6,704,139
Earnings per share attributable to equity holders of the Company (expressed in RMB cents per share)			
– Basic and diluted	11	219.23	167.91

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS - GROUP

AS AT 31 DECEMBER 2025

	Note	The Group 31 December	
		2025 RMB'000	2024 RMB'000
ASSETS			
Current assets			
Cash and cash equivalents	12	20,075,701	28,119,740
Restricted cash	13	6,068,489	19,997
Derivative financial instruments	14	57,113	–
Financial assets, at fair value through profit or loss	15	12,529	16,022
Trade and other receivables	16	7,923,067	6,270,165
Inventories	17	3,557,854	1,876,400
Contract assets	4	5,580,827	5,843,093
		43,275,580	42,145,417
Non-current assets			
Financial assets, at fair value through profit or loss	15	300	2,300
Trade and other receivables	18	963,846	1,351,567
Investments in joint ventures	21	1,447,388	908,115
Investments in associated companies	22	1,097,666	58,594
Investment property	23	2,249,316	1,983,500
Property, plant and equipment	24	9,084,541	7,863,368
Intangible assets	26	20,841	21,249
Deferred income tax assets	30	194,369	222,215
		15,058,267	12,410,908
Total assets		58,333,847	54,556,325
LIABILITIES			
Current liabilities			
Trade and other payables	27	3,791,579	4,319,720
Contract liabilities	4	13,140,238	14,320,166
Derivative financial instruments	14	65,304	219,094
Borrowings	28	5,500,000	4,500,000
Current income tax liabilities		1,293,083	872,134
Provisions	29	750,205	653,271
		24,540,409	24,884,385
Non-current liabilities			
Other payables	27	318,468	–
Derivative financial instruments	14	–	11,350
Borrowings	28	–	2,300,000
Deferred income tax liabilities	30	1,217,148	983,461
		1,535,616	3,294,811
Total liabilities		26,076,025	28,179,196
NET ASSETS		32,257,822	26,377,129
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	31	7,361,990	7,361,990
Treasury shares	31	(285,966)	(127,753)
Other reserves	32	1,739,531	1,417,238
Retained earnings		23,326,359	17,626,477
		32,141,914	26,277,952
Non-controlling interests		115,908	99,177
Total equity		32,257,822	26,377,129

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS - COMPANY

AS AT 31 DECEMBER 2025

		The Company	
		31 December	
Note		2025	2024
		RMB'000	RMB'000
ASSETS			
Current assets			
	Cash and cash equivalents	12 47,074	115,443
	Trade and other receivables	16 11,355,510	7,013,554
		11,402,584	7,128,997
Non-current assets			
	Trade and other receivables	18 4,803,977	5,607,691
	Investments in subsidiaries	20 10,029,470	9,510,713
	Investments in joint ventures	21 303,011	309,327
	Investments in associated companies	22 855,172	134,062
		15,991,630	15,561,793
	Total assets	27,394,214	22,690,790
LIABILITIES			
Current liabilities			
	Other payables	27 308,394	1,174,468
	Current income tax liabilities	60,502	5,584
		368,896	1,180,052
Non-current liabilities			
	Other payables	27 36,731	–
	Deferred income tax liabilities	30 144,315	76,058
		181,046	76,058
	Total liabilities	549,942	1,256,110
NET ASSETS		26,844,272	21,434,680
EQUITY			
Capital and reserves attributable to equity holders of the Company			
	Share capital	31 7,326,773	7,326,773
	Treasury shares	31 (285,966)	(127,753)
	Other reserves	32 180,637	180,637
	Retained earnings	19,622,828	14,055,023
	Total equity	26,844,272	21,434,680

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Attributable to equity holders of the Company									
	Share capital	Treasury shares	Statutory reserve	Hedging reserve	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2025										
As at 1 January 2025	7,361,990	(127,753)	4,028,378	(33,166)	130,531	(2,708,505)	17,626,477	26,277,952	99,177	26,377,129
Profit/(loss) for the year	-	-	-	-	-	-	8,637,076	8,637,076	(5,184)	8,631,892
Other comprehensive income/(loss) for the year	-	-	-	33,166	(40,235)	-	-	(7,069)	(585)	(7,654)
Total comprehensive income/(loss) for the year	-	-	-	33,166	(40,235)	-	8,637,076	8,630,007	(5,769)	8,624,238
Dividends	-	-	-	-	-	-	(2,607,832)	(2,607,832)	-	(2,607,832)
Purchase of treasury shares	-	(158,213)	-	-	-	-	-	(158,213)	-	(158,213)
Capital injection by non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	22,500	22,500
Transfer	-	-	329,362	-	-	-	(329,362)	-	-	-
Total transactions with owners, recognised directly in equity	-	(158,213)	329,362	-	-	-	(2,937,194)	(2,766,045)	22,500	(2,743,545)
As at 31 December 2025	7,361,990	(285,966)	4,357,740	-	90,296	(2,708,505)	23,326,359	32,141,914	115,908	32,257,822

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The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Attributable to equity holders of the Company										
	Share capital RMB'000	Treasury shares RMB'000	Statutory reserve RMB'000	Hedging reserve RMB'000	Currency			Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
					translation reserve RMB'000	Other reserves RMB'000	Other reserves RMB'000				
2024											
As at 1 January 2024	7,361,990	(127,753)	3,782,985	(150,018)	175,114	(2,685,846)	12,584,081	20,940,553	202,397	21,142,950	
Profit for the year	-	-	-	-	-	-	6,633,616	6,633,616	647	6,634,263	
Other comprehensive income/(loss) for the year	-	-	-	116,852	(44,583)	-	-	72,269	(2,393)	69,876	
Total comprehensive income/(loss) for the year	-	-	-	116,852	(44,583)	-	6,633,616	6,705,885	(1,746)	6,704,139	
Dividends	-	-	-	-	-	-	(1,345,827)	(1,345,827)	-	(1,345,827)	
Acquisition of the non-controlling interests of a subsidiary	-	-	-	-	-	(22,659)	-	(22,659)	(116,880)	(139,539)	
Dissolution of subsidiary	-	-	-	-	-	-	-	-	(31,594)	(31,594)	
Capital injection by non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	47,000	47,000	
Transfer	-	-	245,393	-	-	-	(245,393)	-	-	-	
Total transactions with owners, recognised directly in equity	-	-	245,393	-	-	(22,659)	(1,591,220)	(1,368,486)	(101,474)	(1,469,960)	
As at 31 December 2024	7,361,990	(127,753)	4,028,378	(33,166)	130,531	(2,708,505)	17,626,477	26,277,952	99,177	26,377,129	

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit for the year		8,631,892	6,634,263
Adjustments for:			
– Income tax expense		2,044,680	1,549,088
– Depreciation of property, plant and equipment		525,358	433,202
– Depreciation of investment property		105	23,463
– Amortisation of intangible assets		4,421	4,602
– Finance expenses		115,420	118,772
– Gain on disposal of property, plant and equipment		(86,700)	(28,302)
– Fair value change on:			
• derivative financial instruments		(1,364)	–
• financial assets at fair value, through profit or loss		(2,687)	23,252
– Impairment loss on Investment property		–	180,865
– Interest income		(850,482)	(735,144)
– Dividend income		(296)	(539)
– Share of profits of associated companies and joint ventures		(860,867)	(558,975)
		9,519,480	7,644,547
Change in working capital, net of effects from acquisition and disposal of subsidiaries:			
– Inventories		(1,660,876)	(911,701)
– Contract balances		(1,099,531)	7,519,588
– Trade and other receivables		(1,426,851)	(1,250,599)
– Trade and other payables		(351,524)	300,494
– Provisions		96,934	209,496
– Restricted cash		19,908	(11,472)
Cash generated from operations		5,097,540	13,500,353
Interest paid		(115,420)	(118,772)
Interest received		850,482	735,144
Income tax paid		(1,368,052)	(1,155,654)
Net cash provided by operating activities		4,464,550	12,961,071

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group	
		2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		272,032	99,747
Proceeds from partial disposal of investment in a joint venture		100,774	–
Proceeds from sales of financial assets at fair value, through profit or loss		8,180	4,020
Dividend received from financial assets at fair value, through profit or loss		296	539
Dividend received from a joint venture		158,528	315,315
Dividend received from an associated company		10,360	–
Additions to property, plant and equipment		(1,952,959)	(1,056,461)
Additions to investment property		(181,105)	(40,829)
Acquisition of a subsidiary, net of cash acquired	12	–	(19,388)
Acquisition of intangible assets		(4,013)	(4,672)
Investment in an associated company		(833,051)	–
Return of capital by an associated company		5,814	–
Loan to non-related parties		(22,500)	(447,000)
Repayment of loan by/(loan to) an associated company – net		20,000	(20,000)
Repayment of loan by a non-related party		4,000	–
Increase in restricted cash		(6,068,400)	–
Net cash used in investing activities		(8,482,044)	(1,168,729)
Cash flows from financing activities			
Purchase of treasury shares		(158,213)	–
Proceeds from bank borrowings	28	2,250,000	5,550,000
Repayments of bank borrowings	28	(3,550,000)	(4,344,571)
Capital injection by non-controlling interests		22,500	47,000
Acquisition of non-controlling interests		–	(139,539)
Principal payment of lease liabilities	28	–	(350)
Dividends paid to equity holders	33	(2,607,832)	(1,345,827)
Loan from an associated company		17,000	–
Net cash used in financing activities		(4,026,545)	(233,287)
Net (decrease)/increase in cash and cash equivalents		(8,044,039)	11,559,055
Cash and cash equivalents at beginning of financial year		28,119,740	16,560,685
Cash and cash equivalents at end of financial year	12	20,075,701	28,119,740

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Yangzijiang Shipbuilding (Holdings) Ltd. (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 36 Robinson Road, #20-01 City House, Singapore 068877. The principal place of business is 9 Raffles Place, #54-01, Republic Plaza, Singapore 048619.

The principal activities of the Company are investment holding and agency service for shipbuilding and related activities. The principal activities of its subsidiaries are set out in Note 41.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise judgement in the process of applying the Group’s accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2025

On 1 January 2025, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

(a) Shipbuilding revenue

The Group enters into contracts with customers to construct vessels. At contract inception, the Group assesses whether the Group transfers control of the vessels over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Management has considered that the vessels have no alternative use for the Group due to contractual restriction on the Group from readily re-directing the vessels to other customers during the construction or when the vessels are completed and the Group has enforceable rights to payment for the performance completed to date, arising from the contractual terms. Accordingly, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The measure of progress is determined based on percentage of completion, which is measured by reference to the proportion of costs incurred to date to the estimated total costs for the shipbuilding contract. Costs incurred that are not related to the contract or that do not contribute towards satisfying the performance obligation are excluded from the measure of progress and instead are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Revenue recognition (Continued)

(a) *Shipbuilding revenue (Continued)*

The Group receives deposit from customers before the start of construction works and the period between the receipt of the deposit and the transfer of control may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the Group from the customers' failure to complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a milestone payment schedule. If the value of the construction works by the Group exceed the payments received, a contract asset is recognised. If the payments received exceed the value of the construction works, a contract liability is recognised.

Income from forfeiture of payments received from shipbuilding contracts is recognised when the shipbuilding contracts are terminated by the Group and the payments received from the customer is non-refundable.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

(b) *Revenue from sale of steel parts*

Revenue from sale of steel parts is recognised when the control of the goods has transferred to its customers, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

(c) *Revenue from sale of goods – material and others*

The Group enters into contracts with customers to supply goods (including metal products). The Group assesses its role as an agent or principal for each transaction and in a transaction where the Group acts as an agent, revenue would exclude amounts collected on behalf of the principal. Revenue is recognised when service is rendered or when control of the goods has transferred, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Revenue recognition (Continued)

(d) *Revenue from sale of residential units*

Revenue from sale of residential units is recognised when or as the control of the asset is transferred to the customer. As the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the residential unit is accepted by the customer according to the contract, or when title has passed to the customer.

(e) *Rendering of services*

Ship design

The Group renders ship design services and revenue is recognised when such services are rendered.

Rental income

Revenue includes rental income and service charges.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Revenue from service charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered.

(f) *Charter income*

Revenue from time charter contracts are generated from leasing of vessel and provision of services (i.e. provision of ship crew services). Income from leasing of vessel, which is of operating leases in nature, is recognised on a straight-line basis over the period of the charter. Revenue from provision of services is recognised rateably over the rental periods of such charterers, as service is performed.

(g) *Interest income*

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

(h) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Group accounting (Continued)

(a) *Subsidiaries* (Continued)

(ii) *Acquisitions* (Continued)

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

Before recognising a gain on a bargain purchase, management shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review. The objective is to ensure that measurements appropriately reflect consideration of all available information as of the acquisition date.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Group accounting (Continued)

(c) *Associated companies and joint ventures* (Continued)

(i) *Acquisitions*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated companies or joint ventures over the Group's share of the fair value of the identifiable net assets of the associated companies or joint ventures and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Changes in ownership interest*

An increase in the Group's ownership interest in existing associate or a joint venture, where the Group continues to have significant influence or joint controls, is accounted for using a cost accumulation approach. The cost of acquiring the additional stake, including any directly attributable costs, is added to the carrying amount of the associate or joint venture. The notional fair value for the additional stake is calculated using fair value information at the date when the additional interest is acquired. Remeasurement of the previously held interest is not required if there is no change in status of the investment.

If a Group's ownership interest in an associate or a joint venture is reduced, but the investment continues to be classified either as an associate or a joint venture respectively, only a proportionate share of the amounts previously recognised in other comprehensive income relating to that associate or joint venture are reclassified to profit or loss and form part of the gain or loss on partial disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Group accounting (Continued)

(c) *Associated companies and joint ventures* (Continued)

(iv) *Disposals*

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph “Investments in subsidiaries, associated companies, and joint ventures” for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(b) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The vessels are subject to overhauls at regular intervals. The inherent components of the initial overhaul are determined based on the estimated costs of the next overhaul and are separately depreciated over a period of 2.5 to 5 years in order to reflect the estimated intervals between two overhauls. The costs of the overhauls subsequently incurred are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss.

(c) *Depreciation*

Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives, as follows:

	<u>Useful lives</u>
Leasehold land	Over the lease term
Buildings	20 years or shorter of lease term
Machinery	5 – 25 years
Vehicles	5 – 12 years
Furniture, fittings and equipment	5 – 12 years
Vessels	25 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Property, plant and equipment (Continued)

(d) *Construction-in-progress*

Construction-in-progress represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses, if any. This includes cost of construction, plant and equipment and other directly attributable costs. No depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to respective asset classes within property, plant and equipment and depreciated in accordance with the policy stated above.

(e) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(f) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains – net”.

2.5 Intangible assets

(a) *Goodwill*

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired computer software licenses*

Acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Intangible assets (Continued)

(b) *Acquired computer software licenses* (Continued)

Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 5 years.

The amortisation period and amortisation method of computer software licenses are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to assets under construction. This includes those costs on borrowings acquired specifically for assets under construction, as well as those in relation to general borrowings used to finance assets under construction.

Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to assets under construction that are financed by general borrowings.

2.7 Investment property

Investment property comprises those portions of an office building that is held for long-term rental yields and/or for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of the building components between 4 to 34 years. No depreciation is provided on freehold land.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The residual values, useful life and depreciation method of investment property are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*

Property, plant and equipment

Right-of-use assets

Investment property

Investments in subsidiaries, associated companies and joint ventures

Intangible assets, property, plant and equipment, right-of-use assets, investment property and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any indication or objective evidence that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Impairment of non-financial assets (Continued)

- (b) *Intangible assets*
Property, plant and equipment
Right-of-use assets
Investment property
Investments in subsidiaries, associated companies and joint ventures (Continued)

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 Financial assets

- (a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets (Continued)

(a) *Classification and measurement* (Continued)

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, restricted cash and trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other gains – net”. Dividends from equity investments are recognised in profit or loss as “dividend income”.

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

For cash and cash equivalents, loan to subsidiaries and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial assets (Continued)

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss.

2.11 Derivative financial instruments

A derivative financial instrument is initially recognised at fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates its hedge as cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 14. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Derivative financial instruments (Continued)

The following hedge in place qualified as cash flow hedges under SFRS(I) 9.

Cash flow hedge

- *Currency forwards*

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified to profit and loss when the hedged transaction affects profit and loss.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Financial guarantees

The Company has issued corporate guarantees to customers of its joint venture and subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the customers of its joint venture and subsidiaries if the joint venture or the subsidiaries fail to fulfil the obligations in accordance with the terms of their shipbuilding contracts.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.14 Borrowings

Borrowings are presented as current liabilities unless, at the end of the reporting period, the Group has the right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Right-of-use assets*

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within “Property, plant and equipment”.

- *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Leases (Continued)

(a) When the Group is the lessee: (Continued)

- *Lease liabilities (Continued)*

- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) When the Group is the lessor:

The Group leases vessels under finance leases and operating leases to non-related parties.

- *Lessor – Finance leases*

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Leases (Continued)

(b) When the Group is the lessor: (Continued)

- *Lessor – Operating leases*

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of work-in-progress and development properties comprise raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. Raw materials used in the construction contracts are not written down to net realisable value if the overall construction contract is expected to be profitable.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Income taxes (Continued)

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Pillar Two related top-up tax expenses are recognised and disclosed separately from other current income tax expenses. Qualified domestic top-up tax expenses are recognised and presented as current income tax expenses by the relevant entities in the Group that have the legal obligation to settle qualifying domestic top-up taxes with the tax authorities. This includes the designated filing entity and any other entities that have elected to pay a portion of the qualified domestic top-up tax expenses.

2.19 Provisions

Provisions for warranty and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Employee compensation

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore and the social security plans in People's Republic of China (the "PRC") on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

In accordance with the relevant regulations in the PRC, the premiums and welfare benefit contributions borne by the Group are calculated based on certain percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

(b) *Share appreciation rights*

For cash-settled share appreciation rights, the fair value of the employee services received in exchange for the grant of share appreciation rights is recognised as an expense with the recognition of a corresponding liability over the vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

(c) *Dividend equivalent rights*

The Group recognises as expense dividend equivalent rights, based on a formula that takes into consideration the dividend per share approved at the Annual General Meeting following each financial year end.

2.21 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Currency translation (Continued)

(b) *Transactions and balances (Continued)*

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within “finance expenses”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other gains – net”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair value is determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management team who are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and demand deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.24 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the other reserve.

2.25 Dividends to the Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.26 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants relating to assets are recognised as deferred income in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Estimation of total contract costs*

The Group has significant ongoing contracts to construct vessels. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the vessels. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of shipbuilding revenue. When it is probable that the total contract costs will exceed the total shipbuilding revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has used their accumulative knowledge of the industry, market conditions, and its customers, corroborated with the experience gained from the most recent deliveries.

As at 31 December 2025, RMB5,580,827,000 (2024: RMB5,843,093,000) of the Group's contract assets is subject to the estimation of progress towards completion using the input method. If the total contract cost of on-going contracts to be incurred had been higher by 5% (2024: 5%) from management's estimates, the Group's revenue and contract assets would have been lower by RMB523,592,000 (2024: RMB540,343,000). If the total contract cost of on-going contracts to be incurred had been lower by 5% (2024: 5%) from management's estimates, the Group's revenue and contract assets would have been higher by RMB578,707,000 (2024: RMB597,222,000). If the total contract costs of on-going contracts to be incurred had been higher by 5% (2024: 5%) from management's estimates, additional provision for onerous contracts that would have been recognised is immaterial.

(b) *Impairment of trade receivables and contract assets*

As at 31 December 2025, the Group's trade receivables and contract assets amounted to RMB470,635,000 (2024: RMB247,792,000) (Note 16) and RMB5,580,827,000 (2024: RMB5,843,093,000) [Note 4(b)] respectively, arising from the Group's different revenue segments – shipbuilding, shipping and others.

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Accordingly, management has adopted different approaches in measuring expected credit loss across revenue segment.

No loss allowance for trade receivables was recognised as at 31 December 2025 and 31 December 2024.

The Group's and the Company's credit risk exposure for trade receivables and contract assets and significant estimation in measuring expected credit loss allowance by different revenue segment are set out in Note 35(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) Recoverable amount of LNG Terminal and LNG Storage and Distribution facility

A total investment of approximately RMB1.9 billion is planned for the conversion of LNG Terminal and the construction of LNG Storage and Distribution facility (the “facilities”) on the adjacent land in the downstream Yangtze River region. The Group obtained the relevant government approvals for the conversion of the terminal in 2024. The carrying amount of the facilities is RMB1.1 billion (2024: RMB587.8 million) as at year end.

The recoverable amount of the facilities is determined based on value-in-use (“VIU”) model, measured using discounted cash flow projections. Cash flow projections used in the VIU calculation were based on projected cash flows approved by management covering a twenty-eight-year period and applying a post-tax discount rate of 10% per annum (pre-tax discount rate of 13.8% per annum). The terminal conversion and storage construction works are in progress as of 31 December 2025. Significant judgements are required in estimating the revenue cashflows (including the estimated price and volume of the LNG businesses which comprise of one-stop transmission and transshipment services), the construction costs to complete and the discount rate applied in determining the recoverable amount of the CGU. In making these estimates, management has relied on its expectations of market and industry developments in PRC.

The impact arising from a change in the key estimate inputs on the recoverable amount of the CGU as at 31 December is as follows:

	2025		2024	
	Higher/(lower) %	Change of recoverable amount RMB'000	Higher/(lower) %	Change of recoverable amount RMB'000
Estimated revenue cashflows	(5%)	(196,412)	(5%)	(179,577)
Construction costs to complete	5%	(99,349)	5%	(116,877)
Discount rate (post-tax)	0.5%	(125,406)	0.5%	(180,918)

A reasonably possible change on the key estimate inputs does not materially cause the estimated recoverable amount to be lower than its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. REVENUE

(a) Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

	At a point in time RMB'000	Over time RMB'000	Total RMB'000
<u>The Group</u>			
2025			
<i>Shipbuilding segment</i>			
– Shipbuilding revenue	–	26,577,181	26,577,181
– Sale of steel parts	248,436	–	248,436
<i>Shipping segment</i>			
Charter hire income	–	1,141,452	1,141,452
<i>Others segment</i>			
Rendering of ship design services	14,875	–	14,875
Sale of goods – materials and others	452,429	–	452,429
Rental income (Note 23)	–	6,803	6,803
Sale of residential units	63,503	–	63,503
Others	141	–	141
Total revenue	779,384	27,725,436	28,504,820
2024			
<i>Shipbuilding segment</i>			
– Shipbuilding revenue	–	24,986,421	24,986,421
– Sale of steel parts	229,185	–	229,185
<i>Shipping segment</i>			
Charter hire income	–	1,242,528	1,242,528
<i>Others segment</i>			
Rendering of ship design services	19,357	–	19,357
Sale of goods – materials and others	7,717	–	7,717
Rental income (Note 23)	–	25,253	25,253
Others	31,255	–	31,255
Total revenue	287,514	26,254,202	26,541,716

(b) Contract assets and liabilities

	31 December 2025 RMB'000	2024 RMB'000	1 January 2024 RMB'000
<u>The Group</u>			
<i>Contract assets</i>			
– Shipbuilding contracts	5,580,827	5,843,093	7,076,911
<i>Contract liabilities</i>			
– Shipbuilding contracts	(13,140,238)	(14,320,166)	(8,146,046)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. REVENUE (CONTINUED)

(b) Contract assets and liabilities (Continued)

Contract assets relate to fixed price shipbuilding contracts. The changes in contract assets are due to progress in shipbuilding activities, offset by consideration received from customer or billings raised to customer as per agreed payment schedule.

Contract liabilities relate to consideration received from customers ahead of shipbuilding activities. The changes in contract liabilities are due to consideration received per agreed payment schedule, offset by progress in shipbuilding activities.

(i) Revenue recognised in relation to contract liabilities

	The Group	
	2025 RMB'000	2024 RMB'000
<i>Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period</i>		
– Shipbuilding contracts	4,053,048	2,644,187

(ii) Unsatisfied performance obligations

As at 31 December 2025, the aggregate amount of the transaction price allocated to the remaining performance obligation is RMB108 billion (2024: RMB118 billion) and the Group expects to recognise this revenue over the next 1 to 5 years (2024: 1 to 5 years).

(c) Trade receivables from contracts with customers

	31 December		1 January
	2025 RMB'000	2024 RMB'000	2024 RMB'000
The Group			
Current assets			
Trade receivables from customers (Note 16)	470,635	247,792	837,273

5. OTHER INCOME

	The Group	
	2025 RMB'000	2024 RMB'000
Interest income		
– Cash and cash equivalents and restricted cash	760,258	648,320
– Finance leases	65,698	86,824
– Loan to non-related parties	24,526	–
Sale of bunker stock and scrap materials	32,050	11,767
Dividend income	296	539
Others	70,326	46,728
	953,154	794,178

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. OTHER GAINS – NET

	The Group	
	2025 RMB'000	2024 RMB'000
Foreign exchange (losses)/gains	(335,527)	116,645
Less: Cash flow hedges, reclassified from hedging reserve (Note 32(b))	181,869	(111,650)
Foreign exchange related (losses)/gains, net	(153,658)	4,995
Fair value gains/(losses):		
– Derivative financial instruments	1,364	–
– Financial assets, at fair value through profit or loss (Note 15)	2,687	(23,252)
Gain on disposal of property, plant and equipment	86,700	28,302
Subsidies and incentives	143,253	136,689
Others	(28,694)	14,756
	51,652	161,490

7. EXPENSES BY NATURE

	The Group	
	2025 RMB'000	2024 RMB'000
Raw materials and consumables used (Note 17)	13,069,810	13,428,704
Amortisation of intangible assets (Note 26)	4,421	4,602
Depreciation of investment property (Note 23)	105	23,463
Depreciation of property, plant and equipment (Note 24)	525,358	433,202
Impairment loss on:		
– Investment property (Note 23)	–	180,865
Bad debt recovery	(39,989)	(42,175)
Employee compensation (Note 8)	597,091	426,075
Subcontracting costs	3,049,968	2,512,433
Other shipbuilding related fees and charges	849,310	888,275
Inventories write-down (Note 17)	13,975	–
Provision for warranty – net (Note 29)	91,452	201,303
Utilities	170,456	170,585
Transportation expenses	38,891	51,368
Auditors' remuneration paid/payable to		
– Auditor of the Company	5,630	4,192
– Other auditors	750	319
Other fees paid/payable to an oversea network firm of the Auditor of the Company	139	1,783
Professional fees	52,344	77,122
Vessel operations expenses	570,874	536,060
Commission	168,121	350,848
Others	409,795	505,212
Total cost of sales and administrative expenses	19,578,501	19,754,236

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. EMPLOYEE COMPENSATION

	The Group	
	2025 RMB'000	2024 RMB'000
Salaries and wages	304,006	201,421
Employer's contributions to defined contribution plans	84,290	73,380
Share appreciation rights	188,063	130,405
Other employee benefits	20,732	20,869
	597,091	426,075

Contributions to defined contribution plans

The employees of the Group who are employed in the PRC participate in a defined contribution plan administered by the relevant provincial government. For the financial year ended 31 December 2025, the Group is required to make monthly defined contribution to these plans at approximately 36% to 38% (2024: approximately 36% to 37%) of eligible employees' monthly salaries and wages as stipulated by local rules and regulations. The employees of the Group who are employed in Singapore participate in a defined contribution plan administered by the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

The Group's contributions are recognised as employee compensation expense when they are due and incurred.

Share appreciation rights

The Group granted share appreciation rights to employees as part of their remuneration package during the year. The employees will be entitled to a future cash payment, based on the difference between the subscription price of the phantom shares (not actual shares issued by the Company) and market price of the publicly traded shares at point of withdrawal, following their annual subscription on 1 July each year. The Group measures the services acquired and the liability incurred at the fair value of the liability as the employees render service. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments disclosed in this note.

9. FINANCE EXPENSES

	The Group	
	2025 RMB'000	2024 RMB'000
Interest expenses:		
– Bank borrowings	115,359	118,769
– Loan from associated company	61	–
– Lease liabilities (Note 25)	–	3
	115,420	118,772

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. INCOME TAXES

The Group is subject to income tax on an individual entity basis on profit arising or derived from the tax jurisdiction in which the Group entities are domiciled and operate. Except for Jiangsu New Yangzi Shipbuilding Co., Ltd (“JNYS”) and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd (“JXF”), the corporate income tax rate applicable for the Group’s subsidiaries in PRC and Singapore is 25% and 17% respectively.

As at the date of these financial statements, JNYS and JXF qualify for the “High and New Technology Enterprise” (“HNTE”) incentive up to November 2028 and December 2028 respectively. On the basis that the qualifying conditions for HNTE are met, the applicable tax rate for JNYS and JXF is 15%.

(a) Income tax expense

	The Group	
	2025	2024
	RMB'000	RMB'000
Tax expense attributable to profit is made up of:		
– Current income tax	1,806,838	1,312,841
– Deferred income tax (Note 30)	255,679	245,268
	2,062,517	1,558,109
(Over)/under provision in prior years		
– Current income tax	(17,837)	(191,289)
– Deferred income tax (Note 30)	–	182,268
	2,044,680	1,549,088

The tax on the Group’s profit before tax differs from the theoretical amount that would arise using the PRC standard rate of income tax as follows:

	The Group	
	2025	2024
	RMB'000	RMB'000
Profit before tax	10,676,572	8,183,351
Share of profits of associated companies and joint ventures, net of tax	(860,867)	(558,975)
Profit before tax and share of results of associated companies and joint ventures	9,815,705	7,624,376
Tax calculated using tax rate of 25% (2024: 25%)	2,453,926	1,906,094
Effect of:		
– tax exemption and different tax rates	(528,209)	(657,532)
– deferred tax on undistributed profits	85,227	241,510
– expenses not deductible for tax purposes	298,152	68,037
– income not subject to tax	(246,579)	–
– under-provision of prior year deferred tax	–	182,268
– over-provision of prior year current tax	(17,837)	(191,289)
Tax charge	2,044,680	1,549,088

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. INCOME TAXES (CONTINUED)

(b) The tax charge relating to each component of other comprehensive income is as follows:

	Before Tax RMB'000	Tax charge RMB'000	After tax RMB'000
<u>Group</u>			
2025			
Fair value gains and reclassification adjustments on cash flow hedges	(39,020)	5,854	(33,166)
2024			
Fair value gains and reclassification adjustments on cash flow hedges	(137,473)	20,621	(116,852)

(c) OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules, and it applies the SFRS(I) 1-12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. In December 2024, Singapore enacted the Pillar Two legislation and implemented the Income Inclusion Rule ("IIR") and a Domestic Minimum Top-up Tax ("DTT"), effective from 1 January 2025. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate.

The Group has applied the transitional country-by-country reporting (CbCR) safe harbour rules in Pillar Two, which allow an entity to avoid undertaking detailed GloBE calculations in respect of a jurisdiction if the entity can demonstrate, based on its qualifying CbCR and financial accounting data, that in that jurisdiction it has: (i) revenue and income below the de minimis threshold, (ii) an effective tax rate (ETR) based on a simplified ETR test that equals or exceeds an agreed rate, or (iii) no excess profits after excluding routine profits. Based on the simplified calculations under the CbCR safe harbour rules, no jurisdictional top-up tax is required for the financial year ended 31 December 2025.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group Total	
	2025	2024
Net profit attributable to equity holders of the Company (RMB'000)	8,637,076	6,633,616
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	3,939,674	3,950,589
Basic earnings per share (RMB cents)	219.23	167.91

Diluted earnings per share is equivalent to the basic earnings, as the Company does not have any dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	20,075,701	28,119,740	47,074	115,443

Acquisition of subsidiary

In the previous financial year ended 31 December 2024, the Group acquired 100% of Jiangsu Yangxing Property Co., Ltd., a property development entity developing a residential project in Dongxing Town, Jingjiang, Jiangsu, PRC. The effects of the acquisition on the cash flows of the Group were:

	The Group March 2024 RMB'000
Carrying amounts of assets and liabilities as at the date of acquisition:	
Cash and bank balances	612
Restricted cash	8,437
Trade and other receivables	5,193
Inventories	45,860
Property, plant and equipment (Note 24)	20,588
Total assets	80,690
Trade and other payables	(60,690)
Total liability	(60,690)
Net assets acquired by the Group	20,000
Cash outflows arising from acquisition:	
Purchase consideration	20,000
Less: Cash and bank balances acquired	(612)
Net cash outflow on acquisition	19,388

Disposal of subsidiaries – dissolution of subsidiaries

In 2025, the Group dissolved one of its 100% owned subsidiaries, Jiangsu Tianyuan Marine Import & Export Co. Ltd. and struck off one of its 100% owned subsidiaries, Yangzijiang International Trading Pte. Ltd. ("YIT"). The effects of the dissolution and strike off of the subsidiaries on the cashflows of the Group were immaterial.

In 2024, the Group dissolved two of its 100% owned subsidiaries, Dongyuan Ship Leasing (Tianjin) Co., Ltd. and Newyangzi International Trading Pte. Ltd.. Additionally, the Group dissolved one of its 49.48% owned subsidiary, Yangzijiang Taihua Shipping Pte. Ltd.. The effects of the dissolution of the subsidiaries on the cashflows of the Group were immaterial.

Significant restrictions

Cash and cash equivalents and restricted cash of RMB24,131,296,000 (2024: RMB10,979,983,000) are held in PRC and are subject to local exchange control regulations. The conversion of these RMB denominated balances into foreign currencies is subject to the foreign exchange rules and regulations promulgated by the PRC government.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. RESTRICTED CASH

The restricted cash was held in designated bank accounts as short-term deposits with restricted liquidity prior to maturity, deposits for borrowings and pre-sale payments received from house buyers.

	The Group	
	2025 RMB'000	2024 RMB'000
Restricted cash	6,068,489	19,997

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount RMB'000	Fair value			
		Assets		Liabilities	
		Current RMB'000	Non-current RMB'000	Current RMB'000	Non-current RMB'000
Group					
31 December 2025					
Derivatives held for cash flow hedges:					
– Currency forwards					
– USD/CNY forward contracts	318,848	–	–	(9,555)	–
Derivatives not held for hedging:					
– Currency forwards					
– CNY/USD forward contracts	6,113,897	–	–	(54,639)	–
– USD/CNY forward contracts	7,061,246	45,338	–	–	–
– Currency options					
– USD/CNY option contracts	1,119,743	11,775	–	(1,110)	–
Total		57,113	–	(65,304)	–
31 December 2024					
Derivatives held for cash flow hedges:					
– Currency forwards					
– USD/CNY forward contracts	3,586,870	–	–	(219,094)	(11,350)
Total		–	–	(219,094)	(11,350)

The contract notional amount included above is on a gross basis.

The derivative contracts are entered into to manage foreign currency risk arising from shipbuilding contracts entered by the Group.

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14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in Group's hedging strategy in 2025

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness		Hedge ineffectiveness recognised in P&L RMB'000	Weighted average hedged rate	Maturity date	
	Contractual notional amount RMB'000	Liabilities – net RMB'000	Financial statement line item	Hedging instrument RMB'000				Hedged item RMB'000
	Group							
Cash flow hedge								
Foreign exchange risk								
– Forward contracts to hedge highly probable transactions	318,848	(9,555)	Derivative financial instruments	(9,555)	9,555	–	USD 1: RMB6.7610 January 2026 – March 2026	

Hedging instruments used in Group's hedging strategy in 2024

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness		Hedge ineffectiveness recognised in P&L RMB'000	Weighted average hedged rate	Maturity date	
	Contractual notional amount RMB'000	Liabilities – net RMB'000	Financial statement line item	Hedging instrument RMB'000				Hedged item RMB'000
	Group							
Cash flow hedge								
Foreign exchange risk								
– Forward contracts to hedge highly probable transactions	3,586,870	(230,444)	Derivative financial instruments	(230,444)	230,444	–	USD 1: RMB6.7727 January 2025 – March 2026	

15. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	2025 RMB'000	2024 RMB'000
Beginning of financial year	18,322	45,594
Fair value gain/(loss) through profit and loss (Note 6)	2,687	(23,252)
Disposal	(8,180)	(4,020)
End of financial year	12,829	18,322

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15. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets, at fair value through profit or loss are analysed as follows:

	The Group	
	2025 RMB'000	2024 RMB'000
<u>Current</u>		
Unlisted		
– Equity securities – PRC	12,529	16,022
<u>Non-Current</u>		
Unlisted		
– Equity securities – PRC	300	2,300
	12,829	18,322

The instruments are all mandatorily measured at fair value through profit or loss.

16. TRADE AND OTHER RECEIVABLES – CURRENT

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Finance lease receivables (Note 19)	84,390	295,602	–	–
Trade receivables				
– Non-related parties	106,562	194,444	–	–
– Joint venture	364,073	53,348	–	–
Other receivables				
– Subsidiaries	–	–	11,355,005	6,854,224
– Non-related parties	198,971	93,533	–	591
– Joint venture	274	207,722	274	158,528
– Associated company	184	94	184	94
– Loan to a non-related party [Note (a)]	400,000	–	–	–
Other receivables – net	599,429	301,349	11,355,463	7,013,437
Other assets				
– Value added tax recoverable	449,400	300,885	47	117
– Deposits [Note (b)]	–	185,000	–	–
Prepayments [Note (c)]	6,319,213	4,939,537	–	–
	7,923,067	6,270,165	11,355,510	7,013,554

(a) As at 31 December 2025, the loan to a non-related party is secured by a pledge over a land in Jingjiang, PRC. This loan bears interest at 6% per annum and is repayable in full by October 2026.

(b) As at 31 December 2024, deposits of RMB185,000,000 relate to the acquisition of land use rights in Xinqiao Park of the Jingjiang Economic and Technological Development Zone in PRC. The deposits were fully refunded following the completion of the acquisition of land use rights in 2025.

(c) Prepayments mainly represent advances paid to suppliers for the purchase of raw materials, such as steel, imported equipment to be installed in the vessels, and other materials for the Group's shipbuilding activities.

The non-trade amounts due from subsidiaries, joint venture and associated company are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. INVENTORIES

	The Group	
	2025 RMB'000	2024 RMB'000
Raw materials	927,126	709,111
Work-in-progress	2,584,265	1,084,410
Development properties	46,463	82,879
	3,557,854	1,876,400

Raw materials consist mainly of metal steel products and equipment which are used in the Group's shipbuilding activities and consumables which are used in the Group's shipping activities. Work-in-progress consists of vessels under construction. Development properties consist of residential and commercial units in Dongxing Town, Jingjiang, PRC.

The cost of inventories recognised as expense and included in "cost of sales" amounts to RMB13,069,810,000 (2024: RMB13,428,704,000).

In 2025, a write-down of RMB13,975,000 (2024: RMBNil) was made to reduce the carrying amounts of development properties to their net realisable values.

18. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Finance lease receivables (Note 19)	780,259	884,283	–	–
Other receivables				
– Loans to subsidiaries [Note (a)]	–	–	4,803,977	5,607,691
– Loan to an associated company [Note (b)]	–	20,000	–	–
– Loans to non-related parties [Note (c)]	65,500	447,000	–	–
– Non-related parties	–	284	–	–
Prepayments	118,087	–	–	–
	963,846	1,351,567	4,803,977	5,607,691

(a) As at 31 December 2025, included in loans to subsidiaries of RMB1,620,658,000 (2024: RMB1,579,924,000) is secured by a pledge over the shares of Yangzijiang Realty Pte Ltd ("YZJR"), interest-free and is repayable after 9 (2024: 10) years from balance sheet date. The remaining loans to subsidiaries are unsecured, interest-free with no fixed terms of repayment, and are not expected to be repaid within the next 12 months from the balance sheet date.

(b) The loan to an associated company was unsecured, interest bearing at 5% per annum and was repaid in full in 2025.

(c) As at 31 December 2025, loans to a non-related party are unsecured, interest bearing at 6% per annum and is repayable in full by June 2027.

The fair values of the Group and Company's non-current trade and other receivables approximate their respective carrying amounts.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. FINANCE LEASE RECEIVABLES

The Group leases vessels to non-related parties under finance leases. There were no new finance lease agreements entered by the Group in 2025. The various agreements expire between 2026 and 2034 (2024: 2025 and 2034), and the non-related parties have the obligation to purchase the vessels upon their respective expiry dates.

	The Group	
	2025 RMB'000	2024 RMB'000
Gross receivables due		
– Less than one year	138,910	362,539
– One to two years	300,866	142,064
– Two to three years	66,886	307,697
– Three to four years	66,703	68,405
– Four to five years	66,703	68,218
– More than five years	473,541	552,512
	1,113,609	1,501,435
Less: Unearned finance income	(248,960)	(321,550)
Net investment in finance leases [Note (a)]	864,649	1,179,885

The net investment in finance leases is analysed as follows:

	The Group	
	2025 RMB'000	2024 RMB'000
Current (Note 16)	84,390	295,602
Non-current (Note 18)	780,259	884,283
	864,649	1,179,885

(a) The net investment in finance leases decreased primarily from the regular receipts of lease payments and maturity of a finance lease in 2025.

20. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025 RMB'000	2024 RMB'000
<i>Equity investments at cost</i>		
Beginning of financial year	9,510,713	8,069,753
Additions [Note (a)]	532,093	1,440,960
Disposal [Note (b)]	(6,148)	–
Impairment [Note (c)]	(7,188)	–
End of financial year	10,029,470	9,510,713

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Additions

In 2025, the Company:

- (i) injected additional capital into Jiangsu Yangzi Hongyuan Shipbuilding Co., Ltd amounting to RMB358,805,000;
- (ii) injected additional capital into Jiangsu Yanghong Marine Import and Export Co., Ltd. amounting to RMB143,600,000;
- (iii) injected additional capital into Jiangsu Yangzi Chengkang Marine Heavy Industry Co., Ltd. amounting to RMB22,500,000; and
- (iv) injected capital into Jiangsu Yangzi Runze Shipbuilding Co., Ltd amounting to RMB7,187,600.

In 2024, the Company:

- (i) incorporated a wholly owned subsidiary, Jiangsu Yangzi Hongyuan Shipbuilding Co., Ltd. with issued and paid-up share capital of RMB709,278,000;
- (ii) incorporated Jiangsu Yangzi Chengkang Marine Heavy Industry Co., Ltd. and paid RMB47,000,000 for its 50% share of the subscribed and issued share capital;
- (iii) acquired the remaining 19% equity interest in YZJR with a consideration of RMB139,539,000; and
- (iv) subscribed for new equity shares in JXF, issued as consideration to capitalise dividends of RMB545,143,000.

(b) Disposal

In 2025, the Company struck off one of its 100% owned subsidiaries, YIT.

(c) Impairment

In 2025, the Company fully impaired its investment in Jiangsu Yangzi Runze Shipbuilding Co., Ltd. following the termination of the shipbuilding base development.

21. INVESTMENTS IN JOINT VENTURES

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<i>Equity investments at cost</i>				
Beginning of financial year	908,115	666,509	309,327	309,327
Disposal [Note (a)]	(102,489)	–	–	–
Share of profits	635,498	556,887	–	–
Dividend	–	(315,315)	–	–
Impairment	–	–	(6,316)	–
Share of other comprehensive income – currency translation reserve	6,264	34	–	–
End of financial year	1,447,388	908,115	303,011	309,327

- (a) In 2025, the Group disposed 5% equity interest in its joint venture, Jiangsu Yangzi-Mitsui Shipbuilding Co., Ltd (“Yangzi-Mitsui”). This does not result in a change of joint control over Yangzi-Mitsui.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Set out below is the joint venture of the Group which is material to the Group.

Name of company	Principal activity	Place of business/ country of incorporation	Effective equity holding	
			2025 %	2024 %
Jiangsu Yangzi – Mitsui Shipbuilding Co., Ltd. ⁽¹⁾	Shipbuilding	China	51	56

(1) The joint venture is audited by other accounting firms for local statutory purpose.

Yangzi-Mitsui is involved in shipbuilding, production and processing of large-scale steel structure in the People's Republic of China. Control over the financial and operating decisions of Yangzi-Mitsui is jointly exercised with the other shareholders in accordance with the shareholders' agreement.

As at the date of these financial statements, Yangzi-Mitsui qualifies for the HNTE incentive up to November 2027. On the basis that the qualifying conditions for HNTE are met, the applicable tax rate for Yangzi-Mitsui is 15%.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Summarised financial information for joint venture

Set out below is the summarised financial information for Yangzi-Mitsui.

Summarised balance sheet

	Yangzi-Mitsui 31 December	
	2025 RMB'000	2024 RMB'000
Current assets	7,749,164	6,484,875
Includes:		
– Cash and bank balances	1,522,041	1,479,948
Current liabilities	(5,289,821)	(5,226,685)
Includes:		
– Financial liabilities (excluding trade payables)	(249,866)	(530,469)
Non-current assets	525,276	514,232
Non-current liabilities	(67,806)	(56,319)
Includes:		
– Financial liabilities (excluding trade payables)	(48,352)	(41,099)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised statement of comprehensive income

	Yangzi-Mitsui	
	31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	5,728,619	4,826,845
Interest income	6,950	5,653
Expenses includes:		
– Depreciation and amortisation	(15,601)	(38,659)
Profit before income tax	1,415,894	1,177,434
Income tax expense	(216,479)	(179,471)
Total comprehensive income	1,199,415	997,963
Dividend received	–	315,315

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture.

The following table summarises the Group's share of loss and other comprehensive income of the immaterial joint venture accounted for using the equity method:

	31 December	
	2025	2024
	RMB'000	RMB'000
Loss for the year	(5)	(12)
Other comprehensive income	6,264	34
Total comprehensive income	6,259	22

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint ventures, is as follows:

	Yangzi-Mitsui	
	31 December	
	2025	2024
	RMB'000	RMB'000
Net assets	2,916,813	1,716,103
Group's equity interest	51%	56%
Group's share of net assets	1,487,575	961,018
Less: Unrealised gains on transactions	(48,785)	(55,242)
Carrying value	1,438,790	905,776
Add: Carrying value of immaterial joint venture	8,598	2,339
Carrying value of Group's interest in joint ventures	1,447,388	908,115

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. INVESTMENTS IN ASSOCIATED COMPANIES

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
<i>Equity investments at cost</i>				
Beginning of financial year	58,594	54,403	134,062	134,062
Addition [Note (a)]	833,050	–	833,050	–
Return of capital [Note (b)]	(5,814)	–	–	–
Impairment [Note (c)]	–	–	(111,940)	–
Dividend	(10,360)	–	–	–
Share of profits	225,369	2,088	–	–
Share of other comprehensive (loss)/income – currency translation reserve	(3,173)	2,103	–	–
End of financial year	1,097,666	58,594	855,172	134,062

- (a) In 2025, the Group acquired a 34% equity interest in Tsuneishi Group (Zhoushan) Shipbuilding Co., Ltd. (“Tsuneishi”) with a cash consideration of RMB833,050,000.
- (b) In 2025, the Group received a return of capital of RMB5,814,000 following the dissolution of its 30%-owned associated company, Jiangsu Run Yuan Energy Co., Ltd..
- (c) In 2025, the Company impaired its investment in one of the associated companies which has ceased operation.

Set out below is the associated company which is material to the Group.

Name of company	Principal activity	Place of business/ country of incorporation	Effective equity holding	
			2025 %	2024 %
Tsuneishi Group (Zhoushan) Shipbuilding Co., Ltd. ⁽¹⁾	Shipbuilding	China	34%	–

- (1) The associated company is audited by other accounting firms for local statutory purpose.

Tsuneishi is involved in shipbuilding, production and processing of large-scale steel structure in the People's Republic of China.

There are no contingent liabilities relating to the Group's interest in the associated companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated company

Set out below is the summarised financial information for Tsuneishi.

Summarised balance sheet

	Tsuneishi 31 December 2025 RMB'000
Current assets	4,071,206
Current liabilities	(1,831,907)
Non-current assets	887,545
Non-current liabilities	(79)

Summarised statement of comprehensive income

	Tsuneishi 31 December 2025 RMB'000
Revenue	5,419,960
Profit from continuing operations	904,459
Post-tax profit from continuing operations	676,617

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company.

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22. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised statement of comprehensive income (Continued)

The following table summarises the Group's share of profit/(loss) and other comprehensive income/(loss) of the Group's individually immaterial associated companies accounted for using the equity method:

	31 December	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit for the year	(4,681)	2,088
Other comprehensive (loss)/income	(3,173)	2,103
Total comprehensive (loss)/income	(7,854)	4,191

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	Tsuneishi	
	31 December	
	2025	2024
	RMB'000	RMB'000
Net assets	3,126,765	–
Group's equity interest	34%	–
Group's share of net assets	1,063,100	–
Carrying value	1,063,100	–
Add: Carrying value of individually immaterial associated companies, in aggregate	34,566	58,594
Carrying value of Group's interest in associated companies	1,097,666	58,594

NOTES TO THE FINANCIAL STATEMENTS

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23. INVESTMENT PROPERTY

	Freehold land RMB'000	Building RMB'000	Construction in progress RMB'000	Total RMB'000
<u>Group</u>				
2025				
Cost				
Beginning of financial year	1,873,335	289,024	40,830	2,203,189
Additions	–	–	215,789	215,789
Currency translation difference	47,426	7,317	1,053	55,796
End of financial year	1,920,761	296,341	257,672	2,474,774
Accumulated depreciation and impairment loss				
Beginning of financial year	–	(219,689)	–	(219,689)
Depreciation charge	–	(105)	–	(105)
Currency translation difference	–	(5,664)	–	(5,664)
End of financial year	–	(225,458)	–	(225,458)
Net book value				
As at 31 December 2025	1,920,761	70,883	257,672	2,249,316
2024				
Cost				
Beginning of financial year	1,892,623	292,000	–	2,184,623
Additions [Note (a)]	–	–	40,830	40,830
Currency translation difference	(19,288)	(2,976)	–	(22,264)
End of financial year	1,873,335	289,024	40,830	2,203,189
Accumulated depreciation and impairment loss				
Beginning of financial year	–	(16,086)	–	(16,086)
Depreciation charge	–	(23,463)	–	(23,463)
Impairment loss (Note 7) [Note (b)]	–	(180,865)	–	(180,865)
Currency translation difference	–	725	–	725
End of financial year	–	(219,689)	–	(219,689)
Net book value				
As at 31 December 2024	1,873,335	69,335	40,830	1,983,500

(a) Included within the additions in the 2024's consolidated financial statements are compensation for lease termination amounting to RMB33,504,000 capitalised as directly attributable costs.

(b) Due to a planned renovation in 2025, the recoverable amount of existing building components is lower than its carrying amount before impairment as at 31 December 2024 by RMB180,865,000.

NOTES TO THE FINANCIAL STATEMENTS

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23. INVESTMENT PROPERTY (CONTINUED)

The following amounts are recognised in profit and loss:

	The Group	
	2025 RMB'000	2024 RMB'000
Rental income (Note 4(a))	6,803	25,253
Direct operating expenses	(9,774)	(17,425)

At the reporting date, the details of the Group's investment property is as follows:

Location	Description	Tenure	Carrying amount as at 31 December	
			2025 RMB'000	2024 RMB'000
39 Robinson Road, Singapore	21-storey freehold office building with 3 levels of car park	Freehold	2,249,316	1,983,500

The fair value of investment property at 31 December 2025 is SGD 422,428,000 (approximately RMB2,305,865,000) (2024: SGD 409,000,000 (approximately RMB2,176,453,000)).

The fair value was determined by external, independent valuation company having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of the Group's investment property is classified within Level 3 of the fair value hierarchy and has been derived using the income capitalisation and direct comparison method. The most significant input in each valuation approach is the capitalisation rate and the adjusted price per square foot of comparable market transactions respectively.

The forecasts under the income capitalisation method uses a capitalisation rate of 2.75% (2024: 2.75%) per annum, which was based upon the initial yields of similar commercial properties within the area. Under the direct comparison method, the fair value is determined by reference to recent sales of similar properties, adjusted for differences in location, size, tenure, use, condition, facilities and timing of transactions.

As at 31 December 2025, the Group has determined that the recoverable amount based on fair value is higher than the carrying value of the investment property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Vehicles	Furniture, fittings and equipment	Vessels	Leasehold prepayments – land use rights	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>The Group</u>								
2025								
Cost								
As at 1 January	4,611,988	2,506,225	160,502	210,027	5,321,897	1,562,048	252,705	14,625,392
Additions	53,875	77,372	18,693	23,184	259,449	197,381	1,399,860	2,029,814
Transfers	148,641	88,413	1,134	4,747	–	(11,440)	(231,495)	–
Reclassification	–	–	–	–	–	(20,578)	–	(20,578)
Disposals	(8,750)	(22,985)	(7,481)	(2,185)	(204,063)	–	–	(245,464)
Currency translation difference	–	–	–	–	(106,921)	–	–	(106,921)
As at 31 December	4,805,754	2,649,025	172,848	235,773	5,270,362	1,727,411	1,421,070	16,282,243
Accumulated depreciation and impairment losses								
As at 1 January	(2,840,755)	(2,033,027)	(147,547)	(156,963)	(1,259,151)	(324,581)	–	(6,762,024)
Depreciation charge (Note 7)	(213,434)	(47,074)	(4,273)	(20,814)	(211,158)	(28,605)	–	(525,358)
Disposals	5,152	21,698	7,219	1,922	24,141	–	–	60,132
Currency translation difference	–	–	–	–	29,548	–	–	29,548
As at 31 December	(3,049,037)	(2,058,403)	(144,601)	(175,855)	(1,416,620)	(353,186)	–	(7,197,702)
Net book value								
As at 31 December 2025	1,756,717	590,622	28,247	59,918	3,853,742	1,374,225	1,421,070	9,084,541

	Buildings	Machinery	Vehicles	Furniture, fittings and equipment	Vessels	Leasehold prepayments – land use rights	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>The Group</u>								
2024								
Cost								
As at 1 January	4,574,826	2,474,147	160,617	180,352	4,582,610	1,566,889	136,936	13,676,377
Acquisition of a subsidiary (Note 12)	–	–	–	10	–	20,578	–	20,588
Additions	–	44,226	6,700	38,563	809,725	24,473	155,633	1,079,320
Transfers	40,711	42,939	67	5,898	141	(49,892)	(39,864)	–
Disposals	(3,549)	(55,087)	(6,882)	(14,796)	(137,040)	–	–	(217,354)
Currency translation difference	–	–	–	–	66,461	–	–	66,461
As at 31 December	4,611,988	2,506,225	160,502	210,027	5,321,897	1,562,048	252,705	14,625,392
Accumulated depreciation and impairment losses								
As at 1 January	(2,643,047)	(2,000,581)	(145,665)	(148,683)	(1,219,120)	(300,219)	–	(6,457,315)
Depreciation charge (Note 7)	(200,449)	(52,064)	(7,191)	(12,558)	(136,578)	(24,362)	–	(433,202)
Disposals	2,635	19,618	5,309	4,278	114,069	–	–	145,909
Currency translation difference	106	–	–	–	(17,522)	–	–	(17,416)
As at 31 December	(2,840,755)	(2,033,027)	(147,547)	(156,963)	(1,259,151)	(324,581)	–	(6,762,024)
Net book value								
As at 31 December 2024	1,771,233	473,198	12,955	53,064	4,062,746	1,237,467	252,705	7,863,368

(a) The Group's interest in land use rights in the PRC is held on leases with periods ranging from 35 years to 50 years (2024: 35 years to 70 years).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB'000
<u>Company</u>	
2024	
Cost	
As at 1 January	1,494
Derecognition	(1,494)
As at 31 December	–
Accumulated depreciation	
As at 1 January	(1,259)
Depreciation charge	(341)
Currency translation difference	106
Derecognition	1,494
	–
Net book value	
As at 31 December 2024	–

25. LEASES

Nature of the Group's leasing activities – The Group as a lessee

Leasehold land

The Group has made upfront payments to secure the right-of-use of leasehold land with lease terms ranging from 35 years to 50 years, which are used in the Group's operations in China. These leasehold lands are recognised within property, plant and equipment (Note 24).

There is no externally imposed covenant on these lease arrangements.

(a) Carrying amounts

ROU assets classified within property, plant and equipment

	2025 RMB'000	2024 RMB'000
<u>The Group</u>		
Land use rights	1,374,225	1,237,467

(b) Depreciation charge during the year

	2025 RMB'000	2024 RMB'000
<u>The Group</u>		
Leasehold land	28,605	24,362
Buildings	–	341
	28,605	24,703

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25. LEASES (CONTINUED)

Nature of the Group's leasing activities – The Group as a lessee (Continued)

(c) Interest expense

	2025 RMB'000	2024 RMB'000
The Group		
Interest expense on lease liabilities (Note 9)	-	3

(d) Total cash outflow for all the leases in 2025 was nil (2024: RMB353,000).

Nature of the Group's leasing activities – The Group as a lessor

The Group leases out vessels under finance leases and operating leases to non-related parties. Leases where the Group transferred substantially all risks and rewards incidental to ownership of the vessels to the lessees are classified as finance leases.

Interest income from finance leases is disclosed in Note 5. The maturity analysis of lease payments for the finance leases is disclosed in Note 19. The credit risk of the finance lease receivables is disclosed in Note 35(b)(iii).

Revenue from operating lease of the vessels is disclosed in Note 4(a).

The Group leased out their owned investment property to third parties for monthly lease payments. These leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. Rental income from this investment property is disclosed in Note 23.

Maturity analysis of operating lease payments – Group as a lessor

The table below discloses the undiscounted lease payments to be received by the Group for its leases after the reporting date as follows:

	The Group	
	2025 RMB'000	2024 RMB'000
Less than one year	459,737	497,498
One to two years	2,205	48,507
	461,942	546,005

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26. INTANGIBLE ASSETS

Computer software licenses

	The Group	
	2025 RMB'000	2024 RMB'000
Cost		
Beginning of financial year	47,041	42,369
Additions	4,013	4,672
End of financial year	51,054	47,041
Accumulated amortisation		
Beginning of financial year	(25,792)	(21,190)
Amortisation charge (Note 7)	(4,421)	(4,602)
End of financial year	(30,213)	(25,792)
Net book value as at 31 December	20,841	21,249
Net book value as at 1 January	21,249	21,179

The amortisation expenses are classified as administrative expenses in profit or loss.

27. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Current				
Trade payables				
– Third parties	2,017,384	2,956,391	–	–
– Associated company	34,506	–	–	–
Other payables				
– Subsidiaries [Note (a)]	–	–	239,546	1,089,065
– Non-related parties	1,156,180	1,036,990	68,848	85,403
– Associated companies [Note (b)]	212,304	–	–	–
– Loan from an associated company [Note (c)]	17,000	–	–	–
Deferred compensation income [Note (d)]	194,737	157,553	–	–
Other operating accruals	159,468	168,786	–	–
	3,791,579	4,319,720	308,394	1,174,468
Non-current				
Other payables				
– Non-related parties	318,468	–	36,731	–
	4,110,047	4,319,720	345,125	1,174,468

(a) The non-trade amounts due to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

(b) The non-trade amounts due to associated companies are unsecured, interest-free and have no fixed terms of repayment.

(c) As at 31 December 2025, the loan from an associated company bears interest at 4% per annum and is repayable in full by January 2026.

(d) As at 31 December 2025, included in deferred compensation income is the government grant of RMB157 million received for the relocation of shipbuilding premises at Jiangsu Yangzijiang Shipbuilding Group Co., Ltd. (“JYS”). A portion of the government grant is deferred as the performance conditions attached to this portion of the grant have yet been met.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. BORROWINGS

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Current				
Bank borrowings (unsecured)	5,500,000	4,500,000	-	-
	5,500,000	4,500,000	-	-
Non-current				
Bank borrowings (unsecured)	-	2,300,000	-	-
	-	2,300,000	-	-
	5,500,000	6,800,000	-	-

The exposure of the Group and the Company to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Fixed rate:				
- Within one year	5,500,000	4,500,000	-	-
- One to two years	-	2,300,000	-	-
	5,500,000	6,800,000	-	-

(a) Fair value of non-current borrowings at fixed rate

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Borrowings				
- RMB	-	2,199,867	-	-

The fair value is determined from the cash flow analysis discounted at market borrowing rate of an equivalent instrument which the directors expect to be available to the Group at the balance sheet date. The discount rates are as follows:

	The Group		The Company	
	2025	2024	2025	2024
Borrowings				
- RMB	-	3.60%	-	-

The fair values are within Level 2 of the fair value hierarchy.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. BORROWINGS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

	1 January 2025 RMB'000	Proceeds from borrowings RMB'000	Principal and interest payments RMB'000	Non-cash changes		31 December 2025 RMB'000
				Interest expense RMB'000	Foreign exchange movement RMB'000	
The Group						
Bank borrowings	6,800,000	2,250,000	(3,665,359)	115,359	–	5,500,000

	1 January 2024 RMB'000	Proceeds from borrowings RMB'000	Principal and interest payments RMB'000	Non-cash changes		31 December 2024 RMB'000
				Interest expense RMB'000	Foreign exchange movement RMB'000	
The Group						
Bank borrowings	5,594,291	5,550,000	(4,463,340)	118,769	280	6,800,000
Lease liabilities	355	–	(353)	3	(5)	–

29. PROVISIONS

	The Group	
	2025 RMB'000	2024 RMB'000
Warranty	713,967	630,251
Legal claims	36,238	23,020
	750,205	653,271

The Group provides warranties on completed and delivered vessels and undertakes to repair or replace items that fail to perform satisfactorily within the warranty period. The provision for warranty is based on estimates from known and expected warranty work and legal and constructive obligation for further work to be performed after construction. The estimated warranty expense is 1% of the shipbuilding contract price.

Movement in provision is as follows:

	Warranty		Legal claims	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
As at 1 January	630,251	431,027	23,020	12,748
Write back of provision	(170,400)	(97,691)	–	–
Provision made	261,852	298,994	23,587	10,082
Provision utilised	(7,736)	(2,079)	(10,082)	–
Currency translation difference	–	–	(287)	190
As at 31 December	713,967	630,251	36,238	23,020

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. PROVISIONS (CONTINUED)

In 2023, a provision was made for claims arising from a vessel accident in India. The Group entered into an arbitration with the claimant in 2023 and agreed to provide bank guarantee of approximately RMB12,748,000 (Indian Rupee 15 crores) in order to release the vessel. Subsequent to the release in 2024, the vessel has been sold to a third party.

In 2024, a provision was recognised for RMB10,082,000 based on the arbitration award against the Group for legal fees payable in PRC. The amount was fully paid in 2025.

In 2025, an additional provision was recognised for RMB23,587,000 (Great British Pound 2,500,000) for claim of legal fees payable in the United Kingdom.

The Group is involved in several vessel-related incidents arising from their day-to-day operations. The Group maintains multiple insurance policies, including hull and machinery and protection and indemnity, to insure the risk relating to their vessel activities. Accordingly, the Group does not expect the outcome of these incidents to have any material effect on the Group's financial position.

30. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets	(194,369)	(222,215)	-	-
Deferred income tax liabilities	1,217,148	983,461	144,315	76,058
Net deferred income tax liabilities	1,022,779	761,246	144,315	76,058

Movements in net deferred income tax accounts are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January	761,246	313,089	76,058	-
Charged to profit or loss (Note 10(a))	255,679	427,536	68,257	76,058
Charged to other comprehensive income (Note 10(b))	5,854	20,621	-	-
As at 31 December	1,022,779	761,246	144,315	76,058

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of RMB5,412,000 (2024: RMB6,165,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation.

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30. DEFERRED INCOME TAX (CONTINUED)

The expiry date of tax losses of the Group are summarised as follows:

	The Group	
	2025 RMB'000	2024 RMB'000
Within one year	246	753
Between one year to two years	1,912	246
Between three years to five years	3,231	5,143
No expiry date	23	23
	5,412	6,165

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

The Group

Deferred income tax assets

	Impairment losses RMB'000	Warranty provision RMB'000	Fair value loss RMB'000	Total RMB'000
2025				
As at 1 January	(92,461)	(95,187)	(34,567)	(222,215)
Charged/(credited) to:				
– profit or loss	6,416	(11,908)	27,484	21,992
– other comprehensive income	–	–	5,854	5,854
As at 31 December	(86,045)	(107,095)	(1,229)	(194,369)
2024				
As at 1 January	(93,798)	(65,763)	(38,440)	(198,001)
Charged/(credited) to:				
– profit or loss	1,337	(29,424)	(16,748)	(44,835)
– other comprehensive income	–	–	20,621	20,621
As at 31 December	(92,461)	(95,187)	(34,567)	(222,215)

Deferred income tax liabilities

	Unremitted dividends and undistributed profits from subsidiaries RMB'000	Forfeiture income RMB'000	Accelerated depreciation RMB'000	Unbilled revenue RMB'000	Total RMB'000
2025					
As at 1 January	595,302	–	186,912	201,247	983,461
Charged/(credited) to:					
– profit or loss	85,226	–	(3,484)	151,945	233,687
As at 31 December	680,528	–	183,428	353,192	1,217,148
2024					
As at 1 January	353,792	93,987	150	63,161	511,090
Charged/(credited) to:					
– profit or loss	241,510	(93,987)	186,762	138,086	472,371
As at 31 December	595,302	–	186,912	201,247	983,461

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. DEFERRED INCOME TAX (CONTINUED)The Company*Deferred income tax liabilities*

	Unremitted dividends from subsidiaries RMB'000
2025	
As at 1 January	76,058
Charged to profit or loss	68,257
As at 31 December	144,315
2024	
As at 1 January	–
Charged to profit or loss	76,058
As at 31 December	76,058

31. SHARE CAPITAL

	Number of shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital RMB'000	Treasury shares RMB'000
<u>The Group</u>				
2025				
As at 1 January	3,974,077	(23,488)	7,361,990	(127,753)
Share buyback [Note (a)]	–	(15,000)	–	(158,213)
As at 31 December	3,974,077	(38,488)	7,361,990	(285,966)
2024				
As at 1 January and 31 December	3,974,077	(23,488)	7,361,990	(127,753)
<u>Company</u>				
2025				
As at 1 January	3,974,077	(23,488)	7,326,773	(127,753)
Share buyback [Note (a)]	–	(15,000)	–	(158,213)
As at 31 December	3,974,077	(38,488)	7,326,773	(285,966)
2024				
As at 1 January and 31 December	3,974,077	(23,488)	7,326,773	(127,753)

(a) The Company bought back 15,000,000 (2024: Nil) shares of the Company by way of market acquisition, which are held as treasury shares.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

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32. OTHER RESERVES

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Composition:				
Statutory reserves [Note (a)]	4,357,740	4,028,378	-	-
Hedging reserve [Note (b)]	-	(33,166)	-	-
Currency translation reserve [Note (c)]	90,296	130,531	-	-
Other reserve [Note (d)]	(2,708,505)	(2,708,505)	180,637	180,637
	1,739,531	1,417,238	180,637	180,637

(a) *Statutory reserves*

In accordance with the relevant rules and regulations, the Group's subsidiaries in the PRC are required to appropriate certain percentage of their profits to various reserve funds.

All subsidiaries which are considered as Wholly Owned Foreign Enterprise may discontinue the contribution to the reserve fund when the aggregate sum of the reserve fund is more than 50% of the registered capital in accordance with the "Law of the PRC on Enterprise Operated Exclusively with Foreign Capital".

During the financial year ended 31 December 2025, the Group's subsidiaries have appropriated RMB329,362,000 (2024: RMB245,393,000) from their profits to statutory reserves.

(b) *Hedging reserve*

Movements in hedging reserve by risk category:

	The Group Foreign exchange risk	
	2025 RMB'000	2024 RMB'000
Beginning of financial year	33,166	150,018
- Fair value gains	(220,889)	(25,823)
- Tax on fair value gains	33,134	3,873
	(154,589)	128,068
Reclassification to profit or loss, as hedged item has affected profit or loss		
- Other gains/(losses) - net (Note 6)	181,869	(111,650)
Tax on reclassification adjustments	(27,280)	16,748
	154,589	(94,902)
End of financial year	-	33,166

(c) *Currency translation reserve*

Currency translation reserve represents the currency translation differences resulting from the translation of the Group entities' financial statements that have a functional currency different from the Group's presentation currency.

(d) *Other reserve*

Other reserve represents capital investments and distributions relating to equity transactions with non-controlling shareholders and gain on re-issue of treasury shares.

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33. DIVIDENDS

	The Group	
	2025 RMB'000	2024 RMB'000
<i>Ordinary dividends</i>		
Final exempt dividend paid in respect of the previous financial year of SGD12.0 cents (2024: SGD6.5 cents) per share	2,607,832	1,345,827

A final exempt (one-tier) dividend of SGD20.0 cents per share amounting to approximately SGD787,117,844 (equivalent of RMB4,296,561,000) will be recommended for the shareholders' approval at the Annual General Meeting on 28 April 2026. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

34. CAPITAL COMMITMENT

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment	2,010,861	857,134
Investment property	313,475	4,299
	2,324,336	861,433

35. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as forwards to manage or hedge certain financial risk exposures.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Group, including establishing operating guidelines governing the activities of the Group, such as risk identification and measurement, risk management, oversight responsibilities, authority levels and exposure limits.

(a) Market risk

(i) *Currency risk*

The Group has shipbuilding contracts with customers around the world and is exposed to currency risk mainly arising from USD. The Group manages this risk by entering into currency forwards for these highly probable forecast transactions denominated in USD.

The Group applied hedge accounting on currency forwards which met all qualifying criteria for hedge accounting. The objective of the cash flow hedge accounting is to fairly present the management of volatility arising from the Group's foreign currency exposure from shipbuilding contracts denominated in USD. Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedged instrument.

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35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

The Group does not hedge 100% of the contract value of individual shipbuilding contracts and therefore, the hedged item is identified as a proportion of individual shipbuilding contract. The Group enters into currency forwards as disclosed in Note 14 with the same critical terms as the hedged item, such as currency pair, timing and notional amount. When all critical terms matched during the year, the economic relationship was assessed as 100% effective.

As the Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match with that of the hedging instrument, the Group assesses if an economic relationship continues to exist between the hedged item and instrument and computes hedge effectiveness, as appropriate. Hedge ineffectiveness may occur due to changes in critical terms such as difference in timing between the maturity period of the currency forward and the timing of USD receipts under the shipbuilding contracts.

The Group's currency exposure based on the information provided to key management is as follows:

	RMB RMB'000	USD RMB'000	EUR RMB'000	SGD RMB'000	Total RMB'000
<u>The Group</u>					
At 31 December 2025					
Financial assets					
Cash and cash equivalents	18,062,807	1,996,785	1,163	14,946	20,075,701
Restricted cash	6,068,489	-	-	-	6,068,489
Financial assets at fair value through profit or loss	12,829	-	-	-	12,829
Trade and other receivables excluding prepayment and value added tax recoverable	993,740	1,005,793	-	680	2,000,213
	25,137,865	3,002,578	1,163	15,626	28,157,232
Financial liabilities					
Trade and other payables excluding deferred compensation income	(3,729,703)	(138,902)	-	(46,705)	(3,915,310)
Borrowings	(5,500,000)	-	-	-	(5,500,000)
	(9,229,703)	(138,902)	-	(46,705)	(9,415,310)
Net financial assets/ (liabilities)	15,908,162	2,863,676	1,163	(31,079)	18,741,922
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currency	(15,908,162)	(866,891)	-	46,208	
Less: Forward and option foreign exchange contracts	-	(2,385,940)	-	-	
Add: Contract assets	-	5,580,827	-	-	
Add: Highly probable forecasted transactions in foreign currencies	-	98,613,681	-	-	
Currency exposure	-	103,805,353	1,163	15,129	

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35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) *Currency risk* (Continued)

	RMB RMB'000	USD RMB'000	EUR RMB'000	SGD RMB'000	Total RMB'000
<u>The Group</u>					
At 31 December 2024					
Financial assets					
Cash and cash equivalents	10,959,986	17,107,593	3,760	48,401	28,119,740
Restricted cash	19,997	–	–	–	19,997
Financial assets at fair value through profit or loss	18,322	–	–	–	18,322
Trade and other receivables excluding prepayment and value added tax recoverable	1,125,690	1,254,429	–	1,191	2,381,310
	<u>12,123,995</u>	<u>18,362,022</u>	<u>3,760</u>	<u>49,592</u>	<u>30,539,369</u>
Financial liabilities					
Trade and other payables excluding deferred compensation income	(3,904,847)	(226,739)	–	(30,581)	(4,162,167)
Borrowings	(6,800,000)	–	–	–	(6,800,000)
	<u>(10,704,847)</u>	<u>(226,739)</u>	<u>–</u>	<u>(30,581)</u>	<u>(10,962,167)</u>
Net financial assets	1,419,148	18,135,283	3,760	19,011	<u>19,577,202</u>
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currency	(1,419,148)	(1,088,453)	–	23,186	
Less: Forward foreign exchange contracts	–	(3,586,870)	–	–	
Add: Contract assets	–	5,564,771	–	–	
Add: Highly probable forecasted transactions in foreign currencies	–	108,143,167	–	–	
Currency exposure	<u>–</u>	<u>127,167,898</u>	<u>3,760</u>	<u>42,197</u>	

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35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

	RMB RMB'000	USD RMB'000	SGD RMB'000	Total RMB'000
<u>The Company</u>				
At 31 December 2025				
Financial assets				
Cash and cash equivalents	–	41,848	5,226	47,074
Trade and other receivables	11,582,550	2,707,437	1,869,453	16,159,440
	11,582,550	2,749,285	1,874,679	16,206,514
Financial liabilities				
Other payables	(345,125)	–	–	(345,125)
Net financial assets	11,237,425	2,749,285	1,874,679	15,861,389
Less: Net financial assets denominated in the company's functional currency	(11,237,425)	–	–	
Currency exposure	–	2,749,285	1,874,679	
At 31 December 2024				
Financial assets				
Cash and cash equivalents	–	112,688	2,755	115,443
Trade and other receivables	7,235,468	3,727,620	1,658,040	12,621,128
	7,235,468	3,840,308	1,660,795	12,736,571
Financial liabilities				
Other payables	(1,106,822)	(60,762)	(6,884)	(1,174,468)
Net financial assets	6,128,646	3,779,546	1,653,911	11,562,103
Less: Net financial assets denominated in the company's functional currency	(6,128,646)	–	–	
Currency exposure	–	3,779,546	1,653,911	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(i) Currency risk (Continued)

If the USD, EUR and SGD change against the RMB by 10% (2024: 10%) with all other variables including tax rate being held constant, the effects arising from the net financial assets excluding equity instruments that are exposed to currency risk will be as follows:

	Increase/(decrease)	
	Profit after tax	
	2025	2024
	RMB'000	RMB'000
<u>The Group</u>		
USD against RMB:		
– strengthened	149,759	1,278,512
– weakened	(149,759)	(1,278,512)
EUR against RMB:		
– strengthened	87	282
– weakened	(87)	(282)
SGD against RMB:		
– strengthened	1,135	3,165
– weakened	(1,135)	(3,165)
<u>The Company</u>		
USD against RMB:		
– strengthened	228,191	313,702
– weakened	(228,191)	(313,702)
SGD against RMB:		
– strengthened	155,598	137,275
– weakened	(155,598)	(137,275)

(ii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risks arise primarily from its cash and cash equivalents, restricted cash and borrowings from financial institutions. The Group's policy is to minimise exposure to variable interest rates of interest-bearing assets.

The Group's exposure to cash flow interest rate risk on borrowings at variable rates is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(iii) *Price risk*

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets, at FVPL. To manage its price risk arising from these investments, the Group ensures that the investments are within authorised mandate based on its approved financial risk management and operating guidelines.

If prices for equity securities in PRC had increased/decreased by 10% (2024: 10%) with all other variables including tax rate being held constant, the net of tax effects on profit after tax ("PAT") would have been:

	Increase/(decrease)	
	2025	2024
	PAT	PAT
	RMB'000	RMB'000
<u>The Group</u>		
Increased by	962	1,374
Decreased by	(962)	(1,374)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

Except as disclosed below, the maximum exposure to credit risk for those financial assets which the Group and the Company do not hold collaterals is the carrying amount of that class of financial instruments presented on the balance sheet.

The Group's and the Company's credit risk exposure in relation to financial assets at amortised cost and contract assets under SFRS(I) 9 as at 31 December 2025 are set out as follows:

(i) *Cash and cash equivalents and restricted cash*

Cash and cash equivalents and restricted cash are considered to have low credit risk as the Group and the Company adopt the policy of dealing only with major banks or financial institutions of high credit standing throughout the world.

(ii) *Trade receivables and contract assets related to shipbuilding activities*

In 2025, credit risk exposure relating to shipbuilding activities is RMB5,976,548,000 (2024: RMB5,872,705,000), which comprises of RMB395,721,000 (2024: RMB29,612,000) included in trade and other receivables and contract assets of RMB5,580,827,000 (2024: RMB5,843,093,000).

The Group adopts the policy of dealing with customers with appropriate credit history, including obtaining letters of credit from customers' banks or the customer's parent entities. In addition, the Group has contractual safeguards in place to minimise credit risk. The Group has the right over collateral (vessels) in the event of default in scheduled payment by customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

(ii) Trade receivables and contract assets related to shipbuilding activities (Continued)

The Group measures the lifetime expected credit loss allowance for trade receivables and contract assets related to shipbuilding activities. These are assessed on a customer-by-customer basis.

Credit risk of each customer is evaluated periodically with due consideration on historical loss rate, past payment patterns, compliance with milestone payments during the contract period and any publicly available information on the customer.

Trade receivables and contract assets as at balance sheet date are assessed to be subject to immaterial credit losses due to the Group's progressive collection on the scheduled payments over the construction period. The remaining credit risk exposure will be covered by the collateral in the event of default in scheduled payment by customer.

(iii) Finance lease receivables, other receivables and other financial assets

Finance lease receivables of RMB864,649,000 (2024: RMB1,179,885,000) are subject to immaterial credit loss as the Group entered into lease arrangements of vessels with counterparties of appropriate credit history. The Group also has contractual safeguards in place to minimise credit risk where the Group has the right over collateral (vessels) in the event of default in scheduled payment by lessees.

Other receivables and other financial assets are due substantially from counterparties with a good collection track record with the Group and/or financial capacity to meet the contractual obligations and subject to immaterial credit losses.

(iv) Loans to subsidiaries and other receivables due from subsidiaries

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual obligation of RMB16,158,982,000 (2024: RMB12,461,915,000) and considered to have low credit risk. The loans and other receivables are measured on 12-month expected credit losses and subject to immaterial credit loss.

(v) Financial guarantees

As at balance sheet date, the Company has issued refund guarantees to customers of a joint venture and subsidiaries. These guarantees are subject to the impairment requirement of SFRS(I) 9. The Company has assessed that its joint venture and subsidiaries have strong financial capability to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees. The amount of these guarantees issued by the Company is as follows:

	The Company	
	2025	2024
	RMB'000	RMB'000
For refund guarantees* issued to a customer of a joint venture	1,212,356	830,865
For refund guarantees* issued to customers of subsidiaries	685,308	939,150

* Such refund guarantees are issued in relation to shipbuilding advances received from customers.

Without taking into consideration the collaterals held directly or indirectly by the Company, the maximum exposure to credit risk of the above financial guarantees is the notional amount of the guarantees as above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and marketable securities to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's and Company's non-derivative financial liabilities into relevant maturity groupings on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
The Group				
<u>As at 31 December 2025</u>				
Trade and other payables	(3,915,310)	-	-	-
Bank borrowings	(5,532,124)	-	-	-
	(9,447,434)	-	-	-
<u>As at 31 December 2024</u>				
Trade and other payables	(4,162,167)	-	-	-
Bank borrowings	(4,591,259)	(2,310,738)	-	-
	(8,753,426)	(2,310,738)	-	-
The Company				
<u>As at 31 December 2025</u>				
Trade and other payables	(345,125)	-	-	-
Financial guarantees*	(97,138)	(518,283)	(1,282,243)	-
<u>As at 31 December 2024</u>				
Trade and other payables	(1,174,468)	-	-	-
Financial guarantees*	(238,281)	(622,925)	(908,809)	-

* This represents the maximum exposure of the Company in relation to guarantees provided by the Company, without taking into consideration the collaterals held. However, based on management's assessment, it is not probable that the counterparties to these financial guarantee contracts will claim under the contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The table below analyses the derivative financial instruments of the Group and the Company for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
The Group				
<u>As at 31 December 2025</u>				
Gross-settled currency forwards – cash flow hedges				
– Receipts	318,848	–	–	–
– Payments	(328,403)	–	–	–
Gross-settled currency forwards and options – non-hedging				
– Receipts	14,240,248	–	–	–
– Payments	(14,238,884)	–	–	–
<u>As at 31 December 2024</u>				
Gross-settled currency forwards – cash flow hedges				
– Receipts	3,268,022	318,848	–	–
– Payments	(3,487,116)	(330,198)	–	–

The Company did not have any derivative held for hedging as at 31 December 2025 and 31 December 2024.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The Group monitors capital on the basis of the total liabilities to total assets ratio.

The Group's strategy is to maintain a stable total liabilities to total assets ratio. The ratios at balance sheet date were as follows:

	The Group	
	2025 RMB'000	2024 RMB'000
Total liabilities	26,076,025	28,179,196
Total assets	58,333,847	54,556,325
Liability-to-asset ratio	44.70%	51.65%

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<u>The Group</u>				
31 December 2025				
Assets				
Financial assets, at fair value through profit or loss	–	–	12,829	12,829
Derivative financial instruments, non-hedging	–	57,113	–	57,113
Liabilities				
Derivative financial instruments, non-hedging	–	(55,749)	–	(55,749)
Derivative financial instruments held for hedging	–	(9,555)	–	(9,555)
31 December 2024				
Assets				
Financial assets, at fair value through profit or loss	–	–	18,322	18,322
Liabilities				
Derivative financial instruments held for hedging	–	(230,444)	–	(230,444)

There were no transfers between Levels 1 and 2 during the year.

The fair values of unlisted equity securities, classified as financial assets at fair value through profit or loss have been determined by reference to the Group's share in attributable net assets in the investee companies. The investee companies have measured their own investments at fair value. The fair values are within Level 3 of the fair value hierarchy.

The fair values of foreign exchange currency forwards and options have been determined using quoted forward currency rates at the balance sheet date. These instruments are included in Level 2 of the fair value hierarchy.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (Continued)

The following table presents the changes in Level 3 instruments:

	Unlisted equity securities RMB'000
<u>The Group</u>	
2025	
Beginning of the financial year	18,322
Fair value gain recognised in	
– Profit and loss	2,687
Disposal	<u>(8,180)</u>
End of financial year	12,829
Change in unrealised gain for the period included in profit or loss for financial assets held at the end of the financial year	<u>2,687</u>
2024	
Beginning of the financial year	45,594
Fair value loss recognised in	
– Profit and loss	(23,252)
Disposal	<u>(4,020)</u>
End of financial year	<u>18,322</u>
Change in unrealised loss for the period included in profit or loss for financial assets held at the end of the financial year	<u>(23,252)</u>

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 14 to the financial statements, except for the following:

	The Group RMB'000	The Company RMB'000
31 December 2025		
Financial assets, at amortised cost	28,144,403	16,206,514
Financial liabilities, at amortised cost	(9,415,310)	(345,125)
31 December 2024		
Financial assets, at amortised cost	30,521,047	12,736,081
Financial liabilities, at amortised cost	(10,962,167)	(1,174,468)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

36. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, at terms agreed between the parties:

(a) *Related party transactions*

The Group had the following transactions with the following related parties.

	The Group	
	2025 RMB'000	2024 RMB'000
Sales of goods to a joint venture	342,093	81,434
Sales of goods to an associated company	320,780	–
Sales of equipment to a joint venture	499	13,905
Provision of services to a joint venture	11,310	18,038
Provision of services to associated companies	145	144
Rental income from a joint venture	83,280	92,189
Rental income from an associated company	2,939	4,770
Interest income from loan to an associated company	804	895
Loan to an associated company	35,000	40,000
Repayment of loan by an associated company	55,000	20,000
Loan from an associated company	17,000	–
Purchase of goods from an associated company	44,854	–
Purchase of vessels from a joint venture	–	212,307
Service provided by a joint venture	23,536	18,529
Professional services received from a related party	35	931
Purchase of goods from a joint venture	231,431	427,342

Related party is a company which is controlled or significantly influenced by the Group's directors, key management personnel and/or their close family members.

Other outstanding balances with related parties as at balance sheet date are disclosed in Notes 16, 18 and 27 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	The Group	
	2025 RMB'000	2024 RMB'000
Directors		
Basic salaries	3,369	4,162
Directors' fees	1,862	1,820
Contributions to defined contribution plans	120	130
Discretionary bonuses	660	1,562
Dividend equivalent rights	743	127
Senior management		
Basic salaries	295	295
Contributions to defined contribution plans	349	319
Discretionary bonuses	1,736	2,690
Dividend equivalent rights	2,475	417
	11,609	11,522

37. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Chairman and head of respective business departments (collectively known as "Management Team") that are used to make strategic decisions.

The Management Team considers the business mainly from a business segment perspective. Geographically, management manages and monitors the business in the two primary geographic areas namely, Singapore and the PRC.

The principal activities of the shipbuilding segment are that of shipbuilding. The principal activities of the shipping segment consist of charter hire income earned by vessel owning companies.

Other segments include terminal services, ship design services, property investment. The results of these operations are included in "Others".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Management Team for the reportable segments for the years ended 31 December 2025 and 2024 are as follows:

	Shipbuilding RMB'000	Shipping RMB'000	Others RMB'000	Total RMB'000
<u>The Group</u>				
For the financial year ended 31 December 2025				
Segment revenue	26,825,617	1,141,452	537,751	28,504,820
Segment result	9,717,553	510,310	(19,778)	10,208,085
<i>Included within segment result:</i>				
Raw materials and consumables used	(12,754,017)	–	(315,793)	(13,069,810)
Subcontracting costs	(2,998,613)	–	(51,355)	(3,049,968)
Vessel operations expenses	–	(570,874)	–	(570,874)
Finance expenses	(115,359)	–	(61)	(115,420)
Fair value gain on:				
• Derivatives financial instruments	1,364	–	–	1,364
• Financial assets, at fair value through profit or loss	–	–	2,687	2,687
Depreciation of property, plant and equipment	(312,061)	(211,158)	(2,139)	(525,358)
Depreciation of investment property	–	–	(105)	(105)
Dividend income	–	–	296	296
Share of profits/(losses) of associated companies	230,050	–	(4,681)	225,369
Share of profits/(losses) of joint ventures	635,503	(5)	–	635,498
Sales of bunker stock	–	32,050	–	32,050
Subsidies and incentives	134,474	8,225	554	143,253
Bad debt recovery	38,861	1,128	–	39,989
Cash flow hedges, reclassified from hedging reserve	181,869	–	–	181,869
(Loss)/gain on disposal of:				
• Property, plant and equipment	(2,787)	91,709	(2,222)	86,700
Interest income – finance lease	–	65,698	–	65,698
Segment assets	47,534,759	5,576,560	5,028,159	58,139,478
<i>Segment assets includes:</i>				
Investment in associated companies	1,097,666	–	–	1,097,666
Investments in joint ventures	1,447,388	–	–	1,447,388
Additions to property, plant and equipment	1,383,341	259,449	387,025	2,029,815
Addition to investment property	–	–	215,789	215,789
Segment liabilities	(23,042,970)	(163,041)	(359,783)	(23,565,794)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. SEGMENT INFORMATION (CONTINUED)

	Shipbuilding RMB'000	Shipping RMB'000	Others RMB'000	Total RMB'000
<i>The Group</i>				
For the financial year ended 31 December 2024				
Segment revenue	25,215,606	1,242,528	83,582	26,541,716
Segment result	6,971,299	659,342	(205,925)	7,424,716
<i>Included within segment result:</i>				
Raw materials and consumables used	(13,413,148)	–	(15,556)	(13,428,704)
Subcontracting costs	(2,512,433)	–	–	(2,512,433)
Vessel operations expenses	–	(536,060)	–	(536,060)
Finance expenses	(117,998)	–	(774)	(118,772)
Fair value loss on financial assets, at fair value through profit or loss	–	–	(23,252)	(23,252)
Impairment loss on investment property	–	–	(180,865)	(180,865)
Depreciation of property, plant and equipment	(286,293)	(136,579)	(10,330)	(433,202)
Depreciation of investment property	–	–	(23,463)	(23,463)
Dividend income	–	–	539	539
Share of profits of associated companies	–	–	2,088	2,088
Share of profits of joint venture	556,901	(14)	–	556,887
Sales of bunker stock	–	9,257	–	9,257
Subsidy income	136,394	–	295	136,689
Bad debt recovery/(written off)	43,303	(1,128)	–	42,175
Cash flow hedges, reclassified from hedging reserve	(111,650)	–	–	(111,650)
(Loss)/gain on disposal of:				
• Property, plant and equipment	(6,578)	34,880	–	28,302
Interest income – finance lease	–	86,824	–	86,824
Segment assets	44,312,102	6,434,421	3,587,587	54,334,110
<i>Segment assets includes:</i>				
Investment in associated companies	52,780	–	5,814	58,594
Investments in joint ventures	908,115	–	–	908,115
Additions to property, plant and equipment	199,779	810,133	89,996	1,099,908
Segment liabilities	(25,952,251)	(191,431)	(179,919)	(26,323,601)

The Management Team assesses the performance of the operating segments based on a measure of segment results. Certain administrative expenses and foreign currency exchange differences are not allocated to segments, as these types of activities and differences are shared by all segments. Interest income on cash and cash equivalents, and foreign currency translation differences on borrowings (classified under finance expenses) are not allocated to segments, as these types of activities are driven by the treasury department of the Group, which manages the cash position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. SEGMENT INFORMATION (CONTINUED)

(a) Reconciliation

(i) *Segment profits*

A reconciliation of segment results to profit before tax is as follows:

	2025 RMB'000	2024 RMB'000
Segment results for reportable segments	10,227,863	7,630,641
Segment results for other segments	(19,778)	(205,925)
Unallocated:		
Other income	855,110	697,206
Other (losses)/gains – net	(364,221)	131,400
Administrative expenses	(22,402)	(69,971)
Profit before tax	10,676,572	8,183,351

(ii) *Segment assets*

The amounts provided to the Management Team with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than deferred income tax assets.

	2025 RMB'000	2024 RMB'000
Segment assets for reportable segments	53,111,319	50,746,523
Other segment assets	5,028,159	3,587,587
Unallocated:		
Deferred income tax assets	194,369	222,215
Total assets	58,333,847	54,556,325

(iii) *Segment liabilities*

The amounts provided to the Management Team with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments other than current income tax liabilities and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	2025 RMB'000	2024 RMB'000
Segment liabilities for reportable segments	(23,206,011)	(26,143,682)
Other segment liabilities	(359,783)	(179,919)
Unallocated:		
Current income tax liabilities	(1,293,083)	(872,134)
Deferred income tax liabilities	(1,217,148)	(983,461)
Total liabilities	(26,076,025)	(28,179,196)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. SEGMENT INFORMATION (CONTINUED)

(b) Revenue from major products and services

Revenue of shipbuilding segment is derived from the construction of container ships, multiple purpose cargo ships, oil tankers and other types of vessels. Revenue of shipping segment is derived from the charter income earned by vessel owning companies. Revenue from other segment is mainly derived from sales of metal products.

Breakdown of the revenue by major product and service types is as follows:

	2025 RMB'000	2024 RMB'000
Construction of container ships	16,077,062	19,897,006
Construction of multiple purpose cargo ships	2,066,591	2,086,107
Construction of oil tankers	7,997,466	3,003,308
Construction of gas carriers	436,062	–
Sales of steel parts	248,436	229,185
Sales of goods – materials and others	452,429	7,717
Sales of residential units	63,503	–
Charter hire income	1,141,452	1,242,528
Rendering of ship design services	14,875	19,357
Rental income	6,803	25,253
Others	141	31,255
Total revenue	28,504,820	26,541,716

(c) Geographical information

The Group's revenue based on the customers' locations are as follows:

	2025 RMB'000	2024 RMB'000
Greater China	981,968	1,046,454
Canada	122,766	7,962,715
Japan	1,190,578	359,729
Italy	6,864,562	8,332,125
Greece	5,453,764	2,608,329
France	3,922,168	–
Bulgaria	443,980	1,144,427
United Kingdom	1,569,550	1,029,333
Singapore	2,266,523	2,517,497
Denmark	2,166,384	–
Switzerland	713,965	–
Other European countries	955,278	411,481
Other Asian countries	1,853,334	1,129,626
Total revenue	28,504,820	26,541,716

Revenues of approximately RMB15,136,858,000 (2024: RMB18,717,822,000) are derived from four (2024: three) major customers. These revenues are attributable to the shipbuilding segment.

The Group's non-current assets located in the PRC and Singapore amount to RMB6,927,052,000 (2024: RMB4,785,177,000) and RMB2,249,316,000 (2024: RMB1,983,500,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (Continued)

The Group's shipping assets are included within "Others" as the Group's shipping business operates on international shipping routes. The Group does not consider the domicile of its shipping subsidiaries, its customers or the flag state of its vessels as a relevant decision-making guideline and hence does not consider it meaningful to allocate its shipping business assets and revenues to specific geographical locations.

38. EVENTS OCCURRING AFTER BALANCE SHEET DATE

- (a) Three wholly owned subsidiaries of the Group were in substantive arbitration proceedings in an arbitration tribunal in London with third parties and the tribunal issued partial arbitration awards that were favourable to the Group's subsidiaries during the year. As at the balance sheet date, the Group's subsidiaries were in appeal proceedings with the third parties. Subsequent to the balance sheet date, the English High Court dismissed the appeal and refused the third parties' application for permission to appeal further. Accordingly, the arbitration awards are upheld. The final outcome of the appeal proceedings does not have a material effect on the Group's financial position for the financial year ending 31 December 2026.
- (b) On 10 March 2026, the Group entered into definitive agreements for the acquisition of 10% equity interest in Poseidon Corp., a corporation incorporated in Marshall Islands and the holding company of Seaspan Corporation Pte. Ltd. ("Seaspan Corporation"). Seaspan Corporation owns and operates containerships by primarily long-term time charters to major container liner companies. The aggregate purchase consideration of USD825.7 million (approximately RMB5.8 billion) is determined on a willing-buyer, willing-seller basis and will be satisfied in cash, funded through the Group's internal resources. The acquisition process is ongoing and has not been completed as at the date of these financial statements.
- (c) On 8 August 2025, a subsidiary of the Group entered into a memorandum of agreement to acquire a vessel from a third party for a purchase consideration of USD24,960,000 (approximately RMB175,439,000). As at the balance sheet date, the subsidiary has paid a security deposit amounting to 10% of the purchase price. Subsequent to the balance sheet date, the vessel was delivered to the subsidiary with the remaining consideration fully paid in cash. The Group does not expect the completion of the acquisition to have a material effect on its financial position for the financial year ending 31 December 2026.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2026 and which the Group has not early adopted.

SFRS(I) 18 – Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

SFRS(I) 18 – Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027) (Continued)

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
 - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others gains/(losses) - net, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

40. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Yangzijiang Shipbuilding (Holdings) Ltd. passed on 26 March 2026.

41. LISTING OF SIGNIFICANT SUBSIDIARIES IN THE GROUP

Name of subsidiaries	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares directly held by the Group	
			2025 %	2024 %	2025 %	2024 %
Jiangsu New Yangzi Shipbuilding Co., Ltd. ⁽¹⁾⁽⁵⁾	Shipbuilding, ship repairing, production and processing of large-scale steel structures	PRC	51.2	51.2	100	100
Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. ⁽¹⁾⁽⁵⁾	Shipbuilding, ship repairing, production and processing of large-scale steel structures	PRC	55.1	55.1	100	100
Jiangsu Yangzijiang Shipbuilding Group Co., Ltd. ⁽²⁾⁽⁵⁾	Shipbuilding, ship repairing, production and processing of large-scale steel structures	PRC	100	100	100	100
Pleasant Way Analyse Development Limited ⁽⁴⁾⁽⁵⁾	Investment holding of shipping entities	BVI	100	100	100	100
39 Robinson Road Pte. Ltd. ⁽³⁾⁽⁵⁾	Holding of investment property	Singapore	–	–	100	100
Jiangsu Yangzi Jiasheng Terminal Co., Ltd. ⁽¹⁾⁽⁵⁾	Owns and operates a tank terminal	PRC	–	–	100	100
Jiangsu Jiasheng Gas Co., Ltd. ⁽¹⁾⁽⁵⁾	Tank related services	PRC	–	–	100	100
Jiangsu Yangxing Property Co., Ltd. ⁽⁴⁾⁽⁵⁾	Properties development	PRC	–	–	100	100

(1) Audited by Jianguyin Tian Cheng CPAs Co. Limited for statutory purpose.

(2) Audited by other accounting firm for statutory purpose.

(3) Audited by PricewaterhouseCoopers LLP, Singapore for statutory purpose.

(4) Not required to be audited under the laws of the country of incorporation.

(5) Audited by PricewaterhouseCoopers LLP, Singapore for consolidation purposes.

(6) In accordance to Rule 716 of the Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

STATISTICS OF SHAREHOLDINGS

AS AT 20 MARCH 2026

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	19	0.13	330	0.00
100 – 1,000	2,181	14.22	1,805,285	0.05
1,001 – 10,000	9,449	61.62	50,739,909	1.29
10,001 – 1,000,000	3,656	23.84	149,241,602	3.79
1,000,001 AND ABOVE	29	0.19	3,733,802,094	94.87
TOTAL	15,334	100.00	3,935,589,220	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	1,577,252,983	40.08
2	HSBC (SINGAPORE) NOMINEES PTE LTD	876,643,039	22.27
3	DBSN SERVICES PTE. LTD.	715,003,565	18.17
4	RAFFLES NOMINEES (PTE.) LIMITED	279,266,173	7.10
5	DBS NOMINEES (PRIVATE) LIMITED	138,681,113	3.52
6	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	32,228,758	0.82
7	BPSS NOMINEES SINGAPORE (PTE.) LTD.	23,241,460	0.59
8	OCBC SECURITIES PRIVATE LIMITED	10,319,600	0.26
9	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	10,193,859	0.26
10	PHILLIP SECURITIES PTE LTD	10,021,374	0.25
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,758,976	0.22
12	MAYBANK SECURITIES PTE. LTD.	5,917,400	0.15
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	5,710,501	0.15
14	IFAST FINANCIAL PTE. LTD.	5,404,536	0.14
15	UOB KAY HIAN PRIVATE LIMITED	4,961,200	0.13
16	ABN AMRO CLEARING BANK N.V.	4,487,500	0.11
17	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,368,400	0.11
18	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	4,073,500	0.10
19	MERRILL LYNCH (SINGAPORE) PTE. LTD.	2,430,757	0.06
20	LIM & TAN SECURITIES PTE LTD	2,355,400	0.06
	TOTAL	3,721,320,094	94.56

STATISTICS OF SHAREHOLDINGS

AS AT 20 MARCH 2026

SUBSTANTIAL SHAREHOLDERS

Substantial shareholder	Direct interest		Deemed interest		Total Interest	
	Number of shares	%	Number of shares	%	Number of shares	%
Mr. Ren Yuanlin ⁽¹⁾	–	–	852,845,825	21.7	852,845,825	21.7
Yangzi International Holdings Limited	852,845,825	21.7	–	–	852,845,825	21.7
Julius Baer Trust Company (Singapore) Limited as trustee of YZJ Settlement	–	–	852,845,825	21.7	852,845,825	21.7
Mr. Ren Letian ⁽²⁾	–	–	1,018,643,195	25.9	1,018,643,195	25.9
Ms. Ren Qifan ⁽³⁾	–	–	852,845,825	21.7	852,845,825	21.7
Lido Point Investments Ltd	379,259,170	9.6	–	–	379,259,170	9.6
Sapphire Skye Limited as nominee of Zedra Trust Company (Singapore) Limited, which is in turn the trustee of the Lido Trust ⁽⁴⁾	–	–	379,259,170	9.6	379,259,170	9.6

- (1) Ren Yuanlin (as Settlor of the YZJ Settlement) is deemed to be interested in the shares held through his interest in Yangzi International Holdings Limited, which is wholly-owned by Julius Baer Trust Company (Singapore) Limited as trustee of the YZJ Settlement, by virtue of Section 7 of the Companies Act 1967.
- (2) Ren Letian is a beneficiary of the YZJ Settlement (“YZJ Trust”). Accordingly, Ren Letian is deemed to be interested in the 852,845,825 Shares held by Yangzi International Holdings Limited, by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore (“SFA”). In addition, Ren Letian is also deemed to be interested in the 165,797,370 Shares which are held by Hengyuan Asset Investment Limited (“Hengyuan”) through his interests in Hengyuan by virtue of Section 4 of the SFA.
- (3) Ren Qifan (a minor under the age of 21 and daughter of Ren Letian) became a beneficiary of the YZJ Trust with effect from 16 July 2025, in addition to the existing beneficiaries, Ren Yuanlin and Ren Letian. As Ren Qifan (being a minor under the age of 21) is deemed to be interested in the 852,845,825 Shares by virtue of Section 4 of the SFA, Ren Letian is correspondingly deemed to be interested in the 852,845,825 Shares by virtue of Section 133(1) read with Section 133(4)(a) of the SFA, notwithstanding that he is already a beneficiary of the YZJ Trust and had disclosed his own deemed interest in respect of the 852,845,825 Shares on 26 May 2025.
- (4) Zedra Trust Company (Singapore) Limited is the professional trustee of The Lido Trust, an irrevocable employee benefit trust set up for the purpose of rewarding employees of the Group. As announced by the Company on 24 December 2021, Mr. Wang Dong, as 100% shareholder of Lido Point Investments Ltd, which held 394,134,000 shares of the Company, transferred all the shares of Lido Point Investments Ltd to the employee benefit trust. The employee benefit trust will be managed and administered by Zedra Trust Company (Singapore) Limited as professional trustees, alongside an employee council comprising of persons selected by the labour union of the Group from time to time. Mr. Wang Dong, Executive Chairman and Group CEO Mr. Ren Letian, and their respective families are not included in the potential beneficiary pool nor will they form part of the aforementioned employee council.

SHAREHOLDING HELD IN PUBLIC HANDS

Approximately 60.669% of the shareholding of the Company is held in the hands of the public as at 20 March 2026 and Rule 723 of the Listing Manual is complied with.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**”) will be held at Big Picture Theatre, 168 Robinson Road, Level 9 Capital Tower, Singapore 068912 on Tuesday, 28 April 2026 at 2.30 p.m. to transact the following business:–

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors’ Statements and the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax exempt (one-tier) final dividend of S\$0.20 per ordinary share in respect of the financial year ended 31 December 2025. **(Resolution 2)**
3. To approve the proposed Directors’ fees of S\$502,000 for the financial year ended 31 December 2025. (2024: S\$342,000) **(Resolution 3)**
4. To re-elect Mr Ren Letian, who is retiring by rotation pursuant to Regulation 94 of the Company’s Constitution. *[See Explanatory Note (a)]* **(Resolution 4)**
5. To re-elect Mr Yee Kee Shian, Leon, who is retiring by rotation pursuant to Regulation 94 of the Company’s Constitution. *[See Explanatory Note (b)]* **(Resolution 5)**
6. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:

7. AUTHORITY TO ALLOT AND ISSUE SHARES

THAT pursuant to Section 161 of the Companies Act 1967 and the Listing Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue ordinary shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- (b) issue Shares in pursuance of any Instruments made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares shall be based on the issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time such authority was conferred, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising of share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and
 - (c) any subsequent bonus issue, consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Rule of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act 1967 and otherwise, and the Constitution of the Company for the time being; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (c)] **(Resolution 7)**

8. RENEWAL OF SHARE PURCHASE MANDATE

THAT:

- (a) the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Ordinary Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the SGX-ST ("**Market Purchase**"); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act 1967 ("**Off-Market Purchase**");

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**"),

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held; or
- (ii) the date by which the next annual general meeting of the Company is required by law to be held; or
- (iii) the date on which the purchases or acquisitions of the Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

(c) in this Resolution:

“Maximum Limit” means that number of issued Ordinary Shares representing 10% of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding the Ordinary Shares held in treasury and subsidiary holdings as at that date);

“Maximum Price”, in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:–

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase, 120% of Average Closing Price (as defined hereinafter), pursuant to an equal access scheme;

“Average Closing Price” means the average of the closing market prices of a Share for the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five (5) Market Days;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. *[See Explanatory Note (d)]* **(Resolution 8)**

9. To transact any other business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Lee Wei Hsiung
Company Secretary
10 April 2026
Singapore

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

Explanatory Notes:

- (a) Detailed information on Mr Ren Letian, who is seeking re-election as a Director of the Company, is set out in “Board of Directors” section on page 14 and “Disclosure of information on seeking re-election pursuant to Rule 720(6) of the Listing Rules of the SGX-ST” on pages 34 to 37 of the Annual Report.
- (b) Detailed information on Mr Yee Kee Shian, Leon, who is seeking re-election as a Director of the Company, is set out in “Board of Directors” section on page 14 and “Disclosure of information on seeking re-election pursuant to Rule 720(6) of the Listing Rules of the SGX-ST” on pages 37 to 42 of the Annual Report.

Mr Yee Kee Shian, Leon will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Yee Kee Shian, Leon and the other Directors, or the Company, or its substantial shareholders.

- (c) The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of the above meeting to issue shares in the Company up to an amount not exceeding in total 50% of the total number of issued shares in the capital of the Company with a sub-limit of 20% other than on a pro-rata basis to shareholders for the time being for such purposes as they consider would be in the interest of the Company. The authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.
- (d) The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of the above meeting until the date of the next annual general meeting of the Company to purchase or acquire up to 10% of the issued ordinary share capital (excluding the shares held in treasury and subsidiary holdings) of the Company as at the date of the passing of this Resolution. Details of the proposed Share Purchase Mandate are set out in the Appendix to the Annual Report which is available online for information.
 - (i) As at the date of this Notice of the AGM, the Company has not engaged in any share purchases since the last annual general meeting.
 - (ii) The amount of financing required for the Company to further purchase or acquire its shares, and the impact on the Company’s financial position, cannot be ascertained as at the date of this Notice of the AGM as this will depend on the number of the shares purchased or acquired and the price at which such shares were purchased or acquired.
 - (iii) The financial effects of the purchase or acquisition of shares by the Company pursuant to the proposed Share Purchase Mandate on the Group’s audited financial statements for the financial year ended 31 December 2025 are set out in the Appendix to the Annual Report and are for illustration only.

NOTES:

1. Members of the Company are invited to attend physically at the forthcoming Annual General Meeting (“**AGM**”). There will be no option for members to participate virtually. This Notice of AGM and the proxy form will be published on the Company’s website at URL www.yzjship.com and on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice of AGM and the proxy form will be sent to members by post. Printed copies of the Annual Report will not be sent to shareholders. Shareholders who wish to receive a printed copy of the Annual Report should request the same via email to yangzijiang.sg@yzjship.com.
2. Members (including Central Provident Fund Investment Scheme investors (“**CPFIS Investors**”) and/or Supplementary Retirement Scheme investors (“**SRS Investors**”)) may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
 - (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.30 p.m. on 16 April 2026, being seven (7) working days prior to the date of the AGM.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

3. A Depositor (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the AGM. Depositors who are individuals and who wish to attend the AGM in person need not take any further action and can attend and vote at the AGM without the lodgement of any Proxy Form.
4. Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appoint a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the AGM.
5. Question and answer

Investors holding shares through relevant intermediaries (other than CPFIS/SRS investors) who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Company in advance of, or at, the AGM; and/or (c) voting at the AGM, should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

Shareholders, including CPFIS and SRS investors are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM and must take the following manner no later than seven (7) calendar days from the date of notice of AGM (i.e. by 2.30 p.m. on 17 April 2026):

- (a) By e-mail to kamal@financialpr.com.sg or zhouyan@financialpr.com.sg; or
- (b) If submitted by post, to be deposited at the: 9 Raffles Place, #29-03 Republic Plaza, Singapore 048619 (Attn: Yangzijiang IR team)

Shareholders who submit questions via email or by post to the Company must provide the following information:

- (i) the Shareholder's full name;
- (ii) the Shareholder's address; and
- (iii) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

The Board of Directors of the Company ("**Board**") will endeavour to address, during the AGM, substantial and relevant questions (as determined by the Board in its sole opinion) submitted by Participating Members. However, there may not be sufficient time to address all such questions.

6. The Proxy Form, which may be used to vote at the AGM, is released together with this Notice of AGM.
7. Voting

If a Shareholder wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the Proxy Form appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

8. Appointment of Proxy(ies)

Shareholders who are not a relevant intermediary (as defined in Section 181 of the Companies Act 1967) is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. Shareholders are requested to complete, sign and return the Proxy Form in accordance with the instructions printed thereon not less than seventy-two (72) hours before the time appointed for the AGM (i.e. by 2.30 p.m. on 25 April 2026) ("**proxy form cut-off date/time**") in the following manner:

- (a) By Post: To be deposited at the registered office of the Company at 36 Robinson Road, #20-01 City House, Singapore 068877; or
- (b) By e-mail: To be emailed to yangzijiang.sg@yzjship.com (Attn: Yangzijiang Team).

9. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

10. Persons who hold shares through relevant intermediaries

- (a) Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), other than those investors who holds shares under the CPFIS Investor and/or the SRS Investor, and who wish to participate in the AGM by (i) attending the AGM; (ii) submitting questions in advance of the AGM; and/or (iii) voting at the AGM, should contact the relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.
- (b) CPFIS Investors or SRS Investors (i) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.30 p.m. on 16 April 2026.
- (c) The Proxy Form is not valid for use by CPFIS Investors or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

11. The proxy, who is the Chairman of the Meeting, need not be a member of the Company.

12. The Proxy Form shall be under the hand of the member or by his/her attorney duly authorised in writing, or if the member is a corporation, under seal or under the hand of its attorney duly authorised in writing. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), shall be attached to the instrument of proxy.

13. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

14. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company's corporate website and on SGXNet within one month after the date of the AGM.

PERSONAL DATA PRIVACY

Where a member of the Company submits any question prior to or at the AGM or an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

(Company Registration number: 200517636Z)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

Directors:

Mr Ren Letian (Executive Chairman and Chief Executive Officer)
Ms Liu Hua (Non-Independent Non-Executive Director)
Mr Yee Kee Shian, Leon (Lead Independent Non-Executive Director)
Mr Poh Boon Hu Raymond (Independent Non-Executive Director)
Mr Yee Chia Hsing (Independent Non-Executive Director)

Registered Office:

36 Robinson Road,
#20-01 City House
Singapore 068877

10 April 2026

To: The Shareholders of Yangzijiang Shipbuilding (Holdings) Ltd.

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. Introduction

- 1.1 Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Company**”) proposes to seek the approval of shareholders of the Company (the “**Shareholders**”) at the Twentieth Annual General Meeting of the Company (the “**20th AGM**”) to be held on 28th April 2026 at 2.30 p.m. at Big Picture Theatre, 168 Robinson Road, Level 9 Capital Tower, Singapore 068912 for the proposed renewal of the share purchase mandate to authorise the Company’s directors (the “**Directors**”) from time to time to purchase shares (whether by market purchases and/or off-market purchases in accordance with an equal access scheme) up to 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of proposed ordinary resolution 8 at the 20th AGM, at the price of up to but not exceeding the Maximum Price (as defined below), subject to the constitution of the Company (the “**Constitution**”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) as set out in the SGX-ST Listing Manual (the “**Listing Manual**”) (the “**Share Purchase Mandate**”).
- 1.2 The Companies Act 1967 of Singapore (the “**Companies Act**”) allows a Singapore incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company’s constitution. Any purchase or acquisition of Shares (as defined in paragraph 2.1 below) by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution for the time being and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on the Mainboard of the SGX-ST, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 50(2) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued shares.
- 1.3 It is a requirement under the Companies Act and the Listing Manual for a company that wishes to purchase or otherwise acquire its own shares to obtain the approval of its shareholders.
- 1.4 The Shareholders had at the extraordinary general meeting of the Company (“**EGM**”) held on 25 April 2008, approved the Share Purchase Mandate (the “**2008 Mandate**”) for the Directors to exercise all the powers of the Company to purchase or acquire up to 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) on the terms of that mandate. The Share Purchase Mandate was renewed at the last AGM held on 29 April 2025 with such mandate taking effect until the conclusion of the forthcoming 20th AGM.

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- 1.5 If the proposed ordinary resolution 8 under the heading of “Special Business” in the Notice of the 20th AGM for the renewal of the Share Purchase Mandate is approved at the 20th AGM (the “**Share Purchase Mandate Renewal Resolution**”), the mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next annual general meeting (“**AGM**”) of the Company is held or is required by law to be held, whichever is earlier.
- 1.6 The purpose of this appendix (“**this Appendix**”) is to provide information relating to and explain the rationale for the proposed renewal of the Share Purchase Mandate.
- 1.7 Shareholders who are in doubt as to the course of action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers at the earliest opportunity.
- 1.8 Duane Morris & Selvam LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate.

2. Rationale for the Proposed Renewal of the Share Purchase Mandate

- 2.1 The proposed renewal of the Share Purchase Mandate authorising the Company to purchase or acquire ordinary shares in the issued and paid-up share capital of the Company (the “**Shares**”) will continue to give the Directors the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 3.1 below at any time during the period when the Share Purchase Mandate is in force.
- 2.2 The rationale for the Company to undertake the purchase or acquisition of its issued Shares, as previously stated in its circular to Shareholders dated 9 April 2008, is as follows:
- (a) In managing the business of the Company and its subsidiaries (the “**Group**”), the Management will strive to increase Shareholders’ value by improving, *inter alia*, the Return on Equity (“**ROE**”) of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the ROE of the Company may be enhanced.
 - (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds, which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
 - (c) Share purchase programmes help to buffer short-term share price volatility.
 - (d) The Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the duration referred to in paragraph 3.2 below, Shareholders should note that the Share Purchase Mandate may not be exercised to the full extent authorised. Purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

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3. Authority and Limits on the Share Purchase Mandate

The authority and limitations placed on share purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, are similar in terms to those previously approved by Shareholders, and are summarised below:

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be repurchased by the Company. In accordance with Rule 882 of the Listing Manual, the total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) ascertained as at the date of the 20th AGM at which the Share Purchase Mandate Renewal Resolution is passed (the “**Approval Date**”) (unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered.

“**Relevant Period**” means the period commencing from the Approval Date and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the date the Share Purchase Mandate Renewal Resolution is passed.

As at 20 March 2026 (the “**Latest Practicable Date**”), the Company holds 38,487,780 treasury shares and does not have subsidiary holdings.

For illustrative purposes only, on the basis of 3,935,589,220 Shares in issue as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), and assuming on or prior to the 20th AGM:

- (a) no further Shares are issued and the Company does not reduce its share capital;
- (b) no Shares are held as subsidiary holdings; and
- (c) no further Shares are purchased or acquired by the Company, or held as treasury shares,

not more than 393,558,922 Shares, representing 10% of the total number of Shares (excluding treasury shares and subsidiary holdings) as at that date, may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the Relevant Period.

3.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the 20th AGM, at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held; or
- (b) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

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The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at the next AGM (after the 20th AGM) or an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous twelve (12) months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) (“**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) (“**Off-Market Purchase**”) effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as amended or modified from time to time, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Pursuant to the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Singapore Code on Take-over and Mergers (the “**Take-over Code**”) or other applicable take-over rules;
- (e) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

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- (f) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether through Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action which occurs during the relevant period of five (5) Market Days and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

“**Market Day**” means a day on which the SGX-ST is open for trading in securities.

3.5 Status of Purchased Shares

Under Section 76B of the Companies Act, Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

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3.6 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act and the Listing Manual are summarised below:

3.6.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. In the event that the Company holds more than 10% of the total number of its issued Shares as treasury shares, the Company shall dispose of or cancel the excess treasury shares in the manner set out under paragraph 3.6.3 of this Appendix below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Accounting and Corporate Regulatory Authority (“ACRA”) may allow.

3.6.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.6.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees’ share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

3.6.4 Reporting obligation under the Listing Manual

Under Rule 704(28) of the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares if they are used for a sale, transfer, or cancelled.

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4. Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition, the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of shares cancelled, the number of Shares held as treasury shares, the Company's total number of issued Shares before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition of Shares, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

The Company is required under Rule 886 of the Listing Manual to notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its Shares, and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of Shares to the SGX-ST shall be in the form of Appendix 8.3.1 to the Listing Manual and shall comprise such details as the SGX-ST may prescribe, including, *inter alia*, details of the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest prices paid for such Shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the Shares, the number of Shares purchased as at the date of announcement (on a cumulative basis), the number of issued Shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

5. Source of Funds

The Company may only apply funds for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits, so long as the Company is solvent. Under the Companies Act, it is an offence for a director or chief executive officer of a company to approve or authorise the purchase or acquisition of shares, knowing that the company is not solvent.

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For this purpose, pursuant to the Companies Act, a company is solvent:

- (a) if there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of twelve (12) months immediately after the date of the payment, the company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) if the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares.

6. Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The financial effects are the same whether the Shares are purchased on-market or off-market. The Company's total number of issued Shares will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The net tangible assets ("**NTA**") of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be affected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The proposed Share Purchase Mandate will be exercised with a view of enhancing the earnings per share (the "**EPS**") and/or the NTA value per Share.

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For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2025 are based on the assumptions set out below:

- (a) based on 3,935,589,220 Shares in issue as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), and assuming that no further Shares are issued and that the Company does not reduce its share capital on or prior to the 20th AGM, not more than 393,558,922 Shares, representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 20th AGM, may be purchased by the Company pursuant to the proposed Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 393,558,922 Shares at the Maximum Price of S\$4.2084 for one (1) Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 393,558,922 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately RMB9,039,965,319; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 393,558,922 Shares at the Maximum Price of S\$4.8096 for one (1) Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 393,558,922 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately RMB10,333,230,319.00.

For illustrative purposes only and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed solely by internal sources of funds; (ii) the Share Purchase Mandate had been effective on 31 December 2025; and (iii) the Company had on 31 December 2025 purchased or acquired 393,558,922 Shares, representing 10% of its total number of issued Shares at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), the financial effects of the purchase or acquisition of 393,558,922 Shares by the Company pursuant to the Share Purchase Mandate:

- (1) by way of purchases made entirely out of capital and held as treasury shares; and
- (2) by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Company and the Group for the financial year ended 31 December 2025 are set out below:

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(1) Purchases made entirely out of capital and held as treasury shares

(A) Market Purchases

	Group		Company	
	Before Share Purchase RMB'000	After Share Purchase RMB'000	Before Share Purchase RMB'000	After Share Purchase RMB'000
As at 31 December 2025				
Issued capital and reserves	32,427,880	32,247,081	27,130,238	26,949,439
Treasury shares	(285,966)	(9,325,931)	(285,966)	(9,325,931)
Total shareholders' equity	32,141,914	22,921,149	26,844,272	17,623,507
NTA (excl. non-controlling interests)	32,141,914	22,921,149	26,844,272	17,623,507
Profit after taxation and minority interest	8,637,076	8,456,277	8,175,636	7,994,837
Net debt	Net Cash	Net Cash	Net Cash	8,992,891
Number of Shares (excluding treasury shares) ('000)	3,935,589	3,542,030	3,935,589	3,542,030
Treasury shares ('000)	38,488	432,047	38,488	432,047
Financial Ratios				
NTA per share (cents)	816.70	647.12	682.09	497.55
Gross debt gearing (%)	17.11	63.43	Net Cash	51.29
Net debt gearing (%)	Net Cash	Net Cash	Net Cash	51.03
Current ratio (times)	1.76	1.28	30.91	1.19
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	98.14	38.24	n.m.	46.14
<i>Basic EPS (cents)</i>				
(before exceptional items)	219.23	238.47	207.52	225.45
(after exceptional items)	219.23	238.47	207.52	225.45
Return on equity (%)	26.87	36.89	30.46	45.36

(B) Off-Market Purchases

	Group		Company	
	Before Share Purchase RMB'000	After Share Purchase RMB'000	Before Share Purchase RMB'000	After Share Purchase RMB'000
As at 31 December 2025				
Issued capital and reserves	32,427,880	32,221,215	27,130,238	26,923,573
Treasury shares	(285,966)	(10,619,196)	(285,966)	(10,619,196)
Total shareholders' equity	32,141,914	21,602,019	26,844,272	16,304,377
NTA (excl. non-controlling interests)	32,141,914	21,602,019	26,844,272	16,304,377
Profit after taxation and minority interest	8,637,076	8,430,411	8,175,636	7,968,971
Net debt	Net Cash	Net Cash	Net Cash	10,286,156
Number of Shares (excluding treasury shares) ('000)	3,935,589	3,542,030	3,935,589	3,542,030
Treasury shares ('000)	38,488	432,047	38,488	432,047
Financial Ratios				
NTA per share (cents)	816.70	609.88	682.09	460.31
Gross debt gearing (%)	17.11	73.30	Net Cash	63.38
Net debt gearing (%)	Net Cash	Net Cash	Net Cash	63.09
Current ratio (times)	1.76	1.23	30.91	1.05
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	98.14	35.17	n.m.	40.37
<i>Basic EPS (cents)</i>				
(before exceptional items)	219.23	237.74	207.52	224.72
(after exceptional items)	219.23	237.74	207.52	224.72
Return on equity (%)	26.87	39.03	30.46	48.88

APPENDIX

(2) Purchases made entirely out of capital and cancelled

(A) Market Purchases

	Group		Company	
	Before Share Purchase RMB'000	After Share Purchase RMB'000	Before Share Purchase RMB'000	After Share Purchase RMB'000
As at 31 December 2025				
Issued capital and reserves/Total shareholders' equity	32,141,914	22,921,149	26,844,272	17,623,507
NTA (excl. non-controlling interests)	32,141,914	22,921,149	26,844,272	17,623,507
Profit after taxation and minority interest	8,637,076	8,456,277	8,175,636	7,994,837
Net debt	Net Cash	Net Cash	Net Cash	8,992,891
Number of Shares ('000)	3,935,589	3,542,030	3,935,589	3,542,030
Treasury shares ('000)	38,488	38,488	38,488	38,488
Financial Ratios				
NTA per share (cents)	816.70	647.12	682.09	497.55
Gross debt gearing (%)	17.11	63.43	Net Cash	51.29
Net debt gearing (%)	Net Cash	Net Cash	Net Cash	51.03
Current ratio (times)	1.76	1.28	30.91	1.19
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	98.14	38.24	n.m.	46.14
<i>Basic EPS (cents)</i> (before exceptional items)	219.23	238.47	207.52	225.45
(after exceptional items)	219.23	238.47	207.52	225.45
Return on equity (%)	26.87	36.89	30.46	45.36

(B) Off-Market Purchases

	Group		Company	
	Before Share Purchase RMB'000	After Share Purchase RMB'000	Before Share Purchase RMB'000	After Share Purchase RMB'000
As at 31 December 2025				
Issued capital and reserves/Total shareholders' equity	32,141,914	21,602,019	26,844,272	16,304,377
NTA (excl. non-controlling interests)	32,141,914	21,602,019	26,844,272	16,304,377
Profit after taxation and minority interest	8,637,076	8,430,411	8,175,636	7,968,971
Net debt	Net Cash	Net Cash	Net Cash	10,286,156
Number of Shares (excluding treasury shares) ('000)	3,935,589	3,542,030	3,935,589	3,542,030
Treasury shares ('000)	38,488	38,488	38,488	38,488
Financial Ratios				
NTA per share (cents)	816.70	609.88	682.09	460.31
Gross debt gearing (%)	17.11	73.30	Net Cash	63.38
Net debt gearing (%)	Net Cash	Net Cash	Net Cash	63.09
Current ratio (times)	1.76	1.23	30.91	1.05
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	98.14	35.17	n.m.	40.37
<i>Basic EPS (cents)</i> (before exceptional items)	219.23	237.74	207.52	224.72
(after exceptional items)	219.23	237.74	207.52	224.72
Return on equity (%)	26.87	39.03	30.46	48.88

APPENDIX

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and are based on the assumptions set out above. Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of its issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers at the earliest opportunity.

7. Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

7.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and person(s) acting in concert with him increases to 30% or more, or, if the Shareholder and person(s) acting in concert with him holds between 30% and 50% of the Company's voting capital, would increase by more than 1% in any six (6) months' period, such Shareholder or group of Shareholders acting in concert would be obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

7.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of such company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert with each other:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any companies whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

APPENDIX

- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Takeover Code.

7.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (a) the voting rights of such Directors and their concert parties would increase to 30% or more; or
- (b) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares and subsidiary holdings shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the Share Purchase Mandate Renewal Resolution.

Based solely on the interests of the Substantial Shareholders (as defined in Paragraph 8 below) as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the Substantial Shareholders will become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

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8. Listing Rules

While the Listing Manual does not expressly prohibit purchase or acquisition of shares by a listed company during any particular time or times, the listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of consideration and/or a decision of the Board of Directors until such time as the price-sensitive information has been publicly announced. In particular, in line with the Principles of Best Practice for Handling of Confidential Information and Dealings in Securities issued by SGX-ST in December 2017 and in order to comply with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) two (2) weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one (1) month before the announcements of the Company’s full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise); and
- (b) one (1) month before the announcement of the Company’s half year and full year financial statements (if the Company does not announce its quarterly financial statements), as the case may be, and ending on the date of announcement of the relevant results.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares (excluding treasury shares and subsidiary holdings) are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the Directors, chief executive officer, substantial shareholders (as defined in the Securities and Futures Act 2001 of Singapore) (the “**Substantial Shareholders**”) or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 2,387,686,855 Shares, representing approximately 60.669% of the issued Shares (excluding Shares held in treasury and subsidiary holdings), are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to approximately 1,994,127,933 Shares, representing approximately 56.299% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). Accordingly, the Company is of the view that there is a sufficient number of issued Shares (excluding treasury shares and subsidiary holdings) held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

9. Shares Purchased During The Previous Twelve (12) Months

The Company has not carried out any share purchase during the twelve (12)-month period preceding the Latest Practicable Date.

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10. Directors' and Substantial Shareholders' Interests

10.1 Directors' Interests

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Director	Number of Shares	
	Direct Interest	Deemed Interest
Ren Letian ⁽¹⁾	–	1,018,643,195
Liu Hua	–	–
Yee Kee Shian, Leon	–	–
Poh Boon Hu Raymond	–	–
Yee Chia Hsing	–	–

10.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Number of Shares		Total Percentage Interest (%) ⁽²⁾
	Direct Interest	Deemed Interest	
Ren Yuanlin ⁽³⁾	–	852,845,825	21.7
Yangzi International Holdings Limited	852,845,825	–	21.7
Julius Baer Trust Company (Singapore) Limited as trustee of YZJ Settlement ⁽⁴⁾	–	852,845,825	21.7
Lido Point Investments Ltd	379,259,170	–	9.6
Sapphire Skye Limited as nominee of Zedra Trust Company (Singapore) Limited, which is in turn the trustee of the Lido Trust ⁽⁶⁾	–	379,259,170	9.6
Ren Letian ⁽¹⁾	–	1,018,643,195	25.9
Ren Qifan ⁽⁵⁾	–	852,845,825	21.7

Notes:

- (1) Ren Letian is a beneficiary of the YZJ Settlement (“**YZJ Trust**”). Accordingly, Ren Letian is deemed to be interested in the 852,845,825 Shares held by Yangzi International Holdings Limited, by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore (“**SFA**”). In addition, Ren Letian is also deemed to be interested in the 165,797,370 Shares which are held by Hengyuan Asset Investment Limited (“**Hengyuan**”) through his interests in Hengyuan by virtue of Section 4 of the SFA.
- (2) Based on 3,935,589,220 Shares in issue as at the Latest Practicable Date, excluding subsidiary holdings and 38,487,780 treasury shares as at the Latest Practicable Date.
- (3) Ren Yuanlin is the settlor and a beneficiary of the YZJ Trust, which is revocable by the settlor and established as a “purpose trust”. Under the terms of the YZJ Trust, Ren Yuanlin has the powers, as settlor, to direct Julius Baer Trust Company (Singapore) Limited, as trustee, as to the investment in the Shares which form the assets of the YZJ Trust. Such powers include decisions relating to any purchase, sale, exchange, letting or retention and exercising of any voting and other rights in relation to the Shares. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. Accordingly, Ren Yuanlin is deemed to be interested in the 852,845,825 Shares held by Yangzi International Holdings Limited, by virtue of Section 4 of the SFA.
- (4) Julius Baer Trust Company (Singapore) Limited is the trustee of the YZJ Trust. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. For further details on the YZJ Trust, please refer to note 3. By virtue of Section 4 of the SFA, Julius Baer Trust Company (Singapore) Limited is deemed to have an interest in the 852,845,825 Shares held by Yangzi International Holdings Limited.

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- (5) Ren Qifan (a minor under the age of 21 and daughter of Ren Letian) became a beneficiary of the YZJ Trust with effect from 16 July 2025, in addition to the existing beneficiaries, Ren Yuanlin and Ren Letian. Pursuant to Section 133 of the SFA, a director of a corporation is deemed to have an interest in shares of the corporation if those shares are held or deemed to be held by his family members, including his children below the age of 21 years. As Ren Qifan (being a minor under the age of 21) is deemed to be interested in the 852,845,825 Shares by virtue of Section 4 of the SFA, Ren Letian is correspondingly deemed to be interested in the 852,845,825 Shares by virtue of Section 133(1) read with Section 133(4)(a) of the SFA, notwithstanding that he is already a beneficiary of the YZJ Trust and had disclosed his own deemed interest in respect of the 852,845,825 Shares on 26 May 2025.
- (6) Sapphire Skye Limited is wholly-owned by Zedra Trust Company (Singapore) Limited which is the trustee of an employee benefit trust set up for the purpose of rewarding employees of the Group ("**Lido Trust**"). Under the terms of Lido Trust, Zedra Trust Company (Singapore) Limited manages 379,259,170 Shares held by Lido Point Investments Ltd. By virtue of Section 4 of the SFA, Sapphire Skye Limited (as nominee of Zedra Trust Company (Singapore) Limited) is deemed interested in the 379,259,170 Shares held by Lido Point Investments Ltd.

11. Directors' Recommendations

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Share Purchase Mandate Renewal Resolution as set out in the Notice of the 20th AGM.

12. Annual General Meeting

The 20th AGM, notice of which is set out on pages 147 to 152 of the Notice of 20th AGM attached to the Annual Report 2025 of the Company, will be held on 28th April 2026 at 2.30 p.m. at Big Picture Theatre, 168 Robinson Road, Level 9 Capital Tower, Singapore 068912 for the purpose of, *inter alia*, considering and, if thought fit, passing the Share Purchase Mandate Renewal Resolution as set out in the Notice of the 20th AGM.

13. Action To Be Taken By Shareholders

Shareholders' approval for the proposed renewal of the Share Purchase Mandate is sought at the AGM. The resolution relating to the proposed renewal of the Share Purchase Mandate is contained in the Notice of AGM as ordinary resolution 8.

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on its behalf, that Shareholder should complete, sign and return the Proxy Form attached to the Annual Report in accordance with the instructions printed thereon.

The completion and lodgement of a Proxy Form by a Shareholder does not preclude that Shareholder from attending and voting in person at the AGM if it so wishes.

14. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

APPENDIX

15. SGX-ST's Disclaimer

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinion expressed in this Appendix.

16. Documents Available for Inspection

The following documents may be inspected at the registered office of the Company at 36 Robinson Road, #20-01 City House, Singapore 068877 during normal business hours from the date hereof up to and including the date of the 20th AGM:

- (a) the Constitution; and
- (b) the audited consolidated financial statements of the Group for the financial year ended 31 December 2025.

Yours faithfully,
For and on behalf of the Board of Directors of
YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

Ren Letian
Executive Chairman and Chief Executive Officer

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Proxy Form

Yangzijiang Shipbuilding (Holdings) Ltd.

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

IMPORTANT:

- The Annual General Meeting of the Company will be held physically with no option for members to participate virtually. Printed copies of this Proxy Form and Notice of AGM will be sent to members.
- Central Provident Fund Investment Scheme ("CPFIS") and/or Supplementary Retirement Scheme ("SRS") investors who hold shares through CPF Agent Banks/SRS Operators:
 - may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
 - may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should contact their CPF Agent Banks/SRS Operators to submit their votes not less than seven (7) working days before the AGM (i.e. by 2.30 p.m. on 16 April 2026).
- Investors holding shares of the Company ("Shares") through Relevant Intermediaries (other than CPFIS/SRS investors) and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Company in advance of, or at, the AGM; and/or (c) voting at the AGM, should contact the relevant intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.
- This Proxy Form is not valid for use by CPFIS investors and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2026.
- Please read the important notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend and vote on his/her/its behalf at the AGM.

I/We _____ (name) _____ (NRIC/Passport No.)

of _____ (address)

being a member/members of Yangzijiang Shipbuilding (Holdings) Ltd. (the "Company"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address**		

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address**		

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as *my/our proxy to attend and to vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Big Picture Theatre, 168 Robinson Road, Level 9 Capital Tower, Singapore 068912 on Tuesday, 28 April 2026 at 2.30 p.m. and at any adjournment thereof. *I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	For**	Against**	Abstain**
ORDINARY BUSINESS				
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors' Statement and the Auditors' Report thereon.			
2.	To declare a tax exempt (one-tier) final dividend of S\$0.20 per ordinary share in respect of the financial year ended 31 December 2025.			
3.	To approve the proposed Directors' fees of S\$502,000 for the financial year ended 31 December 2025.			
4.	To re-elect Mr Ren Letian as Director.			
5.	To re-elect Mr Yee Kee Shian, Leon as Director.			
6.	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
7.	To authorise Directors to allot and issue shares.			
8.	To renew the Share Purchase Mandate.			

* Please delete accordingly

** Voting will be conducted by poll. If you wish your proxy/proxies to exercise all your votes for or against or abstain from voting in respect of all your Shares the above Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish your proxy/proxies to exercise some and not all of your votes for or against and/or abstain from voting for the Resolution and/or if you wish your proxy/proxies to abstain from voting in respect of the Resolution, please indicate the number of votes "For", the number "Against" and/or the number "Abstain" in the boxes provided for the Resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this _____ day of _____ 2026

Total Number of Shares Held in:

(a) Depository Register

(b) Register of Members

Signature of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

IMPORTANT NOTES

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the Proxy Form.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. A proxy need not be a member of the Company.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A member who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting to the Company in the following manner:
 - (a) By Post: To be deposited at the registered office of the Company at 36 Robinson Road, #20-01 City House, Singapore 068877; or
 - (b) By e-mail: To be emailed to yangzijiang.sg@yzjship.com (Attn: Yangzijiang Team);

In either case, by 2.30 p.m. on 25 April 2026, being no later than 72 hours before the time set for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

5. This Proxy Form must be executed under the hand of the appointor or by his/her attorney duly authorised in writing or, where it is executed by a corporation, be executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
6. The Company shall be entitled to reject this Proxy Form, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form. In addition, in the case of a member whose Ordinary Shares are entered against his/her/its name in the Depository Register, the Company may reject this Proxy Form if the member, being the appointor, is not shown to have Ordinary Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
7. A Depositor shall not be regarded as a member of the Company entitled to vote at the AGM unless his/her/its name appears on the Depository Register 72 hours before the time set for the AGM.

AFFIX
POSTAGE
STAMP

The Company Secretary
Yangzijiang Shipbuilding (Holdings) Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877

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CORPORATE INFORMATION

DIRECTORS

REN LETIAN

Executive Chairman and Chief Executive Officer

YEE KEE SHIAN, LEON

Lead Independent Director

YEE CHIA HSING

Independent, Non-Executive Director

POH BOON HU RAYMOND

Independent, Non-Executive Director

LIU HUA

Non-Independent, Non-Executive Director

COMPANY SECRETARY

LEE WEI HSIUNG

COMPANY REGISTRATION NUMBER

200517636Z

REGISTERED OFFICE

36 Robinson Road,
#20-01 City House,
Singapore 068877

MAIN BUSINESS ADDRESSES

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SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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AUDITOR

PRICEWATERHOUSECOOPERS LLP

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Partner-in-charge:

DANIEL KHOO

(Appointed since Financial Year ended
31 December 2022)



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扬子江船业(控股)有限公司

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