



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



# STAYING THE COURSE, DELIVERING VALUE

SUSTAINABILITY REPORT 2025

# SECTION 1: OVERVIEW

## ABOUT THE REPORT

The Sustainability Report provides a comprehensive overview of Yangzijiang Shipbuilding (Holdings) Ltd.'s ("**Yangzijiang**", or together with its subsidiaries, the "**Group**") sustainability practices. It outlines the Group's commitment, targets, management approaches, and latest performance, ensuring transparent, accurate, and timely disclosure to our stakeholders while highlighting our dedication to sustainable development.

### Reporting Standards and Frameworks

This report is prepared in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("**SGX**") Listing Rule, including rules 711A and 711B on Sustainability Reporting and relevant SGX Practice Notes 7.6 on Sustainability Reporting Guide, including IFRS S2 Climate-related Disclosure standard. The SGX Sustainability Reporting Index in Section 5 maps all primary components required under these rules to the relevant sections of this report, and the SGX Core ESG Metrics are disclosed in full in the Appendix.

In addition, this Report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards, which have been selected as our primary reporting framework for their global recognition and relevance for all our stakeholders. The GRI Content Index in Section 5 maps the specific disclosures addressed, covering GRI 2 (General Disclosures), GRI 3 (Material Topics), and a range of topic-specific standards across economic performance, energy, emissions, water, waste, employment, training, health and safety, and governance.

The Group has adopted IFRS S2 Climate-related Disclosures ("**IFRS S2**") as the framework governing its climate-related disclosures, in line with SGX's requirement for STI constituent companies and because the standard's four-pillar structure, Governance, Strategy, Risk Management, and Metrics and Targets, directly mirrors the Group's internal approach to managing climate-related risks and opportunities, supporting decision-useful disclosure for the investment community.

All four pillars are addressed in this report. However, three categories of disclosure are deferred to future reporting periods: 1) Scope 3 GHG emissions, as boundary definition and data collection are still under development; 2) Quantitative financial impacts have not been disclosed for FY2025 as the Group is still developing its internal methodologies and data collection processes. Qualitative disclosures have been provided in the interim; and 3) comparative prior-period disclosures are not presented for FY2025 as consistent baselines are still being established. The Group will progressively enhance its climate-related disclosures in future reporting periods in line with applicable regulatory timeline.

To enhance our environmental, social, and governance ("**ESG**") disclosures, the Group incorporates the United Nations Sustainable Development Goals ("**UN SDGs**") as a supplementary reference framework, reflecting its commitment to contributing to the broader global sustainable development agenda. The Group supports eight core UN SDGs, which are referenced where relevant across the environmental, social, and governance sections of this report to contextualise its initiatives within the global effort to address climate change, promote decent work and economic growth, and advance sustainable industrialisation. The Group does not claim full alignment with or comprehensive reporting against the UN SDG framework.

This report supplements our financial and operating reporting, showcasing our sustainability strategy and progress.

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## Scope of the Report

The scope of our Sustainability Report 2025 covers four operational shipyards in China, including Jiangsu New Yangzi Shipbuilding Co., Ltd. ("**New Yangzi Yard**"), Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. ("**Xinfu Yard**"), Jiangsu Yangzi-Mitsui Shipbuilding Co., Ltd. ("**YAMIC Yard**"), and Jiangsu Yangzijiang Shipbuilding Group Co., Ltd. ("**Yangzijiang Yard**").

The above four shipyards represent the most significant sustainability impact on our organisation and stakeholders. All reported information pertains to the financial year from 1 January 2025 to 31 December 2025 ("**FY2025**").

This report is prepared on an annual basis and is available on both the Group's website at <https://www.yzjship.com/en/> and SGXNET at <https://www.sgx.com/securities/annual-reports-related-documents>.

## Restatement of Information

In previous reporting periods, the Group applied the Operational Control approach in defining its reporting boundary, under which 100% of all sustainability-related data, encompassing environmental, social, and governance metrics, were attributed to entities over which the Group exercised full operational control.

In FY2025, the Group has adopted the Equity Share approach in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Under this approach, all sustainability-related data are accounted for in proportion to the Group's equity share in each respective entity at the time of reporting.

Prior year figures have been restated to reflect the Equity Share approach to ensure consistency and comparability across all reporting periods presented. All comparative data included in this report corresponds to the restated figures unless otherwise stated.

## Assurance

This report has not adopted external assurance. However, all information disclosed has been rigorously reviewed by the Group and approved by the ESG Committee and the Board of Directors ("**Board**").

## Feedback

We value your opinions and feedback on our sustainability practices and reporting. Please don't hesitate to share your questions and suggestions with us at [esg@yzjship.com](mailto:esg@yzjship.com).

**SECTION 1:  
OVERVIEW****BOARD STATEMENT ON SUSTAINABILITY REPORT**

The Board of Directors is committed to integrating sustainability considerations into the Group's long-term strategy and operations. We continue to enhance our performance and transparency to create long-term value and identify future growth catalysts.

The Board provides oversight of the Group's sustainability strategy and implementation. The Board has considered sustainability issues as part of the Group's business and strategy, determined the material ESG factors relevant to the Group, and oversees the management and monitoring of these factors. All directors have undergone sustainability training as prescribed by SGX, ensuring they remain informed of evolving regulatory developments and industry standards.

To strengthen governance in this area, an ESG Committee was established in 2022 to oversee sustainability initiatives. The ESG Committee reports to the Board on sustainability matters. It is chaired by Executive Chairman and Chief Executive Officer, Mr. Ren Letian, and supported by:

- Mr. Zhang Hongfei, Deputy General Manager, a key advocate of sustainability across our four operational shipyards in China.
- Ms. Liu Hua, Non-Independent and Non-Executive Director, who brings in-depth expertise in sustainable practices in Singapore, particularly within Singapore-listed companies.
- Ms. Kathy Zhang Chengshuang, External Advisor, who holds a Doctorate in Business Administration from Singapore Management University, with a dissertation thesis focused on ESG measurement.

All committee members have diverse knowledge and understanding of the Group's operations and sustainability guidelines. The ESG Committee is supported by an ESG Implementation team, comprising representatives from key operational and corporate functions. This structure supports effective oversight and implementation of the Group's sustainability initiatives.

The Group recognises sustainability-related risks and opportunities relevant to its operations and industry and remains proactive in adapting to evolving regulatory frameworks and industry standards. In line with this objective, the Board adopts a comprehensive approach to reviewing operations and formulating practical ESG strategies, ensuring they cover all aspects of the Group's operations and business.

In FY2025, the Group reassessed its material topics through a comprehensive materiality assessment survey conducted with selected employees, suppliers and customers. The results were subsequently reviewed and approved by the Board and the ESG Committee and are presented in this Sustainability Report. To ensure continued relevance and alignment with evolving stakeholder priorities, the survey will be reviewed, updated and reissued on a biennial basis.

Based on a weighted average ranking, the material topics, from most to least significant, include: 1) Occupational Health and Safety; 2) Research and Development ("R&D") for Clean Technology Vessels; 3) Corporate Governance; 4) Diversity, Equality, and Care; 5) Sustainable Supply Chain Management; 6) Business Ethics; 7) Toxic Emission and Waste Management Strategy; 8) Labour Management Policy; 9) Greenhouse Gas ("GHG") Emissions and Use of Renewable Energy; 10) Digital Transformation. Following the reassessment of material topics, the Group has set out 2026 targets for each material issue and will track performance to ensure alignment and accountability.

In conclusion, this report complements our financial disclosures, providing stakeholders with information on the Group's ESG commitments, targets, performance, and key initiatives. As we continuously refine our disclosures and ESG practices, we welcome stakeholder feedback and suggestions. Please write to us at [esg@yzjship.com](mailto:esg@yzjship.com).

**Board of Directors**

Yangzijiang Shipbuilding (Holdings) Ltd  
April 2026

# SECTION 1: OVERVIEW

## CHAIRMAN MESSAGE

### Progress Towards 2030 Target

2025 marked another year of continued commitment to reduce carbon intensity (Scope 1 and Scope 2)<sup>1</sup> by 25% from the 2023 baseline by 2030. Following an 8.7% reduction achieved in FY2024<sup>2</sup>, carbon intensity increased by 6.9% in FY2025, driven by higher production volumes and the adoption of increasingly advanced and sophisticated shipbuilding techniques across the Group's operations. As a result, the cumulative reduction from the 2023 baseline stands at 2.4%. The Group acknowledges this increase and remains steadfast in its commitment to achieving its 2030 carbon intensity reduction target.

Our dual-engine sustainability strategy, Green Vessels and Green Shipyards, continues to serve as the primary levers of long-term decarbonisation, guiding our R&D priorities and operational transformation.

### Green Vessels

In FY2025, the Group continued to advance the construction of clean-energy vessels, delivering a range of next-generation vessels including LNG dual-fuel, methanol dual-fuel, and other alternative-fuel capable designs. Among the notable deliveries during the year, the 8,000 TEU LNG dual-fuel containerships delivered to Pacific International Lines (“PIL”) were submitted for industry award consideration and was included in the *Jiangsu Province Key Promoted and Applied New Technologies and New Products Directory (2025)*. These vessels reflect the Group's growing technical capabilities in constructing sophisticated, energy-efficient vessels that meet increasingly stringent environmental standards.

In FY2025, the Group continued to invest in R&D, allocating 70% of total R&D expenditure to clean technology, building on the 53.6% allocation in FY2024. Our R&D efforts span three principal areas, including advancing vessel fuel efficiency and energy-saving technologies, deepening our capabilities in alternative-fuel vessel designs including LNG, methanol, and ammonia-ready vessels, and exploring emerging technologies such as wind-assisted propulsion. These investments are directed at strengthening our capacity to support customers' evolving demands as the industry transitions towards lower-emission operations. During the year, the Group also filed 29 patents relating to green vessel construction processes and production techniques, further consolidating its intellectual property in this domain.

### Green Shipyards

Progress in the development of green shipyards continued in FY2025. New Yangzi Yard was included in the Jiangsu Province Green Factory list in February 2025, as an acknowledgement of the yard's sustained investment in energy efficiency, renewable energy adoption, and environmental management. During the year, both New Yangzi Yard and Xinfu Yard continued to receive special government support for climate-related initiatives.

In addition, the Group expanded its solar panel capacity during FY2025, achieving a 24.9% year-on-year (“yoy”) increase in total solar power generation. Phase 4 of the solar expansion programme at New Yangzi Yard, a 1.2 megawatt alternating current (“MWac”) high-voltage distributed system, was commissioned in May 2025, with a further car park solar installation of 3.16 megawatts (“MW”) capacity planned for commissioning in early 2026. These investments form part of the Group's broader strategy to reduce reliance on grid electricity and lower its operational carbon footprint progressively over time.

**SECTION 1:  
OVERVIEW****Looking Forward**

The global push towards maritime decarbonisation is broad-based and structurally entrenched. The FuelEU Maritime Regulation is already in force, introducing binding GHG intensity requirements for vessels trading with the European Union<sup>3</sup>, one of the Group's key markets. China's updated Nationally Determined Contribution ("NDC") targets signal continued acceleration of its domestic green transition<sup>4</sup>. And while the formal adoption of the IMO Net-Zero Framework has been deferred to late 2026 at the earliest, following an extraordinary Marine Environment Protection Committee ("MEPC") session in October 2025 at which member states voted to adjourn for one year, the fundamentals of the framework are well understood by the industry<sup>5</sup>. The direction is clear and the timeline has shifted, not the destination.

For Yangzijiang Shipbuilding, this environment presents both a responsibility and an opportunity. We remain committed to continuous R&D investment to build the technical capabilities required by customers as they navigate their own fleet decarbonisation journeys. Our focus primarily covers next-generation fuel technologies, vessel energy efficiency, and the production processes that underpin reliable, on-schedule delivery of green vessels at scale. As customer preferences and regulatory requirements evolve, our R&D pipeline is designed to ensure we remain a partner of choice across vessel types and fuel pathways.

As a Straits Times Index component stock, we are mindful of our responsibility to lead by example on sustainability disclosure. In FY2025, we adopted the IFRS S2 Climate-related Disclosures for the first time, marking an important step in aligning our climate reporting with globally recognised frameworks. We recognise that first-year disclosure is a foundation, not a finish line. The Group will continue to enhance the scope, depth and quantitative robustness of its climate-related disclosures over time, including further development of scenario analysis and the progressive measurement and reporting of Scope 3 emissions.

Looking ahead, the Group continues to make progress towards its 2030 decarbonisation target. The improvements achieved across our existing shipyards demonstrate the effectiveness of our sustainability strategy. With the Hongyuan Yard currently under construction and expected to be completed by the end of 2026, the Group has the opportunity to incorporate advanced environmental and operational standards into its newest facility from the outset. The Hongyuan Yard is designed for the construction of sophisticated dual-fuel and gas carrier vessels and is expected to reflect the Group's latest approach to sustainable shipyard development.

The Group remains committed to building a more sustainable and resilient business over the long term.

**Mr. Ren Letian**

Executive Chairman and Chief Executive Officer

<sup>1</sup> Carbon intensity (Scope 1 and Scope 2) is calculated on the following basis: [(New Yangzi Yard Emissions + Xinfu Yard Emissions + Yangzijiang Yard Emissions) + (51% \* YAMIC Yard Emissions)] / [(Revenue for the year) + (51% \* YAMIC Revenue)].

<sup>2</sup> The discrepancy between the figure for % reduction in FY2024 in this report (8.7%) and in the Group's 2024 Sustainability Report (12.8%) is due to the standardisation of calculation method.

<sup>3</sup> DNV: FuelEU Maritime

<sup>4</sup> CSIS: Assessing China's New Climate Commitments

<sup>5</sup> IMO: IMO Net-zero Shipping Talks to Resume in 2026

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## 2025 SUSTAINABILITY PRACTICES AT A GLANCE

### ENVIRONMENTAL HIGHLIGHTS

#### 2030 VISION

Reduce carbon intensity (Scope 1 + Scope 2) by 25% from baseline 2023.



Recorded a **2.4% reduction in carbon intensity from the 2023 baseline**, on track to meet the 2030 target.



Expanded **investments into clean energy products**, standing at **70.0% of total R&D**, up from 53.6% in 2024.



**54.5%** of FY2025 revenue was generated from eco-friendly vessels, down from 65.9% in 2024.



Achieved a **24.9%** increase in power generation from solar panels.



### SOCIAL HIGHLIGHTS

**Boosted training hours** at all operational levels, as compared to 2024.



**100% safety training coverage** for on-site workers and subcontractors.



### GOVERNANCE HIGHLIGHTS

#### Board Independence

**60%**



#### Board Gender Diversity

**20%**



#### Business Ethics Training

**100%** coverage in business ethics training across all employees, subcontractors, and for the first time, shipowners and inspectors



**SECTION 1:  
OVERVIEW****2025 MATERIALITY ASSESSMENT**

In FY2025, the Group conducted a materiality assessment survey to reassess its material issues, as per our practice to conduct a materiality assessment once every two years. As part of our efforts to expand our ESG efforts across all stakeholders in the value chain, the Group expanded its survey group in FY2025 by including subcontractors and local regulators in our outreach for the first time. This expands our survey group to include perceptions of other stakeholders besides employees, suppliers, and customers, whom we have included in our previous materiality survey in 2023. A total of ten topics were reassessed in the survey, revolving around three significant sustainability aspects, Environment, Social, and Governance.

**Materiality Issue Selection Procedures**

The ten topics were selected based on the following five categories:

- Based on reporting criteria and frameworks set by the ISSB.
- Benchmarking against peers regarding ESG practices.
- Proactively addressing ESG challenges prevalent in the maritime industry.
- Evaluating the implications of macroeconomic conditions on the supply chain.
- Updating suppliers' Code of Conduct to align with stakeholders' expectations and requirements.

Based on our analysis of GRI, ISSB frameworks, and MSCI ESG rating reports, industry benchmarking, and internal sources, the Group has put across 10 key issues in the survey to capture the perspectives of key stakeholders both domestically and internationally.

Respondents were asked to rank the ten Material ESG topics from least important to most important (lowest importance, low importance, medium, high importance, highest importance). Upon formation of the survey, the survey was reviewed and approved by the ESG Committee before distribution.

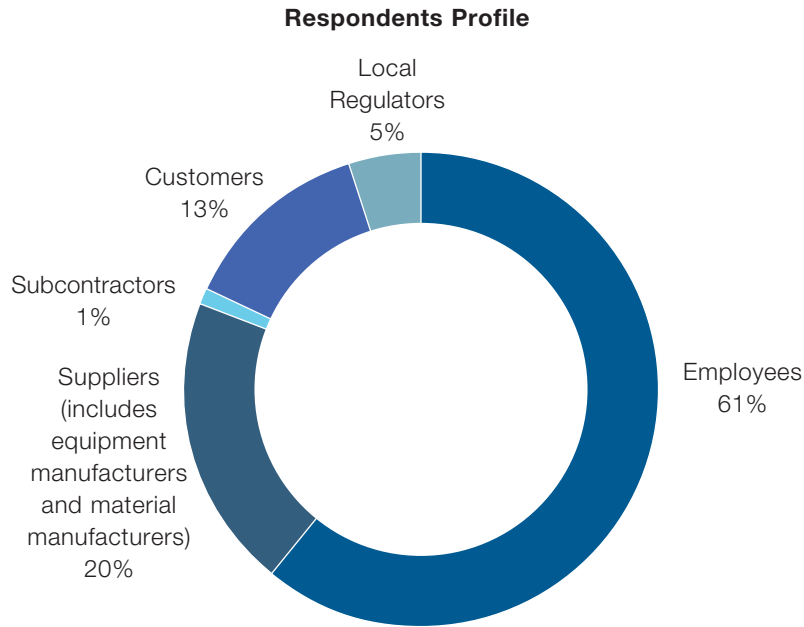
The objective of the survey was to determine the perceived ESG priority of the Group's stakeholders. The ESG Committee will utilise the information to refine the Group's ESG policies, strategies, and implementation plans.

**Materiality Survey Results**

There was a total of 163 respondents in this survey, spanning employees, suppliers, customers, and for the first time, subcontractors and local regulators. Alongside this expansion of the survey group, the number of respondents to our survey increased from 147 in FY2023 to 163 in FY2025.

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**Figure: Breakdown of Respondents Profile**



### Overall Rank (Blended Results of Internal and External Stakeholders)

Yangzijiang adopted a five-point scale, ranging from “lowest importance, low importance, medium, high importance, highest importance”, to identify stakeholder concerns regarding the ten material ESG topics.

To ensure an even portrayal of feedback across all stakeholder groups, the Group employed a weighted average approach to prioritise issues, ensuring equal weights were assigned to each stakeholder group to prevent any biased outcomes due to different sample sizes.

**Table: Ranking of Core Issues (Blended Results of Internal and External Stakeholders)**

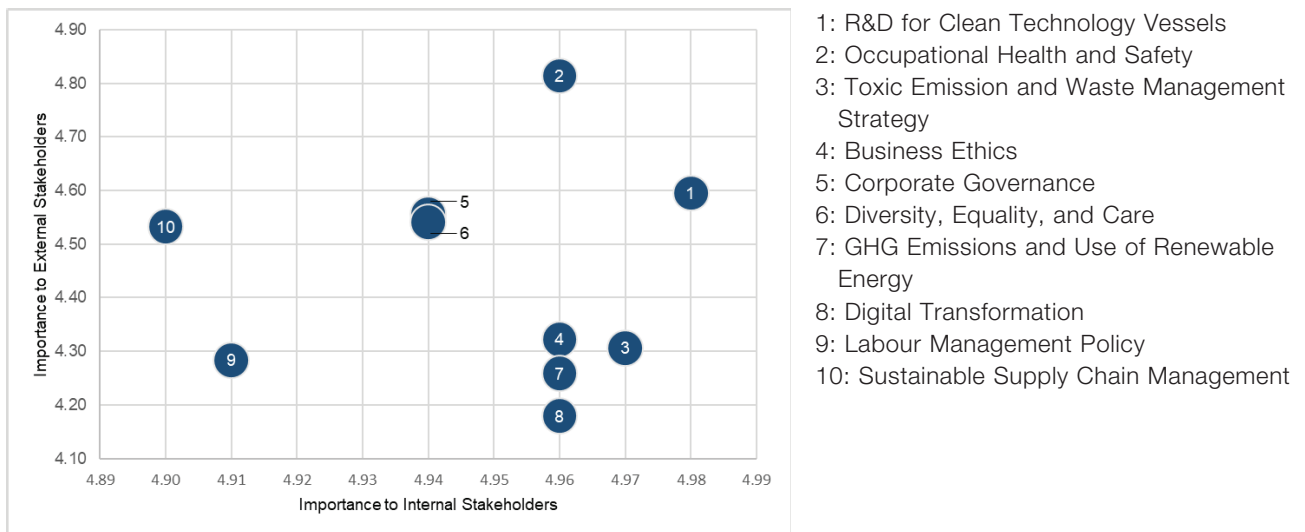
Core Issues Ranks (1 being most important)	Weighted Average Score	Material Topic
1	4.84	Occupational Health and Safety
2	4.67	Research and Development (“ <b>R&amp;D</b> ”) for Clean Technology Vessels
3	4.63	Corporate Governance
4	4.62	Diversity, Equality, and Care
5	4.61	Sustainable Supply Chain Management
6	4.45	Business Ethics
7	4.44	Toxic Emission and Waste Management Strategy
8	4.41	Labour Management Policy
9	4.40	Greenhouse Gas (“ <b>GHG</b> ”) Emissions and Use of Renewable Energy
10	4.34	Digital Transformation

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**Analysing by Internal and External Stakeholders**

To better analyse the difference in priorities among internal and external stakeholders, we have also plotted each material issue by importance to external and internal stakeholders. To calculate the importance by external and internal stakeholders, we also maintained our weighted average approach to ensure equal weights were assigned to each stakeholder group.

**Figure: Scatter Plot of Material Issues by Importance to External and Internal Stakeholders**



**Figure: Top 3 Material Issues by Stakeholder Group**

Internal Stakeholders	External Stakeholders
1. R&D for Clean Technology Vessels	1. Occupational Health and Safety
2. Toxic Emission and Waste Management Strategy	2. R&D for Clean Technology Vessels
3. (i) Occupational Health and Safety; (ii) Business Ethics; (iii) GHG Emissions and Use of Renewable Energy; and (iv) Digital Transformation	3. Corporate Governance

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## Analysis of Changes from Material Issues from 2023 to 2025

Comparing our survey results for FY2025 to the previous materiality assessment conducted in FY2023, we have identified a few key changes in the top-ranking material issues.

**Figure: Changes In Top Material Issues From 2023 Materiality Survey**

Rank	Top 5 Material Issues identified in 2025	Top 5 Material Issues Identified in 2023
1	Occupational Health and Safety	R&D in Clean Technology
2	R&D for Clean Technology Vessels	Toxic Emission and Waste Management Strategy
3	Corporate Governance	Corporate Governance
4	Diversity, Equality, and Care	Sustainable Supply Chain Management
5	Sustainable Supply Chain Management	Labour Management Policy

In 2025, Occupational Health and Safety overtook R&D for Clean Technology Vessels as the top material issue. Furthermore, (i) Occupational Health and Safety, and (ii) Diversity, Equality and Care entered the Top 5 material issues in 2025, replacing (i) Toxic Emissions and Waste Management Strategy, and (ii) Labour Management Policy, which were previously ranked among the Top 5 in 2023.

Meanwhile, (i) R&D for Clean Technology Vessels, (ii) Corporate Governance, and (iii) Sustainable Supply Chain Management remain in the Top 5 material issues prioritised by stakeholders.

**Figures: Changes in Top Material Issues for Internal and External Stakeholders From 2023 Material Survey**

Rank	2025		2023	
	Internal Stakeholders	External Stakeholders	Internal Stakeholders	External Stakeholders
1	R&D for Clean Technology Vessels	Occupational Health and Safety	R&D in Clean Technology	Toxic Emissions and Waste Management Strategy
2	Toxic Emission and Waste Management Strategy	R&D for Clean Technology Vessels	Toxic Emissions and Waste Management Strategy	R&D in Clean Technology
3	(i) Occupational Health and Safety; (ii) Business Ethics; (iii) GHG Emissions and Use of Renewable Energy; and (iv) Digital Transformation	Corporate Governance	Occupational Health and Safety	Occupational Health and Safety

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Among internal stakeholders, the top 2 priorities remained unchanged from 2023, and are (i) R&D for Clean Technology Vessels and (ii) Toxic Emissions and Waste Management Strategy, with R&D for Clean Technology Vessels ranking at the top for 2025. The third priority for internal stakeholders was a tie between four material issues: (i) Occupational Health and Safety; (ii) Business Ethics; (iii) GHG Emissions and Use of Renewable Energy; and (iv) Digital Transformation.

Among external stakeholders, Occupational Health and Safety replaced Toxic Emission and Waste Management Strategy as the top-ranking material issue, followed by R&D for Clean Technology Vessels. Both of these material issues were also identified as part of the top 3 material issues for external stakeholders in 2023.

Notably, Corporate Governance was a new material issue identified in the Top 3 issues for external stakeholders in 2025, replacing Toxic Emissions and Waste Management Strategy from the Top 3 in 2023.

**Material Issues and Yangzijiang's Approach**



After careful consideration of the 2025 Materiality Assessment and our Group's ESG targets, we have identified ten material issues, of which we will prioritise Occupational Health and Safety, R&D in Clean Technology, and Corporate Governance. The Group has set out its strategies to address the risks and opportunities associated with each issue.



Moreover, the Group is dedicated to aligning its ESG practices with the international sustainability agenda, emphasising both disclosure transparency and seamless ESG integration into our daily operations. Notably, the Group has incorporated the UN SDGs into its sustainability reporting framework in FY2023, employing them as one of the guidelines to address all material issues.

The Group has established a quantitative target for Occupational Health and Safety and is in the process of assessing the remaining material issues. The Group will continue to strengthen its internal assessment processes and enhance its disclosures, including setting out quantitative targets across short-, medium-, and long-term, over time.



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Table: Summary of 2026 Targets and Yangzijiang’s Responses to Materiality Issues

Rank	Material Issues	2025 Target	2025 Results	2026 Target	Yangzijiang’s Responses
1	Occupational Health and Safety  	Aim to achieve ZERO fatalities across all operational shipyards	The Group achieved ZERO fatalities across its direct employees in FY2025.	Aim to achieve ZERO fatalities across all operational shipyards	<p><b>Current Initiatives:</b></p> <ul style="list-style-type: none"> <li>Implementation of ISO 45001 Occupational health and safety protocols</li> <li>Establishment of Workplace Safety Committee</li> <li>Establishment of a top-down workplace safety management system and a reward and penalty scheme for motivation</li> <li>Monthly Workplace Safety Committee meeting to evaluate safety performance and a system to monitor the implementation of the safety strategy</li> <li>Weekly safety training for all on-site workers</li> </ul> <p><b>Yangzijiang’s Strategies:</b></p> <p>Ongoing review and optimisation in safety guidelines</p>



Rank	Material Issues	2025 Target	2025 Results	2026 Target	Yangzijiang's Responses
2	<p>R&amp;D for Clean Technology Vessels</p>  	<p>Continue the Group's strategy to invest in clean technology, with focuses on green vessels and advanced production techniques</p>	<p>Target met. R&amp;D expenses for clean technology increased to 70.0% of total R&amp;D expenditure, up from 53.6% in FY2024.</p>	<p>Continue the Group's strategy to invest in clean technology, with focuses on green vessels and advanced production techniques</p>	<p><b>Yangzijiang's Responses</b></p> <p><b>Current Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Establishment of an in-house R&amp;D centre</li> <li>• Recruitment of technical experts to strengthen the company's innovative capabilities</li> <li>• Introduction of high-efficiency production techniques</li> <li>• Penetration into alternative fuel-capable vessel sectors, supported by sustained R&amp;D budget allocation</li> </ul> <p><b>Yangzijiang's Strategies:</b></p> <ul style="list-style-type: none"> <li>• Enhancement of capabilities and vessel offerings to support further penetration into clean energy vessel market</li> <li>• Introduction of low-carbon production process</li> <li>• Adjustment of product mix to secure orders for high-tech/high-value vessels and to pivot sufficiently to rising demand for clean energy vessels</li> <li>• Introduction of high-efficiency shipbuilding facilities to streamline operations and reduce costs</li> </ul>

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Rank	Material Issues	2025 Target	2025 Results	2026 Target	Yangzijiang's Responses
3	Corporate Governance 	Maintain a strong level of Board competency, independence, and diversity	Target met. Please find pages 22-25, 90, 98 for more details.	Maintain a strong level of Board competency, independence, and diversity	<b>Yangzijiang's Responses</b>  <b>Current Initiatives:</b> <ul style="list-style-type: none"> <li>Transparent corporate disclosures to ensure accountability and foster trust among stakeholders</li> <li>Comprehensive corporate management principles to guide strategic decision-making</li> <li>Experienced Board of Directors and management team bring expertise and leadership to the company's operations</li> </ul> <b>Yangzijiang's Strategies:</b> <ul style="list-style-type: none"> <li>Commitment to transparency</li> <li>Capability improvement programs for the Board of Directors to enhance governance and strategic oversight</li> <li>Commitment to risk management and compliance</li> </ul>
4	Diversity, Equality, and Care 	Continue to promote diversity, equality, and care across all operational shipyards	Target met. Please find page 104 for more details.	Continue to promote diversity, equality, and care across all operational shipyards	<b>Current Initiatives:</b> <ul style="list-style-type: none"> <li>Comprehensive training for all employees to foster understanding, respect, and appreciation for diverse backgrounds and perspectives</li> <li>Development of fair hiring principles to ensure fair treatment of all candidates</li> <li>Establishment of a talent training framework for employee upskilling</li> <li>Comfortable accommodation provided for employees enhances their living conditions</li> <li>Employee Benefit Fund setup aids those in need, demonstrating company solidarity</li> </ul> <b>Yangzijiang's Strategies:</b> <ul style="list-style-type: none"> <li>Employee welfare enhancement ensures a supportive and nurturing work environment</li> </ul>

Rank	Material Issues	2025 Target	2025 Results	2026 Target	Yangzijiang's Responses
5	Sustainable Supply Chain Management 	Continue to support the integration of ESG elements into supply chain management system	Target met. Please find pages 98-99 for more details.	Continue to support the integration of ESG elements into supply chain management system	<b>Yangzijiang's Responses</b>  <b>Current Initiatives:</b> Integration of ESG-related requirements into supplier agreements as part of the Group's supplier qualification and reassessment processes.  <b>Yangzijiang's Strategies:</b> <ul style="list-style-type: none"> <li>• Progressive engagement with suppliers to monitor ESG strategies and implementation progress</li> <li>• Digitalisation of data collection, storage, and analysis process to enhance efficiency</li> </ul>
6	Business Ethics  	Continue to uphold high standard of business ethics and promote relevant training for both employees and subcontractors	Target met. Please find page 78 for more details.	Continue to uphold high standard of business ethics and promote relevant training for both employees and subcontractors	<b>Current Initiatives:</b> <ul style="list-style-type: none"> <li>• Establishment of comprehensive codes of ethics</li> <li>• Ethics training and education</li> <li>• Introduction of ethical reporting system</li> </ul> <b>Yangzijiang's Strategies:</b> <ul style="list-style-type: none"> <li>• Fostering a culture of integrity and ethical responsibility</li> <li>• Regular review and updating of ethics and compliance protocols</li> </ul>





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Rank	Material Issues	2025 Target	2025 Results	2026 Target	Yangzijiang's Responses
7	<p>Toxic Emission and Waste Management Strategy</p>  	<p>Continue the Group's strategy to enhance toxic emission and waste management through improved practices and alignment with industry standards</p>	<p>Target met. Please find pages 71-73 for more details.</p>	<p>Continue the Group's strategy to enhance toxic emission and waste management through improved practices and alignment with industry standards</p>	<p><b>Current Initiatives:</b></p> <ul style="list-style-type: none"> <li>Integration of environmental management system, ISO14001, across all shipyards, providing a framework to monitor, manage and improve environmental performance</li> <li>Engagement with a third-party agency for the quarterly evaluation of toxic emissions levels at all operational sites</li> <li>Exploring safer and environmentally friendly alternatives to replace hazardous materials</li> </ul> <p><b>Yangzijiang's Strategies:</b></p> <ul style="list-style-type: none"> <li>Introduction of waste management guidelines including partnering with a specialised third-party for waste treatment</li> <li>Upgrade facilities to prevent waste leakage risks</li> <li>Inclusion of ESG elements into supplier qualification processes, including requirements on environmental protection</li> </ul>

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Rank	Material Issues	2025 Target	2025 Results	2026 Target	Yangzijiang's Responses
8	Labour Management Policy  	Continue to uphold high standard of labour management system, prioritising employee well-being and welfare	Target met. Please find page 80 for more details.	Continue to uphold high standard of labour management system, prioritising employee well-being and welfare	<p><b>Current Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Share-based incentive scheme</li> <li>• Variable incentives for on-site workers, such as best team performance, leadership excellence, and outstanding cost-saving efforts</li> <li>• Provision for all employees includes the mandatory “Five Insurance and One Housing Fund” along with supplementary medical insurance</li> <li>• Comprehensive principles covering HR, labour management, employee training, employee attendance and leave management, employee salary and welfare management, and subcontractor management</li> <li>• Direct communication channels for feedback and engagement between employees and the senior management team</li> </ul> <p><b>Yangzijiang's Strategies:</b></p> <ul style="list-style-type: none"> <li>• Commitment to upholding a high-standard employee management and incentive system</li> <li>• Regular reviews and updates of the employee management policies</li> </ul>

# SECTION 1: OVERVIEW

Rank	Material Issues	2025 Target	2025 Results	2026 Target	Yangzijiang's Responses
9	GHG Emissions and Use of Renewable Energy  	Continue to advance the Group's dual-engine ESG strategy, aiming to achieve the Group's 2030 target	Target met. Carbon intensity increased by 6.9% yoy in FY2025, primarily driven by higher production volumes and the adoption of increasingly advanced and sophisticated shipbuilding techniques. The cumulative reduction in carbon intensity from the 2023 baseline stands at 2.4%, on track to achieve its 2030 target of 25% reduction.	Continue to advance the Group's dual-engine ESG strategy, aiming to achieve the Group's 2030 target	<b>Yangzijiang's Responses</b>  <b>Current Initiatives:</b> <ul style="list-style-type: none"> <li>Annual disclosure of scope 1 and scope 2 GHG emissions since 2020</li> <li>Data tracking and annual non-public reporting of scope 3 GHG emissions since 2023</li> </ul> <b>Yangzijiang's Strategies:</b> <ul style="list-style-type: none"> <li>Preparing for future disclosure of scope 3 GHG emissions data</li> <li>Development of Yangzijiang's decarbonisation roadmap</li> </ul>
10	Digital Transformation  	Continue to support digital transformation in core operations	Target met. Please find pages 67-68 for more details.	Continue to support digital transformations in core operations	<b>Current Initiatives:</b> <ul style="list-style-type: none"> <li>Ongoing digital transformation for shipyard facilities</li> <li>Adoption of a comprehensive Enterprise Resources Planning system</li> <li>Advancements in smart shipyards</li> <li>Launch of bespoke vessel design software to minimise design time and costs</li> </ul> <b>Yangzijiang's Strategies:</b> <ul style="list-style-type: none"> <li>Further digital transformation of vessel design, modelling, production management, and operational management</li> </ul>

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**Stakeholder Engagement**

Our stakeholder engagement model allows us to identify, analyse, and address stakeholder concerns effectively. This will guide the group to have targeted engagements with each stakeholder, addressing their key concerns and ensuring that the Group’s ESG initiatives are aligned to the priorities of each stakeholder segment. This helps provide better cohesiveness and integration in our ESG strategy across the value chain.

The Group has identified seven key stakeholder groups:

Stakeholder Group	Significance	Stakeholder Concerns	Engagement Channels	Our Response
Customers	Customers are cornerstones for business success. To remain relevant and competitive, it is important for the Group to stay abreast of evolving requirements and preferences for products and services. This shapes our product innovation and sustainability initiatives. Engaging customers on a regular basis helps build the Group’s understanding of latest market trends and customers’ expectations.	<ul style="list-style-type: none"> <li>• Capabilities in building sophisticated vessels with advanced technologies, such as alternative-fuelled vessels and dual-fuelled vessels</li> <li>• Capabilities in designing and manufacturing vessels that are compliant with IMO guidelines</li> <li>• Product performance enhancement, such as fuel, cargo, and carbon efficiency, cost savings and safety</li> <li>• Quality control and timely delivery</li> <li>• Product and Technology innovation</li> <li>• After-sales service</li> <li>• Overall customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Regular business dialogues</li> <li>• Collection of informal and formal feedback from customers upon vessel delivery</li> <li>• Frequent customer engagement during vessel construction process</li> </ul>	Read more about our initiatives to provide best-in-class ships and enhance customer satisfaction on pages 66-67
Employees	Employees are the backbone of the Group. A cohesive and productive working environment enables the Group to achieve operational efficiency, drive innovation, and form an inclusive and collaborative corporate culture.	<ul style="list-style-type: none"> <li>• Safe working environment</li> <li>• Protection from toxic emissions and waste</li> <li>• Job satisfaction and sense of belonging</li> <li>• Fair workplace policies, performance evaluation, compensation and employee benefits</li> <li>• Work progression and development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Labour union</li> <li>• Regular training programs</li> <li>• Annual performance evaluation</li> <li>• Performance-based compensation</li> <li>• Regular team-building activities</li> <li>• Transparent and fair career advancement opportunities</li> </ul>	Read more about our employee engagement activities on pages 78-79

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Stakeholder Group	Significance	Stakeholder Concerns	Engagement Channels	Our Response
Shareholders, Investors and Analysts	Shareholders, investors, and analysts play a vital role in assessing our financial and operational performance, corporate governance, and ESG strategies. Their trust, confidence, and support in our Group will have material impact on our visibility in the investment community, stock valuation, and corporate credibility.	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Accretion of shareholders' value</li> <li>Disclosure transparency</li> <li>Risk management</li> <li>Board composition</li> </ul>	<ul style="list-style-type: none"> <li>Regular engagement with investors and analysts via Annual General Meeting, investor briefings, corporate roadshows, and one-on-one meetings, yard tours</li> <li>Transparent and timely communication through financial results announcements and corporate announcements</li> </ul>	Read more about our investment community engagement activities on pages 52-54 of the Annual Report 2025
Suppliers & Other Vendors	A strong supplier chain ensures operational continuity and supply chain resilience. Engaging suppliers on a regular basis fosters responsible procurement.	<ul style="list-style-type: none"> <li>Responsible business practices</li> <li>Long-term partnership</li> </ul>	<ul style="list-style-type: none"> <li>Regular visits to suppliers</li> <li>Regular review sessions</li> <li>Technical training for the workers in the shipyards</li> </ul>	Read more about our supply chain management on pages 98-99
Authorities (Including Chinese government and SGX)	Regulatory compliance is fundamental to our business operations. We actively communicate with local authorities on issues of concern to them, latest regulatory policies, and corporate social responsibility initiatives. This enables the Group to formulate necessary action plans to capitalize on potential growth opportunities or mitigate potential impact on our operations.	<ul style="list-style-type: none"> <li>Technology innovation</li> <li>Economic contributions</li> <li>Safety and labour issues</li> <li>Fair competition</li> <li>Contributions to the regional supply chain</li> <li>Law and regulation compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regular dialogue with government agencies and regulator</li> <li>Yard inspection visits by authorities</li> <li>Worker training opportunities conducted by the government</li> <li>Management sharing sessions at government-led events</li> </ul>	Read more about our engagement with authority on pages 83-84, 90-94

## SECTION 2: ENVIRONMENT PERFORMANCE

### 1. PERFORMANCE OVERVIEW

#### 2025 Performance Highlights

- Carbon intensity (Scope 1 + Scope 2 emissions) increased by 6.9% yoy in FY2025, driven by higher production volumes and the adoption of increasingly advanced and sophisticated shipbuilding techniques. The cumulative reduction in carbon intensity from the 2023 baseline stands at 2.4%, remaining on track to achieve its 2030 target of a 25% reduction.
- Allocated 70.0% of 2025 R&D expenditure to clean technology.
- Green vessels accounted for approximately 71% of the Group's total outstanding orderbook value as of 31 December 2025.
- Upgraded VOC treatment facilities across all three major shipyards, transitioning to higher-efficiency emissions treatment processes.
- All major shipyards passed ISO 50001 energy management system re-certification.
- New Yangzi Shipbuilding was included in the Jiangsu Province Green Factory list in February 2025.
- Filed 29 patents related to green shipbuilding and green factory construction.

#### 2026 Targets

- To continue progress towards the 2030 carbon intensity reduction target.
- To continue investing in green technology and innovation.
- To further expand solar panel capacity.
- To enhance resource efficiency through water conservation and waste reduction.
- To further advance smart factory transformation across shipyard operations.
- To progress towards Scope 3 emissions measurement and supply chain ESG data collection.

#### Longer-term Targets

Achieve 25% reduction in Scope 1 and 2 emissions intensity by 2030 from the 2023 baseline.

# SECTION 2: ENVIRONMENT PERFORMANCE

## 2. BACKGROUND STATEMENT

As one of the world's leading shipbuilding companies, we continue to play an active role in advancing maritime decarbonisation. Our environmental strategy is shaped by the dual imperatives of meeting our customers' growing demand for cleaner vessels and managing the environmental footprint of our own shipyard operations. We remain committed to full compliance with China's regulatory requirements and SGX's sustainability reporting standards, and we continue to align our practices with evolving international expectations.

In 2025, we made further progress towards our 2030 target of reducing carbon intensity by 25% from the 2023 baseline. This target remains the anchor of our environmental commitments, and our performance across energy management, renewable energy adoption, and emissions reduction reflects our continued focus on staying on track.

Our dual-engine environmental strategy, built on the Green Vessel Strategy and the Green Shipyard Strategy, continues to serve as the foundation for our environmental management approach. First introduced in 2022 and progressively refined, this strategy ensures that our sustainability efforts are embedded across both our commercial activities and our day-to-day operations.

## 3. IFRS S2 CLIMATE-RELATED DISCLOSURES (PHASED APPROACH)

In accordance with SGX's sustainability reporting requirements, the Group is making its inaugural climate-related disclosures under IFRS S2 in this report. Taking a phased approach, the Group will progressively expand the scope of these disclosures in subsequent reporting periods as our reporting capabilities and data collection processes continue to mature.

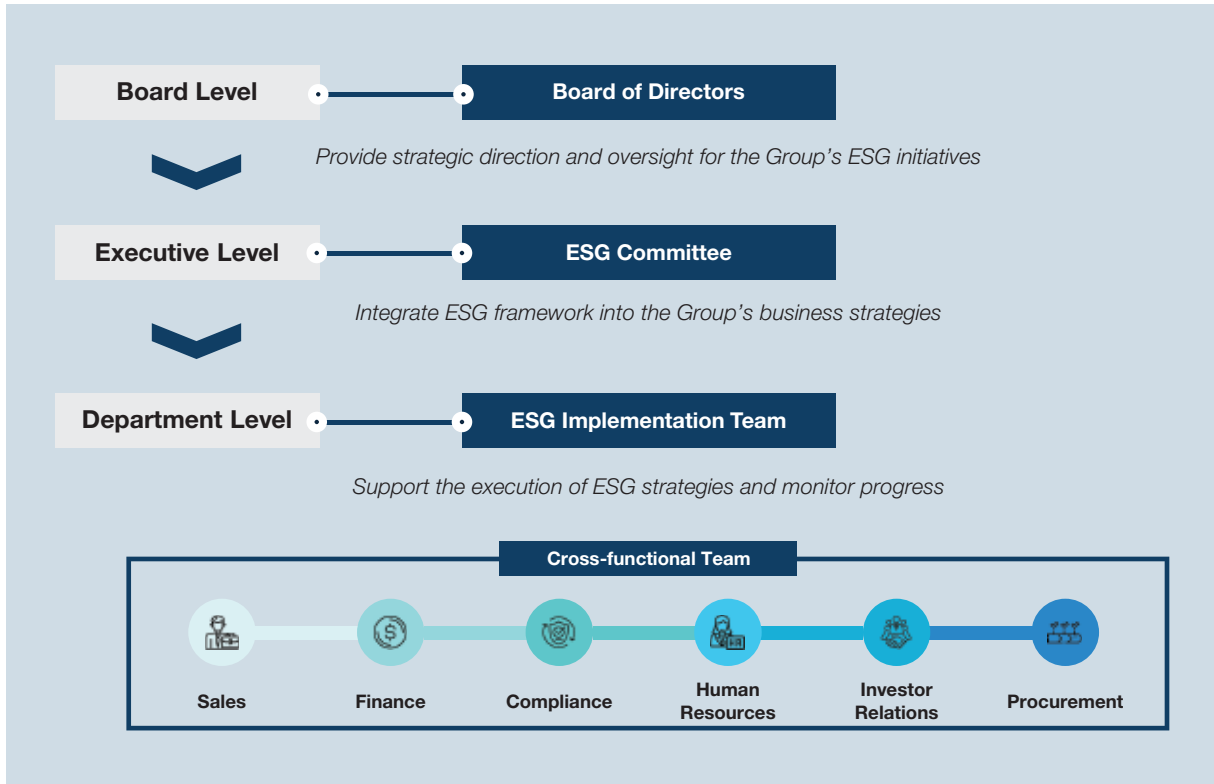
### 3.1. Governance

Yangzijiang has put in place a sustainability governance and management structure that extends from the Board of Directors ("**BOD**") to front-line operations to oversee climate-related risks and opportunities. At the board level, the Board of Directors (the "**Board**") meets at least quarterly to oversee and provide strategic direction for the Group's ESG initiatives. Supporting the Board is the ESG Committee, an executive-level body chaired by the Executive Chairman and Chief Executive Officer ("**CEO**"). The ESG Committee integrates the sustainability framework into the Group's business strategies, providing focused leadership on climate-related and broader sustainability matters. Under the ESG Committee, an ESG Implementation Team was formed to drive execution and track day-to-day progress of the ESG strategies. The team consists of cross-functional representatives from key departments, providing regular updates to the ESG Committee.

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The overall sustainability governance structure is illustrated in Figure below.

**Figure: Sustainability Governance Structure**



**Roles and Responsibilities of The Governing Body**

The Board is the Group's highest governance body and holds overall responsibility for overseeing climate-related risks and opportunities, as well as broader ESG matters. The Board ensures that sustainability considerations are appropriately aligned with the Group's long-term strategic objectives and are systematically integrated into its governance framework, business operations, major transactions, strategy planning, and risk management processes.

The Board's responsibilities include:

- approving ESG strategies, targets and key policies
- overseeing ESG-related risk management and regulatory compliance
- monitoring implementation progress and providing timely guidance for necessary adjustments

The Board is kept informed of climate-related risks and opportunities through quarterly meetings, with additional meetings convened as necessary. This ensures the effective evaluation and integration of such risks and opportunities into the Group's governance processes and decision-making, supporting long-term sustainable value creation. The Group also conducts regular reviews of governance policies and internal control systems to ensure continued alignment with evolving regulatory requirements and stakeholder expectations.

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### Roles and Responsibilities of The Management Level

To strengthen sustainability governance, the Group established an ESG Committee in October 2022 to provide focused oversight and leadership on ESG matters. The ESG Committee is chaired by the Executive Chairman and CEO, Mr. Ren Letian, and comprises Mr. Zhang Hongfei, Deputy General Manager; Ms. Liu Hua, Non-Independent and Non-Executive Director; and Ms. Kathy Zhang Chengshuang, External Advisor, Adjunct Faculty of Singapore Management University (“SMU”).

The ESG Committee is responsible for integrating sustainability considerations into the Group’s business strategies, with a focus on corporate governance and operational optimisation. Its key responsibilities include:

- setting ESG-related objectives in alignment with internationally recognised frameworks
- overseeing implementation and recommending corrective actions, where necessary
- keeping the Board informed of key ESG trends and updates

The ESG Committee meets at least twice annually, with additional meetings convened as required. Meeting minutes are documented by the ESG Implementation Team and endorsed by the Committee Chair. At each meeting, the Committee reviews progress on sustainability initiatives and reports to the Board on progress made, together with key priorities for the subsequent half-year.

### Roles and Responsibilities of The Operational Level

The ESG Implementation Team is responsible for executing the Group’s sustainability strategy and reports to the ESG Committee, providing regular updates on progress. The team comprises cross-functional representatives from key departments, including Human Resources (“HR”), Sales, Procurement, Finance, Compliance, and Investor Relations, facilitating coordinated implementation of ESG practices across business units.

The key responsibilities of the ESG Implementation Team include:

- implementing ESG strategies at the business unit level
- engaging stakeholders, including employees, suppliers, customers, investors and government agencies, to strengthen ESG practices across the Group and its value chain
- collecting and analysing ESG-related data for disclosures

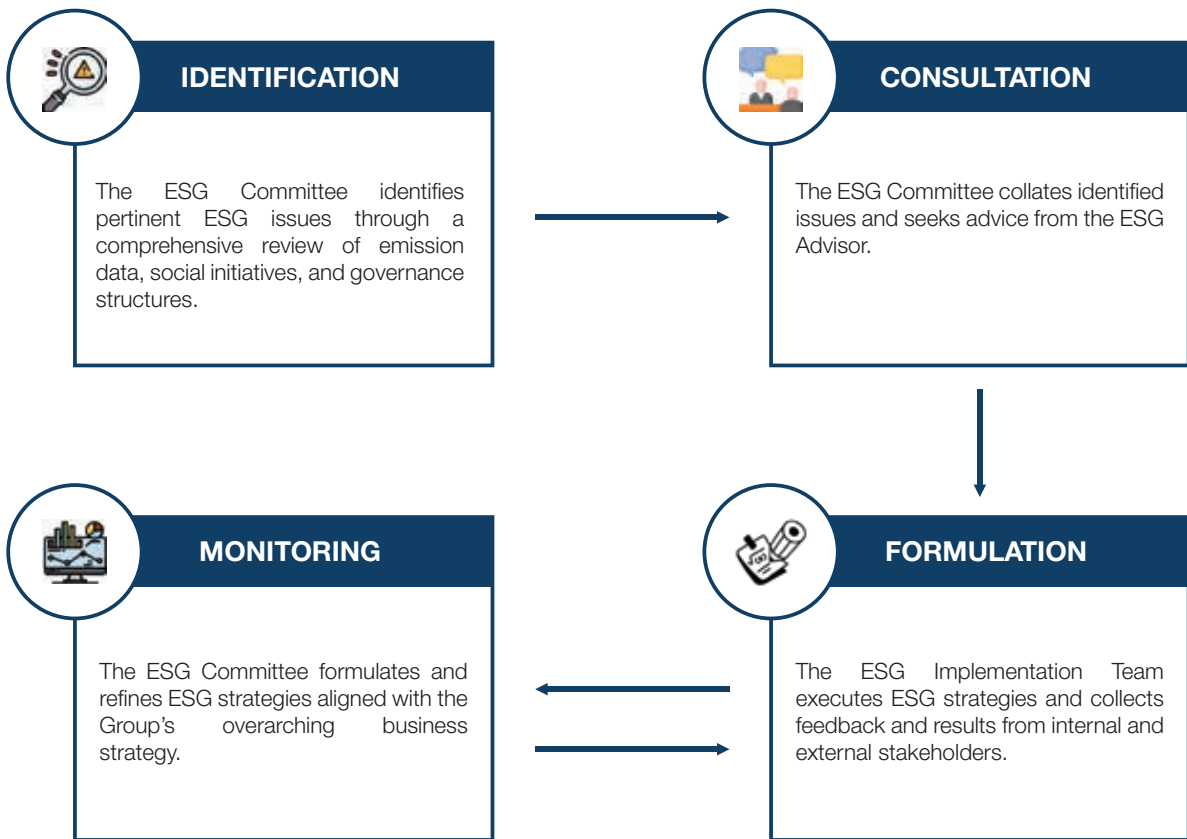
The above climate-related oversight responsibilities have been reflected in ESG Committee terms of reference.

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**ESG Strategy Execution Process**

Building on this governance framework, the Group adopts a structured approach to the monitoring, execution, and continuous refinement of its ESG strategy. This process ensures that identified ESG priorities are systematically evaluated, implemented, and reviewed, with feedback loops to support ongoing improvements. The ESG strategy execution process is illustrated below.

**Figure: The Group’s ESG Strategy Execution Process**



**Board Skills and Competencies**

The Group is committed to maintaining a Board of Directors with the appropriate skills and competencies to oversee climate-related risks and opportunities. The Board comprises directors with diverse backgrounds, experience and perspectives, including diversity in educational background, professional expertise, and gender. Collectively, the Board brings relevant expertise, industry knowledge and a deep understanding of the business and markets in which the Group operates, supporting oversight of sustainability-related matters.

To further strengthen governance, all directors have undergone sustainability training in accordance with SGX requirements and receive regular updates on relevant regulatory developments and industry trends. This enables the Board to remain informed and strengthens its oversight of climate-related and broader ESG matters.

**Climate-related incentives & remuneration**

The Group recognises the importance of aligning executive remuneration with its climate-related commitments.

## SECTION 2: ENVIRONMENT PERFORMANCE

### 3.2. Strategy

#### Climate-related Risks and Opportunities (“CRROs”)

The Group has identified climate-related risks and opportunities through internal assessment and stakeholder engagement, covering both physical and transition risks.

Meanwhile, the Group strengthened its disclosure standard through the adoption of the IFRS S2 Climate-related Disclosures (“**IFRS S2 Framework**”) framework. This progression towards a more transparent and rigorous ESG disclosure standard is expected to enable the Group to form a systematic and phased approach to guiding ESG strategy implementation and tracking progress, while also supporting stakeholders with informed decision-making.

In summary, the Group has identified and assessed three physical risks and four transition risks that could reasonably be expected to affect the Group’s prospects. Physical risks are climate-related risks arising from the physical effects of climate change on an entity’s operations, assets, supply chain, and broader business environment. Two sub-types include:

- **Acute physical risks** arising from discrete, event-driven climate hazards of increasing frequency or severity;
- **Chronic physical risks** arising from longer-term, gradual shifts in climate patterns.

Transition risks are climate-related risks arising from the process of transitioning to a low-carbon economy, including changes in policy, technology, market dynamics, and societal expectations, that may affect an entity’s business model, revenue, costs, and asset values. Four sub-types include: 1) policy and legal risks; 2) technology risks; 3) market risks; and 4) reputational risks.

The table below presents identified risks, their respective risk categories, underlying causes, and the potential impacts on the Group.

**Table: Climate-related Risk Summary Table**

Risk	Underlying Causes	Potential Impact on the Group
<b>Physical Risk</b>		
[Acute] <b>Extreme Heat</b>	Rising ambient temperatures in Jiangsu Province driven by climate change, increasing the frequency and severity of extreme heat days, exacerbating occupational heat stress for outdoor shipyard workers and elevating energy demand for cooling.	<ul style="list-style-type: none"> <li>• Decrease in outdoor labour productivity during peak heat periods.</li> <li>• Increase in risk of heat-related occupational illness.</li> <li>• Higher energy consumption for cooling.</li> <li>• Potential acceleration of equipment degradation in fabrication and coating facilities.</li> </ul>

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Risk	Underlying Causes	Potential Impact on the Group
[Acute] <b>Typhoon</b>	Tropical cyclone activity affecting Jiangsu Province and the broader Yangtze River Delta region, including direct typhoon landfalls and the outer wind and rain bands of typhoons making landfall further south along the Chinese coast.	<ul style="list-style-type: none"> <li>• Sudden operational shutdowns across one or more shipyard sites.</li> <li>• Structural damage to fabrication halls, dry dock infrastructure, and vessels under construction.</li> <li>• Vessel delivery delays triggering contractual penalties.</li> </ul>
[Acute] <b>Flooding</b>	The Group may be exposed to river flooding from the Yangtze River system and its tributaries, urban surface flooding arising from intense precipitation events, and the long-term effects of sea level rise, which may increase baseline flood risk for coastal and riverine industrial infrastructure in Jiangsu Province.	<ul style="list-style-type: none"> <li>• Inundation of dry docks, fabrication halls, equipment storage areas, and logistics zones.</li> <li>• Damage to electrical and energy management infrastructure; disruption to vessel launching operations.</li> <li>• Potential contamination or loss of hazardous materials and coatings stored at waterfront facilities.</li> </ul>
<b>Transition Risk</b>		
[Market] <b>Changing Customer Behaviour</b>	Increasing demand for low-emission vessels due to regulatory pressure, such as IMO, driving shipowners to accelerate fleet decarbonisation and specify clean-energy vessel requirements as a condition of contract award.	Potential revenue loss if the Group fails to pivot its product mix sufficiently towards eco-friendly alternatives.
[Technology] <b>Transition to Lower-Emission Technology</b>	Need for new production methods and continuous research and development (“R&D”) investment to develop competitive capabilities in greener vessels, such as LNG dual-fuel, methanol dual-fuel, ammonia-ready, and wind-assisted propulsion vessel segments.	Increase in production costs as the Group invests in alternative-fuel vessel capabilities and low-carbon production processes.
[Policy & Legal] <b>Regulatory Non-Compliance</b>	Tightening Chinese environmental regulations on greenhouse gas (“GHG”) emissions, hazardous waste management, water discharge, and energy consumption, together with SGX sustainability reporting obligations.	Fines and penalties arising from non-compliance with Chinese environmental regulations and international standards applicable to shipbuilding operations.
[Reputation] <b>Reputation Risk from Investors</b>	Shareholder divestment and reduced investor confidence arising from insufficient progress on climate commitments or inadequate transparency in ESG disclosure, as institutional investors increasingly integrate sustainability performance into investment decisions.	Lower investor confidence and reduced market value if the Group's ESG performance and disclosure do not meet the expectations of institutional investors and ESG rating agencies.

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In addition, the Group also identified three transition opportunities that could reasonably be expected to affect the Group's prospects. They are the positive counterpart to transition risks. They arise from the same process of transitioning to a lower-carbon economy, but represent potential commercial, operational, or financial benefits that an entity may capture by responding proactively to climate-related changes in policy, technology, markets, and stakeholder expectations.

The table below presents identified opportunities, their respective opportunity categories, underlying causes, and the potential impacts on the Group.

**Table: Climate-related Opportunity Summary Table**

Opportunity	Underlying Causes	Potential Impact on the Group
<b>Transition Opportunities</b>		
[Market Opportunity – Products & Services] <b>New Product Development (Green Vessels)</b>	Customer preference for eco-friendly ships.	Higher revenue from clean-energy vessels as the Group captures growing global demand for eco-friendly ships.
[Resource Efficiency Opportunity] <b>Improved Energy Efficiency</b>	Regulatory and cost pressures on energy consumption.	Reduced energy costs and emissions from improved production process efficiency and renewable energy adoption.
[Supply Chain & Market Opportunity] <b>Supply Chain Emissions Reduction</b>	Scope 3 GHG disclosure requirements.	Enhanced sustainability profile through supplier engagement on carbon footprint, supporting the Group's Scope 3 disclosure readiness and ESG credibility.

### Concentration by Geographical Areas, Facilities, and Type of Assets

The Group's climate-related risk and opportunity exposure is concentrated in the following dimensions. Geographically, all four operational shipyards, including New Yangzi Yard, Xinfu Yard, YAMIC Yard, and Yangzijiang Yard, are located in Jiangsu Province, China. This concentration means that physical climate risks, Chinese regulatory developments, and domestic energy policy changes affect the Group in a correlated rather than diversified manner.

By type of asset, the Group's shipbuilding infrastructure, including dry docks, fabrication facilities, and energy systems, represents the primary asset base exposed to both physical climate risk and the need for transition-related capital investment. By business type, the transition risk from regulatory carbon pricing and technology change is concentrated in conventional vessel construction activities, while the opportunity from green vessel demand is concentrated in the Group's clean-energy vessel design and production capabilities.

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### Time Horizons and Their Definition

The Group has defined three time horizons for assessing climate-related risks and opportunities. These horizons reflect the Group's internal business growth strategy, the timelines of relevant regulatory developments, and the trajectory of physical climate change. Transition risks and near-term market opportunities are most relevant in the short to medium term, as regulatory frameworks tighten and market demand shifts accelerate. Physical risks are expected to intensify progressively over the medium to long term. The definitions are applied consistently across all identified risks and opportunities.

Time Horizon	Period	Basis of Definition
<b>Short-term</b>	Up to 2 years (2026-2027)	Aligned with the Group's business growth strategy and near-term regulatory developments, including the anticipated introduction of IMO mid-term GHG measures and evolving sustainability-related regulations in China.
<b>Medium-term</b>	3-5 years (2028-2030)	Aligned with the Group's 2030 carbon intensity reduction target (a 25% reduction from the 2023 baseline), and the expected acceleration in clean-energy vessel demand.
<b>Long-term</b>	Beyond 5 years (2031 and beyond)	Aligned with IMO's 2050 net-zero maritime shipping ambition, China's 2060 carbon neutrality goal, and the long-term structural transformation of the global maritime industry.

To comprehensively assess the impact of climate-related risks and opportunities across different time horizons, the Group outlined expected impacts on its future prospects and mapped these risks and opportunities along its value chain. The following table summarises the anticipated effects of each identified climate-related risk and opportunity on the Group's business prospects, activities, and value chain over time, broken down by time horizon. The concentration of each risk or opportunity within the Group's upstream activities, own operations, and downstream activities is also disclosed.

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### Business Model and Value Chain

**Table: Summary of Climate-related Risks and Opportunities – Impact on Prospects, Business Activities, and Value Chain**

CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
<b>Physical Risks</b>				
Extreme Heat	Short-term (2026-2027)	<p>Rising ambient temperatures in Jiangsu Province increase cooling energy demand across shipyard facilities, place thermal stress on outdoor production operations including fabrication and welding, and may reduce workforce productivity and safety during peak summer months.</p> <p>In addition, electrical systems and equipment operating at elevated temperatures face higher failure rates, potentially causing unplanned downtime and increased maintenance costs.</p>	<p>Increased electricity consumption and cooling costs raise operating expenditure.</p> <p>Workforce productivity losses and safety incidents during extreme heat events may delay production schedules and vessel delivery timelines.</p> <p>Equipment failures increase unplanned maintenance costs.</p>	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Equipment and component suppliers whose products must perform reliably under elevated ambient temperature conditions.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Outdoor fabrication and welding facilities, electrical systems and equipment across all four Jiangsu Province shipyards.</li> <li>Workforce health and safety management.</li> </ul> <p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Shipping customers whose vessel delivery schedules may be affected by heat-related production delays.</li> </ul>
	Medium-term (2028-2030)	<p>Increasing frequency and severity of extreme heat events is projected under medium-term climate scenarios.</p> <p>Heat island effects in industrial zones may amplify ambient temperatures at shipyard locations beyond regional averages, compounding the impact on outdoor operations.</p>	<p>Structural increases in cooling energy expenditure and equipment maintenance costs are anticipated.</p> <p>Workforce heat stress management becomes increasingly critical, potentially requiring investment in improved worker welfare facilities and cooling infrastructure across shipyard sites.</p>	
	Long-term (2031 and beyond)	<p>Sustained and intensifying extreme heat under long-term warming scenarios may require fundamental adaptation of outdoor production processes and facility design to maintain operational viability and workforce safety.</p>	<p>Long-term capital investment in heat-resilient facility design and cooling infrastructure may be required.</p> <p>The Group acknowledges that full quantification of long-term financial impacts requires further climate scenario analysis development.</p>	

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CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
Typhoon	Short-term (2026-2027)	<p>Jiangsu Province is exposed to typhoon events that may cause structural damage to shipyard facilities, disrupt waterfront operations, and delay vessel launching and delivery activities.</p> <p>Strong winds and storm surges associated with typhoons pose direct risks to dry docks, fabrication structures, and vessel hulls under construction.</p>	<p>Structural asset damage and production stoppages lead to repair costs and revenue loss from delivery delays.</p> <p>Contractual penalties may be triggered by significant delivery schedule disruptions. Insurance premiums may increase following typhoon events.</p>	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Raw material and logistics suppliers subject to supply chain disruption during and after typhoon events.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Waterfront infrastructure, dry docks, fabrication structures, and vessel hulls under construction across all four Jiangsu Province shipyards.</li> </ul>
	Medium-term (2028-2030)	<p>The intensity of typhoon events affecting Jiangsu Province is projected to increase over the medium term under higher warming scenarios.</p> <p>Increased storm surge risk may extend the geographic footprint of damage at waterfront shipyard facilities.</p>	<p>Escalating asset damage costs and insurance premiums are anticipated.</p> <p>Repeated delivery delays could affect the Group's reputation for on-time delivery and impair its ability to win future contracts from reliability-sensitive customers.</p>	<p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Shipping customers dependent on timely vessel delivery for fleet renewal programmes and regulatory compliance.</li> </ul>
	Long-term (2031 and beyond)	<p>Under higher warming scenarios, typhoon intensity is projected to increase further, potentially requiring structural upgrades to waterfront facilities and dry dock infrastructure to maintain operational safety and regulatory compliance.</p>	<p>Long-term increases in capital expenditure for physical infrastructure adaptation and insurance premiums are anticipated.</p> <p>The Group intends to develop more detailed quantitative scenario analysis to assess the long-term financial implications of increasing typhoon intensity.</p>	

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CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
Flooding	Short-term (2026-2027)	<p>Jiangsu Province's proximity to the Yangtze River and coastal waterways creates exposure to riverine and extreme rainfall flooding that could inundate shipyard facilities, damage assets, disrupt logistics networks, and interrupt vessel construction activities.</p> <p>The Group's geographic concentration in a single province amplifies the potential correlated impact across all four shipyards during a single flood event.</p>	<p>Asset damage, production stoppages, and logistics disruptions lead to repair costs, revenue loss, and potential contractual penalties from delivery delays.</p> <p>Flooding of electrical systems and energy infrastructure may cause extended downtime beyond the immediate flood event. Raw material delivery disruptions may compound the operational impact.</p>	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Raw material and logistics suppliers, including steel and component deliveries via Yangtze River waterways, subject to supply chain disruption during flood events.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>All four Jiangsu Province shipyards, particularly waterfront infrastructure, dry docks, logistics areas, electrical systems, and low-lying fabrication facilities.</li> </ul>
	Medium-term (2028-2030)	<p>Increasing precipitation intensity and changing river flow patterns in the Yangtze River basin are projected under medium-term climate scenarios, raising the risk of more frequent and severe flooding events at the Group's shipyard locations.</p>	<p>Structural increases in asset maintenance costs, insurance premiums, and capital expenditure for flood resilience infrastructure are anticipated.</p> <p>The Group's investment in energy storage and emergency response systems is designed to limit operational downtime during and after flood events.</p>	<p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Shipping customers dependent on timely vessel delivery whose own fleet renewal and regulatory compliance timelines may be affected by flood-related delivery delays.</li> </ul>
	Long-term (2031 and beyond)	<p>Long-term increases in precipitation extremes and river flood frequency under higher warming scenarios may require material investment in permanent flood protection infrastructure at the Group's Jiangsu Province shipyard sites.</p>	<p>Long-term capital expenditure for permanent flood barrier construction, drainage system upgrades, and facility elevation may be required.</p> <p>The Group acknowledges that full quantification of long-term physical risk financial impacts requires further scenario analysis development.</p>	

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CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
<b>Transition Risks</b>				
Changing Customer Behaviour	Short-term (2026-2027)	IMO's Carbon Intensity Indicator ("CII") and Energy Efficiency Design Index ("EEDI") requirements are already reshaping fleet renewal decisions globally. Shipping companies are specifying clean-energy vessel requirements as a condition of contract award, creating immediate pressure on demand for conventional vessel types.	Revenue from conventional vessel segments is at risk of decline as shipowners redirect orders to eco-friendly alternatives.  The Group's ability to secure new orders depends on the competitiveness of its green vessel portfolio.	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Raw material and equipment suppliers whose product mix may need to evolve alongside the Group's vessel portfolio transition.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Vessel design and production capabilities across all four shipyards, particularly conventional vessel production.</li> </ul> <p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Customers whose fleet decarbonisation timelines drive ordering decisions.</li> </ul>
	Medium-term (2028-2030)	As IMO mid-term GHG measures are expected to be adopted and implemented, the transition away from conventional vessel types will accelerate. European customers, the Group's key markets, are expected to tighten their own fleet decarbonisation timelines further.	The proportion of conventional vessel orders in the Group's orderbook is expected to continue declining. Shipbuilders that fail to maintain pace with the green transition risk structural deterioration in revenue quality and long-term market position.	
Transition to Lower-Emission Technology	Short-term (2026-2027)	Developing competitive capabilities in LNG dual-fuel, methanol dual-fuel, ammonia-ready, and wind-assisted propulsion vessel designs requires immediate and sustained R&D investment and production process transformation.	Increased R&D and capital expenditure in the near term.  Risk of margin compression if technology investment costs are not offset by revenue premiums achievable from green vessel contracts.	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Technology and equipment suppliers for alternative-fuel vessel systems.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>In-house R&amp;D centre.</li> <li>Vessel design and fabrication facilities across all four shipyards.</li> <li>Production management and digitalisation progress.</li> </ul> <p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Customers requiring vessels compliant with evolving IMO emission standards and alternative-fuel specifications.</li> </ul>
	Medium-term (2028-2030)	Technology requirements will continue to evolve as alternative fuels, including methanol, ammonia, and hydrogen blends, gain wider commercial adoption.  Maintaining market leadership will require ongoing capability development across new vessel types.	Continued R&D investment is required to maintain competitive advantages.  The ability to translate investment into deliverable, ESG-compliant vessel designs will determine the Group's financial performance over the medium term.	

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CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
Regulatory Non-Compliance	Short-term (2026-2027)	<p>Chinese environmental regulations on hazardous waste, water discharge, and energy consumption are applicable immediately and subject to periodic tightening.</p> <p>SGX sustainability reporting obligations are tightening, especially for STI component stock, with the adoption of IFRS S2.</p>	<p>Risk of fines and penalties from regulatory non-compliance. Compliance costs, including third-party waste treatment, emission monitoring, and ISO certification maintenance, increase operating expenditure.</p>	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Suppliers subject to ESG qualification requirements, including environmental protection and energy management agreements.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Coating and welding facilities.</li> <li>Hazardous waste storage.</li> <li>Water management systems across all four shipyards.</li> </ul>
	Medium-term (2028-2030)	<p>Carbon pricing mechanisms are expected to develop further in China, aligned with China's National Determined Contribution ("NDC") commitments.</p> <p>Industrial energy consumption standards are also expected to tighten progressively.</p>	<p>Potential additional operating expenditure from emerging carbon pricing mechanisms.</p> <p>The Group's proactive decarbonisation efforts are expected to provide meaningful cost protection relative to less-prepared industry peers.</p>	<p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Customers in regulated markets with supply chain sustainability requirements.</li> </ul>
Reputation Risk from Investors	Short-term (2026-2027)	<p>Institutional investors and ESG rating agencies are actively assessing the Group's climate performance and disclosure quality. The adoption of IFRS S2 by SGX raises the bar for climate transparency among listed companies in Singapore.</p>	<p>Risk of shareholder divestment and reduced market valuation if ESG disclosure does not meet investor expectations.</p> <p>Constraints on access to green financing if ESG credibility is deemed insufficient by institutional investors.</p>	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Not directly applicable</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Corporate ESG reporting.</li> <li>Governance and disclosure frameworks.</li> <li>Investor relations functions.</li> </ul>
	Medium-term (2028-2030)	<p>Global ESG rating standards and institutional investor expectations will continue to evolve. Demonstrated progress against the Group's 2030 carbon intensity target will be a key factor in maintaining institutional investor confidence.</p>	<p>Continued improvement in ESG rating is expected to support favourable cost of capital and access to a broad institutional investor base. Failure to demonstrate credible progress risks ESG-driven divestment and increased cost of capital.</p>	<p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Institutional investors, ESG rating agencies, and analysts assessing the Group's SGX-listed shares.</li> </ul>

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CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
<b>Transition Opportunities</b>				
New Product Development (Green Vessels)	Short-term (2026-2027)	IMO's mid-term GHG measures, scheduled for adoption in 2026, are expected to further accelerate shipowner demand for eco-friendly vessels across multiple fuel types.	Higher revenue from clean-energy vessel contracts is expected.  The Group's outstanding orderbook of USD22.4 billion (71% eco-friendly) provides strong and visible medium-term revenue generation.	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Suppliers of alternative-fuel vessel components and systems.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>In-house R&amp;D centre.</li> <li>Vessel design and fabrication capabilities across all four shipyards.</li> </ul> <p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Global shipping company customers seeking eco-friendly fleet renewal.</li> </ul>
	Medium-term (2028-2030)	As IMO regulations tighten and alternative fuels gain wider commercial adoption, demand for LNG dual-fuel, methanol dual-fuel, and ammonia-ready vessels is projected to grow significantly.	Continued top-line growth and margin improvement as the proportion of higher-value, higher-margin green vessel contracts increases.  The Group's dual-engine ESG strategy is structurally designed to sustain this momentum through continuous R&D investment.	
	Long-term (2031 and beyond)	Next-generation clean-energy vessel designs, including ammonia-ready and hydrogen-capable vessels, are expected to gain commercial traction as global shipping approaches the IMO 2050 net-zero target.	Long-term revenue sustainability will depend on the Group's continued ability to develop and deliver next-generation vessel designs as the global fleet transitions towards alternative fuels.	

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CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
Improved Energy Efficiency	Short-term (2026-2027)	<p>Solar panel capacity expansion (Phase 4, 1.2 MWac) was commissioned in May 2025, which generated approximately 690,000 kWh between May and December.</p> <p>Energy storage facilities (47.4 MWh combined) are operational.</p> <p>Overall carbon intensity was reduced by 2.4% from FY2023 baseline.</p>	<p>Reduced energy costs and emissions from improved production process efficiency and renewable energy adoption.</p> <p>Direct near-term support for the Group's 2030 carbon intensity reduction target.</p>	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Solar panel and energy storage equipment suppliers.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Factory rooftop solar installations (189,834.02 GJ generated in FY2025).</li> <li>Energy storage systems.</li> <li>Real-time energy monitoring software across all four shipyards.</li> </ul>
	Medium-term (2028-2030)	<p>As solar capacity and energy storage scale up and smart energy monitoring matures, energy efficiency gains are expected to yield positive results.</p> <p>Chinese regulatory incentives for industrial energy conservation are expected to continue and strengthen.</p>	<p>Progressive reduction in operating expenditure through lower energy costs, with benefits compounding as installed renewable capacity grows.</p> <p>Structural margin improvement through cost reduction and avoidance of future carbon pricing exposure.</p>	<p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Not directly applicable.</li> </ul>
	Long-term (2031 and beyond)	<p>Fully scaled solar and energy storage infrastructure is expected to provide structural reductions in energy costs and reduce the Group's long-term exposure to energy price volatility and carbon pricing mechanisms.</p>	<p>Long-term margin improvement and durable competitive cost advantage relative to less energy-efficient industry peers.</p>	

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CRROs	Timeframe	Descriptions by Timeframe	Impacts on Business Model and Value Chain	Concentration of CRROs in Value Chain
Supply Chain Emissions Reduction	Medium-term (2028-2030)	<p>Scope 3 GHG disclosure requirements are expected to tighten globally under IFRS S2 and related frameworks.</p> <p>The Group’s early supplier engagement positions it ahead of mandatory disclosure obligations and strengthens its ESG profile with institutional investors and customers.</p>	<p>Enhanced sustainability standing with institutional investors and customers requiring comprehensive supply chain sustainability data.</p> <p>Improved Scope 3 disclosure readiness, supporting ESG credibility and access to green financing instruments.</p>	<p><b>Upstream Activities</b></p> <ul style="list-style-type: none"> <li>Major steel, equipment, and component suppliers, subject to ESG supplier agreements and carbon footprint engagement.</li> </ul> <p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Procurement and supply chain management.</li> <li>Scope 3 data collection system.</li> </ul>
	Long-term (2031 and beyond)	<p>As supply chain sustainability becomes a standard requirement for institutional investors and major shipping customers, the Group’s supplier engagement framework will provide an increasingly valuable competitive and regulatory advantage.</p>	<p>Long-term strengthening of supply chain resilience and sustainability.</p> <p>Potential for preferential customer and investor relationships with parties prioritising comprehensive supply chain carbon management.</p>	<p><b>Downstream Activities</b></p> <ul style="list-style-type: none"> <li>Institutional investors and customers requiring comprehensive supply chain sustainability data.</li> </ul>

**Strategy, Decision-Making, and Financial Impact**

The following table summarises the current mitigation and adaptation strategies the Group has deployed in response to each identified climate-related risk and opportunity, together with the anticipated financial impact on capital expenditure (“**CAPEX**”) and operating expenditure (“**OPEX**”). As this is the Group’s first year of IFRS S2 disclosure, financial impacts are disclosed qualitatively where precise quantification is not yet available. The Group commits to progressively enhancing the quantitative rigour of these disclosures in future reporting periods, including through the development of a detailed Climate Transition Plan, a clear and actionable roadmap to achieve the Group’s 2030 decarbonisation target, and more transparent forward-looking disclosures on resource allocation and implementation.

The Group has assessed that climate-related risks did not result in material adjustments to the financial statements for FY2025. These matters are considered in forward-looking planning, including capital expenditure and operational decision-making.

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**Table: Response Strategy – Mitigation Strategies and Financial Impact**

CRROs	Mitigation and Adaptation Strategies	Financial Impact (Unit: RMB'billion)	
		CAPEX	OPEX
<b>Physical Risks</b>			
Extreme Heat	<p>Elevated temperatures at the Group's shipyards at Jiangsu Province increase cooling energy demand, place thermal stress on outdoor fabrication and welding operations, and may affect workforce productivity and safety.</p> <p>The Group addresses extreme heat risk through the adoption of energy management software that enables real-time tracking of electricity and gas consumption, supporting proactive load management during high-temperature periods.</p> <p>Occupational health and safety protocols under ISO 45001 include heat stress management procedures, ensuring worker welfare is maintained during extreme heat events. Preventive maintenance programmes are in place to ensure the consistent performance of electrical systems and equipment under elevated ambient temperature conditions.</p> <p>The Group's solar panel installations across all four shipyards reduce reliance on grid electricity, which is particularly valuable during peak heat periods when grid demand and electricity costs are highest.</p>	Under Assessment	Under Assessment
Typhoon	<p>Jiangsu Province is periodically exposed to typhoons that may cause structural damage to shipyard facilities, disrupt waterfront operations, and delay vessel launching and delivery activities.</p> <p>ISO 45001 Occupational Health and Safety Management Systems are maintained across all four shipyards, with emergency response plans that cover typhoon scenarios and are supported by regular trainings.</p> <p>Energy storage facilities provide operational resilience by maintaining power supply to critical systems during and immediately following typhoon events.</p> <p>The eCIMS Integrated Platform and YSS Production Management System enable real-time monitoring of production schedules and workforce allocation, facilitating rapid redeployment of resources following operational disruptions. Both New Yangzi Yard and Xinfu Yard received special government sponsorship for climate management in FY2025, supporting the funding of resilience and preparedness investments.</p>	Under Assessment	Under Assessment

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CRROs	Mitigation and Adaptation Strategies	Financial Impact (Unit: RMB'billion)	
		CAPEX	OPEX
<p>Flooding</p>	<p>Jiangsu Province's proximity to the Yangtze River and coastal waterways creates exposure to riverine and extreme rainfall flooding that could inundate shipyard facilities, damage assets, disrupt logistics, and interrupt vessel construction activities.</p> <p>The Group mitigates flooding risk through the construction of energy storage facilities at three major shipyards, which are designed to maintain power supply continuity during flood-related grid disruptions.</p> <p>The Group maintains excess cash reserves and insurance coverage to manage the financial impact of flood-related revenue loss or asset damage. Collaboration with government agencies and local authorities supports early warning system access and coordinated flood response. Regular safety inspections and preventive maintenance are conducted to ensure the structural integrity of facilities in flood-prone areas, including waterfront infrastructure used for vessel launching and delivery. New Yangzi Yard's recognition as a Provincial-Level Green Factory in FY2025 reflects the Group's broader investment in facility resilience and environmental management.</p>	<p>Under Assessment</p>	<p>Under Assessment</p>
<b>Transition Risks</b>			
<p>Changing Customer Behaviour</p>	<p>The Group has continuously expanded its clean-energy vessel product portfolio to align with evolving customer specifications and regulatory requirements. Investment in the development of LNG dual-fuel, methanol dual-fuel, ammonia-ready, and wind-assisted propulsion vessel designs is ongoing, supported by the Group's in-house R&amp;D centre and sustained R&amp;D budget allocation.</p> <p>The Group actively engages customers throughout the vessel construction process to ensure design specifications meet evolving IMO standards, including EEDI Tier III and CII requirements. Product mix is actively managed to prioritise high-tech, high-value, eco-friendly vessel orders, with approximately 71% of total outstanding orderbook as of 31 December 2025 being for clean-energy vessels.</p>	<p>—</p>	<p>—</p>

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CRROs	Mitigation and Adaptation Strategies	Financial Impact (Unit: RMB'billion)	
		CAPEX	OPEX
Transition to Lower-Emission Technology	<p>The Group has established an in-house R&amp;D centre staffed by dedicated technical experts, with clean technology R&amp;D investment increasing from RMB532.72 million (53.6% of total R&amp;D) in FY2024 to RMB730.06 million (70.0% of total R&amp;D) in FY2025 — a 37.0% yoy increase.</p> <p>Advanced digital production tools have been deployed across all shipyards, including TRIBON Initial Design M3, 3D ship design software, additive manufacturing (“AM”), Product Data Management (“PDM”) software, and the YSS Production Management System, replacing traditional manual processes with real-time, data-driven production tracking. The eCIMS Integrated Platform integrates bill of materials data, contract approvals, procurement, warehousing, and quality control to streamline operations and reduce production inefficiencies.</p> <p>High-efficiency shipbuilding infrastructure and low-carbon production process improvements are continuously introduced to reduce emissions and waste from shipbuilding activities.</p>	Under Assessment	RMB730.06 million (clean technology R&D, FY2025)
Regulatory Non-Compliance	<p>The Group maintains ISO 14001 Environmental Management System certification across all four operational shipyards, providing a structured framework for monitoring, managing, and improving environmental performance. Quarterly third-party evaluations of toxic emission levels are conducted at all operational sites to ensure ongoing compliance with Chinese environmental regulations governing hazardous waste, and particulate matter. Hazardous materials replacement initiatives are underway, exploring safer and environmentally friendly alternatives to reduce the generation of hazardous waste in production processes.</p> <p>ESG requirements, including environmental protection, occupational health and safety, and energy management agreements, are fully integrated into the Group’s supplier qualification process, extending compliance obligations across the supply chain.</p> <p>The Hi ESG platform has been implemented to enable systematic, automated GHG emission measurement and reporting aligned with ISO 14064-1, the GHG Protocol, and GB/T 32150, ensuring data quality and regulatory alignment.</p>	Under Assessment	Under Assessment

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CRROs	Mitigation and Adaptation Strategies	Financial Impact (Unit: RMB'billion)	
		CAPEX	OPEX
Reputation Risk from Investors	<p>The Group publishes an annual Sustainability Report aligned with GRI Standards, IFRS S2 Climate-related Disclosure Framework, and SGX Sustainability Reporting requirements, with disclosure depth progressively enhanced year-on-year.</p> <p>The Group participates in the CDP climate disclosure platform annually since FY2023, providing transparent climate performance data to institutional investors. The ESG Implementation Team conducts annual analysis of MSCI and other ESG rating reports, benchmarking the Group's performance against industry peers and identifying improvement areas, with findings presented to the ESG Committee for action.</p> <p>Active institutional investor engagement is maintained through Annual General Meetings, investor briefings, non-deal roadshows, one-on-one meetings, and shipyard tours, providing regular updates on the Group's ESG initiatives and 2030 target. All Directors completed sustainability training in accordance with SGX requirements.</p>	—	Under Assessment
<b>Transition Opportunities</b>			
New Product Development (Green Vessels)	The Group continuously invests in the development of eco-friendly vessel designs across LNG dual-fuel, methanol dual-fuel, ammonia-ready, and wind-assisted propulsion segments.	—	RMB730.06 million (clean technology R&D, FY2025)
Improved Energy Efficiency	<p>The Group has implemented a phased solar panel capacity expansion programme across all four shipyards.</p> <p>Energy storage facilities (47.4 MWh combined capacity) operate under a "two charges, two discharges" model, charging during off-peak hours and discharging during peak hours to reduce electricity costs. Software-enabled real-time tracking of electricity and gas consumption has been deployed across all sites, enabling data-driven energy management. Fuel-powered forklifts are being progressively replaced with electric alternatives in construction areas.</p> <p>Energy consumption targets have been established at both corporate and operational levels, enabling structured monitoring and timely adjustments.</p>	Under Assessment	Under Assessment

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CRROs	Mitigation and Adaptation Strategies	Financial Impact (Unit: RMB'billion)	
		CAPEX	OPEX
Supply Chain Emissions Reduction	<p>The Group commenced supplier engagement for carbon footprint analysis since FY2023, building the data foundation for future Scope 3 GHG reporting. ESG supplier agreements, covering environmental protection, occupational health and safety, and energy management, are now fully integrated into the supplier qualification and reassessment process.</p> <p>The Group is in preparation for formal Scope 3 GHG emission boundary definition and reporting framework development, with plans to partner with supply chain stakeholders for efficient data collection.</p>	—	Under Assessment

### Climate-related Targets and Progress on Plans from Previous Reporting Periods

The Group remains on track to achieve its 2030 carbon intensity (Scope 1 and Scope 2) reduction target of 25% compared to baseline 2023.

During FY2025, carbon intensity increased by 6.9% yoy. The cumulative reduction in carbon intensity from the 2023 baseline stands at 2.4%. The Group remains committed to making progress towards its 2030 target of a 25% reduction from the 2023 baseline. R&D investment in clean technology increased by 37.0% in absolute terms yoy. The proportion of eco-friendly vessels in the outstanding orderbook remained steady at approximately 71%, with revenue from eco-friendly vessels standing at 54.5% of total revenue.

Solar power generation increased 24.9% yoy. The Hi ESG platform continued to support digitalisation of the Group's ESG management system, significantly enhancing GHG emission data quality and reporting capability. Supplier engagement for carbon footprint analysis continued, and ESG supplier agreements were fully embedded in the procurement qualification process.

### 3.2.3. Climate Resilience

The Group considers its business model to be resilient under both lower and higher transition scenarios, supported by its eco-friendly vessel portfolio and ongoing investment in capacity and technology.

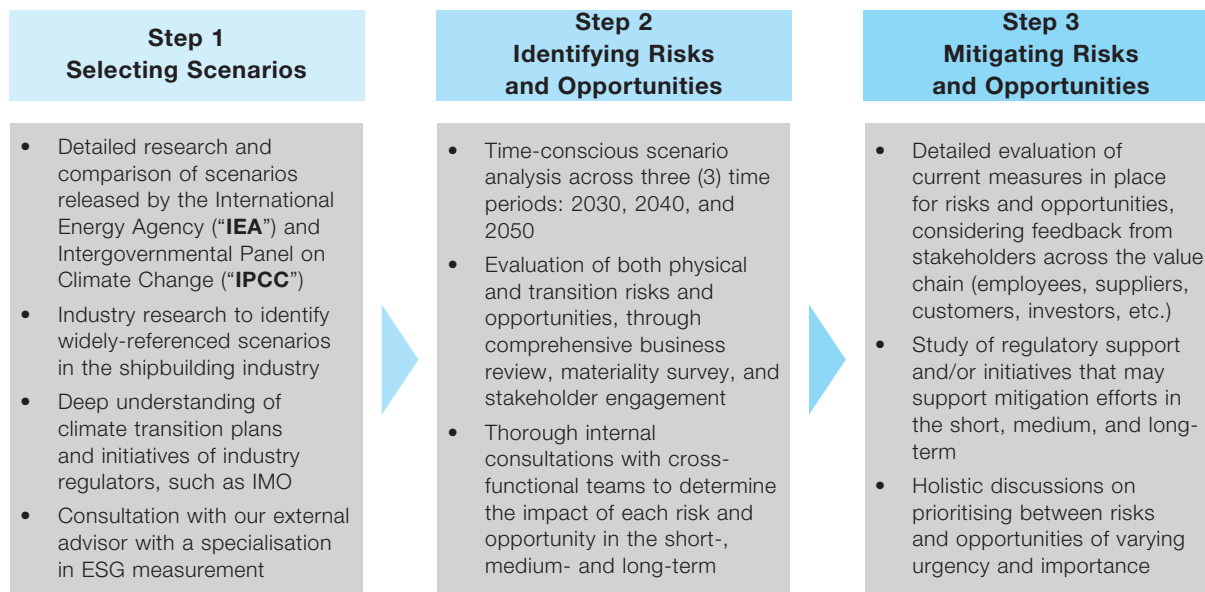
#### Scenario Analysis

2025 was the first year that our Group formally disclosed its scenario analysis under IFRS S2 framework. Scenario analysis is a critical tool for us to understand and manage the impacts of various factors on our business. By assessing how these factors may play out in a given scenario, we can better map out the projected impact that it may have on our business in the future. This research-based approach helps increase the granularity in identifying and assessing potential risks and opportunities, thus providing better visibility to the future.

With this forward-looking approach, the Group can then evaluate current measures and set targeted initiatives to address projected risks and opportunities to adapt to the evolving maritime landscape. This enhances our operational resilience and drives long-term sustainable growth.

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**Figure: Process of Scenario Analysis, Identifying and Mitigating Risks and Opportunities**



**NZE Scenario & STEPS Scenario**

The Group selects the International Energy Agency’s (“IEA”) Net Zero Emissions by 2050 (“NZE”) and Stated Policies (“STEPS”) as baseline scenarios for our analysis, following a comprehensive assessment of their relevance to the Group’s core business and benchmarking against industry best practices. The NZE and STEPS scenarios were selected as they represent the two extreme bookends of plausible energy transition outcomes, covering an accelerated 1.5°C pathway and a policy-as-enacted pathway respectively. Together, they provide the widest possible range for stress-testing the Group’s business resilience. An intermediate scenario may be incorporated in future reporting periods.

**NZE Scenario**

The NZE scenario is IEA’s most ambitious scenario, first published in full in the “Net Zero by 2050” report in May 2021. It maps out the precise pathway the global energy sector must follow to achieve net zero CO<sub>2</sub> emissions by 2050, consistent with limiting global warming to 1.5°C.

This is aligned with the Paris Agreement and the IMO’s 2023 GHG Strategy, which targets net zero GHG emissions from shipping by or around 2050. The IMO Net-Zero Framework supporting this goal is pending formal adoption, expected in October 2026. It has also been widely referenced as a scenario within the shipbuilding industry.

**STEPS Scenario**

The STEPS scenario is the most conservative and near-term realistic scenario. It models the energy system trajectory based strictly on policies that are already enacted or formally adopted in law as of the publication date. Unlike the NZE scenario, the STEPS scenario does not assume that aspirational goals, such as those included in the Paris Agreement, are achieved. As such, the STEPS scenario describes a pathway that leads to approximately 2.4-2.7°C of warming above pre-industrial levels by 2100, well above the Paris Agreement targets.

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### Risks and Opportunities

Based on our Scenario Analysis across three time periods (2030, 2040, and 2050), we identified key risks and opportunities to the Group. This has been a continued practice for the Group since 2023, where we have enhanced climate management disclosure by kickstarting our participation in the Carbon Disclosure Project (“CDP”).

Under a higher-transition scenario, the Group may face increased investment requirements and changes in customer demand.

In our exercise of identifying risks and opportunities, we have scoped our area of analysis to our shipbuilding activities and our four shipyards in China. For each risk and opportunity identified, the Group also evaluated the current financial impact for FY2025 and the anticipated impact in the short-term (by 2030), medium-term (by 2040) and long-term (by 2050). The NZE scenario and STEPS scenario are used as baseline scenarios for the evaluation of the impact of risks and opportunities.

In addition to a qualitative evaluation of the impacts of each risk and opportunity, we have also identified current and anticipated mitigation and adaptation plans to address them. Looking ahead to 2026, we will continue monitoring these risks and opportunities and implement our strategic measures to mitigate risks and seize growth opportunities.

As noted in the Group’s phased approach to IFRS S2 disclosure, financial impacts are assessed qualitatively at this stage, with quantitative estimates to be introduced in future reporting periods.

**Figure: Breakdown of Risks and Opportunities**

CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation
<b>Physical Risks</b>					
<b>Extreme Heat</b>  Rising ambient temperatures in Jiangsu Province driven by climate change, increasing the frequency and severity of extreme heat days, exacerbating occupational heat stress for outdoor shipyard workers and elevating energy demand for cooling.	<ul style="list-style-type: none"> <li>Decrease in outdoor labour productivity during peak heat periods.</li> <li>Increase in risk of heat-related occupational illness.</li> <li>Higher energy consumption for cooling.</li> <li>Potential acceleration of equipment degradation in fabrication and coating facilities.</li> </ul>	–	<b>Current</b>	<b>HIGH</b>	<b>Current Initiatives</b> <ul style="list-style-type: none"> <li><b>Compliance with heat-related protocol:</b> <ul style="list-style-type: none"> <li>Implementation of ISO 45001 Occupational health and safety protocols, including heat stress management procedures and ensuring worker welfare during extreme heat events.</li> </ul> </li> <li><b>Cooling measures for workers:</b> <ul style="list-style-type: none"> <li>Installation of mobile sheds and cooling ventilation for workers in hot zones.</li> <li>Overhaul of old fans and air conditioners.</li> <li>Welfare provisions in the summer for frontline workers.</li> <li>Adjusted work schedules to avoid peaking afternoon temperatures, enforcing rest at midday and work in mornings and evenings.</li> </ul> </li> <li><b>Insurance coverage for heat-induced injuries:</b> <ul style="list-style-type: none"> <li>Provision of “Five Insurance and One Housing Fund” to all employees, which includes work-related injury insurance<sup>6</sup>, along with supplementary medical insurance.</li> </ul> </li> <li><b>Enhancing heat-related preparedness:</b> <ul style="list-style-type: none"> <li>Detailed inquiries about employee workload and heat-prevention measures.</li> <li>Educational sessions and assessments for workers on heatstroke first aid.</li> </ul> </li> </ul>
		<b>NZE</b>	<b>Short-term (2030)</b>	<b>HIGH</b>	
			<b>Medium-term (2040)</b>	<b>MEDIUM</b>	
			<b>Long-term (2050)</b>	<b>LOW</b>	
		<b>STEPS</b>	<b>Short-term (2030)</b>	<b>HIGH</b>	
			<b>Medium-term (2040)</b>	<b>HIGH</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	

<sup>6</sup> Source: Social Insurance in China

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CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation
					<ul style="list-style-type: none"> <li>• <b>Enhancing energy management for high temperatures:</b> <ul style="list-style-type: none"> <li>o Adoption of energy management software that enables real-time tracking of electricity and gas consumption, supporting proactive load management during high-temperature periods.</li> <li>o Solar panel installations across all shipyards to reduce reliance on grid electricity, which is valuable during peak heat periods where grid demand and electricity costs are elevated.</li> </ul> </li> <li>• <b>Regular checks and replacement of equipment exposed to heat-related degradation:</b> <ul style="list-style-type: none"> <li>o Regular maintenance programmes to monitor performance of electrical systems and equipment under elevated ambient temperature conditions, replacing degraded equipment regularly.</li> <li>o Fire hazard inspections to identify and address potential fire hazards at the shipyards.</li> </ul> </li> </ul> <p><b>Anticipated Initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Enhancing solar energy generation:</b> <ul style="list-style-type: none"> <li>o Expanding solar panel capacity to support elevated consumption of energy for cooling purposes.</li> </ul> </li> <li>• <b>Evaluation of equipment subject to heat degradation:</b> <ul style="list-style-type: none"> <li>o Evaluating equipment in shipyards most susceptible to heat-induced degradation, exploring other alternatives, including switching between different equipment suppliers.</li> </ul> </li> </ul>
<p><b>Typhoon</b></p> <p>Tropical cyclone activity affecting Jiangsu Province and the broader Yangtze River Delta region, including direct typhoon landfalls and the outer wind and rain bands of typhoons making landfall further south along the Chinese coast.</p>	<ul style="list-style-type: none"> <li>• Sudden operational shutdowns across one or more shipyard sites.</li> <li>• Structural damage to fabrication halls, dry dock infrastructure, and vessels under construction.</li> <li>• Vessel delivery delays triggering contractual penalties.</li> <li>• Elevated insurance premiums.</li> </ul>	<p>–</p> <p><b>NZE</b></p> <p><b>STEPS</b></p>	<p><b>Current</b></p> <p><b>Short-term (2030)</b></p> <p><b>Medium-term (2040)</b></p> <p><b>Long-term (2050)</b></p> <p><b>Short-term (2030)</b></p> <p><b>Medium-term (2040)</b></p> <p><b>Long-term (2050)</b></p>	<p><b>MEDIUM</b></p> <p><b>MEDIUM</b></p> <p><b>MEDIUM</b></p> <p><b>LOW</b></p> <p><b>MEDIUM</b></p> <p><b>HIGH</b></p> <p><b>HIGH</b></p>	<p><b>Current Initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Compliance with emergency response-related protocol:</b> <ul style="list-style-type: none"> <li>o ISO 45001 Occupational Health and Safety Management Systems maintained across all shipyards, including with emergency response plans for typhoons, supported by regular training.</li> </ul> </li> <li>• <b>Training workers' emergency response preparedness:</b> <ul style="list-style-type: none"> <li>o Mandated training for weather-related emergencies and protocol conducted 1-2 times a year for existing employees.</li> </ul> </li> <li>• <b>Insurance coverage:</b> <ul style="list-style-type: none"> <li>o Provision of "Five Insurance and One Housing Fund" to all employees, which includes work-related injury insurance<sup>7</sup>, along with supplementary medical insurance.</li> <li>o Evaluation of the Group's insurance plans and coverage for property damage to optimise coverage and cost.</li> </ul> </li> </ul>

<sup>7</sup> Source: Social Insurance in China

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CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation
					<ul style="list-style-type: none"> <li>• <b>Digital monitoring systems to support emergency responses:</b> <ul style="list-style-type: none"> <li>o eCIMS Integrated Platform and YSS Production Management Systems in place, enabling real-time monitoring of production schedules and workforce allocation, facilitating rapid deployment of resources following operational disruptions.</li> </ul> </li> <li>• <b>Energy storage systems for critical operations:</b> <ul style="list-style-type: none"> <li>o Energy storage facilities maintain power supply to critical systems during and immediately following typhoons, ensuring operational resilience.</li> </ul> </li> </ul> <p><b>Anticipated Initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Evaluation and enhancement of shipyard infrastructure:</b> <ul style="list-style-type: none"> <li>o Evaluate shipyard infrastructure most susceptible to typhoon-related damage, and explore enhancements or replacements of infrastructure to improve structural resilience and protection of vessels under construction in the event of typhoons.</li> </ul> </li> </ul>
<p><b>Flooding</b></p> <p>River flooding from the Yangtze River and its tributaries; urban surface flooding from intense precipitation events; long-term sea level rise increasing baseline flood risk for coastal and riverine industrial infrastructure in Jiangsu Province.</p>	<ul style="list-style-type: none"> <li>• Inundation of dry docks, fabrication halls, equipment storage areas, and logistics zones.</li> <li>• Damage to electrical and energy management infrastructure.</li> <li>• Disruption to vessel launching operations.</li> <li>• Potential contamination or loss of hazardous materials and coatings stored at waterfront facilities.</li> </ul>	<p>–</p> <p><b>NZE</b></p> <p><b>STEPS</b></p>	<p><b>Current</b></p> <p><b>Short-term (2030)</b></p> <p><b>Medium-term (2040)</b></p> <p><b>Long-term (2050)</b></p> <p><b>Short-term (2030)</b></p> <p><b>Medium-term (2040)</b></p> <p><b>Long-term (2050)</b></p>	<p><b>LOW</b></p> <p><b>LOW</b></p> <p><b>LOW</b></p> <p><b>LOW</b></p> <p><b>MEDIUM</b></p> <p><b>MEDIUM</b></p> <p><b>HIGH</b></p>	<p><b>Current Initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Compliance with emergency response-related protocol:</b> <ul style="list-style-type: none"> <li>o ISO 45001 Occupational Health and Safety Management Systems maintained across all shipyards, with emergency response plans that cover typhoon scenarios, supported by regular training.</li> </ul> </li> <li>• <b>Energy storage systems for critical operations:</b> <ul style="list-style-type: none"> <li>o Energy storage facilities maintain power supply to critical systems during and immediately following typhoons, ensuring operational resilience.</li> </ul> </li> <li>• <b>Maintenance of flood-prone infrastructure:</b> <ul style="list-style-type: none"> <li>o Regular safety inspections and maintenance of facilities in flood-prone areas, including waterfront infrastructure used for vessel launching and delivery.</li> </ul> </li> <li>• <b>Training for emergency response preparedness:</b> <ul style="list-style-type: none"> <li>o Mandated training for weather-related emergencies and protocol conducted 1-2 times a year for existing employees.</li> <li>o Collaboration with government agencies and local authorities to support early warning system access and coordinated flood response.</li> </ul> </li> <li>• <b>Insurance coverage:</b> <ul style="list-style-type: none"> <li>o Provision of “Five Insurance and One Housing Fund” to all employees, which includes work-related injury insurance<sup>8</sup>, along with supplementary medical insurance.</li> </ul> </li> </ul>

<sup>8</sup> Source: Social Insurance in China

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CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation
					<ul style="list-style-type: none"> <li>• <b>Maintenance of cash reserves:</b> <ul style="list-style-type: none"> <li>o Maintaining excess cash reserves and insurance coverage to manage financial impacts of flood-related revenue loss or asset damage.</li> </ul> </li> <li>• <b>Anticipated Initiatives</b></li> <li>• <b>Evaluate storage infrastructure:</b> <ul style="list-style-type: none"> <li>o Evaluate the storage of hazardous materials at waterfront facilities and explore structural enhancements or alternatives to ensure structural resilience against floods.</li> </ul> </li> </ul>
Transition Risks					
<p><b>Changing Customer Behaviour</b></p> <p>Increasing demand for low-emission vessels due to regulatory pressure, such as IMO, driving shipowners to accelerate fleet decarbonisation and specify clean-energy vessel requirements as a condition of contract award.</p>	<p>Potential revenue loss if the Group fails to pivot its product mix sufficiently towards eco-friendly alternatives.</p>	–	<b>Current</b>	<b>HIGH</b>	<p><b>Current Initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Compliance with EEDI standards:</b> <ul style="list-style-type: none"> <li>o Active customer engagement throughout the vessel construction process to ensure compliance of design specifics with evolving IMO standards, including EEDI Tier III and CII requirements.</li> </ul> </li> <li>• <b>Active customer engagement:</b> <ul style="list-style-type: none"> <li>o Proactive customer engagement also helps the Group stay abreast of shifting customer preferences and needs, pre-emptively adapting vessel designs to enhance customer relevance.</li> </ul> </li> <li>• <b>R&amp;D expenditure for green vessel technologies:</b> <ul style="list-style-type: none"> <li>o Ongoing investment in the development of LNG dual-fuel, methanol dual-fuel, ammonia-ready, and wind-assisted propulsion vessel designs, supported by the Group’s in-house R&amp;D centre and sustained R&amp;D budget allocation.</li> <li>• The Group’s R&amp;D expenditure totaled RMB1.04 billion for 2025, up 5.0% yoy.</li> <li>• R&amp;D highlights include the delivery of the Group’s first batch of containerships adopting GTT membrane-type fuel tanks, which have an ammonia-ready design and reduce carbon emissions by 20%, as well as hull optimisation of several vessels to reduce fuel consumption and CO<sub>2</sub> emissions (See pages 66-67 for more details)</li> </ul> </li> </ul> <p><b>Anticipated Initiatives</b></p> <ul style="list-style-type: none"> <li>• <b>Deepen relations with other research institutes:</b> <ul style="list-style-type: none"> <li>o To explore opportunities for collaboration of the joint development of new green vessels with other research institutes, expanding the Group’s research capabilities and ensuring a wide offering of industry-leading clean-energy technology.</li> </ul> </li> </ul>
		<b>NZE</b>	<b>Short-term (2030)</b>	<b>HIGH</b>	
			<b>Medium-term (2040)</b>	<b>HIGH</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	
		<b>STEPS</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>	
			<b>Medium-term (2040)</b>	<b>MEDIUM</b>	
	<b>Long-term (2050)</b>	<b>HIGH</b>			

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CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation
<b>Transition to Lower-Emission Technology</b>  Need for new production methods and continuous R&D investment to develop competitive capabilities in greener vessels.	Increase in production costs as the Group invests in alternative-fuel vessel capabilities and low-carbon production processes.	–	<b>Current</b>	<b>HIGH</b>	<b>Current Initiatives</b>
		<b>NZE</b>	<b>Short-term (2030)</b>	<b>HIGH</b>	<ul style="list-style-type: none"> <li>• <b>R&amp;D expenditure for green vessel technologies:</b> <ul style="list-style-type: none"> <li>○ Established an in-house R&amp;D centre staffed by dedicated technical experts.</li> <li>○ Maintenance of cash reserves to support R&amp;D expenses.</li> <li>○ R&amp;D expenditure for clean technology totalled RMB730.06 million for 2025, up 37.0% year-on-year.</li> </ul> </li> <li>• <b>Digitalisation of shipyards:</b> <ul style="list-style-type: none"> <li>○ Deployment of digital production tools across all shipyards to streamline operations and reduce production inefficiencies.               <ul style="list-style-type: none"> <li>▪ Real-time, data-driven production tracking through digital tools such as TRIBON Initial Design M3, 3D ship design software, AM, PDM software, and the YSS Production Management System.</li> <li>▪ Integration of bill of materials, contract approvals, procurement, warehousing, and quality control data through the eCIMS Integrated Platform.</li> </ul> </li> <li>• <b>Solar energy generation:</b> <ul style="list-style-type: none"> <li>○ Solar panel installations across all shipyards to reduce costs arising from the use of grid electricity.</li> </ul> </li> <li>• <b>Enhancements to shipbuilding infrastructure:</b> <ul style="list-style-type: none"> <li>○ High-efficiency shipbuilding infrastructure.</li> </ul> </li> <li>• <b>Enhancements to shipbuilding process:</b> <ul style="list-style-type: none"> <li>○ Continuous improvements to low-carbon production processes to reduce emissions and waste from shipbuilding activities.</li> </ul> </li> </ul> </li></ul>
			<b>Medium-term (2040)</b>	<b>HIGH</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	
		<b>STEPS</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>	
			<b>Medium-term (2040)</b>	<b>MEDIUM</b>	
<b>Long-term (2050)</b>	<b>HIGH</b>				
					<ul style="list-style-type: none"> <li>• <b>Expansion of solar energy capacity:</b> <ul style="list-style-type: none"> <li>○ Expansion of solar panel capacity in shipyards to maximise long-term cost savings from grid electricity usage.</li> </ul> </li> </ul>

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CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation
<b>Regulatory Non-Compliance</b>  Tightening Chinese environmental regulations on GHG emissions, hazardous waste management, water discharge, and energy consumption, together with SGX sustainability reporting obligations.	Fines and penalties arising from non-compliance with Chinese environmental regulations and international standards applicable to shipbuilding operations.	–	<b>Current</b>	<b>MEDIUM</b>	<b>Current Initiatives</b>  <ul style="list-style-type: none"> <li>• <b>Monitoring of environmental performance:</b> <ul style="list-style-type: none"> <li>○ Maintains ISO 14001 Environmental Management System certification across all four operational shipyards, providing a structured framework for monitoring, managing, and improving environmental performance.</li> <li>○ Implementation of the Hi ESG platform to measure and track GHG emissions in accordance with ISO 14064-1, the GHG Protocol, and GB/T 32150.</li> </ul> </li> <li>• <b>Third-party evaluation and assurance:</b> <ul style="list-style-type: none"> <li>○ Quarterly third-party evaluations of toxic emission levels are conducted at all operational sites, ensuring compliance with Chinese environmental regulations governing hazardous waste and particulate matter.</li> </ul> </li> <li>• <b>Replacement of hazardous materials:</b> <ul style="list-style-type: none"> <li>○ Exploring safer and environmentally friendly alternatives to reduce the generation of hazardous waste in production processes.</li> </ul> </li> <li>• <b>ESG-related requirements for suppliers:</b> <ul style="list-style-type: none"> <li>○ Integration of ESG elements into supplier qualification processes.</li> </ul> </li> <li>• <b>Disclosure of ESG targets and strategies:</b> <ul style="list-style-type: none"> <li>○ Alignment of disclosures of the Group’s sustainability report to IFRS S2 standards, as per SGX sustainability reporting requirements.</li> </ul> </li> </ul> <b>Anticipated Initiatives</b>  <ul style="list-style-type: none"> <li>• <b>Increase energy efficiency to reduce emissions:</b> <ul style="list-style-type: none"> <li>○ As carbon pricing mechanisms may develop further in China, the Group will explore increasing its investments to energy-efficient facilities for shipbuilding and expanding solar energy capacity to reduce emissions from production.</li> </ul> </li> </ul>
		<b>NZE</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>	
			<b>Medium-term (2040)</b>	<b>HIGH</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	
		<b>STEPS</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>	
			<b>Medium-term (2040)</b>	<b>MEDIUM</b>	
			<b>Long-term (2050)</b>	<b>MEDIUM</b>	

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CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation			
<b>Reputation Risk from Investors</b>  Shareholder divestment and reduced investor confidence arising from insufficient progress on climate commitments or inadequate transparency in ESG disclosure, as institutional investors increasingly integrate sustainability performance into investment decisions.	Lower investor confidence and reduced market value if the Group's ESG performance and disclosure do not meet the expectations of institutional investors.	–	<b>Current</b>	<b>LOW</b>	<b>Current Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Disclosure and reporting of ESG performance:</b> <ul style="list-style-type: none"> <li>o Annual Sustainability Report aligned with GRI Standards, IFRS S2 Climate-related Disclosure Framework, and SGX Sustainability Reporting requirements, with disclosure depth progressively enhanced year-on-year.</li> <li>o Participation in the CDP climate disclosure platform annually since FY2023.</li> <li>o Regular posts on LinkedIn about key ESG highlights and business updates.</li> </ul> </li> <li>• <b>Analysis of industry-wide ESG performance:</b> <ul style="list-style-type: none"> <li>o Annual analysis of MSCI and other ESG rating reports, benchmarking the Group's performance against industry peers and identifying improvement areas.</li> </ul> </li> </ul> <b>Anticipated Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Potential third-party evaluation and assurance of ESG data:</b> <ul style="list-style-type: none"> <li>o As the Group broadens the scope of its ESG disclosures, and as institutional investors place more importance on ESG performance, the Group will consider engaging third-party evaluation and assurance of key ESG metrics, such as carbon emissions data.</li> </ul> </li> </ul>			
		<b>NZE</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>				
			<b>Medium-term (2040)</b>	<b>HIGH</b>				
			<b>Long-term (2050)</b>	<b>HIGH</b>				
		<b>STEPS</b>	<b>Short-term (2030)</b>	<b>LOW</b>				
			<b>Medium-term (2040)</b>	<b>LOW</b>				
			<b>Long-term (2050)</b>	<b>MEDIUM</b>				
		<b>Transition Opportunities</b>						
		<b>New Product Development (Green Vessels)</b>  Customer preference for eco-friendly ships.	Higher revenue from clean-energy vessels as the Group captures growing global demand for eco-friendly ships.	–		<b>Current</b>	<b>HIGH</b>	<b>Current Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Investment in clean energy R&amp;D:</b> <ul style="list-style-type: none"> <li>o Continuous investment in the development of eco-friendly vessel designs.</li> <li>o As of 31 December 2025, the Group's outstanding orderbook of USD22.4 billion (71% eco-friendly) provides strong medium-term revenue visibility.</li> </ul> </li> <li>• <b>Active customer engagement:</b> <ul style="list-style-type: none"> <li>o Proactive customer engagement also helps the Group stay abreast of shifting customer preferences and needs, pre-emptively adapting vessel designs to enhance customer relevance.</li> </ul> </li> </ul> <b>Anticipated Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Deepen relations with other research institutes:</b> <ul style="list-style-type: none"> <li>o To explore opportunities for collaboration of the joint development of new green vessels with other research institutes, supporting a wide offering of industry-leading clean-energy technology to capture higher revenue.</li> </ul> </li> </ul>
<b>NZE</b>	<b>Short-term (2030)</b>			<b>HIGH</b>				
	<b>Medium-term (2040)</b>			<b>HIGH</b>				
	<b>Long-term (2050)</b>			<b>HIGH</b>				
<b>STEPS</b>	<b>Short-term (2030)</b>			<b>MEDIUM</b>				
	<b>Medium-term (2040)</b>			<b>MEDIUM</b>				
	<b>Long-term (2050)</b>			<b>HIGH</b>				

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CRROs	Potential Impact	Scenario	Timeframe	Financial Impact	Mitigation & Adaptation
<b>Improved Energy Efficiency</b>  Regulatory and cost pressures on energy consumption.	Reduced energy costs and emissions from improved production process efficiency and renewable energy adoption.	–	<b>Current</b>	<b>MEDIUM</b>	<b>Current Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Solar energy generation:</b> <ul style="list-style-type: none"> <li>o Implementation of phased solar panel capacity expansion programme across all four shipyards, with solar panel capacity expansion (Phase 4, 1.2 MWac) commissioned in May 2025, which generated approximately 690,000 kWh between May and December.</li> <li>o Overall carbon intensity was reduced by 2.4% from FY2023 baseline.</li> </ul> </li> <li>• <b>Charging of energy storage facilities:</b> <ul style="list-style-type: none"> <li>o Energy storage facilities (47.4 MWh combined capacity) operate under a “two charges, two discharges” model, charging during off-peak hours and discharging during peak hours to reduce electricity costs.</li> </ul> </li> <li>• <b>Data-driven energy management:</b> <ul style="list-style-type: none"> <li>o Deployment of software-enabled real-time tracking of electricity and gas consumption across all sites.</li> <li>o Establishment of energy consumption targets at corporate and operational levels to support structured monitoring and timely adjustments.</li> </ul> </li> <li>• <b>Switching to electric alternatives:</b> <ul style="list-style-type: none"> <li>o Fuel-powered forklifts progressively replaced with electric alternatives in construction areas.</li> </ul> </li> </ul> <b>Anticipated Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Expansion of solar energy capacity:</b> <ul style="list-style-type: none"> <li>o Expansion of solar panel capacity in shipyards to maximise long-term cost savings from grid electricity usage.</li> </ul> </li> <li>• <b>Increase energy efficiency to reduce emissions:</b> <ul style="list-style-type: none"> <li>o The Group will explore increasing its investments to energy-efficient facilities for shipbuilding to maximise cost savings and benefits of enhanced energy efficiency.</li> </ul> </li> </ul>
		<b>NZE</b>	<b>Short-term (2030)</b>	<b>HIGH</b>	
			<b>Medium-term (2040)</b>	<b>HIGH</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	
		<b>STEPS</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>	
			<b>Medium-term (2040)</b>	<b>MEDIUM</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	
<b>Supply Chain Emissions Reduction</b>  Scope 3 GHG disclosure requirements.	Enhanced sustainability profile through supplier engagement on carbon footprint, supporting the Group’s Scope 3 disclosure readiness and ESG credibility.	–	<b>Current</b>	<b>MEDIUM</b>	<b>Current Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Scope 3 data consolidation:</b> <ul style="list-style-type: none"> <li>o Commenced supplier engagement for carbon footprint analysis since FY2023 to support data tracking for future Scope 3 GHG reporting.</li> </ul> </li> <li>• <b>Non-public scope 3 data reporting:</b> <ul style="list-style-type: none"> <li>o Commenced the reporting of Scope 3 GHG data since 2023 through the CDP on a non-public basis.</li> </ul> </li> <li>• <b>Supplier qualifications on ESG matters:</b> <ul style="list-style-type: none"> <li>o Inclusion of supplier agreements on ESG matters into the Group’s supplier qualification and reassessment process.</li> </ul> </li> </ul> <b>Anticipated Initiatives</b> <ul style="list-style-type: none"> <li>• <b>Formal Scope 3 GHG disclosure:</b> <ul style="list-style-type: none"> <li>o Development of Scope 3 GHG emission reporting framework and boundary definition, with plans to partner supply chain stakeholders for efficient data collection, storage, and analysis.</li> </ul> </li> </ul>
		<b>NZE</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>	
			<b>Medium-term (2040)</b>	<b>HIGH</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	
		<b>STEPS</b>	<b>Short-term (2030)</b>	<b>MEDIUM</b>	
			<b>Medium-term (2040)</b>	<b>MEDIUM</b>	
			<b>Long-term (2050)</b>	<b>HIGH</b>	

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### 3.3. RISK MANAGEMENT

The Group has integrated climate-related risk management into its broader enterprise risk management framework, ensuring that climate-related risks and opportunities are identified, assessed, prioritised, monitored, and managed in a manner consistent with the Group's overall risk governance approach. This section discloses the processes the Group uses to manage climate-related risks and opportunities, the scenarios and inputs used to support this assessment, and how climate-related risks are prioritised relative to other types of risks facing the Group.

As this is the Group's first disclosure under the IFRS S2 Climate-related Disclosures standard, the risk management processes described below reflect the Group's current state of practice and represent the first formal ESG-related risk management framework developed by the Group. The Group commits to progressively enhancing the rigour and structure of its climate-related risk management processes, including the development of more detailed and quantitative scenario analysis methodologies, in the future.

The summary of inputs used for assessment is presented in the table below.

**Table: Inputs Used for Physical Risk Assessment**

Physical Risks	Assessment	Climate Drivers	Data Providers
Extreme Heat	Baseline	<ul style="list-style-type: none"> <li>Ambient temperature trends in Jiangsu Province</li> <li>Heat stress indicators relevant to outdoor shipbuilding operations</li> </ul>	<ul style="list-style-type: none"> <li>Chinese National Meteorological Administration</li> </ul>
	Scenario	<ul style="list-style-type: none"> <li>Projected changes in extreme heat frequency and intensity under warming scenarios</li> <li>Number of extreme heat days (&gt;40°C) in Jiangsu Province</li> </ul>	<ul style="list-style-type: none"> <li>National Climate Centre</li> <li>World Bank Climate Change Knowledge Portal</li> </ul>
Typhoon	Baseline	<ul style="list-style-type: none"> <li>Historical typhoon frequency and intensity affecting Jiangsu Province and the Yangtze River Delta region</li> <li>Wind speed and storm surge indicators</li> </ul>	<ul style="list-style-type: none"> <li>Chinese National Meteorological Administration</li> </ul>
	Scenario	<ul style="list-style-type: none"> <li>Projected changes in typhoon intensity under higher warming scenarios</li> <li>Storm surge and extreme wind speed projections for coastal Jiangsu Province</li> </ul>	<ul style="list-style-type: none"> <li>National Climate Centre</li> <li>World Bank Climate Change Knowledge Portal</li> </ul>
Flooding	Baseline	<ul style="list-style-type: none"> <li>Riverine flood index for the Yangtze River basin</li> <li>Historical extreme precipitation events affecting Jiangsu Province shipyard locations</li> </ul>	<ul style="list-style-type: none"> <li>Chinese National Meteorological Administration</li> </ul>
	Scenario	<ul style="list-style-type: none"> <li>Projected changes in precipitation intensity and river flood frequency</li> <li>Maximum flood inundation depth projections for Jiangsu Province</li> </ul>	<ul style="list-style-type: none"> <li>National Climate Centre</li> <li>World Bank Climate Change Knowledge Portal</li> <li>Aqueduct Water Risk Atlas</li> </ul>

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**Table: Inputs Used for Transition Risk and Opportunity Assessment**

Data Providers	Description
The International Maritime Organisation	IMO's GHG Strategy documents, Marine Environment Protection Committee ("MEPC") publications, and mid-term GHG measure development materials are used to assess the pace and stringency of maritime decarbonisation regulations, which directly drive customer demand for clean-energy vessels and create technology transition requirements for the Group.
The International Energy Agency	<p>IEA World Energy Outlook datasets, specifically the STEPS and the NZE scenarios are used as the two scenario bookends for transition risk and opportunity assessment.</p> <p>STEPS, which models the energy system trajectory based on currently enacted policies only, represents the low-ambition baseline and is associated with approximately 2.4-2.7°C of warming by 2100.</p> <p>NZE, which maps the precise pathway required to achieve net zero CO<sub>2</sub> emissions by 2050 consistent with limiting warming to 1.5°C, represents the high-ambition scenario.</p> <p>Together, these two scenarios bracket the range of plausible transition risk and opportunity outcomes facing the Group over the short, medium, and long term, covering the trajectory of carbon pricing mechanisms, the pace of clean-energy technology adoption, and the evolution of maritime decarbonisation regulation. Under a lower-transition scenario, impacts are expected to be gradual. Under a higher-transition scenario, the Group may face accelerated changes in customer demand, increased investment requirements and higher compliance expectations.</p>
Chinese Regulatory Authorities	Regulations and policy announcements from the Ministry of Ecology and Environment, the National Development and Reform Commission, and relevant provincial authorities are monitored to assess the trajectory of Chinese environmental regulations on GHG emissions, hazardous waste, energy consumption, and industrial carbon pricing, which directly affect the Group's shipyard compliance obligations.
Singapore Exchange Regulation	SGX sustainability reporting requirements, including the phased adoption of IFRS Sustainability Disclosure Standards, are monitored to assess the Group's corporate-level climate disclosure obligations as an SGX-listed company.

The scope of assessment covers the Group's four operational shipyards in Jiangsu Province, China, including New Yangzi Yard, Xinfu Yard, YAMIC Yard, and Yangzijiang Yard, as well as upstream supply chain activities and downstream customer relationships. Climate-related risks and opportunities are assessed across three time horizons: short-term (2026-2027), medium-term (2028-2030), and long-term (2031 and beyond), as defined earlier.

## SECTION 2: ENVIRONMENT PERFORMANCE

### Process for Climate-related Risks and Opportunities Assessment

#### 1) Identifying Potential Climate-related Risks and Opportunities

The Group's assessment covers both physical and transition risks, as well as climate-related opportunities, across its four Jiangsu Province shipyards, representing 100% of the Group's shipbuilding operations.

For **physical risks**, the Group reviewed the climate hazards most relevant to its Jiangsu Province operations using publicly available climate data. Three material physical hazards were identified: extreme heat, typhoon, and flooding. Selection was based on the geographic location and nature of the Group's shipyard assets, the sensitivity of shipbuilding operations to each hazard type, and the projected intensification of each hazard under climate change scenarios.

For **transition risks and opportunities**, the Group reviewed the key drivers pressuring the maritime industry and the Group's business model to shift towards a low-carbon economy. These drivers span four categories: policy and legal developments, market dynamics, technology requirements, and reputational considerations. Climate-related opportunities were identified across three areas: growing demand for green vessels, operational energy efficiency improvements, and proactive supply chain emissions engagement.

The IEA STEPS and NZE scenarios were applied qualitatively to assess the impacts of these risks and opportunities across the defined time horizons. Under STEPS, based on currently enacted policies only, associated with approximately 2.4-2.7°C of warming, the energy transition proceeds gradually. Under NZE, the 1.5°C-aligned net zero pathway, the transition accelerates sharply, with steep carbon price increases, rapid clean-energy vessel demand growth, and significant technology disruption. These two scenarios cover the range of potential outcomes the Group may face.

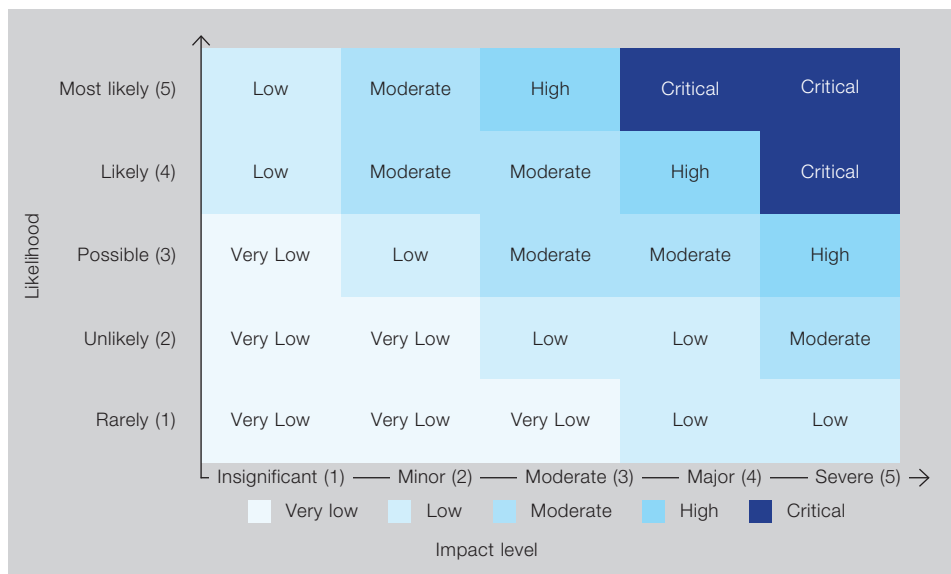
#### 2) Prioritising Climate-related Risks and Opportunities

Identified risks and opportunities were prioritised using the Group's risk assessment matrix, which evaluates both likelihood and impact magnitude. Impact severity is classified across five levels: Insignificant (1), Minor (2), Moderate (3), Major (4), and Severe (5). Likelihood is classified across five levels: Rarely (1), Unlikely (2), Possible (3), Likely (4), and Most Likely (5). The combination of these two dimensions generates an overall risk exposure level ranging from Very Low to Critical, as illustrated below.

The prioritisation was conducted with input from internal stakeholders who possess the relevant expertise and a comprehensive understanding of the Group's business and strategic direction. The Group's risk appetite defines an acceptable risk level of medium or below. Risks assessed as high or critical are escalated for dedicated management attention, with mitigation plans, responsible owners, and completion timelines assigned accordingly.

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**Chart: Risk Assessment Matrix**



**3) Managing and Monitoring Climate-related Risks and Opportunities**

The Group has established mitigation and adaptation strategies for each identified risk and opportunity. Risks and opportunities are cascaded to the ESG Committee and the ESG Implementation Team to support decision-making and validate the appropriateness of management strategies. Mitigation and adaptation strategies are reviewed annually.

Climate-related KPIs are set at both corporate and operational levels and assigned to relevant functions and employees, with direct linkage to performance evaluation. KPIs are reviewed annually to drive continuous improvement. Current climate-related KPIs include reductions in hazardous waste, water discharge, and energy consumption.

Climate-related risks and opportunities are integrated into the Group’s enterprise risk management system, ensuring that climate risks are managed together with other material corporate risks. The Group’s climate-related risk management and monitoring flow is illustrated below.

**Table: Climate-related Risk Management and Monitoring Flow**

Process Stage	Activity	Responsibility Level
Identification	Climate-related risks and opportunities, covering physical risks, transition risks, and opportunities, are identified through comprehensive business review, materiality survey, and stakeholder engagement.	ESG Implementation Team
Prioritisation	Identified risks and opportunities are assessed against the Group’s risk matrix, evaluating likelihood and impact across financial and non-financial dimensions.  Results inform management approach formulation.	ESG Committee

## SECTION 2: ENVIRONMENT PERFORMANCE

Process Stage	Activity	Responsibility Level
Integration into Enterprise Risk Management	<p>Prioritised climate-related risks are incorporated into the Group's corporate risk management framework.</p> <p>Results are used in strategic planning, capital allocation decisions, and ESG target-setting.</p>	Corporate and Board level
Monitoring and Review	<p>Progress against climate-related KPIs and mitigation strategies is tracked regularly. The ESG Committee reports to the Board on climate risk management progress. Annual ESG rating analysis is conducted to identify improvement opportunities.</p>	All levels, covering Function, Executive, Corporate, and Board.

Progress updates on climate-related risks and opportunities are reported to the ESG Committee by the ESG Implementation Team on a regular basis. The ESG Committee reports in turn to the Board of Directors, maintaining Board-level oversight of climate risk management progress. The Group's annual CDP climate disclosure, participated since FY2023, further enhances transparency in ESG disclosures.

### 3.4. Metrics and Targets

FY2025 marks the Group's inaugural year of adoption of the IFRS Sustainability Disclosure Standards. In alignment with IFRS S2 Climate-related Disclosures, the Group reports climate-related metrics and targets to provide insight into its exposure to, and management of, climate-related risks and opportunities. These disclosures support stakeholders in assessing the Group's progress towards climate resilience and its alignment with international, China, and industry decarbonisation roadmaps.

The Group's climate-related metrics are categorised into:

- Cross-industry metrics
- Industry-based metrics (Industrial Machinery and Goods)

The Group has also established emissions reduction targets, including a 25% reduction in Scope 1 and Scope 2 emissions intensity by 2030. Progress against these targets is monitored and disclosed on a regular basis to support transparency and accountability.

#### Climate Related Metrics

The Group discloses climate-related metrics in accordance with IFRS S2, encompassing both cross-industry and industry-based metrics. These metrics provide a standardised basis for assessing the Group's exposure to climate-related risks and opportunities, as well as our progress in managing them.

As sustainability reporting continues to evolve, the Group recognises the importance of digitalisation and automation in enhancing ESG data management. Digital platform, *Hi ESG System*, is utilised to integrate data across the Group's four shipyards, enabling a timely and comprehensive view of carbon emissions, energy consumption and waste management. This supports effective tracking of the Group's carbon footprint and facilitates ongoing refinement of ESG strategies, ensuring alignment with its 2030 targets.

## SECTION 2: ENVIRONMENT PERFORMANCE

### a. Cross-industry Metrics

Cross-industry metrics include GHG-related metrics covering Scope 1 and 2 GHG emissions, details on assets and business activities vulnerable to climate-related risks and opportunities, the amount of capital expenditure (“**CAPEX**”), financing, or investment deployed towards climate-related risks and opportunities.

#### GHG Emissions

The Group adopts a structured and technology-enabled approach to the measurement and management of its GHG emissions. Leveraging digital platforms, the Group integrates data across its four shipyards to enable timely and comprehensive tracking of carbon emissions and energy consumption. The Group’s GHG data collection and calculation processes are aligned with internationally recognised standards, including ISO 14064-1, the GHG Protocol and GB/T 32150, supporting the consistency, accuracy and comparability of reported emissions data.

The Group determines its organisational boundary for GHG accounting reporting using the Equity Share approach, whereby emissions and related data are attributed in proportion to the Group's equity share in each respective entity. The reporting boundary comprises the Group's four operational shipyards: New Yangzi Yard, Xinfu Yard, YAMIC Yard, and Yangzijiang Yard.

**Table: GHG Emission Metrics**

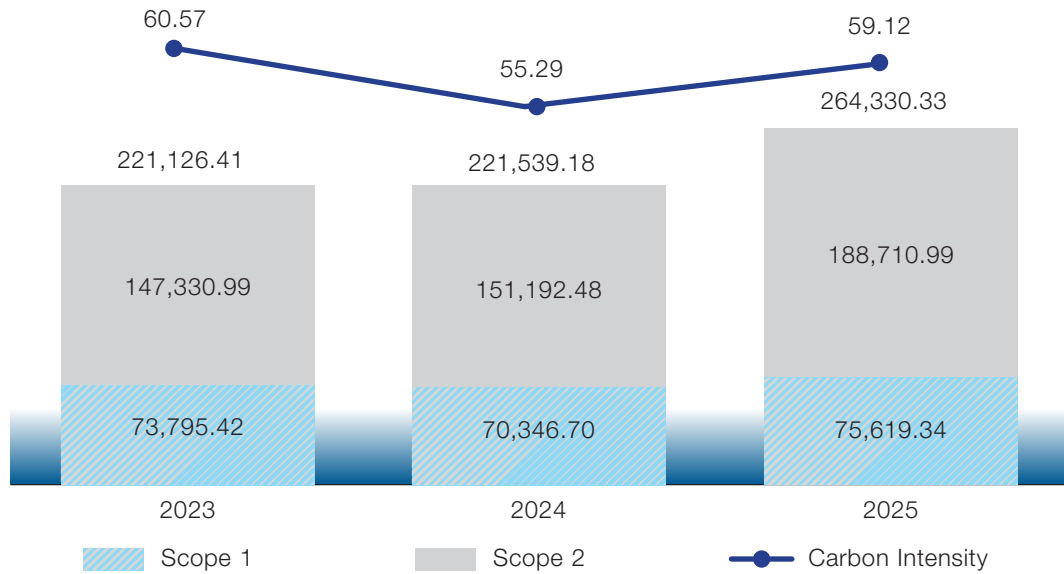
GHG Emissions	2023 (baseline year)	2024	2025
Scope 1 Emissions (tCO <sub>2</sub> e)	73,795.42	70,346.70	<b>75,619.34</b>
Scope 2 Emissions (tCO <sub>2</sub> e)	147,330.99	151,192.48	<b>188,710.99</b>
Total GHG Emissions (tCO <sub>2</sub> e) - <i>Scope 1 + Scope 2</i>	221,126.41	221,539.18	<b>264,330.33</b>
<b>GHG intensity</b>			
GHG Emissions Per Capita (tCO <sub>2</sub> e/capita)	31.11	27.65	<b>28.94</b>
GHG Emissions Per Sales (tCO <sub>2</sub> e/USD' million sales)	60.57	55.29	<b>59.12</b>

Note 1: For detailed calculation methodology, please refer to the Environmental Factbook of the Report.

Note 2: The Group’s reporting currency is Renminbi. The CNY/USD used for 2023, 2024 and 2025 was 7.10, 7.30, and 7.03 respectively. These exchange rates, sourced from Bloomberg, were as of 31 December each year.

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**Figure: GHG Emission Breakdown and Carbon Intensity Trend**



The Group is preparing for Scope 3 disclosure. Scope 3 emissions are not disclosed for FY2025 as boundary definition and data collection processes are still under development. The Group is working towards progressive disclosure in line with regulatory timelines.

### Assets and Business Activities Vulnerable to Climate-related Risks

The Group discloses below the amount and percentage of assets and business activities vulnerable to climate-related risks and aligned with climate-related opportunities, together with capital deployed towards addressing those risks and opportunities.

This disclosure covers the Group’s four operational shipyards located in Jiangsu Province, China, which represents the Group’s primary production asset base and account for a substantial majority of its total assets and business activities. While the Group also owns shipping fleets, these are excluded from the current reporting boundary due to data availability constraints. The Group will assess the feasibility of including the shipping fleet in future reporting periods as data availability improves.

In preparing this disclosure, the Group has adopted a structured approach to the assessment of climate-related risks and opportunities across defined time horizons, namely short term (2026-2027), medium term (2028-2030), and long term (2031 and beyond).

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Risk	Time Horizon	Shipyards Affected	% of In-scope Shipyards	Key Metrics and Financial Effects
<b>Physical Risks</b>				
Extreme heat	Short, medium, and long term (2026 onwards)	4	100%	<p><b>Assets and activities affected:</b></p> <p>Outdoor fabrication and welding facilities, electrical systems and equipment across all four shipyards, on-site workforce health and safety, production efficiency and vessel delivery.</p> <p><b>FY2025 Financial effects:</b></p> <p>The financial impact on CAPEX and OPEX are currently under assessment. No financial adjustments identified in FY2025.</p>
Typhoon	Short, medium, and long term (2026 onwards)	4	100%	<p><b>Assets and activities affected:</b></p> <p>Waterfront Infrastructure, dry docks, fabrication facilities, vessel hulls under construction across all four shipyards, and vessel delivery.</p> <p><b>FY2025 Financial effects:</b></p> <p>The financial impact on CAPEX and OPEX are currently under assessment. No financial adjustments identified in FY2025.</p>
Flooding	Short, medium, and long term (2026 onwards)	4	100%	<p><b>Assets and activities affected:</b></p> <p>Waterfront Infrastructure, dry docks, logistics areas, electrical systems, low-lying fabrication facilities across all four shipyards, and vessel delivery.</p> <p><b>FY2025 Financial effects:</b></p> <p>The financial impact on CAPEX and OPEX are currently under assessment. No financial adjustments identified in FY2025.</p>
<b>Transition Risks</b>				
Changing Customer Behaviour	Short and medium term (2026 – 2030)	4	100%	<p><b>Assets and activities affected:</b></p> <p>Conventional vessel production lines across all four shipyards, and the Group's ability to secure new orders.</p> <p><b>FY2025 Financial effects:</b></p> <p>No separately identifiable cost increment.</p>
Transition to Lower-Emission Technology	Short and medium term (2026 – 2030)	4	100%	<p><b>Assets and activities affected:</b></p> <p>In-house R&amp;D centre, vessel design capabilities and fabrication facilities across all four shipyards, production management and digitalisation systems.</p> <p><b>FY2025 financial effect:</b></p> <p>The financial impact on CAPEX is currently under assessment. OPEX related to clean technology R&amp;D amounted to RMB730.06 million in FY2025.</p> <p>For comparison, OPEX related to clean technology R&amp;D stood at RMB532.72 million, representing 53.6% of total R&amp;D of RMB993.36 million in FY2024.</p>

## SECTION 2: ENVIRONMENT PERFORMANCE

Risk	Time Horizon	Shipyards Affected	% of In-scope Shipyards	Key Metrics and Financial Effects
Regulatory Non-Compliance	Short and medium term (2026 – 2030)	4	100%	<p><b>Assets and activities affected:</b></p> <p>Welding facilities, hazardous waste storage, and water management systems across all four shipyards.</p> <p><b>FY2025 financial effect:</b></p> <p>The financial impact on CAPEX and OPEX are currently under assessment. No regulatory fines or penalties were incurred.</p>
Reputational Risk from Investors	Short and medium term (2026 – 2030)	4	100%	<p><b>Assets and activities affected:</b></p> <p>This risk operates at the Group entity level and is not attributable to individual shipyard facilities. The relevant activities are corporate ESG reporting and governance structure, and the Group's investor relations functions.</p> <p><b>FY2025 financial effect:</b></p> <p>The financial impact on CAPEX and OPEX are currently under assessment. No separately identifiable cost increment.</p>

### Assets and Business Activities Aligned with Climate-related Opportunities

Opportunity	Time Horizon	Shipyards Aligned	% of In-scope Shipyards	Key Metrics and Financial Effects
New Product Development (Green Vessels)	Short, medium, and long term (2026 onwards)	4	100%	<p><b>Orderbook alignment:</b></p> <p>Approximately 71% of the Group's outstanding orderbook of USD22.4 billion as of 31 December 2025 comprises clean-energy vessels.</p> <p><b>Revenue alignment:</b></p> <p>54.5% of FY2025 revenue was derived from eco-friendly vessels.</p>
Improved Energy Efficiency	Short, medium, and long term (2026 onwards)	4 shipyards (Solar Photovoltaic ["Solar PV"])  3 shipyards (energy storage)	100% (Solar PV)  75% (energy storage)	<p><b>Solar generation:</b></p> <p>189,834.02 GJ generated in FY2025.</p> <p><b>Renewable energy share:</b></p> <p>13.10% of total energy consumption in FY2025.</p> <p><b>Energy intensity:</b></p> <p>324.07 GJ per USD million of sales in FY2025.</p> <p><b>Energy storage:</b></p> <p>Total installed capacity of 47.4 MWh across three shipyards (New Yangzi: 24.0 MWh; Xinfu: 10.0 MWh; YAMIC: 13.4 MWh).</p>

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Opportunity	Time Horizon	Shipyards Aligned	% of In-scope Shipyards	Key Metrics and Financial Effects
Supply Chain Emissions Reduction	Short, medium, and long term (2026 onwards)	Upstream and downstream supply chain (not facility – based)	N/A	<p><b>Progress:</b></p> <p>ESG requirements are integrated into the Group’s supplier qualification and reassessment process. Supplier carbon footprint engagement has been ongoing since FY2023.</p> <p><b>Scope 3 readiness:</b></p> <p>Boundary definition and reporting framework development are in progress, with plans to engage supply chain stakeholders for efficient data collection.</p>

**Capital Expenditure, Financing and Investment Deployed towards Climate-related Risks and Opportunities**

Initiative	Type (CAPEX/OPEX)	FY2024	FY2025	Risk and Opportunities Addressed
<b>Physical Risks</b>				
Solar Panel Capacity Expansion	CAPEX (RMB’ million)	18.10	15.70	Improved Energy Efficiency, Extreme Heat, Regulatory Non-Compliance
Energy Storage Facilities	CAPEX (RMB’ million)	11.8	–	Improved Energy Efficiency, Typhoon, Flooding
<b>Transition Risks and Opportunities</b>				
Clean Technology R&D	CAPEX (RMB’ million)	532.72 (53.6% of total R&D of RMB993.36 million)	730.06 (70.0% of total R&D of RMB1,043.05 million)	Transition to Lower-Emission Technology, New Product Development (Green Vessels)
Total R&D Expenditure	CAPEX (RMB’ million)	993.36	1,043.05	All Transition risks and opportunities
ESG Compliance, Reporting and Stakeholder Engagement (Hi ESG platform, annual CDP climate disclosure, Sustainability Training)	OPEX	Not separately tracked	Not separately tracked	Regulatory Non-Compliance, Reputation Risk from Investors

**Internal Carbon Price**

The Group recognises the potential role of internal carbon pricing as a tool to support decision-making on decarbonisation initiatives. At present, an internal carbon pricing mechanism has not been established. The Group will continue to assess the relevance and feasibility of adopting an internal carbon pricing approach as its climate-related risk management and decarbonisation practices evolve.

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### Climate-related Remuneration

The Group recognises the importance of aligning executive remuneration with its climate-related commitments. As FY2025 represents the Group's inaugural year of adoption of the IFRS Sustainability Disclosure Standards, the Group will continue to review its approach and progressively enhance disclosures in this area as its reporting practices mature.

### b. Industry-Based Metrics

In line with IFRS S2 requirements to provide decision-useful information, the Group discloses industry-based metrics associated with the Industrial Machinery and Goods sector derived from the SASB Standards. Two disclosure topics and activity metrics are addressed below:

#### Energy Management (RT-IG-130a.1)

Energy consumption remains a key driver of environmental performance in shipbuilding. Given the energy-intensive nature of shipyard operations, the Group continues to focus on enhancing energy management through efficiency improvements, renewable energy adoption and process optimisation across its shipyards. All four operational shipyards maintain ISO 50001 certification, providing independent assurance of the quality and rigour of the Group's energy management systems.

The Group continues to deploy solar panel installations across its facilities as part of its efforts to increase the use of renewable energy. Electricity generated from these installations contributes to reducing reliance on grid electricity and supports improved energy efficiency. In addition, the Group has established energy storage facilities at New Yangzi Yard, Xinfu Yard and YAMIC Yard, with a combined storage capacity of 47.4 MWh. These facilities support more efficient electricity usage by enabling off-peak charging and peak-period discharge, thereby optimising energy consumption patterns.

To strengthen oversight of energy performance, the Group maintains energy consumption targets at both corporate and operational levels. This supports ongoing monitoring of energy usage trends across the organisation and enables continuous improvements in energy management efficiency. The corresponding energy-related metrics are presented in the Table below.

**Table: Energy Management Metrics**

Code	Required Data	Category	Unit of Measure	2023 (baseline year)	2024	2025
RT-IG-130a.1	Total Energy Consumption (GJ)		Gigajoules (GJ)	1,184,235.10	1,248,691.91	<b>1,448,950.28</b>
	Percentage Grid Electricity (%)	Quantitative	Percentage (%)	69.34	69.48	<b>70.54</b>
	Percentage Renewable Energy (%)		Percentage (%)	11.05	12.17	<b>13.10</b>

Note 1: The percentage renewable energy figure of 13.10% represents on-site solar generation as a proportion of total energy consumption. The Group does not currently apply Renewable Energy Certificates ("RECs") or equivalent instruments in respect of its solar generation. The Group will review the feasibility of obtaining relevant certifications in subsequent reporting periods.

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### Fuel Economy & Emissions in Use-phase (RT-IG-140a.1 to RT-IG-140a.4)

**Table: Fuel Economy & Emissions in Use-phase**

Code	Required Data	Category	Unit of Measure	2023 (baseline year)	2024	2025
RT-IG-140a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Litres per 100 tonne kilometres	N/A	N/A	N/A
RT-IG-140a.2	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Litres per hour	N/A	N/A	N/A
RT-IG-140a.3	Sales-weighted fuel efficiency for stationary generators	Quantitative	Kilojoules per litre	N/A	N/A	N/A
RT-IG-140a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium and heavy-duty engines and (d) other non-road diesel engines	Quantitative	Grammes per kilojoule	N/A	N/A	N/A

The fuel economy and emission performance of the vessels the Group constructs is material to the commercial decisions of its customers. Shipowners are subject to the IMO's EEDI and CII requirements, which set progressively tighter standards for the fuel efficiency and emissions profile of new build vessels. Vessels that do not meet these standards carry compliance risks and reduced residual value for their owners.

In response to these market and regulatory dynamics, the Group directs its R&D investment towards the development of vessels with improved use-phase fuel efficiency and lower emissions, as part of the Green Vessels pillar of its dual-engine sustainability strategy of Green Vessels and Green Shipyards. In FY2024, the Group allocated RMB532.72 million to clean technology R&D, representing 53.6% of total R&D expenditure of RMB993.36 million, compared with 32.0% in FY2023. In FY2025, the Group allocated RMB730.06 million to clean technology R&D, representing 70.0% of total R&D expenditure of RMB1,043.05 million.

R&D efforts are directed across three areas:

- production techniques that reduce the environmental impact of shipbuilding activities
- vessel operational efficiency that optimises vessel performance and reduces operational costs, and
- new energy solutions that support industry's decarbonisation journey, including LNG fuelled ships, methanol fuelled ships, ammonia-ready ships, and wind-assisted propulsion system.

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### Activity Metrics

To provide context for sustainability performance and enable year-over-year comparisons, the Group discloses relevant activity metrics in accordance with IFRS S2, and with reference to the SASB Standard RT-IG-000.A and RT-IG-000.B. The metrics include number of units produced by product category\* and number of employees. The activity metric is presented below.

**Table: Activity Metric**

Activity Metrics	Code	Category	Unit of Measure	2023 (baseline year)	2024	2025
Number of units produced by product category*	RT-IG-000.A	Quantitative	Number	N/A	N/A	<b>N/A</b>
Number of employees	RT-IG-000.B	Quantitative	Number	7,108	8,012	<b>9,135</b>

\* At a minimum, the entity should indicate the number of units produced for the following product categories: (1) vehicles and agricultural and construction equipment, (2) engines and power generation equipment, and (3) parts and components.

### Climate-Related Targets

The Group is committed to reducing its Scope 1 and Scope 2 GHG emissions intensity by 25% by 2030, using FY2023 as the base year. This intensity target applies to the Group's four operational shipyards in Jiangsu Province, which represent approximately 95% of the Group's total assets and business activities. Scope 3 emissions are not covered by this target at this stage, as the Group is in preparation for Scope 3 boundary definition and reporting.

To achieve its climate goals, the Group pursues its dual-engine sustainability strategy of Green Vessels and Green Shipyards. On the Green Vessels front, the Group continuously invests in the development of clean-energy vessel designs, enabling its customers to meet progressively tighter IMO EEDI and CII requirements. On the Green Shipyards front, the Group is reducing the emissions intensity of its own operations through the expansion of on-site solar power generation, deployment of energy management software, and ongoing improvements to production processes. These two pillars work in tandem to drive the Group's progress towards its 2030 carbon intensity reduction target.

To ensure alignment with the Group's target, the Group proactively monitors and evaluates its climate-related performance. The *Hi ESG* System consolidates GHG emission data across all four shipyards, enabling regular performance tracking and timely identification of areas for improvement. The ESG Implementation Team conducts annual assessments, with findings reported to the ESG Committee, which reviews progress and recommends adjustments to the Board for approval. The Board monitors implementation progress and provides guidance for any necessary corrective measures. Performance is also disclosed annually through the Group's CDP climate disclosure, which has been in place since 2023. No formal interim milestones have been established to date.

Following the target set in 2023, FY2024 achieved solid progress of an 8.7% reduction in carbon intensity from the 2023 baseline. In FY2025, carbon intensity increased by 6.9% yoy, primarily driven by higher production volumes and the adoption of increasingly advanced and sophisticated shipbuilding techniques. The cumulative reduction from the 2023 baseline stands at 2.4%. The Group remains committed to its 2030 decarbonisation target and continues to advance its Green Vessels and Green Shipyards strategy in pursuit of this goal. The following table presents the Group's GHG emissions performance against the defined target.

**Table: GHG Emissions Performance against the Defined Target**

Metrics	Unit	2023 (baseline year)	2024	2025	Emission Reduction Target by 2030
GHG Emissions Intensity (Scope 1 and 2)					
GHG Emissions Per Sales	tCO <sub>2</sub> e/USD' million	60.57	55.29	<b>59.12</b>	45.42
Cumulative Reduction in GHG Emissions Intensity from 2023 baseline	%	–	8.70%	<b>2.39%</b>	25%

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**4. INVESTMENT IN GREEN TECHNOLOGY**

**Significance**

As the maritime industry deepens its commitment to decarbonisation, green technology investment has become central to sustaining long-term growth and relevance. Developments in alternative fuel propulsion, energy-efficient vessel designs, and clean production processes enable the Group to reduce its environmental footprint while delivering greater value to customers navigating the increasingly stringent regulatory requirements.

Continued investment in these areas reinforces the Group’s position as a leader in sustainable shipbuilding and supports its ambition to grow its clean energy vessel portfolio.

**Management Approach**

At Yangzijiang, our R&D initiatives continue to focus on three key areas:

R&D Initiatives	Production Techniques	Vessel Operational Efficiency	New Energies
<b>Rationale</b>	To optimise manufacturing processes to reduce emissions and waste produced from production activities	To drive innovations that optimise vessel performance and reduce operational costs for our customers	To explore sustainable energy solutions for our customers to support their transition to decarbonisation
<b>Development Areas</b>	<ul style="list-style-type: none"> <li>Emission reduction of volatile organic compounds (“VOC”)</li> <li>Raw material utilisation optimisation</li> <li>Reduction in pollutant emissions, hazardous waste, and harmful environmental impact in shipbuilding activities</li> </ul>	<ul style="list-style-type: none"> <li>Vessel fuel efficiency improvement</li> <li>Vessel loading capacity optimisation</li> <li>Reduction in vessel weight using better ship designs</li> <li>Reduction in propulsion power by installing energy-saving equipment</li> <li>Technology upgrade in coating</li> </ul>	<ul style="list-style-type: none"> <li>LNG fuelled ships</li> <li>Methanol fuelled ships</li> <li>Ammonia ready/ammonia fuelled ships</li> <li>Wind-assisted propulsion system</li> <li>Carbon capture and storage technology</li> </ul>

**2025 Performance**

The Group’s in-house R&D centre plays a key role in driving development across these three areas, through a combination of independent development, joint development with major design institutes, and active monitoring of emerging technologies and regulatory trends. In 2025, the Group independently developed a 20,000 m<sup>3</sup> LNG bunkering vessel for the Group’s LNG Energy Division’s operational needs. In addition, the Group maintained a close focus on multi-fuel vessel development and the application of energy-saving technologies such as wind-assisted propulsion, in support of its growing clean energy vessel demand.

As of 31 December 2025, the Group’s total outstanding orderbook stood at USD22.4 billion, with green vessels accounting for approximately 71% of total orderbook value.

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### FY2025 Vessel Delivery Highlights

#### CASE STUDY 1

7,000 TEU LNG Dual-Fuel  
Containership



- Designed for ocean-going operations with a loading capacity of 8,274 TEU including reefer containers
- LNG dual-fuel main engine, generator, and boiler system, reducing CO<sub>2</sub> emissions by approximately 20%
- Equipped with a Type B LNG fuel tank of approximately 6,400 m<sup>3</sup> capacity, translating to a range of 20,000 nautical miles
- Strong EEDI performance, representing a 56.8% reduction from baseline and 28% reduction from Phase 3 requirements

#### CASE STUDY 2

8,000 TEU LNG Dual-Fuel  
Membrane-Type Containership



- Designed for trans-oceanic operations across Atlantic, Asia-South America, Asia-West Africa, and trans-Pacific routes; compatible with the widened Panama Canal
- Hull form optimised through a “digital towing tank,” incorporating a bulbous bow, large-diameter low-speed propeller (79.6 RPM), and high-efficiency energy-saving ducts, achieving a design draught speed of 20.6 knots
- LNG fuel tank fitted with GTT MARK III membrane for safe and efficient fuel storage

#### CASE STUDY 3

16,000 TEU LNG Dual-Fuel  
Containership



- Ultra-large ocean-going vessel with a designed loading capacity of 16,196 TEU
- Integrated hull form optimisation with extra-large diameter low-speed propeller, full-suspension twisted rudder, and rudder bulb for superior propulsion efficiency
- First-ever segmentation of fuel tank into upper and lower sections, enabling dock assembly and hydrostatic testing, resolving the challenge of lifting an overweight full tank
- Strong EEDI performance, representing a 71.8% reduction from baseline and 48.7% reduction from Phase 3 requirements



#### CASE STUDY 4

114,000 DWT LR2 Product Tanker  
with Wind-Assisted Propulsion



- World’s first LNG dual-fuel LR2 tanker equipped with wind-assisted propulsion technology
- Two sets of hydraulically controlled foldable and rotatable tri-wing rigid sail Wind Wings installed on deck, providing additional fuel savings of 5 – 10% in daily average fuel consumption when operational
- LNG dual-fuel main engine with a staged gas supply design; two Type C LNG fuel tanks mounted on deck
- EEDI approximately 50% below baseline, representing world-leading integrated energy efficiency and environmental performance

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<p><b>CASE STUDY 5</b></p> <p>36,000 m<sup>3</sup> LPG Carrier</p> 	<ul style="list-style-type: none"> <li>• Three-lobe Type C cargo tank design in 5-nickel steel, capable of transporting multiple cryogenic liquid gas cargoes including ethylene, ethane, propane, butane, anhydrous ammonia, and vinyl chloride monomer</li> <li>• Equipped with controllable pitch propeller, full-suspension twin twisted rudders, shaft generator, and re-liquefaction unit to minimise cargo boil-off losses</li> <li>• Strong EEDI performance, representing a 33.4% reduction from baseline</li> </ul>
<p><b>CASE STUDY 6</b></p> <p>175,000 m<sup>3</sup> Large LNG Carrier*</p>  <p>* Note: Vessel construction was completed in late 2025. The Group is exploring opportunities to either deploy the vessel within its own fleet or divest in the market.</p>	<ul style="list-style-type: none"> <li>• First vessel in China to adopt GTT MARK III Flex membrane-type cargo containment system on an ultra-large LNG carrier</li> <li>• First domestic application of MAN GA main engine meeting Tier III emission standards</li> <li>• Three-dimensional parametric design platform developed through CATIA V6 secondary development, a first in China, enhancing design precision and production efficiency</li> <li>• Laser alignment solution for corrugated panel installation, improving installation accuracy and efficiency</li> </ul>

**5. BUILDING A SMART SHIPYARD**

**Significance**

The transformation towards a smart shipyard continues to be a strategic priority for the Group, as digitalisation and automation change how vessels are designed, planned, and constructed. By integrating intelligent systems and advanced equipment into its production processes, the Group enhances efficiency, improves quality control, and reduces the environmental impact of its shipbuilding activities. A smarter production environment also supports workforce safety by reducing manual intervention in high-risk operations, while enabling more data-driven decision-making across all stages of the shipbuilding process.

**Management Approach**

Smart Shipyard Initiatives	Development Areas
<p><b>Digital Transformation</b></p>	<ul style="list-style-type: none"> <li>• <b>Ship Design:</b> Adoption of digital design modelling software and 3D visualisation tools</li> <li>• <b>Project Management:</b> Deployment of data-driven dashboards to improve schedule and resource planning</li> <li>• <b>Production Planning:</b> Implementation of smart scheduling and workload optimisation systems</li> <li>• <b>Industrial Automation:</b> Automation of prefabrication and welding processes for greater precision and efficiency</li> </ul>

## SECTION 2: ENVIRONMENT PERFORMANCE

Smart Shipyard Initiatives	Development Areas
<b>Resource Planning and Management</b>	<ul style="list-style-type: none"> <li>• <b>Inventory Management:</b> Real-time digital tracking of inventory flows using Enterprise Resource Planning (“ERP”) integrated systems</li> <li>• <b>Material Deployment Management:</b> Use of GPS-based material tracking to streamline on-site logistic</li> </ul>
<b>Quality and Safety Management</b>	<ul style="list-style-type: none"> <li>• <b>Product Quality Management:</b> Unified platform for quality control across production stages</li> <li>• <b>Production Data Management:</b> Digital capture and analysis of production data</li> <li>• <b>Safety Management:</b> Centralised safety system covering incident tracking, workforce monitoring, and patrol logging</li> </ul>
<b>Energy Management and Renewable Energy Adoption</b>	<ul style="list-style-type: none"> <li>• <b>Energy Consumption Management:</b> Software-enabled real-time tracking of electricity and gas consumption</li> <li>• <b>Construction of Renewable Energy Facilities:</b> Expansion of solar power generation</li> <li>• <b>Adoption of Electric Vehicles in Construction Areas:</b> Replacement of fuel-powered forklifts with electric alternatives</li> </ul>

### 2025 Performance

In 2025, Yangzijiang advanced its smart shipyard programme across digital transformation, production automation, and green factory development, building on the foundations established in prior years.

In 2025, the Group completed intelligent upgrades of key production workstations, improving operational precision and consistency across its shipyard operations. The production management system also underwent a systematic upgrade, enhancing real-time visibility across project scheduling and resource allocation, alongside the advancement of smart factory planning. On the automation front, the Group introduced a range of advanced equipment including intelligent cutting machines, section steel blanking production lines, pipe processing MES production lines, T-beam longitudinal stiffener welding production lines, intelligent grinding workstations, small and medium assembly welding robots, and laser spray-coding and scribing machines. Together, these investments improve precision, reduce manual labour in hazardous operations, and accelerate the pre-fabrication process. Looking ahead, the Group plans to further deepen digital enablement across its operations, including building a digital foundation based on design models to drive more efficient production and lean management through design data integration.

### Green Factory Development

The Group made further advancements in green factory development at the production level in 2025. A total of 250 energy-saving CO<sub>2</sub> welding machines were deployed as replacements for older equipment, and 6,584 gas-saving valves were installed on CO<sub>2</sub> gas-shielded welding machines, reducing CO<sub>2</sub> gas consumption by approximately 1,968 tonnes over the year. The Group also filed 29 patents related to green shipbuilding and green factory construction, spanning vessel fuel systems, energy-saving propulsion technology, cryogenic cargo containment, and production process improvements, reflecting the breadth of the Group’s innovation efforts in this area.

In February 2025, New Yangzi Shipbuilding was included in the Jiangsu Province Green Factory list, issued by the Provincial Ministry of Industry and Information Technology, reflecting the Group’s sustained commitment to clean production and energy efficiency across its shipyard operations.

## SECTION 2: ENVIRONMENT PERFORMANCE

### 6. ENERGY MANAGEMENT

#### Significance

Energy remains one of the most significant cost and emissions drivers across the Group's shipyard operations. Given the energy-intensive nature of shipyard operations, adopting smart energy monitoring systems and upgrading equipment to more energy-efficient technologies can ensure cost efficiency while reducing emissions. The Group's energy management efforts span three core areas: renewable energy expansion, energy storage optimisation, and process-level efficiency improvements, collectively contributing to a lower-carbon and more cost-effective production environment.

#### Management Approach

In 2025, the Group continued to advance its energy management framework across all three major shipyards, guided by the Group-level energy management policy. Key initiatives during the year spanned renewable energy expansion, energy storage optimisation, and targeted equipment-level efficiency improvements.

#### Solar Panel Capacity Expansion

Since 2020, the Group has continued its efforts to install solar panel facilities on the rooftops of our shipyards, as part of our strategy to increase the use of renewable energy and transition to a smart factory. In 2025, the Phase 4 solar panel expansion project at New Yangzi Yard, comprising a 1.2 MWac high-voltage distributed system, was successfully connected to the grid in May 2025 and generated approximately 690,000 kWh between May and December. This represents a further step in the Group's ongoing renewable energy expansion.

Looking ahead, a new parking lot PV power station at New Yangzi Yard with an installed capacity of 3.16 MW and an estimated annual generation of 2.95 million kWh is planned for grid connection in 2026. Xinfu Yard also plans to add a PV carport in 2026, expected to contribute an additional 800,000 kWh of renewable generation per year.

#### Energy Storage Facilities

The Group's energy storage facilities across New Yangzi Yard, Xinfu Yard, and YAMIC Yard continued to operate effectively in 2025, supporting peak shaving and valley filling to reduce total electricity load and lower costs across all three sites.

#### 2025 Performance

The Group recorded an increase in total energy consumption in FY2025, rising to 1,448,950 GJ from 1,248,692 GJ in FY2024, driven by higher production volumes and the adoption of increasingly advanced and sophisticated shipbuilding techniques. While total energy consumption increased in line with expanded production activity and more complex vessel construction, the Group successfully completed its ISO 50001 energy management system recertification, reaffirming its commitment to maintaining rigorous energy management standards across its operations.

Looking ahead, the Group remains committed to expanding its renewable energy capacity, enhancing energy storage utilisation, and driving further efficiency improvements across its operations in support of its 2030 carbon intensity reduction target.

## SECTION 2: ENVIRONMENT PERFORMANCE

### 7. WATER MANAGEMENT

#### Significance

Water remains a critical resource in shipbuilding. As the Group continues to scale its production capacity, managing water consumption responsibly becomes increasingly important, both to control operational costs and to minimise our impact on the surrounding environment and local water systems. Sustained progress in water efficiency also reflects our broader commitment to resource stewardship and long-term operational resilience, aligned with the Group's sustainability goals and regulatory obligations.

#### Management Approach

In FY2025, the Group continued to strengthen its water management practices across all shipyards. Building on the framework established in prior years, the Group conducted regular assessments to identify areas of consumption and waste, while introducing targeted equipment upgrades to further reduce unnecessary water use. The Group's water management system remains structured around three key pillars:

Management Approach	Details
<b>Production Process Optimisation</b>	<ul style="list-style-type: none"> <li> <b>Close Monitoring</b>            Implementing metering for water usage and reinforcing compliance with regulations set out by the municipal water conservation authorities         </li> <li> <b>Enhanced Water Management</b>            Closely managing the direct water drainage in the production process         </li> <li> <b>Regular Employee Training</b>            Conducting training programmes to raise awareness among employees about water conservation practices and involve them in identifying opportunities for water savings         </li> <li> <b>Incentive Programme</b>            Providing incentives and awards for those who showcase outstanding conservation efforts         </li> </ul>
<b>Equipment Upgrades</b>	<ul style="list-style-type: none"> <li> <b>Adoption of Water-saving Equipment</b>            Using high-quality water-saving equipment for appliances and installing water-saving valves in tanks for sanitation equipment         </li> <li> <b>New in 2025 – Smart Flush Upgrades</b>            As part of ongoing facility upgrades, the Group progressively renovated public restrooms across its shipyards, replacing continuous-flush systems with infrared-sensor flush devices. This initiative reduces unnecessary water discharge and reinforces our commitment to resource efficiency at the facility level.         </li> </ul>

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Management Approach	Details
<b>Leakage Detection and Maintenance</b>	<ul style="list-style-type: none"> <li> <b>Regular Inspections</b>                      Conducting quarterly inspections in adherence to regulations and guidelines                 </li> <li> <b>Punishment Scheme</b>                      Taking punitive action against those who fail to follow regulations on water conservation and proper water waste disposal                 </li> </ul>

Notably, all municipal water released by the Group in FY2025 was properly discharged into the municipal sewage network in compliance with local government requirements. No new water resource management policy was introduced during the year, as the existing framework continues to adequately govern the Group’s operations.

**FY2025 Performance**

In FY2025, total water consumption increased to 4,708,863 tonnes from 3,723,415 tonnes in FY2024, reflecting the Group’s expanded production activity and the increasing complexity of shipbuilding techniques employed. Water intensity also increased to 1,053.18 tonnes per million USD of sales compared to 929.34 in FY2024. The Group acknowledges this increase and remains committed to identifying opportunities to improve water efficiency through equipment upgrades, process improvements, and employee engagement initiatives.

**8. TOXIC EMISSIONS AND WASTE MANAGEMENT**

**Significance**

Proper management of toxic emissions and hazardous waste remains a core priority across the Group’s shipyard operations. The shipbuilding process generates various hazardous byproducts, including paint sludge, waste oils, VOC emissions, and chemical residues, each of which requires careful handling to safeguard worker health and limit environmental discharge. As regulatory standards in this area continue to evolve, the Group’s ability to systematically identify, classify, and mitigate these outputs is essential not only for compliance, but for maintaining the operational standards expected of a leading shipbuilder. A robust waste management framework also enhances resource efficiency and supports the Group’s broader environmental commitments.

**Management Approach**

The Group’s toxic emissions and waste management system comprises identifying all toxic emissions sources and hazardous waste types produced, classifying them according to government standards, quantifying their volumes, and developing mitigation plans. This system is reviewed annually to ensure alignment with updated standards and operational best practices.

## SECTION 2: ENVIRONMENT PERFORMANCE

In 2025, the Group took significant steps to upgrade its emissions treatment infrastructure across all three shipyards, improving both the effectiveness and environmental compliance of its coating workshop operations. These upgrades complement the existing management framework detailed below.

Management Approach	Details
<b>Substitution of Materials</b>	<ul style="list-style-type: none"> <li>• <b>Exploring Safer Alternatives</b> Replacing hazardous materials with safer, environmentally friendly alternatives</li> </ul>
<b>Production Process Optimisation</b>	<ul style="list-style-type: none"> <li>• <b>Production Optimisation</b> Modifying and optimising production processes to reduce the generation of toxic emissions and waste</li> <li>• <b>Exploring Suitable Business Partners</b> Partnering with qualified third-party agency to treat the waste</li> </ul>
<b>Equipment Upgrades</b>	<ul style="list-style-type: none"> <li>• <b>Adoption of Eco-friendly Equipment</b> Adopting advanced technology that reduces emissions and waste</li> <li>• <b>New in 2025 – VOC Treatment Upgrades</b> New Yangzi Yard and Xinfu Yard upgraded their coating workshop paint exhaust collection and treatment systems, replacing the original activated carbon adsorption process with a zeolite rotor combined with catalytic combustion technology. YAMIC Yard similarly upgraded its coating shop VOC treatment facilities, transitioning from activated carbon adsorption to a micro-nano adsorption catalytic degradation process. These upgrades not only ensure continued compliance with emission standards but also meaningfully reduce the volume of pollutants discharged.  Notably, as the new systems no longer require activated carbon, the upgrades have also resulted in a reduction in hazardous waste generation at all three sites. New Yangzi Yard additionally passed the 2025 Clean Production Audit and Acceptance, further validating the effectiveness of these improvements.</li> </ul>
<b>Leakage Detection and Maintenance</b>	<ul style="list-style-type: none"> <li>• <b>Preventive Measures</b> Implementing rain protection, sun protection, and leakage prevention for hazardous waste warehouse</li> <li>• <b>Equipment Upgrades</b> Adopting anti-leakage equipment and packaging materials to prevent potential leaks</li> </ul>
<b>Enhancing Waste Management Process</b>	<ul style="list-style-type: none"> <li>• <b>Stringent Supervision of Waste Management Progress</b> <ul style="list-style-type: none"> <li>o Selecting qualified third-party companies to handle general solid waste management</li> <li>o Conducting on-site inspections of licensed hazardous waste disposal providers</li> <li>o Implementing full-process control over the transfer and disposal of hazardous waste</li> <li>o Establishing a transfer manifest system for traceability and compliance</li> </ul> </li> </ul>

## SECTION 2: ENVIRONMENT PERFORMANCE

### FY2025 Performance

The Group made meaningful progress in toxic emissions and waste management in 2025, with the VOC treatment upgrades across all three shipyards representing the most significant advancement of the year. By transitioning to higher-efficiency treatment technologies, the Group improved its emission controls while simultaneously reducing hazardous waste generation, as the new systems no longer require activated carbon, a key source of hazardous waste under the previous setup.

New Yangzi Yard further passed the 2025 Clean Production Audit and Acceptance, independently validating the effectiveness of these operational improvements.

Environmental management continues to be incorporated within the Group's internal audit scope, ensuring that compliance and performance are independently reviewed on a regular basis. The Group has also maintained its annual financial budget allocation for toxic emissions and waste management initiatives, supporting continued investment in this area going forward.

## 9. ENVIRONMENTAL FACTBOOK

### GHG Emissions (2023 – 2025)

GHG Emissions (tCO <sub>2</sub> e)	2023 (baseline year)	2024	2025
Scope 1	73,795.42	70,346.70	<b>75,619.34</b>
Scope 2	147,330.99	151,192.48	<b>188,710.99</b>
Total (Scope 1 + Scope 2)	221,126.41	221,539.18	<b>264,330.33</b>

Note: Scope 1 and Scope 2 emissions are calculated on the following basis:

FY2023 and FY2025: [(New Yangzi Yard Emissions + Xinfu Yard Emissions + Yangzijiang Yard Emissions) + (51% × YAMIC Yard Emissions)]

FY2024: [(New Yangzi Yard Emissions + Xinfu Yard Emissions + Yangzijiang Yard Emissions) + (56% × YAMIC Yard Emissions)]

The discrepancy in the figures reported for 2023 and 2024 in this table and in the Group's 2023 and 2024 Sustainability Reports is due to the standardisation of this calculation method.

### Carbon Intensity (2023 – 2025)

Carbon Intensity	2023 (baseline year)	2024	2025
GHG Emissions Per Capita (tCO <sub>2</sub> e/capita)	31.11	27.65	<b>28.94</b>
GHG Emissions Per Sales (tCO <sub>2</sub> e/USD' million Sales)	60.57	55.29	<b>59.12</b>

Note: GHG Emissions Per Sales is calculated on the following basis:

FY2023 and FY2025: [(New Yangzi Yard Emissions + Xinfu Yard Emissions + Yangzijiang Yard Emissions) + (51% × YAMIC Yard Emissions)]/[(Revenue for the year) + (51% × YAMIC revenue)]

FY2024: [(New Yangzi Yard Emissions + Xinfu Yard Emissions + Yangzijiang Yard Emissions) + (56% × YAMIC Yard Emissions)]/[(Revenue for the year) + (56% × YAMIC revenue)]

The discrepancy in the figures reported for 2023 and 2024 in this table and in the Group's 2023 and 2024 Sustainability Reports is due to the standardisation of this calculation method.

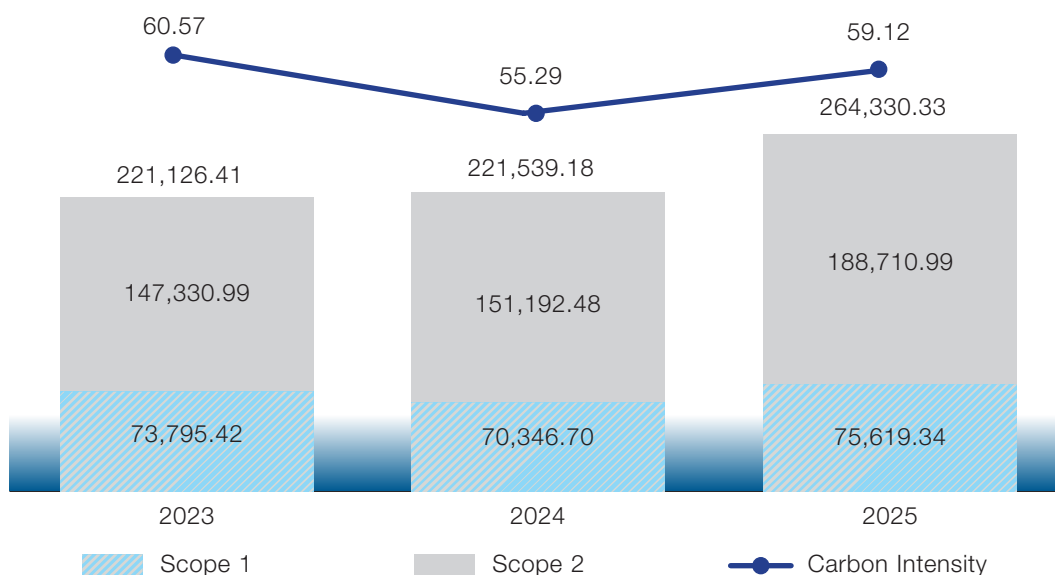
Note: The Group's reporting currency is Renminbi. The CNY/USD used for 2023, 2024 and 2025 was 7.10, 7.30, and 7.03 respectively. These exchange rates, sourced from Bloomberg, were as of 31 December each year.

## SECTION 2: ENVIRONMENT PERFORMANCE

### Scope 1 Emission Breakdown by Category (2023 – 2025)

Scope 1 Emissions (tCO <sub>2</sub> e)	2023 (baseline year)	2024	2025
CO <sub>2</sub>	73,189.57	70,020.82	<b>75,241.29</b>
CH <sub>4</sub>	52.88	42.34	<b>46.61</b>
N <sub>2</sub> O	109.79	94.00	<b>106.39</b>
HFCs	443.18	189.54	<b>225.04</b>

Figure: 2023 – 2025 GHG Emissions Breakdown and Emission Intensity Trend



### Energy Consumption (2023 – 2025)

Energy Consumption	2023	2024	2025
Natural Gas (GJ)	232,253.92	229,079.77	<b>236,955.73</b>
Solar Power (GJ)	130,810.83	152,021.63	<b>189,834.02</b>
Electricity (GJ)	821,170.35	867,590.51	<b>1,022,160.53</b>
Total Energy Consumption (GJ)	1,184,235.10	1,248,691.91	<b>1,448,950.28</b>
Energy Intensity (GJ/USD' million Sales)	324.35	311.67	<b>324.07</b>

### Revenue from Clean Energy Vessels (2023 – 2025)

Revenue from Clean Energy Vessels	2023	2024	2025
% Revenue From Eco-friendly Vessels	42.54%	65.90%	<b>54.47%</b>

## SECTION 2: ENVIRONMENT PERFORMANCE

### R&D Expenditure (2023 – 2025)

R&D Expenditure	2023	2024	2025
R&D Expenditure (RMB' million)	838.44	993.36	<b>1,043.05</b>
R&D Expenditure over Revenue (%)	3.23%	3.40%	<b>3.32%</b>

### R&D Expenditure in Clean Technology (2023 – 2025)

R&D Expenditure in Clean Technology	2023	2024	2025
R&D Expenditure in Clean Technology (RMB' million)	268.50	532.72	<b>730.06</b>
Percentage of R&D Expenditure in Clean Technology (%)	32.02%	53.63%	<b>69.99%</b>

### Water Consumption (2023 – 2025)

Water Consumption	2023	2024	2025
Produced Water (Tonne)	3,255,664*	3,309,437	<b>4,119,270</b>
Municipal Water (Tonne)	387,278	413,978	<b>589,593</b>
Total Water Consumption (Tonne)	3,642,943	3,723,415	<b>4,708,863</b>
Water Intensity (Tonne/USD' million Sales)	997.78	929.34	<b>1,053.18</b>

\* Produced water consumption increased in 2023, primarily attributable to the increased usage for the renovation of worker dormitory in the New Yangzi Yard

\* The increase in water intensity from 2024 to 2025 was attributed to (i) increased water usage from dry dock and quayside activities, (ii) higher cleaning frequency and more stringent water quality standards as more higher-specification vessels, including dual-fuel ships and chemical tankers, were constructed in 2025, and (iii) additional freshwater flushing across certain production processes to reduce pollutant concentration levels.

\* The discrepancy of the 2024 water intensity in this report (929.34) and the figure reported in the Group's Sustainability Report 2024 (1,130) is due to the standardisation of calculation method for water intensity.

### Waste Disposal (2023 – 2025)

Waste Disposal (Tonne)	2023	2024	2025
Recycled Waste	21,700.80	15,015.80	<b>14,125.37</b>
Externally Incinerated Waste	6,892.29	7,768.73	<b>9,821.57</b>
Total Waste Treatment	28,593.09	22,784.53	<b>23,946.93</b>

## SECTION 2: ENVIRONMENT PERFORMANCE

### Toxic Emissions and Waste (2023 – 2025)

Toxic Emissions and Waste	2023	2024	2025
Particles (kg)	6,187.70	4,656.98	<b>2,453.51</b>
Hazardous Waste (kg)*	3,158,634.00	3,765,945.20	<b>4,089,308.80</b>
Total Toxic Emission and Waste (kg)	3,164,821.70	3,770,602.18	<b>4,091,762.31</b>
Toxic Emission and Waste Intensity (kg/USD' million Sales)	866.82	941.12	<b>915.16</b>

\* Hazardous waste volume increased in 2023, largely due to the reclassification and standardisation of the waste categories to align with the most recent local government regulations.

\* Hazardous waste volume increased in 2024, mainly attributable to a one-off hazardous waste disposal related to the upgrade of emission treatment facilities for coating processes, heightened shipbuilding activities, and additional waste from LNG membrane tank construction.

### Environmental Awareness Training (2023 – 2025)

Environmental Awareness Training	Type of Employee	2023	2024	2025
Total Training Hours	Employee	48,219	54,507	<b>63,971</b>
	Subcontractors	132,978	135,792	<b>148,002</b>
Number of Participants	Employee	7,108	8,012	<b>9,135</b>
	Subcontractors	20,333	20,637	<b>21,765</b>
Average Training Hours Per Person	Employee	6.78	6.80	<b>7.00</b>
	Subcontractors	6.54	6.58	<b>6.80</b>

### Environmental Certification Coverage (2023 – 2025)

Environmental Certification Coverage	2023	2024	2025
ISO 14001 (Environmental Management System Certificate)	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard
ISO 50001 (Certificate of Management System for Energy)	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard	New Yangzi Yard Xinfu Yard YAMIC Yard Yangzijiang Yard
GB/T29490 (Enterprise intellectual property compliance management system)	New Yangzi Yard Xinfu Yard	New Yangzi Yard Xinfu Yard	New Yangzi Yard Xinfu Yard
GB/T23001 & T/AIITRE 10003 (Integration of Informationisation and Industrialisation Management System Certificate)	New Yangzi Yard Xinfu Yard YAMIC Yard	New Yangzi Yard Xinfu Yard YAMIC Yard	New Yangzi Yard Xinfu Yard YAMIC Yard

## SECTION 3: SOCIAL PERFORMANCE

### 1. PERFORMANCE OVERVIEW

#### 2025 Performance Highlights

- Maintained ZERO workplace fatalities among employees for the third consecutive year.
- Achieved 100% safety training coverage for all on-site workers and subcontractors.
- Increased training hours across all operational levels compared to 2024.
- Strengthened the “Voyage Plan” (航计划), a structured talent development framework, providing tiered training pathways for employees at every level from new hires to senior leadership.
- Donated a brand-new patrol speedboat worth RMB6.06 million to the Jingjiang City Charity Federation, directed for use in Yangtze River emergency water rescue operations. This marked one of the most significant single community contributions to date for the Group.
- Continued to promote zero workplace fatalities target.

#### 2026 Targets

- Continue to promote employee upskilling programmes.
- Continue to enhance employee health and safety training programmes.
- Aim to maintain ZERO workplace fatalities.
- Continue to encourage employee feedback and engagement.
- Continue to enhance employee welfare and employee care programmes.

#### Long-term Targets

- Establish a cohesive, capable, and collaborative workforce.
- Prioritise employee upskilling and safety training to strengthen workforce capability.

### 2. BACKGROUND STATEMENT

Our people and our communities are at the heart of what we do. Across all dimensions of our social strategy, we are guided by a single conviction that a thriving business and a thriving society are not competing goals, but complementary ones.

## SECTION 3: SOCIAL PERFORMANCE

### 3. FAIR EMPLOYMENT AND EQUAL OPPORTUNITIES

#### Significance

Every organisation depends on its people, but in shipbuilding, where precision, safety, and craftsmanship define the product, that dependence runs especially deep. At Yangzijiang, our workforce is not simply a resource to be managed, but it is the engine of everything we build and deliver.

Fair employment practices allow us to attract and retain the best talent across a diverse range of disciplines. A culture of inclusion and equal opportunity ensures that talent is developed and rewarded on merit, creating environment for innovation and long-term organisational strength. And by investing in our people's growth through structured training, competitive benefits, and clear career pathways, we build a workforce that is not only capable today but adaptable for the challenges of tomorrow.

#### Management Approach

##### Recruitment Programme

The Group is committed to fair employment practices, providing equal opportunities regardless of gender, race, religion, age, and disability. All recruitment activities are governed by the principles of fairness and openness, ensuring that every candidate is assessed on competency, innovative thinking, sense of responsibility, and growth potential.

Each year, our senior management team and the HR department work together to assess job vacancies, formulate recruitment requirements, and establish hiring and onboarding training programmes. This comprehensive planning ensures that our HR team is well-prepared for recruitment fairs, while aligning selection criteria across the organisation for a streamlined hiring process. The Group strictly prohibits the employment of child labour and ensures that all recruitment activities comply with national laws and regulations on minimum working age.

##### Hiring Channels

The Group adopts a variety of hiring channels to promote its recruitment opportunities, aiming to extend outreach and access a wider pool of talent. These channels include campus career fairs, industry and society career fairs, and advertising on the Group's website, official WeChat account, and major recruitment platforms. Our HR representatives are always present at physical career fairs, explaining job responsibilities, introducing our corporate culture and employee benefits, and assisting candidates in finding positions that align with their interests and skill sets.

##### Onboarding Training Programmes

The Group provides comprehensive training for new hires to ensure a smooth transition into the workplace. The onboarding programme consists of two key phases. The ice-breaking phase incorporates team-building activities and veteran experience sharing, helping new hires connect and develop a sense of belonging. The official training phase covers fundamental health and safety training, corporate culture and values, technical upskilling, and internal system familiarity. New employees are required to complete over 72 hours of health and safety training before assuming their roles, and technical upskilling training is conducted one to two times per month throughout the probation period.

##### Equal Opportunity and Work-Life Balance

The Group is committed to maintaining a fair and non-discriminatory workplace. Promotion processes are transparent and based on performance and capability. Maternity and nursing leave policies are strictly enforced. The Group also provides a range of employee welfare benefits including accommodation and lunch subsidies, festive care packages during key holidays, and an Employee Benefit Fund to support employees in financial need.

## SECTION 3: SOCIAL PERFORMANCE

### 4. WORKFORCE COMPETENCY ENHANCEMENT

#### Significance

Our employees are our greatest assets. Training programmes, upskilling, and knowledge-sharing ensure employees adapt to evolving technologies and sustainability requirements. Continuous learning and improvements drive productivity, quality, and safety. As the industry evolves, workforce development ensures adaptability, increases productivity, and minimises inefficiencies.

#### Management Approach

##### The “Voyage Plan” – Structured Talent Development Programme

In FY2025, the Group continued to advance its “Voyage Plan” (航计划), a structured talent development programme designed to provide every employee with a clear and purposeful learning pathway aligned to their role and seniority. The framework is built around four-tiered programmes:

**Table: The “Voyage Plan”**

Programme	Chinese Name	Target Group	Focus
<b>Embarkation Plan</b>	启航计划	New employees	Onboarding, corporate culture, foundational safety and technical skills
<b>Continuation Plan</b>	续航计划	Frontline supervisors and team leaders	Operational management, team leadership, and safety management
<b>Far Voyage Plan</b>	远航计划	Middle management	Strategic thinking and cross-functional management
<b>Navigation Plan</b>	领航计划	Senior leadership	Leadership excellence, organisational strategy, sustainability governance

##### Employee Upskilling Support

The Group actively supports employees seeking to enhance their qualifications and professional standing. Each year in June, the Group organises enrolment for academic degree upgrade programmes, supporting employees in pursuing higher educational qualifications. From March to September, the Group organises professional title applications in naval architecture and marine engineering, with cash awards of RMB2,000 for mid-level title attainment and RMB5,000 for senior-level title attainment.

##### Vocational Skills Competitions

The Group actively organises and participates in vocational skills competitions both internally and externally.

Internally, the Group hosts the “Yangzjiang Craftsman” (扬船工匠) labour skills competition, covering subjects including forklift operation, welding, marine electrical work, marine fitting, and maintenance electrical work, with cash prizes of RMB800 to RMB3,000 for competition winners and priority consideration for year-end promotions.

Externally, the Group encourages employees to participate in competitions including the Jiangsu Shipbuilding Industry Welding Competition, the Jiangsu Skills Champion Competition, the Wuxi Skills Elite Competition, the Jiangyin Municipal Workers' Vocational Skills Competition, and the Taizhou “Tempering Action” Vocational Skills Training Competition.

## SECTION 3: SOCIAL PERFORMANCE

### 5. HUMAN CAPITAL MANAGEMENT

#### Significance

The Group develops structured employee management strategies to drive performance, engagement, and long-term organisational resilience. Given the labour-intensive nature of shipbuilding, strategic workforce planning ensures stability and resilience. Effective human capital management supports employee retention, productivity, and business continuity. We pride ourselves on competitive compensation, career growth opportunities, and a strong workplace culture that enhances job satisfaction and operational efficiency.

#### Management Approach

At Yangzijiang, we are committed to supporting both the physical and mental well-being of our employees. Our human capital management strategy strictly complies with China's labour laws. We are committed to preventing forced labour, child labour, unfair wages, and excessive overtime, ensuring a fair and ethical workplace for all employees.

#### Competitive Employee Benefits

All employees are covered under China's mandatory "Five Insurance and One Housing Fund" social insurance scheme, providing a fundamental safety net for their well-being. To support their daily life, the Group offers subsidies for accommodation and lunch. Our HR team assists newly retired employees with the necessary retirement procedures, ensuring they receive their retirement pension from government authorities smoothly. During major festivals including Chinese New Year, the Dragon Boat Festival, and the Mid-Autumn Festival, the Group prepares and distributes festive care packages to employees in advance.

#### Supportive Incentives for Employees in Need

The Group has developed a comprehensive employee assistance programme, including mutual aid initiatives, assistance funds, and house purchase subsidies. These incentives are designed to help employees overcome financial difficulties, providing them with the necessary financial support and stability when needed.

#### Open Employee Feedback Channels

The Group values open communication and employee feedback as essential components of a positive and inclusive workplace. Multiple communication channels are maintained, including monthly departmental meetings and an internal office automation ("OA") system with dedicated feedback and suggestion platforms.

The Group has also established a whistleblowing system, allowing employees to confidentially report concerns to the Group's Audit and Risk Committee. An open communication channel between employees and senior management is maintained to ensure that employee voices are heard and addressed in a timely manner.

#### Equity Incentives for Core Employees

Employees at the core operational team and above, representing approximately 33% of the total workforce, are eligible to participate in the Group's share-based incentive programme. Annually, those who opt into the programme are entitled to share appreciation rights and dividend equivalent rights as part of their remuneration package, subject to a performance review. This programme is designed to align the long-term interests of key employees with those of the Group and its shareholders.

**SECTION 3:  
SOCIAL PERFORMANCE**

Employee Diversity, Equality, and Care

**FY2025 Employee Engagement Programmes In A Snapshot**



**January** ● **Spring Festival Care Programme**

Care visits and festive support are provided to employees facing financial or personal difficulties.

**March** ● **Women Employees' Care Programme**

The labour union organises care initiatives for female employees, including health protection, emotional wellness and leisure activities.

**End-May** ● **Site Visit Programme for Children**

The "Little Yangzijiang Shipbuilder" programme invites employees' children to visit the company for learning and engagement activities.

**June - September** ● **Summer Employee Care Programme**

A series of summer caring initiatives is conducted to support employees during periods of high temperature.

**December** ● **Mutual Aid Fund-Raising Campaign**

The labour union organises fund-raising for the employee mutual assistance and hardship relief fund.

**Year-round** ● **Ongoing employee care**

In addition to scheduled activities, the labour union provides regular caring for bereavement, birthday greetings, and ongoing hardship assistance.

## SECTION 3: SOCIAL PERFORMANCE

### 6. HEALTH AND SAFETY

#### Significance

Given the inherently high-risk environment of the shipbuilding industry, ensuring the safety of the workforce is of utmost priority. Yangzijiang has established a safety policy that is fully aligned with applicable laws and global industry best practices, reaffirming our commitment to operational safety across all yards.

#### Management Approach

The Group is dedicated to maintaining stringent occupational health and safety standards, in adherence to ISO 45001 – Occupational Health and Safety Management Systems. We have formed a strong safety culture, ensuring that health and safety awareness is deeply embedded in every Yangzijiang employee.

#### Safety Training for All Employees and Subcontractors

Safety training programmes cover all levels of the organisation, from management teams to on-site workers and subcontractors, with training intensity and frequency tailored based on risk levels. The Group's on-site workforce comprises direct employees and subcontractors in a ratio of approximately 1:2.4, with 9,135 direct employees and 21,765 subcontractors engaged on site during FY2025. Given the scale of subcontractor engagement, the Group extends its full suite of health and safety policies and training obligations to subcontractors, treating their safety outcomes as integral to the Group's overall safety performance.

For all on-site workers, including both employees and subcontractors, health and safety training is conducted before and after each shift to ensure continuous awareness. The Group additionally provides quarterly occupational safety education to reinforce a safety-first mindset across all operations. Safety training coverage achieved 100% across both employees and subcontractors in FY2025.

#### Medical Check-Ups for All Employees and Subcontractors

The Group provides annual medical check-ups for all employees and subcontractors, fully covering the associated costs. Check-ups are conducted up to two times per year, ensuring that our people can perform at their best while maintaining good health.

#### FY2025 Safety Awards

Following an assessment conducted by the Safety Production Department of the Jiangsu Shipbuilding Industry Association, both New Yangzi Yard and Xinfu Yard were recognised as "2025 Advanced Units for Workplace Safety in Jiangsu's Shipbuilding Industry", in recognition of their unwavering commitment to workplace safety.



## SECTION 3: SOCIAL PERFORMANCE

### 7. LOCAL COMMUNITY ENGAGEMENT

#### Significance

Building strong relationships with local communities enhances business sustainability and strengthens stakeholder trust. The Group contributes through job creation, sponsorships, volunteering activities, and direct charitable giving. By actively engaging with communities, the Group ensures that its business operations drive long-term positive impact beyond financial success.

#### FY2025 Performance

Category	Activity	Amount
Community Contribution	Donation of a purpose-built brand-new emergency rescue patrol speedboat to Jingjiang City Charity Federation for use in emergency water rescue and public welfare operations on the Yangtze River.	RMB6.06 million
Sponsorship and Community Support	Sponsorship of the Taicang Huangjing Town Badminton Tournament.	RMB20,000
Sponsorship and Community Support	Donation of book vouchers to Luhe Primary School in Taicang.	RMB20,000
Sponsorship and Community Support	Sponsorship of the 3rd “YAMIC Cup” Suzhou Port Football Tournament.	RMB100,000
Sponsorship and Community Support	Sponsorship of the 6th Table Tennis and Badminton Friendship Tournament of the Jiangsu Province Transport System.	RMB80,000
Sponsorship and Community Support	Donation to support the livelihood improvement programme for Tangjia Village, Mafang Town, Yongshou County, Shaanxi Province.	RMB100,000

### 8. ECONOMIC CONTRIBUTION

The Group delivered an excellent set of results in FY2025, achieving record performance in both revenue and profitability. Revenue reached an all-time high of RMB28.5 billion, representing a 7.4% year-on-year (“yoy”) increase, driven primarily by the Group’s core shipbuilding business which accounted for approximately 94.1% of total revenue. Gross profit grew 28.3% yoy to RMB9.8 billion, with gross profit margin expanding by 5.5 percentage points (“ppts”) to 34.2%, supported by stronger newbuild vessel pricing and more favourable raw material costs. As a result, the Group achieved a record profit attributable to equity holders of RMB8.6 billion, up 30.2% yoy.

In FY2025, the Group delivered a total of 56 vessels, including 11 vessels delivered by its joint venture company YAMIC, achieving its FY2025 delivery target through timely and quality execution. The total outstanding orderbook as of 31 December 2025 stood at USD22.4 billion comprising 245 vessels scheduled for delivery between 2026 and 2030, with green vessels accounting for approximately 71% of total orderbook value.

To reward shareholders for their long-term support and confidence, the Board proposed a final dividend of 20 Singapore cents per ordinary share, representing a 66.7% yoy increase from the 12 Singapore cents declared in FY2024. This translates to a dividend payout ratio of 50% and a dividend yield of approximately 5.7%<sup>9</sup>, reflecting the Group’s commitment to delivering sustainable long-term value to shareholders.

<sup>9</sup> Calculated based on share price of S\$3.48 as of 31 December 2025.

## SECTION 3: SOCIAL PERFORMANCE

### 9. SOCIAL FACTBOOK

#### Economic Contribution (2023 – 2025)

RMB' million	2023	2024	2025
<b>Economic Value Generated</b>			
Revenue (from continuing operations)	24,112.3	26,541.7	<b>28,504.8</b>
<b>Economic Value Distributed</b>			
Operating cost (from continuing operations)	19,333.4	19,754.2	<b>19,578.5</b>
Employee wages and benefits	380.9	426.1	<b>597.1</b>
Of which: employer's contribution to defined contribution plans	65.0	73.4	<b>84.3</b>
<b>Payments to Providers of Capital</b>			
Dividend paid	1,024.4	1,345.8	<b>2,607.8</b>
Interest on bank borrowings	96.1	118.8	<b>115.4</b>
<b>Payments to Government</b>			
China and Singapore (Tax)	731.2	1,155.7	<b>1,368.1</b>

Note: Operating cost = cost of sales + administrative expenses

#### Gender Diversity (2023 – 2025)

Gender Diversity	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Board of Directors	4	1	4	1	<b>4</b>	<b>1</b>
Senior management	9	0	8	0	<b>8</b>	<b>0</b>
Middle management	345	22	352	23	<b>365</b>	<b>21</b>
Professionals	784	294	854	324	<b>789</b>	<b>235</b>
All other employees	4,567	1,087	5,198	1,254	<b>6,243</b>	<b>1,473</b>
Total number of employees	5,706	1,402	6,412	1,600	<b>7,405</b>	<b>1,729</b>

Note: Employee numbers by designation are different from SR2023 and SR2024, due to the reclassification of employee groups.

### SECTION 3: SOCIAL PERFORMANCE

#### Age Diversity (2023 – 2025)

Age Diversity	2023			2024			2025		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Board of Directors	0	3	2	0	3	2	0	2	3
Senior management	0	7	2	0	5	3	0	3	5
Middle management	1	296	70	1	301	73	0	303	83
Professionals	340	704	34	599	559	49	633	403	48
All other employees	1,159	3,907	587	1,441	4,103	878	1,616	4,996	1,046
Total number of employees	1,501	4,915	693	2,041	4,968	1,002	2,249	5,704	1,182

Note: Employee numbers by designation are different from SR2023 and SR2024, due to the reclassification of employee groups.

#### Talent Acquisition and Training (2023 – 2025)

##### Training Hours by Gender

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Total no. of training hours	228,242	56,081	303,375	75,959	385,081	89,922
Total number of employees	5,706	1,402	6,412	1,600	7,405	1,729
Average training hours	40	40	48	48	52	52

##### Training Hours by Employee Category

Employee Category	2023			2024			2025		
	Total Hours	Head Count	Avg Hours	Total Hours	Head Count	Avg Hours	Total Hours	Head Count	Avg Hours
Board of directors	208	1	208	224	1	224	240	1	240
Senior management	1,770	9	208	1,693	8	224	1,802	8	240
Middle management	20,544	367	56	23,969	375	64	24,738	387	64
Professionals	43,118	1,078	40	56,527	1,178	48	57,345	1,024	56
All other employees	180,920	5,654	32	258,043	6,451	40	370,350	7,716	48
All employees	246,560	7,108	35	340,457	8,012	42	454,475	9,135	50
Subcontractors	975,988	20,333	48	1,155,674	20,637	56	1,392,964	21,765	64

## SECTION 3: SOCIAL PERFORMANCE

### New Hires and Turnover (2023 – 2025)

#### By Gender

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
New employee hires	859	159	1,645	205	<b>1,937</b>	<b>296</b>
Resignations	777	151	924	167	<b>909</b>	<b>149</b>
Total turnover	1,636	310	2,569	372	<b>2,847</b>	<b>445</b>

#### By Age Group

	2023			2024			2025		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
New employee hires	485	571	11	932	908	10	<b>1,045</b>	<b>1,170</b>	<b>19</b>
Resignations	443	414	72	426	557	108	<b>407</b>	<b>548</b>	<b>104</b>
Total turnover	928	985	83	1,358	1,465	118	<b>1,452</b>	<b>1,718</b>	<b>122</b>

### Workplace Safety (2023 – 2025)

#### Safety Training Hours for On-site Workers

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
<b>Employees</b>						
Total no. of safety training hours	79,885	19,628	96,179	23,998	<b>118,486</b>	<b>27,668</b>
Total number of employees	5,706	1,402	6,412	1,600	<b>7,405</b>	<b>1,729</b>
Average safety training hours	14	14	15	15	<b>16</b>	<b>16</b>
<b>Subcontractors</b>						
Total no. of safety training hours	227,630	77,366	249,670	80,523	<b>299,242</b>	<b>92,529</b>
Total number of on-site subcontractors	15,175	5,158	15,604	5,033	<b>16,625</b>	<b>5,141</b>
Average safety training hours	15	15	16	16	<b>18</b>	<b>18</b>

### SECTION 3: SOCIAL PERFORMANCE

#### Occupational Health and Safety

	2023	2024	2025
<b>Employees</b>			
Total number of employees	7,108	8,012	<b>9,135</b>
Number of injured	53	40	<b>42</b>
Injury rate	0.74%	0.49%	<b>0.46%</b>
Fatality	0	0	<b>0</b>
Fatality rate	0.00%	0.00%	<b>0.00%</b>
Lost time injury frequency rate	3.71	2.47	<b>2.31</b>
<b>Subcontractors</b>			
Total number of subcontractors	20,333	20,637	<b>21,765</b>
Number of injured	71	81	<b>88</b>
Injury rate	0.35%	0.39%	<b>0.41%</b>
Fatality	4	0	<b>0</b>
Fatality rate	0.02%	0.00%	<b>0.00%</b>
Lost time injury frequency rate	1.75	1.97	<b>2.03</b>

Note: Lost time injury frequency rate = (number of lost time injuries × 1,000,000)/total hours worked. Average working hours are 8 hours and working days per year is 250 days/year.

#### Contribution to Community (2023 – 2025)

Category	2023	2024	2025
Total hours of volunteering activities (Unit: hour)	5,502	1,903	<b>2,117</b>
Total amount of donations (Unit: RMB)	4,935,358	384,680	<b>7,161,400</b>

Note: FY2025 donations include the directed donation of a patrol speedboat valued at RMB6,060,000 to the Jingjiang City Charity Federation, in addition to cash sponsorships totalling approximately RMB1,170,000.

#### Quality Control (2023 – 2025)

Quality Control Certification Coverage (unit: %)	2023	2024	2025
ISO 9001 (Quality Management System)	100%	100%	<b>100%</b>

## SECTION 3: SOCIAL PERFORMANCE

### Information Security (2023 – 2025)

<b>Information Security Certification Coverage (unit: %)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
ISO 27001 (Information security, cybersecurity and privacy protection)	100%	100%	<b>100%</b>
ISO 27701 (Privacy Information Management)	100%	100%	<b>100%</b>

### Occupational Health and Safety Certification (2023 – 2025)

<b>Certification Coverage (unit: %)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
ISO 45001 (Occupational Health and Safety Management System)	100%	100%	<b>100%</b>

# SECTION 4: GOVERNANCE PERFORMANCE

## 1. PERFORMANCE OVERVIEW

### 2025 Performance Highlights

- Board independence maintained at 60%, with all Directors completing sustainability training in accordance with SGX requirements.
- Achieved 100% participation in business ethics training across all employees, subcontractors, and, for the first time, shipowners and ship inspectors.
- A comprehensive enterprise risk management system was fully operationalised across all functional departments in FY2023, with an enhanced quarterly risk self-assessment survey subsequently developed, conducted in FY2025 and reported to the Audit and Risk Management Committee.
- Formal collection of ESG performance data from key suppliers commenced during the year, achieving full coverage of selected suppliers, with a roadmap in place to further systematise and digitalise the process in 2026.
- Environmental management confirmed as part of the internal audit scope.

### 2026 Targets

- To maintain a well-balanced, professional, and independent Board structure.
- To ensure Directors continue to receive sustainability training under SGX requirements.
- To enhance ethics training coverage and its relevance across all functional levels.
- Remains committed to implementing its risk management frameworks and continuously exploring enhancements aligning with evolving regulatory requirements and industry developments.
- Deepen ESG integration in supplier qualification and assessment processes, including adoption of digitalisation tools for data collection, storage, and analysis.

### Long-term Targets

- To strengthen ESG oversight structures and reporting accountability.
- To fully systematise and digitalise supplier ESG performance tracking.

## 2. BACKGROUND STATEMENT

Sound corporate governance underpins everything we do. It is the foundation where we build sustainable growth, meet regulatory obligations, and maintain trust with our stakeholders. Across all levels of the Group, our governance framework sets clear expectations for transparency, accountability, and ethical conduct, ensuring that every significant decision is made responsibly and with long-term value creation in mind.

At the Board level, our Directors provide proactive strategic oversight and are supported by dedicated committees covering audit and risk management, remuneration, and nomination. We review our governance policies and internal controls regularly to ensure they keep pace with evolving regulatory requirements, industry developments and stakeholder expectations.

## SECTION 4: GOVERNANCE PERFORMANCE

Ethical conduct is not an afterthought in our governance approach, but it is embedded in how we operate day to day. We provide structured business ethics training to our employees, subcontractors, and, in FY2025, covering shipowners and ship inspectors who interact with our operations, extending our standards of integrity beyond our own workforce. Training covers anti-bribery and anti-corruption, conflict of interest management, data privacy and protection, and fair competition practices. The Group's Whistleblowing Policy is set out in the FY2025 Annual Report under the Corporate Governance section.

We recognise that governance is a continuous journey rather than a fixed destination. By consistently raising the bar on our governance practices, we aim to build a more resilient organisation, better protect the interests of our stakeholders, and drive our long-term business development.

### 3. BOARD COMPETENCY AND DIVERSITY

#### Significance

A well-governed organisation is well positioned to seize opportunities, navigate unexpected disruption, and create long-term value. For Yangzijiang, this begins with our Board, a diversified and experienced leadership team whose collective knowledge spans the strategic, operational, and functional dimensions of our business.

The Board sets the tone from the top, embedding sustainability considerations into our business strategies and driving a culture of accountability across the organisation. To ensure our Board composition remains fit for purpose, we conduct annual reviews of its structure and renewal processes. The Nominating Committee plays a central role in recommending appointments and re-elections, assessing director independence, and overseeing succession planning to maintain the right balance of skills and perspectives over time.

#### Management Approach

The Board is made up of directors with diverse backgrounds, experience, and perspectives, including diversity in educational background, professional expertise, and gender. These members bring relevant expertise, industry knowledge, and an in-depth understanding of the business and markets in which the Group operates.

Notably, 60% of the Board members are independent directors, maintaining strong independence.

To further strengthen governance, all directors have undergone sustainability training in accordance with SGX requirements. In addition, the ESG Committee reports to the Board on a half-yearly basis, ensuring directors stay informed on the Group's sustainability initiatives, stakeholder expectations, and evolving ESG regulatory shifts.

### 4. RISK MANAGEMENT AND REGULATORY COMPLIANCE

#### Significance

In its pursuit of sustainable business practices and risk mitigation, the Group has developed a comprehensive enterprise risk management framework that addresses various facets of its operations. Recognising the importance of maintaining and safeguarding its diversified customer base, the Group has identified and proactively manages several key operational risks across all functional departments.

#### Management Approach

##### Enterprise Risk Management Framework

The Group's enterprise risk management framework was formally established in December 2022 and has been progressively operationalised since January 2023. The framework provides a structured methodology for identifying, assessing, responding to, and monitoring risks across the Group's operations.

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Risk Classification

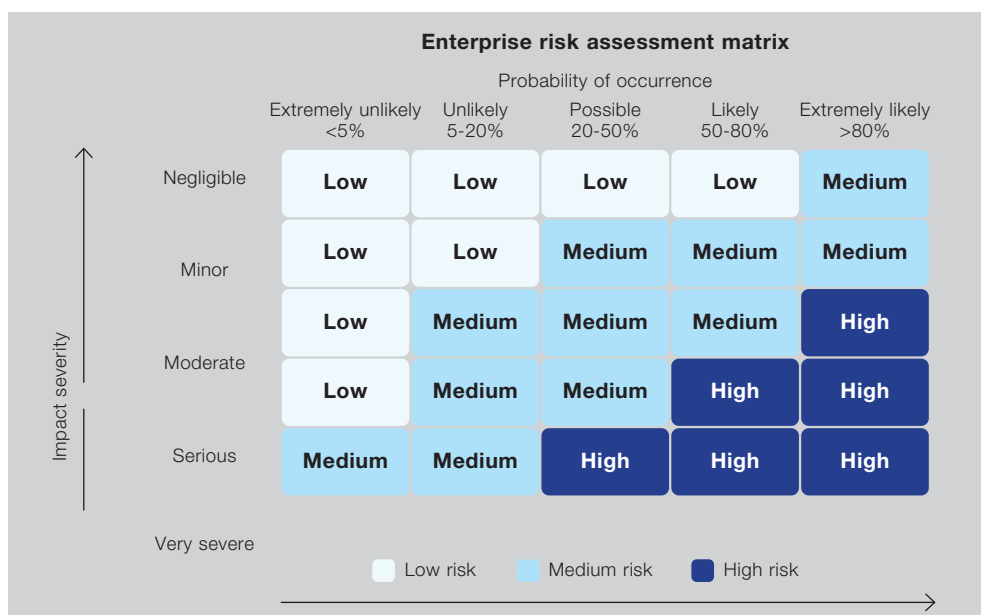
The Group classifies its enterprise risks into seven broad categories:

- **Strategic risks**, covering strategic planning and execution, macroeconomic and industry structural risks, investment decisions, and corporate culture and integrity risks.
- **Market risks**, covering competitive risks, customer credit and relationship risks, pricing risks, brand and reputation risks, and capital market disclosure risks.
- **Financial risks**, covering cash flow and financing risks, fund security risks, accounting and reporting risks, cost management risks, tax management risks, and foreign exchange and interest rate risks.
- **Human resources risks**, covering workforce planning, staffing, key talent retention, performance management, and labour relations.
- **Legal risks**, covering regulatory compliance, contract management, litigation, and intellectual property.
- **Information systems risks**, covering information security, system architecture, operational continuity, and network security.
- **Other operational risks**, covering health, safety and environmental risks, R&D and technology risks, trade secrets management, procurement and inventory risks, and production management risks.

Risk Assessment Methodology

The Group assesses risks using a two-dimensional risk matrix that evaluates both the probability of occurrence and the severity of impact. Probability is assessed across five levels: extremely unlikely (below 5%), unlikely (5-20%), possible (20-50%), likely (50-80%), and extremely likely (above 80%). Impact severity is assessed across five levels from negligible to very severe. The resulting risk grade – low, medium, or high – guides the Group’s prioritisation and response planning.

**Figure: The Group’s Two-dimensional Risk Matrix**



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### Risk Response Strategies

Depending on the nature and grade of each identified risk, the Group applies one or more of five response strategies: avoidance, control, diversification and neutralisation, transfer, and acceptance. These strategies are applied with reference to the likelihood of occurrence, the magnitude of potential impact, the cost-benefit profile of mitigation, and the Group's overall risk tolerance.

### Risk Management Structure

The Group's risk management structure is implemented across three tiers. At the top, the Audit and Risk Management Committee provides strategic oversight and sets the risk management direction. The Internal Audit Department serves as the implementation team, responsible for coordinating risk identification, aggregating self-assessment results, and reporting to the Committee. At the operational level, functional line departments, including sales, technology, procurement, production, human resources, information systems, and finance, serve as the grassroots risk management units, each responsible for identifying and managing the risks within their respective domains.

### Quarterly Risk Self-Assessment Process and Annual Review

Each responsible department conducts a quarterly risk self-assessment using a standardised Risk Self-Assessment Table. Departments are required to submit their completed assessments to the Audit Department within 15 days after the end of each quarter. The self-assessment covers the identification of specific risk events, the application of agreed response strategies, the execution of designated risk management measures, and a declaration of whether each risk event occurred during the quarter and whether all prescribed measures were fully implemented.

The Internal Audit Department reviews submissions, organises at least two formal inspections per year, and reports findings to the Audit and Risk Management Committee.

Key risk items identified during the year are subject to annual re-evaluation. Where risk profiles have changed or mitigation measures require adjustment, the framework is updated accordingly. This iterative process ensures that the Group's risk management posture remains responsive to both internal operational developments and external regulatory and market changes.

### Key Operational Risks

In FY2025, the Group enhanced quarterly risk self-assessment survey which was reported to the Audit and Risk Management Committee and successfully implemented across all functional departments. As such, the Group re-categorised its key operational risks by functional departments, as illustrated below:

**Table: Key Operational Risks**

Department	Key Risk Items	Key Management Responses
Sales	<ul style="list-style-type: none"> <li>Single-customer concentration.</li> <li>Contract milestone payment collection failure.</li> <li>Delivery delay penalties.</li> <li>Geopolitical trade risks including US Section 301 sanctions, tariff changes, and trade war developments.</li> </ul>	<ul style="list-style-type: none"> <li>Proactive monitoring of customer financial health.</li> <li>Legal standing maintained on all contract milestones.</li> <li>Engagement with external legal counsel for at-risk accounts.</li> <li>Diversification of customer base across vessel types and geographies.</li> </ul>

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Department	Key Risk Items	Key Management Responses
<b>After-Sales Service</b>	<ul style="list-style-type: none"> <li>• On-board safety management during on-site visits.</li> <li>• Warranty dispute legal risks.</li> <li>• Safety risks in outsourced ship repair operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-boarding safety briefings and agreements.</li> <li>• External maritime legal counsel engaged for major warranty claims.</li> <li>• Subcontractor qualification checks and safety responsibility agreements.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Rigour of R&amp;D validation processes.</li> <li>• Non-compliance with vessel performance indicators.</li> <li>• Design deviations from classification society rules, technical specifications and equipment requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-construction specification reviews and performance benchmarking against market comparables.</li> <li>• Closed-loop design-to-construction quality checks.</li> <li>• Timely escalation of design deviations to relevant departments.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Supplier delivery reliability and quality failures.</li> <li>• Insufficient qualified supplier coverage.</li> <li>• Prepayment recovery risk.</li> <li>• Customs and trade compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum four qualified suppliers maintained per material category.</li> <li>• On-site supplier inspections.</li> <li>• Prepayment tracking with formal guarantees.</li> <li>• Real-time monitoring of import/export trade policy developments.</li> </ul>
<b>Production</b>	<ul style="list-style-type: none"> <li>• Workforce availability affecting production schedules.</li> <li>• Major safety accidents.</li> <li>• Special equipment operation hazards.</li> <li>• Environmental pollution events.</li> </ul>	<ul style="list-style-type: none"> <li>• “One vessel, one strategy” safety management for technologically advanced vessel types.</li> <li>• Dual-prevention mechanism covering risk-graded control and hazard investigation.</li> <li>• Daily safety briefings.</li> <li>• VOC treatment upgrades and hazardous waste compliance.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>• Talent recruitment and retention.</li> <li>• Key talent attrition.</li> <li>• Occupational disease risk including pneumoconiosis from welding and assembly.</li> <li>• Radiation safety.</li> <li>• Labour compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular occupational health examinations.</li> <li>• Transparent internal promotion pathways.</li> <li>• Semi-annual compensation benchmarking against industry peers.</li> <li>• Dedicated labour dispute mediation facilities.</li> </ul>

## SECTION 4: GOVERNANCE PERFORMANCE

Department	Key Risk Items	Key Management Responses
<b>Information Systems</b>	<ul style="list-style-type: none"> <li>• Network security breaches.</li> <li>• System continuity failures.</li> <li>• Data integrity risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Redundant dual-core network infrastructure.</li> <li>• VPN-based remote access with individual accounts.</li> <li>• Centralised desktop management.</li> <li>• Local-plus-remote data backup regime.</li> <li>• Server-level access control.</li> </ul>
<b>Treasury</b>	<ul style="list-style-type: none"> <li>• Foreign exchange exposure.</li> <li>• Bank credit line adequacy.</li> <li>• Cash flow shortfalls.</li> <li>• Fund security.</li> </ul>	<ul style="list-style-type: none"> <li>• Natural hedging supplemented by forward contracts and spot transactions.</li> <li>• Rolling 12-month cash flow forecasting.</li> <li>• Monthly credit line monitoring.</li> <li>• Formal fund management approval and audit procedures.</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Financial reporting accuracy.</li> <li>• Tax compliance.</li> <li>• Payment management risks including duplicate payments, delayed payments, and invoice irregularities.</li> <li>• Cost management.</li> </ul>	<ul style="list-style-type: none"> <li>• Strict compliance with accounting standards with senior sign-off.</li> <li>• Quarterly tax regulation reviews.</li> <li>• Systematic invoice and payment tracking.</li> <li>• Monthly project cost reconciliation.</li> </ul>

### ESG Management and Internal Audit

To strengthen accountability for the Group's ESG management, it has been formally incorporated into the internal audit scope. This means that the Group's environmental, social, and governance management framework and practices are subject to the same independent oversight mechanisms as financial and operational risks.

The Audit and Risk Committee provides governance-level assurance that environmental controls are functioning as intended, strengthening the link between the Group's environmental targets and its broader corporate accountability framework.

## 5. BUSINESS ETHICS MANAGEMENT

### Significance

The Group strives to earn trust and respect by cultivating strong relationships with key stakeholders, including customers, suppliers, shareholders, employees, and local communities. We strive to be a reliable business partner for customers and suppliers, a valuable long-term investment target for shareholders, an employer of choice for our workforce, and a responsible corporate citizen committed to upholding legal, regulatory, and ethical standards in every jurisdiction we operate. By embedding ethical conduct in our culture, we support operational integrity, sustainable growth, and long-term stakeholder value.

## SECTION 4: GOVERNANCE PERFORMANCE

### Management Approach

#### Business Ethics Training

The Group considers business ethics as a core pillar of our corporate culture, aiming to become a trusted and respected business partner in the maritime supply chain. To maintain a high level of awareness, we provide regular training for employees, subcontractors, and, in FY2025, extending the training coverage to shipowners and ship inspectors who engage with our operations, reflecting our commitment to embedding ethical standards across the full spectrum of our business relationships. These training sessions cover key ethical issues they may encounter in their daily work:

**Table: Ethics Training Topics**

Topic	Content
<b>Anti-Corruption and Anti-Bribery</b>	Prohibits offering or accepting bribes, gifts, hospitality, or favours that may compromise objectivity, including the avoidance of facilitation payments.
<b>Conflict of Interest Management</b>	Requires employees to disclose any personal interests that may conflict with company interests.
<b>Data Privacy and Confidentiality</b>	Enforces customer data encoding, and prohibits the disclosure of trade secrets including technical drawings, specifications, and tender pricing.
<b>Fair Competition</b>	Prohibits market manipulation, false advertising, and defamatory practices against competitors.
<b>Whistleblowing and Accountability</b>	Provides anonymous reporting channels, whistleblower protection policies, and clear penalties for violations.

#### Anti-Corruption Policy

The Group has established a comprehensive anti-corruption framework that governs the conduct of all management personnel across the Group and its subsidiaries. This framework reflects the Group's longstanding commitment to building a corporate culture that is law-abiding, honest, self-disciplined, and harmonious.

The Group has formally promulgated the "Integrity and Self-Discipline" Ten Prohibitions, which set out clear and binding conduct requirements for all management personnel. These prohibitions cover ten areas of misconduct:

**Table: The "Integrity and Self-Discipline" Ten Prohibitions**

No	Prohibition
1	Using one's authority or position to seek improper personal gain.
2	Converting public resources to private use, or using company convenience to handle personal matters.
3	Privately creating, setting up, or adjusting positions in violation of personnel management regulations.
4	Using one's authority or positional influence to secure benefits for relatives or close associates.

## SECTION 4: GOVERNANCE PERFORMANCE

No	Prohibition
5	Engaging in private profit-making activities related to the Group's business or that conflict with the Group's interests.
6	Illegally establishing subcontractor teams, falsely reporting labour hours, or fabricating projects to obtain cash.
7	Improperly charging business units for expenses that should be borne personally.
8	Using company funds for ostentation, extravagance, or wasteful spending.
9	Accepting non-business-related entertainment, money, goods, or leisure arrangements from business counterparties.
10	Violating the financial management system, improperly allocating departmental expenses, or setting up unauthorised off-the-books funds.

Any management personnel found to have violated these prohibitions is subject to criticism and education, organisational handling, or disciplinary sanctions in accordance with the Group's regulations, depending on the severity of the breach.

The Group's anti-corruption framework is subject to ongoing monitoring and enforcement. Violations are reported to the Group's Audit and Risk Committee through the established whistleblowing channel, which provides anonymous reporting facilities and protects the identity of those who raise concerns. The Audit and Risk Committee reviews reported violations and determines appropriate disciplinary action. The Group conducts regular reiterations of its anti-corruption requirements to management personnel, reinforcing awareness and deterring recurrence of violations.

### 6. SUPPLY CHAIN MANAGEMENT

#### Significance

Sustainable supply chain management plays an important role in driving our sustainability targets. This ensures responsible sourcing, ethical labour practices, and reduced environmental impact across the industrial chain. A well-managed supply chain enhances resilience, mitigates risks, and supports long-term business resilience. The Group has integrated ESG elements into supplier selection, reinforcing our commitment to sustainability.

#### Management Approach

The Group prioritises product quality, timely delivery, reliable service, and competitive pricing when selecting suppliers.

#### Supplier Qualification and Classification

The Group operates a structured supplier qualification system governed by a dedicated Supplier Evaluation Panel chaired by the Executive Chairman and CEO, Mr. Ren Letian. The panel conducts formal supplier evaluations twice a year, in May and November, to review the performance of all suppliers on the approved list. Suppliers are classified into three tiers:

- White list: preferred and prioritised for selection;
- Grey list: subject to formal warning and improvement requirements; and
- Black list: disqualified from further engagement.

## SECTION 4: GOVERNANCE PERFORMANCE

The minimum number of qualified suppliers maintained per material or equipment category is usually four to six, with an absolute floor of three, ensuring supply continuity and competitive tension.

New suppliers seeking to join the approved list during a half-year cycle must submit a formal application with supporting qualification documentation, undergo an on-site inspection by designated panel members, and receive panel approval before being added. No department or individual has authority to add suppliers to the list or source outside the approved list without panel authorisation.

### ESG Integration in Supplier Selection

In FY2023, the Group enhanced its supplier qualification process by requiring all suppliers to enter three additional ESG-related agreements: 1) the Shipbuilding Safety Production and Environmental Protection Management Agreement, 2) the Environmental, Occupational Health and Safety, and Energy Management Requirements for Relevant Parties, and 3) the Safety and Environmental Protection Notice. These agreements integrate minimum environmental, safety, and energy management standards as formal conditions of supplier qualification.

### Supplier ESG Performance Data Collection

In FY2025, the Group advanced its supplier sustainability engagement by formally commencing the collection of ESG performance data from key suppliers. The data collection focuses on core environmental, social, and governance indicators, with full coverage achieved for priority suppliers.

The Group intends to further systematise and digitalise this process in 2026, progressively extending ESG data collection across the broader supply chain.

### Supplier Spend Profile

The Group's procurement spend is concentrated in six categories:

- Steel and plate materials represent the largest share at approximately 45-50% of total supplier expenditure, reflecting the material-intensive nature of shipbuilding.
- Marine equipment accounts for approximately 25-30%.
- Outfitting and interior works approximately 8-12%.
- Electromechanical components and general parts approximately 5-8%.
- Services approximately 3-5%.
- Other categories approximately 1-2%.

### Supplier Reassessment

The Group conducts supplier qualification reassessment twice a year, aiming to ensure ongoing compliance with its quality, delivery, and ESG standards. Core suppliers are subject to lower turnover given their strategic importance, while non-core suppliers are managed with greater flexibility. The primary criteria for supplier replacement include product quality failures, delivery reliability concerns, cost competitiveness, technical fit, and compliance or supply chain security considerations.

## SECTION 4: GOVERNANCE PERFORMANCE

### 7. GOVERNANCE FACTBOOK

#### Board of Directors (As of 31 December 2025)

Name of Directors	Board Membership	Appointment Date
Ren Letian	Executive Chairman and Chief Executive Officer	30-Apr-2020
Yee Kee Shian, Leon	Independent and Non-Executive Director	01-May-2022
Liu Hua	Non-Independent and Non-Executive Director	04-Aug-2022
Poh Boon Hu Raymond	Independent and Non-Executive Director	02-Feb-2023
Yee Chia Hsing	Independent and Non-Executive Director	25-Apr-2024

#### ESG Committee Composition (As of 31 December 2025)

Position/Committee	Audit and Risk Committee	Remuneration Committee	Nominating Committee	ESG Committee
<b>Chairman</b>	Yee Chia Hsing	Poh Boon Hu Raymond	Yee Kee Shian, Leon	Ren Letian
<b>Member</b>	Yee Kee Shian, Leon	Yee Kee Shian, Leon	Liu Hua	Zhang Hongfei
<b>Member</b>	Liu Hua	Liu Hua	Poh Boon Hu Raymond	Liu Hua
<b>Member</b>	Poh Boon Hu Raymond	Yee Chia Hsing	Yee Chia Hsing	Kathy Zhang Chengshuang

#### Ethical Training Statistics (2023 – 2025)

Category	2023	2024	2025
Total training hours	56,857	64,086	<b>91,347</b>
Total number of employees	7,108	8,012	<b>9,135</b>
Average training hours per employee	8	8	<b>10</b>

Note: Ethical training covers training for bribery and anti-corruption.

## SECTION 5: APPENDIX

### GRI CONTENT INDEX

Page 39 Topic	GRI Disclosures	GRI Content	Page Reference
<b>GRI 2: General Disclosures 2021</b>			
The organisation and its reporting practices	2-1	Organisational details	Annual Report – pg. 1-3
	2-2	Entities included in the organisation's sustainability reporting	pg. 1-2
	2-3	Reporting period, frequency, and contact point	pg. 2
Activities and workers	2-6	Activities, value chain, and other business relationships	pg. 78-83
	2-7	Employees	pg. 84-88
Governance	2-9	Governance structure	pg. 22-25
	2-10	Nomination	pg. 90
	2-11	Chair of the highest governance body	pg. 98
	2-12	Roles of the highest governance body	pg. 22
	2-14	Role of the highest governance body in sustainability reporting	pg. 22
	2-16	Communication of critical concerns	pg. 19-20, 80, 95-96
	2-17	Collective knowledge of the highest governance body	pg. 90
	2-18	Evaluation of the performance of the highest governance body	pg. 90
Strategy, policies, and practices	2-22	Statement on sustainable development strategy	pg. 4-5
	2-23	Policy commitments	pg. 3-5
	2-24	Embedding policy commitments	pg. 3-5
	2-25	Process to remediate negative impacts	pg. 12-20
	2-26	Mechanisms for seeking advice and raising concerns	pg. 80, 95-96
	2-27	Compliance with laws and regulations	pg. 1
Stakeholder engagement	2-29	Approach to stakeholder engagement	pg. 19-20

## SECTION 5: APPENDIX

Page 39 Topic	GRI Disclosures	GRI Content	Page Reference
<b>GRI 3: Material Topics 2021</b>			
Disclosures on material topics	3-1	Process to determine material topics	pg. 7-11
	3-2	List of material topics	pg. 8-18
	3-3	Management of material topics	pg. 8-18
<b>GRI 201: Economic Performance 2016</b>			
Economic performance	201-1	Direct economic value generated and distributed	pg. 83-84
	201-3	Defined benefit plan obligations	pg. 83-84
	201-4	Financial assistance received from government	pg. 83-84
<b>GRI 203: Indirect Economic Impacts 2016</b>			
Indirect economic impacts	203-1	Infrastructure investments	pg. 70-72
	203-2	Significant indirect economic impacts	pg. 87
<b>GRI 205: Anti-corruption 2016</b>			
Anti-corruption	205-1	Operations assessed for risks related to corruption	pg. 90-94
	205-2	Communication and training about anti-corruption	pg. 94-97
<b>GRI 301: Materials 2016</b>			
Materials	301-3	Packaging materials	pg. 65
<b>GRI 302: Energy 2016</b>			
Energy	302-1	Energy consumption within the organisation	pg. 62-64, 69-74
	302-3	Energy intensity	pg. 69-74
	302-4	Reduction of energy consumption	pg. 62-64, 69-74

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Page 39 Topic	GRI Disclosures	GRI Content	Page Reference
<b>GRI 303: Water and Effluents 2018</b>			
Water	303-1	Interactions with water as a shared resource	pg. 70-71, 75
	303-2	Management of water discharge-related impacts	pg. 70-71
	303-3	Water withdrawal	pg. 75
	303-4	Water discharge	pg. 75
	303-5	Water consumption	pg. 75
<b>GRI 305: Emissions 2016</b>			
Emissions	305-1	Direct (Scope 1) GHG emissions	pg. 57-58, 73-74
	305-2	Energy indirect (Scope 2) GHG emissions	pg. 57-58, 73-74
	305-4	Reduction of GHG emissions	pg. 64-68
<b>GRI 306: Waste 2020</b>			
Waste	306-1	Waste generation and significant waste-related impacts	pg. 71-72, 76
	306-2	Management of significant waste-related impacts	pg. 71-72, 76
	306-3	Waste generated	pg. 71-72, 76
	306-4	Waste diverted from disposal	pg. 71-72, 76
	306-5	Waste directed to disposal	pg. 71-72, 76
<b>GRI 401: Employment 2016</b>			
Employment	401-1	New employee hires and employee turnover	pg. 86, 104
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pg. 80
<b>GRI 404: Training and Education 2016</b>			
Training and Education	404-1	Average hours of training per year per employee	pg. 85
	404-2	Programs for upgrading employee skills and transition assistance programs	pg. 78-79

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Page 39 Topic	GRI Disclosures	GRI Content	Page Reference
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	pg. 84, 98, 104
<b>GRI 406: Non-discrimination 2016</b>			
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	0
<b>GRI 408: Child Labour 2016</b>			
Child labour	408-1	Operations at significant risk for incidents of child labour	pg. 80
<b>GRI 409: Forced or Compulsory Labour 2016</b>			
Forced or Compulsory Labour	409-1	Operations at significant risk for incidents of forced or compulsory labour	pg. 80
<b>GRI 410: Security Practices 2016</b>			
Security practices	410-1	Security personnel trained in human rights policies or procedures	pg. 80
<b>GRI 413: Local Communities 2016</b>			
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	pg. 81-83
<b>GRI 415: Public Policy 2016</b>			
Public policy	415-1	Political contributions	pg. 83-84

Note: GRI has released two new Topic Standards, GRI 102: Climate Change 2025 and GRI 103: Energy 2025, which will replace GRI 302: Energy 2016, GRI 305: Emissions 2016, and Disclosure 201-2 from GRI 201: Economic Performance 2016, effective for reporting periods beginning 1 January 2027. The Group's FY2025 report has been prepared with reference to the current applicable standards. The Group intends to adopt GRI 102 and GRI 103 in its FY2026 reporting cycle and is currently preparing the necessary data and materials to support the expanded disclosure requirements, including Scope 3 emissions reporting.

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## SGX SUSTAINABILITY REPORTING INDEX

No.	Component	Page Reference
1	Material ESG Factors	pg. 8-18
2	Climate-Related Disclosures	pg. 22-75
3	Policies, Practices and Performance	pg. 12-18
3.1	<i>Research and Development in Clean Technology</i>	pg. 13, 64-68
3.2	<i>Toxic Emissions and Waste Management Strategy</i>	pg. 16, 71-73
3.3	<i>Corporate Governance</i>	pg. 14, 90
3.4	<i>Sustainable Supply Chain Management</i>	pg. 15, 98-99
3.5	<i>Labour Management Policy</i>	pg. 17, 80
3.6	<i>GHG Emissions</i>	pg. 18, 57-58, 73-74
3.7	<i>Digital Transformation</i>	pg. 18, 67-68
3.8	<i>Occupational Health and Safety</i>	pg. 12, 82
3.9	<i>Business Ethics</i>	pg. 15, 94-95
3.10	<i>Diversity, Equality and Care</i>	pg. 14, 78
4	Targets	pg. 12-18
5	Sustainability Reporting Framework	pg. 1
6	Board Statement and Associated Governance Structure for Sustainability Practices	pg. 3, 22-25

## SECTION 5: APPENDIX

### SGX LIST OF CORE ESG METRICS

#### Environment

Topic	Metric	Unit	FY2025 Disclosure/ Page Reference
Greenhouse Gas Emissions	Absolute emissions: Total	tCO <sub>2</sub> e	264,330.33
	Absolute emissions: Scope 1	tCO <sub>2</sub> e	75,619.34
	Absolute emissions: Scope 2	tCO <sub>2</sub> e	188,710.99
	Absolute emissions: Scope 3, if appropriate	tCO <sub>2</sub> e	Not applicable
	Emissions intensity	tCO <sub>2</sub> e/USD'mln sales	59.12
Energy Consumption	Total energy consumption	GJ	1,448,950.28
	Energy consumption intensity	GJ/USD'mln sales	324.07
Water Consumption	Total water consumption	m <sup>3</sup>	4,708,863
	Water consumption intensity	m <sup>3</sup> /USD'mln sales	1,053.18
Waste Generation	Total waste generated	tonne	23,946.93

#### Social

Topic	Metric	Unit	FY2025 Disclosure/ Page Reference
Gender Diversity	Current employees by gender	%/number	Male: 81.07% Female: 18.93%
	New hires by gender	%/number	Male: 86.73% Female: 13.27%
	Turnover by gender	%/number	Male: 86.48% Female: 13.52%
Age-Based Diversity	Current employees by age groups	%/number	<30 years old: 24.62% 30-50 years old: 62.44% >50 years old: 12.94%
	New hires by age groups	%/number	<30 years old: 46.78% 30-50 years old: 52.39% >50 years old: 0.83%
	Turnover by age groups	%/number	<30 years old: 44.09% 30-50 years old: 52.19% >50 years old: 3.72%
Employment	Total turnover	number and/or %	New hires: 2,234 Turnover: 3,292
	Total number of employees	number	9,135

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Topic	Metric	Unit	FY2025 Disclosure/ Page Reference
Development and Training	Average training hours per employee	hours/employee	50
	Average training hours per employee by gender	hours/employee	52
Occupational Health and Safety	Fatalities	number of cases	0
	High-consequence injuries	number of cases	0
	Recordable injuries	number of cases	130
	Recordable work-related ill health cases	number of cases	N/A

- \* Turnover by gender is calculated based on (turnover within a gender group/total turnover)
- \* Turnover by age group is calculated based on (turnover within an age group/total turnover)
- \* The Group does not currently track recordable work-related ill health cases; data is not available for the reporting period.

Governance

Topic	Metric	Unit	FY2025 Disclosure/ Page Reference
Board Composition	Board independence	%	60.0%
Board Composition	Women on the board	%	20.0%
Management Diversity	Women in the management team	%	0.0%
Ethical Behaviour	Anti-corruption disclosures	narrative/number	pg. 95-96
Ethical Behaviour	Anti-corruption training for employees	%	100%
Certifications	List of relevant certifications	list	ISO 9001 ISO 14001 ISO 45001 ISO 50001 GB/T23331 GB/T29490 GB/T23001 T/AITRE 10003
Alignment with Frameworks	Alignment with frameworks and disclosure practices	narrative	GRI IFRS S2 Climate-related Disclosures UN SDGs SGX Sustainability Reporting Guide
Assurance	Assurance of sustainability report	internal/external/none	The report was reviewed and approved by the Board and ESG Committee and will undergo internal audits following its publication.

## SECTION 5: APPENDIX

### IFRS S2 INDEX

#### Governance

IFRS S2 Requirement	Page/Status
<b>10(a)</b> – Describe the governance body(ies) or individual(s) responsible for oversight of climate-related risks and opportunities	pg. 22-25
<b>10(b)</b> – Describe management’s role in the governance of climate-related risks and opportunities	pg. 22-25
<b>11</b> – How the governance body(ies) is informed about climate-related risks and opportunities, and how it oversees related strategies, decisions, and risk management	pg. 22-25
<b>12</b> – How management’s role in governance is monitored by the governance body	pg. 22-25
<b>13</b> – Whether and how climate-related performance metrics are incorporated into remuneration policies	Partially Disclosed – The Group recognises the importance of aligning remuneration with climate commitments. Formal linkage to be progressively developed.

#### Strategy

IFRS S2 Requirement	Page/Status
<b>14(a)</b> – Describe climate-related risks and opportunities the entity has identified over the short, medium, and long term	pg. 26-28
<b>14(b)</b> – Explain how the entity defines short, medium, and long term and why those definitions are appropriate	pg. 29
<b>14(c)</b> – Describe the effects of climate-related risks and opportunities on the entity’s business model and value chain	pg. 30-37
<b>14(d)</b> – Describe the effects on the entity’s strategy and decision-making, including transition plans and climate targets	pg. 37-42
<b>14(e)</b> – Describe the effects on the entity’s financial position, financial performance, and cash flows, and any financial estimates and assumptions impacted by climate-related risks and opportunities	Partially Disclosed – Financial impacts are disclosed qualitatively. Quantitative financial impact assessment is deferred to future reporting periods as modelling capabilities are developed.
<b>14(f)</b> – Describe the climate resilience of the entity’s strategy and business model	pg. 44-51
<b>15</b> – Disclose the entity’s climate-related transition plan, if it has one	Deferred – The Group does not have a formal Climate Transition Plan in place for FY2025. Development of a formal plan is underway and will be disclosed in a future reporting period.
<b>22</b> – Disclose the climate scenarios used, including key inputs and assumptions	pg. 42-43
<b>Comparative period disclosures</b>	Deferred – As this is the Group’s inaugural year of IFRS S2 adoption, comparative prior-period disclosures prepared on an equivalent basis are not available. Comparative disclosures will be provided from FY2026 onwards.

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IFRS S2 Requirement	Page/Status
<b>25(a)</b> – Describe the processes and related policies used to identify climate-related risks and opportunities	pg. 43
<b>25(b)</b> – Describe the processes used to assess and prioritise climate-related risks	pg. 43-50, 54
<b>25(c)</b> – Describe the processes used to monitor climate-related risks	pg. 43-50, 55-56
<b>25(d)</b> – Describe how processes for identifying, assessing, prioritising, and monitoring climate-related risks are integrated into and inform the entity’s overall risk management process	pg. 52, 54-56
<b>25(e)</b> – Describe how processes for identifying, assessing, and managing climate-related opportunities are used	pg. 51

Metrics and Targets

IFRS S2 Requirement	Page/Status
<b>29(a)</b> – Disclose absolute Scope 1 GHG emissions	pg. 56-58
<b>29(b)</b> – Disclose absolute Scope 2 GHG emissions	pg. 56-58
<b>29(c)</b> – Disclose absolute Scope 3 GHG emissions	Deferred – Scope 3 boundary definition and data collection methodology are still under development. The Group has reported Scope 3 data on a non-public basis through the CDP climate disclosure platform since FY2023. Formal disclosure will be introduced in line with the applicable SGX regulatory timeline.
<b>29(d)</b> – Disclose GHG emissions expressed as a ratio (intensity metric)	pg. 56-58
<b>29(e)</b> – Disclose the approach used to measure GHG emissions (methodology, scope, assumptions)	pg. 56-58
<b>29(f)</b> – Disclose GHG emissions data for prior periods	Deferred – As this is the Group’s inaugural year of IFRS S2 adoption, comparative prior-period GHG disclosures prepared on an equivalent IFRS S2 basis are not available. GHG data for FY2023 and FY2024 are disclosed as baseline and prior-year comparatives under the Group’s existing reporting methodology. Comparative disclosures on a full IFRS S2 basis will be provided from FY2026 onwards.
<b>33</b> – Disclose cross-industry metric categories: climate-related physical and transition risks, climate-related opportunities, capital deployment, and internal carbon prices	pg. 57-62
<b>34</b> – Disclose industry-based metrics (SASB Industrial Machinery and Goods)	pg. 62-64
<b>36-37</b> – Disclose climate-related targets, including the metrics used, defined time horizons, base periods, and progress made	pg. 64



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