

YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.

Company Registration No: 200517636Z
(Incorporated in the Republic of Singapore)
(the “Company” or “Group”)

MINUTES OF ANNUAL GENERAL MEETING

Date and time : Monday, 18 April 2022 at 3.00 p.m.
Place : Held by way of electronic means through a live webcast
Present : Please see attendance list attached hereto.
In Attendance : Please see attendance list attached hereto.

INTRODUCTION

Mr Ren Letian (“Mr Ren”), the Chairman of the Meeting (“Chairman”) welcomed the Shareholders of the Company (“Shareholders”) to the Annual General Meeting (“AGM” or the “Meeting”) of Yangzijiang Shipbuilding (Holdings) Ltd. (the “Company, and together with its subsidiaries, the “Group”) convened and held by way of electronic means.

The Chairman expressed regret that Shareholders were not able to attend the AGM physically due to COVID-19 circumstances and thanked them for their virtual attendance.

QUORUM

As a quorum in accordance with the Company’s Constitution was present, the Chairman called the Meeting to order.

INTRODUCTION

A short explanatory video on the conduct of Q&A and poll voting was presented to the Shareholders. Thereafter, Ms Jass Lim (“Ms Lim”), emcee of the Meeting introduced the Directors, key management personnel of the Company and relevant parties who present at the Meeting, attending in person and via live webcast.

PRESENTATION BY THE EXECUTIVE CHAIRMAN AND CEO

Ms Lim invited Mr Ren Letian (“Mr Ren”), Executive Chairman and Chief Executive Officer (“CEO”) of the Group to make a presentation on the Group’s business outlook and performance review for the financial year ended 31 December 2021.

In relation to the business outlook, Mr Ren mentioned that the Group’s shipbuilding business remain healthy. As environmental regulation strengthens worldwide, the Group aims to stay ahead of this trend and will continue its efforts to develop strong shipbuilding capabilities within the clean energy sector and Yangzijiang remains confident to further capture market share.

QUESTIONS FROM SHAREHOLDERS

Ms Lim informed the Shareholders that the Company have selected several questions that represent the topics that Shareholders are most interest in, and the substantial questions from Shareholders and the Company's response to the questions were:

1. Can the Management further explain to the Shareholders to have a better understand on the sentiments on the ground in the Group's shipyards in Jiangsu with regard to the COVID situation?

The COVID situation in Jiangsu is less severe than certain parts of China such as Shanghai, and Jiangsu is currently not under lockdown.

However, there are restrictions which have resulted in disruptions to the operations of the Group's shipyards. There have been mobility restrictions on cross-cities movements and workers travelling between cities may be subject to an isolation period. As a result, workers must stay within the same city and the Group has made relevant arrangements for its workers. COVID-related restrictions have also led to logistics challenges and have impacted the transport of raw materials across cities. Despite logistics challenges, operations at our shipyards continues to run smoothly.

Overall, the productivity of the Group's shipyards have decreased but the Group will continue to mitigate potential disruptions to its business operations.

2. How is Management monitor and manage the risk of the transmission of COVID-19 in its shipyards?

The Group is working closely with the local government to provide accommodation to our workers at our hostels or within the shipyards and continue to support our workers in quarantine when they travel between cities or when they are tested positive for COVID-19. All eligible employees have been vaccinated and the Group's shipyards continue to observe social distancing measures in-line with governmental regulations.

3. What is the risk of significant project delays due to COVID related health measures, including lockdowns?

The Group remains on track to meet its delivery schedule for 1H2022. The Group will continue to monitor the situation closely to prevent disruptions to our delivery schedule and maintain constant communication with our customers to keep them updated on the delivery of vessels.

4. What were the average utilisation rates at its shipyards? How much more growth can the shipyards support without additional significant capital expenditure?

All shipyards of the Group are running at full utilization rate. The Group reactivated the Changbo shipyard in 2021 to increase shipbuilding capacity and it can deliver an additional six to eight small to mid-sized vessels in a year.

5. How the Group manage the rising cost of raw materials? Are the hedging strategies effective?

Higher steel prices have accounted for bulk of rise in raw material costs in FY2021. However, there are no instruments to allow the Group to hedge its steel input costs in China and the Group purchases steel three to six months ahead of construction of vessels.

Given that bulk of its orderbook are USD-denominated contracts, the Group hedges approximately 40% of its USD exposure. The Group also has a natural USD hedge for about 20% of the contract value as key machinery parts are priced in USD.

6. How much of the increase of expenses is due to higher manpower costs?

The Group recorded higher shipbuilding activities in FY2021 and delivered 50 vessels as compared to 45 vessels in FY2020. As a result, the Group recorded a higher shipbuilding revenue of RMB13,198 million in FY2021 as compared to RMB9,970 million of FY2020.

The Group also reactivated operations at Jiangsu Yangzi Changbo Shipbuilding Co., Ltd (“Changbo”) to increase its shipbuilding capacity in 2021. Higher expenses recorded in FY2021 were attributable to increased manpower, shipbuilding capacity and in line with higher shipbuilding activities.

7. Are there avenues to extend the tax benefit of “High and New Technology Enterprise” (“HNTE”) certification to allow Jiangsu New Yangzi Shipbuilding Co., Ltd (“JNYS”) and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd (“JXF”) to continue to benefit from the reduced income tax rate of 15%?

Both Jiangsu New Yangzi Shipbuilding Co., Ltd (“JNYS”) and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd (“JXF”) continue to benefit from the reduced income tax rate of 15% under the HNTE certification. Both JNYS and JXF will soon submit applications to relevant regulatory authorities to extend the tax benefit.

8. How much will the Group be committing to the maritime R&D center in Singapore?

The long-term strategic plan of the Group is to increase R&D investments within China and overseas, especially within green vessels technologies and one of the initiatives would be to set up a maritime R&D center in Singapore. The Group is still in discussions with relevant parties, and we will disclose more details once the Group sees greater clarity.

9. Did the Nominating Committee (“NC”) consider how the proposed re-election of Teo Yi-dar (Zhang Yida) and the proposed continued appointment of Chen Timothy Teck Leng @Chen Teck Leng as a long-tenured independent director will delay the progressive renewal of the board?

The NC has proposed for the re-election of Teo Yi-dar and Chen Timothy Teck Leng in 2021 and 2022 respectively after considering their expertise and experience and is of the view that they will continue to contribute value to the Group as directors, and the board concurs with NC’s view.

However, The Group is committed to improving its corporate governance and will look to increase board diversity as part of its push for ESG, including a progressive renewal for the board.

10. What is the search and nomination process for Directors, especially Independent Directors? How widely did the NC cast its net to identify potential Director(s)?

The NC is committed to building a well-balanced board with focus on diversity, different skillsets and expertise. The search and nomination process for new Directors will be through contacts, recommendations, recruiting companies and all of the shortlisted candidates will be evaluated by the NC against desired profiles of new Directors.

Ms Lim informed the Shareholders that the above Q&A would be published on the website of the Company. After the conclusion of the Q&A, Ms Lim invited Mr Lee Wei Hsiung (“Mr Lee”), the Company Secretary of the Company, to further proceed with the agenda of the Meeting.

NOTICE OF MEETING

The Notice dated 1 April 2022 convening the Meeting, having been in the hands of Shareholders for the requisite period, with the concurrence of the Meeting, was taken as read.

Mr Lee informed the Shareholders that the resolutions tabled at this Meeting would be decided by poll based on proxy votes received before the Meeting and live votes at the Meeting. He also informed the Shareholders that in the capacity of the Chairman of the Meeting, the Chairman had accepted the appointment as proxy by Shareholders and he would be voting in accordance with their instructions if valid instructions had been given in the proxy form. All resolutions tabled at the Meeting were proposed by the Chairman as a proxy.

Mr Lee further informed that, for the conduct of the poll, Sino-Lion Communications Pte. Ltd., the appointed Scrutineer for this Meeting, had independently verified all votes received for the resolutions tabled. Mr Lee will present the resolutions and the poll results.

ORDINARY BUSINESS:

RESOLUTION 1: AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 AND DIRECTORS’ STATEMENT TOGETHER WITH THE INDEPENDENT AUDITOR’S REPORT

The first item on the agenda was to receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 and the Directors’ Statement together with the Independent Auditors’ Report. The Annual Report of the Company which comprises the Audited Financial Statements for the financial year ended 31 December 2021 and the Directors’ Statement together with Independent Auditors’ Report thereon, has been circulated to Shareholders for the requisite period.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 100%
Votes AGAINST – not meaningful

Mr Lee declared Resolution 1 was duly carried.

RESOLUTION 2: DECLARATION AND PAYMENT OF TAX EXEMPT (ONE-TIER) FINAL DIVIDEND

The second item on the agenda was to approve the payment of a tax exempt (one-tier) final dividend of S\$0.05 per ordinary share in respect of the financial year ended 31 December 2021.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 100%
Votes AGAINST – not meaningful

Mr Lee declared Resolution 2 was duly carried.

**RESOLUTION 3:
PAYMENT OF DIRECTORS' FEES TO NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The third item on the agenda was to approve the payment of S\$163,333 as Directors' fees in respect of the financial year ended 31 December 2021.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 100%
Votes AGAINST – not meaningful

Mr Lee declared Resolution 3 was duly carried.

**RESOLUTION 4:
RE-ELECTION OF MR TEO YI-DAR (ZHANG YIDA) AS DIRECTOR**

Item 4 on the agenda was to approve the re-election of Mr Teo Yi-dar (Zhang Yida) as Director of the Company. Mr Teo Yi-dar (Zhang Yida) who was retiring under Article 94 of the Company's Constitution, had signified his consent to continue in office and being eligible, he has offered himself for re-election.

Upon re-election as a Director of the Company, Mr Teo Yi-dar (Zhang Yida) would remain as the Lead Independent Director, Chairman of the Remuneration and Nominating Committee and a member of the Audit Committee.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 81.03%
Votes AGAINST – 18.97%

Mr Lee declared Resolution 4 was duly carried.

**RESOLUTION 5:
CONTINUED APPOINTMENT OF MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG AS AN INDEPENDENT DIRECTOR, FOR PURPOSE OF RULE 210(5)(D)(III)(A) OF THE SGX-ST (WHICH WILL TAKE EFFECT FROM 1 JANUARY 2022)**

Item 5 on the agenda was to approve the continued appointment of Mr Chen Timothy Teck-Leng @ Chen Teck Leng as an Independent Director, for the purpose of SGX's Listing Manual, Rule 210(5)(d)(iii)(a), which will take effect from 1 January 2022.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 99.44%
Votes AGAINST – 0.56%

Mr Lee declared Resolution 5 was duly carried.

**RESOLUTION 6:
CONTINUED APPOINTMENT OF MR CHEN TIMOTHY TECK-LENG @ CHEN TECK LENG AS AN
INDEPENDENT DIRECTOR, FOR PURPOSE OF RULE 210(5)(D)(III)(B) OF THE SGX-ST (WHICH
WILL TAKE EFFECT FROM 1 JANUARY 2022)**

Item 6 on the agenda was to approve the continued appointment of Mr Chen Timothy Teck-Leng @ Chen Teck Leng as an Independent Director, for the purpose of SGX's Listing Manual, Rule 210(5)(d)(iii)(b), which will take effect from 1 January 2022.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 99.15%
Votes AGAINST – 0.85%

Mr Lee declared Resolution 6 was duly carried.

**RESOLUTION 7:
RE-APPOINTMENT OF AUDITORS**

Item 7 on the agenda was to re-appoint the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The retiring auditors, Messrs PricewaterhouseCoopers LLP, had expressed their willingness to continue in office.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 99.65%
Votes AGAINST – 0.35%

Mr Lee declared Resolution 7 was duly carried.

**SPECIAL BUSINESS:
RESOLUTION 8:
AUTHORITY TO ALLOT AND ISSUE SHARES**

Mr Lee informed the Meeting that they have come to the special business of this Meeting. Resolution 8 was to seek Shareholders' approval to grant authority to the Directors of the Company to issue shares pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the Singapore Exchange Securities Trading Limited.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 80.74%
Votes AGAINST – 19.26%

Mr Lee declared Resolution 8 was duly carried.

**RESOLUTION 9:
RENEWAL OF SHARE PURCHASE MANDATE**

The last item on the agenda was to seek the Shareholders' approval for the renewal of the general and unconditional mandate given to the Directors of the Company to purchase or otherwise, acquire the shares of the Company on the terms of such mandate.

Mr Lee reported that based on the vote by poll, the results were as follows:

Votes FOR – 99.97%
Votes AGAINST – 0.03%

Mr Lee declared Resolution 9 was duly carried.

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting closed at 3.35 p.m. He thanked all Shareholders for their attendance and support.

Confirmed as True Record of Proceedings

Ren Letian
Chairman of the Meeting