



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

CHARTING SUSTAINABLE GROWTH

SUSTAINABILITY REPORT

2021



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A Globally Leading Shipbuilding Group

As one of the top shipbuilders, Yangzijiang is growing its capabilities in medium to large-sized containerships, dry bulkers and green energy vessels. Innovation is one of Yangzijiang's key principles – the company consistently invests in R&D and adopts cutting-edge technology to design and build good quality vessels.



Astute Financial Risk Management

Net cash position with cash reserves of RMB 12.4 billion as at 31 December 2021. A robust and healthy balance sheet will enable the Group to capitalise on market opportunities to ensure sustainable business growth.



Green Shipping Commitment

R&D headcount accounts for 11.2% of our total staff strength and we remain committed to strengthening LNG-related capabilities. Yangzijiang supports reducing carbon emissions and is contributing to the industry's sustainability-driven transition. The company is committed to building green factory systems and delivering green energy vessels.

Yangzijiang is committed to continuously integrate and improve sustainability practices across our business operations, and considers sustainability issues as part of our long-term strategy formulation. Ultimately, our success is interwoven with the successes of all our stakeholders.



01 / Introduction

About This Report

This report summarises the financial and operational performance and activities of Yangzijiang Shipbuilding (Holdings) Limited (or the 'Group') and its sustainability efforts carried out for the financial year ended 31 December 2021. Our reporting framework will be in accordance with the Global Reporting Initiative ('GRI') Standards – Core Option, established by the GRI in 2016.

It is also prepared in accordance with Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rules, including rules 711A and 711B on Sustainability Report and relevant SGX Practice Notes on Sustainability Reporting Guide.

The consolidated financial statements mainly include the financial performance of the following subsidiaries:

- Jiangsu New Yangzi Shipbuilding Co., Ltd ("New Yangzi")
- Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd ("Xinfu")
- Jiangsu Yangzijiang Shipbuilding Co., Ltd ("Jiangsu Yangzijiang")
- Jiangsu Yangzijiang Offshore Engineering Co., Ltd ("JYOEC")
- Yangzijiang Shipping Pte., Ltd ("Yangzijiang Shipping") and its subsidiaries

Assurance

There is currently no external assurance for this report but data included in this report is reported to the best of our knowledge and have gone through rigorous internal review and approval.

Feedback

We welcome all feedback on this report. Please address all feedback to kamal@financialpr.com.sg.

02 / Corporate Profile

About Us

Yangzijiang Shipbuilding (Holdings) Limited (or 'the Group') is incorporated in the Republic of Singapore. The Group has been publicly listed on the Mainboard of Singapore Exchange since 2007.

The Group is primarily engaged in constructing commercial vessels including containerships and dry bulk carriers, and is actively building up its capabilities in the design and construction of mid-sized LNG carriers. Its customers are primarily ship owners from Canada, United Kingdom, Germany, France, Greece, Norway, Argentina, Turkey, Bulgaria, Poland, Australia, Japan, South Korea, Singapore, India, Thailand, Bangladesh, Mainland China, Hong Kong, Taiwan, etc.

It also has the following businesses that support its core shipbuilding business:

- Fabrication of large-scale steel structures
- Shipping logistics and vessel chartering
- Ship design

The Group is headquartered in Jingjiang Industrial Park, Jingjiang City, Jiangsu Province, China. The Group has four shipyards in the vicinity, which are strategically located along the Yangtze River. It has about 7,098 full-time employees as of 31 March 2022.

Highlights (RMB'000)	FY2019	FY2020	FY2021
Revenue	23,597,175	14,841,266	16,767,906
Total Assets	45,756,122	44,910,661	51,612,264
Total Liabilities	13,701,597	11,534,146	15,550,699
Shareholders' Equity	31,095,631	32,342,355	35,923,416
Vessels Delivered	59	45	50

The Group's revenue distribution based on customer locations is as follows:

Revenue by countries			
(RMB'000)	FY2019	FY2020	FY2021
PRC & Taiwan	13,340,227	9,362,074	13,921,652
Germany	523,960	264,300	481,228
Greece	2,242,247	1,524,814	-
Other European Countries	4,757,562	2,235,001	187,341
Other Asian Countries	1,232,848	411,272	287,365
North America	68,396	-	139,712
Norway	895,860	841,145	66,947
Korea	404,811	4,321	19,033
Others	131,264	198,339	1,664,628
Total	23,597,175	14,841,266	16,767,906

Our Vision

We are committed to building ships that represent the highest global industry standards and we aspire to be the world's leading shipbuilding group.

Our Mission

We are committed to being a responsible publicly-listed organisation that fulfils the potential of our employees, delivers high-quality ships to our customers, drive shareholders' value, and contributes to the society as a responsible corporate citizen.

Core Values

Dedication, Efficiency, Excellence, Integrity, Responsibility.



03 / CEO Message



The pandemic has sparked solidarity among people to make concrete changes towards a better world. In the face of many unprecedented challenges and changes ahead, we are strengthening our commitment to sustainability. The FY2021 sustainability report details our dedication to decarbonizing the shipping industry while driving sustainable value and growth for our employees, customers, shareholders and the community at large.

In 2021, COVID-19 continued to impact the global economy, causing significant disruptions from labour shortages to supply chain disruptions. Despite these profound challenges, Yangzijiang secured a record USD7.41 billion in contract wins during the year under review and USD8.50 billion in orderbook value as of 31 December 2021. Moving forward, we are renewing our focus towards sustainability, and committed to decarbonising the shipping industry towards net-zero goals. To stay relevant, Yangzijiang is ready to step up to the challenge and reshape the industry's future, capitalising on available opportunities.

In the global race towards carbon neutrality, it is our responsibility as one of the largest private shipbuilding groups in China to invest in green vessels for a greener future. In the past year, we've set out on many steps towards sustainability. For example, our dual-fuel ships accounted for more than 30% of new orders in our orderbook, reaching international standards. We also constructed an energy storage power station with the annual power generation capacity of 48.75 million kW solar power, as another one of our many green measures in the pipeline. This year, as a testament to our goals, we will continue to develop our operational strategies in our shipyards in Jiangsu Province, China, fulfilling environmental, social and governmental goals that we set out for ourselves.

Sustainability and strategy are tightly linked, encouraging us to continue leveraging on and honing the expertise of our Board of Directors as we closely pursue our sustainability goals. In 2022, we added Mr Yee Kee Shian, Leon to the Board as Independent Non-Executive Director – he will now join a highly skilled and experienced list of Board Members who offer invaluable insight into every stage of the business. Through board rejuvenations, independent directors will effectively constitute the majority of the Board. We would also like to extend our gratitude to Mr. Xu Wen Jiong, who has left the Board from his position as Non-Independent Non-Executive Director on 18 April 2022. We would also like to thank Mr. Song Shuming and Mr. Toe Teow Heng, who stepped down from the Board in December 2021. With changes and transitions abounding, we remain steadfastly committed to driving better performance for a more sustainable future, while achieving sustainable growth for our stakeholders, drawing on our strong corporate governance and accountability. To make future headway on our sustainability goals, effective stakeholder engagement will be essential for the Group to embrace new opportunities and achieve carbon neutrality.

03 / CEO Message

As our business moves towards decarbonising the shipping industry, Yangzijiang recognises that it is crucial for us to strengthen our environmental, social and governance (ESG) practices. We will continue to expand our research and development in green energy vessels, develop our LNG tanks, fuel storage and supply systems to meet or exceed International Maritime Organisation ("IMO") guidelines. Navigating socio-economic uncertainty and responding to the aftershocks of the pandemic requires resilience and innovation, spurring us to extend our research and development capabilities beyond our local context. To accelerate its capabilities in green ship technology, Yangzijiang is in the midst of setting up its first R&D centre in Singapore, opening up greater access to a wide network of R&D specialists located in one of the world's most developed maritime hubs, ultimately improving our standing as a global leading shipbuilder that continuously shifts boundaries in sustainability.

Our work has always been guided by a clear mission to drive shareholders' value and deliver high-quality ships to our customers, while contributing to society as a responsible corporate citizen. We recognise the deep value that our shareholders place in us. To better serve our shareholders, we have spun-off our investment segment, Yangzijiang Financial Holding ("YZJFH"). This listing will enable us to unlock value for shareholders and strengthen corporate governance within the Group. YZJFH will be focused on expanding the fund and wealth management business, and expanding geographically outside of Greater China to the Southeast Asian region. Both the Group and YZJFH are led by separate leadership teams in order to allow both entities to pursue new ventures and unlocking deep value for our shareholders.

As we forge forward in these challenging times, the Group believes in developing and solidifying our sustainability agenda to ensure long-term resilience and top-line growth in the maritime industry. By enhancing our focus on sustainable business operations and accelerating the pace of sustainable practices, we believe that our influence as a leading global shipbuilder will help lead the change to a more sustainable industry.

REN LETIAN
Executive Chairman and Chief Executive Officer
Yangzijiang Shipbuilding (Holdings) Ltd



04 / Spin-off of Yangzijiang Financial Holding

Over the years, the investment segment has grown to become a significant pillar of Yangzijiang's business. The Group deployed excess cash into its investment portfolio to generate sustainable returns. The majority of this investment portfolio is highly liquid and provides the Group with great flexibility to allocate cash into shipbuilding business whenever necessary.

Nevertheless, the Board of Directors wanted to unlock values and pursue specialised growth for the investment segment and the shipbuilding business. The Board of Directors proposed a spin-off of its investment segment and received a 100% approval from shareholders in the extraordinary general meeting ("EGM") held on 18 April 2022.

Yangzijiang spun-off its investment segment, Yangzijiang Financial Holding ("YZJFH"), and successfully listed on the Mainboard of the Singapore Exchange ("SGX") on 28 April 2022. All shareholders were automatically entitled to 1-for-1 dividend-in-specie for YZJFH shares.

The Group's Honorary Chairman, Mr Ren Yuanlin, was named as the Executive Chairman of YZJFH. He will lead the new entity to expand its overseas business and diversify the investment portfolio into the fund management field. The two entities are managed independently to derive long-term stable returns to their shareholders.

Following the listing of YZJFH, the Group is now a pure play shipbuilding company with a greater focus on shipbuilding and ESG. We will continue to forge ahead and are confident that we will further advance our business in the clean energy sector.



05 / Sustainability Overview

Our sustainability reporting revolves around the four pillars of sustainability issues under the Global Reporting Standard (GRI) system, namely, economic development, environmental protection, social development, and Corporate Governance. As a summary, we will be discussing the following matters in detail:

i. Economic Contribution

Economic Contribution to China Mainland

Over the years, the Group has consistently supported the development of local community, made tax payments to the government, and derived economic value through R&D and cost-saving.

ii. Environmental Protection

Green Business Operation Flow

Yangzijiang recognises the significance of environmental protection within the shipbuilding procedures. The Group has adopted renewable energy as part of our total energy consumption to reduce pollution and wastes. Moreover, the Group encourages to apply renewable materials, such as steel, to vessels wherever possible. We are committed to protecting the environment we are living and working to ensure long-term sustainable business growth.

Green Shipbuilding Activities

R&D remains the core principle of Yangzijiang's business strategy. The Group strives to capitalise on R&D in processes and materials to mitigate the impact of pollutions from shipbuilding activities on both the environment side and worker health side.

Extending Green Philosophy to Asia

To deepen its presence in Asia, the Group proposed to set up an advanced maritime R&D centre in Singapore with focus on the innovation of green vessel technology, autonomous vessels, cyber-physical simulations, digital twinning and advanced low latency communication systems. The R&D centre is expected to solidify the Group's standing in the green shipbuilding sector. Furthermore, collaborated with the Group's strategic investors, EDB Investments ("EDBI") and Alexandrian Worldwide, the Group is able to capitalise on Singapore's R&D expertise, enabling a wider range of partnerships and greater access to the global cutting-edge technology to advance the Group's capabilities.

iii. Social Development

Inspiring Employees' Potential

Yangzijiang always places the health and safety of our employees as the priority. The Group consistently provides its employees with comprehensive and continuing training opportunities to explore their unreach potential in both personal and professional space. We believe that our people determine our upper limit and their dedications will greatly contribute to our business breakthrough.

Encouraging Diversity and Equality

Yangzijiang values diversity and equality. The Group continues to encourage diversity and gender equality amongst the Board of Directors, Group Management Team and our employees. The Group also supports women's effective participation, their rights to speak out and their equal opportunities for leadership.

Extending Love and Respect to the Community

Yangzijiang is committed to contributing directly to the community. The Group continues to offer welfare through the Yuanlin Charity Foundation, solely funded by our Honorary Chairman Mr Ren Yuanlin with his annual dividend from his shareholdings in Yangzijiang.

iv. Corporate Governance

Fairness, Justness, and Transparency

Yangzijiang regards corporate governance as the solid foundation of our business. Fairness, justness and transparency are three key pillars that support our advancement. Mr Xu Wen Jiong, the Non-Independent Non-Executive Director, Mr Song Shuming, the Executive Director, and Mr Toe Teow Heng, the Independent Non-Executive Director officially stepped down. With Mr Yee Kee Shian, Leon joining our Board of Directors as Independent Non-Executive Director on 1 May 2022, the majority of our directors are independent, which is desirable to ensure excellent corporate governance of our Group.

05 / Sustainability Overview



The Group introduced a power storage station which utilises lithium batteries to support and reduce electricity consumption to advance its sustainability goal.



New employee training to ensure our employees are familiar with safety and precautionary measures.



Regular trainings to help explore our employees' potential and strengthen their capabilities. These trainings include professionalism, cross-border transaction security, and competence enhancement.



Mr Li Yanqing, secretary of China Shipbuilding Industry Association visited Yangzijiang

05 / Sustainability Overview



Yangzijiang welcomes company visits and communications from relevant parties to together advance China shipbuilding industry.



Yangzijiang maintains a close relationship with local government and strives to quickly respond to the society



Wall of the Group's honours showcase the Group's competitive advantage and commitment to give back to society.

06 / Material ESG Topics

Assessing the materiality of environmental, social and governance risk factors has become imperative in building a robust corporate strategy in today's economy. Financial operations and decision-making processes have become increasingly shaped by ESG materiality, and the evaluation of these risk factors will aid in future-proofing the industry, as well as the larger economy.

The Group has considered the following areas of relevance in relation to reporting sustainability.

- Peer evaluation of global competitors
- Addressing and pre-empting ESG challenges within the industry
- Keeping ahead of regulatory revisions and updates
- Understanding macroeconomic impacts on the supply chain
- Refreshing suppliers' Code of Conduct to align with stakeholders' needs

As a starting point, the Group looked at various degrees of interest in, and the level of impact, that each stakeholder group has on Yangzijiang. We then conducted a thorough analysis of topics that we believed were most on-trend and relevant to specific groups of stakeholders. In the matrix, the vertical axis represents the level of importance to key stakeholders, the horizontal axis represents the level of importance to Yangzijiang's business success.



07 / Stakeholder Engagement

External Initiatives

The Group qualifies for the certifications under the following external initiatives:

- Quality Management (ISO9001) certification by the China Classification Society
- Environmental Management (ISO 14001)
- Occupational Health and Safety Management (ISO 45001)
- Energy Management System (ISO 50001)
- CSQA certification
- Our vessels are classified by CCS, ABS, BV, NK, GL, LR, DNV

Membership of Associations

Yangzijiang is a member of the following associations:

- China Association of The National Shipbuilding Industry
- Jiangsu Provincial Technical Innovation Association
- Jiangsu Shipbuilding Industry Association
- Jiangsu Su-Shang Development Association
- The Alliance of Ship Design System Application and Development

Stakeholder Engagement Approach

The Group recognises the importance of close engagement with its stakeholders to build up trust and collaboration. The Group actively engages its suppliers, industry associations, banks, government bodies, and academic institutions through formal collaboration agreements, exchanges, site visits, and industry forums to improve the standards of shipbuilding in China. The Group consistently shares its R&D findings to industry bodies for adoption. Internally, the Group encourages employees' active participation and personal development. Specifically, the Group organises many initiatives to upgrade employees' skills and volunteers to assist the needy in the community. The Group values its employees' advice and offers a strong reward program to encourage employees' innovations that can help improve the Group's productivity and efficiency.



07 / Stakeholder Engagement

	Customers	Banks	Professional Associations	Governance and Regulators
Engagement Process	<ul style="list-style-type: none"> • We interact with our customers at every step of the way to better understand their priorities and needs to ensure alignment of interests • Project tender process • Negotiation of vessel specifications, contract terms and conditions • Project progress update meetings • Project review • Vessel naming and delivery ceremonies • Recreational sports events involving customers' on-site representatives • Feedback from customers upon delivery of vessels 	<ul style="list-style-type: none"> • Dialogue between management teams • Yard inspection visits by management team 	<ul style="list-style-type: none"> • Strategic alliance agreements • Facilitate conversation between classification societies and ship owners • Organise national level technical appraisal meetings • Training and certifications 	<ul style="list-style-type: none"> • Dialogue between management team, government agencies and regulators • Yard inspection visits by leadership teams • Training conducted for workers at Yangzijiang's yards by government agencies • Management talks at government led sharing sessions
Key Topics	<ul style="list-style-type: none"> • The Group's financial strength • Strong support from financial institutions • Timely vessel delivery • Customised solutions • Environmentally-friendly and fuel-efficient vessels • Compliance with IMO regulations • Good safety record 	<ul style="list-style-type: none"> • Business stability • Strong financial position • Established global customer network • Relatively stable order book despite business cycles 	<ul style="list-style-type: none"> • Enhance R&D capabilities • Improve design of vessels for environmental protection • Vessel and workplace safety • Strategic planning for protocols in professional certification 	<ul style="list-style-type: none"> • Innovation • Environmental protection • Workplace safety • Compliance • Economic contribution

07 / Stakeholder Engagement

	Shareholders	Industry Peers	Suppliers	Communities
Engagement Process	<ul style="list-style-type: none"> • Timely disclosures via releases to SGXNet • Analyst briefings • Investor conferences • Non-deal roadshows • Investor relations team to assist with answering shareholders' queries • Annual General Meetings • One-on-one meetings • Email communication • Social media presence (i.e. WeChat to keep shareholders abreast of key developments) 	<ul style="list-style-type: none"> • Yard visits and sharing sessions 	<ul style="list-style-type: none"> • Yard visits • Supplier provides technical training to the yard's employees • Talks on industry issues • Regular review meetings with ship repair services provider • Supplier conference 	<ul style="list-style-type: none"> • Philanthropic donations • Build senior university and local hospital • Community service
Key Topics	<ul style="list-style-type: none"> • Financial performance • Operations, strategy and outlook, including relevant industry data and statistics • Dividend policy • Share repurchases 	<ul style="list-style-type: none"> • Improve management and operational efficiency • Improve the design of vessels 	<ul style="list-style-type: none"> • Quality of product • Quality of after-sales service and warranties • Shipyard's financial strength, project stability, and its ability to collect its receivables • Payment terms, timely payment of credit dues • Efficient collaboration with ship owners • Brand equity of the shipyard • Trustworthiness • Regulatory compliance • Long term relationships with the shipyard • Balance between price and quality 	<ul style="list-style-type: none"> • Gives back to the community through the Honorary Chairman's philanthropic work • Encourage social volunteer work among employees

08 / Economic Contribution

Yangzijiang remains resilient with a strong financial position to capitalise on opportunities as it navigates towards the green energy driven industry transition. The Group is well-positioned to achieve sustainable growth.

Yangzijiang is consistently honing its competitive edge and continues to be ranked amongst the top 500 Chinese Companies Listed based on its revenue. In September 2021, Yangzijiang was ranked the top 200 Jiangsu Private Companies and placed 23rd for the top 100 Jiangsu Private Manufacturing Companies. In addition, the Group was also ranked as top 100 Innovative Enterprises of Jiangsu Province and its subsidiary, New Yangzi, was awarded Jiangsu Model Postdoctoral Research Station, acknowledging its outstanding progress in R&D.

The Group is committed to delivering value to its shareholders through a stable dividend pay-out. In FY2021, the Group declared S\$0.05 dividend per share to its equity holders. In addition, the Group has also conducted share buybacks, increasing shareholders' interests in the Group.

For a detailed breakdown of our financial results, please refer to the Group's Financial Statements for FY2021.

Summary of Economic Contribution to Society			
	FY2019	FY2020	FY2021
Economic Value Generated			
Revenue	RMB 23.6 billion	RMB 14.8 billion	RMB 16.8 billion
Economic Value Distributed			
Operating Cost	RMB 19.9 billion	RMB 12.0 billion	RMB 13.5 billion
Employee Wages and Benefits	RMB 433.0 million	RMB 246.0 million	RMB 281.4 million
Of which: Employer's Contribution to Defined Contribution Plans	RMB 82.3 million	RMB 48.2 million	RMB 65.8 million
Payments to Providers of Capital			
Dividends Paid	RMB 986.6 million	RMB 884.8 million	RMB 836.9 million
Interest on Bank Borrowings	RMB 183.2 million	RMB 108.6 million	RMB 108.7 million
Payments to Government			
China and Singapore (Tax)	RMB 781.5 million	RMB 862.9 million	RMB 698.4 million
Financial Assistance			
Effect of Preferential Tax Rate	RMB 372.2 million	RMB 295.7 million	RMB 273.1 million

Active and Timely Tax Contribution

The Group continues to be ranked as the top 50 largest enterprise in Jiangsu, one of the most developed and densely populated provinces in China. With the increasing urgency for global supply chain recovery and surging demand for clean energy vessels, the Group has reported a record orderbook of 157 vessels with total contract value of US\$8.5 billion as 31 December 2021.

For FY2021, the Group paid income taxes of RMB 1.2 billion to the Wuxi municipal government. The Group ranks 15th on the top 100 corporate tax contributors' list in Wuxi.

08 / Economic Contribution

Economic Contributions to Society

In 2021, the Group employed 1,138 new employees. Among new employees, college students have received an internship allowance and living allowance from the Ministry of Human Resources and Social Security. To reward employees for their dedications, the Group paid monthly bonuses based on attendance and personal evaluation scheme.

Tax Benefits for High/New Technology

Two major yards of the Group: Jiangsu New Yangzi Shipbuilding Co., Ltd ("JNYS") and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd ("JXF"), enjoyed preferential corporate tax of 15% which was granted for eligible High-and-New Technology Enterprise, as compared to the usual corporate tax rate of 25%. The grant is jointly awarded by the Ministry of Science and Technology.

In addition, our subsidiaries received government sponsorships for their outstanding performance and economic contribution. Our subsidiary, Shanghai Huayuan Shipping Co., Ltd ("HY Shipping") received RMB 21 million in incremental VAT Credit Refunds. The Jiangsu Yangzi Mitsui Shipbuilding Co., Ltd received government subsidies, employment subsidies, state treasury incentives, incentives for introducing foreign investment, and is eligible for up to RMB 3.9 million in special government development funds.

Advance in ESG Shipbuilding

As one of the largest private shipbuilding companies within China, Yangzijiang strongly supports the industry's decarbonisation journey and has contributed to innovating green energy technologies. The Group continues developing its own vessel designs, including:

- The latest 82,500-DWT bulk carrier which meets Energy Efficiency Design Index ("EEDI") phase III stage, as compared to the most common bulk carriers that can only meet EEDI phase II stage.
- The upgraded 50,000-DWT oil tanker, which combines the resource of classification and towing tank facility, to achieve cost-saving, larger deadweight, and efficiency targets.

The Group meets clients' needs through efficient design, actively working with different design houses for their specialisation and strengthening its capabilities by investing in innovative technologies. To advance its ESG-related technology, the Group promotes the application of new energy-saving technologies including hull air lubrication system to reduce water resistance, pre-swirl stator before propeller and high-efficiency rudder to improve propulsion efficiency, shaft generator to reduce fuel oil consumption, and anti-fouling paint to reduce resistance from wind.

Achieve Production Efficiency

Design Efficiency: The Group introduced digital design and management systems such as modern 3D design software Additive Manufacturing ("AM") to upgrade function of software and files management Product Data Management ("PDM").

Production Efficiency: The Group extends the range of automation equipment for production, including adding more automatic welding machines, electrical nacelles, and vertical lifting devices to improve vessel quality and efficiency.

Workmanship Routing Optimisation: The Group continues to improve workmanship routing optimisation to shorten the period of docking stage and improve construction completeness ratio before launching.

Standardisation: The Group strives to promote standardisation for both design and production processes. Such standards will be updated and internally circulated annually.

08 / Economic Contribution



[Vessel Delivery] 12,690-TEU containership, Carrier, named "YM TIPTOP", for Costamare



[Vessel Delivery] 40,000D-WT Bulk named "POSTRUM EUROPE", for Vogemann



[Vessel Delivery] 82,000-DWT Bulk Carrier, named "OCEAN PRIDE", for HK Changhai Seaport



[Vessel Delivery] 1000-TEU containership, named "Xinmingzhou 88", for Zhejiang Seaport Group and Ningbo Ocean Shipping



[Vessel Delivery] 19,200-DWT oleochemical vessel "T PROCYON" left factory



[Technology Breakthrough] 50,000 tons MR Tanker



[Technology Breakthrough] 325,000DWT Bulk Carrier, named "BOKM TUBARAO", for CDB Leasing



[Technology Breakthrough] 31,200DWT Great Lakes Bulk Carrier, named "CAPTAIN HENRY JACKMAN"

09 / Our Employees

Yanzijiang prides itself on being one of the leaders in shipbuilding, thanks to the continuous efforts of our employees. Over the years, we have committed to attracting and re-training talent, ensuring that our employees have ample opportunities to showcase their talents and further develop their skills. We invest extensively in the professional and personal growth of our workers. In 2021, the average training hours for our employees were 32 hours. Despite the COVID-19 conditions impacting the labour force and challenging work-life balance, we have acclimated and adapted to the changing work environment by providing supporting frameworks for our employees.

Responsible, Equal Employment

At Yangzijiang, we believe in equal employment opportunities for all. We recognise the value of diversity and greater equality in the workplace, and how it can enhance the capability and livelihood of our combined workforce.

Gender Diversity	FY2019		FY2020		FY2021	
	Male	Female	Male	Female	Male	Female
Board of Directors	4	0	6	0	4	0
Senior management	8	0	8	1	10	1
First-level management	1,157	1,83	1,179	195	1,299	223
Professionals	1,296	119	1,316	127	1,486	152
All other employees	2,515	1,123	2,546	1,126	2,766	1,157
Total number of employees	4,980	1,425	5,055	1449	5,565	1,533

Age Diversity	FY2019			FY2020			FY2021		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
Board of Directors	0	0	4	0	2	4	0	1	3
Senior management	0	6	2	0	7	2	0	6	5
First-level management	183	1,028	171	196	963	215	394	1,011	219
Professionals	471	813	72	431	914	98	479	962	101
All other employees	1,364	1,884	407	1,323	1,920	429	1,469	2,016	432



09 / Our Employees

Talent Capital

All our employees are permanent full-time and covered by collective bargaining agreements.

New Hires and Turnover	FY2019		FY2020		FY2021	
	Male	Female	Male	Female	Male	Female
New Employee Hires	878	166	483	75	835	303
Resignations	745	138	319	36	549	153
Total turnover	1,623	304	802	111	1,384	456

New Hires and Turnover	FY2019			FY2020			FY2021		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
New Employee Hires	548	474	22	163	389	6	423	679	36
Resignations	390	470	23	146	191	18	257	419	26

While turnover rates increased due to greater competition for workers from other shipyards, there was also a proportionate increase in new hires due to a gradual economic recovery from COVID-19.

Continued Focus on Organisational Competency

Across various levels of management, the Group has also provided reskilling and upskilling to increase our competitiveness in the market.

Training Hours by Employee Category	FY2019				FY2020				FY2021			
	Total Training Hours	Head Count	Average Training Hours	Average Training Days	Total Training Hours	Head Count	Average Training Hours	Average Training Days	Total Training Hours	Head Count	Average Training Hours	Average Training Days
Board of directors	800	4	200	25	1,200	6	200	25	800	4	200	25
Senior management	1,600	8	200	25	1,800	9	200	25	2,200	11	200	25
First-level management	67,000	1,340	50	6	68,700	1,374	50	6	81,200	1,624	50	6
Professionals	42,540	1,418	30	4	43,290	1,443	30	4	46,260	1,542	30	4
All other employees	90,950	3,638	25	3	91,800	3,672	25	3	97,925	3,917	25	3

09 / Our Employees

We recognise the strong interdependence of employee welfare on business success, and will continue to increase the sustainability of our operating environment according to industry benchmarks and business ethics. For example, through the Group's holistic employee compensation scheme, we aim to add value to and retain our employee base. Employee wages and benefits have also adjusted to existing pandemic conditions to ensure better support for our employees: in 2021 alone, we recorded a 9.2% year-on-year increase in overall capital as adjustments to employees' salaries, also as a result of higher number of employees.

Technology Management and Upgrading

In a highly technological and knowledge-based time, the Group prioritises technological development to stay ahead of industry and global macroeconomic trends. In 2021, the Group has hired over 95 High-tech talents from Jiangsu Maritime Vocational and Technical College, Jiangsu University of Science and Technology, Bohai Shipbuilding Vocational College and other universities. 57 of these employees were allocated to the Group's new Yangzi shipbuilding yard, 16 to our Xinfu yard, 23 in YAMIC. We believe the enhanced capabilities of our technological management, who are working in technical, construction inspection, management and financial positions will add significant value to our organisation beyond just its operational processes.

Research and Development

The shipbuilding industry has significant potential to create value and sustainable growth. The Group is committed to shaping the future of shipbuilding and related maritime industries through enhancing our R&D capabilities. In 2021, the Group hired an additional 90 people to join the R&D team. The Group has also increased its spending on R&D efforts, recording RMB 515.9 million in 2021, a 58% increment as compared to 2021.

R&D Expense	FY2019	FY2020	FY2021
New Yangzi	215.5million	177.1million	264.6million
Xinfu Yard	156.7million	149.7million	168.4million
Old Yard	10.3million	–	–
YAMIC	–	–	82.8million
Total	382.5 million	326.8 million	515.9 million

Yangzijiang has also continued our tradition of organising our annual groupwide technical skills competition. The competition is held over two days, with technical management teams participating and working together through various learning opportunities.

In January 2021, certified internal trainers of the technical and management teams took part in a Group Internal Trainer Skills Competition, focusing on problem-solving skills relating to the business. In October 2021, the Group organized 2 groups, the professional group and non-professional group, to participate in the technical welding group competition in the 11th Vocational Skills Competition in Jiangyin City. In November 2021, 3 teams participated in the second Jiangyin Employee Safety Production and Labour Protection Skills Competition.

09 / Our Employees

Extensive Collaboration

Following the success of Project Chiba in 2020, the Group signed a cooperation agreement with Jiangsu Maritime Institute in 2021, a full-time higher vocational college. We made arrangements for senior students from Jiangsu Ocean University and Nantong Polytechnic College to intern at the Group's sites. The Group also arranged for a site visit and practical learning from members of Jiangsu University of Science and Technology. Yangzijiang has accelerated its adoption of digital technologies to improve production efficiency and cost control initiatives. The Group has end-to-end process integration including design, planning, procurement, production, quality, cost and capital control across its yards and other companies, including operations with local community engagement, impact assessments, and development programs. In November 2021, the Group signed a strategic cooperation agreement with the Jingjiang Municipal People's Government to carry out the "Jingjiang Dongxing town investment project", which will see in-depth cooperation from both parties in high-end equipment manufacturing, port resource development, talent development, municipal construction, vitality planning and other relevant projects.

Digital transformation

Technological innovation and digital transformation are continuous processes for Yangzijiang, spanning across all operational segments. With the establishment of 7 main platforms, namely: the first batch of shipbuilding enterprise under Ministry of Industry and Information Technology (MIIT), high technology enterprise, postdoctoral research work office, Jiangsu provincial technology centre, Jiangsu provincial engineering technology and research centre, Jiangsu provincial industrial design centre and AAA Industry and Information management system.

Since 2017, we have established Yangzijiang Integrated Shipbuilding Solutions (YSS), which completed its third phase of construction in December 2021. The enterprise has passed the national two-modernisation (industrialisation and informatisation) integration 3A certification, which is the most advanced integration certification in China — as of December 2021, only 67 companies in China have passed this certification.

The Group is able to seamlessly integrate various points of operation including design, planning, procurement, production, quality, cost and capital control across its major yards and other companies, simultaneously ramping up our shipbuilding efficiency. The Group has also introduced digital design and management system, including modern 3D design software and files management, to improve design efficiency. Complementary to digital transformation, our employees will continue receiving educational opportunities to adjust to increased technological adoption. In January 2022, Chairman Ren Letian presided over the "Working Conference on Accelerating the Digital Transformation of Enterprises" to enhance managers' understanding of digital work, putting forward general guidelines for business application of data and technology, with the goal of improving the digitalisation of enterprises.

In order to allow the Group to fast-track to digital transformation, we've implemented our digital integration project using a "cloud deployment" model, aiding the process of knowledge transfer and business innovation:

Training Hours by Gender	FY2019		FY2020		FY2021	
	Male	Female	Male	Female	Male	Female
Total no. of training hours	159,360	45,600	161,664	46,368	178,080	49,056
Total number of employees	4,980	1,425	5,052	1,449	5,565	1,533
Average training hours	32	32	32	32	32	32

09 / Our Employees



Yangzijiang organised regular team building activities to enhance employees' cohesion and group loyalty.



10 / Governance & Risk Management

Whistleblowing and Anti-Corruption Policy

The Group has implemented a whistleblowing policy and anti-corruption policy to provide whistle-blowers with direct contact to regulatory authority. The policy aims to maintain proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities. Any employee or company representative who violates these policies and standards may be subjected to investigation, internal disciplinary action and termination of their employment contracts.

If there is any suspicion of violating these policies, the Group encourages our employees to report to their manager, the Group's legal department, or anonymously through the following channels:

- Within Singapore, whistle-blowers may contact the Chairman of the Audit Committee
- Within China, whistle-blowers may deposit a physical letter into a feedback box next to the stairway on level one of our main HQ building at 1 Lianyi Road, Jiangyin-Jingjiang Industry Zone, Jingjiang City, Jiangsu, People's Republic of China 214532, or via the Group's office automation system

The Group adheres to the Singapore Code of Corporate Governance issued in August 2018. The Group conducts regular checks on cost structure to monitor and minimise cost of production, procurement, administration, sales, and marketing. All employees are informed of the whistleblowing and anti-corruption policies, and can refer to the Group's detailed procedural guide for more information.

As of January 2022, the Group has also established a Discipline Inspection and Supervision Office to further extend our capabilities in formulating and improving the Group's supervision of management rules and regulations. This will also allow us to take greater responsibility in registering and handling report letters and petitions.

Leadership

Sustainable corporate governance is anchored by Yangzijiang's Board of Directors, who bring a wide range of expertise across various segments. Under the Board's stewardship and management, Yangzijiang is better able to set sustainability priorities, meet industry standards and support various segments of the business, including strategy, risk management, and business development, holding stakeholders' best interests at heart.

Non-Executive and Independent Directors make up the majority of the Board. Our Independent Directors also chair the Company's Audit Committee, Nominating Committee ("NC") and Remuneration Committee, ensuring a balance of authority within the Company.

Yanzijiang holds annual reviews and Board re-elections, critically evaluating the scope and nature of the company's operations to ensure that the Board has an appropriate balance of independent Directors who are capable of effective decision-making. The NC makes recommendations to the Board concerning the appointment and re-election of Directors and to determine the independence of the Directors. The NC will also ensure board rejuvenation by appointing new members to the Board and this is continuously reviewed by the NC.

The current members of the Board now stand as follows:

Name of Directors	Board Membership	Date of Appointment
Ren Letian	Executive Chairman	30-Apr-20
Teo Yi-dar (Zhang Yida)	Lead Independent Director	28-Jul-06
Chen Timothy Teck Leng @ Chen Teck Leng	Independent Non-Executive Director	26-Apr-13
Yee Kee Shian, Leon	Independent Non-Executive Director	01-May-22

10 / Governance & Risk Management



Managing Operational Risk

COVID-19's knock-on effects have continued to impact maritime and shipping industries globally, with no signs of abating. Lockdowns ensuing in various parts of the world have also put a halt on operations, resulting in major disruptions on cross-regional movement and transportation of goods and materials. Specific to our operating region of Jiangsu, China, COVID-related restrictions have been less severe than other regions of the country, but continue to pose logistical and transportation challenges.

To mitigate further risks to business operations and employee productivity, Yangzijiang has made accommodative arrangements for its workers to live temporarily in hostels or within our shipyards, working closely with the local government to provide support for our employees in quarantine. For employees serving quarantine, as well as those who have tested positive, we have continued to monitor for their health closely, on top of providing regular antigen rapid tests (ART) tests.

As a result of these support frameworks, we remain on track to meet our delivery schedule for 1H2022, as we continue to monitor the COVID-19 situation closely and provide comprehensive support to our employees.

The Group has an expansive and geographically diverse shipbuilding customer base, with sales contributions from Asia, Australia, Europe, and Canada, including some of the most prominent shipowners in the world. In the shipbuilding business, a company should primarily focus on the prevention of the following operational risks, and under each item, we will discuss how the risk is managed at Yangzijiang:

1. Termination of contract by customers

- Shipbuilding contract terms and conditions are prudently negotiated to prevent customers from terminating contracts unjustifiably
- The Group proactively liaises with ship owners to understand the charter demand outlook and customers' needs to pre-empt and work out solutions to lower the risk of contract termination
- Agree to renegotiate on delivery schedule and rework of vessel types when the market condition is extremely challenging
- Ultimately, if the customer decides to terminate the contract, the deposit that was placed with the Group will be forfeited by Yangzijiang according to the shipbuilding contract

10 / Governance & Risk Management



2. Customer is unable to obtain bank financing or guarantee for the contract

- The Group provides assistance to customers where needed and feasible

3. Delay in construction schedule

- Technology-powered, seamless workflow to ensure that the production is on schedule
- Enhance the integrity of the product in each module/section through all-year-round, systematic training to remove the need to rework
- Proactive communication with customers in uncontrollable situations such as the shipyards' shut down for a few weeks due to COVID-19 in February to March 2020, to ensure on-time delivery. All vessels were delivered on schedule eventually despite a shutdown in operations at our shipyards

4. Disruption in the supply of raw materials and equipment

- Using an established supplier qualifying system to manage a pool of qualified suppliers and reserve suppliers for each category of supplies
- Regular review and feedback to suppliers on their product and service
- Regular review of the supplier system to ensure the best cost for value and quality

5. Cost overrun

- Strict accountability to the head of the production unit on the control of production time and unit cost
- Encourage all employees to contribute cost-saving ideas in every aspect of the production, provided that quality standard is not compromised. Often cost-saving ideas lead to a win-win situation for both the Group and the customer

6. Dispute on specification

- Determine all the specification to the finest detail in the negotiation stage to prevent such dispute
- Close communication with the customer during the construction process, seeking a feasible solution to problems encountered
- All communication and meeting records are well documented

10 / Governance & Risk Management

The Group also employs financial instruments to minimise exposure to market risk, given the unpredictability of financial markets and their impact on our financial performance.

The Group has hedged about 40% of its currency exposure to USD using forward contracts to mitigate risks as majority of its contract wins are denominated in USD.

Internal Supply Chain Management

The shipbuilding supply chain is made up of multiple businesses and individuals, forming multiple stakeholders participating in various decision-making processes. With several pit-stops to consider, it is undeniable that responsible supply chain management begins with proper quality control. Yangzijiang's three-dimensional quality control network allows us to implement excellent quality control at a company, regional, departmental and team level. Apart from a comprehensive training system for employees to understand expectations and protect customers' interests, our establishment of a quality management committee allows for better coordination and standardisation of quality across relevant departments through internal examinations, optimisation, and integration of a coherent quality management framework across different levels of operation.

Shipping business

- The Group has two separate teams to manage the domestic and international shipping businesses to ensure compliance with corresponding regulations and grow the respective businesses.
- The Group formed a professional technical team with independent management capability and independent ship leasing capability to standardise its operational procedure and support its business expansion.
- As the ship owner, the shipping segment is able to pre-sign contracts with customers, which provides it with great convenience and cost-saving advantages. The shipping segment works with the Group to dispose of non-performing assets and plays a key role in the Group's ability to undertake new shipbuilding projects.



10 / Governance & Risk Management

As shipping accounts for around 80% of world trade, the Group remains optimistic towards the growth of its shipping business and believes that the shipping business will significantly contribute to the Group's competitive advantage and profitability.

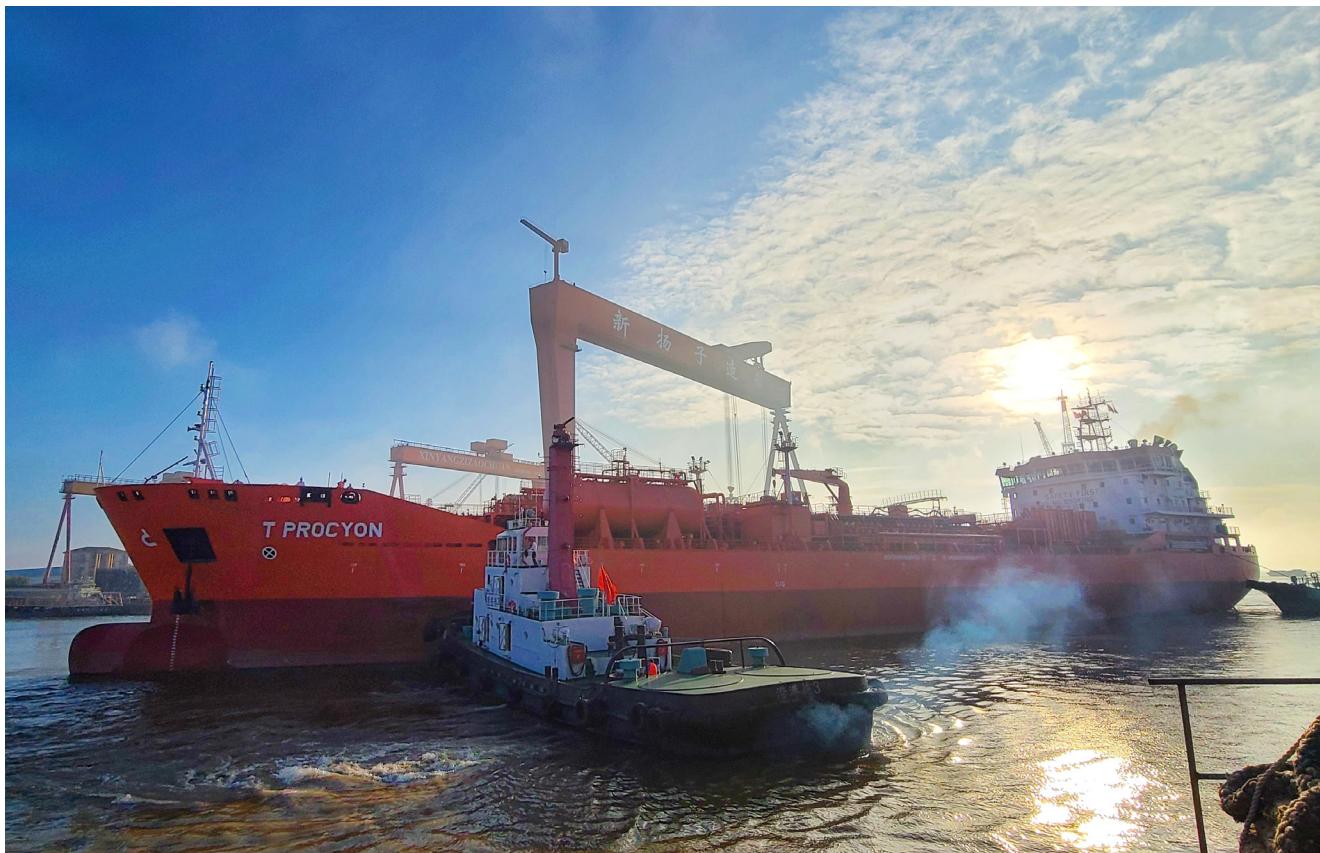
In 2021, the Baltic Dry Index surged with the 13-year peak price of US\$5,650, which was reached on 7 October 2021. Riding on this shipping industry upcycle, the Group expects to advance its shipping business with an emphasis on meeting decarbonisation goals given the Group's role within the global supply chain.

Over the years, the Group's vessel scale has expanded from six units of 92,500-DWT Bulk Carriers in 2013 to a total of 26 vessels, including seven units of 92,500-DWT Bulk Carriers, four units of 82,000-DWT Bulk Carriers and four units of 47,500-DWT Bulk Carriers. In 2021, the shipping segment achieved revenue of RMB959.6 million with gross profit margin of 40.1%.

Over the years, the Group has managed to maintain a strong financial position, allowing the Group to promptly respond to both business and market risk exposure, enabling a stable and sustainable shipping business growth.



11 / Environmental Protection



In an increasingly interconnected world, risks are no longer isolated – our actions have the ability to impact others more so than ever. A greater focus on accountability is necessary in the shipbuilding industry, as environmental regulations have become stricter in controlling the carbon emissions and environmental pollution the maritime industries cause.

To adhere to environmental regulations, Yangzijiang conducts annual reviews on the safety of shipbuilding materials and products. Five major operational systems at the Group's major yards have been approved and certified by the China Classification Society ("CCS") following thorough inspection and review on the Group's operational system. These systems include quality control, energy consumption, environmental impact, safety production and integrated management.

Green Vessels, Green Future

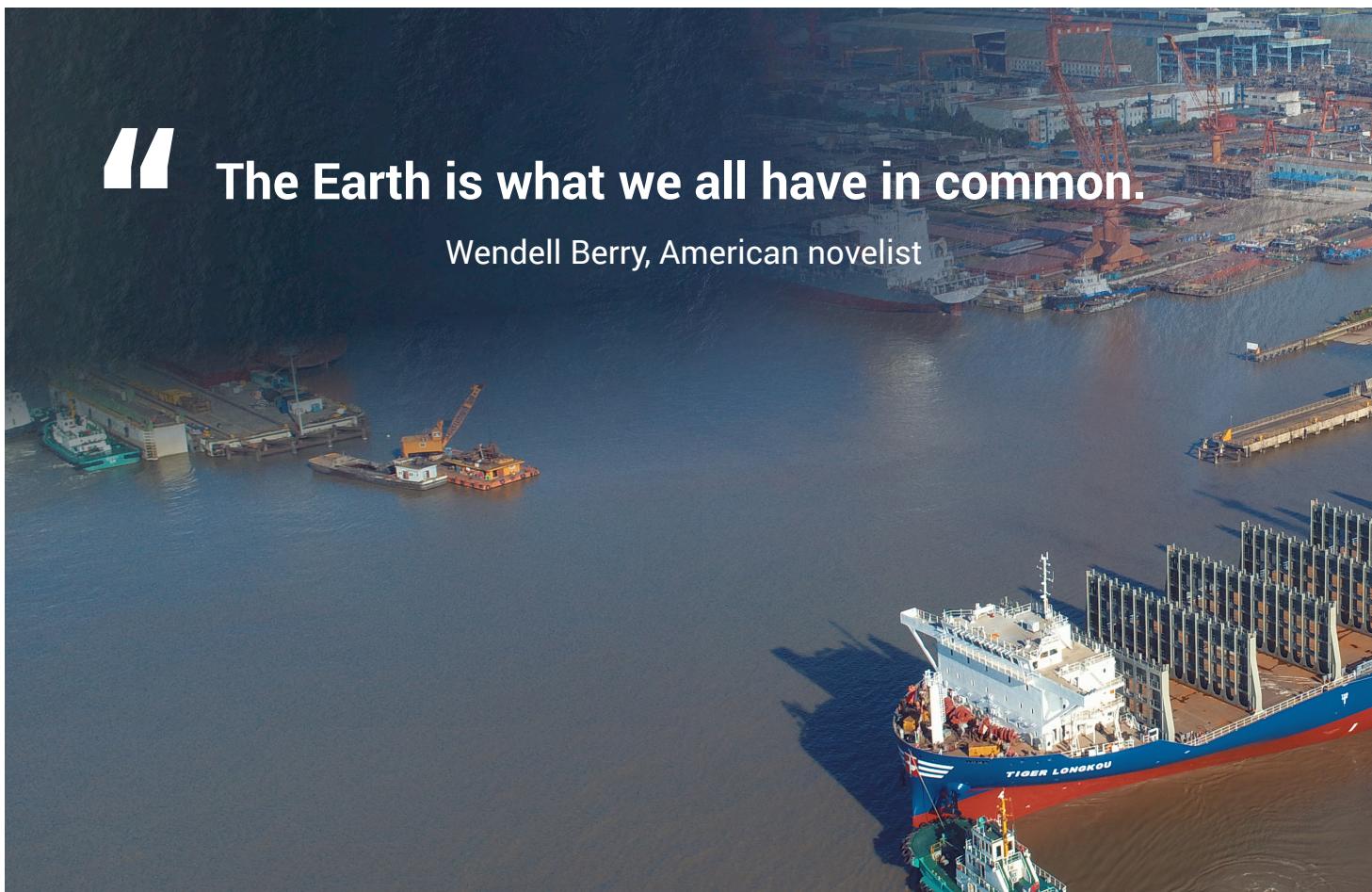
As one of the largest private shipbuilding groups in China, it is our responsibility to support global sustainability goals through decarbonisation. In 2021, Yangzijiang made significant headway in the clean energy sector, clinching our first batch of orders for 40,000 CBM LPG vessels as well as 15 units of LNG dual-fuel 7,000-TEU containerships. The LNG fuel storage and supply system and LNG tanks were jointly designed by Yangzijiang, demonstrating the Group's competitive position in the field for dual-fuel engine providers. These dual-fuel engines and vessels are also in compliance with, and exceeds the current guidelines initiated by the International Maritime Organisation ("IMO"). This places the Group in an exemplary position to break new ground in the clean energy vessels space.

11 / Environmental Protection

“

The Earth is what we all have in common.

Wendell Berry, American novelist



Two-Carbon Neutral Strategy

The race towards carbon neutrality requires active collaboration and strategy. Chinese President Xi Jinping plans for China to achieve carbon neutrality before 2060. In response, the Group has implemented the “Two Carbon Strategic Plan”. The plan will focus on two areas: green plant construction and green shipbuilding.

Green plant construction involves the building of a 659,000 square meter energy storage power station with the annual power generation capacity of 48.75 million kW photovoltaic power – this will allow the reduction of emissions by 4,906 tonnes of coal-equivalent. Additionally, we have introduced innovative production processes for our tools, which has increased the primary utilisation rate of steel to an industry-leading level of 92.3%.

The construction of green vessels has also ramped up in 2021, with dual-fuel ships accounting for more than 30% of new orders in our orderbook. Through digital innovation which has improved the efficiency and quality of ship construction, we've shaved off up to 30% of our mainstream ship construction cycle. Energy-saving technology has also allowed us to independently develop various types of ships, including: independently developed 82,000-DWT fan booster and 82,300-DWT low wind-resistance bulk carriers, 1,800-TEU and 24,000-TEU container ships. In addition, Yangzijiang has organised more than 50 green and low-carbon training courses to further educate employees on sustainability and relevant environmental policies.

These measures have resulted in our comprehensive energy consumption per unit product falling by 0.3% year-on-year (yoY); the energy consumption per unit of industrial production value also fell by 2.7% yoY; and the energy consumption per unit of industrial energy consumption increment fell by 7.7% yoY.

The goal is for the Group to transition to a green energy and low carbon model to achieve energy efficiency, green manufacturing, low-carbon innovation strategy and other related goals. The Group's low-carbon innovation strategy includes continuous learning from related policies to gain 'green knowledge', active participation in carbon emissions trading, influencing employees to strive towards low-carbon lifestyles, and fulfilling social responsibilities.

11 / Environmental Protection



R&D Breakthrough for Shipbuilding Materials

We have developed and undertaken six of the world's largest 24,000-TEU mega container ships, and built one out of three shipyards in the world that can accommodate the construction capacity of these mega container ships. A new batch of energy-saving and environmentally-friendly dual-fuel LNG 10,000-TEU containers were also developed by Yangzijiang, breaking the monopoly of South Korean and Japanese shipbuilding companies. Currently, we hold 8.544 million-DWT of container ships in various types, accounting for 33% of the proportion of ship types and ranking first in China.

As the only private enterprise to build a new generation of environmentally friendly 400,000 tonnes ore carriers in China, we have helped to lay a solid foundation for Chinese steel companies to leverage on the iron ore trade along the Brazil-China route, opening up the market beyond the domination of the domestic iron ore market by Australia.

We independently developed and manufactured the world's first 690 FEU container transport ship, following the government strategy of "Gasifying the Yangtze River", which was an "oil-to-gas" project to retrofit diesel/heavy fuel oil-propelled ships on the Yangtze River into pure LNG-driven inland waterway ships. Additionally, we built 40,000 cubic meters of dual-fuel LPG ships, 14,000-TEU C-cabin dual-fuel container ships, 7000-TEU B-cabin dual-fuel container ships, 9150-DWT electric fuel tankers and other first-of-its-kind products. Issues of bottlenecking have also been tackled via technical research into how the fuel gas supply (FGSS) system and large type-C tanks can aid import substitution and fill the domestic gap. The world's first 83,500-DWT oil dispersion (OBO) ship was also constructed by Yangzijiang, driving up our market competitiveness and adding value through its large cargo loading capacity.

11 / Environmental Protection

Water usage and conservation efforts

Water pollution has greatly exacerbated China's water scarcity, heightening the importance of water conservation. As a company, we have formulated management regulations and established a management system to implement water conservation measures with greater efficiency and effectiveness. Through this system, we have introduced the following measures:

1. Gradual implementation of metering for water usage and reinforcing regulations set out by the municipal water conservation authorities
2. Using high-quality water-saving equipment for appliances
3. Installing water-saving valves in tanks for sanitation equipment
4. Closely managing the direct water drainage in the production process
5. Conducting quarterly inspections on adherence to regulations and guidelines
6. Taking punitive action against those who fail to follow regulations on water conservation and proper water waste disposal
7. Providing incentives and awards for those who showcase outstanding conservation efforts

Water withdrawal	FY2019	FY2020	FY2021
Produced Water (tons)	2,090,083	2,082,918	2,308,512
Municipal Water (tons)	234,180	147,462	124,780
Total Water Consumption (tons)	2,324,263	2,230,380	2,433,292

Energy consumption and material use

Energy Consumption	FY2019	FY2020	FY2021
Natural Gas (Gigajoules)	4,137	5,515.8	5,041.8
Solar Power (Gigawatt-hour)	10.5	10.5	9.3
Electricity (Gigawatt-hour)	156.5	118.1	127.8
Total Energy Consumption (Gigajoules)	4,304.0	5,644.5	5,178.9

12 / Workplace Safety

Yangzijiang places utmost priority on workplace safety. The Group's Workplace Safety Committee conducts stringent, regular checks every month to identify any potential safety hazards, ensuring the implementation and maintenance of safety policies and procedures.

The Group has also set up clinics and pharmacies at our major yards, to provide immediate medical care to our workers when necessary. The Group provides workers healthcare insurance and organises talks from relevant government authorities to ensure employees understand their rights to healthcare coverage, labour insurance policies and social security.

The Group's long-standing goal is to have zero fatalities and zero injuries for our workers. In 2021, there were unfortunately three fatalities and seven major accidents at our shipyards. The Group is actively reviewing its workplace safety measures and we remain committed to providing a safe working environment for all workers.

Combatting COVID-19

While COVID-19 has abated in the face of stricter quarantine protocols, efficient vaccination programs and improved health regulations, Yangzijiang has continued to keep our guard up to ensure we maintain a comprehensive strategy to protect against it.

The Group has undertaken the following measures to protect our employees and their families against the COVID-19 pandemic:

- Efficient delivery and ample provision of testing kits and masks for all employees
- Staggered work arrangements for different teams, contact tracing
- Maintaining health and safety precautions at work, such as hygiene
- Adhering to social distancing and group size guidelines set out by the government



13 / Community Development

Devoted to public welfare

In August 2021, the Group donated RMB 300,000 to the 20th Sports Competition of Jiangsu Province, to promote Fitness for All.

Yangzijiang is devoted to developing corporate social responsibility to promote common prosperity. In November 2021, Yangzijiang donated RMB 3 million to Jiangyin city's "Rural revitalisation – Common Prosperity Fund", which is established by the Organisation Department of Jiangyin Municipal Committee, the Municipal Bureau of Agriculture and Rural Affairs and the Municipal Charity Federation. With the goal to assist construction in Jiangyin, the fund will be support revitalising rural villages to achieve common prosperity.¹



On November 3, Chairman Ren Letian, attended the awards ceremony on behalf of the Group.

Yangzijiang actively supports the Chinese government's policies. In December 2021, following the Precise Poverty Alleviation policy, the Group procured RMB 623,100 worth of agricultural and by-products from Xunyi, Xianyang, Shaanxi Province to support the city's development.

The Group's Honorary Chairman Mr Ren Yuanlin funds the Yuanlin Charity Foundation. In 2021, the fund donated RMB 16 million to university students' funds and elderly rehabilitation centres.

¹ <http://www.yzjship.com/en/shzrdetails/64/287.html>

13 / Community Development

Social Service

Yangzijiang is actively involved in internal and external COVID-19 pandemic prevention practices. Together with nearby communities, the Group continues to provide emergency supplies and volunteer services for people in need and organises regular visits with local communities to ensure there is open dialogue to maintain a harmonious relationship with local communities.

The health and safety of employees is the top priority for Yangzijiang. The Group encourages its employees to get vaccinated and perform regular PCR to ensure their health and safety. The Group has also opened easily accessible PCR centres for children, women, the elderly, and the disabled to get quick and convenient COVID tests.



Regular visits to maintain close and firm relationship with local communities



[Public Welfare] Yangzijiang organised blood donation activity to help people in need.



Comply to COVID-19 prevention regulations and closely monitor employees' health and safety

14 / GRI Content Index

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Strategy		
GRI 102-14	Statement from senior decision-maker	03
Organizational Profile		
GRI 102-1	Organization name	Yangzijiang Shipbuilding (Holdings) Ltd
GRI 102-2	Activities, brands, products, services	04
GRI 102-3	Location of headquarters	1 Lianyi Road, Jiangyin-Jingjiang Industry Zone, Jingjiang City, Jiangsu, PRC 214532
GRI 102-4	Location of organization	04
GRI 102-5	Ownership and legal structure	Please refer to page 157 of the Group's Annual Report 2021.
GRI 102-6	Markets served	04
GRI 102-7	Organization scale	04, 19
GRI 102-8	Workforce	19
GRI 102-9	Supply chain	04
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GRI 102-11	Precautionary principle	N.A.
GRI 102-12	External Initiatives	13
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GRI 102-45	Entities included in the consolidated financial statements	03
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GRI 102-48	Restatements of Information	N.A
GRI 102-49	Changes in reporting	N.A
GRI 102-50	Reporting period	FY2021
GRI 102-51	Date of most recent report	31 May 2021
GRI 102-52	Reporting Cycle	1 January to 31 December
GRI 102-53	Contact point for questions regarding the report	03
GRI 102-54	Claims of reporting in accordance to the GRI Standards	This report contains Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2016), applied to "Core" extent.
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