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Issuer: Yangzijiang Shipbuilding (Holdings) Ltd.

Stock code: BS6

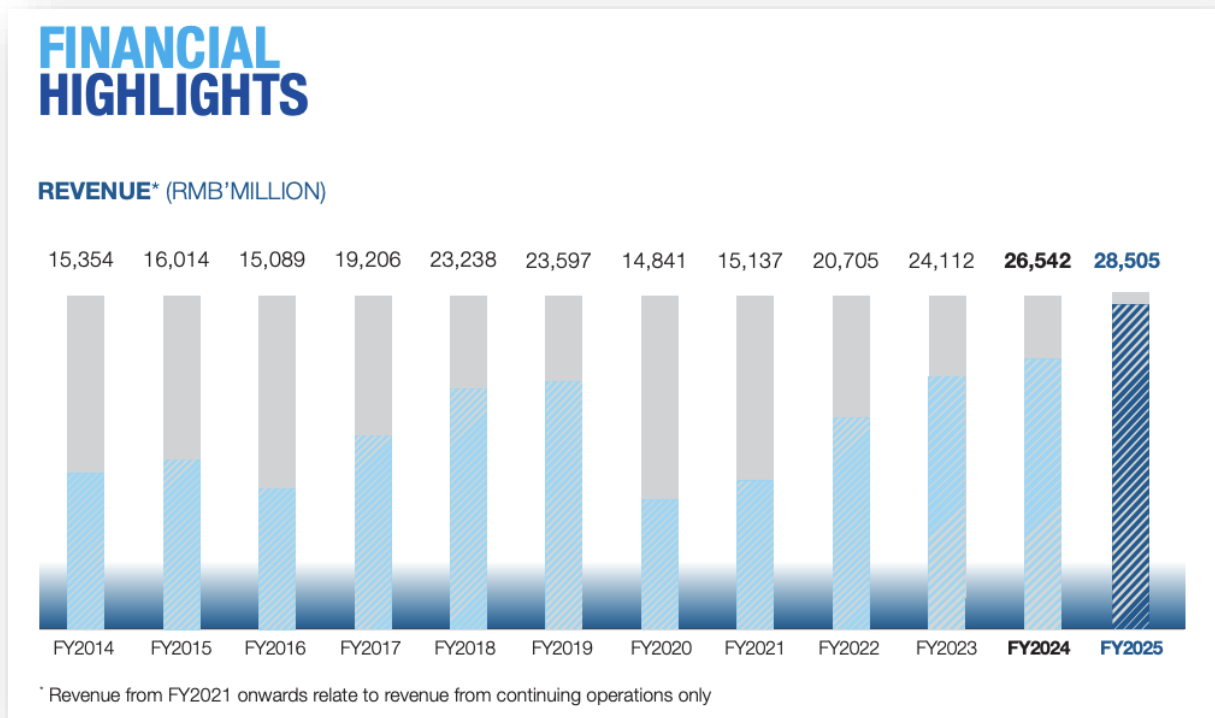
Meeting details:

Date: 28 April 2026

Time: 2.30 p.m.

Venue: Big Picture Theatre, 168 Robinson Road, Level 9 Capital Tower, Singapore 068912

Q1. Revenue for the year reached a record of RMB28.5 billion, almost doubling from the trough in FY2020. Net profit attributable to shareholders increased to RMB8.6 billion, and the company has declared a dividend of 20 Singapore cents, representing a payout ratio of 50%.



(Source: company annual report)

Gross profit grew by 28.3% to RMB9.8 billion, with gross profit margin improving to 34.2%, an increase of 5.5 percentage points. This was attributed to stronger newbuild pricing and lower raw material costs.

- (i) What direct and indirect impacts has the Middle East conflict had on the group, including effects on demand, container shipping activity, input costs such as raw materials, and project execution? How is management mitigating these risks?**

Industry data indicates that the global container ship order book has reached 31.7% of the current fleet, the highest level since 2010. The previous cycle peak between 2004 and 2009 led to a prolonged period of overcapacity.

The group’s orderbook stood at US\$22.4 billion (FY2024: US\$24.4 billion), comprising 245 vessels scheduled for delivery between 2026 and 2030. New order wins were US\$7.1 billion in FY2023, US\$14.6 billion in FY2024, and US\$2.5 billion in FY2025. Management has set a

2026 order win target of US\$4.5 billion, focusing on securing the remaining delivery slots in 2029 while progressively opening delivery positions for 2030.

- (ii) How does management assess the current stage of the shipbuilding cycle, given the elevated global order book? What is the group's strategy to navigate potential overcapacity and cyclical downturn risks?**
- (iii) What specific levers are available to management to sustain or defend margins as the cycle evolves, particularly if pricing weakens or input costs normalise?**

Q2. On 10 March 2026, the group announced the proposed acquisition¹ of a 10% stake in Poseidon Corp. The transaction is intended to strengthen the strategic relationship with Seaspan Corporation and support closer long-term collaboration and integration along the value chain.

The aggregate purchase consideration of US\$825.7 million will be satisfied in cash and funded by internal resources. Upon completion, the group will hold a minority stake and be entitled to one board seat, together with customary minority protection rights, including certain rights of first refusal, pre-emptive rights and tag-along rights.

The acquisition is priced at approximately 1.8 times the net tangible asset value of the target and at a premium of up to 25% to the independent valuation.

- (i) Given the premium valuation, what specific and quantifiable synergies does management expect to realise from this investment? How will these translate into earnings, returns and strategic advantages over time?**
- (ii) What was the scope and depth of due diligence undertaken by the board, particularly the independent directors, in assessing valuation, timing within the cycle and downside risks? To what extent has the board stress-tested the acquisition valuation against historical cycle trough multiples, and what margin of safety does it believe is embedded in the transaction?**

Q3. At the annual general meeting to be held on 28 April 2026, the company is seeking shareholder approval for directors' fees of \$502,000 for the financial year ended 31 December 2025.

In prior years, each of the four non-executive directors, including independent directors, received fees of \$85,500, irrespective of their board committee responsibilities. The proposed revision increases the fees to \$125,500 per director, similarly without differentiation by roles or responsibilities.

¹

https://links.sgx.com/FileOpen/YZJ%20Announcement_Poseidon.ashx?App=Announcement&FileID=877992

- (i) Can the board or the nominating committee explain how the increase in directors' fees was determined? What is the underlying philosophy and framework guiding directors' remuneration?
- (ii) Given that the company disclosed that no external remuneration consultant was appointed in FY2025, what benchmarking or comparative analysis was undertaken against peer companies?
- (iii) Does the board have a structured framework for determining directors' fees that reflects differences in responsibilities, time commitment and committee roles? If not, how does the board ensure that fees are aligned with contributions and consistent with good governance practices?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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