YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200517636Z)

RESPONSES TO SIAS QUESTIONS

1. **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?**

   The Group is of the view that order momentum has moderated from its peak, though the pace of decline in this cycle is expected to be more gradual than in previous downturns. Current market order volumes remain sufficient to support continuous production across the Group's yards.

   At this juncture, the Group's existing order book provides strong visibility, with yard slots largely secured through 2029 and new orders being taken for subsequent delivery positions. While the Group remains mindful of potential overcapacity may emerge given the cyclical nature of the industry. If market conditions soften, the Group has the operational flexibility to temporarily shut down selected production capacity to manage costs, before progressively resuming capacity as industry demand recovers. This approach has been applied and proven effective in previous cycles.

2. **What specific levers are available to management to sustain or defend margins as the cycle evolves, particularly if pricing weakens or input costs normalise?**

   The Group notes that a moderation in margins is expected as the industry cycle evolves, with newbuild pricing softening and input costs normalising. In response, the Group will continue to strengthen its cost management practices across its operations, aiming to maintain industry-leading cost discipline.

   At the same time, the Group actively manages its product mix, with a continued focus on more sophisticated and higher value-added vessels. This supports margin resilience through stronger pricing and greater differentiation.

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

   While the Middle East conflict has had broad impact across all industries, the Group has not seen any direct impact on new orders or vessel deliveries to date.

   The Group will continue to monitor the situation closely, including the potential impact on tanker demand arising from tightened global shipping capacity, as well as any effect on input costs. The Group will manage its operations prudently in response to ongoing macroeconomic fluctuations.

4. **Given the premium valuation of this proposed acquisition of Poseidon Corp, 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?**

   The Board acknowledges that the consideration has been comprehensively reviewed, taking into account the independent valuation, financial due diligence findings, and the strategic and commercial considerations as disclosed in the Group’s announcement. The Board's assessment is based on the following:

First, Poseidon Corp, through Seaspan, is one of the Group’s largest customers. The proposed acquisition deepens this relationship from a commercial collaboration to a strategic partnership, improving the Group's order visibility and production line planning.

Second, as a shareholder of Poseidon Corp, the Group will have participation in Seaspan's fleet renewal decisions, including vessel specifications and alternative fuel selection. This is expected to strengthen the Group's understanding of industry development trends and better position the Group to capture future growth opportunities.

Third, the transaction supports the optimisation of the Group’s surplus cash deployment into a long-term strategic investment with relatively stable return characteristics.

5. **With regards to the proposed acquisition of Poseidon Corp, 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?**

The Board has undertaken a comprehensive review of the proposed acquisition, supported by financial, legal and valuation due diligence, details of which are set out in the Group’s announcement dated 10th March 2026.

In particular, the Board has reviewed the independent valuation by Kroll based on both the Market Approach and the Income Approach (DCF), as well as the financial position, historical performance and business prospects of Poseidon. Taking into account Seaspan’s long-term, contracted cash flow profile, the DCF analysis was noted to be more closely aligned with the transaction price.

The Board also notes that the acquisition is undertaken as part of a broader transaction involving multiple independent purchasers at a consistent price, negotiated on a willing-buyer, willing-seller basis.

Based on the above, the Board is satisfied that the transaction has been appropriately assessed and is in the long-term interests of the Group and its shareholders.

6. **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?**

The proposed increase in directors’ fees was determined following an evaluation by the Remuneration Committee (“**RC**”). To determine remuneration competitiveness, the RC reviewed peer group data and conducted a benchmarking exercise against listed companies of comparable size, complexity of operations, and industry presence.

The Company's underlying approach is to regularly assess market conditions and review the remuneration framework to ensure it remains symmetric with both the future needs of the Board and prevailing market practices, after taking into account the work required of and the demands placed on the non-executive Directors of the Company.

The proposed revised fee ensures the Company remains adequately positioned to attract and retain high-calibre governance talent capable of meeting regulatory requirements and who can add value to the Company, which is ultimately in the long-term interests of the Group and its shareholders.

7. **Given that the company disclosed that no external remuneration consultant was appointed in FY2025, what benchmarking or comparative analysis was undertaken against peer companies?**

   The Company elected not to appoint an external remuneration consultant for FY2025 because the RC was able to capitalise on the high degree of remuneration transparency now present in the market.

   The RC is now able to rely on a comprehensive and reliable public database to conduct a rigorous internal benchmarking exercise. To guarantee objectivity and eliminate any potential upward bias, the RC applied strict parameters, explicitly excluding statistical outliers with abnormally high or low profitability from the peer group before establishing the market median.

8. **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?**

   The Company has traditionally maintained a uniform fee structure for all non-executive directors. After careful deliberation, the RC and the Board have elected to retain this framework at this stage, while keeping it under periodic review.

   This decision is anchored in the Company's approach of unified oversight. The Company views corporate governance as a fully shared mandate, where every Director bear equal accountability for the Group's strategic direction and risk management, regardless of their specific committee assignments. Furthermore, the Company actively employs a dynamic committee structure where memberships and chairmanships are periodically rotated among the independent directors to the extent possible, based on their skill sets. This rotational practice ensures all Directors are involved in every facet of the Board's duties. Given this distribution of duties and the expectation of holistic contributions, the Company is satisfied that a standardized fee structure remains an equitable, transparent, and practical approach.

   The Company is of the view that the proposed fee revision is measured, justified, and essential for the Company's continued governance efficacy.

By Order Of The Board

Ren Letian
Executive Chairman and Chief Executive Officer
25 April 2026