

Singapore

ADD (no change)

Consensus ratings*: Buy 7 Hold 1 Sell 0

Current price:	S\$0.90
Target price:	S\$1.63
Previous target:	S\$1.63
Up/downside:	81.1%
CGS-CIMB / Consensus:	25.2%
Reuters:	YAZG.SI
Bloomberg:	YZJSGD SP
Market cap:	US\$2,528m
	S\$3,556m
Average daily turnover:	US\$11.30m
	S\$15.72m
Current shares o/s:	3,923m
Free float:	61.0%

*Source: Bloomberg

Key changes in this note

➤ No changes.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-3.8	-10	6.9
Relative (%)	-2.6	-10.2	1.5

Major shareholders	% held
Yangzi International Holdings Ltd	21.5

Analyst(s)

LIM Siew Khee

T (65) 6210 8664

E siewkhee.lim@cgs-cimb.com

izabella TAN

T (65) 6210 8897

E izabella.tan@cgs-cimb.com

Yangzijiang Shipbuilding

Order potential

- Tradewinds and Clarksons suggest that Yangzijiang Shipbuilding (YZJ) secured order wins of 16 vessels, estimated to be worth US\$2.29bn.
- YZJ's shipping segment could see recurring cashflow due to high bulk carrier demand and locked-in charter contracts, in our view.
- YZJ is our SG top pick. We think share price weakness presents opportunity to buy. Add; TP of S\$1.63, based on 10x CY23F P/E (2-year average).

Newsflow reported that YZJ secured order wins of US\$2.29bn

According to Tradewinds website and Clarksons database, YZJ secured new orders of 12 16,000 TEU LNG dual-fuel containerships from Mediterranean Shipping Co (MSC) and four 32,000 DWT bulk carriers from Navibulgar in Aug-Sep 22. According to Tradewinds, the 12 16,000 TEU LNG dual-fuel containerships are worth c.US\$2.16bn (for delivery within 2024-2026). Tradewinds also reported that the four 32,000 DWT bulk carriers for Navibulgar are worth c.US\$128m, which Clarksons noted are scheduled for delivery in 2024 (Feb, May, Aug and Nov). These US\$2.29bn of order wins would bring orderbook to US\$10.42bn (US\$8.13bn as of 1H22). However, these new order wins have not been officially announced by YZJ, so we suspect that they are still at the finalisation stage. We forecasted US\$2bn of order wins for FY22F (US\$1.09m as of 1H22).

Shipping may see recurring cashflow despite freight rate weakness

Shipping contributed c.16% to 1H22 GP. Freight rates have declined 44% from its peak of c.5,094 pts on 14 Jan 22 to c.2,848 pts on 2 Sep 22 on the Shanghai Containerized Freight Rate Index (SCFI). YZJ had 22 bulk carriers, one multi-purpose vessel, and two containerships in its shipping fleet as at 1H22. We understand that both 1,800 TEU containerships have locked in 3-year charter contracts at favourable rates (not disclosed). Charter of bulk carriers could remain strong, in our view. Global bulk carrier orderbook is currently at c.8% of bulk carrier fleet, according to Clarksons, suggesting that bulk carrier demand could remain high. Bulk carriers are larger than containerships and are thus more expensive to build. Ship owners hence prefer to charter bulk carriers, in our view. We conservatively project a 10% yoy decline in FY23F shipping revenue.

Obtained the GTT license to build large LNG vessels

On 8 Sep 22, YZJ announced that it obtained the GTT license, enabling it to construct vessels using the GTT Mark III membrane technologies. The GTT license moves YZJ up its technology value chain, expanding its offer to shipowners, thus opening opportunities to more LNG orders. It is also a step forward in YZJ's ESG pursuit for greener vessels.

YZJ is our SG top pick; Add, TP of S\$1.63

YZJ currently trades at 5.7x CY23F P/E and 0.9x CY22F P/BV vs. its 2022-24F EPS CAGR of 16% and 16% CY23F ROE. Re-rating catalysts: faster-than-expected delivery of vessels, improving economic environment in China. Key downside risks: order cancellations, steel cost spike impacting margins.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Rmbm)	12,760	14,998	24,437	26,887	26,708
Operating EBITDA (Rmbm)	1,626	3,028	3,684	4,455	4,897
Net Profit (Rmbm)	908	2,127	2,410	3,020	3,352
Core EPS (Rmb)	0.23	0.55	0.62	0.78	0.87
Core EPS Growth		137%	13%	25%	11%
FD Core P/E (x)		8.14	7.25	5.78	5.21
DPS (Rmb)	0.08	0.12	0.24	0.31	0.35
Dividend Yield	1.83%	2.79%	5.47%	7.03%	7.80%
EV/EBITDA (x)	11.71	4.09	3.36	2.44	1.80
P/FCFE (x)		5.55	18.58	6.51	5.08
Net Gearing	6.2%	(30.7%)	(28.0%)	(32.7%)	(39.2%)
P/BV (x)	1.84	1.10	1.01	0.91	0.83
ROE		16.9%	14.5%	16.6%	16.7%
CGS-CIMB/Consensus EPS (x)			0.93	0.97	1.00

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Order potential

Summary of new order wins, according to newsflow ►

Figure 1: According to newsflow, YZJ secured new order wins for 16 vessels worth US\$2.29bn in Aug-Sep 22

Quantity	Size/weight	Vessel	Customer	Delivery	Estimated price/vessel (US\$m)	Total price (US\$m)
12	16,000 TEU	LNG dual-fuel containerships	Mediterranean Shipping Co	2024-26	180	2,160
4	32,000 DWT	Bulk carriers	Navibulgar	2024	32	128
Total						2,288

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, TRADEWINDS, CLARKSONS

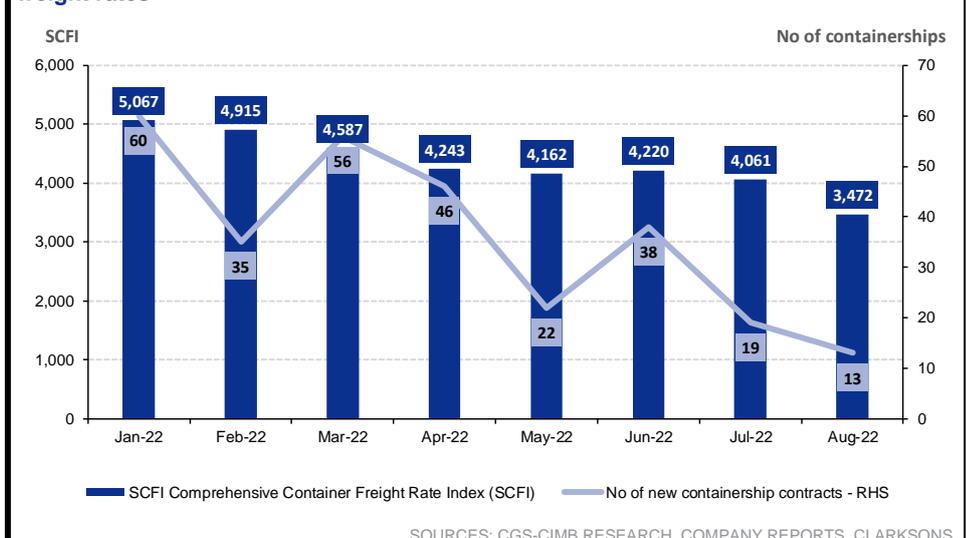
40% shipbuilding deposits reduce risk of cancellations

Clarksons' data suggest that falling freight rates and the uncertain global economy could lower demand for containerships. The number of new containership contracts decreased 78% YTD to 13 as of Aug 22, as average monthly freight rates slumped 31% YTD to c.3,472 on the SCFI in Aug 22, according to Clarksons.

Yet, we do not foresee major order cancellations for YZJ as: 1) large, financially-backed ship owners constitute most of the existing customers on its orderbook; and 2) YZJ now receives a 40% deposit prior to delivery (10% upon order confirmation, 30% milestone payments), vs. 30% previously.

We understand from management that YZJ has not had any order cancellations YTD and that it is still receiving queries for new containership orders for deliveries in 2025 and after. We also take comfort that YZJ is pivoting itself into the LNG space to narrow its gap with Korean shipbuilding peers.

Figure 2: Number of new containership orders have reduced in tandem with falling freight rates



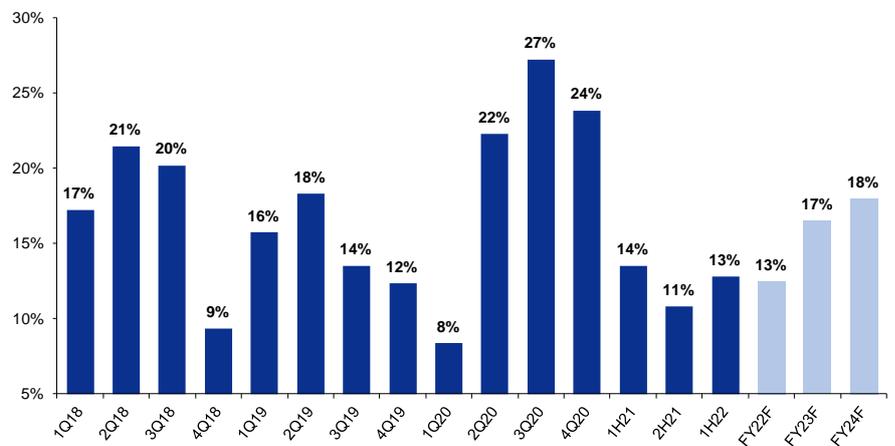
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, CLARKSONS

Margins could increase from declining steel costs and execution of higher-margin orders

We forecast 17% and 18% gross margins for FY22F and FY23F respectively (vs. 12.8% as at 1H22), due to the following reasons:

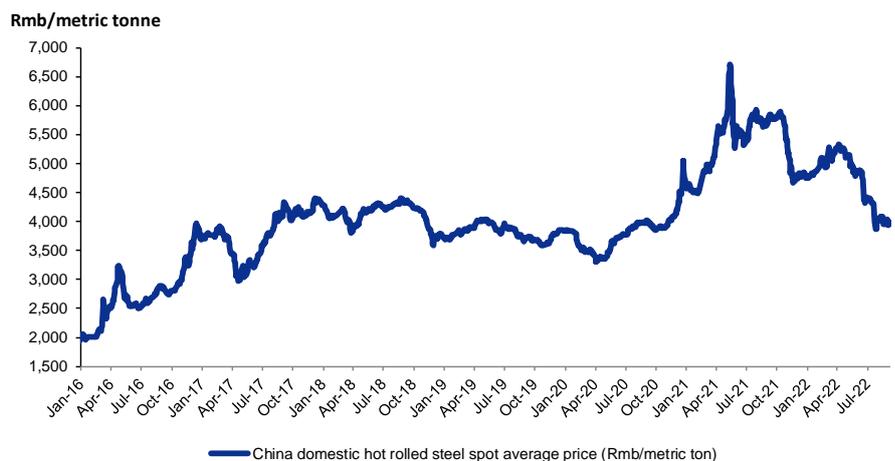
1. Steel costs have declined c.17% YTD to 5,990 Rmb/metric tonne on 7 Sep 22, according to Bloomberg. We expect the decrease in steel prices to be reflected in YZJ's financials in 4Q22F.
2. YZJ may have commenced execution on higher-margin orders secured in 2021, in our view. We note that orders secured at end-2021 have a c.23% higher average selling price compared to orders secured at the start of 2021. Hence, we think that vessels delivered in 2023-24 could command higher margins compared to vessels delivered in 2022.

Figure 3: We forecast gross margins to rise to 17% and 18% in FY23F and FY24F, respectively



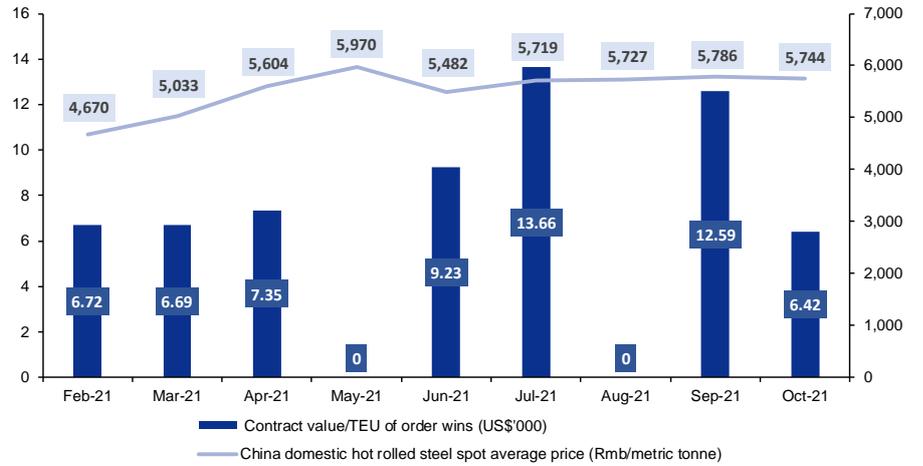
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 4: Steel prices have declined c.17% YTD to Rmb5,990/metric tonne on 8 Sep 22



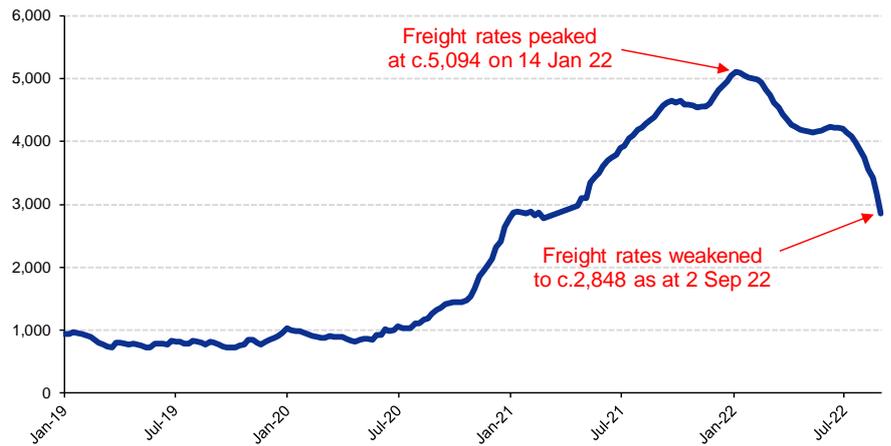
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG DATA AS OF 8 SEP 22

Figure 5: Orders secured at end-2021 have a c.23% higher average selling price compared to orders secured at the start of 2021



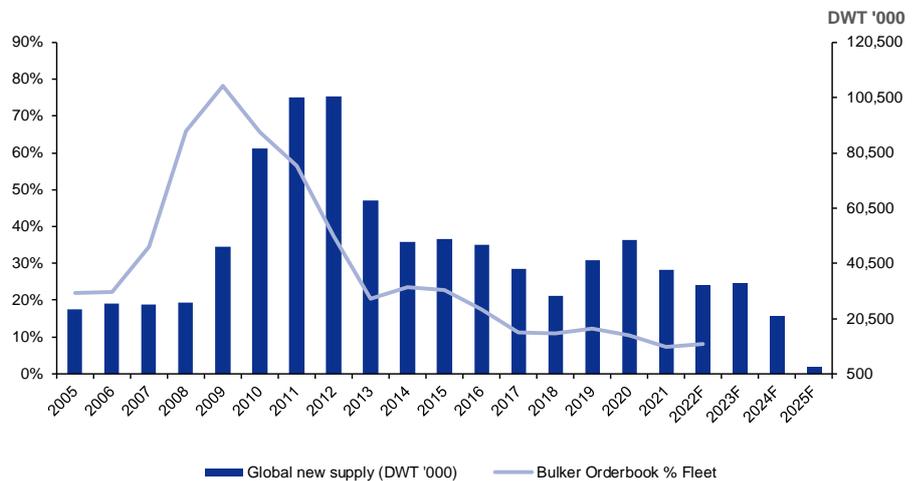
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, CLARKSONS

Figure 6: Freight rates have weakened c.44% YTD to c.2,848 on 2 Sep 22, from the peak of c.5,094 on 14 Jan 22



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, CLARKSONS

Figure 7: Global bulker orderbook is now at c.8% of total global bulker fleet



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, CLARKSONS

Figure 8: Peer comparison

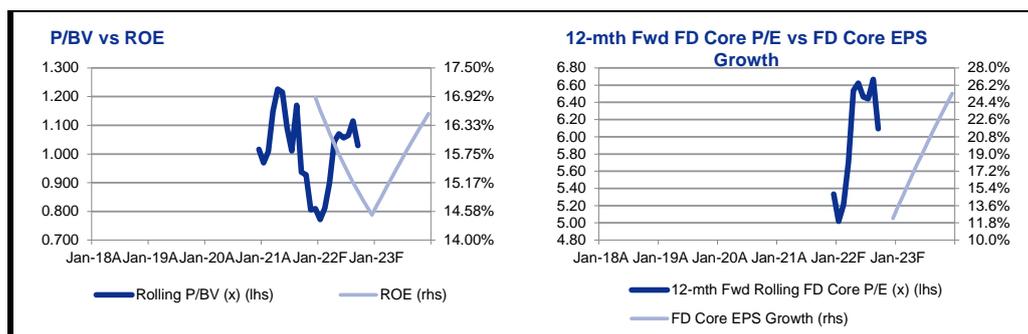
Company	Bbg Ticker	Recom.	Price		Market Cap (US\$ m)	P/E (x)			2-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)	Dividend Yield (%)
			(lcl curr)	Target Price (lcl curr)		CY22F	CY23F	CY24F		CY22F	CY23F		
Keppel Corporation	KEP SP	Add	7.44	9.37	9,262	16.5	16.6	16.2	-12.2%	1.09	1.06	6.8%	4.2%
Sembcorp Marine	SMM SP	Hold	0.11	0.11	2,495	na	na	2595.5	na	0.93	0.96	-7.6%	0.0%
Singapore offshore - big cap simple average						16.5	16.6	1305.8	-12.2%	1.01	1.01	-0.4%	2.1%
COSCO SHIPPING International S	COS SP	NR	0.18	na	295	30.7	30.7	na	-33.1%	0.69	0.69	4.1%	32.4%
China CSSC Holdings Ltd	600150 CH	NR	27.45	na	17,708	173.7	47.8	19.6	238.8%	2.63	2.50	1.7%	0.1%
China Shipbuilding Industry Co	601989 CH	NR	3.96	na	12,977	na	na	na	na	na	na	na	na
CSSC Offshore and Marine Engin	600685 ch	NR	22.88	na	3,292	381.3	55.8	46.7	170.1%	na	na	na	na
Yangzijiang Shipbuilding	YZJSGD SP	Add	0.90	1.63	2,523	7.3	5.8	5.2	17.3%	1.01	0.91	14.6%	5.5%
Chinese Shipbuilder simple average						148.2	35.0	23.8	98.3%	1.44	1.37	6.8%	12.7%
Korea Shipbuilding & Offshore	009540 KS	Add	88,100	200,000	4,504	16.4	11.8	na	na	0.56	0.53	3.5%	0.0%
Hyundai Mipo Dockyard	010620 KS	Add	103,000	125,000	2,972	34.1	23.4	na	na	1.73	1.60	5.2%	0.0%
Samsung Heavy Industries	010140 KS	Reduce	5,660	4,000	3,598	na	na	na	na	2.32	2.38	-14.0%	0.0%
Daewoo Shipbuilding & Marine	042660 KS	Add	18,450	43,000	1,430	2.4	1.8	na	na	0.56	0.43	26.5%	0.0%
Sejin Heavy Industries Co Ltd	075580 ks	NR	7,480	na	307	20.6	12.4	9.5	42.4%	2.40	2.09	12.6%	2.0%
Korean Shipbuilder simple average						18.4	12.4	9.5	42.4%	1.52	1.41	6.8%	0.4%
Mitsui E&S Holdings Co Ltd	7003 jp	NR	433.0	na	258	na	2.9	2.3	na	0.49	0.40	0.2%	0.0%
Japan Shipbuilder simple average						na	2.9	2.3	na	0.84	0.40	-0.9%	0.0%
CSE Global	CSE SP	Hold	0.45	0.45	164	18.9	12.1	9.9	11.5%	1.22	1.19	6.5%	6.1%
SATS Ltd	SATS SP	Add	4.02	4.47	3,207	190.8	31.3	18.8	na	2.86	2.87	1.5%	1.1%
Sembcorp Industries	SCI SP	Add	3.43	4.78	4,346	7.7	8.5	8.4	56.7%	1.36	1.17	19.6%	3.9%
ST Engineering	STE SP	Add	3.72	4.53	8,222	23.0	17.8	15.5	4.8%	4.66	4.39	20.9%	4.3%
SIA Engineering	SIE SP	Add	2.41	2.92	1,923	43.0	31.8	23.8	31.4%	1.63	1.59	3.9%	1.6%
Industrial/conglomerate / airport services simple average						56.7	20.3	15.3	26.1%	2.35	2.24	10.5%	3.4%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
Estimates for Not rated companies are based on Bloomberg consensus estimates
DATA AS AT 8 SEP 2022

Refinitiv ESG Scores	
	     
<h2>ESG in a nutshell</h2>	
<p>According to Refinitiv, YZJ has an ESG combined score of C- and an ESG Controversies Score of A+. The current combined ESG score of C- is split into E: C- (weightage: 34.18%); S: C (weightage: 37.34%); and G: C- (weightage: 28.48%). Moving forward, YZJ aims to design and build relevant vessels with higher energy efficiency, in line with China's plans "to have CO2 emissions peak before 2030 and achieve carbon neutrality before 2060".</p>	
<p>YZJ's Environment score remained the same yoy at C+ in 2021. We think YZJ can further improve its Environment score by implementing initiatives in waste reduction, environmental restoration and environmental expenditures. YZJ, in its 1H21 update, said that it clinched its first batch of orders for LPG vessels and LNG dual-fuel 7,000TEU containerships. These dual-fuel engines and vessels comply with, and exceed, the current guidelines initiated by the International Maritime Organisation (IMO). In FY22, it clinched additional orders for four 8,000TEU LNG dual-fuel containerships. This is a huge step forward for YZJ in the clean energy sector and represents its investment in R&D towards the designing and building of clean energy vessels.</p>	
<p>Keep your eye on</p> <p>In 2019, YZJ's then Executive Chairman Mr. Ren Yuanlin was implicated in the Chinese government's anticorruption investigations into Liu Jianguo, the former party secretary of Jingjiang City.</p>	<p>Implications</p> <p>YZJ requested for a trading halt on 8 Aug 2019 following a 20% fall in its share price. Since it has been almost two years since the controversy, we think the trading levels of YZJ's shares have returned to normal and thus the controversy has had little to no impact on our valuation of the company.</p>
<p>ESG highlights</p> <p>YZJ's Environment score remained the same yoy from 2020 to 2021 at C+. We think YZJ can further improve its Environment score by implementing initiatives in waste reduction, environmental restoration, and environmental expenditures. YZJ in its 1H21 update said it clinched its first batch of orders for LPG vessels and LNG dual-fuel 7,000TEU containerships. These dual-fuel engines and vessels comply with, and exceed, the current guidelines initiated by the International Maritime Organisation (IMO). In Jul 22, it clinched additional orders for four 8,000TEU LNG dual-fuel containerships. This is a huge step forward for YZJ in the clean energy sector and represents its investment in R&D towards the designing and building of clean energy vessels.</p>	<p>Implications</p> <p>We have not applied any premium/discount for ESG in our fundamental valuation of YZJ.</p>
<p>Trends</p> <p>From 2020 to 2021, YZJ maintained its Environment and Social at C- and C, respectively, as ranked by Refinitiv. Meanwhile, its Governance pillar dipped from C to C-, pulled down by its Management score and Corporate Social Responsibility (CSR) scores.</p>	<p>Implications</p> <p>We have not applied any premium/discount for ESG in our fundamental valuations. However, Ren Letian assuming the role of Executive Chairman and Chief Executive Officer may have helped to restore investors' confidence in the group's governance. Further environmental efforts may also attract more interest among funds that are more environmentally focused.</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	12,760	15,695	24,391	26,887	26,708
Gross Profit	2,624	3,028	3,684	4,842	5,135
Operating EBITDA	1,626	3,028	3,684	4,455	4,897
Depreciation And Amortisation	(483)	(471)	(489)	(444)	(441)
Operating EBIT	1,144	2,557	3,195	4,012	4,456
Financial Income/(Expense)	190	273	32	32	32
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	1,333	2,831	3,227	4,044	4,488
Exceptional Items					
Pre-tax Profit	1,333	2,831	3,227	4,044	4,488
Taxation	(323)	(675)	(742)	(930)	(1,032)
Exceptional Income - post-tax					
Profit After Tax	1,010	2,156	2,484	3,114	3,456
Minority Interests	(102)	(28)	(75)	(93)	(104)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	908	2,127	2,410	3,020	3,352
Recurring Net Profit	908	2,127	2,410	3,020	3,352
Fully Diluted Recurring Net Profit	908	2,127	2,410	3,020	3,352

Cash Flow

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	1,626	3,028	3,684	4,455	4,897
Cash Flow from Invt. & Assoc.					
Change In Working Capital	1,576	(2,242)	843	(201)	15
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(43)	3,329	(2,515)	(465)	(177)
Net Interest (Paid)/Received	190	273	32	32	32
Tax Paid	231	(335)	(706)	(742)	(930)
Cashflow From Operations	3,580	4,053	1,337	3,079	3,836
Capex	(27)	(397)	(397)	(397)	(397)
Disposals Of FAs/subsidiaries	0	0	0	0	0
Acq. Of Subsidiaries/investments	(318)	(750)	0	0	0
Other Investing Cashflow	0	0	0	0	0
Cash Flow From Investing	(345)	(1,147)	(397)	(397)	(397)
Debt Raised/(repaid)	(789)	213	0	0	0
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	(310)	(171)	0	0	0
Dividends Paid	(313)	(487)	(955)	(1,228)	(1,362)
Preferred Dividends					
Other Financing Cashflow	(4,697)	3,310	0	0	0
Cash Flow From Financing	(6,110)	2,865	(955)	(1,228)	(1,362)
Total Cash Generated	(2,875)	5,771	(15)	1,454	2,077
Free Cashflow To Equity	2,446	3,119	940	2,682	3,439
Free Cashflow To Firm	3,310	2,976	1,012	2,753	3,510

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(Rmbm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	3,608	9,378	9,363	10,818	12,894
Total Debtors	1,462	4,003	2,009	2,210	2,195
Inventories	1,678	1,640	3,484	3,697	3,619
Total Other Current Assets	6,130	7,108	9,820	10,491	10,442
Total Current Assets	12,878	22,129	24,676	27,215	29,150
Fixed Assets	5,216	5,142	5,050	5,004	4,960
Total Investments	388	556	657	763	875
Intangible Assets	281	281	281	281	281
Total Other Non-Current Assets	2,272	2,745	2,745	2,745	2,745
Total Non-current Assets	8,157	8,725	8,734	8,794	8,861
Short-term Debt	2,121	2,504	2,504	2,504	2,504
Current Portion of Long-Term Debt					
Total Creditors	2,475	2,791	3,484	3,697	3,619
Other Current Liabilities	2,786	6,181	6,516	7,015	7,003
Total Current Liabilities	7,382	11,476	12,504	13,216	13,126
Total Long-term Debt	2,124	1,953	1,953	1,953	1,953
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	2,124	1,953	1,953	1,953	1,953
Total Provisions	1,192	1,409	1,409	1,409	1,409
Total Liabilities	10,697	14,838	15,865	16,577	16,487
Shareholders' Equity	9,303	15,878	17,333	19,126	21,115
Minority Interests	1,034	138	213	306	410
Total Equity	10,338	16,016	17,546	19,432	21,525

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	N/A	17.5%	62.9%	10.0%	(0.7%)
Operating EBITDA Growth	N/A	86.2%	21.6%	21.0%	9.9%
Operating EBITDA Margin	12.7%	20.2%	15.1%	16.6%	18.3%
Net Cash Per Share (Rmb)	(0.17)	1.25	1.25	1.62	2.15
BVPS (Rmb)	2.41	4.05	4.42	4.87	5.38
Gross Interest Cover	15.20	36.59	44.80	56.26	62.49
Effective Tax Rate	24.3%	23.8%	23.0%	23.0%	23.0%
Net Dividend Payout Ratio	34.5%	22.9%	39.6%	40.6%	40.6%
Accounts Receivables Days	N/A	66.50	44.89	28.63	30.18
Inventory Days	N/A	47.80	45.16	59.45	62.05
Accounts Payables Days	N/A	75.88	55.31	59.45	62.05
ROIC (%)	N/A	18.0%	22.2%	24.9%	27.0%
ROCE (%)	N/A	15.4%	14.6%	16.9%	17.3%
Return On Average Assets	N/A	7.43%	7.65%	8.89%	9.27%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Order win (US\$m)	1,770.0	7,400.0	2,954.0	2,954.0	2,954.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS-CIMB. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS-CIMB entity as listed in the table below.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the “Restrictions on Distributions” set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS-CIMB.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS-CIMB may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS-CIMB has no obligation to update this report in the event of a material change to the information contained in this report. CGS-CIMB does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS-CIMB, its affiliates and related persons including China Galaxy International Financial Holdings Limited (“CGIFHL”) and CIMB Group Sdn. Bhd. (“CIMBG”) and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS-CIMB disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS-CIMB considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS-CIMB or any of its affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB, its affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB, its affiliates and their respective related corporations (including CGIFHL, CIMBG and their respective related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB or its affiliates (including CGIFHL, CIMBG and their respective related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS-CIMB may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS-CIMB entity as listed in the table below. The term “CGS-CIMB” shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS-CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hong Kong) Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
Singapore	CGS-CIMB Securities (Singapore) Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities (Hong Kong) Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Other Significant Financial Interests:

(i) As of August 31, 2022 CGS-CIMB has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Yangzijiang Shipbuilding

(ii) Analyst Disclosure: As of September 8, 2022, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS-CIMB nor any of its affiliates (including CGIFHL, CIMBG and their related corporations) make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS-CIMB nor any of its affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited do not hold, and are not required to hold an Australian financial services license. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CGS-CIMB Securities (Hong Kong) Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS-CIMB Securities (Hong Kong) Limited. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected.

CHK has no obligation to update its opinion or the information in this research report.
This publication is strictly confidential and is for private circulation only to clients of CHK.
CHK does not make a market on other securities mentioned in the report.

India: This report is issued and distributed in India by CGS-CIMB Securities (India) Private Limited (“CGS-CIMB India”). CGS-CIMB India is a subsidiary of CGS-CIMB Securities International Pte. Ltd. which is in turn is a 50:50 joint venture company of CGIFHL and CIMBG. The details of the members of the group of companies of CGS-CIMB can be found at www.cgs-cimb.com, CGIFHL at www.chinastock.com.hk/en/ACG/ContactUs/index.aspx and CIMBG at www.cimb.com/en/who-we-are.html. CGS-CIMB India is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member (Merchant Banking Number: INM000012037) under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CGS-CIMB India is not required to seek registration with the Securities and Exchange Board of India (“SEBI”) as an Investment Adviser. CGS-CIMB India is registered with SEBI (SEBI Registration Number: INZ000209135) as a Research Analyst (INH000000669) pursuant to the SEBI (Research Analysts) Regulations, 2014 (“Regulations”).

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a “prospectus” as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CGS-CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CGS-CIMB India or its affiliates.

CGS-CIMB India does not have actual / beneficial ownership of 1% or more securities of the subject company in this research report, at the end of the month immediately preceding the date of publication of this research report. However, since affiliates of CGS-CIMB India are engaged in the financial services business, they might have in their normal course of business financial interests or actual / beneficial ownership of one per cent or more in various companies including the subject company in this research report.

CGS-CIMB India or its associates, may: (a) from time to time, have long or short position in, and buy or sell the securities of the subject company in this research report; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company in this research report or act as an advisor or lender/borrower to such company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not received any compensation for investment banking, merchant banking or brokerage services from the subject company mentioned in the research report in the past 12 months.

CGS-CIMB India, its associates and the analyst engaged in preparation of this research report have not managed or co-managed public offering of securities for the subject company mentioned in the research report in the past 12 months. The analyst from CGS-CIMB India engaged in preparation of this research report or his/her relative (a) do not have any financial interests in the subject company mentioned in this research report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the research report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the research report.

Indonesia: This report is issued and distributed by PT CGS-CIMB Sekuritas Indonesia (“CGS-CIMB Indonesia”). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS-CIMB Indonesia has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS-CIMB Indonesia. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed in Malaysia by CGS-CIMB Securities Sdn. Bhd. (“CGS-CIMB Malaysia”) solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS-CIMB Malaysia, at Level 29, Menara Bumiputra-Commerce, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS-CIMB Malaysia has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report. CGS-CIMB Malaysia may act or acts as a market maker in the capital market products of the following companies: ([Malaysia Market Maker Company List - Click here](#))

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CGS-CIMB Securities (Singapore) Pte Ltd (“CGS-CIMB Singapore”). CGS-CIMB Singapore is a capital markets services licensee under the Securities and Futures Act (Chapter 289). Accordingly, it is exempted from the requirement to hold a financial adviser's licence under the Financial Advisers Act, Cap 110 (“FAA”) for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS-CIMB Singapore is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS-CIMB Singapore, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983

in respect of any matters arising from, or in connection with this report. CGS-CIMB Singapore has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS-CIMB Singapore directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS-CIMB Singapore accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS-CIMB Singapore is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS-CIMB Singapore is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMB Singapore for any loss or damage arising from the recipient's reliance on any recommendation made by CGS-CIMB Singapore which would otherwise be a right that is available to the recipient under Section 27 of the FAA. .

CGS-CIMB Singapore, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS-CIMB Singapore, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB Singapore does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CGS-CIMB Securities (Hong Kong) Limited, Korea Branch ("CGS-CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CGS-CIMB Securities (Thailand) Co. Ltd. ("CGS-CIMB Thailand") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS-CIMB Thailand has no obligation to update its opinion or the information in this research report.

Corporate Governance Report (CGR): ([Thai CGR and Anti-Corruption of Thai Listed Companies - Click here](#))

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CGS-CIMB Securities (UK) Limited ("CGS-CIMB UK"). CGS-CIMB UK is authorized and regulated by the Financial Conduct Authority and its

registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS-CIMB UK has been prepared in accordance with CGS-CIMB's policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS-CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (c) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as "relevant persons"). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

This material is categorised as non-independent for the purposes of CGS-CIMB UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This research report is distributed in the United States of America by CGS-CIMB Securities (USA) Inc, a U.S. registered broker-dealer and an affiliate of CGS-CIMB Securities Sdn. Bhd., CGS-CIMB Securities (Singapore) Pte Ltd, PT CGS-CIMB Sekuritas Indonesia, CGS-CIMB Securities (Thailand) Co. Ltd, CGS-CIMB Securities (Hong Kong) Limited and CGS-CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as "U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS-CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc.

CGS-CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CGS-CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

United States Third-Party Disclaimer: If this report is distributed in the United States of America by Raymond James & Associates, Inc ("RJA"), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS-CIMB Securities International Pte. Ltd. ("CGS-CIMB"). CGS-CIMB is not an affiliate of RJA. This report is distributed solely to persons who qualify as "U.S. Institutional Investors" or as "Major U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc. or RJA. <https://raymondjames.com/InternationalEquityDisclosures>

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022		
643 companies under coverage for quarter ended on 30 June 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%
Reduce	7.0%	0.2%

Spitzer Chart for stock being researched (2 year data)

Yangzijiang Shipbuilding (YZJSGD SP)



Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.