

## Singapore

**ADD** (no change)

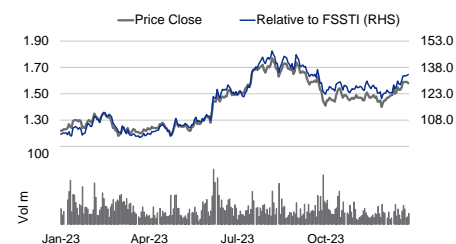
Consensus ratings\*: Buy 7 Hold 0 Sell 0

Current price:	S\$1.58
Target price:	S\$1.96
Previous target:	S\$1.96
Up/downside:	23.9%
CGS-CIMB / Consensus:	3.9%
Reuters:	YAZG.SI
Bloomberg:	YZJSGD SP
Market cap:	US\$4,647m
	S\$6,242m
Average daily turnover:	US\$19.74m
	S\$26.61m
Current shares o/s:	3,951m
Free float:	61.0%

\*Source: Bloomberg

**Key changes in this note**

- FY23-25F EPS lifted by 7-9%.
- Order win forecast lifted to US\$4.5bn for 2024F (previously US\$4bn).



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	9.7	3.3	29.5
Relative (%)	8.9	4.2	33.7

Major shareholders	% held
Yangzi International Holdings Ltd	21.5

**Analyst(s)**

**LIM Siew Khee**

T (65) 6210 8664

E siewkhee.lim@cgs-cimb.com

# Yangzijiang Shipbuilding

## Record-high FY23F net profit likely

- We lift our FY23-25F EPS by 7-9% to incorporate one-off gains from jack-up rig sale and higher shipbuilding margins. Higher DPS is a rerating catalyst.
- Subdued steel prices YTD at c.Rmb4,000/tonne reaffirm our thesis for YZJSB's margin expansion; we lift our FY24F/25F GM to 25%/26%.
- We raise our 2024F order win forecast to US\$4.5bn (from US\$4bn) in view of the latest six 13k dual fuel containership orders worth c.US\$1bn.
- Reiterate Add and TP of S\$1.96, based on a 2x CY24F P/BV.

### Stranded jack-up rig finally sold, estimated gain of Rmb250m

The heightened jack-up rig market finally led to the sale of YZJ's stranded rig in Nov 23. We estimate the after-tax gain from the sale to be c.Rmb250m (c.US\$35m), which will be reflected in the FY23F financials (please see page 2 for details).

### Thesis of low steel price and inverse direction of ASP still intact

Steel prices remained steady in the last 3 months of 2023 at Rmb3,950/metric tonne. YTD's prices are around Rmb4,067/metric. Conversely, newbuild prices have remained firm. If we benchmark the latest contract win by YZJSB for six units of 13k dual-fuel containerships to industry trends (by Shipping Intelligence), it should fetch US\$173m/vessel or US\$1bn of total contract vs. newbuild prices 6 months earlier in Jul 23 at US\$171m/ vessel (Fig 6). Structural demand for green energy vessels and shipowners' profitability could keep ship prices firm, in our view. We turn slightly more positive on the quantum of margin expansion as YZJSB progressively executes orders from 2H21. We expect higher shipbuilding gross margins (GM) for FY24F of 24.5% and FY25F of 25.5% (previously 24-25%).

### Efficient execution may see margins expand and more orders

Upside to our margins could also come from operating efficiency, in our view. On average, from striking steel to completion, YZJSB takes c.10 months to build a <100k dwt bulk carrier and 14-16 months for a +20k TEU containership. With the order book currently at about US\$15.8bn, we expect operating leverage and efficiency from its solid execution track record to potentially reduce the construction months to 13-14 months for large-scale containerships. This could also mean yard capacity can be maximised to take in more orders. We now expect FY24F order intake to be at US\$4.5bn (from US\$4bn previously). Yard capacity is generally full until 2027F but we believe efficient yard planning could still see some delivery slots available for mid-size ships in 2026F.

### Multiple catalysts; Maintain Add and TP of S\$1.96

We forecast FY23F DPS at S\$0.065 (+30% yoy) or 35% payout (FY22:38%), driven by potentially record-high FY23F net profit. Other catalysts include higher-than-expected margin expansion on operating leverage and higher order intake. Key risks include order cancellations and higher steel costs hurting margins. Our TP basis of 2x CY24 P/BV is justified by YZJSB's 21% ROE.

Financial Summary	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue (Rmbb)	15.14	20.71	23.77	24.20	25.30
Operating EBITDA (Rmbb)	2.85	3.51	5.37	6.16	6.62
Net Profit (Rmbb)	1.97	2.61	3.96	4.46	4.77
Core EPS (Rmb)	0.51	0.66	1.00	1.13	1.21
Core EPS Growth	120%	30%	51%	13%	7%
FD Core P/E (x)	16.69	12.75	8.45	7.50	7.00
DPS (Rmb)	0.13	0.25	0.38	0.43	0.46
Dividend Yield	1.58%	2.95%	4.54%	5.08%	5.44%
EV/EBITDA (x)	8.36	7.75	4.36	3.54	2.96
P/FCFE (x)	4.85	8.80	6.37	10.25	8.52
Net Gearing	(21.9%)	(35.1%)	(49.3%)	(50.1%)	(52.4%)
P/BV (x)	0.92	1.90	1.67	1.47	1.30
ROE	5.8%	9.8%	21.1%	20.8%	19.7%
% Change In Core EPS Estimates			9.45%	7.62%	6.54%
EPS/Consensus EPS (x)			1.10	1.11	1.11

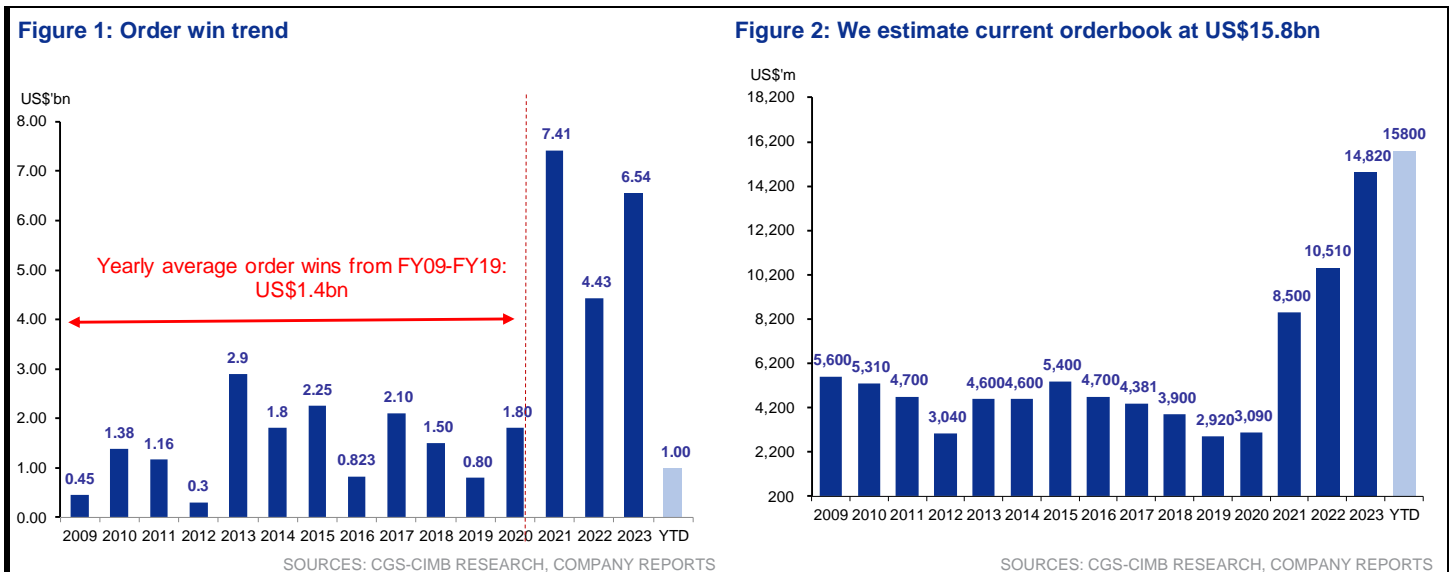
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Sale of jack-up rig, finally ►

In 2012, YZJSB secured a contract to build a LeTourneau Super 116E Class design self-elevating rig for Mena Offshore Investments for US\$170m. However, in 2016, the contract was terminated, and the rig, Explorer I, has been classified under inventory ever since. The rig’s book value has been written down over the years to c.US\$35m in Nov 23. According to Riglogix, Explorer I was sold to Sinopec Shengli for US\$80m in Nov 23. Although this is lower than the market price of c.US\$111m for a similar rig which Dalian Shipyard sold in Nov 23 for India waters, we understand that the sale of Explorer I is on a “bare rig, as-is” basis with no reactivation service required, and to be used for drilling activities in China.

## New contract likely worth c.US\$1bn ►

YZJSB announced to the stock exchange yesterday (17 Jan) that it has been awarded a contract for six units of 13k TEUs dual-fuel (DF) methanol containerships from a repeat customer from Japan, ONE Shipping. The contract amount was not disclosed but we estimate the total contract value to be about US\$1bn, based on US\$173m per vessel. This brings YZJSB’s order book to about US\$15.8bn. We believe YZJSB is likely to surpass its general guidance of US\$3bn annual orders in 2024F as efficient yard planning should allow the company to further maximise its yard capacity.

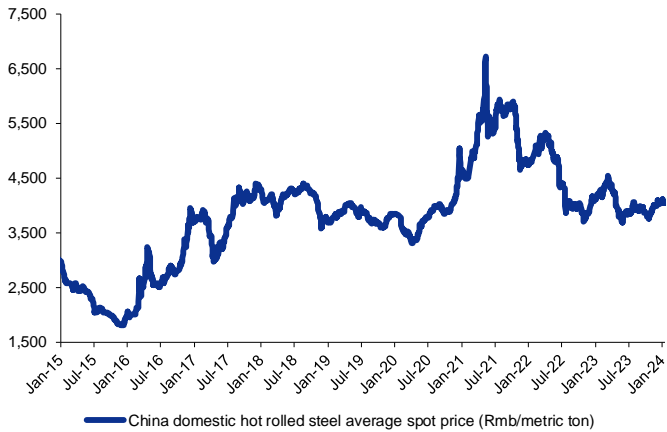


## Weak Rmb is a plus ►

The Rmb has weakened against the US\$ by 6% yoy. We think there could be favourable forex impact on YZJSB given that about 70% of its costs are denominated in renminbi, assuming all equipment costs (30% of total cost) are denominated in US\$.

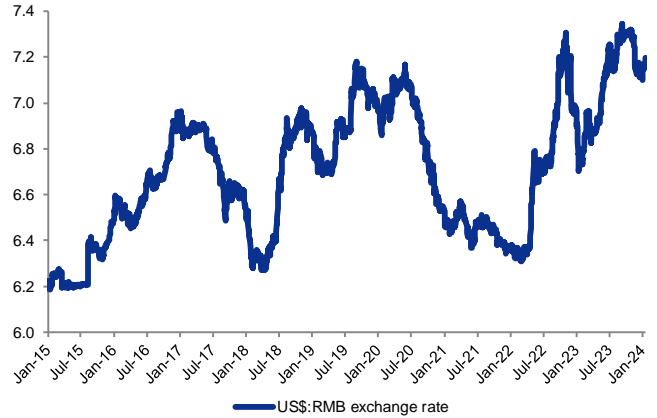
Our China strategist expects the Rmb to appreciate modestly against the greenback, fluctuating within a Rmb6.9-7.2 range vs. US\$ in 2024F, on the back of softening in the US dollar index as the US enters an interest rate reduction cycle.

**Figure 3: China steel price hovers at Rmb4k/metric tonne**



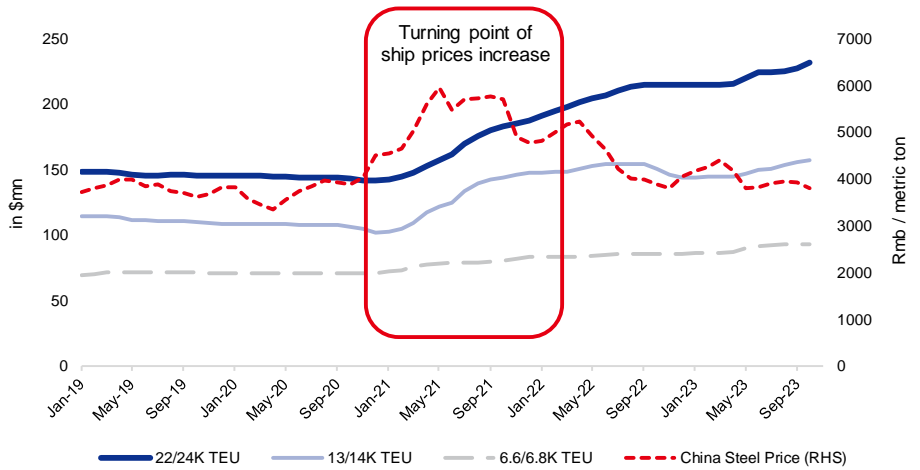
SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

**Figure 4: Rmb weakened against US\$ by c. 6% yoy**



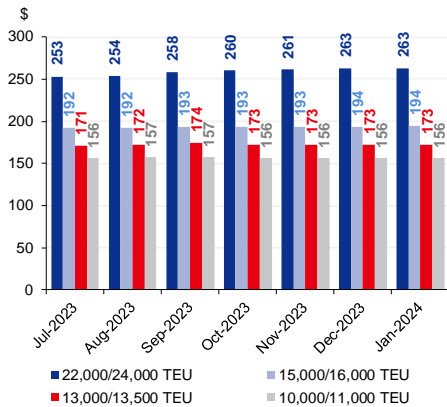
SOURCE: BLOOMBERG

**Figure 5: Containership Newbuild Prices vs. Steel Prices**



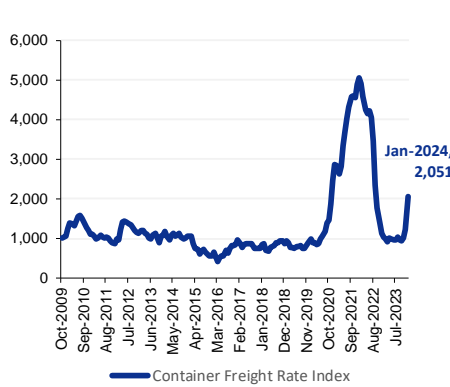
SOURCES: CGS-CIMB RESEARCH, BLOOMBERG, Shipping Intelligence

**Figure 6: Containership Newbuilding Prices (LNG Dual Fuel) remained firm yoy**



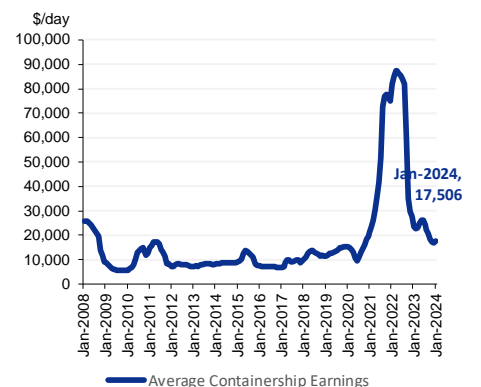
SOURCES: CGS-CIMB RESEARCH, Shipping Intelligence

**Figure 7: Container Freight Rate Index recovered in Jan-2024**



SOURCES: CGS-CIMB RESEARCH, Shipping Intelligence

**Figure 8: Average Containership Earnings (US\$/day)**



SOURCES: CGS-CIMB RESEARCH, Shipping Intelligence

## Reiterate Add and TP of S\$1.96 ►

We like YZJSB for 1) upside from margin expansion, 2) sustained annual order win of US\$4-5bn on the back of decarbonization commitments from liners to replace fleets and 3) fluctuating shipping rates due to unexpected disruption in routes or port congestion could see faster absorption of newbuild supply.

Our TP is based on 2x CY24F P/BV, now 70% premium to regional yards' 1.2x average CY24F P/BV, given YZJ's stronger margin track record and superior ROE of 21% (peers: less than 10%).

## Downside risks ►

Downside risks to our Add call include a sharp rise in steel costs affecting margins, order cancellations weakening earnings visibility, and a steep decline in freight rates impacting potential new order wins and chartering contracts.

Figure 9: Earnings change

	Previous			Revised			Change %		
	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
Revenue (Rmbm)	23,768	24,197	25,078	23,768	24,197	25,296	0%	0%	1%
Gross profit %	19%	23%	24%	19%	25%	26%			
Net profit (Rmbm)	3,620	4,140	4,480	3,958	4,457	4,774	9%	8%	7%
EPS (Rmb)	0.92	1.05	1.14	1.00	1.13	1.21	9%	8%	6%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS


Figure 10: Peers Comparison

Company	Bbg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x)			2-year EPS CAGR (%)		P/BV (x)		Recurring ROE (%)	Dividend Yield (%)
						CY23F	CY24F	CY25F	CY23F	CY24F	CY23F	CY24F		
Keppel Corporation	KEP SP	Add	6.87	8.70	9,014	12.3	11.0	10.3	11.8%	1.02	0.99	8.4%	5.2%	
Capitalland Investment	CLI SP	Add	2.96	4.30	11,231	19.6	16.4	15.2	37.8%	0.93	0.89	4.9%	4.1%	
<b>Integrated global asset management - big cap simple average</b>						<b>16.0</b>	<b>13.7</b>	<b>12.8</b>	<b>24.8%</b>	<b>0.98</b>	<b>0.94</b>	<b>6.6%</b>	<b>4.6%</b>	
Seatrium Ltd	STM SP	Add	0.11	0.19	5,739	na	30.1	11.7	na	0.93	0.90	-7.8%	0.0%	
<b>Singapore offshore - big cap simple average</b>						<b>na</b>	<b>30.1</b>	<b>11.7</b>	<b>na</b>	<b>0.93</b>	<b>0.90</b>	<b>-7.8%</b>	<b>0.0%</b>	
COSCO SHIPPING International S	COS SP	NR	0.16	na	263	na	na	na	na	na	na	na	na	
China CSSC Holdings Ltd	600150 CH	NR	28.79	na	17,893	46.1	19.8	14.2	502.7%	2.64	2.34	5.9%	0.7%	
China Shipbuilding Industry Co	601989 CH	NR	4.11	na	13,023	205.5	24.2	15.2	na	1.12	1.07	0.4%	na	
CSSC Offshore and Marine Engin	600685 CH	NR	24.39	na	3,540	106.0	30.5	21.4	28.2%	2.17	2.03	2.0%	na	
Yangzijiang Shipbuilding	YZJSGD SP	Add	1.58	1.96	4,647	8.4	7.5	7.0	26.5%	1.67	1.47	21.1%	4.5%	
<b>Chinese Shipbuilder simple average</b>						<b>91.5</b>	<b>20.5</b>	<b>14.5</b>	<b>185.8%</b>	<b>1.90</b>	<b>1.73</b>	<b>7.3%</b>	<b>2.6%</b>	
Korea Shipbuilding & Offshore	009540 KS	Add	104,400	136,000	5,495	37.3	12.1	5.8	na	0.74	0.69	2.1%	0.0%	
Hyundai Mipo Dockyard	010620 KS	Reduce	72,200	69,000	2,145	na	20.3	13.2	na	1.38	1.29	-2.1%	0.0%	
Samsung Heavy Industries	010140 KS	Add	7,050	10,900	4,614	95.4	22.3	12.9	na	1.70	1.57	1.8%	0.0%	
Hanwha Ocean	042660 KS	Hold	21,400	35,300	4,876	na	21.1	11.9	na	1.42	1.33	-8.0%	0.0%	
Sejin Heavy Industries Co Ltd	075580 KS	NR	4,805	na	207	17.0	18.4	10.2	11.0%	1.69	1.62	9.8%	3.1%	
<b>Korean Shipbuilder simple average</b>						<b>49.9</b>	<b>18.8</b>	<b>10.8</b>	<b>11.0%</b>	<b>1.38</b>	<b>1.30</b>	<b>0.7%</b>	<b>0.6%</b>	
Mitsui E&S Co Ltd	7003 JP	NR	712.0	na	500	4.0	3.8	na	68.0%	0.65	0.58	na	0.1%	
<b>Japan Shipbuilder simple average</b>						<b>6.4</b>	<b>3.8</b>	<b>na</b>	<b>68.0%</b>	<b>0.65</b>	<b>0.58</b>	<b>na</b>	<b>0.1%</b>	
Brookfield Corp	BN US	NR	38.49	na	63,167	21.7	16.1	13.6	39.9%	1.42	1.41	9.6%	0.7%	
<b>US Shipbuilder simple average</b>						<b>21.7</b>	<b>16.1</b>	<b>13.6</b>	<b>39.9%</b>	<b>1.42</b>	<b>1.41</b>	<b>9.6%</b>	<b>0.7%</b>	
CSE Global	CSE SP	Add	0.41	0.57	188	11.3	8.7	7.4	83.1%	1.16	1.10	10.5%	6.7%	
SATS Ltd	SATS SP	Add	2.87	3.44	3,185	141.1	44.2	23.4	na	1.98	2.00	1.3%	0.5%	
Sembcorp Industries	SCI SP	Add	5.45	6.85	7,222	9.8	10.6	10.5	12.0%	2.08	1.83	23.1%	2.8%	
ST Engineering	STE SP	Add	3.83	4.27	8,879	20.7	17.1	14.6	23.8%	4.82	4.47	23.8%	4.2%	
SIA Engineering	SIE SP	Hold	2.35	2.51	1,965	24.3	20.0	18.3	41.1%	1.54	1.51	6.5%	3.5%	
<b>Industrial/conglomerate / airport services simple average</b>						<b>41.4</b>	<b>20.1</b>	<b>14.9</b>	<b>40.0%</b>	<b>2.32</b>	<b>2.18</b>	<b>13.0%</b>	<b>3.5%</b>	

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

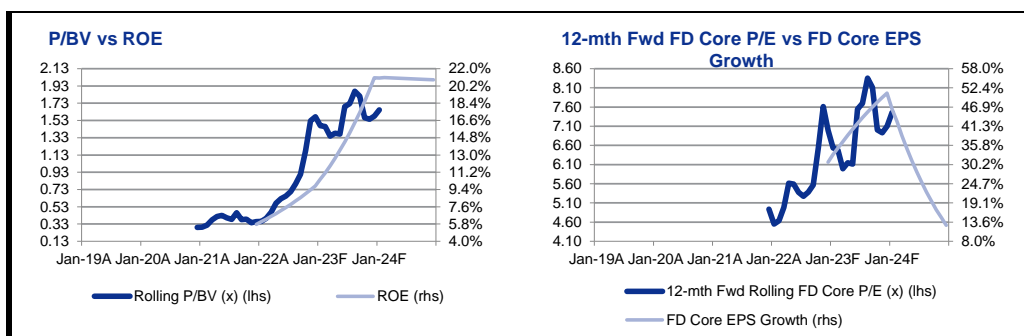
Estimates for Not rated companies are based on Bloomberg consensus estimates

Data as at 17 Jan 2024

ESG in a nutshell		Refinitiv ESG Scores					
		C- ESG Score	A+ ESG Controversies Score	C- ESG Combined Score	C- ESG Environment Pillar Score	C- ESG Social Pillar Score	D+ ESG Government Pillar Score
<p>We believe YZJ's combined ESG score was weighed down by its ESG controversies, most notably in 2019 when its then Executive Chairman Mr Ren Yuanlin was implicated in an anti-graft investigation by the authorities of the People's Republic of China. As a result, Refinitiv gave YZJ an ESG combined score of C+ in 2021. The current combined ESG score of C- is split into E: C- (weightage: 34.18%); S: C- (weightage: 37.34%); and G: A- (weightage: 28.48%). Moving forward, YZJ aims to design and build 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><b>Keep your eye on</b></p> <p>In 2019, YZJ's then-Executive Chairman Mr Ren Yuanlin was implicated in the Chinese government's anti-corruption investigations into Liu Jianguo, the former party secretary of Jingjiang City.</p>	<p><b>Implications</b></p> <p>YZJ requested a trading halt on 8 Aug 2019 following a 20% fall in its share price. Since it has been almost four 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><b>ESG highlights</b></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 has made conscientious efforts, through its "Green Vessel" and "Green Factory" strategies as mentioned in its 2022 Annual Report, as concrete steps towards its long term goals of carbon neutrality. Under both strategies, YZJ has begun revamping its vessels and factories, such as the adoption of a pure electricity generation engine and the conversion of its existing chemical terminal to an LNG terminal with LNG storage and distribution infrastructure.</p>	<p><b>Implications</b></p> <p>Both strategies ensure that YZJ's ships adhere to greenhouse gas emission requirements from the International Maritime Organisation (IMO), while promoting the utilisation of LNG in the domestic market to replace traditional pollutive conventional energy sources. We have not applied any premium/discount for ESG in our fundamental valuation of YZJ.</p>						
<p><b>Trends</b></p> <p>From 2020 to 2021, YZJ maintained its Environment and Social scores at C- and C-, respectively, as ranked by Refinitiv. Meanwhile, its Governance pillar fared the best among its E, S, and G categories, maintaining its score of A- in 2021, according to Refinitiv.</p>	<p><b>Implications</b></p> <p>We have not applied any premium/discount for ESG in our fundamental valuations of YZJ.</p>						

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(Rmbb)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
<b>Total Net Revenues</b>	<b>15.41</b>	<b>20.57</b>	<b>23.77</b>	<b>24.20</b>	<b>25.30</b>
<b>Gross Profit</b>	<b>2.85</b>	<b>3.51</b>	<b>5.09</b>	<b>6.42</b>	<b>6.95</b>
<b>Operating EBITDA</b>	<b>2.85</b>	<b>3.51</b>	<b>5.37</b>	<b>6.16</b>	<b>6.62</b>
Depreciation And Amortisation	-0.49	-0.45	-0.45	-0.51	-0.53
<b>Operating EBIT</b>	<b>2.35</b>	<b>3.06</b>	<b>4.92</b>	<b>5.65</b>	<b>6.09</b>
Financial Income/(Expense)	0.27	0.24	0.26	0.18	0.15
Pretax Income/(Loss) from Assoc.	0.00	0.00	0.00	0.00	0.00
Non-Operating Income/(Expense)	0.00	0.00	0.00	0.00	0.00
<b>Profit Before Tax (pre-EI)</b>	<b>2.62</b>	<b>3.30</b>	<b>5.18</b>	<b>5.84</b>	<b>6.25</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>2.62</b>	<b>3.30</b>	<b>5.18</b>	<b>5.84</b>	<b>6.25</b>
Taxation	-0.62	-0.68	-1.19	-1.34	-1.44
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>2.00</b>	<b>2.62</b>	<b>3.99</b>	<b>4.49</b>	<b>4.81</b>
Minority Interests	-0.03	-0.01	-0.03	-0.04	-0.04
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>1.97</b>	<b>2.61</b>	<b>3.96</b>	<b>4.46</b>	<b>4.77</b>
Recurring Net Profit	1.97	2.61	3.96	4.46	4.77
<b>Fully Diluted Recurring Net Profit</b>	<b>1.97</b>	<b>2.61</b>	<b>3.96</b>	<b>4.46</b>	<b>4.77</b>

### Cash Flow

(Rmbb)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
<b>EBITDA</b>	<b>2.85</b>	<b>3.51</b>	<b>5.37</b>	<b>6.16</b>	<b>6.62</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	-0.08	0.39	1.98	-0.13	-0.02
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	3.95	1.21	-0.33	-0.51	-0.23
Net Interest (Paid)/Received	0.17	0.24	0.26	0.18	0.15
Tax Paid	-0.70	-0.72	-0.78	-1.19	-1.34
<b>Cashflow From Operations</b>	<b>6.19</b>	<b>4.63</b>	<b>6.51</b>	<b>4.52</b>	<b>5.18</b>
Capex	-0.67	-0.90	-1.26	-1.26	-1.26
Disposals Of FAs/subsidiaries	0.49	0.25	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	-0.62	-0.36	0.00	0.00	0.00
Other Investing Cashflow	1.12	0.14	0.00	0.00	0.00
<b>Cash Flow From Investing</b>	<b>0.32</b>	<b>-0.88</b>	<b>-1.26</b>	<b>-1.26</b>	<b>-1.26</b>
Debt Raised/(repaid)	0.29	0.03	0.00	0.00	0.00
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00	0.00
Shares Repurchased	-0.17	-0.06	0.00	0.00	0.00
Dividends Paid	-0.84	-0.97	-1.52	-1.70	-1.82
Preferred Dividends					
Other Financing Cashflow	-0.00	-0.00	0.00	0.00	0.00
<b>Cash Flow From Financing</b>	<b>-0.73</b>	<b>-1.01</b>	<b>-1.52</b>	<b>-1.70</b>	<b>-1.82</b>
Total Cash Generated	5.77	2.75	3.73	1.56	2.11
<b>Free Cashflow To Equity</b>	<b>6.79</b>	<b>3.78</b>	<b>5.25</b>	<b>3.26</b>	<b>3.92</b>
<b>Free Cashflow To Firm</b>	<b>6.57</b>	<b>3.86</b>	<b>5.36</b>	<b>3.37</b>	<b>4.04</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(Rmbb)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total Cash And Equivalents	12.36	10.78	14.51	16.07	18.17
Total Debtors	4.12	3.67	1.87	1.90	1.99
Inventories	1.64	1.23	1.35	1.29	1.33
Total Other Current Assets	20.43	7.33	8.16	8.27	8.57
<b>Total Current Assets</b>	<b>38.55</b>	<b>23.01</b>	<b>25.88</b>	<b>27.53</b>	<b>30.06</b>
Fixed Assets	6.34	7.28	8.08	8.83	9.56
Total Investments	3.64	0.53	0.63	0.74	0.87
Intangible Assets	0.03	0.03	0.03	0.03	0.03
Total Other Non-Current Assets	3.05	2.12	2.12	2.12	2.12
<b>Total Non-current Assets</b>	<b>13.06</b>	<b>9.96</b>	<b>10.86</b>	<b>11.73</b>	<b>12.58</b>
Short-term Debt	2.50	2.27	2.27	2.27	2.27
Current Portion of Long-Term Debt					
Total Creditors	2.80	3.17	3.47	3.31	3.42
Other Current Liabilities	6.49	6.82	7.82	7.70	7.98
<b>Total Current Liabilities</b>	<b>11.80</b>	<b>12.26</b>	<b>13.56</b>	<b>13.28</b>	<b>13.67</b>
Total Long-term Debt	1.95	2.30	2.30	2.30	2.30
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1.80	0.71	0.71	0.71	0.71
<b>Total Non-current Liabilities</b>	<b>3.75</b>	<b>3.01</b>	<b>3.01</b>	<b>3.01</b>	<b>3.01</b>
Total Provisions	0.00	0.00	0.00	0.00	0.00
<b>Total Liabilities</b>	<b>15.55</b>	<b>15.26</b>	<b>16.56</b>	<b>16.29</b>	<b>16.68</b>
Shareholders' Equity	35.92	17.57	20.01	22.77	25.73
Minority Interests	0.14	0.13	0.16	0.20	0.24
<b>Total Equity</b>	<b>36.06</b>	<b>17.70</b>	<b>20.18</b>	<b>22.97</b>	<b>25.96</b>

### Key Ratios

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue Growth	18.6%	36.8%	14.8%	1.8%	4.5%
Operating EBITDA Growth	75.0%	23.3%	52.9%	14.7%	7.5%
Operating EBITDA Margin	18.8%	17.0%	22.6%	25.5%	26.2%
Net Cash Per Share (Rmb)	2.02	1.57	2.52	2.91	3.44
BVPS (Rmb)	9.16	4.45	5.07	5.76	6.51
Gross Interest Cover	33.67	28.65	44.87	49.49	53.35
Effective Tax Rate	23.7%	20.5%	23.0%	23.0%	23.0%
Net Dividend Payout Ratio	26.6%	37.8%	38.4%	38.1%	38.1%
Accounts Receivables Days	93.49	68.67	42.51	28.48	28.04
Inventory Days	48.21	30.72	25.17	27.09	26.00
Accounts Payables Days	79.96	63.95	64.86	69.80	66.99
ROIC (%)	6.8%	9.7%	35.0%	45.5%	44.2%
ROCE (%)	6.8%	10.9%	22.5%	22.8%	21.9%
Return On Average Assets	3.7%	5.7%	10.8%	11.4%	11.4%

### Key Drivers

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Order win (US\$m)	7,400.0	4,430.0	6,645.0	4,607.2	3,987.0

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 CGS International Holdings Limited ("CGSIHL") and its 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 CGSIHL and its related corporations) to any person to buy or sell any investments.

CGS-CIMB, its affiliates and related corporations (including CGSIHL and its 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 CGSIHL 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 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 CGSIHL and its 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
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 January 17, 2024 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 January 18, 2024, 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 CGSIHL and its 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 CGSIHL and its 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.

**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 Aras Raya, 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.

**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 2001. Accordingly, it is exempted from the requirement to hold a financial adviser’s licence under the Financial Advisers Act, 2001 (“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 34 of the FAA (obligation to disclose product information);
- (b) Section 36 (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 45 (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 36 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 36 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.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	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 and CGS-CIMB Securities (Hong Kong) 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

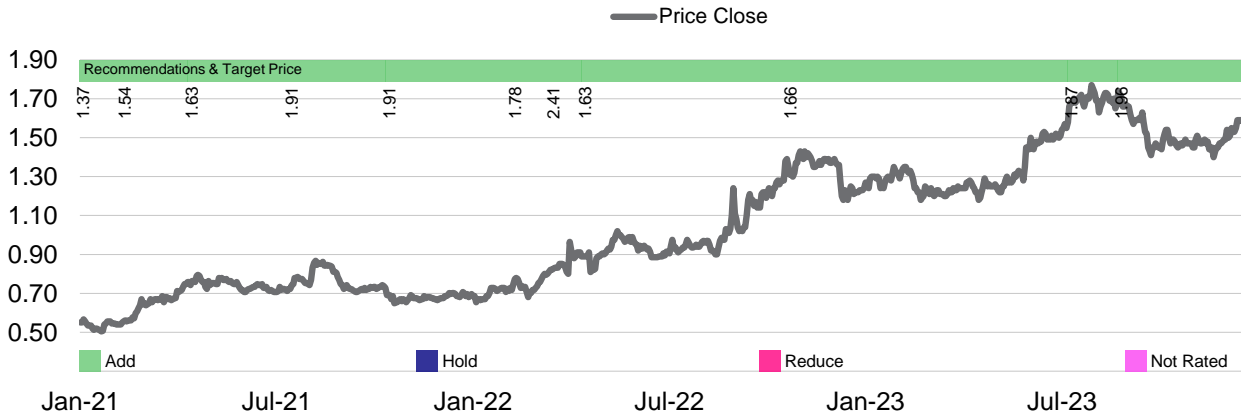
further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc. or RJA. <https://raymondjames.com/InternationalEquityDisclosures>

**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 31 December 2023		
636 companies under coverage for quarter ended on 31 December 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.5%	1.3%
Hold	22.5%	0.0%
Reduce	10.1%	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.