

Yangzijiang Shipbuilding (Holdings) Ltd.
揚子江船業(控股)有限公司

Corporate Presentation

April 2018

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SECTION I

COMPANY OVERVIEW



Established in 1956; listed on SGX-Main board since April 2007



STI constituent stock; the largest Chinese listed entity on SGX



Strong shipbuilding capability and capacity



Global top-10 by outstanding orderbook in the past few years. No.3 in the world*

* According to Clarksons. As of January 31, 2018.



Containerships

- All sizes up to 11,800 TEU
- Breakthrough technologies
- Strong client base globally



Dry Bulkers

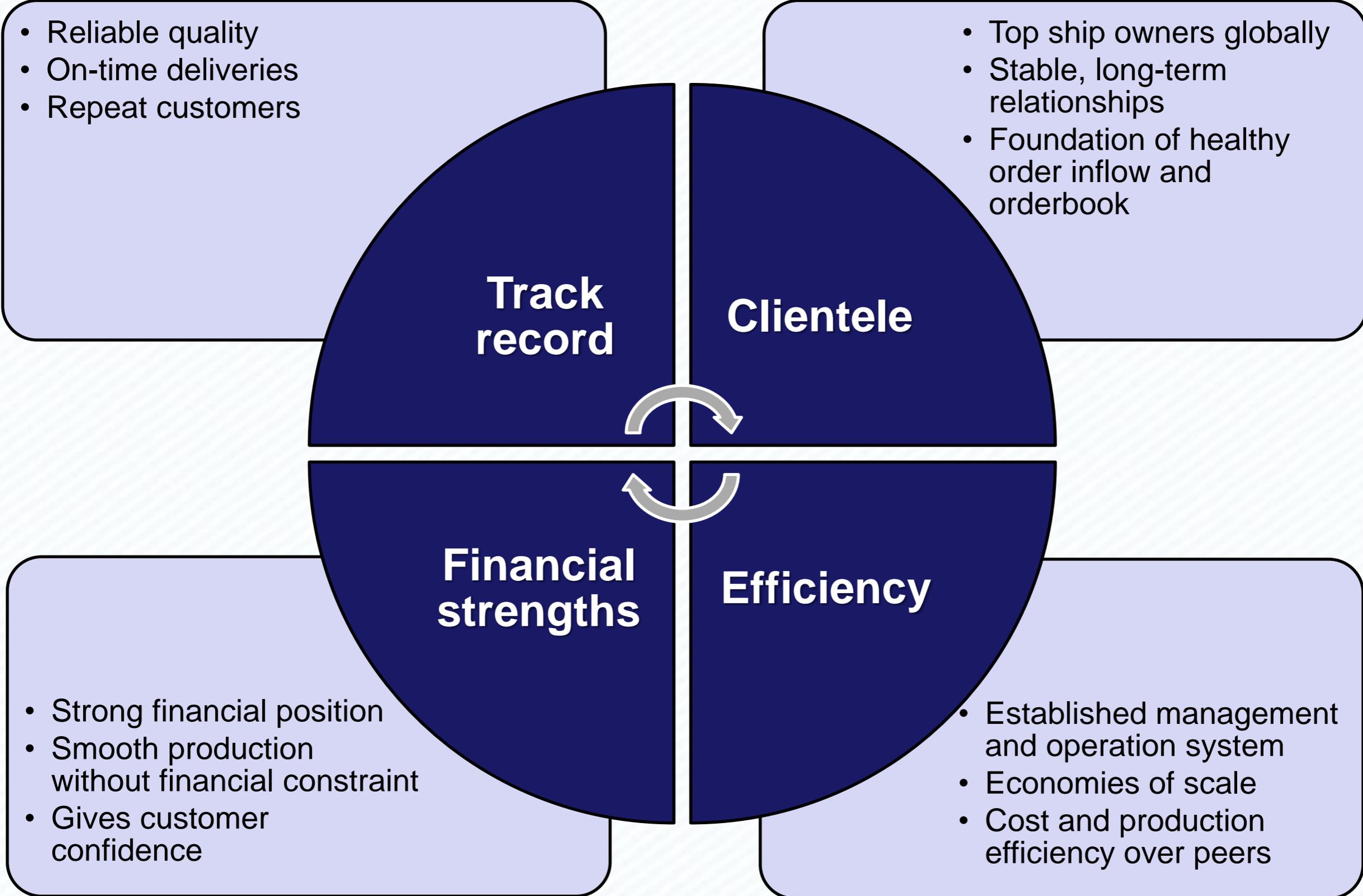
- All sizes up to 400,000 DWT
- Outstanding fuel efficiency
- Strong client base globally



LNG Carriers

- Delivered two 27,500 CBM LNG carriers in 2017
- Enhance capability for future growth

Shipbuilding related businesses contribute over 90% of Group's revenue





SECTION II

FINANCIAL HIGHLIGHTS

Results Highlight – 1Q2018 YoY



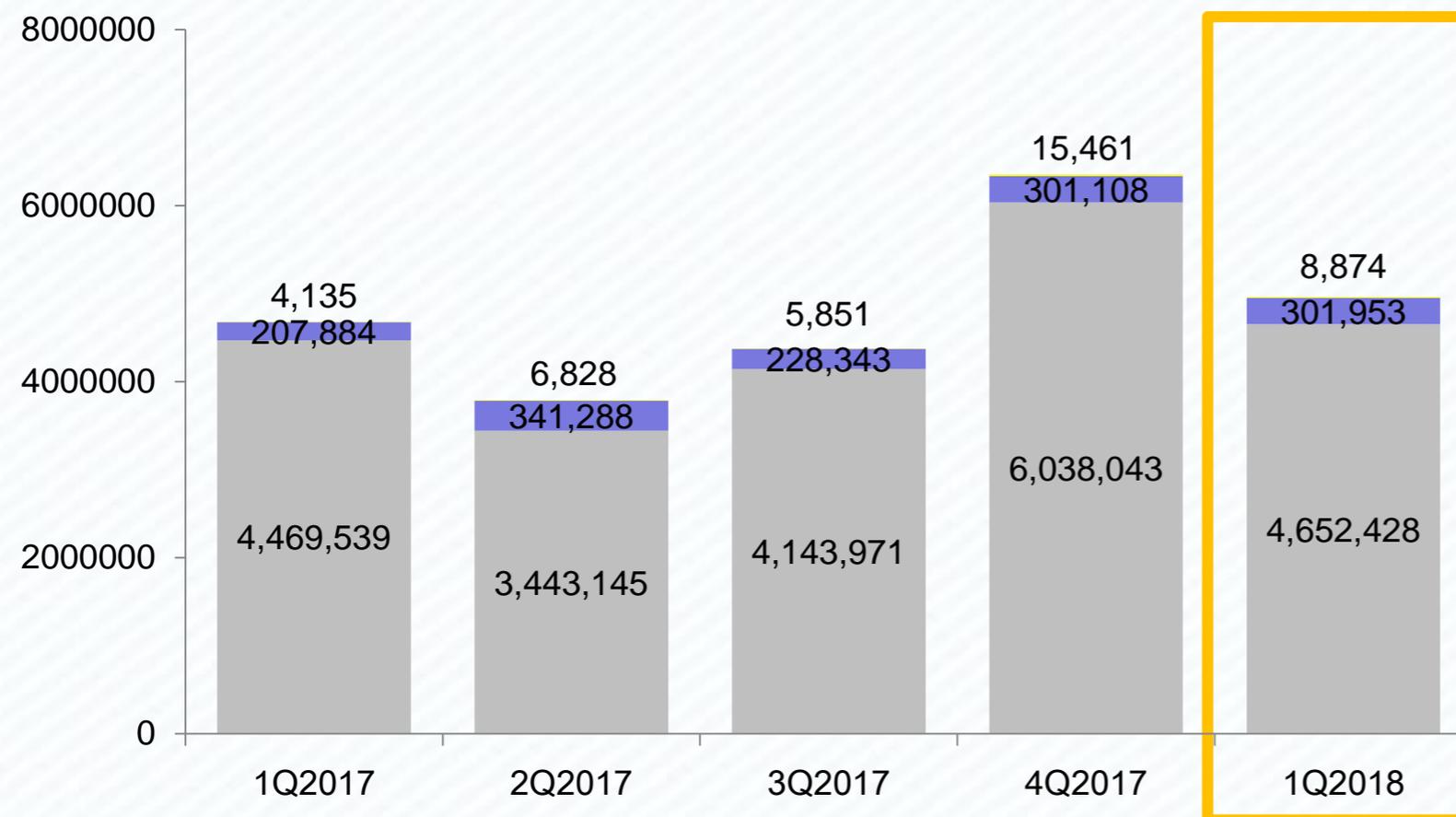
Financial Highlights	1Q2018	1Q2017	Change	Comments
	RMB'000	RMB'000	%	
Revenue	4,963,255	4,681,558	6	9 vessels delivered vs. 14 in 1Q2017, higher revenue from shipbuilding due to progressive construction of more larger containerships, higher trading revenue and higher other shipbuilding related business
Gross Profit	859,631	889,341	(3)	Lower GP and GP margin mainly due to rising costs of raw materials and weakening USD against RMB
Gross Profit Margin	17.3%	19.0%	-	
Other Income	47,894	57,434	(17)	Lower interest income and lower dividend income
Other (Losses) / Gains	(42,188)	91,072	-	Mainly comprise foreign exchange loss and fair value loss on financial assets, largely offset by gain on disposal of one unit of 92500DWT and subsidy income
Expenses #	46,063	169,553	(73)	Reversal of impairment loss and lower finance cost due to reduced borrowings at group level
Net Profit Attributable to Equity Holders (PATMI)	595,099	667,670	(11)	
PATMI Margin	12.0%	14.3%	-	

#: Includes Administrative and Finance Expenses

Revenue Breakdown



(All amounts are stated in RMB'000)



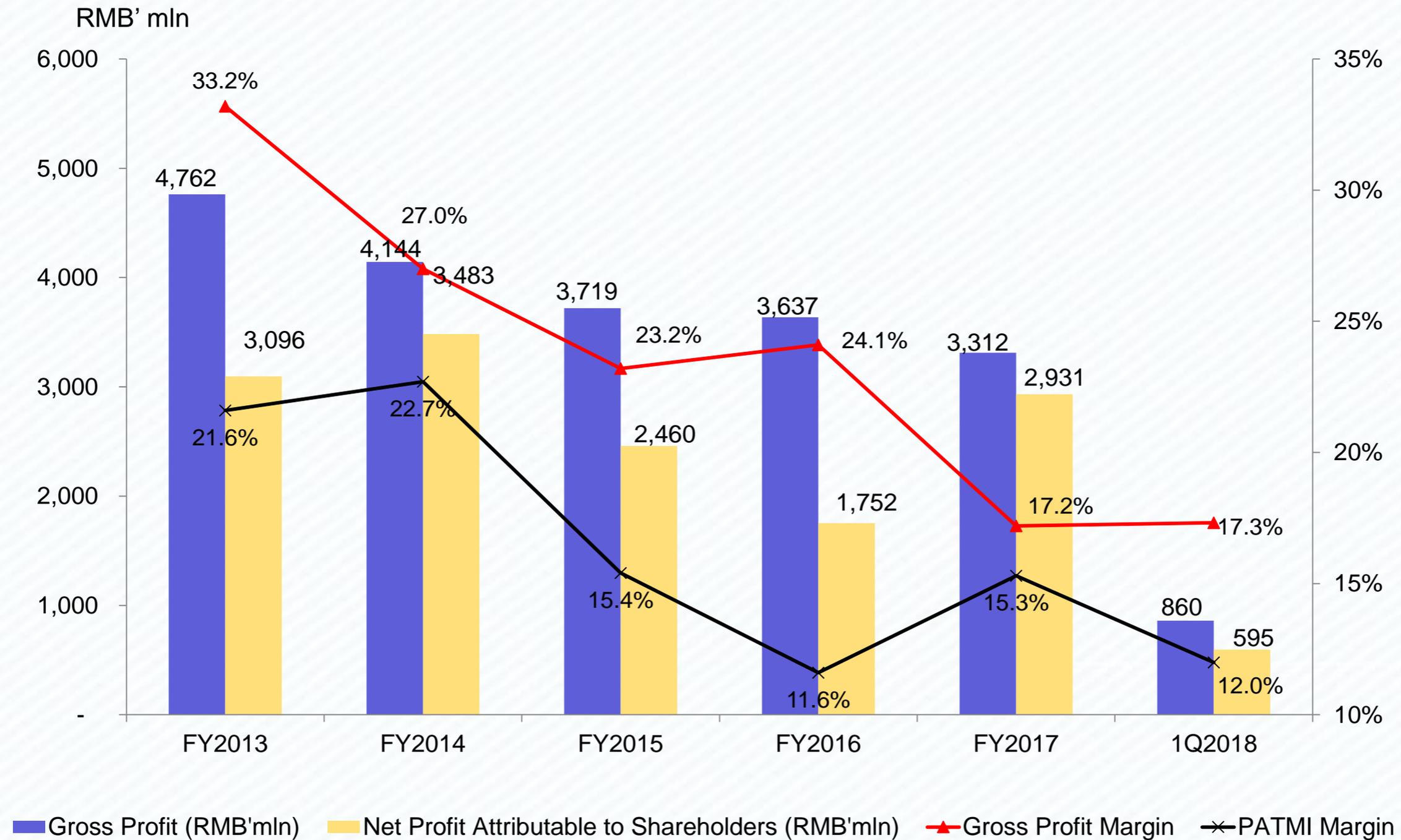
Shipbuilding Related Revenue Breakdown (1Q2018)	Percentage of Shipbuilding Revenue (%)	Gross Profit Margins (%)
Shipbuilding	63%	17%
Trading	35%	1%
Others*	2%	41%
Total	100%	

* Includes revenue from shipping logistics and chartering, steel fabrication and ship design services etc.

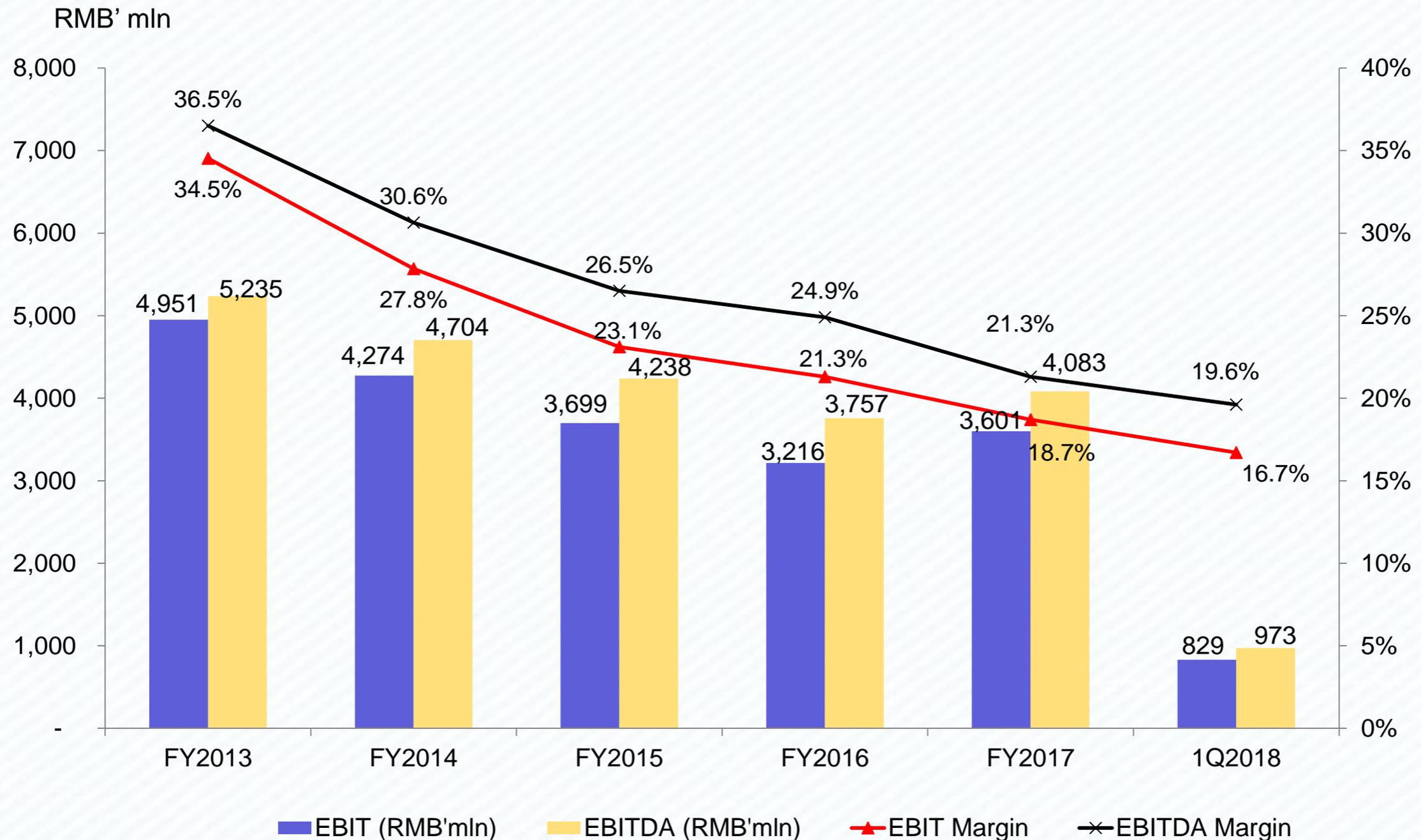
■ Microfinance ■ Financial Assets, at amortised costs ■ Shipbuilding Related

	Gross Profits		Gross Profit Margins	
	1Q2018	1Q2017	1Q2018	1Q2017
Shipbuilding Related	560,771	685,559	12%	15%
Financial Assets, at amortised costs	290,085	199,698	96%	96%
Micro Finance	8,775	4,084	99%	99%

Gross Profit and Net Profit Attributable to Shareholders



EBIT and EBITDA



Results Highlight – Balance Sheet



Financial Highlights	31 Mar 2018	31 Dec 2017
	RMB'000	RMB'000
Property, Plant and Equipment	4,652,987	4,820,729
Restricted Cash	1,214	29,405
Cash & Cash Equivalents	5,551,412	6,195,431
Financial Assets, at Amortised Costs ¹	12,356,534	11,978,869
Total Debt	3,881,426	4,890,746
Total Equity	27,148,063	26,516,697
Gross Gearing	14.3%	18.4%
Net Gearing (including restricted cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB cents)	666.69	652.20

¹According to new accounting requirements, the Group has reclassified “Financial assets, held-to-maturity” as “Financial assets, at amortised costs” on the balance sheet



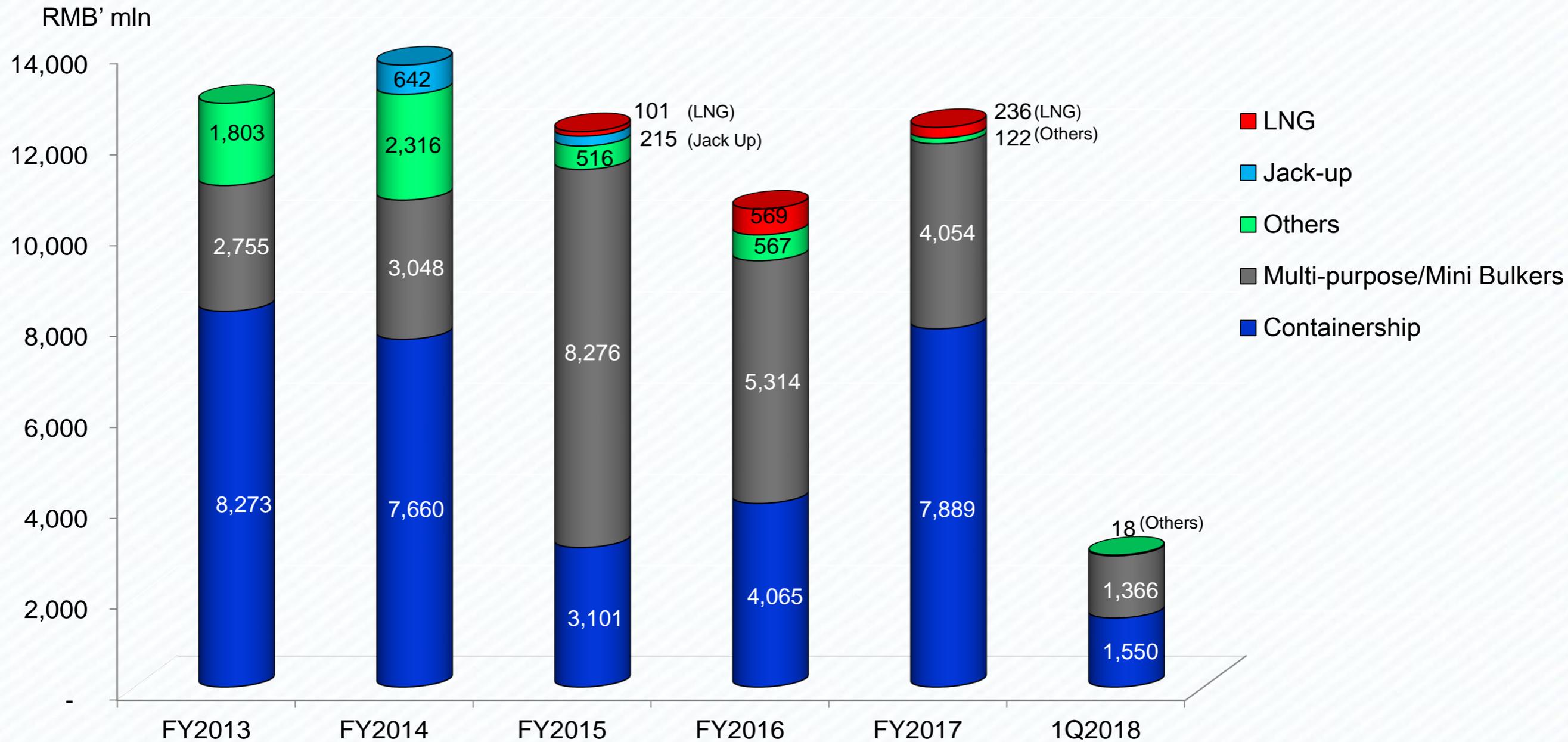
SECTION III - A SEGMENTAL REVIEW

Shipbuilding & Related Segments





Shipbuilding Revenue Breakdown





Total:121 vessels; 4.39 million CGT @ US\$ 4.52 billion
36 containerships, 1.54 million CGT @ US\$ 1.61 billion
82 bulk carriers, 2.78 million CGT @ US\$ 2.81 billion
3 oil tankers, 0.07 million CGT @ US\$0.10 billion

Containerships

- 1,668TEU x 4 vessels
- 1,800TEU x 9 vessels
- 1,900TEU x 2 vessels
- 2,200TEU x 3 vessels
- 2,400TEU x 4 vessels
- 2,700TEU x 1 vessels
- 3,800TEU x 2 vessels
- 10,000TEU x 4 vessels
- 11,800TEU x 7 vessels

Bulk Carriers

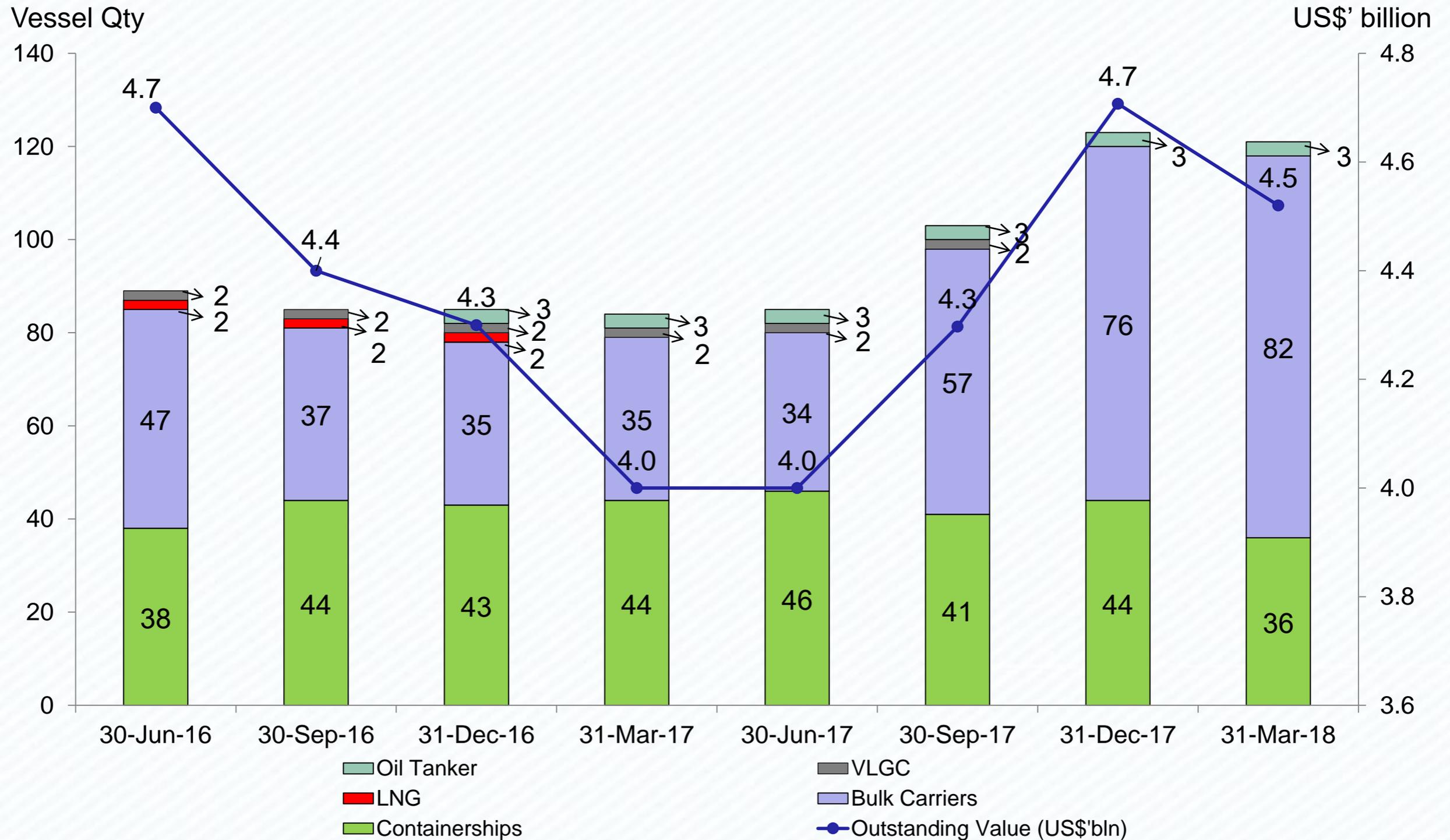
- 6,500DWT x 1 vessels
- 29,800DWT x 1 vessels
- 39,000DWT x 3 vessels
- 45,000DWT x 6 vessels
- 62,000DWT x 5 vessels
- 82,000DWT x 39 vessels
- 83,500DWT x 4 vessels
- 180,000DWT x 5 vessels
- 208,000DWT x 12 vessels
- 400,000DWT x 6 vessels

Oil Tanker

- 39,000CT x 3 vessels

Note: Order book is as at 31 March 2018

Historical Order Book



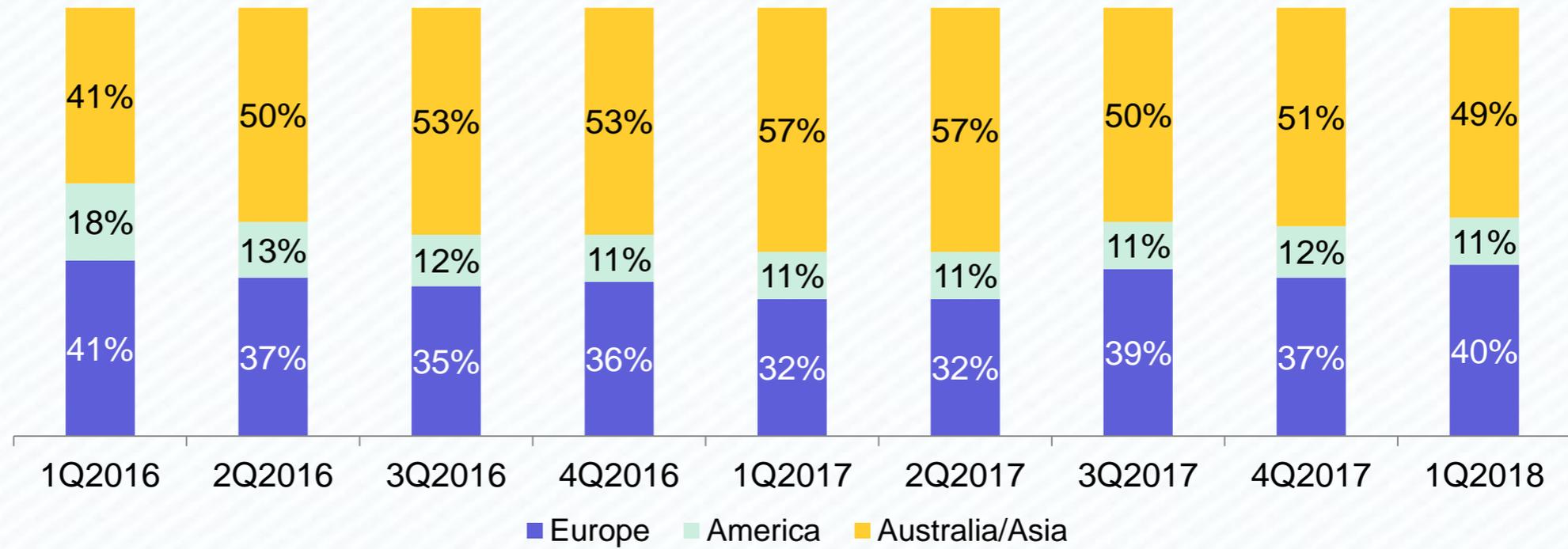
Order Book Customer Profile



Figures are stated as at 31 Mar 2018

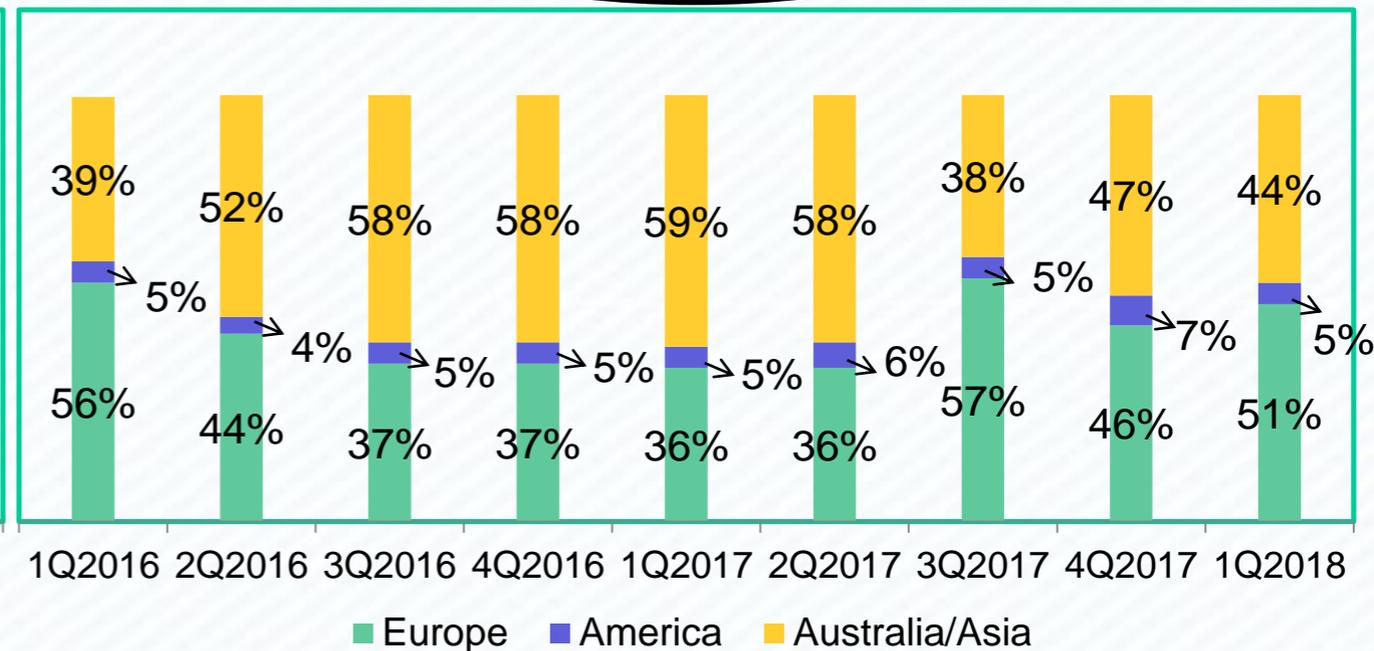
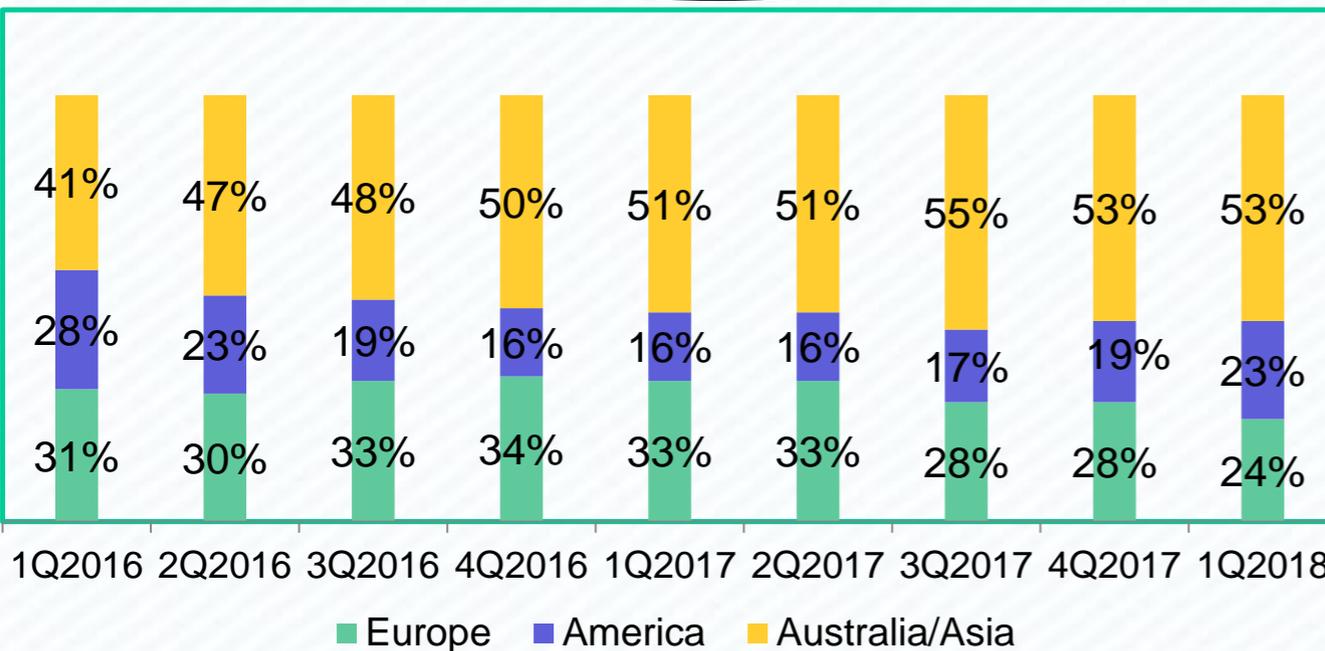
Breakdown by Geographical Segments

3 Oil Tanker orders are from Asia



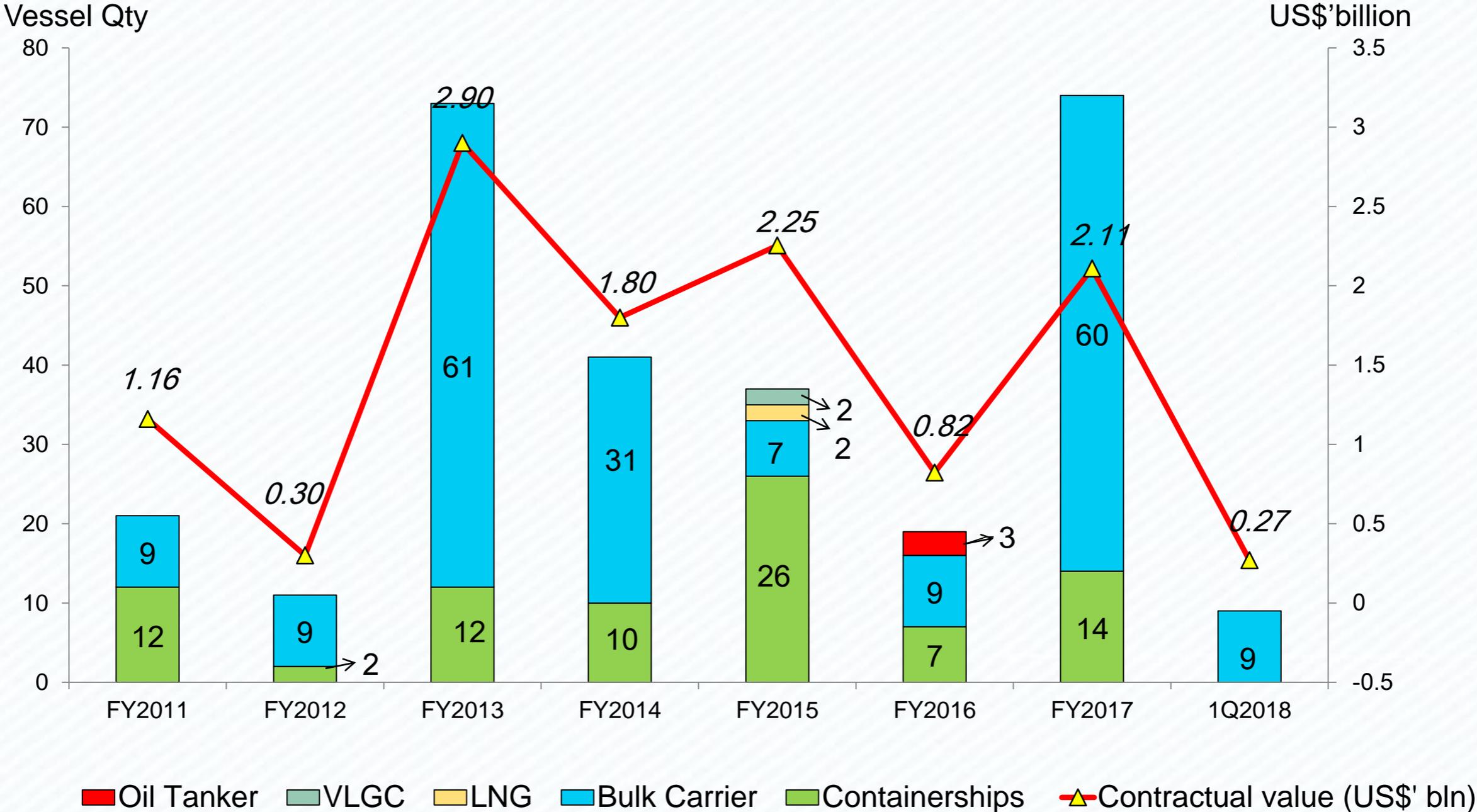
Containerships

Bulk Carriers





New contracts secured in terms of vessel quantity and contract value





▪ The idea:

- Leveraging on shipbuilding facilities, build and manage vessels and generate revenue
- To balance utilization
- A ready fleet to better meet shipowners' demand
- Based on forward planning, build vessels and sell the vessels when valuation picks up on the market

▪ Current fleet includes:

- 7 x 92,500DWT, self managed by the Group
- 3 x 64,000DWT, self managed by the Group
- 1 x 19,900DWT, stainless steel chemical tanker, self managed by the Group

Note – 1 unit of 92,500DWT dry bulk carrier was disposed on the second-hand market in 1Q2018

- The strategy / plan for the business depends on the conditions of the shipbuilding market

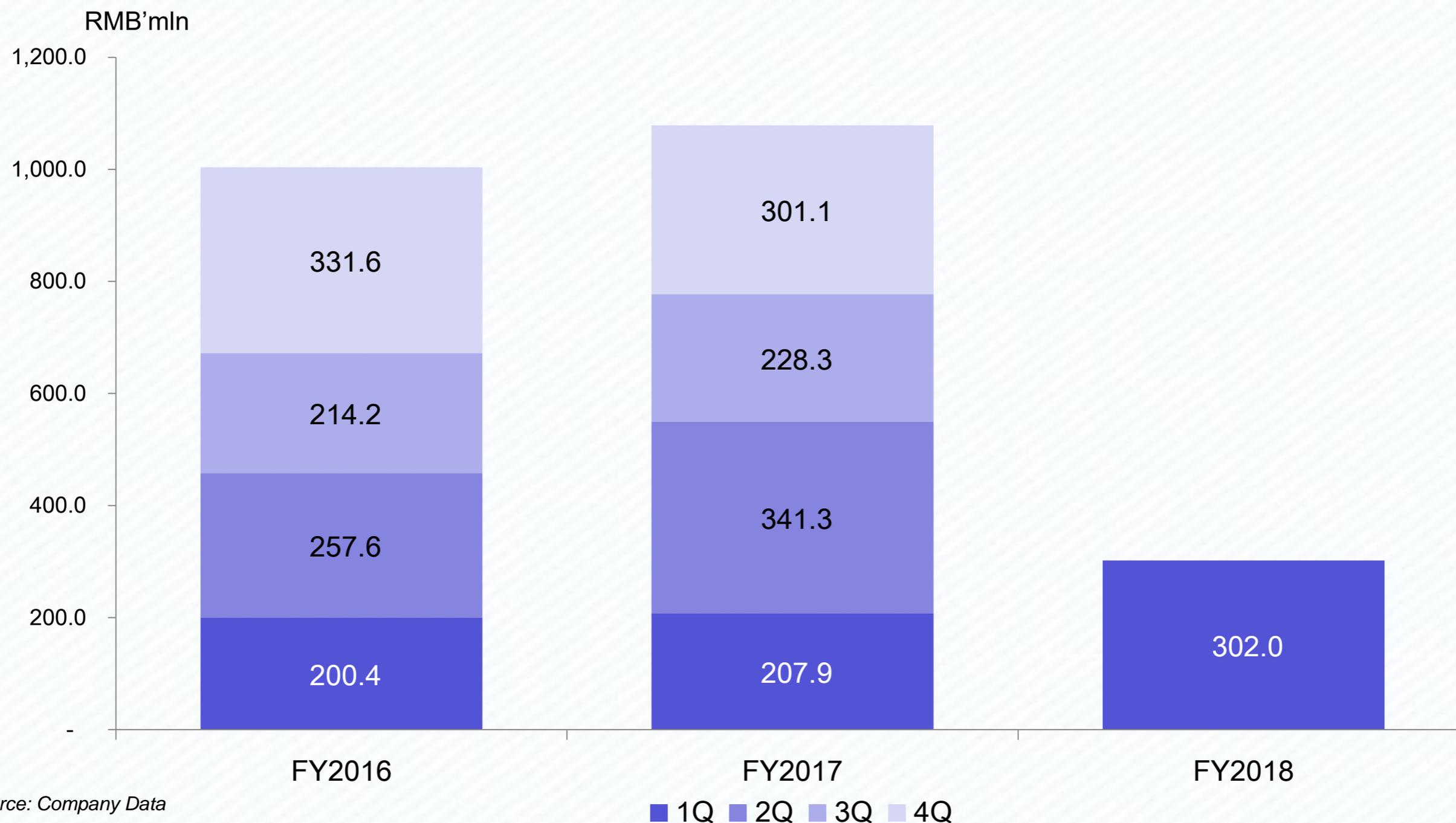


SECTION III - B SEGMENTAL REVIEW

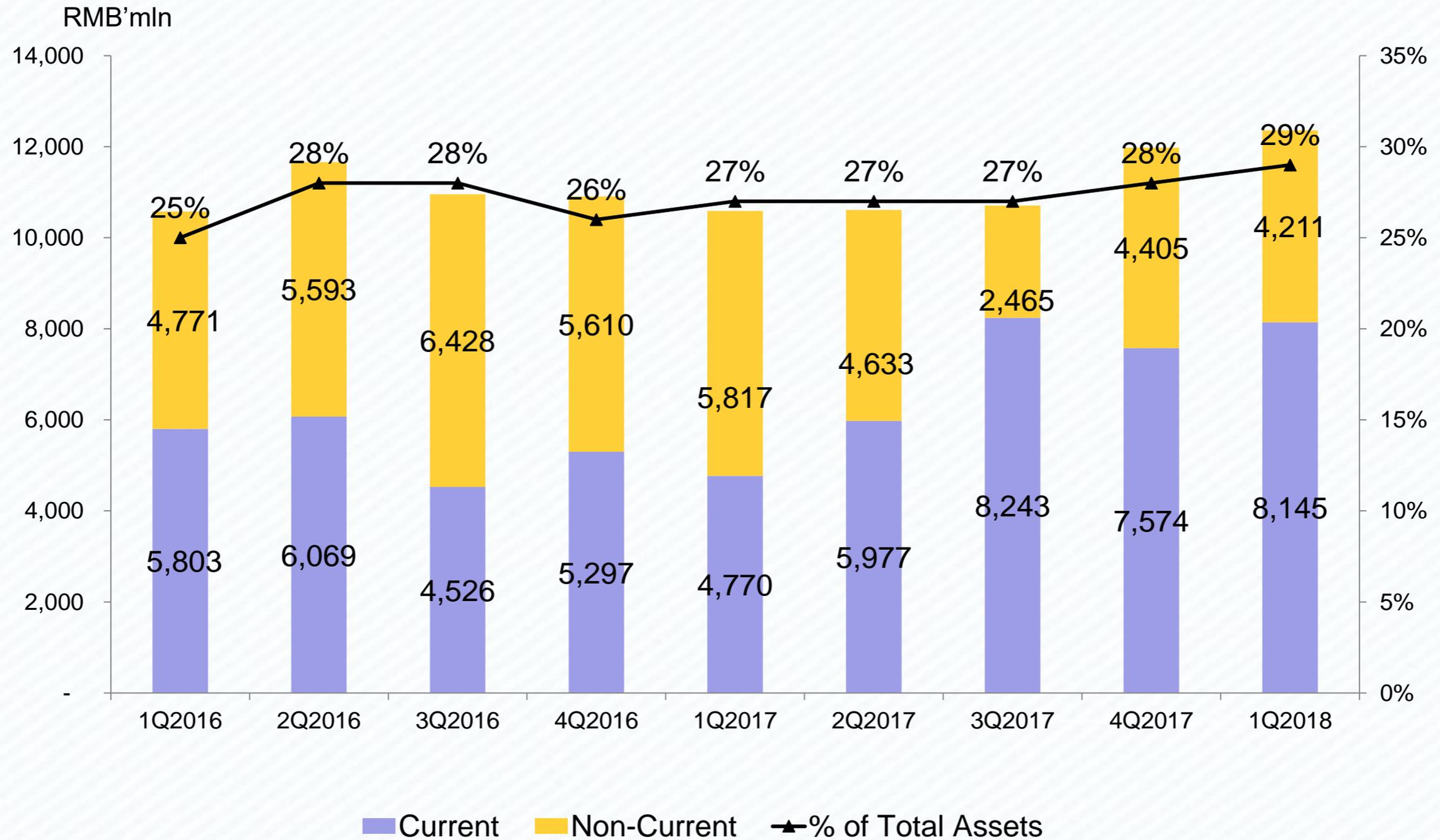
Financial Investments



Interest Income Trend – Financial Assets, at amortised costs



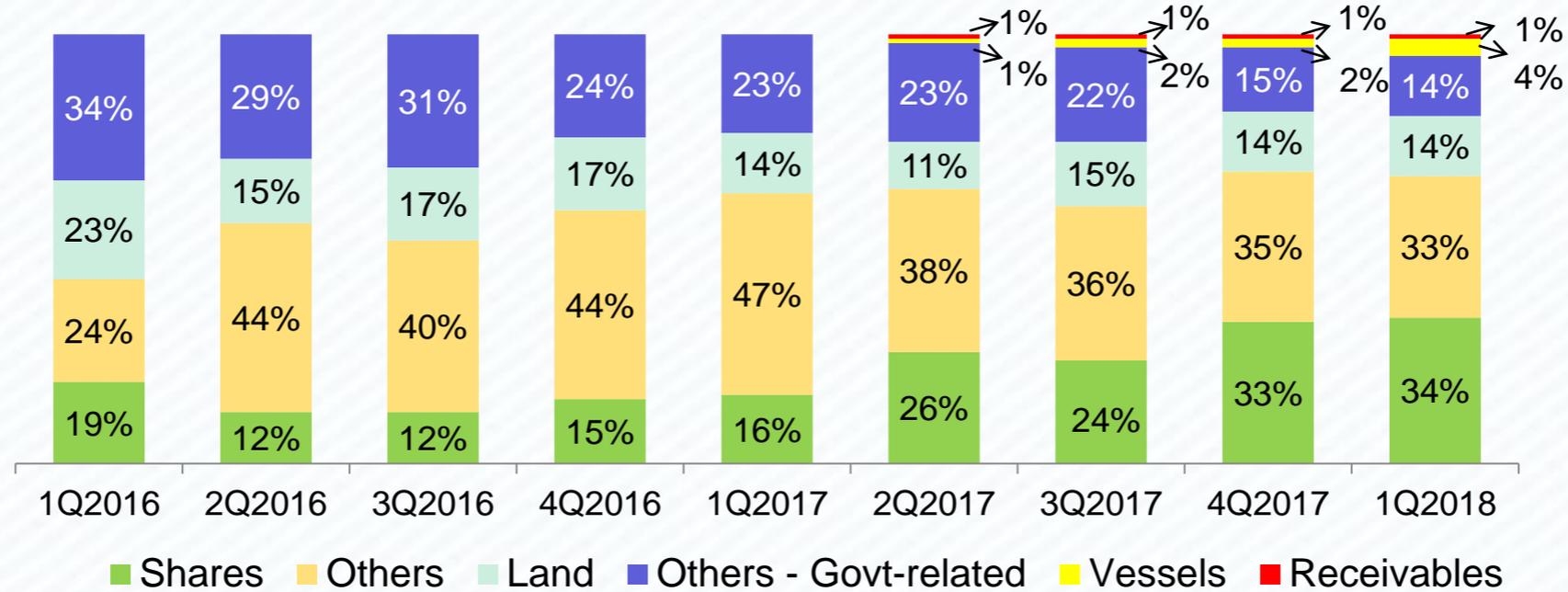
Financial Assets, at amortised costs



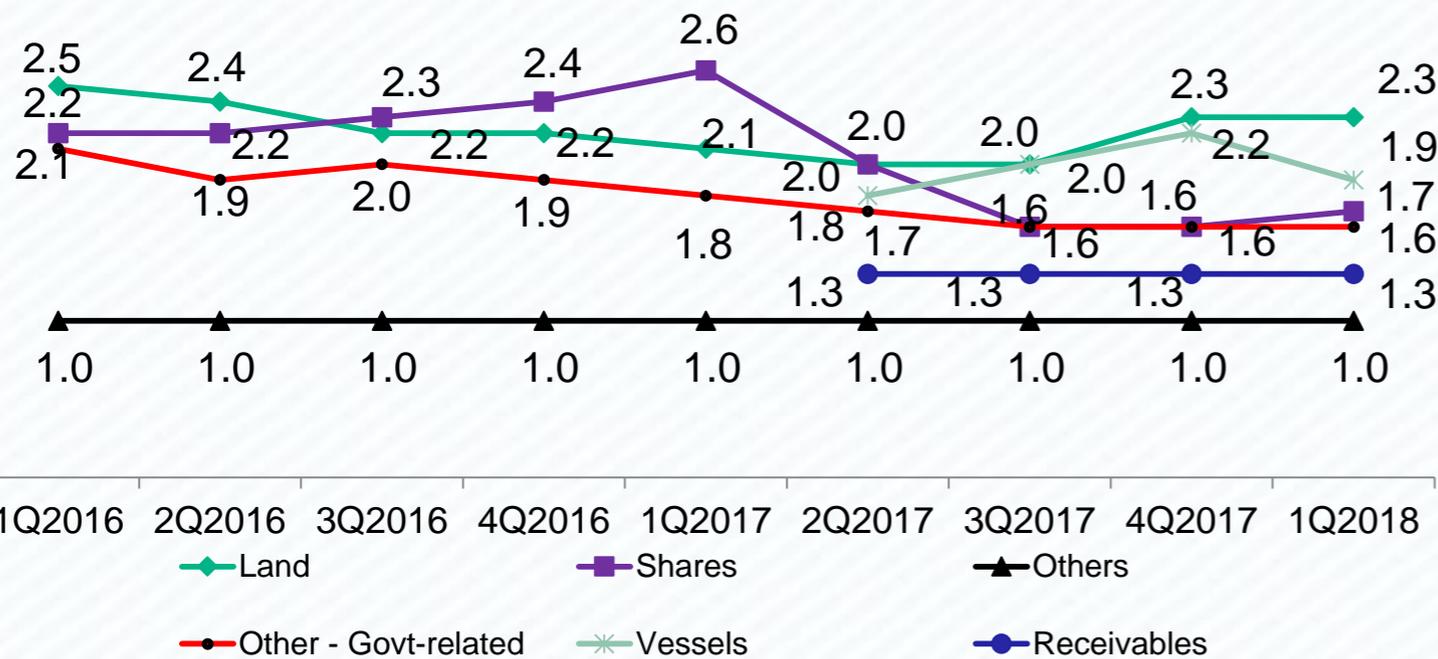
Source: Company Data



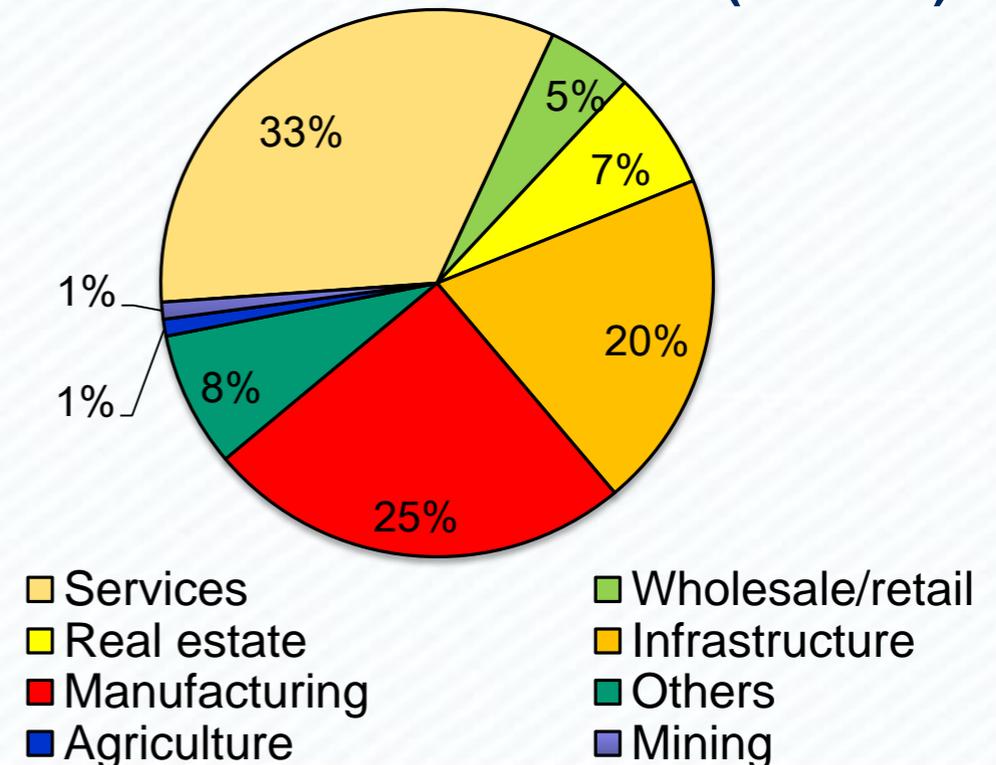
Breakdown of Investment Amount for which collaterals are secured (%)



Coverage Ratio



Breakdown of Borrowers (1Q2018)

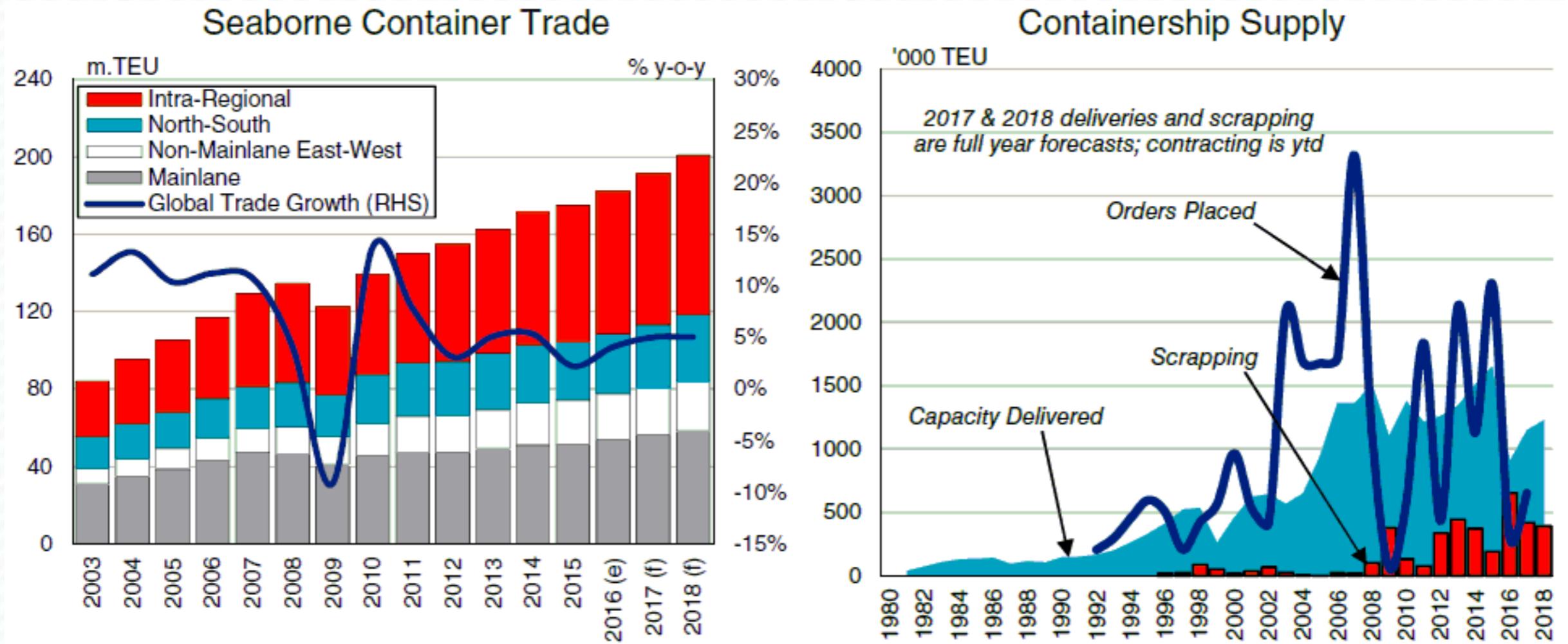




SECTION IV

TRENDS & STRATEGIES

Shipping demand and vessel supply dynamics are expected to support gradual improvement in containership market in 2018

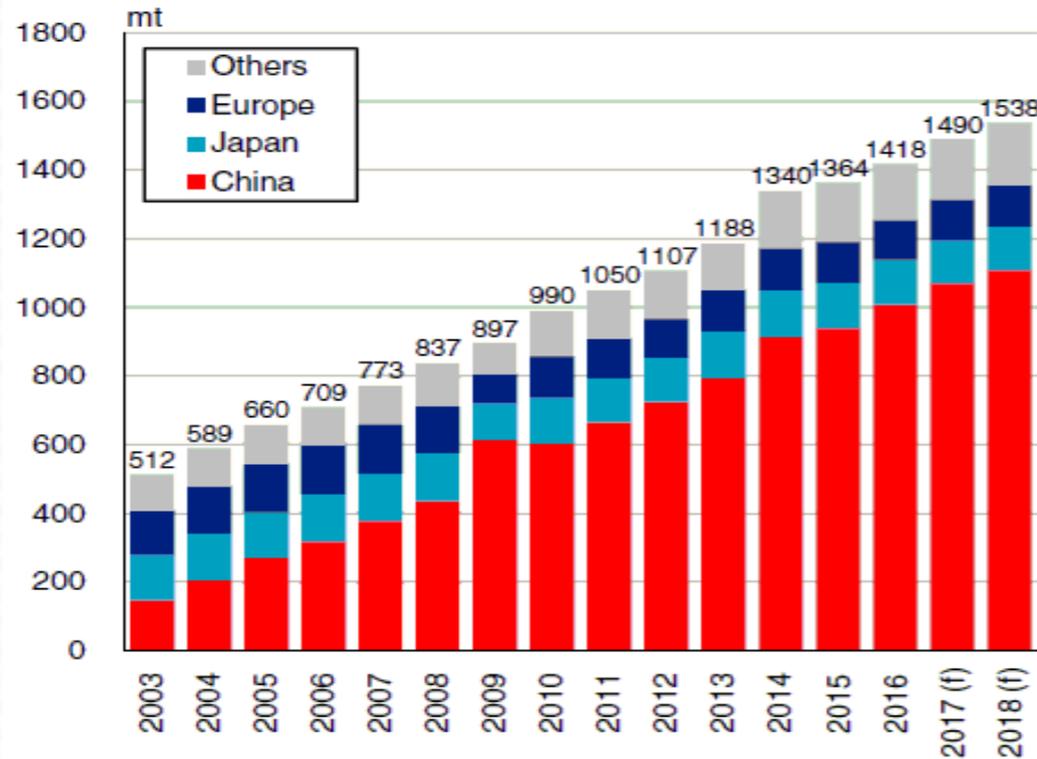


Source: Clarksons Research

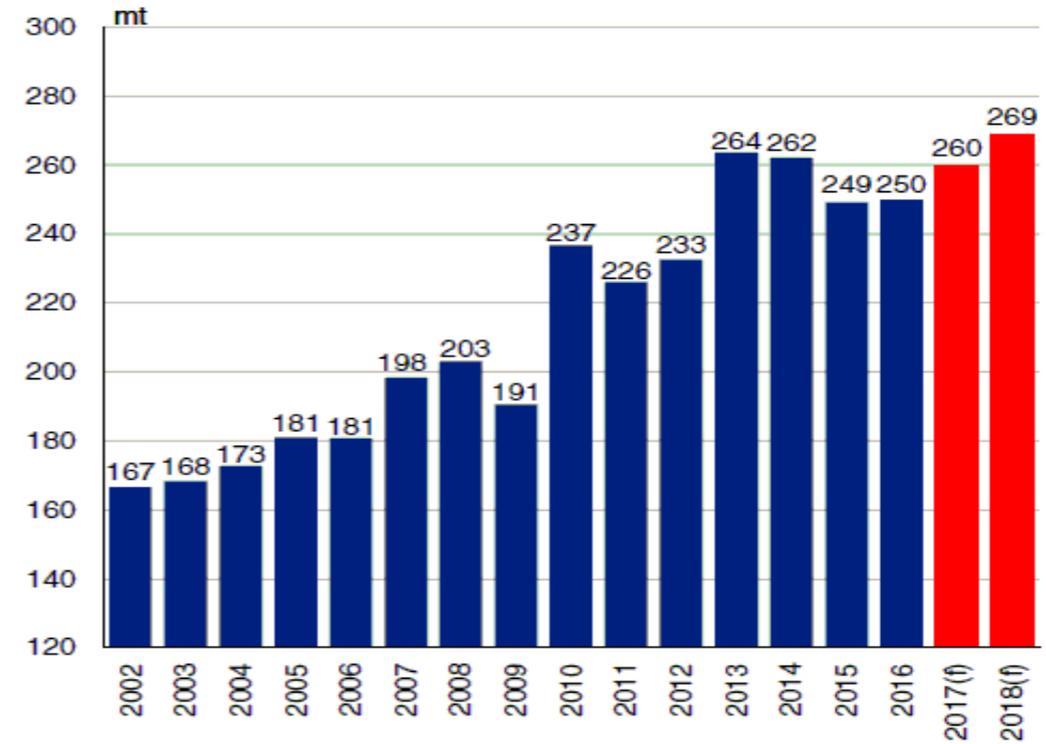
Dry Bulk Trades Expected to Grow



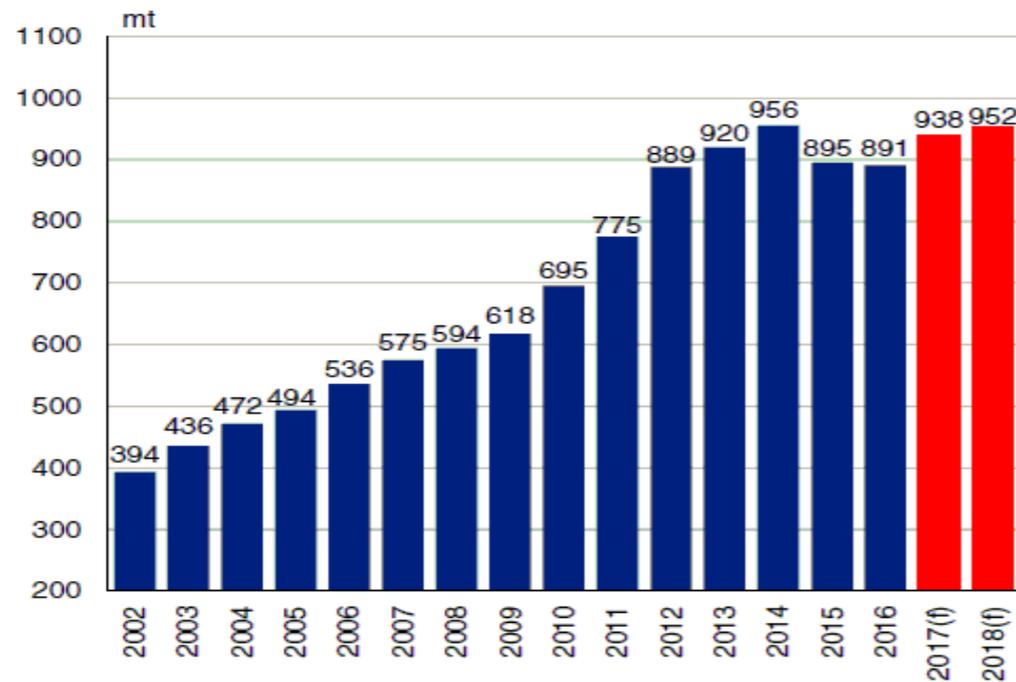
Seaborne Iron Ore Imports



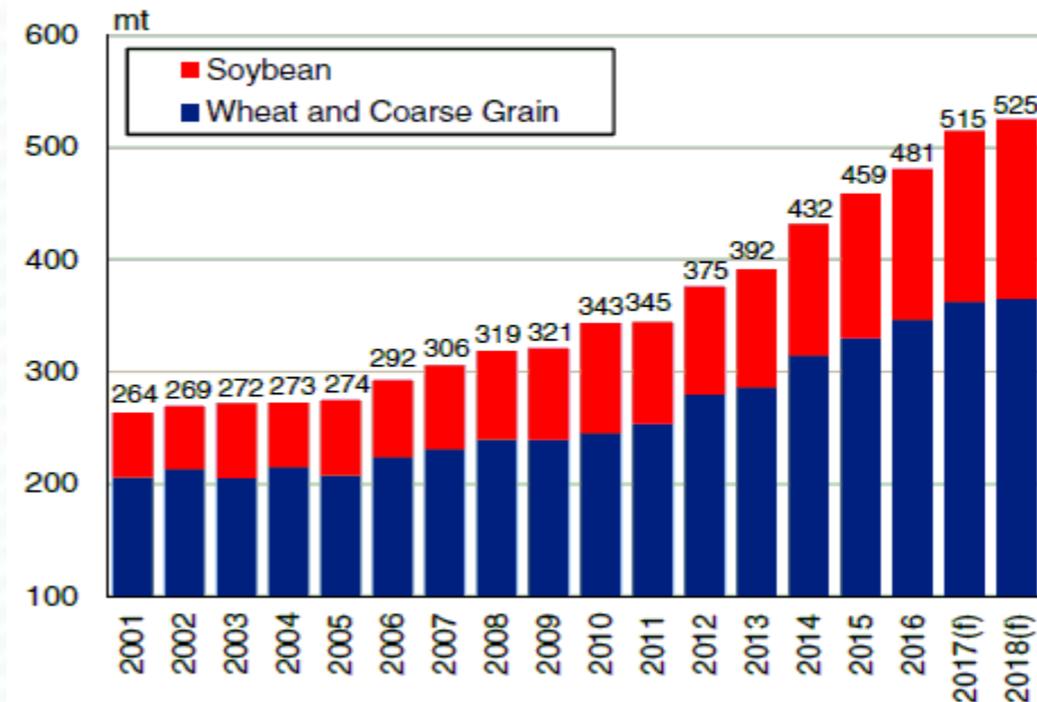
Global Seaborne Coking Coal Trade



Global Seaborne Thermal Coal Trade



Global Grain Trade

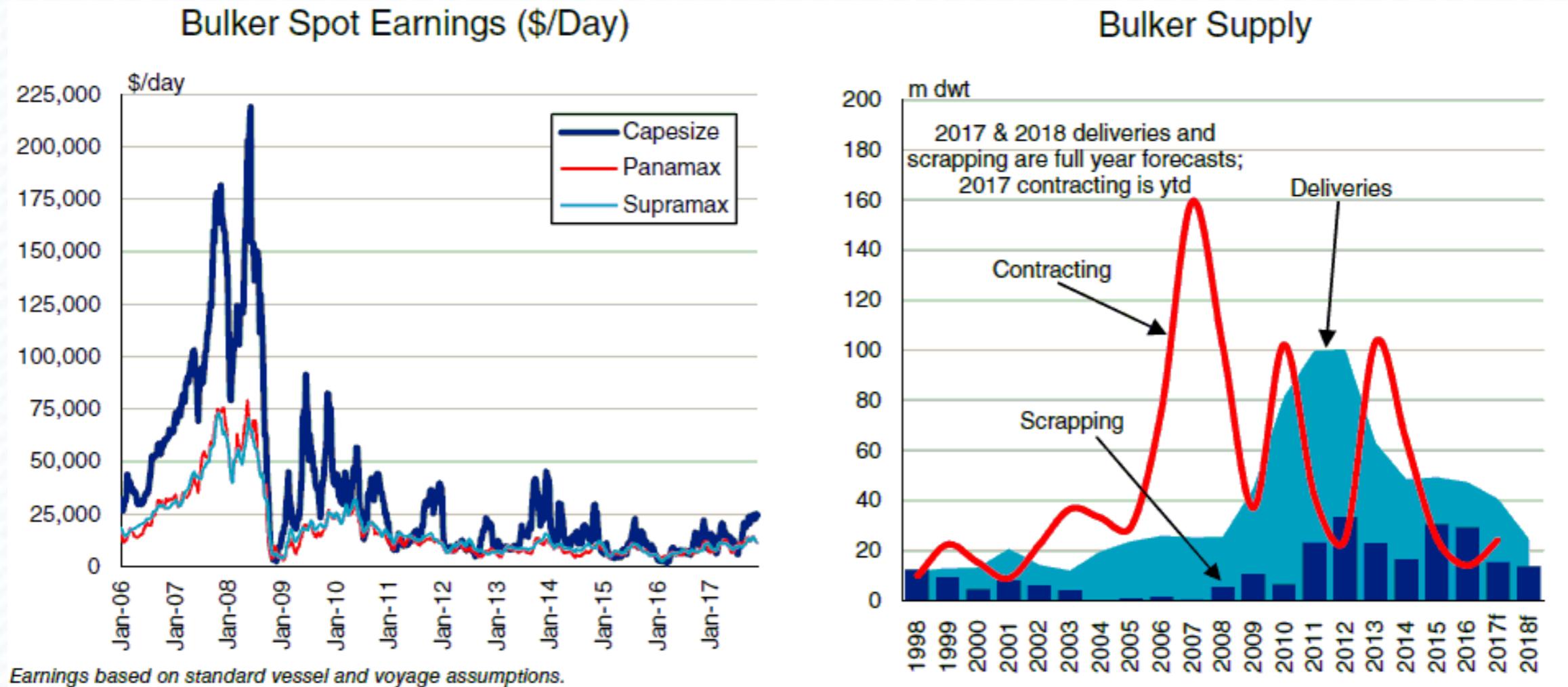


Source: Clarksons Research

Dry Bulker Outlook

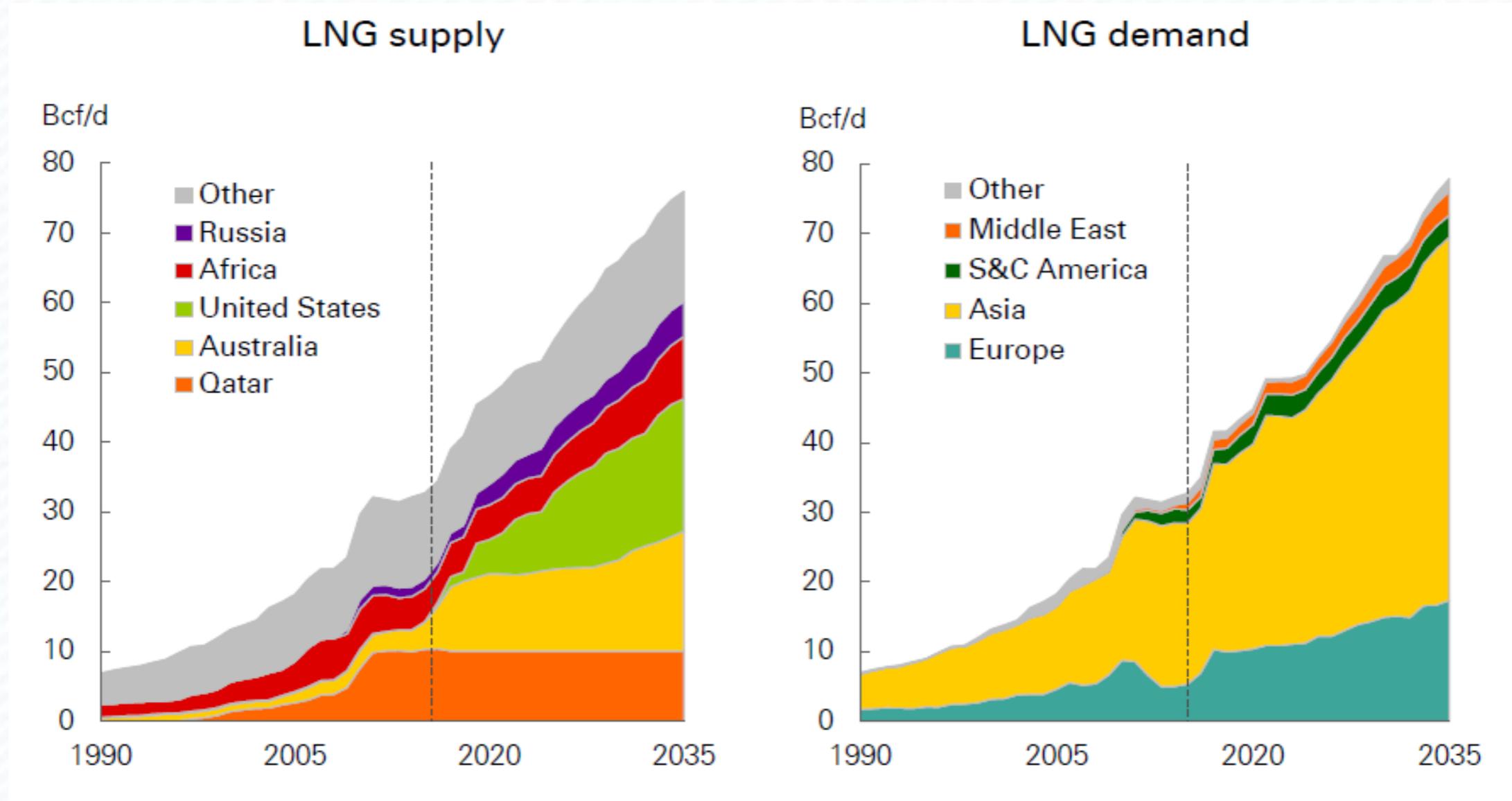


Relatively healthy demand for dry bulk shipping and slow fleet expansion are expected to support market recovery to continue in 2018



Source: Clarksons Research

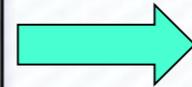
LNG demand will primarily come from China, India, other Asian countries and Europe, while supply comes from the US and Australia. LNG shipping demand will remain strong, and the size of the LNG carrier fleet is expected to catch up in the next few years.



Source: BP Energy Outlook 2017

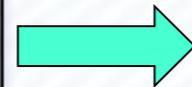


Containerships



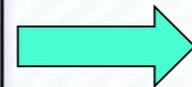
Remains as a key category in portfolio

Dry Bulk Carriers



Focus on large-size carriers, multi-purpose and tailored vessels

LNG Carriers



Build up the capability and grow the business

Clean Energy Vessels



Enhance R&D and develop new vessels to cater to long-term demand



SECTION V

SOCIAL RESPONSIBILITY





- Continuous efforts in building up R&D capabilities in the **design and development of green vessels**
 - Group is ISO9001 qualified by the China Classification Society
 - Quality management system is BV ISO9002 and CCS ISO2000 certified
 - Vessels are CCS, ABS, BV, NK, GL, LR, DNV and RINA certified
- 32% employees possess a diploma-level or higher certification. **R&D headcount accounts for 16%** of our total staff strength
- Environmental management system **ISO14001 and CSQA certified**
- Compliant with national and international standards on emissions, such as wastewater, waste gas, solid waste, dust, and noise generated in the production process
- Group won the **SIAS Most Transparent Company Award** 3 times in a row from 2010 to 2012
- **“Shipbuilding & Repair Yard Award”** of Seatrade Maritime Awards Asia 2015
- A FORTUNE China 500 company



- Group Executive Chairman, Mr. Ren Yuanlin believe in returning to the society. Over the years, the Group and Mr. Ren have given **hundreds of millions of RMB** to society for various purposes
- The Foundation primarily funds a charity for improving elderly service facilities; finances technological innovation, helps in disaster rescue and helps poor people
- Jiangyin Yuanlin Rehabilitation Centre Project set up and in progress (*Artist's impression as shown below*)
- Mr. Ren was listed as one of the Asian Philanthropist by Forbes in 2015. He donates the dividends from his one billion Yangzijiang shares to the Yuanlin Charity Foundation, which he founded in 2011



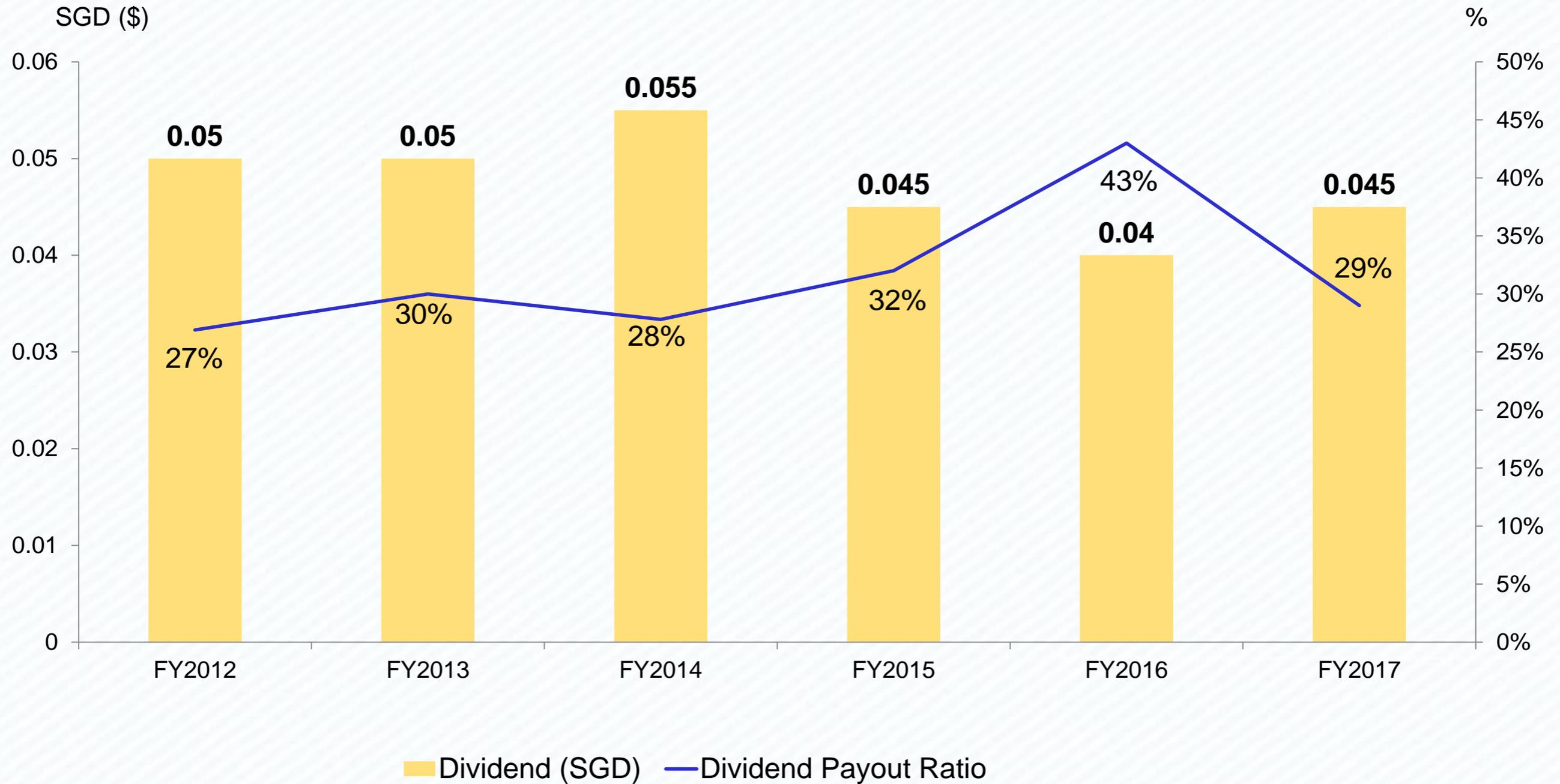


SECTION VI

STOCK INFORMATION



Dividend and dividend payout ratio



Top Shareholders



No.	Holder Name	Position	Filing Date	%
1	YANGZI INTERNATIONAL	1,002,845,825	25/9/2017	25.27
2	LIDO POINT INVESTMENTS LTD	394,134,000	25/9/2017	9.93
3	HONGKONG HENGYUAN INVESTMENT	305,237,240	15/3/2017	7.69
4	BLACKROCK	187,288,156	22/6/2017	4.72
5	VANGUARD GROUP	75,703,017	31/3/2018	1.91
6	ALLIANCE BERNSTEIN	52,343,931	28/2/2018	1.32
7	SCHRODERS PLC	26,781,000	31/03/2018	0.67
8	NORGES	24,083,076	31/12/2017	0.61
Total		2,068,416,245		52.12

Source: Bloomberg, as of April 26, 2018

Stock Performance



Source: Bloomberg, as of April 26, 2018



Thank You Q&A

For more information,
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