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**MEDIA RELEASE – FOR IMMEDIATE RELEASE**

**Yangzijiang reports RMB595.1 million earnings for 1Q2018,  
and secures new shipbuilding orders of USD268 million**

- Revenue of RMB5.0 billion for 1Q2018, 6% higher yoy
- 1Q2018 core shipbuilding gross margin at 17%, compared to 23% for 1Q2017
- Group secured new orders for 9 vessels with total contract value of USD268 million in 1Q2018
- Outstanding order book stood at USD4.5 billion as at 31 March 2018, will keep the Group's yard facilities highly utilized up to 2020

**SINGAPORE – 26 April 2018 – Yangzijiang Shipbuilding (Holdings) Limited** (“Yangzijiang” or the “Group”), a globally-leading shipbuilder based in China, and an Straits Times Index component company listed on the SGX Main Board, reported net profit attributable to shareholders of RMB595.1 million for the three months ended 31 March 2018 (“1Q2018”).

## Financial Analysis

Financial Highlights	1Q2018	1Q2017	Change
	RMB'000	RMB'000	%
Revenue	4,963,255	4,681,558	6
Gross Profit	859,631	889,341	(3)
Gross Profit Margin	17%	19%	-
Expenses <sup>^</sup>	(46,063)	(169,553)	(73)
Other Income	47,894	57,434	(17)
Other Gains / (Losses)	(42,188)	91,072	n.m.*
Net Profit Attributable to Equity Holders	595,099	667,670	(11)
PATMI Margin	12%	14%	-

<sup>^</sup> Expenses include administrative expenses and finance expenses, which include some impairment loss

\* Not meaningful

Group's total revenue increased by 6% year-on-year ("yoy") to RMB5.0 billion in 1Q2018. 9 vessels were delivered in 1Q2018, compared to 14 delivered in 1Q2017. However, supported by the progressive construction of larger size containerships in 1Q2018, revenue generated by shipbuilding business was RMB2.9 billion, slightly higher than that of 1Q2017. Revenue generated by trading business increased too, as a result of higher trading volume. Revenue generated by other shipbuilding related businesses, such as shipping logistics & chartering and ship design services, was RMB88.1 million in 1Q2018, compared to RMB64.1 million in 1Q2017 due to higher charter income in the quarter.

The financial assets, at amortised costs<sup>1</sup> increased by 3% from 31 December 2017 to RMB12.4 billion as at 31 March 2018, and the interest income received in 1Q2018 was RMB302.0 million, higher than the RMB207.9 million in 1Q2017.

Gross profit margin for core Shipbuilding business was at 17% for 1Q2018, compared to 23% for 1Q2017. The lower margin was mainly due to the appreciation of RMB against USD since the beginning of 2017 and the increase in raw material prices.

The Group delivered net profit attributable to shareholders of RMB595.1 million in 1Q2018 compared to RMB667.7 million in 1Q2017. Fully diluted earnings per share was RMB14.99 cents for 1Q2018, compared to RMB17.42 cents for 1Q2017.

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<sup>1</sup> According to new accounting requirements, the Group has reclassified the Held-to-Maturity investment as "financial assets, at amortised costs" on balance sheet.

<b>Balance Sheet (RMB'000)</b>	<b>31 Mar 2018</b>	<b>31 Dec 2017</b>
<b>Property, Plant and Equipment</b>	4,652,987	4,820,729
<b>Restricted Cash</b>	1,214	29,405
<b>Cash &amp; Cash Equivalents</b>	5,551,412	6,195,431
<b>Financial Assets, at Amortised Costs</b>	12,356,534	11,978,869
<b>Total Borrowing</b>	3,881,426	4,890,746
<b>Total Equity</b>	27,148,063	26,516,697
<b>Gross Gearing (Borrowings / Equity)</b>	14.3%	18.4%
<b>Net Gearing (Net Borrowings* / Equity)</b>	Net cash	Net cash

\*Borrowings - (restricted cash + cash & cash equivalents)

Group's financial position has continued to strengthen. Gross gearing decreased from 18.4% as at 31 December 2017 to 14.3% as at 31 March 2018, and it remained in a net cash position. Net asset value per share increased to RMB6.67 as at 31 March 2018 from RMB6.52 as at 31 December 2017.

## **REVIEW / OUTLOOK/ FUTURE PLANS**

The shipbuilding market has continued to recover in the first quarter of 2018. The strong order book momentum was supported by the healthy growth in international trade, ship owners' confidence in global economic growth and their long-term plan on building up their fleets.

Year to date, the Group secured new orders for nine vessels with total contract value of USD268 million. These new orders include one unit of 180,000DWT bulk carrier, seven units of 82,000DWT bulk carriers and one unit of 83,500DWT combination carrier. As at 31 March 2018, with an outstanding order book of USD4.5 billion for 121 vessels, Yangzijiang was ranked no.1 in China and no. 3 in the world. These orders will keep the Group's yard facilities highly utilized up to 2020.

The orders for two units of 1,900TEU containerships and two units of 36,500DWT bulk carriers were terminated in 1Q2018. Construction of these vessels has not started. The Group has received certain down payments from these customers, and will recognize these down payments according to Group's accounting policy.

*“We made stable business progress as the shipbuilding market continued to recover from a few years of recession. As we constantly growing our expertise in building high-quality, high-tech and high-efficiency vessels, several large-size containerships were delivered to customers. Our maiden 400,000DWT dry bulker, the largest dry bulker in the world so far, has successfully completed the trial voyage. The order book for the 82,000DWT dry bulkers has been built up, as its advanced design, outstanding loading capacity and energy efficiency gain traction in the market. We have also been pushing forward the R&D and business in LNG related vessels, as part of our long term growth strategy.*

*While the market sentiment improved, we also face some uncertainties brought by protectionism on international trade, and the fluctuations in exchange rate and raw material prices. Yangzijiang has always been prudent and careful in managing risks, which is an important factor for our resilient and stable performance throughout market cycles. We have a healthy order book, a strong financial position and an established management and operational system. All these factors prepare us to deal with the uncertainties and fortify our position as a strong shipbuilding group in the world.”*

*---- Mr. Ren Yuanlin (任元林), Executive Chairman,  
Yangzijiang Shipbuilding (Holdings) Ltd*

*--The End--*

## **Company Profile**

Established in 1956, Yangzijiang Shipbuilding (Holdings) Limited (“Yangzijiang Shipbuilding” or collectively known as the “Group”) is one of the largest private shipbuilding companies in China. The Group is listed on SGX Mainboard since April 2007, and is currently one of the Straits Times Index (“STI”) constituent stocks. With four shipyards in Jiangsu Province, China along the Yangtze River, the Group produces a broad range of commercial vessels including large containerships, bulk carriers and LNG carriers, serving the orders from a well-established customer network covering Northern America, Europe and other parts of the world. Since listing on SGX, it has delivered consistent growth in the past eleven years.

*For more information please visit the website at: [www.yzjship.com](http://www.yzjship.com)*

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Issued for and on behalf of Yangzijiang Shipbuilding (Holdings) Limited

By Financial PR Pte Ltd

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