



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

Corporate Presentation

February 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

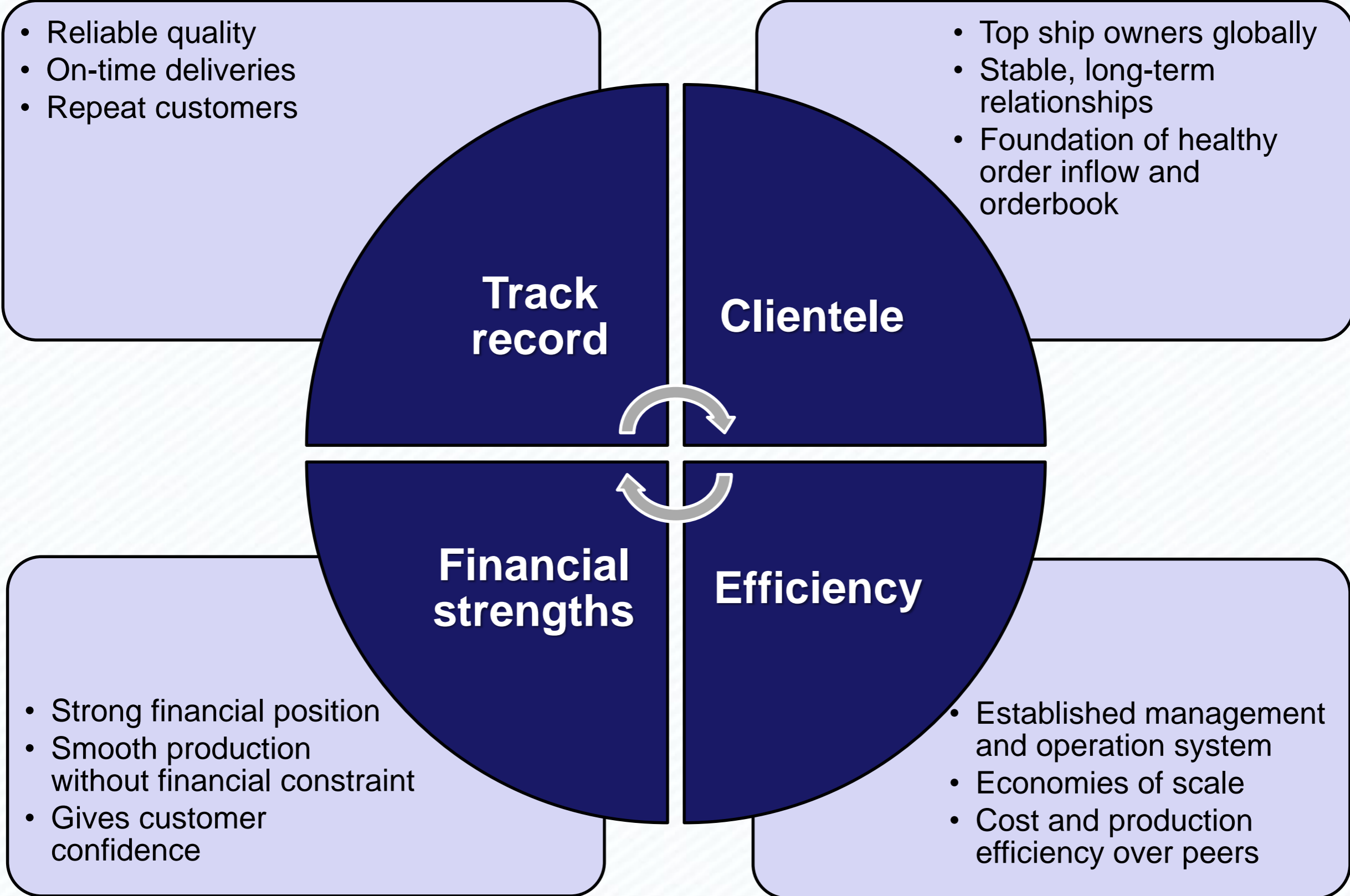
- All sizes up to 400,000 DWT
- Outstanding fuel efficiency
- Strong client base globally



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 – 4Q2017 YoY



Financial Highlights	4Q2017	4Q2016	Change	Comments
	RMB'000	RMB'000	%	
Revenue	6,354,612	5,508,238	15	6 vessels delivered vs. 9 in 4Q2016, higher revenue from shipbuilding due to higher volume of shipbuilding activities for larger vessels, higher trading revenue and higher other shipbuilding related business
Gross Profit	944,203	1,434,493	(34)	Lower GP and GP margin mainly due to RMB1,203 million allowance for expected losses on construction contracts
Gross Profit Margin	14.9%	26.0%	-	
Other Income	505,132	306,366	65	-
Other Losses	400,838	212,111	89	Mainly comprise foreign exchange loss and fair value loss on financial assets, partially offset by subsidy income
Expenses #	324,228	626,269	(48)	Lower impairment loss compared to 4Q2016 and lower finance cost due to reduced borrowings at group level
Net Profit Attributable to Equity Holders (PATMI)	677,916	607,837	12	
PATMI Margin	10.7	11.0	-	

#: Includes Administrative and Finance Expenses

Results Highlight – FY2017 YoY



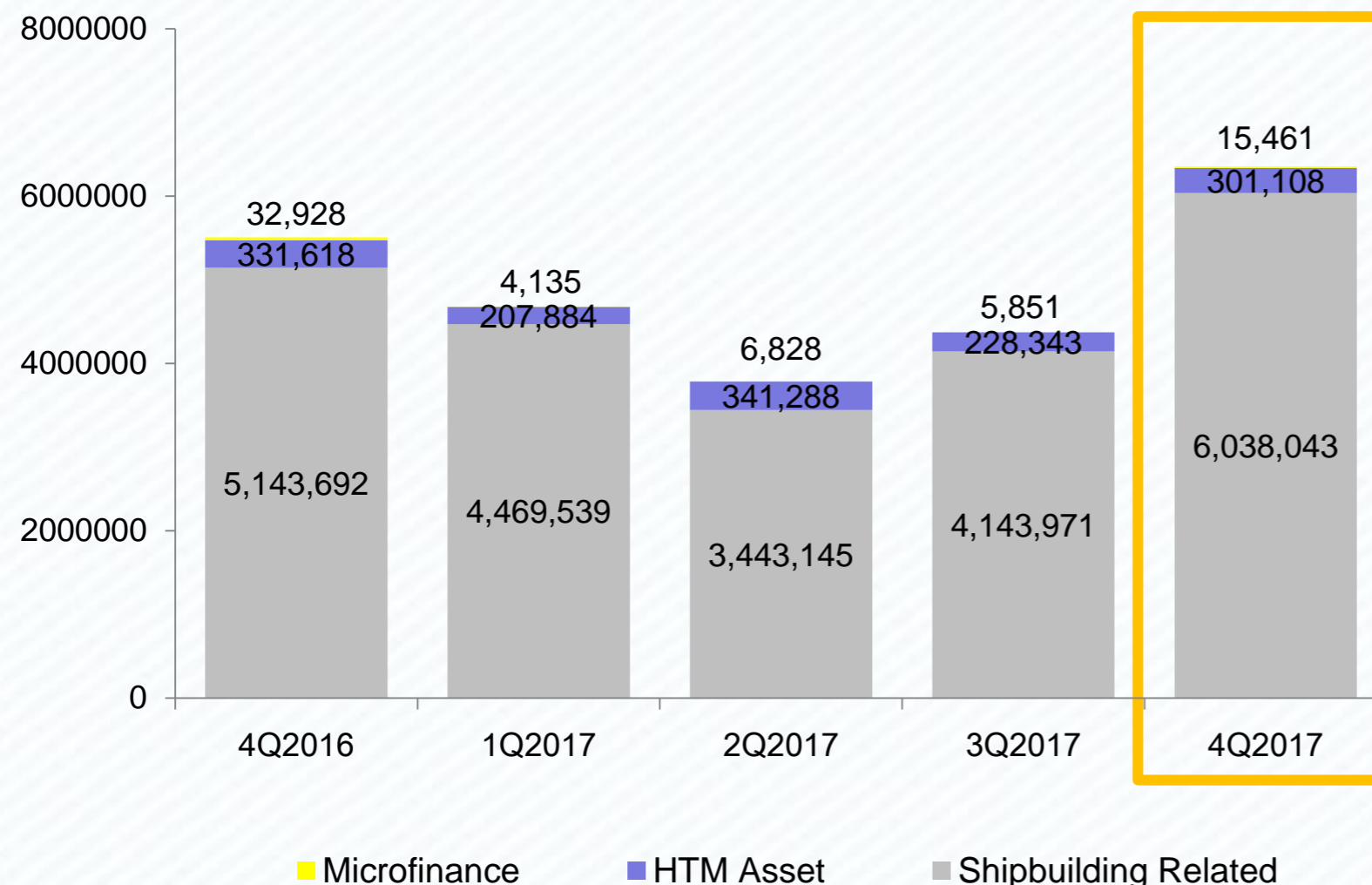
Financial Highlights	FY2017	FY2016	Change	Comments
	RMB'000	RMB'000	%	
Revenue	19,205,596	15,089,438	27	33 vessels were delivered in 2017 vs. 39 in 2016, however, higher value containerships were constructed and delivered in 2017
Gross Profit	3,311,963	3,636,622	(9)	Lower GP and GP margin mainly due to RMB1,203 million allowance for expected losses on construction contracts
Gross Profit Margin	17.2%	24.1%	-	
Other Income	670,253	903,681	(26)	Lower recognition of advance payment from terminated shipbuilding contracts
Other Gains	188,146	338,603	(44)	Subsidy income, fair value gain on financial assets and derivative financial assets and gain on disposal of subsidiaries, largely offset by foreign exchange loss
Expenses #	723,069	2,046,412	(65)	Lower impairment loss compared to FY2016 and lower finance cost due to reduced borrowings at group level
Net Profit Attributable to Equity Holders (PATMI)	2,931,498	1,752,432	67	
PATMI Margin	15.3%	11.6%	-	

#: Includes Administrative and Finance Expenses

Revenue Breakdown



(All amounts are stated in RMB'000)



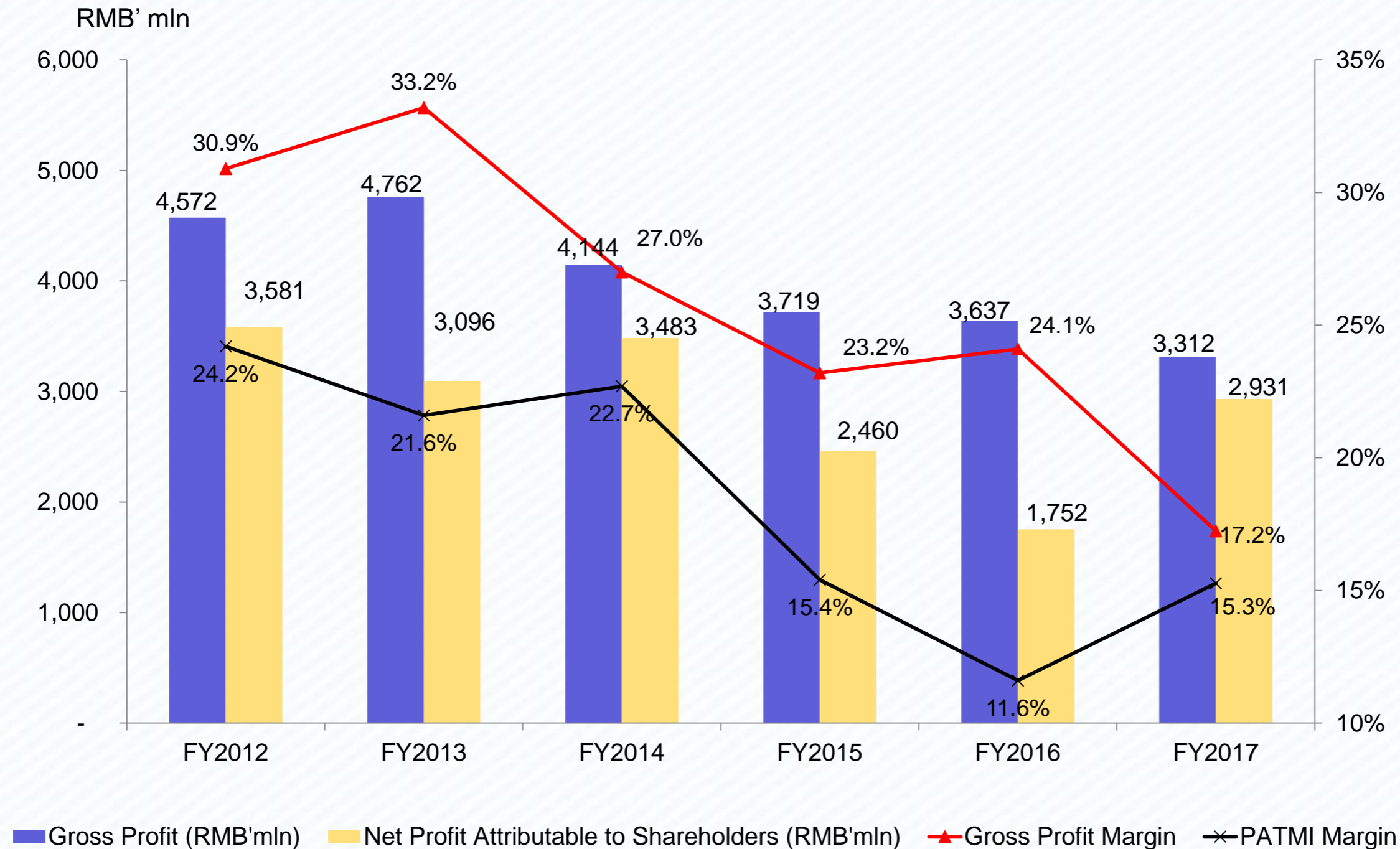
Shipbuilding Related Revenue Breakdown (4Q2017)	Percentage (%)
Shipbuilding	72%
Trading	25%
Others*	3%
Total	100%

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

	Gross Profits		Gross Profit Margins	
	4Q2017	4Q2016	4Q2017	4Q2016
Shipbuilding Related	635,862	1,090,187	11%	21%
HTM Investment	293,300	311,759	97%	94%
Micro Finance	15,041	32,547	97%	99%

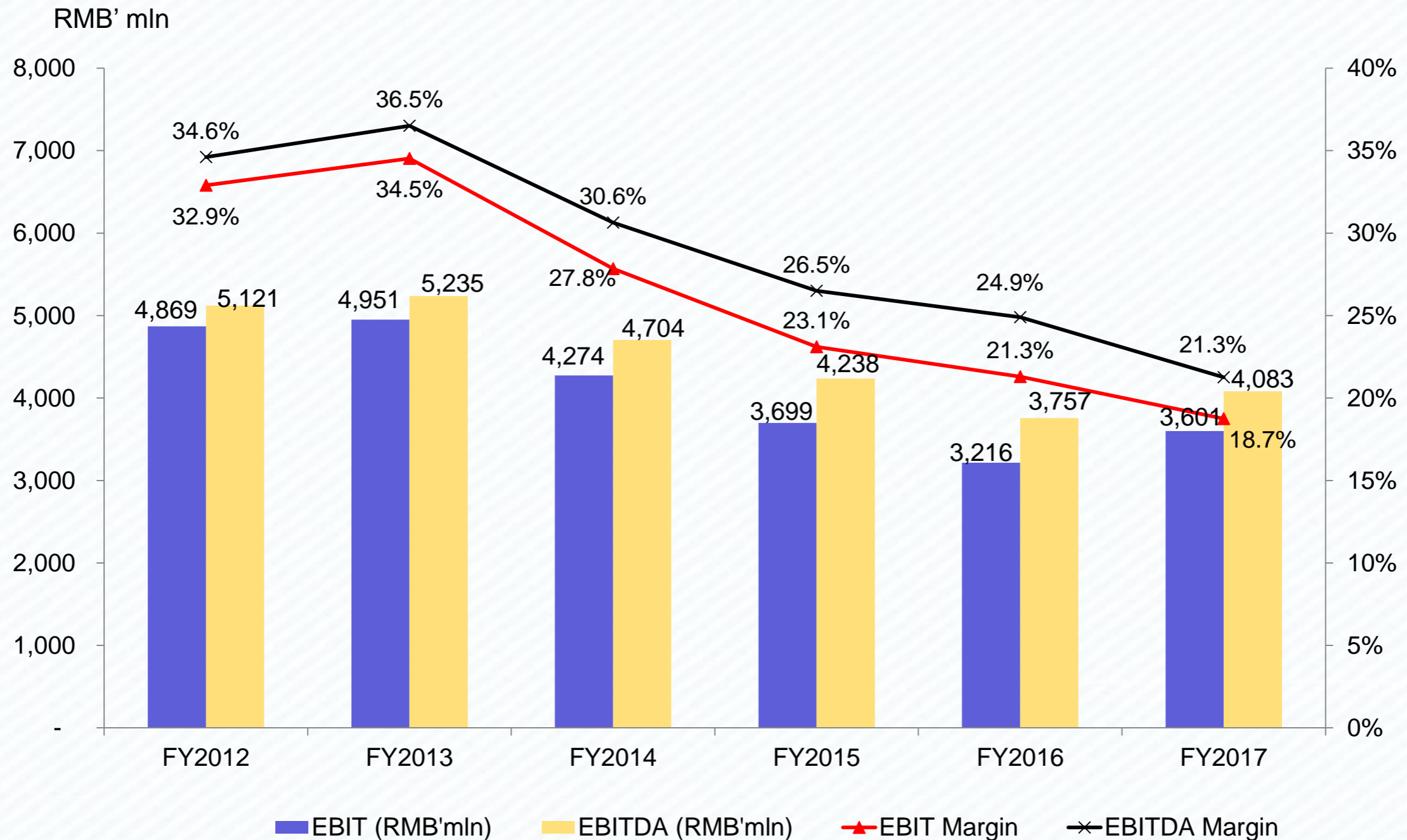


Gross Profit and Net Profit Attributable to Shareholders





EBIT and EBITDA



Results Highlight – Balance Sheet



Financial Highlights	31 Dec 2017	31 Dec 2016
	RMB'000	RMB'000
Property, Plant and Equipment	4,820,729	5,476,950
Restricted Cash	29,405	1,219,695
Cash & Cash Equivalents	6,195,431	7,085,796
Financial Assets, Held-to-Maturity	11,978,869	10,906,634
Total Debt	4,890,746	7,224,457
Total Equity	26,516,697	23,199,109
Gross Gearing	18.4%	31.1%
Net Gearing (including restricted cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB cents)	652.20	592.20



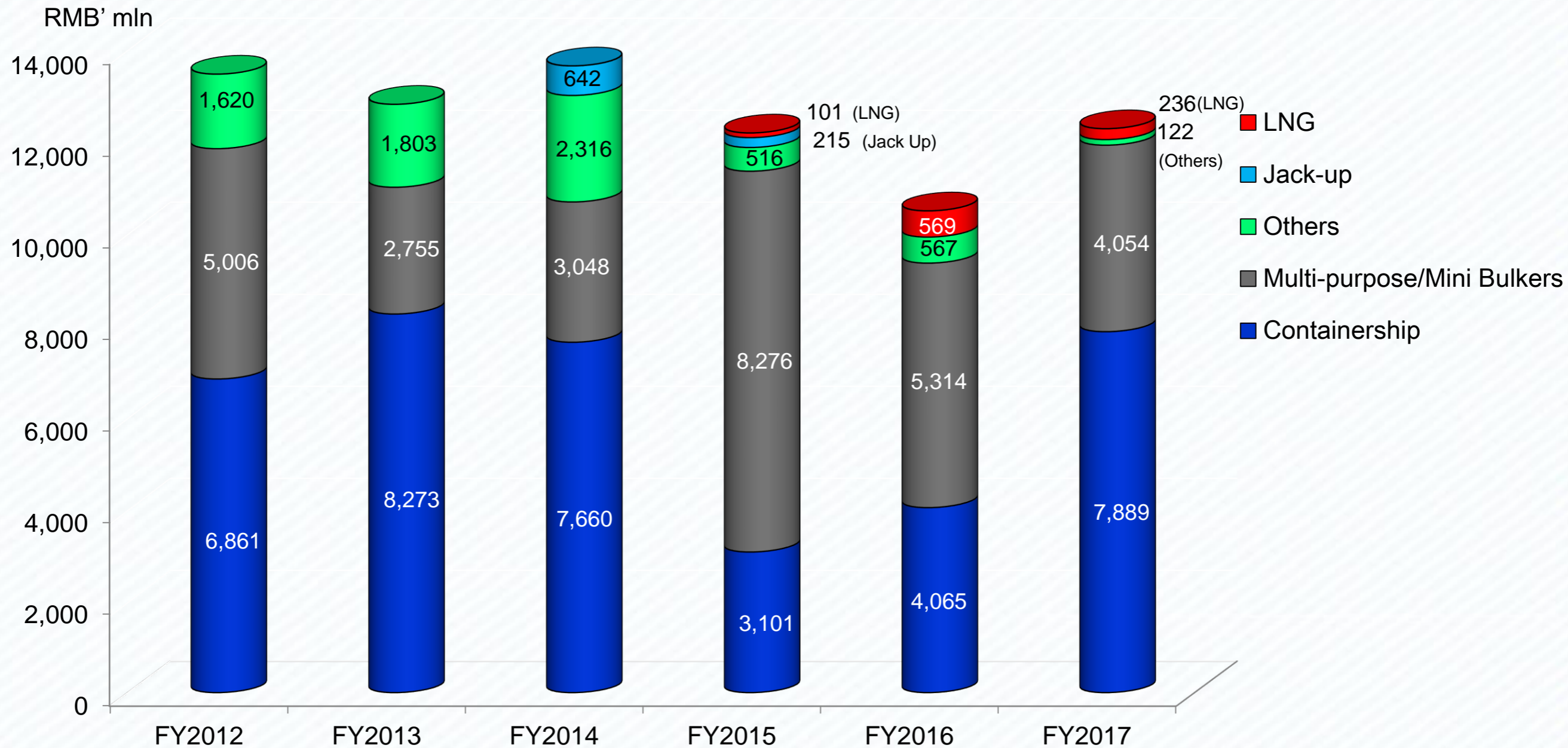
SECTION III - A SEGMENTAL REVIEW

Shipbuilding & Related Segments





Shipbuilding Revenue Breakdown





Total:123 vessels; 4.57 million CGT @ US\$ 4.71 billion
44 containerships, 1.91 million CGT @ US\$ 1.98 billion
76 bulk carriers, 2.59 million CGT @ US\$ 2.63 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 5 vessels
- 2,200TEU x 3 vessels
- 2,400TEU x 4 vessels
- 2,700TEU x 2 vessels
- 3,800TEU x 4 vessels
- 10,000TEU x 4 vessels
- 11,800TEU x 9 vessels

Bulk Carriers

- 6,500DWT x 1 vessels
- 29,800DWT x 2 vessels
- 36,500DWT x 2 vessels
- 39,000DWT x 3 vessels
- 45,000DWT x 6 vessels
- 62,000DWT x 5 vessels
- 82,000DWT x 32 vessels
- 83,500DWT x 3 vessels
- 180,000DWT x 4 vessels
- 208,000DWT x 12 vessels
- 400,000DWT x 6 vessels

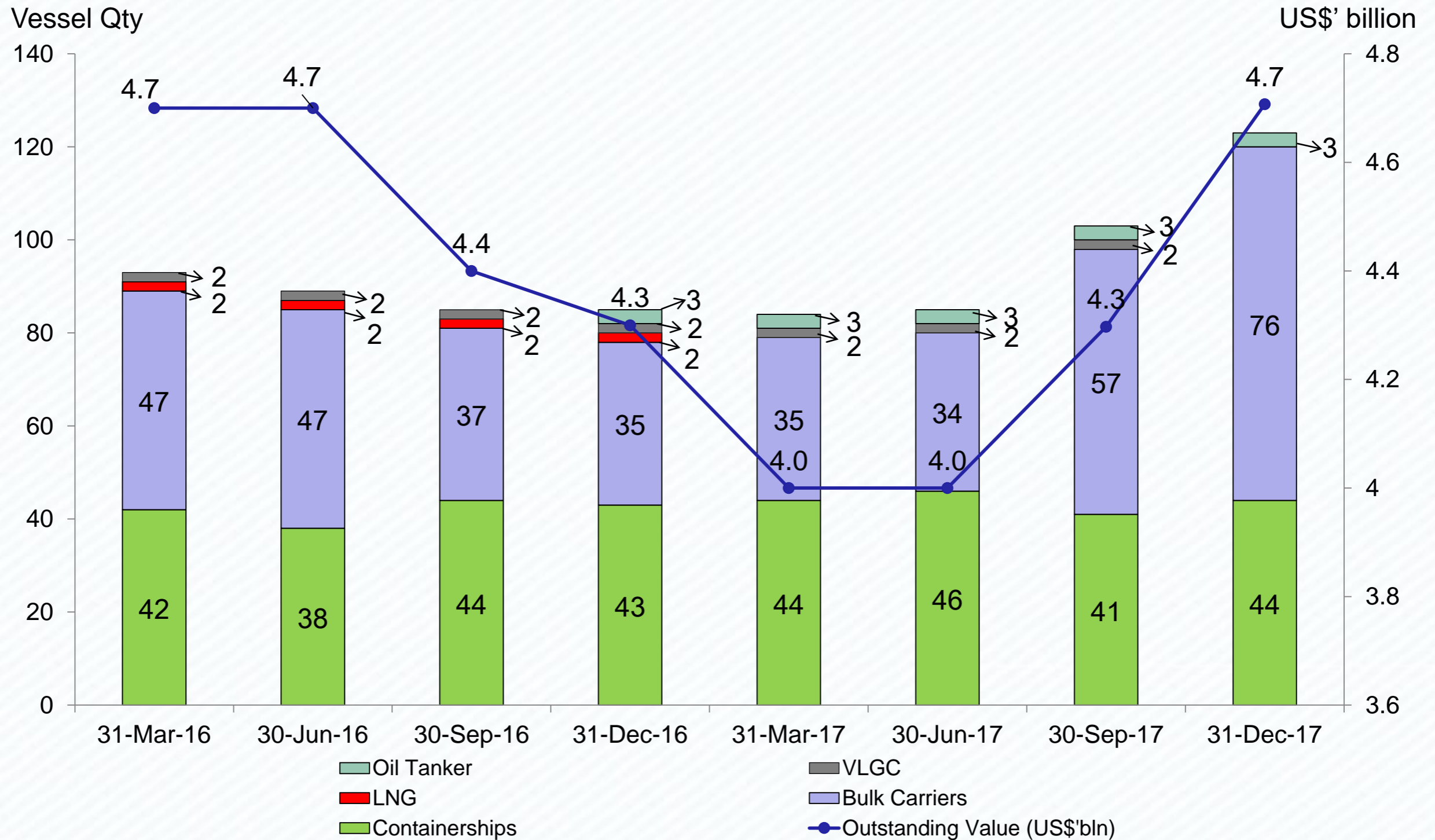
Oil Tanker

- 39,000CT x 3 vessels

Note: Order book is as at 31 December 2017

The Group secured 74 vessels worth USD 2.1 billion for FY2017, more than double of FY2016.

Historical Order Book



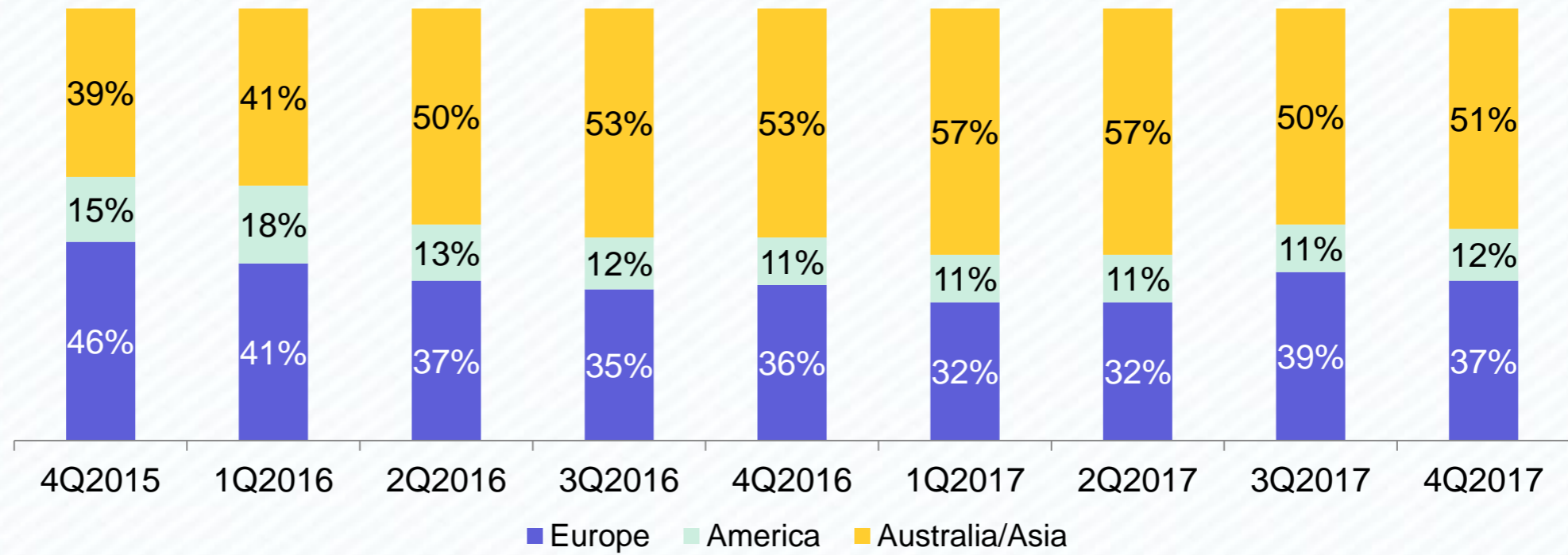
Order Book Customer Profile



Figures are stated as at 31 Dec 2017

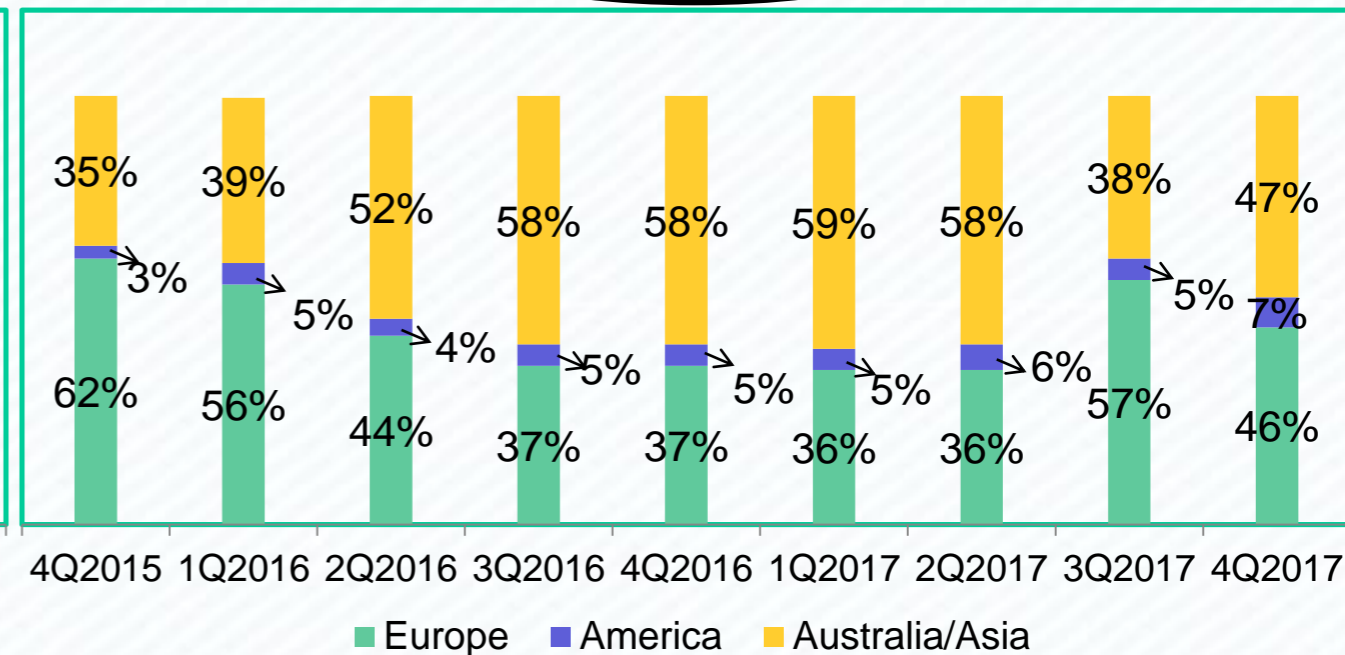
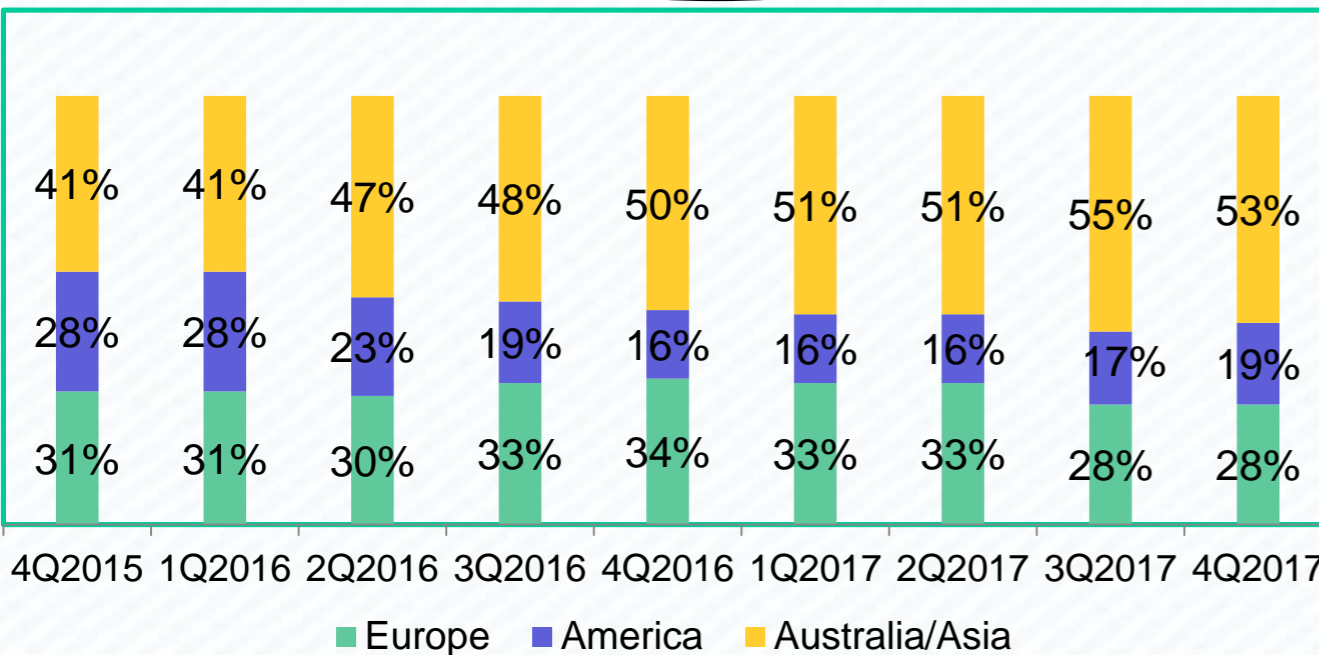
Breakdown by Geographical Segments

3 Oil Tanker orders are from Asia



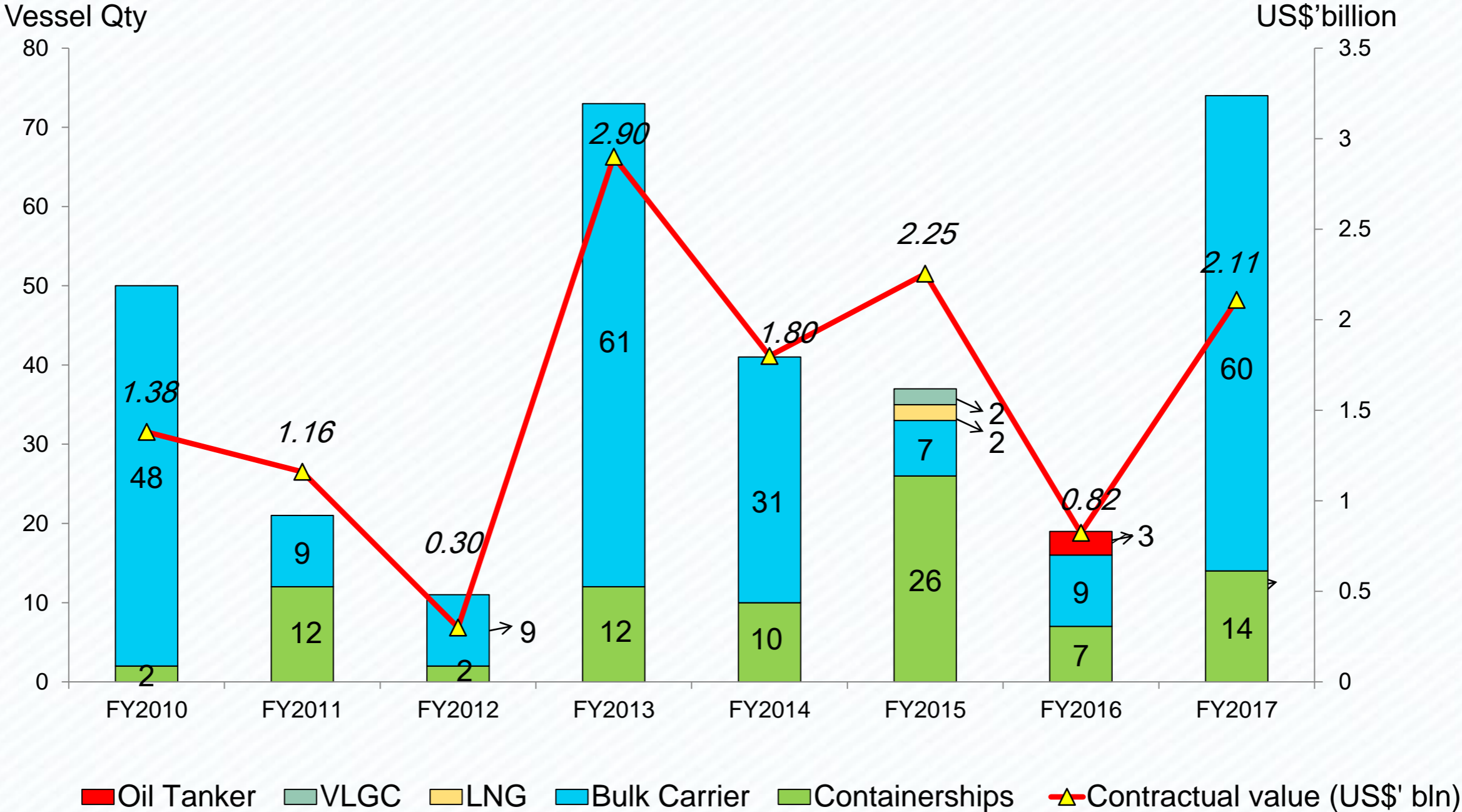
Containerships

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:**

- **8 x 92,500DWT, self managed by the Group**
- **3 x 64,000DWT, self managed by the Group**

Note – 2 units of 92,500DWT dry bulk carriers were disposed on the second-hand market in 2017

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



SECTION III - B SEGMENTAL REVIEW

Financial Investments

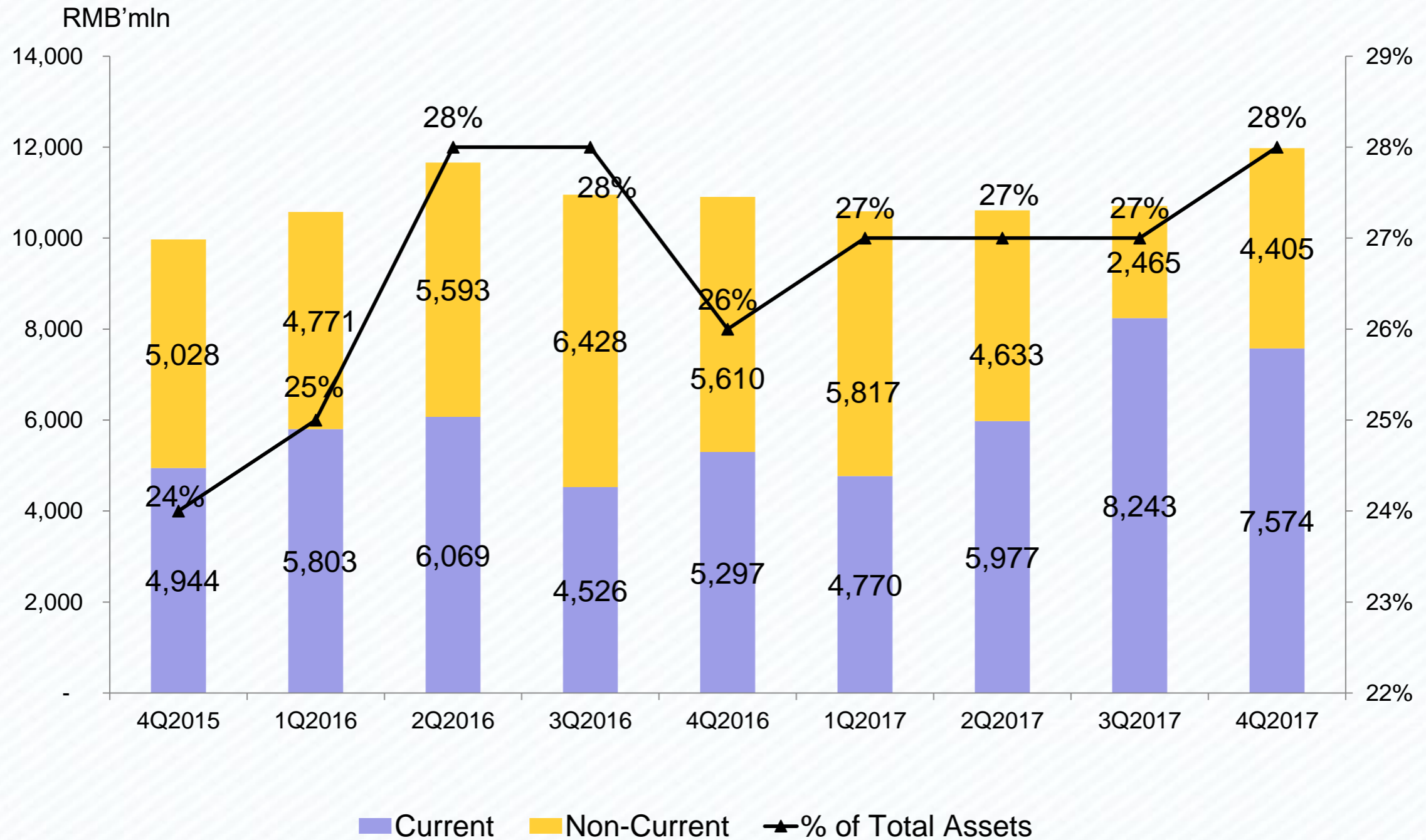


Interest Income Trend - HTM Assets



Source: Company Data

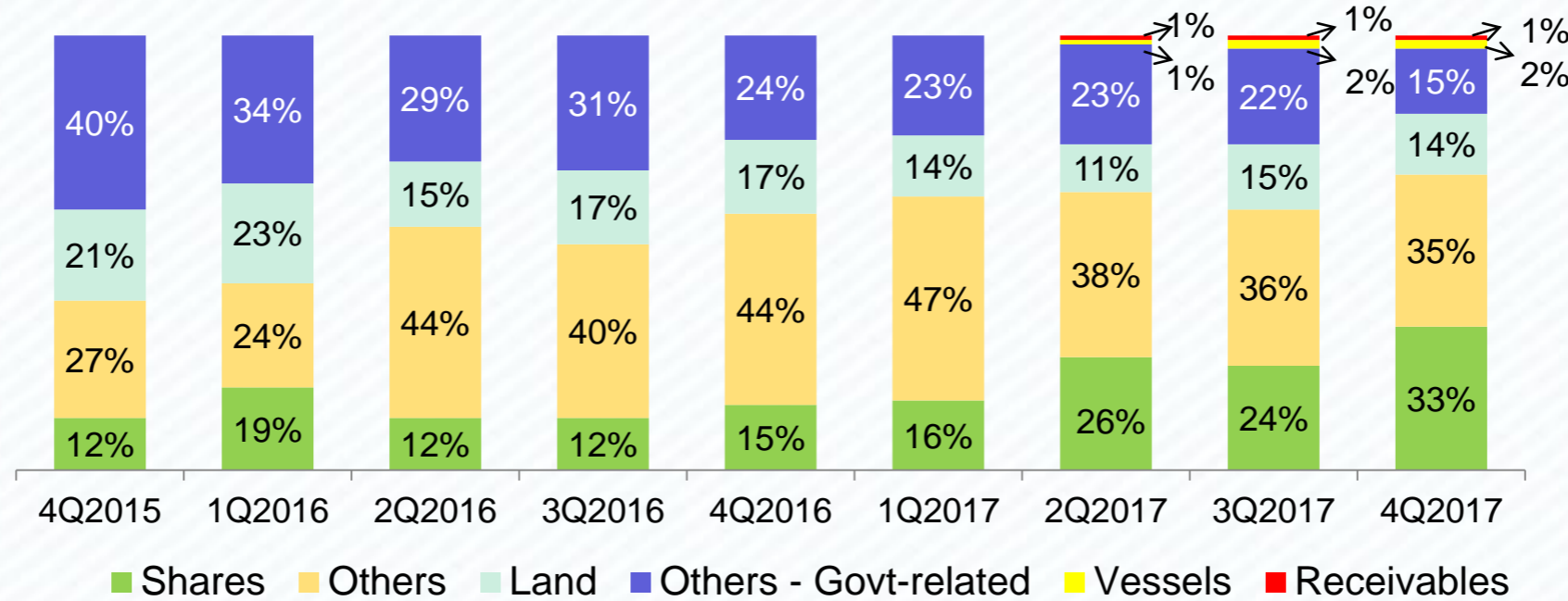
Held-to-Maturity Assets



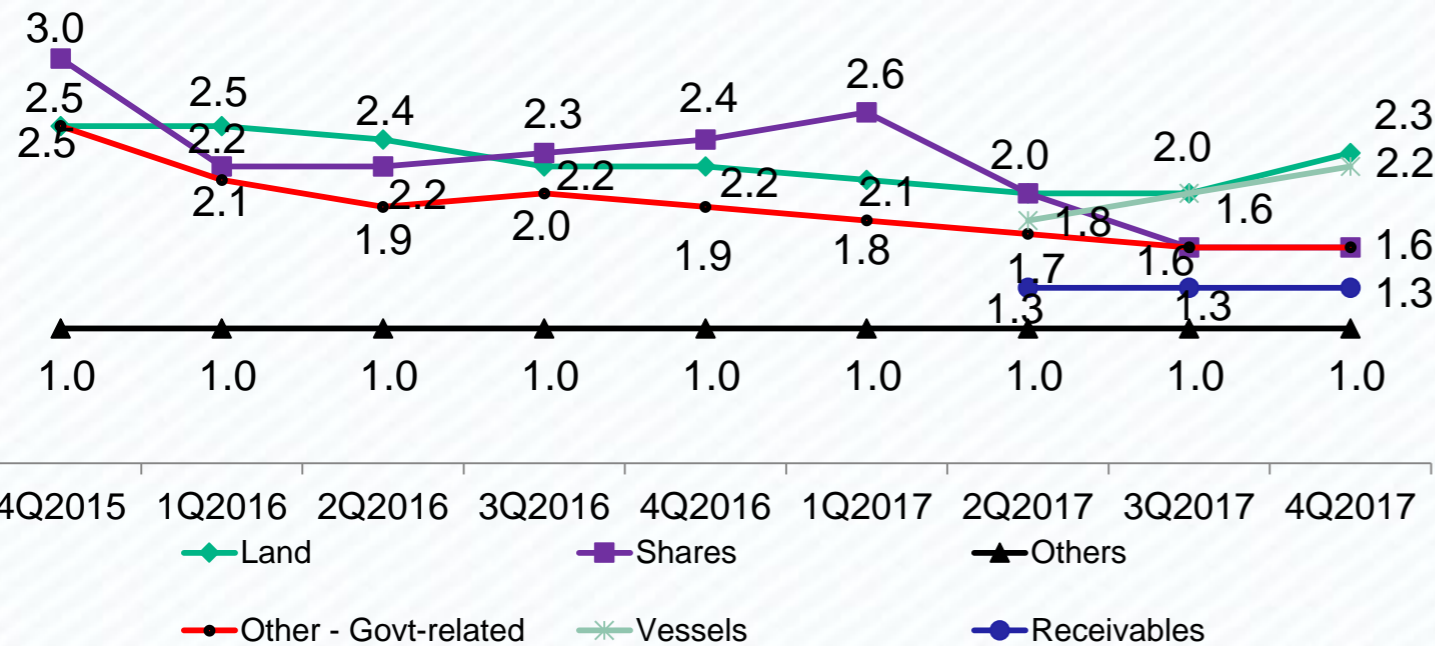
Source: Company Data



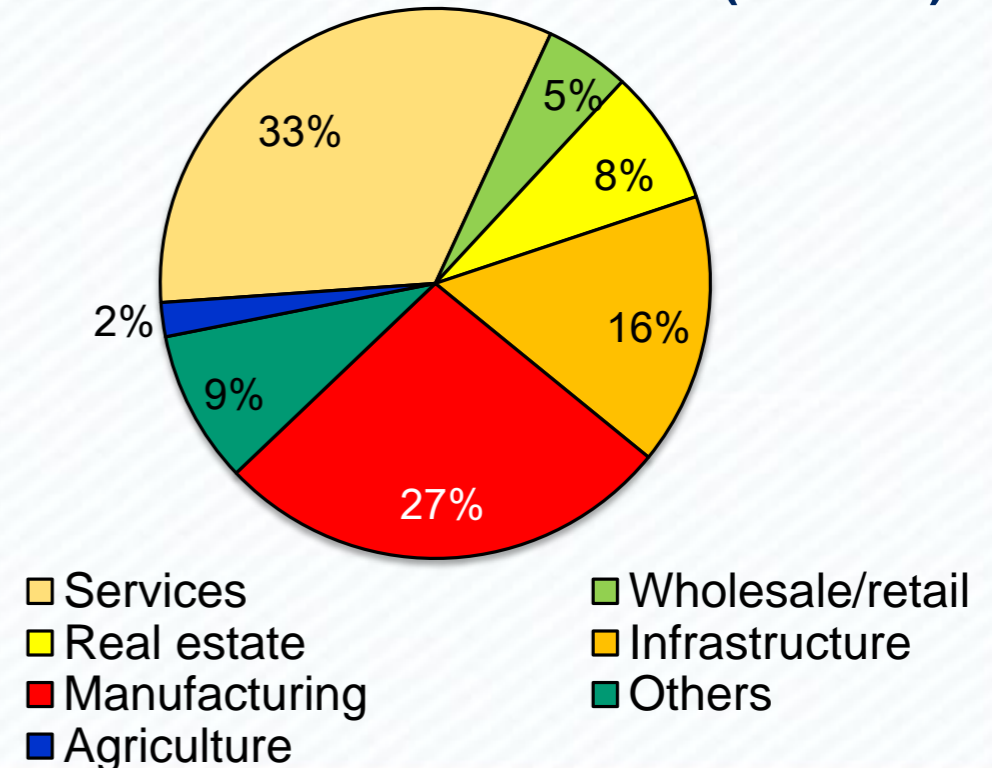
Breakdown of Investment Amount for which collaterals are secured (%)



Coverage Ratio

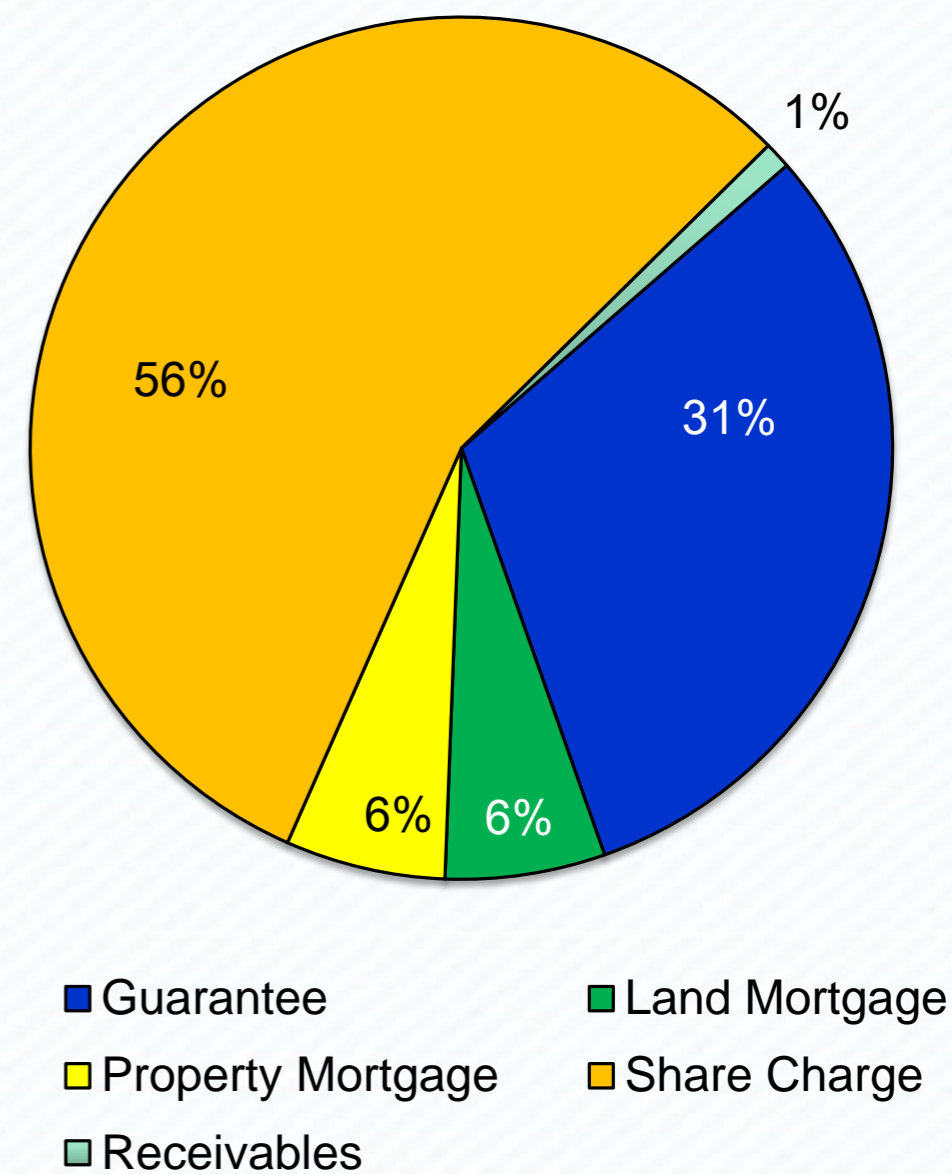
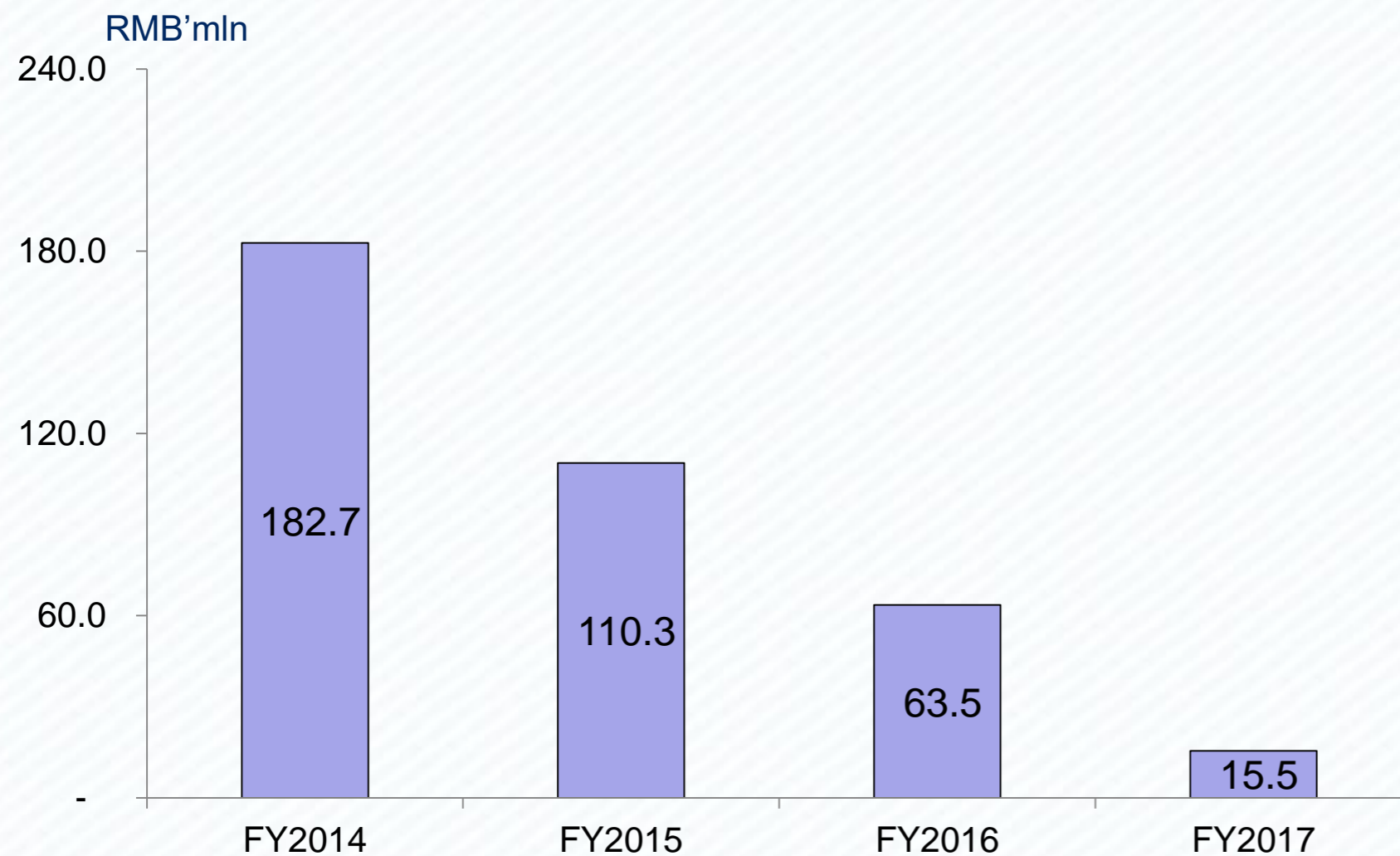


Breakdown of Borrowers (4Q2017)





Breakdown of Collaterals (As of 31 December 2017)

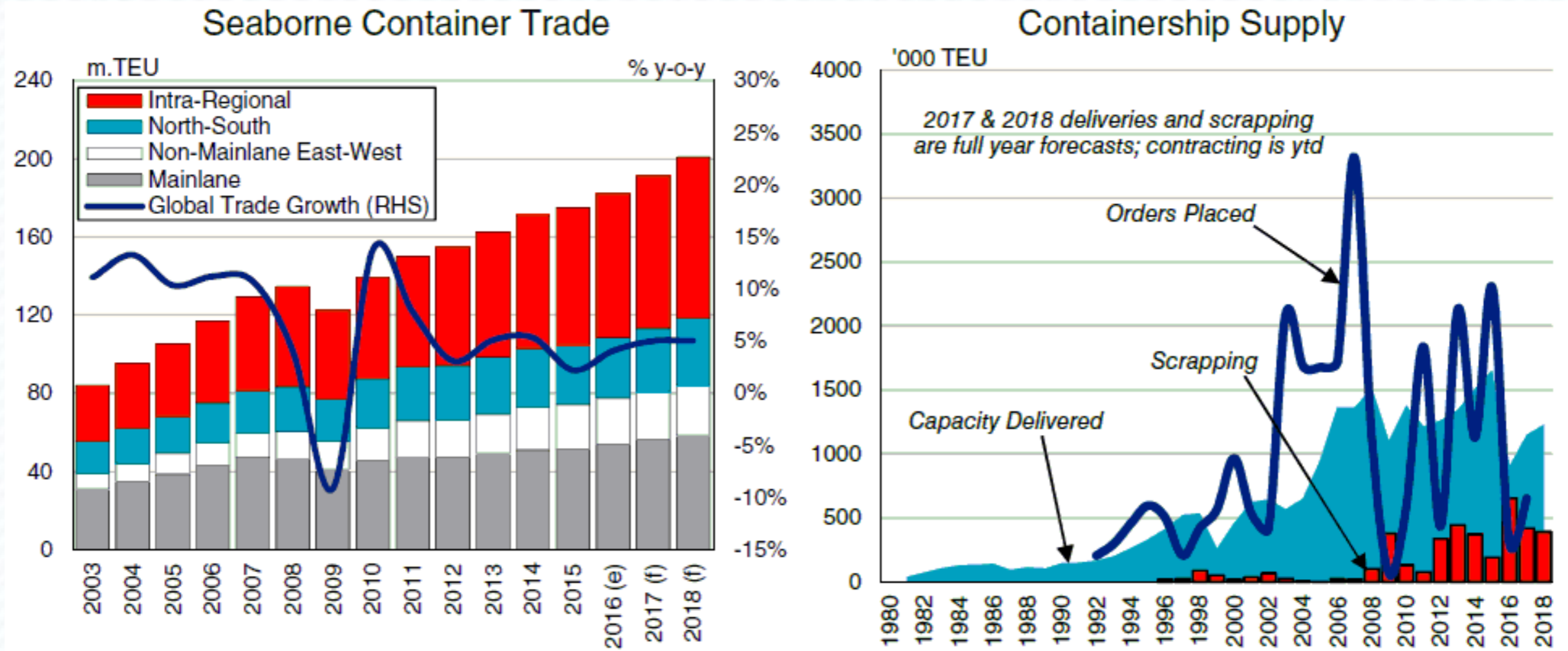




SECTION IV

TRENDS & STRATEGIES

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

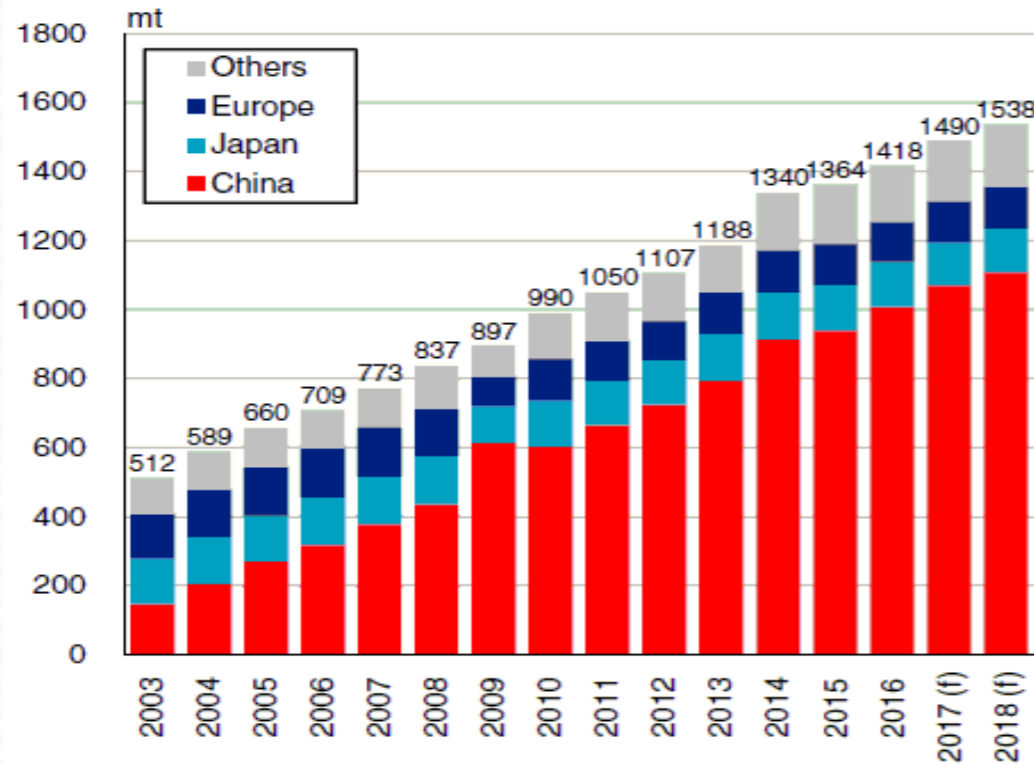


Source: Clarksons Research

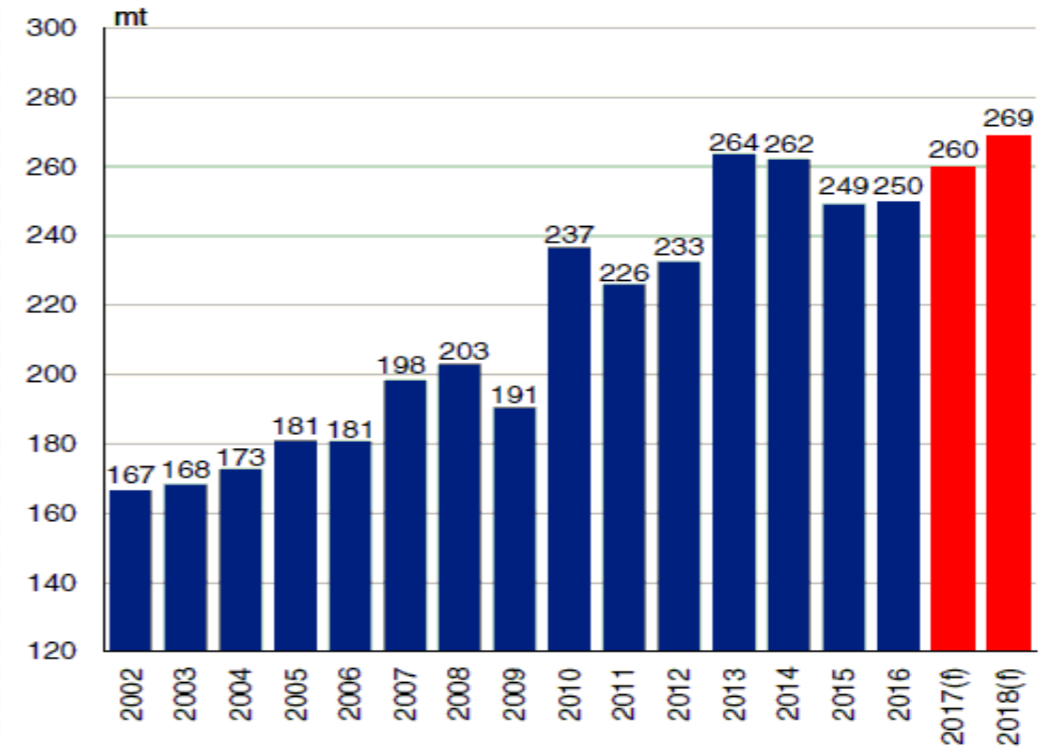
Dry Bulk Trades Expected to Grow



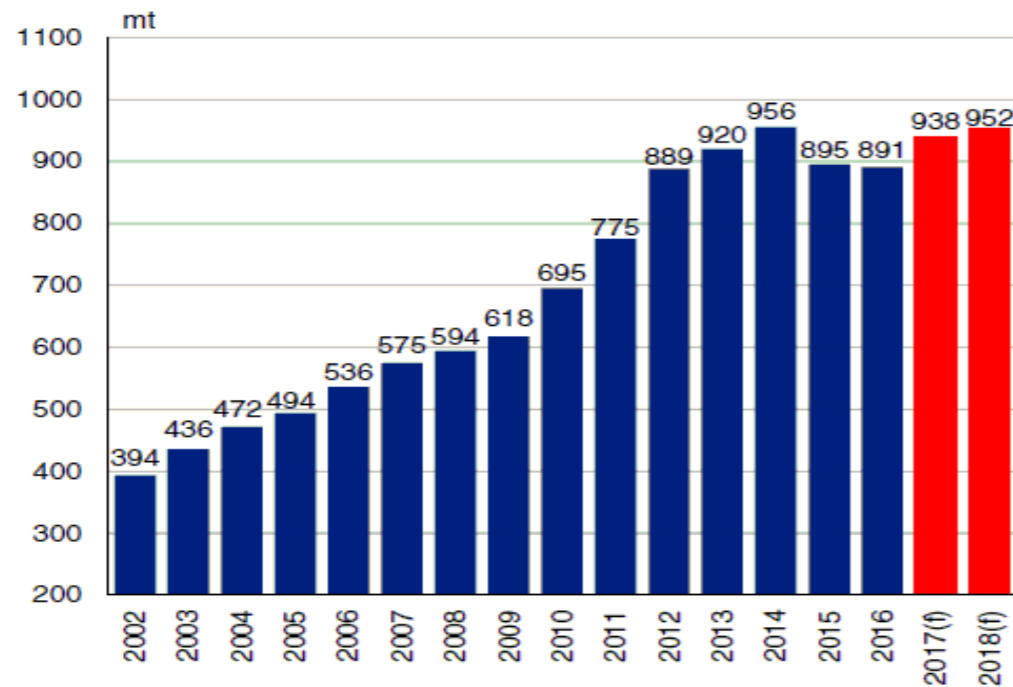
Seaborne Iron Ore Imports



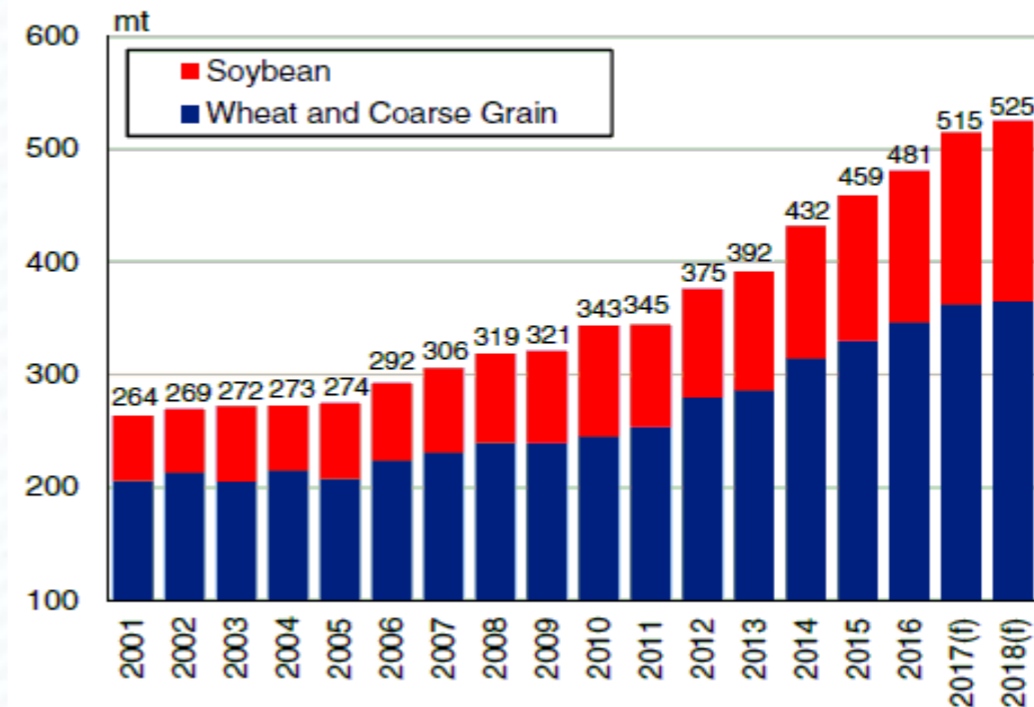
Global Seaborne Coking Coal Trade



Global Seaborne Thermal Coal Trade



Global Grain Trade

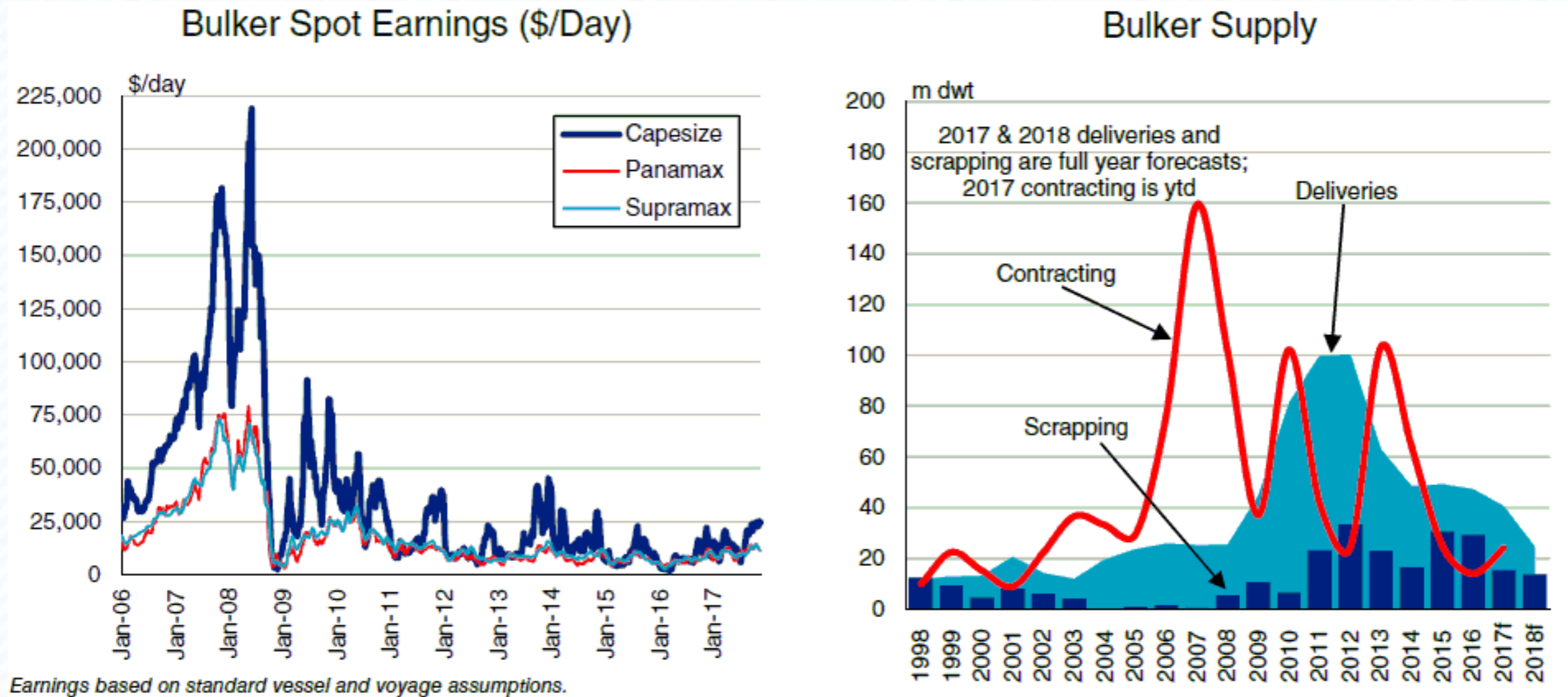


Source: Clarksons Research

Dry Bulker Outlook

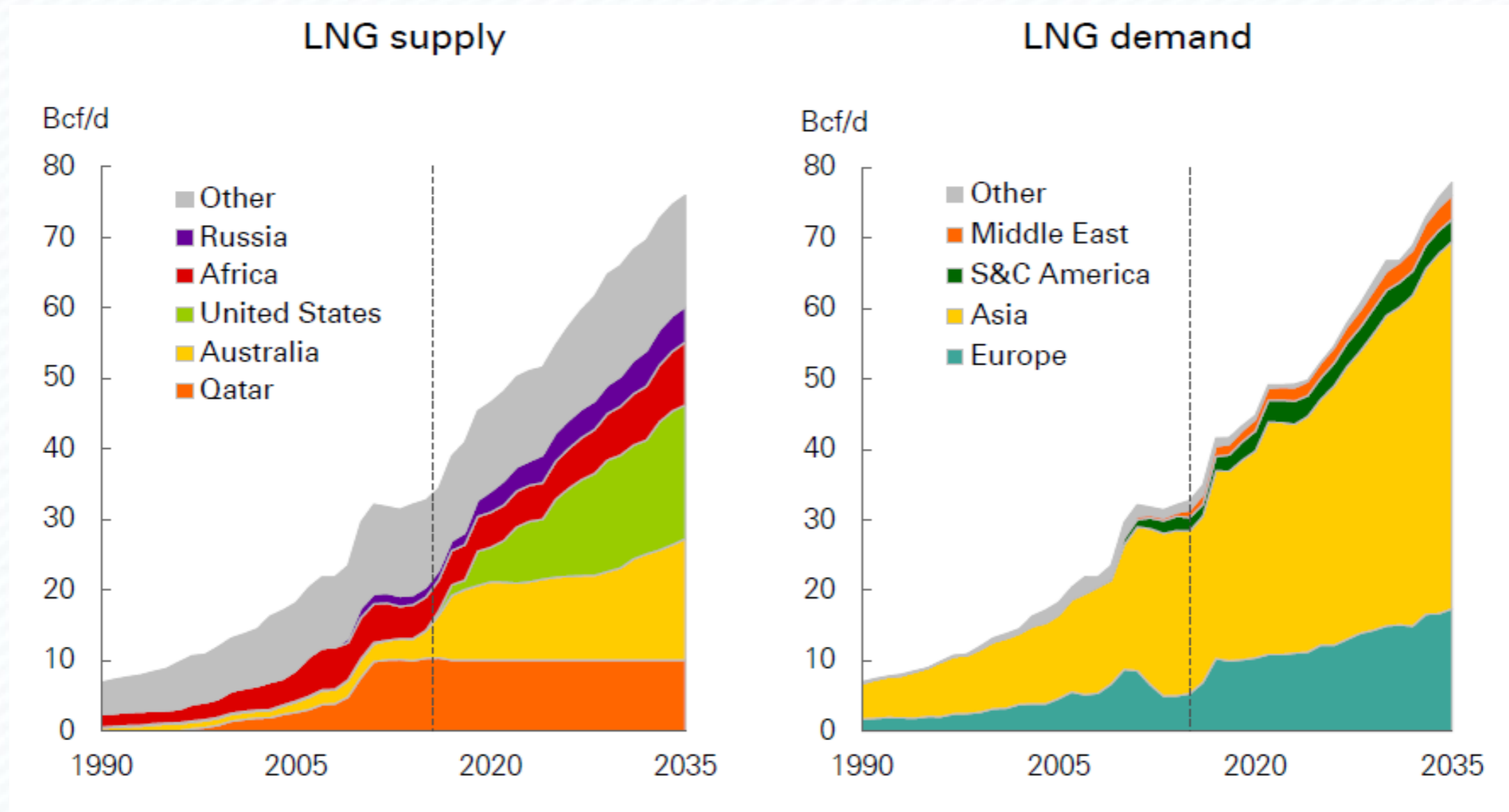


Relatively healthy demand for dry bulk shipping and slow fleet expansion are expected to support market recovery to continue in 2018



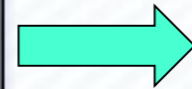
Source: Clarksons Research

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.



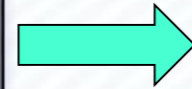
Source: BP Energy Outlook 2017

Containerships



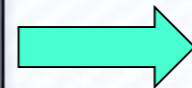
Remains as a key category in portfolio

Dry Bulk Carriers



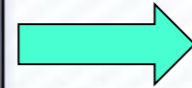
Focus on large-size carriers, multi-purpose and tailored vessels

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





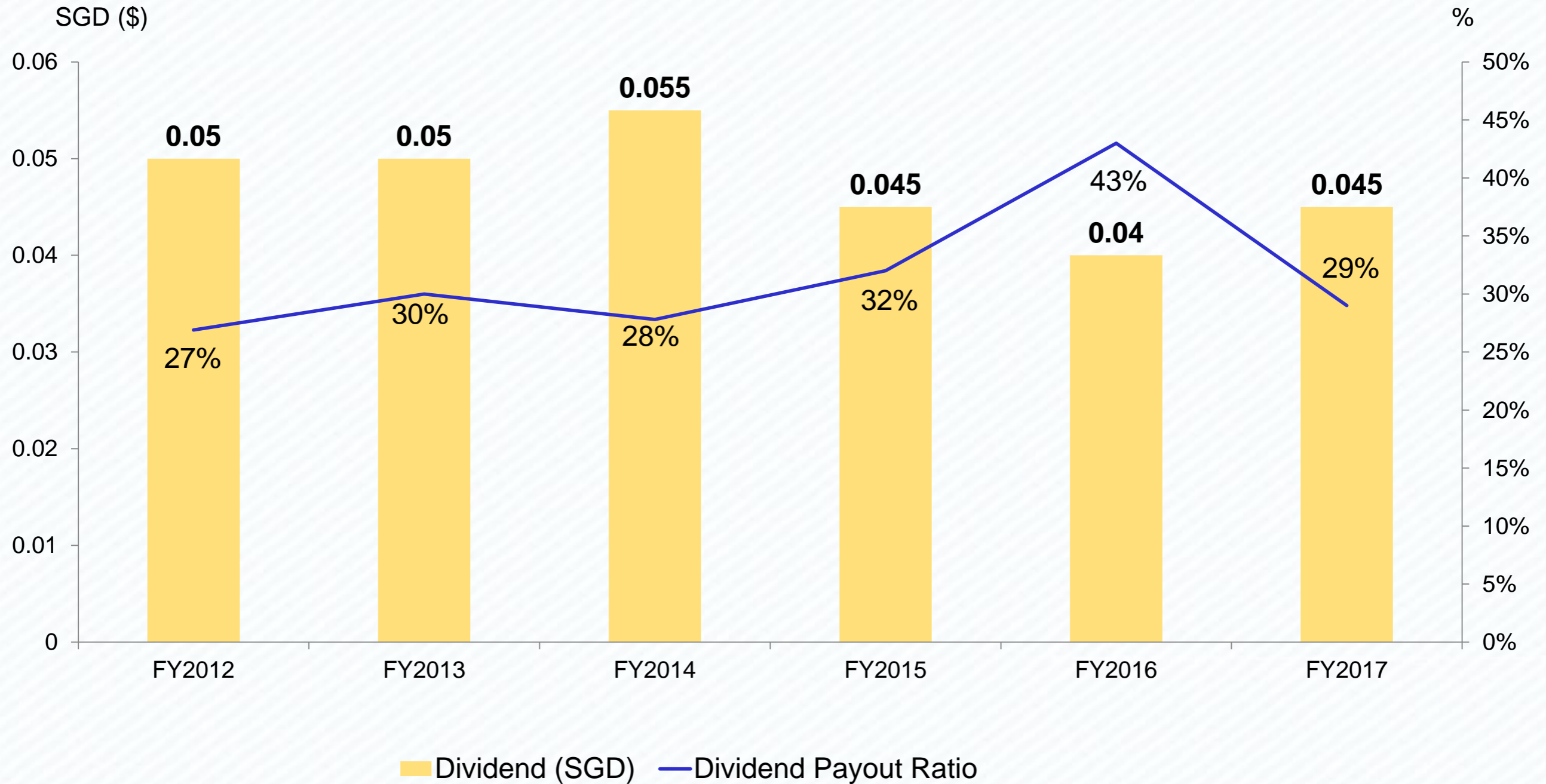
SECTION VI

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	74,585,800	31/1/2018	1.88
6	ALLIANCE BERNSTEIN	52,114,731	31/12/2017	1.31
7	NORGES	30,802,575	31/12/2016	0.78
8	SCHRODERS PLC	27,683,300	31/01/2018	0.70
Total		2,074,691,627		52.28

Source: Bloomberg, as of February 28, 2018

Stock Performance



Source: Bloomberg, as of February 28, 2018



Thank You Q&A

For more information,
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