



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

## Leading With Confidence

### 1Q2014 Results Presentation

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## Section 1 FINANCIAL HIGHLIGHTS



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### Results Highlight – 1Q2014 YoY



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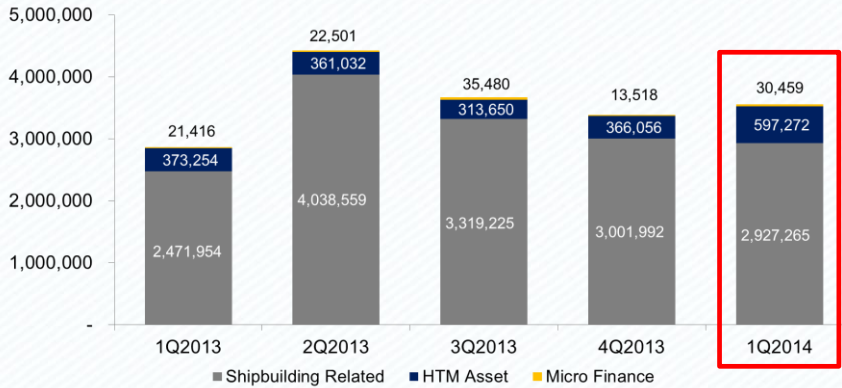
Financial Highlights	1Q2014	1Q2013	Change	Reason/s
	RMB'000	RMB'000	%	
Revenue	3,554,996	2,866,624	24	Expanded trading business supplemented Group's revenue
Gross Profit	1,047,916	1,033,773	1	<ul style="list-style-type: none"> <li>Increased revenue contribution from lower-margin other shipbuilding related segment</li> <li>Shipbuilding business margin remained healthy at 24%</li> </ul>
Gross Profit Margin	29%	36%	-	
Other Income	91,998	73,263	26	Increased interest income from bank deposits and charter income
Other Gains / (Losses)	64,343	56,861	13	Increased foreign exchange related gains
Expenses #	199,734	174,025	15	Administrative expenses maintained at healthy level despite of increasing business activities across various segments
Net Profit Attributable to Equity Holders (PATMI)	799,185	717,173	11	
PATMI Margin	22%	25%	-	

#: Includes Administrative and Finance Expenses

# Revenue Breakdown



(All amounts are stated in RMB'000)

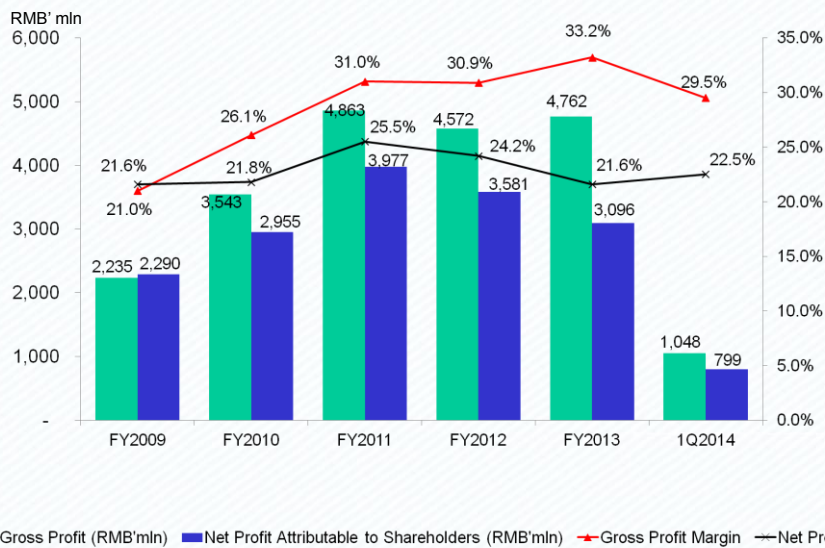


	Gross Profits		Gross Profit Margins	
	1Q2014	1Q2013	1Q2014	1Q2013
Shipbuilding Related	456,956	639,824	16%	26%
HTM Investment	561,526	373,254	94%	100%
Micro Finance	29,434	20,695	97%	97%

# Profitability Trend



## Gross Profit and Net Profit Attributable to Shareholders



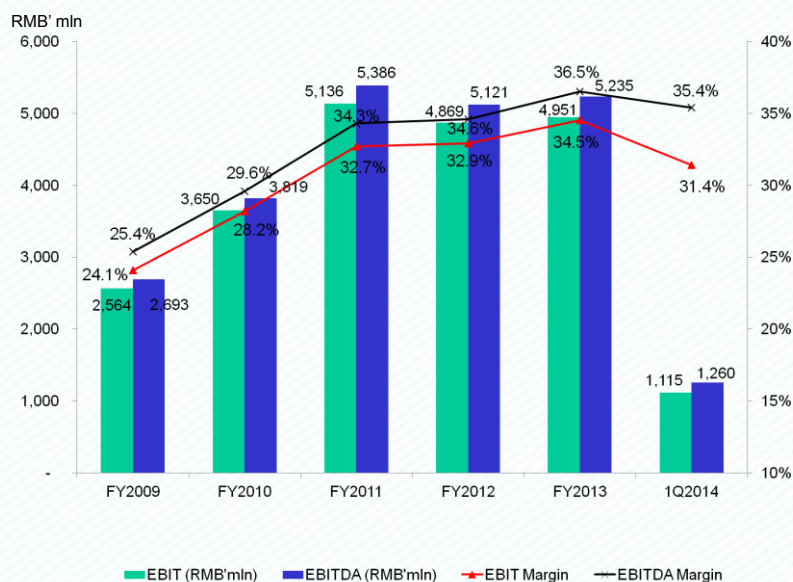
## Profitability Trend



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### EBIT and EBITDA



## Results Highlight – Balance Sheet



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Financial Highlights	31 Mar 2014	31 Dec 2013
	RMB'000	RMB'000
Property, Plant and Equipment	5,849,878	5,793,041
Restricted Cash	6,810,590	8,416,977
Cash & Cash Equivalents	2,908,962	1,436,246
Financial Assets, Held-to-Maturity	12,770,959	14,127,351
Total Debt	14,539,265	13,373,442
Total Equity	19,103,166	18,272,881
Gross Gearing	76.1%	73.2%
Net Gearing (including restricted cash)	25.2%	19.3%
Net Asset Value per Ordinary Share (RMB cents)	480.19	464.55



## Section 2A SEGMENTAL REVIEW Shipbuilding & Related Segments



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## Revenue Trend

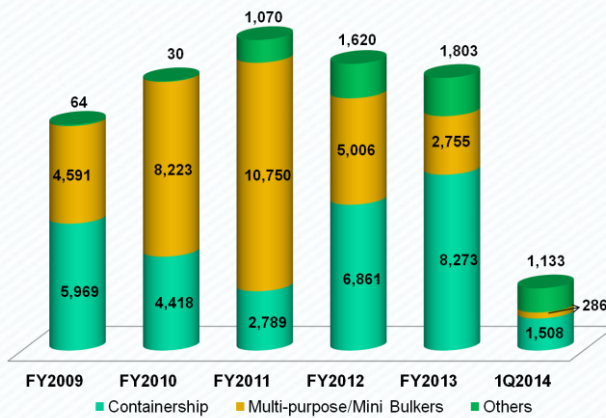


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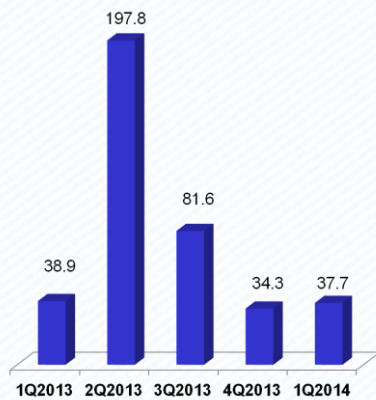
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All amounts are stated in RMB 'mln

### Shipbuilding-related Segment



### Ship Breaking Division





## Revenue Breakdown of shipbuilding related segment

Shipbuilding related segment (1Q2014)	Percentage (%) of Shipbuilding related revenue
Shipbuilding businesses	63%
Trading	34%
Others	3%
<b>Total</b>	<b>100%</b>

# Strong Order Book



Total: 125 vessels; 3.61 million CGT @ US\$ 5.19 billion  
 31 containerships, 1.36 million CGT @ US\$ 2.23 billion  
 94 bulk carriers, 2.25 million CGT @ US\$ 2.96 billion

### Containerships

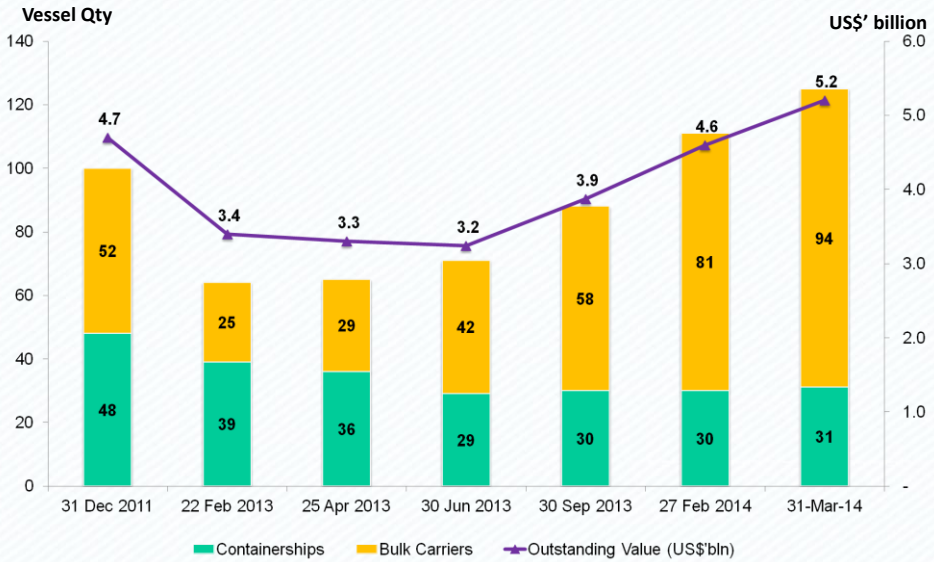
- 1,100TEU x 6 vessels
- 2,500TEU x 2 vessels
- 4,800TEU x 3 vessels
- 10,000TEU x 20 vessels

### Bulk Carriers

- 36,000DWT x 4 vessels
- 45,000DWT x 2 vessels
- 49,500DWT x 2 vessels
- 470,000 c.f. x 1 vessels
- 64,000DWT x 22 vessels
- 82,000DWT x 49 vessels
- 94,000DWT x 2 vessels
- 208,000DWT x 12 vessels

Note: Order book is as at 31 Mar 2014

# Historical Order Book

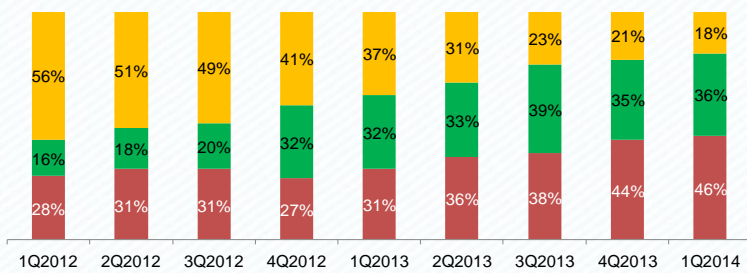


# Order Book Customer Profile



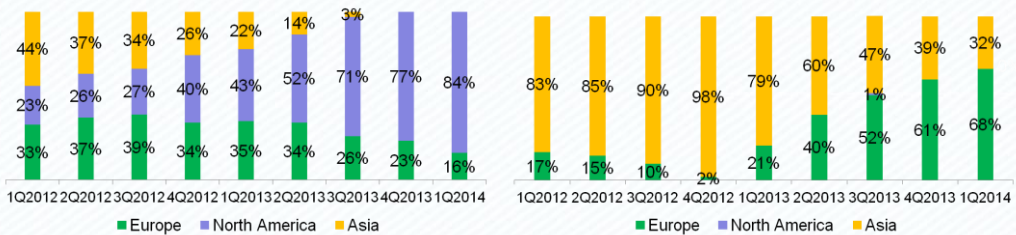
Figures are stated as at 31 Mar 2014

## Breakdown by Geographical Segments



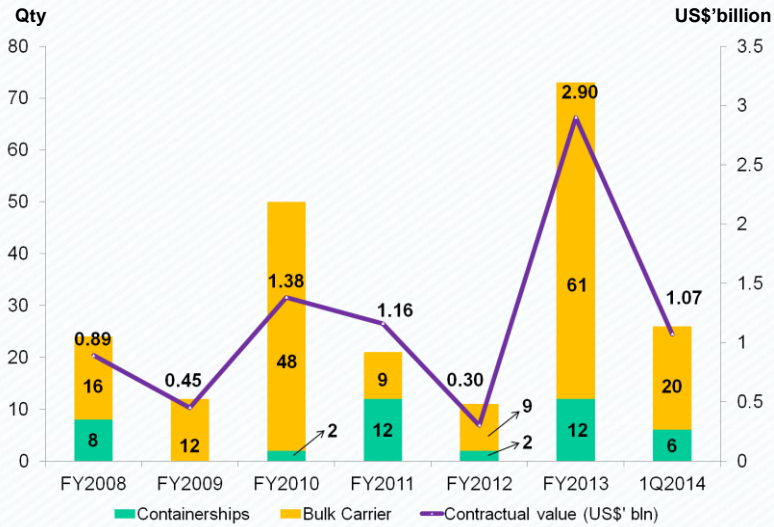
Containerships

Dry Bulk Carriers





**New contracts secured in terms of vessel qty and US\$'bln**



## Section 2B SEGMENTAL REVIEW Financial Investments

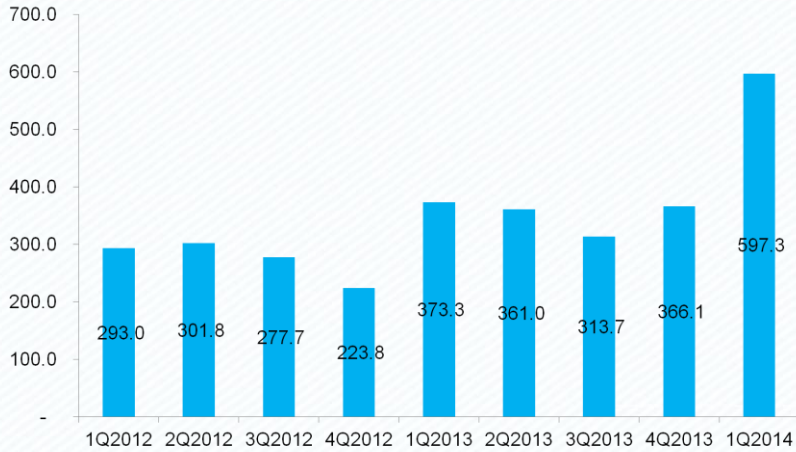




# Revenue Trend – HTM Assets

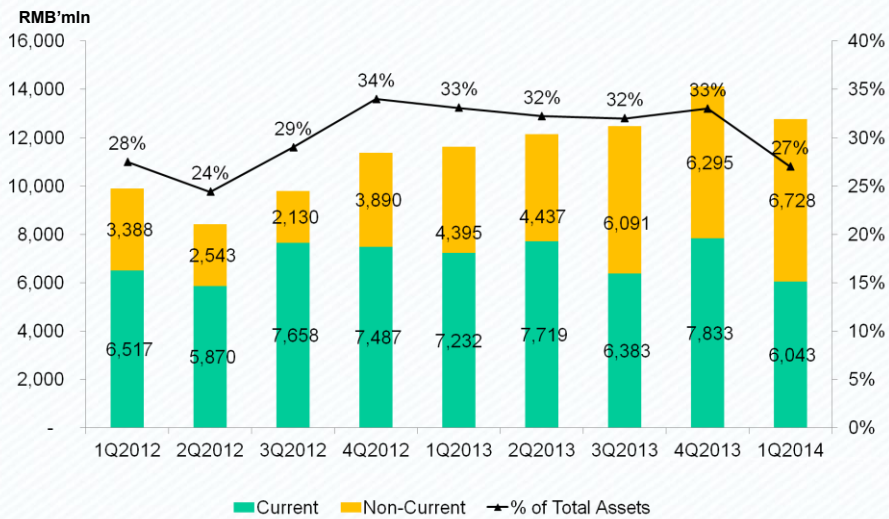


All amounts are stated in RMB' mln



Source: Company Data

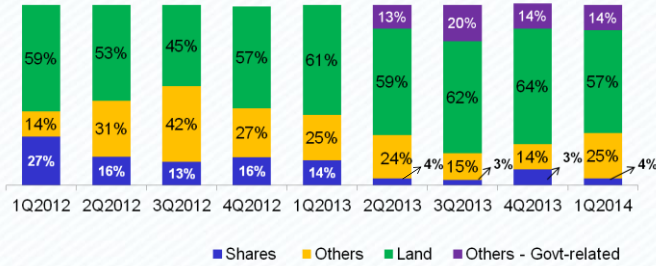
# Held-to-Maturity Assets



Source: Company Data



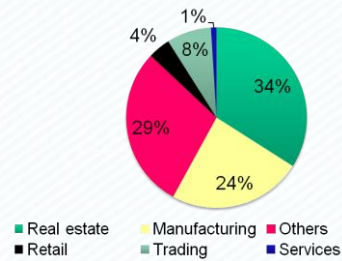
## Breakdown of Investment Amount for which collaterals are secured (%)



## Coverage Ratio



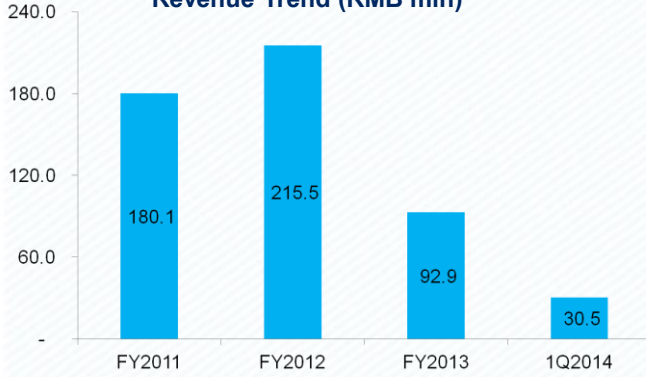
## Breakdown of Borrowers (1Q2014)



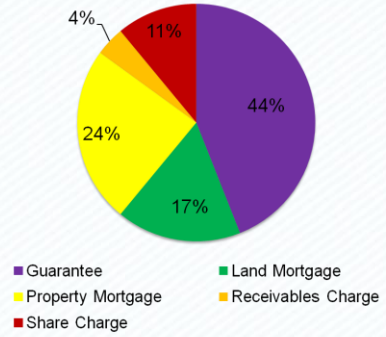
- Recycling of capital: about 60% of capital is redeemed every year (or 15% per quarter) and re-invested
- In 1Q14, RMB\$3.00 billion was redeemed, with new capital invested of RMB\$1.94 billion
- Default rates on HTM investments were less than 5%
- Zero bad loans



**Revenue Trend (RMB'mln)**



**Breakdown of Collaterals (As of 31 Mar 2014)**



## Section 3 STRATEGIES & TRENDS



# Strategically Located Yards



# Integrated Marine Group



**Key Focus: Delay Contraction Impact for 2 years, emerge stronger from downturn 1 year earlier, as compared to industry peers**



**Plan: Evolve into an Integrated Marine Service Provider**

- 1** Shipbuilding and Offshore
- 2** Financial Investments
- 3** Shipping Logistics and Chartering
- 4** Ship demolition & steel fabrication (incl. non-marine related) and related trading businesses
- 5** Property Development

## Five Main Segments



- Shipbuilding and Offshore
  - Fine tuning of internal processes to be conducted to boost shipyard's production efficiency and capacity to improve profitability and shareholder value.
  - Construction of the Group's jack-up rig secured in end 2012 is progressing well in accordance to schedule and is on track for delivery in mid 2015
- Financial Investments
  - Derive yield improvement within managed risk constraints amid a more competitive environment
- Shipping Logistics and Chartering
  - The fleet will be expanded with additional 4 bulk carriers which are scheduled for delivery in 2015
- Ship Demolition, Steel Fabrication and related trading businesses
  - Evaluating investments to upgrade yard and capability
  - Two newly incorporated trading subsidiaries in Singapore to seek for more trading business
- Property Development
  - Acquisition of 100% equity interest in Jiangsu Hengyuan Real Estate Development Co. Ltd has been completed on 27 February 2014, and their financial statements have been consolidated into the Group's commencing 1Q2014

## Outlook for FY2014



- In 2014 year-to-date, the Group had secured a total of 26 effective shipbuilding contracts with an aggregate value of US\$1.07 billion.
- With the substantial outstanding order book of US\$5.19 billion comprising of 125 vessels, the Group's yard capacity will be highly utilized until end of 2016. The Group also has 4 options remaining for 10,000TEU containerships.
- Jiangsu New Yangzi Shipbuilding Co. Ltd ("JNYS"), has been accredited as a High/New Technology Enterprise. This allows JNYS to enjoy a preferential corporate income tax rate of 15% for a period of three years commencing 2013.
- In 2013, the Group conducted a strategic review and re-organized its business operations into five main segments. While the Shipbuilding and Offshore and Financial Investments segments will remain the largest revenue and profit contributors in the near term, the Group will also devote its efforts into progressively growing the three remaining business segments.
- The five business segments will serve to strengthen and extend the Group's capabilities in the marine and offshore space, at the same time managing its exposure to the cyclical shipbuilding industry with a more stable revenue and income stream.

## Thank You Q&A



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