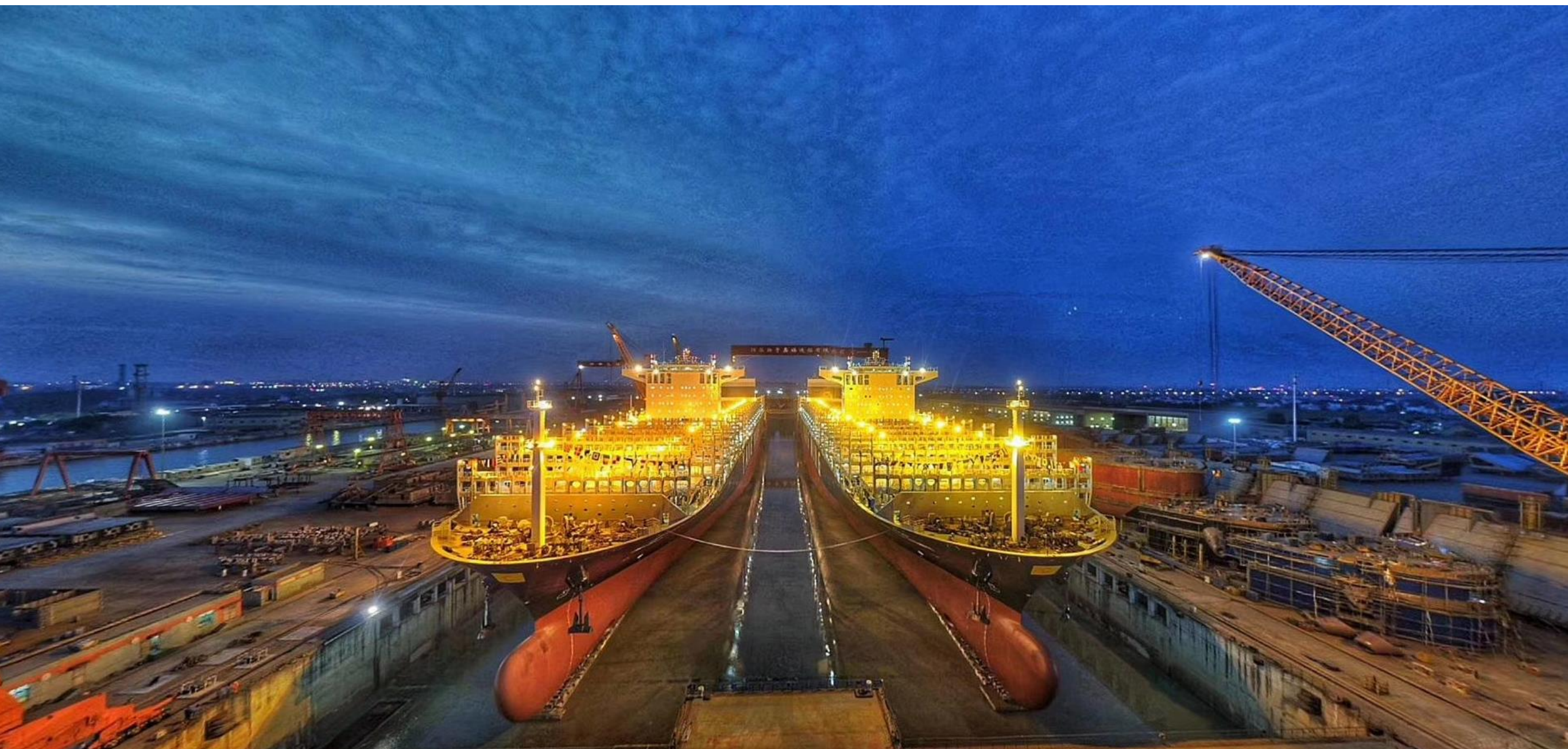




Yangzijiang Shipbuilding (Holdings) Ltd.  
揚子江船業(控股)有限公司



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**1H2020 Results Briefing**

6 August, 2020



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# **SECTION I**

## **BUSINESS UPDATE**



# Operational Highlights

## Production Schedule

- Running on full capacity in 2Q2020
- 15 days ahead of schedule for 1H2020

## Order Book

- 15 new orders worth USD517 million for 1H2020
- Outstanding order book at USD2.6 bn at end of June
- 1 x 157,000 DWT oil tanker terminated and then resold in 2Q2020

**2Q2020**  
**Back to**  
**full swing**

## Vessel Delivery

- All 16 vessels delivered on time in 2Q2020
- 28 vessels delivered in 1H2020, 55% of delivery target for FY2020

## Other

- Delivery of inaugural 12,600TEU containership in July
- New orders for two 14,000TEU Dual-fuel Containerships
- More Chinese customers
- No.385 in Fortune China 500 (July 2020)





# A Moment Worth Remembering



Order signing and vessel deliveries in June 2020 at Yangzijiang





## SECTION II

# FINANCIAL HIGHLIGHTS



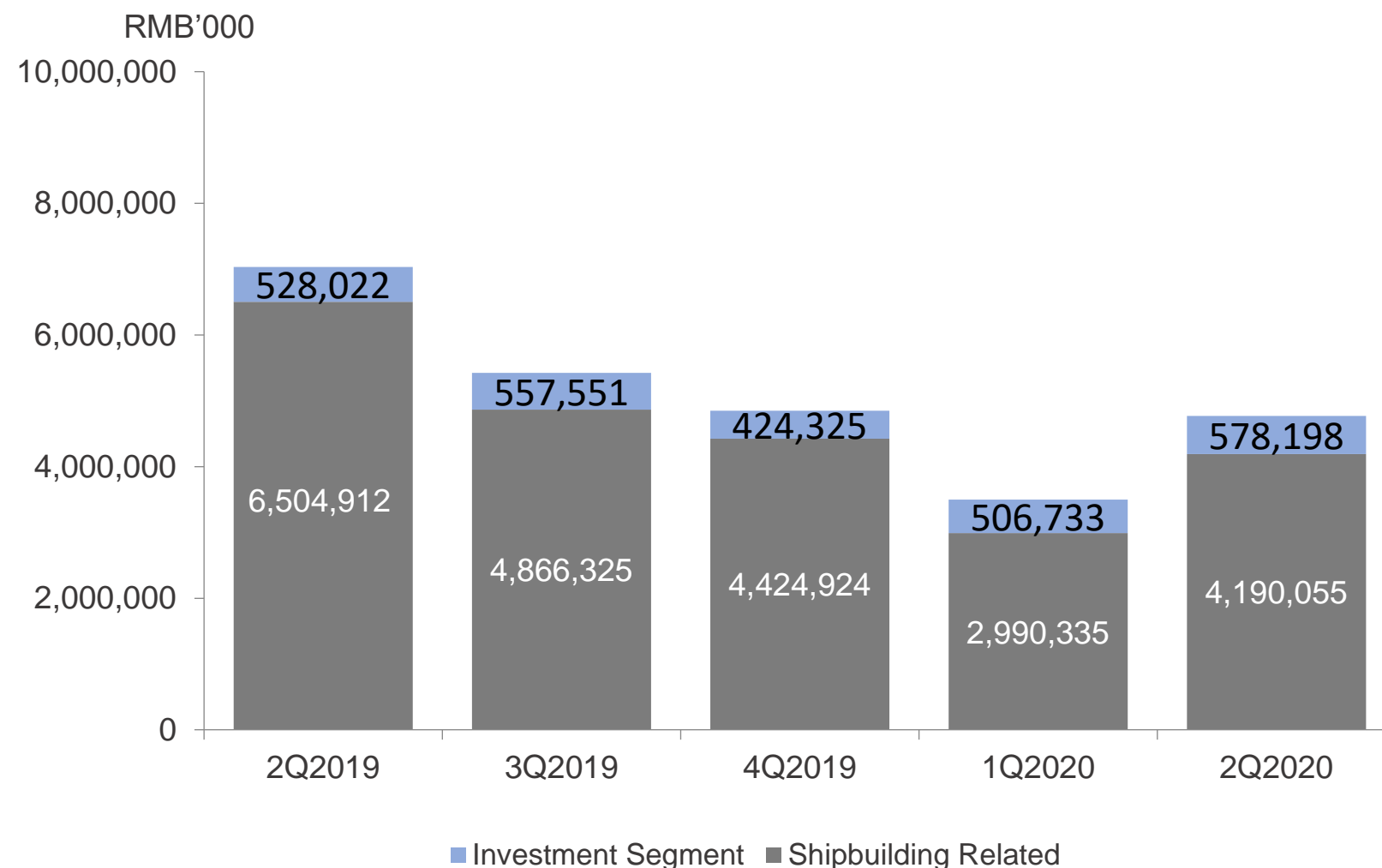
# Results Highlight – Income Statement

Financial Highlights	2Q2020	2Q2019	Change	Comments
	RMB'000	RMB'000	%	
<b>Revenue</b>	4,768,253	7,032,934	(32)	16 vessels delivered 2Q2020 vs 18 vessels in 2Q2019. Core shipbuilding revenue stable, trading revenue was about RMB2.2 billion lower than 2Q2019
<b>Gross Profit</b>	1,269,770	1,198,743	6	Core shipbuilding margin was 22% in 2Q2020, higher than that of 2Q2019, due to the 157,000DWT oil tanker resold in this quarter which registered a higher gross profit margin
<b>Gross Profit Margin</b>	26.6%	17.0%	-	
<b>Other Income</b>	73,525	117,081	(37)	Decreased mainly due to lower interest income from bank deposits following interest rate cuts on USD and lower dividend income from financial assets
<b>Other Gains, net</b>	21,271	245,884	(91)	The decline is primarily due to a lower subsidy income and foreign exchange related losses
<b>Expenses #</b>	297,807	264,813	12	Total admin expenses increased to RMB255 million from RMB210 million in 2Q2019
<b>Net Profit Attributable to Equity Holders (PATMI)</b>	773,920	936,432	(17)	
<b>PATMI Margin</b>	16.2%	13.3%	-	

#: Expenses include finance expenses and administrative expenses, which include impairment loss



# Revenue Breakdown



Shipbuilding Related Revenue Breakdown (2Q2020)	Percentage (%)
Shipbuilding	71.3%
Trading	24.4%
Others*	4.3%
<b>Total</b>	<b>100%</b>

\* Includes revenue from shipping logistics and chartering and ship design services etc.

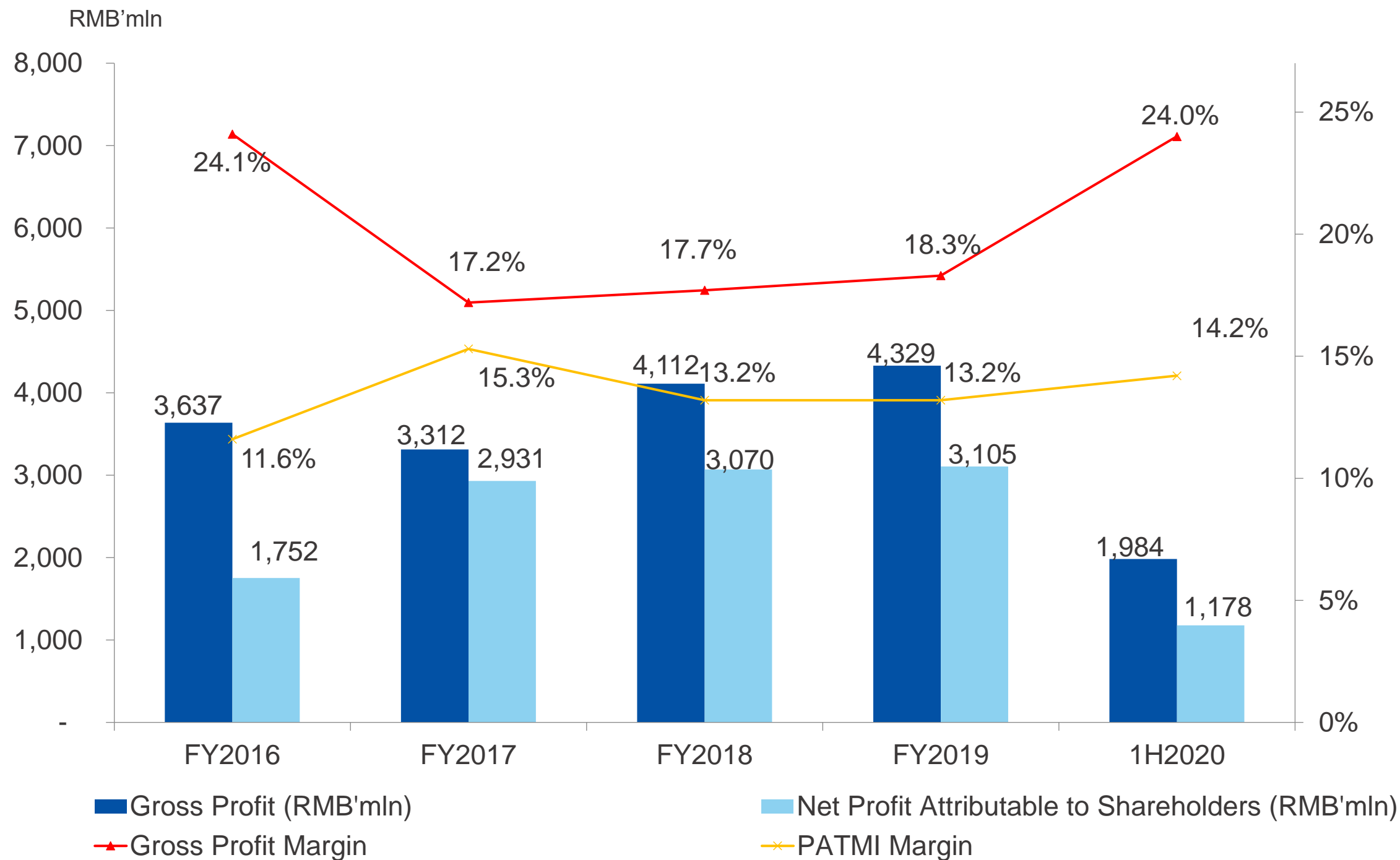
RMB'000	Gross Profits		Gross Profit Margins	
	2Q2020	2Q2019	2Q2020	2Q2019
Shipbuilding Related	715,606	695,033	17%	11%
Investment Segment	554,164	503,710	96%	95%





# Profitability Trend

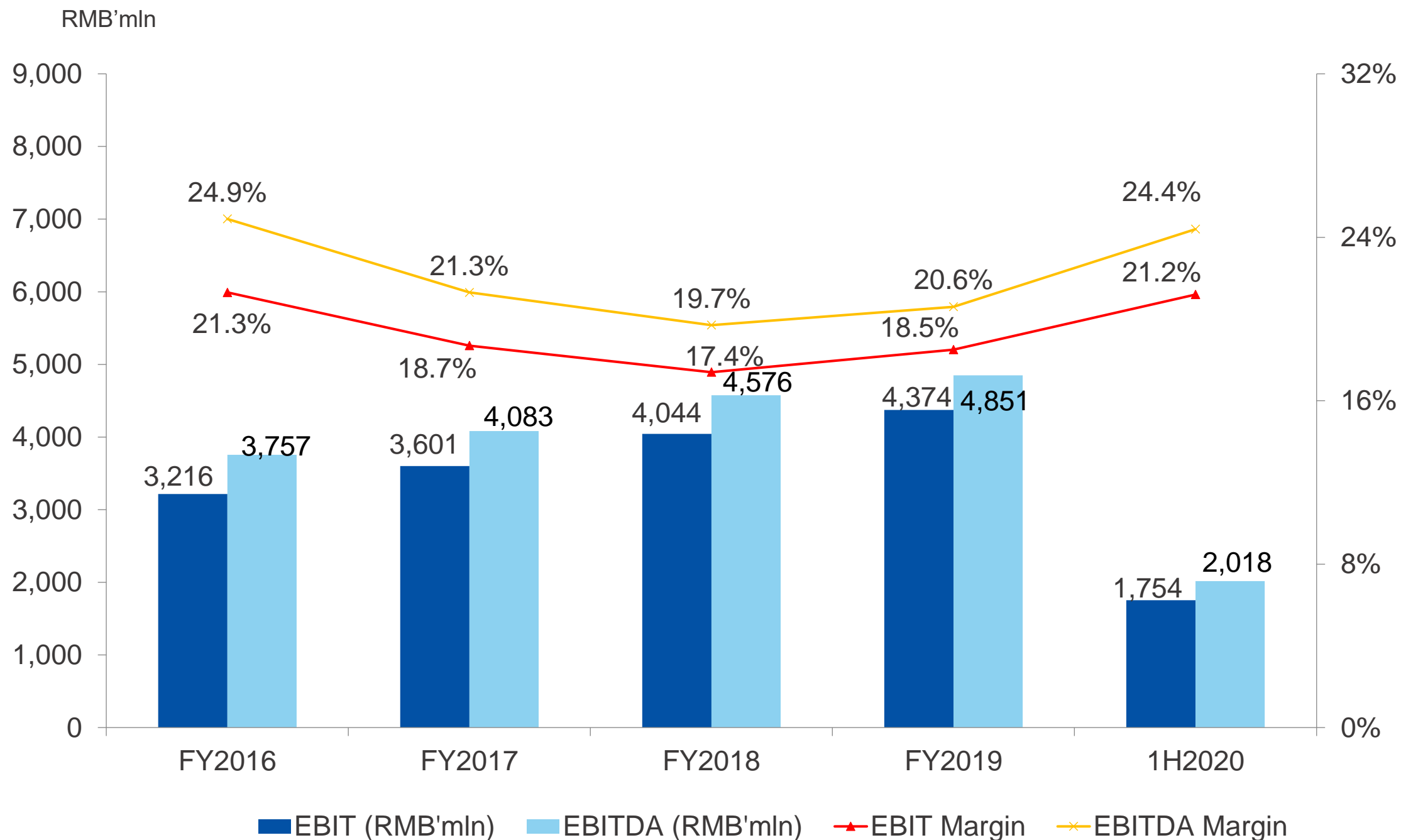
## Gross Profit and Net Profit Attributable to Shareholders





# Profitability Trend

## EBIT AND EBITDA







# Results Highlight – Balance Sheet

Financial Highlights	30 Jun 2020	31 Dec 2019
	RMB'000	RMB'000
Property, Plant and Equipment	5,617,859	5,678,063
Restricted Cash	26,321	17,049
Cash & Cash Equivalents	10,046,076	10,183,019
Debt Investments at Amortised Costs	16,013,010	14,428,382
Total Debt	5,647,231	5,032,932
Total Equity	32,391,674	32,054,525
Gross Gearing	17.4%	15.7%
Net Gearing (including Restricted Cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB cents)	801.51	793.51



## **SECTION III SEGMENTAL REVIEW**

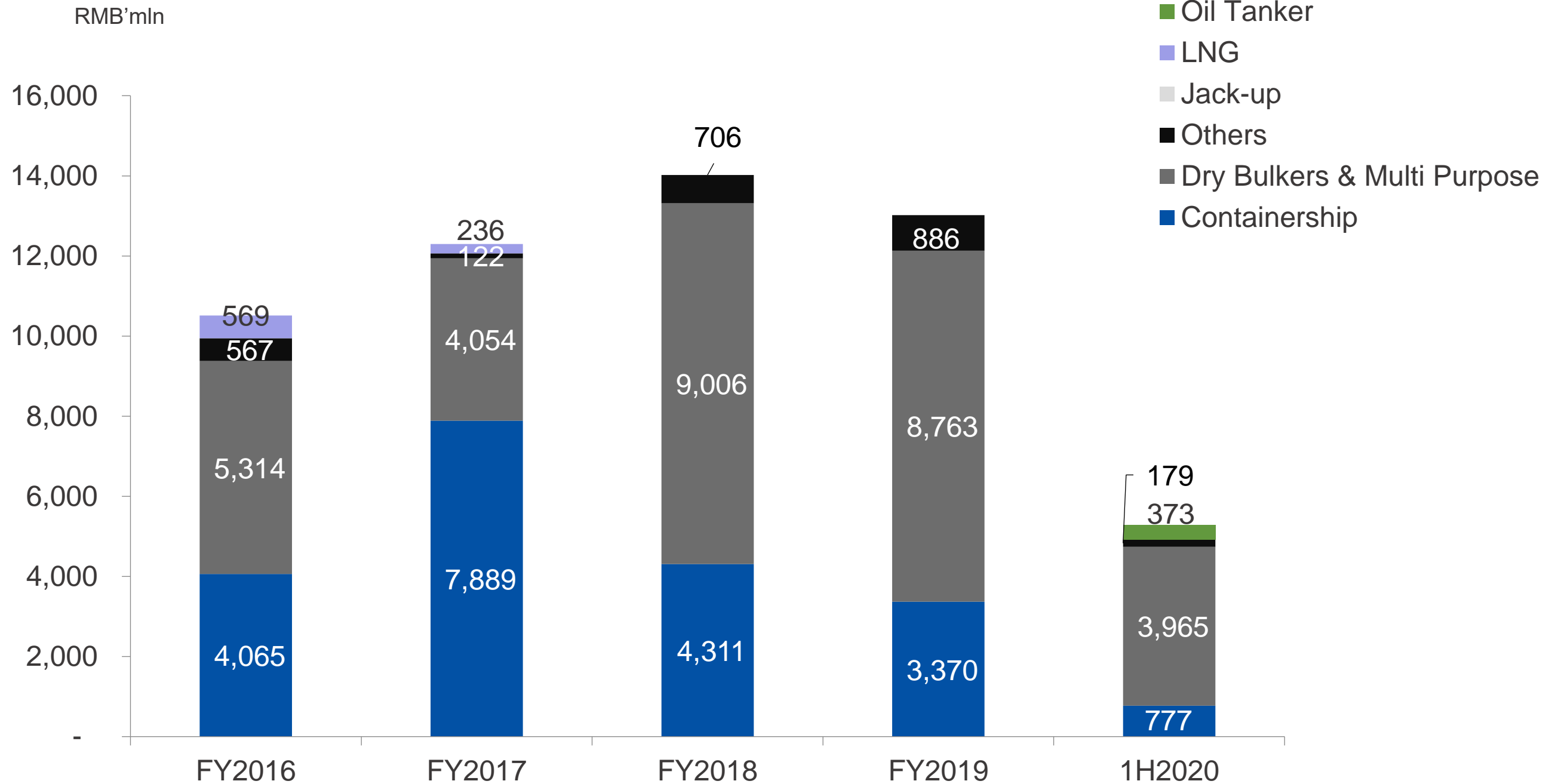
**Shipbuilding &  
Related Segments**





# Revenue Trend

## Shipbuilding Revenue Breakdown



# Overview of Order Book

**62 vessels**

**US\$2.61 billion contract value**

**2.81 million CGT**

**Delivery: 2020- 2022**

## Containerships

20 units

Total CGT – 0.91 million

Total value – US\$0.99 billion

- 1,000TEU x 4 vessels
- 1,800TEU x 3 vessels
- 2,400TEU x 2 vessels
- 2,700TEU x 4 vessels
- 12,690TEU x 5 vessels
- 14,000TEU x 2 vessels

## Bulk Carriers

38 units

Total CGT – 1.83 million

Total value – US\$1.51 billion

- 29,800DWT\* x 1 vessel
- 31,800DWT x 4 vessels
- 40,000DWT x 2 vessels
- 45,000DWT x 1 vessel
- 56,000DWT x 2 vessels
- 82,000DWT\* x 9 vessels
- 83,500DWT x 5 vessels
- 180,000DWT x 1 vessel
- 208,000DWT x 9 vessels
- 325,000DWT x 4 vessels

## LNG

4 units

Total CGT – 0.08 million

Total value – US\$0.11 billion

- 690FEU x 2 vessels
- 13,000LNG x 2 vessels

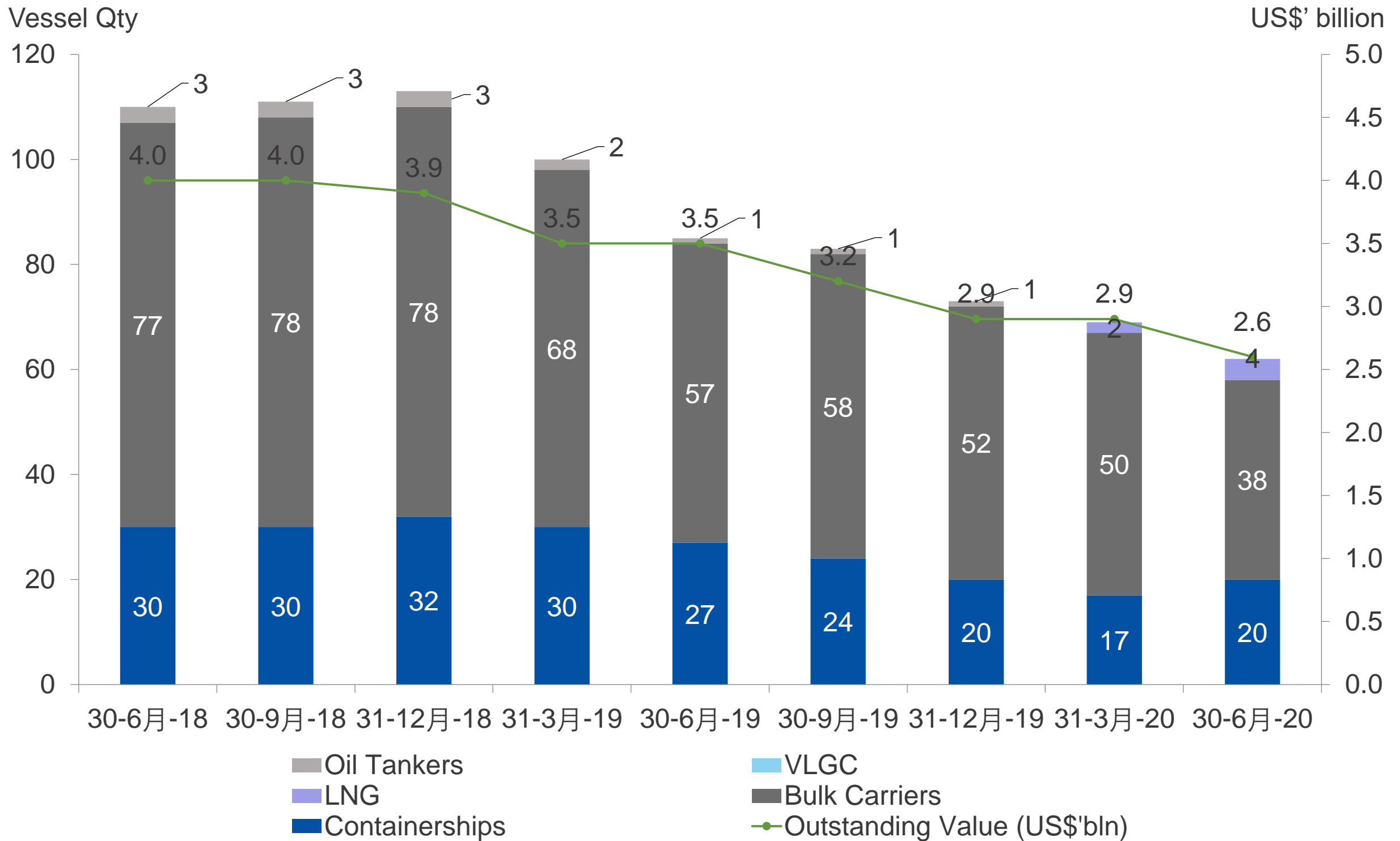
**Note: Order book is as at 30 June 2020**

\* 1 unit of 29,800DWT carrier and 7 units of 82,000DWT with a total contract value of USD234 million will be built and delivered by YAMIC.





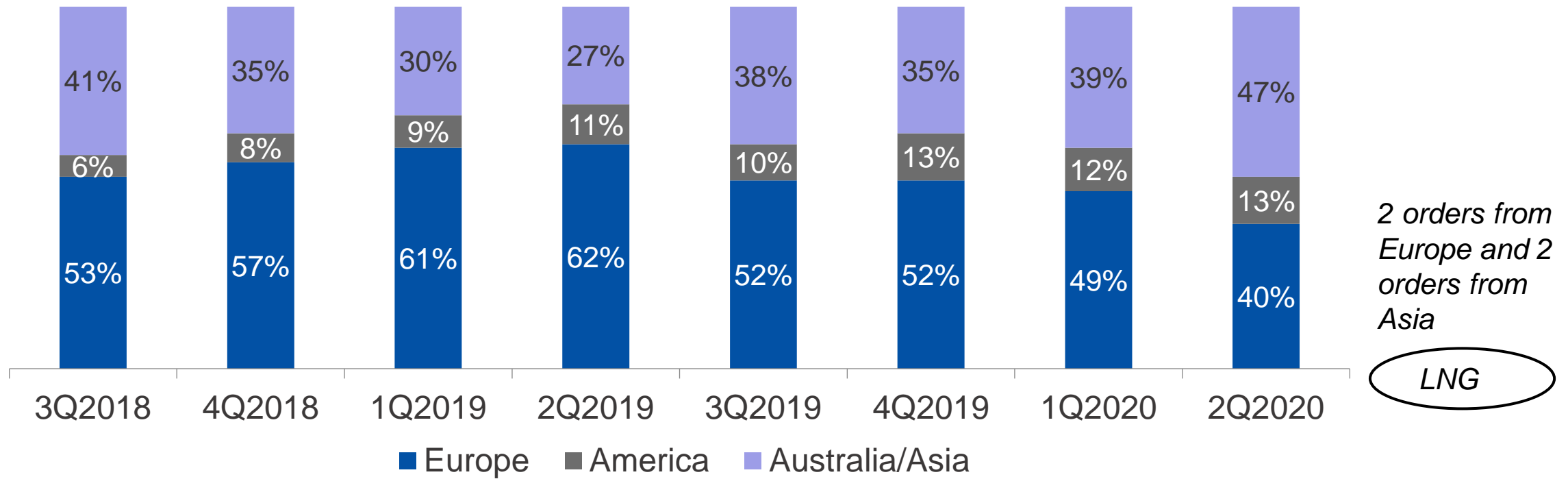
# Historical Order Book





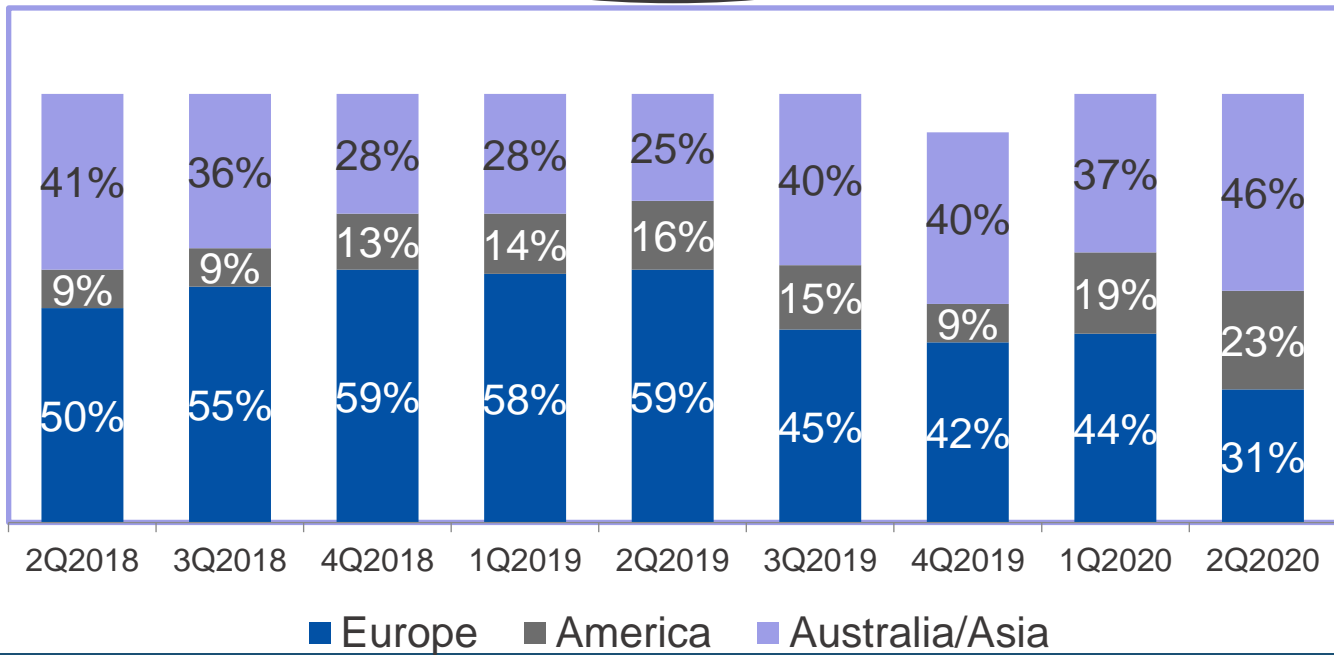
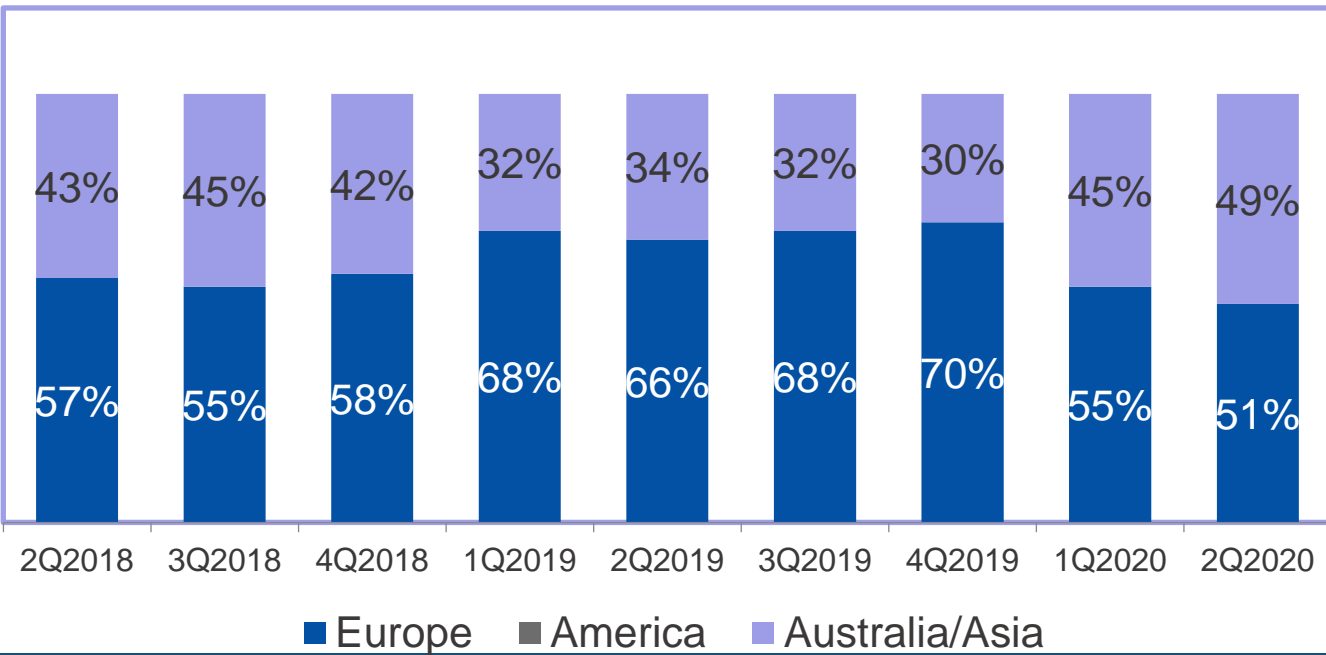
# Order Book Customer Profile

Figures are stated as at 30 June 2020



Containerships

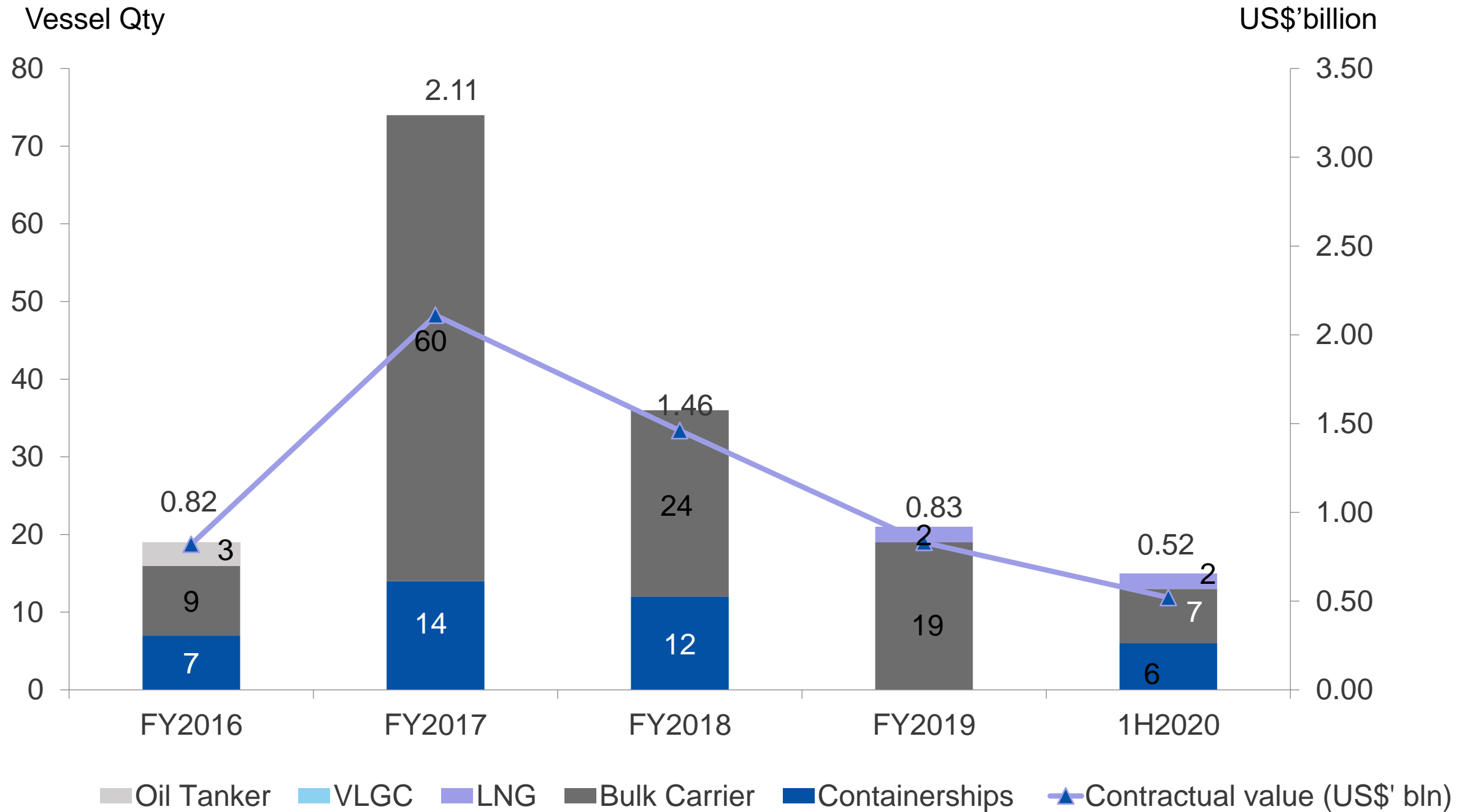
Bulk Carriers





# Order-Winning Momentum

## New contracts secured in terms of vessel quantity and contract value



# Shipping and Chartering

## Strategy

- Leveraging on shipbuilding facilities, build and manage vessels and generate revenue
- To balance utilization
- A ready fleet to better meet shipowners' demand
- Flexible on fleet size and ready to sell when valuation is desirable
- **The current order book (slide 14) are all for external customers**

## Current fleet (self-managed)

- 7 x 92,500DWT, bulk carriers
- 5 x 82,000DWT, bulk carriers
- 3 x 64,000DWT, bulk carriers
- 1 x 19,900DWT, stainless steel chemical tanker
- 1 x 12,000DWT, stainless steel chemical tanker
- 4 X 47,350DWT, bulk carriers
- 1 X 79,600DWT, bulk carrier
- 1 x 12,500MPV, multiple purpose vessel

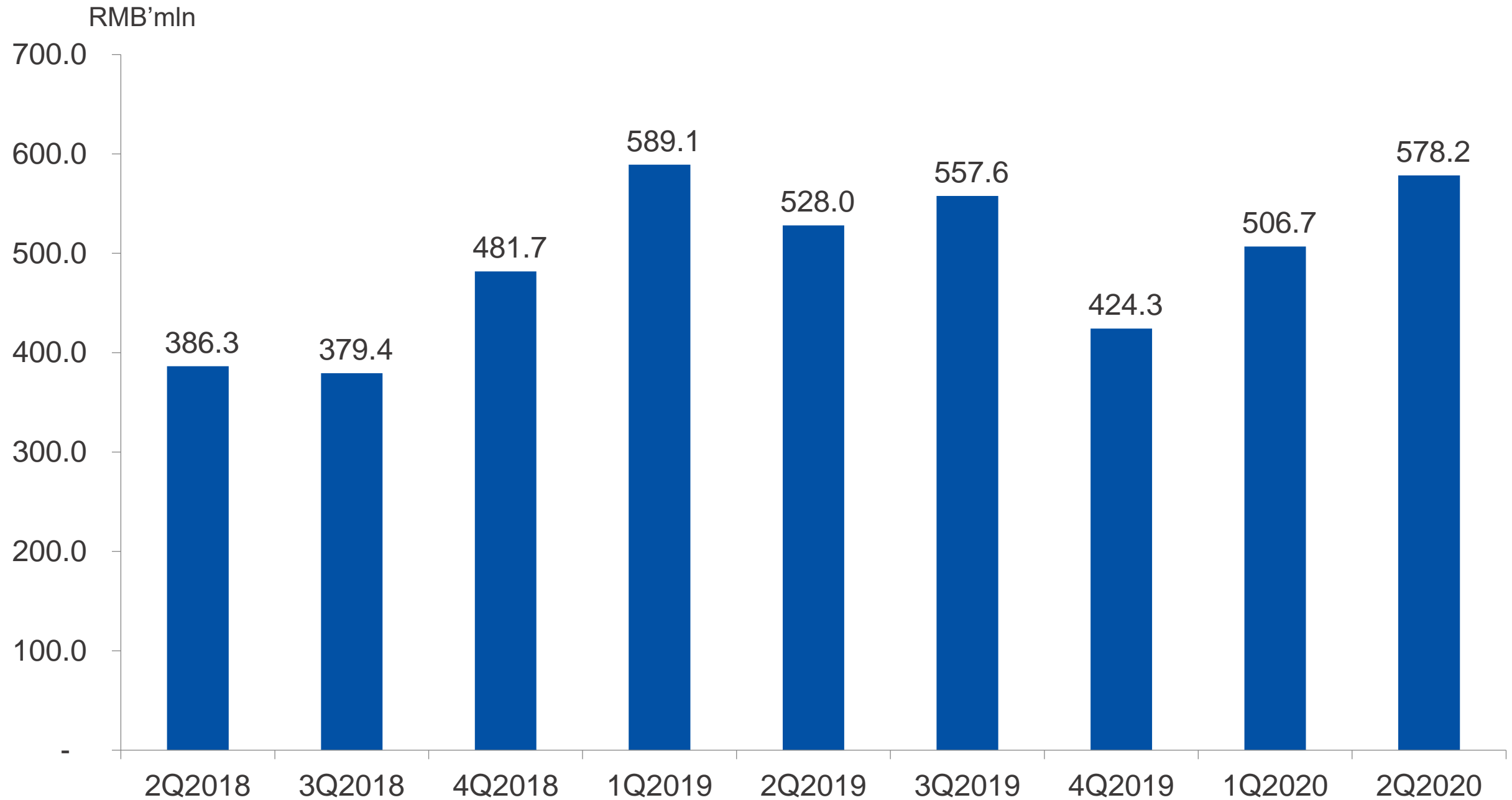




## **SECTION IV SEGMENTAL REVIEW**

### **Financial Investments**

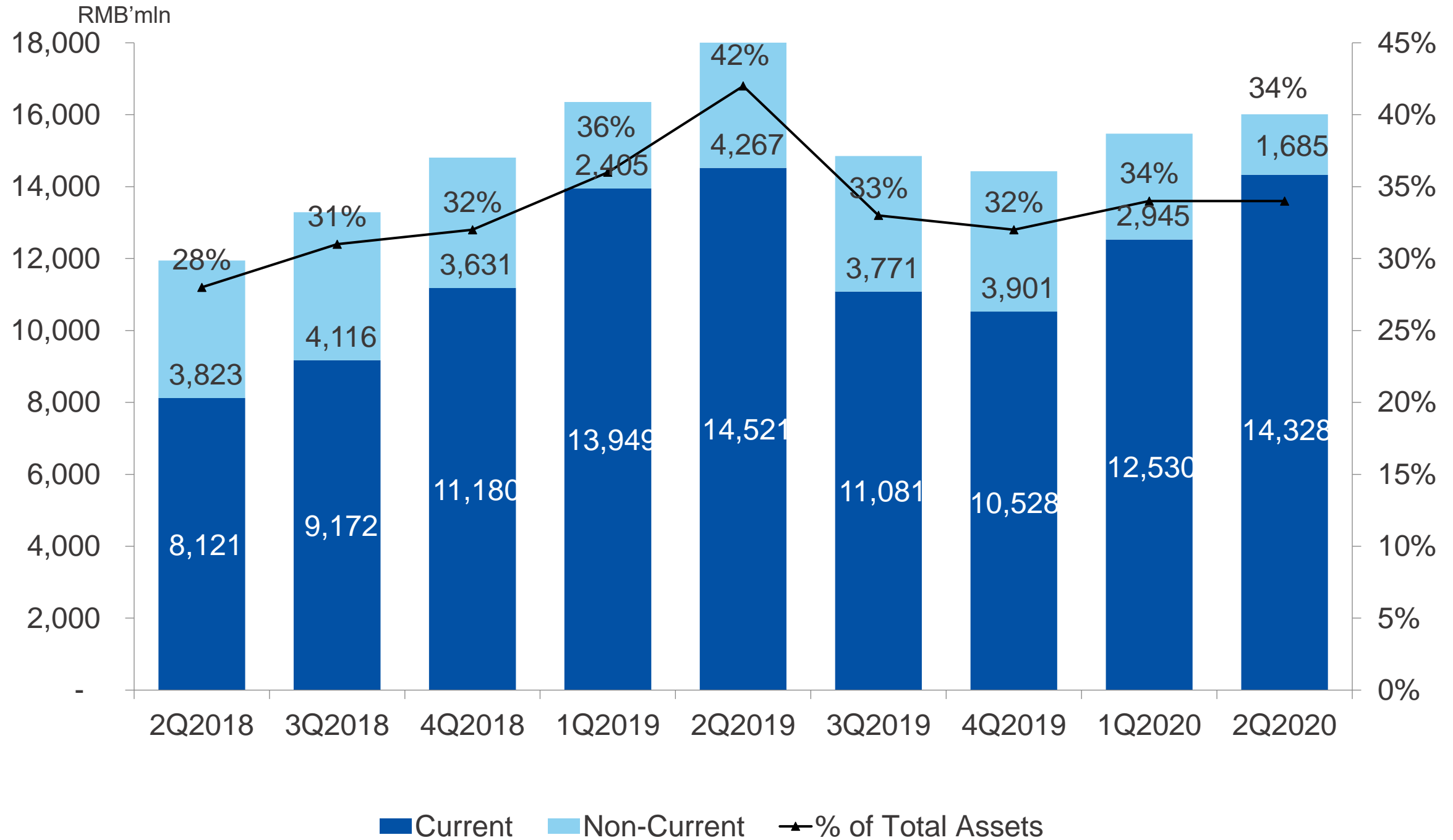
# Interest Income Investment Segment



Source: Company Data



# Outstanding Balance Debt Investments at Amortised Cost



Source: Company Data

# Debt Investment at Amortised Costs

## Investment Process



### Team

- A team of 40 people, consisting of professionals with extensive experience with banking, legal and auditing backgrounds

### Due Diligence

- Thorough due diligence based on the project proposal
- Vote by investment committee
- Legal review and opinion
- Project approval and fund disbursement
- Designated teams monitor and review project status (coverage ratio, payment progress etc.) in weekly meetings

### Structure - Role of Trust Company

- Documentation
- Legal structure
- Safekeeping of collaterals

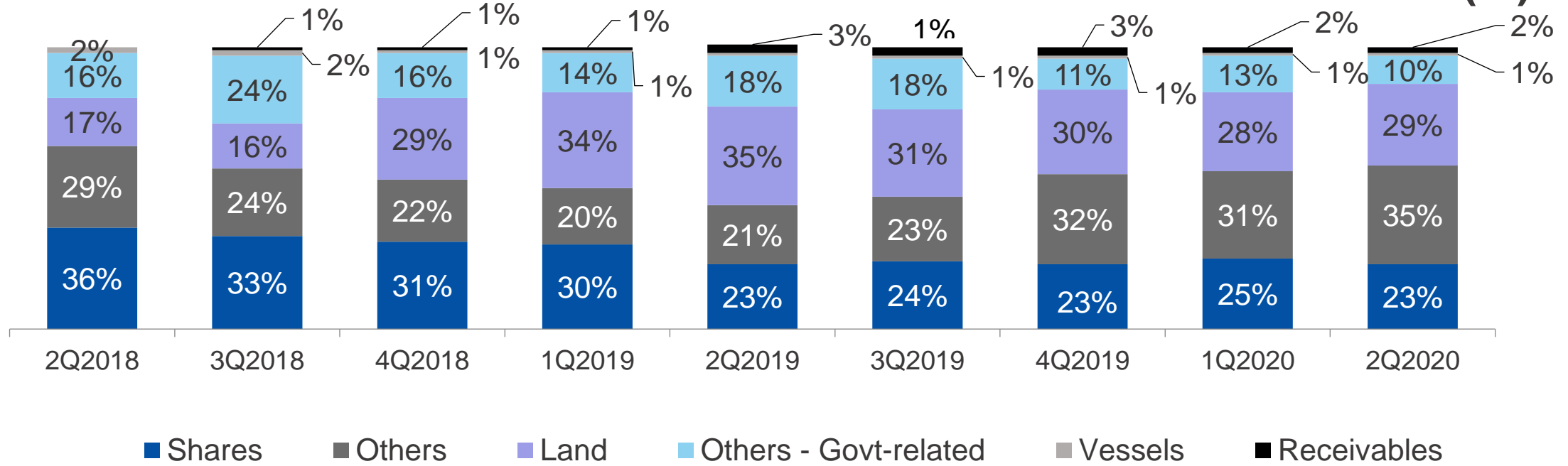
### Current Strategy

- Increase the 'current' portion in the portfolio for higher liquidity and tighter risk control
- Increase the requirement on collaterals and enhance coverage ratio when credit environment in China tightens

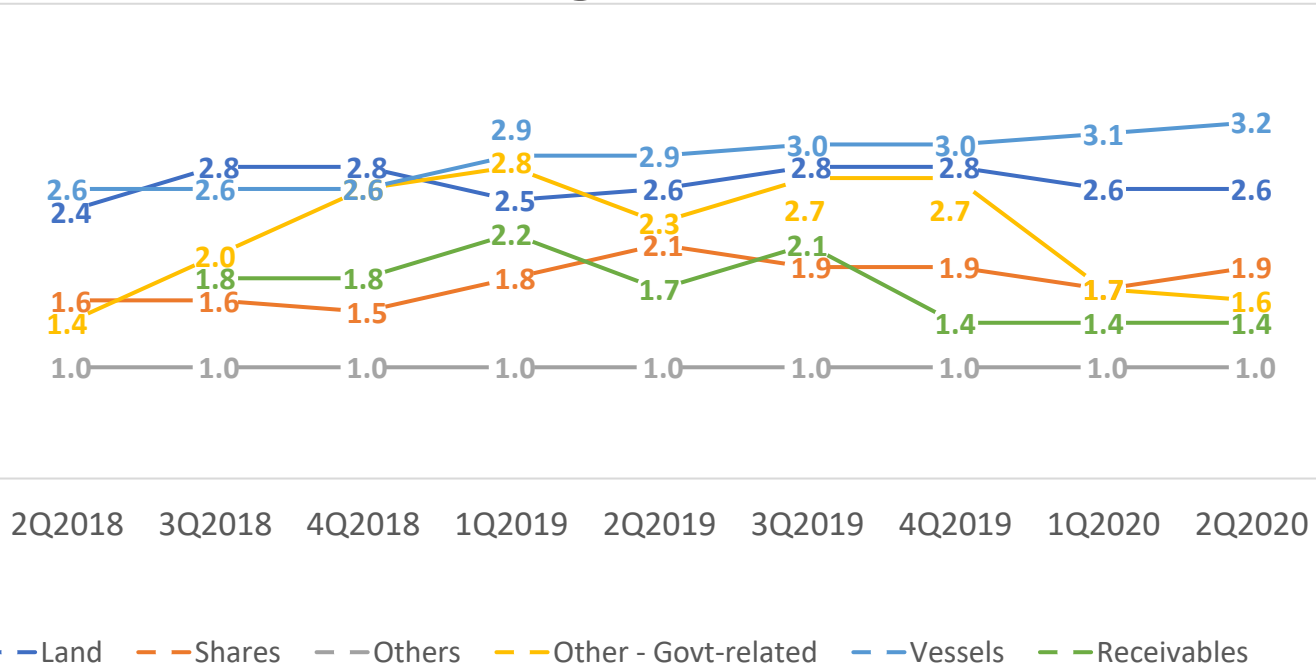


# Debt Investment at Amortised Costs

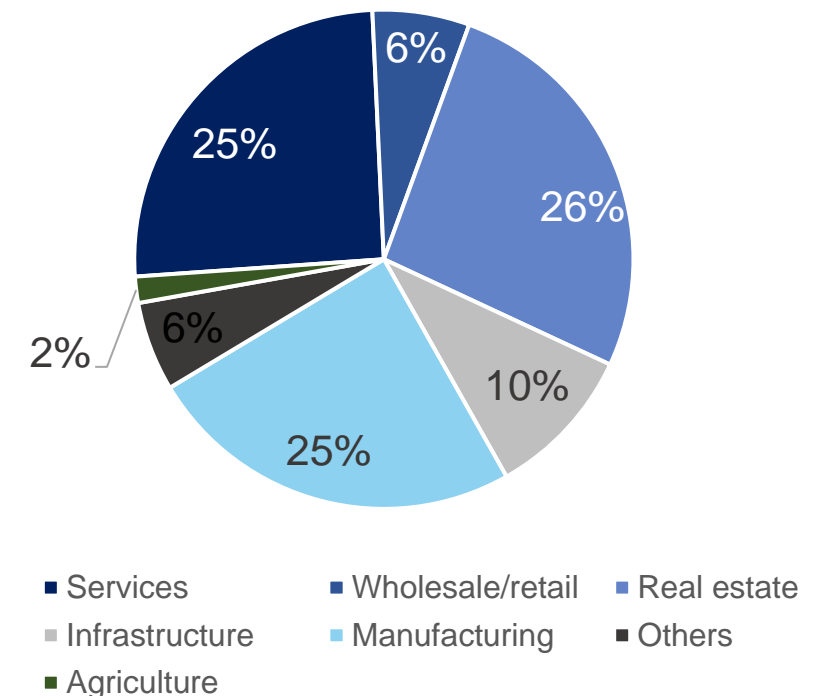
## Breakdown of Investment Amount for which collaterals are secured (%)



## Coverage Ratio



## Breakdown of Borrowers (2Q2020)



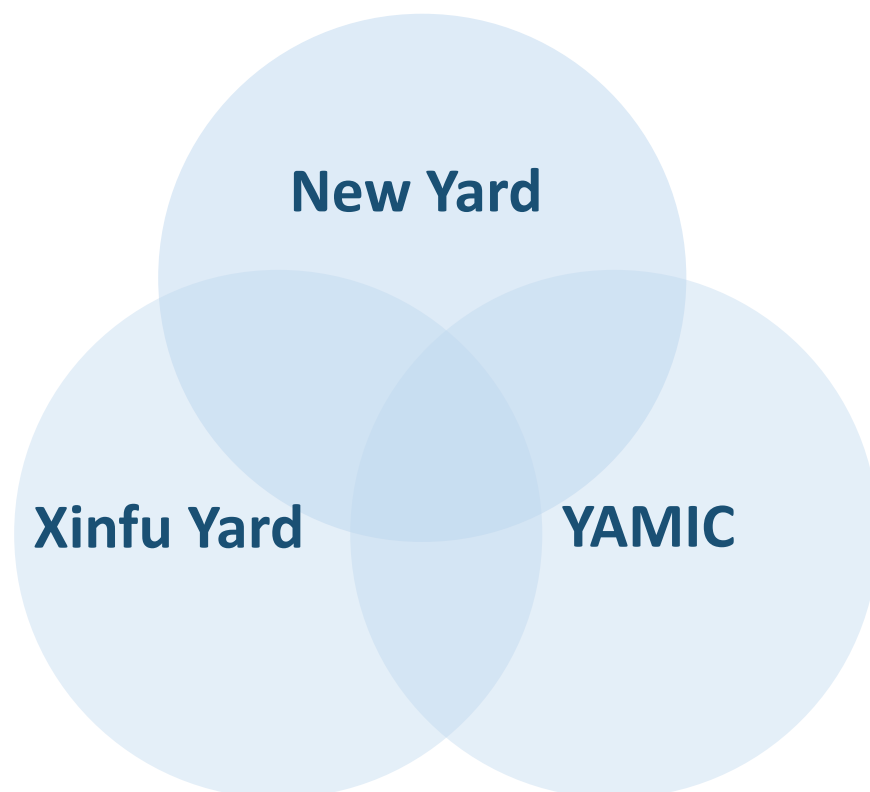


## SECTION V

# STRATEGIES



# Strategies



*Optimise the capacity and expertise at the Group's three major yards*



**Production Base**

**Growth Areas**

**Vision: A world leader in these vessel types**





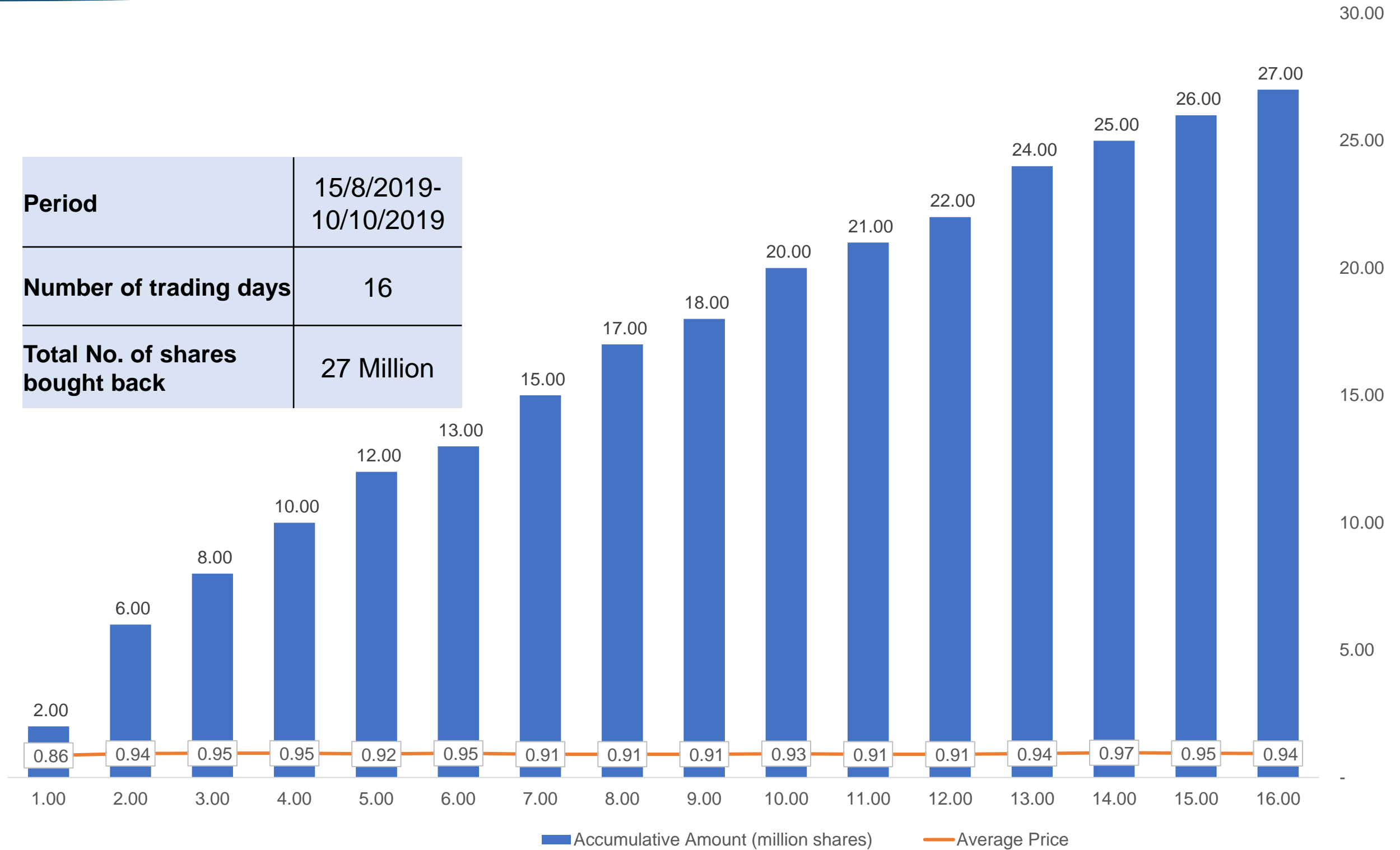
## SECTION VI

# STOCK INFORMATION



# Share Buyback

<b>Period</b>	15/8/2019-10/10/2019
<b>Number of trading days</b>	16
<b>Total No. of shares bought back</b>	27 Million

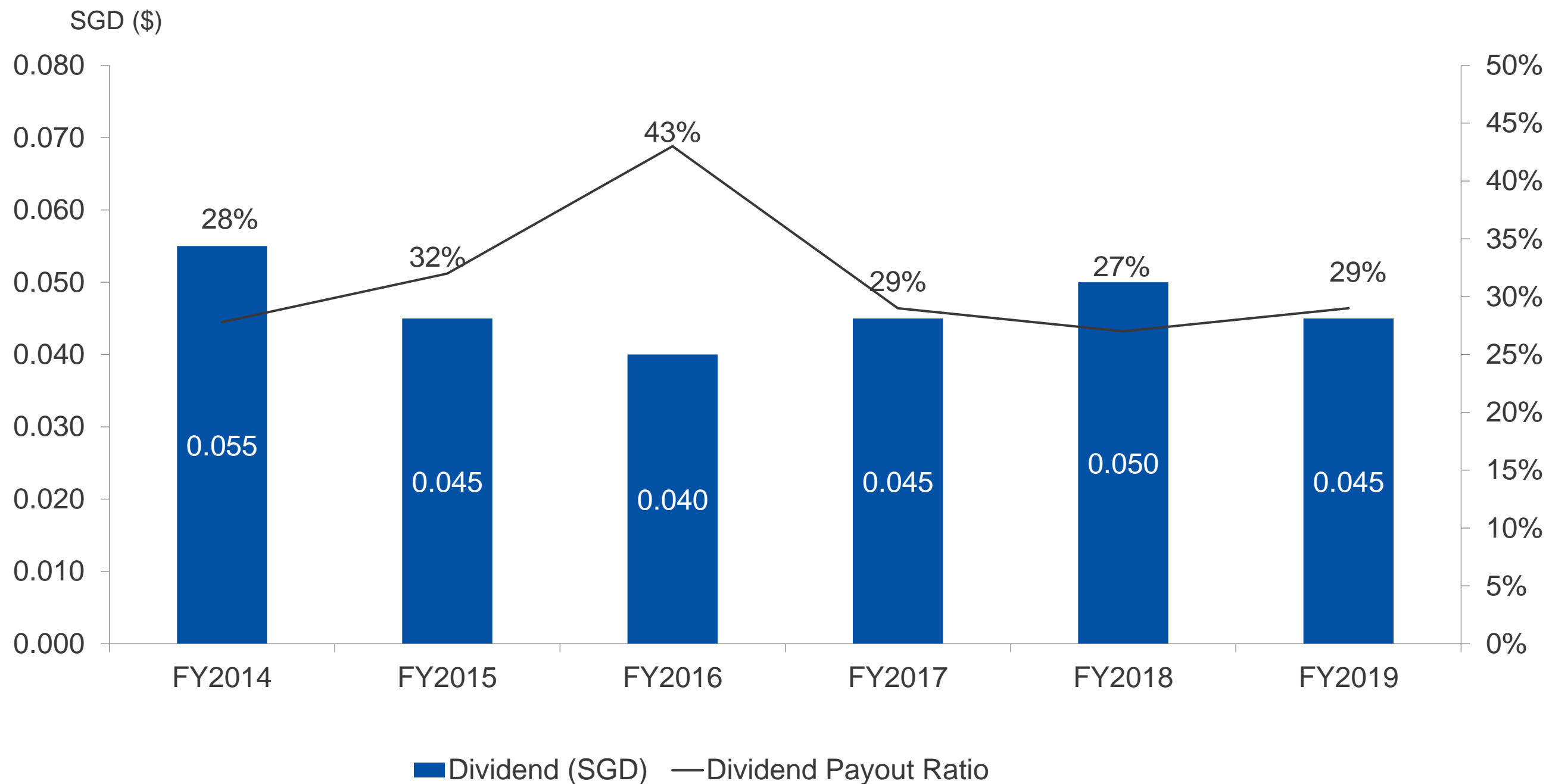


Source: Bloomberg, as of 29 April, 2020



# Dividend Summary

## Dividend and dividend payout ratio







# Top Shareholders

No.	Holder Name	Position	Filing Date	%
1	YANGZI INTERNATIONAL	852,845,825	12/31/2019	21.76
2	LIDO POINT INVESTMENTS LTD	394,134,000	12/31/2019	10.06
3	BLACKROCK INC	195,107,017	12/12/2018	4.98
4	HENGYUAN ASSET INV LTD	163,697,370	04/30/2020	4.18
5	XINYANGCHUAN INTL LTD	150,000,000	04/30/2020	3.83
6	VANGUARD GROUP INC	79,028,889	06/30/2020	2.02
7	DIMENSIONAL FUND ADVISORS LP	55,959,444	05/31/2020	1.43
8	NINETY ONE UK LTD	55,638,700	06/30/2020	1.42
9	NORGES BANK	24,119,386	12/31/2019	0.62
10	GRANTHAM MAYO VAN OTTERLOO & Co LL	22,229,500	08/31/2019	0.57
<b>Total</b>		<b>1,992,760,131</b>		<b>50.87</b>

Source: Bloomberg, as of 5 August, 2020



# Stock Performance



Source: Bloomberg, as of 5 August, 2020





Yangzijiang Shipbuilding (Holdings) Ltd.  
扬子江船业(控股)有限公司

# Thank You

For more information,  
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