



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

PATHWAY TO A POSITIVE LEGACY

1H2015 Results Presentation

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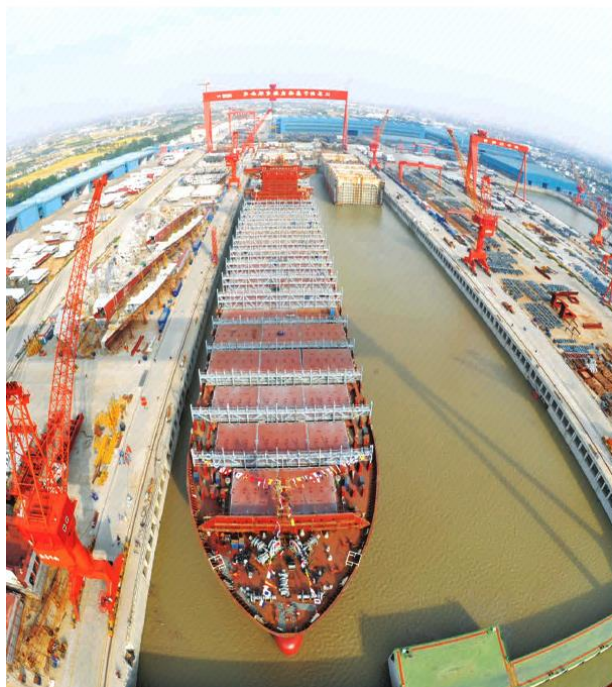
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SECTION I

FINANCIAL HIGHLIGHTS



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Results Highlight – 2Q2015 YoY



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Financial Highlights	2Q2015	2Q2014	Change	Reason/s
	RMB'000	RMB'000	%	
Revenue	5,709,976	4,273,855	34	Higher shipbuilding revenue as Group delivered 11 vessels (9 in 2Q2014); Higher volume of trading business in this quarter
Gross Profit	1,029,824	1,183,533	(13)	Higher revenue recognition from construction of vessels with lower profit margin contracted in recent years
Gross Profit Margin	18.0%	27.7%	-	
Other Income	64,709	214,981	(70)	Lower interest income generated from restricted cash as a result of decrease in restricted cash due to funding strategy to gradually repay bank borrowings
Other Gains	412,102	(29,766)	n.m.*	Mainly due to gain from disposal of financial assets, available-for-sale, higher forex gains and higher subsidy income
Expenses #	(157,415)	(192,873)	(18)	As a result of the Group's efforts in cost rationalization and the size of borrowings were reduced
Net Profit Attributable to Equity Holders (PATMI)	1,030,603	1,235,981	(17)	
PATMI Margin	18.0%	28.9%	-	

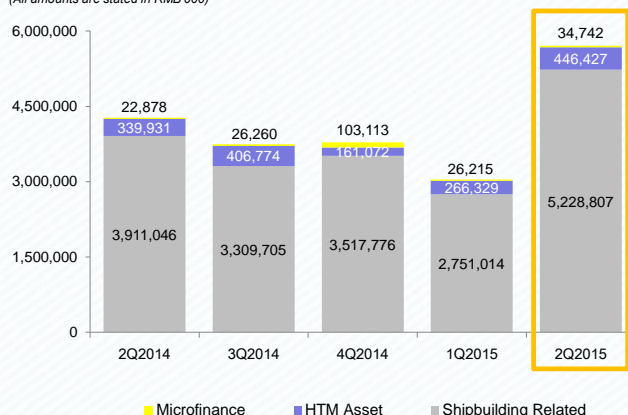
#: Includes Administrative and Finance Expenses

* n.m.: Not meaningful

Revenue Breakdown



(All amounts are stated in RMB'000)



Shipbuilding Related Revenue Breakdown (2Q2015)	Percentage (%)
Shipbuilding	72%
Trading	27%
Others*	1%
Total	100%

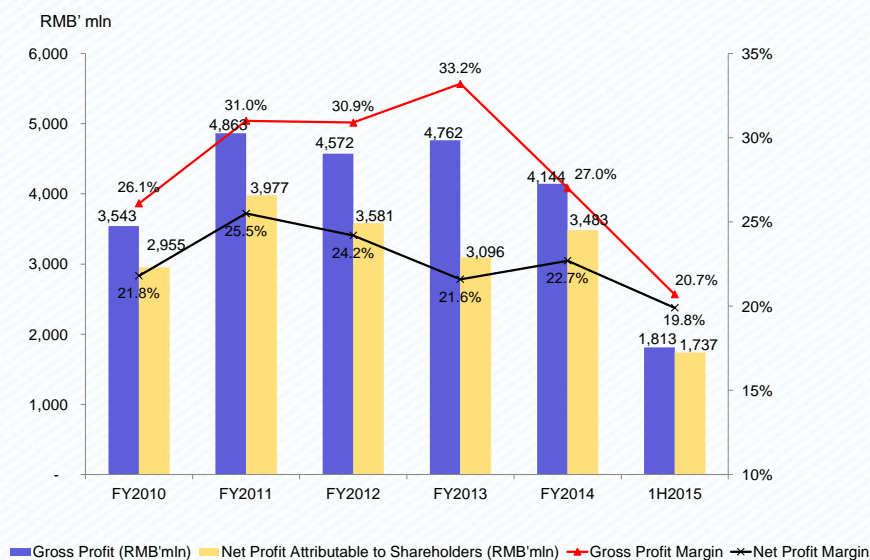
* Includes revenue from Shipping Logistics and Chartering, Steel Fabrication and Ship Design Services etc.

	Gross Profits		Gross Profit Margins	
	2Q2015	2Q2014	2Q2015	2Q2014
Shipbuilding Related	584,888	846,080	11%	22%
HTM Investment	412,169	315,345	92%	93%
Micro Finance	32,767	22,108	94%	97%

Profitability Trend



Gross Profit and Net Profit Attributable to Shareholders



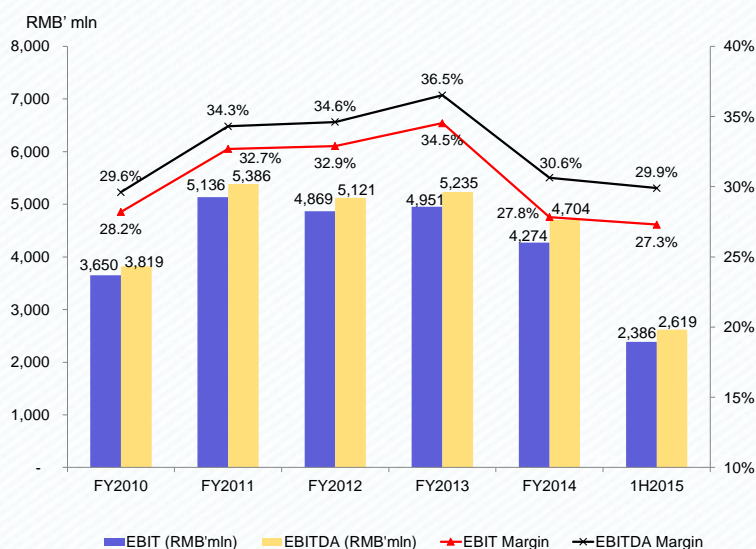
Profitability Trend



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EBIT and EBITDA



Results Highlight – Balance Sheet



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Financial Highlights	30 Jun 2015	31 Dec 2014
	RMB'000	RMB'000
Property, Plant and Equipment	6,325,530	6,116,517
Restricted Cash	398,710	3,325,850
Cash & Cash Equivalents	3,731,763	2,652,565
Financial Assets, Held-to-Maturity	10,754,135	10,791,200
Total Debt	8,223,140	8,050,355
Total Equity	21,769,492	21,076,011
Gross Gearing	37.8%	38.2%
Net Gearing (including restricted cash)	18.8%	9.8%
Net Asset Value per Ordinary Share (RMB cents)	552.68	534.30



SECTION II - A SEGMENTAL REVIEW

Shipbuilding & Related Segments



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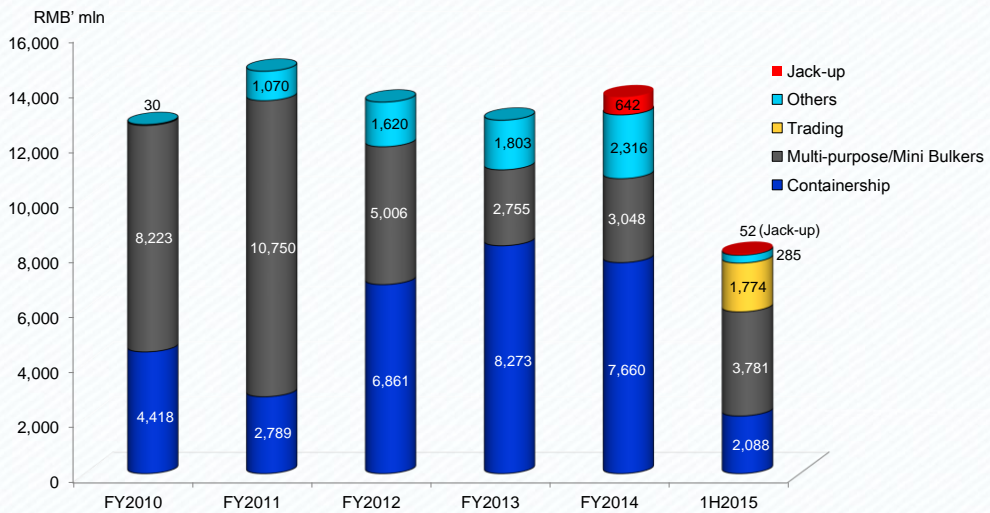
Revenue Trend



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Shipbuilding-related Segment



Strong Order Book



Total: 102 vessels; 2.94 million CGT @ US\$ 4.14 billion
 23 containerships, 0.99 million CGT @ US\$ 1.49 billion
 77 bulk carriers, 1.89 million CGT @ US\$ 2.51 billion
 2 LNG, 0.06 million CGT @ US\$ 0.14 billion

Containerships

- 1,100TEU x 3 vessels
- 2,700TEU x 7 vessels
- 10,000TEU x 13 vessels

LNG

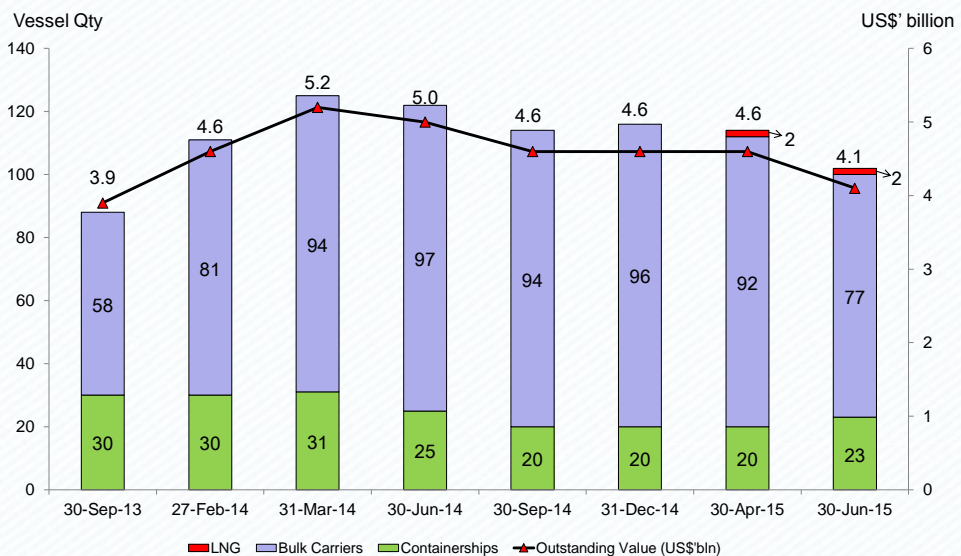
- 27,500CBM x 2 vessels

Bulk Carriers

- 36,000DWT x 8 vessels
- 64,000DWT x 13 vessels
- 82,000DWT x 44 vessels
- 208,000DWT x 8 vessels
- 260,000DWT x 4 vessels

Note: Order book is as at 30 June 2015

Historical Order Book

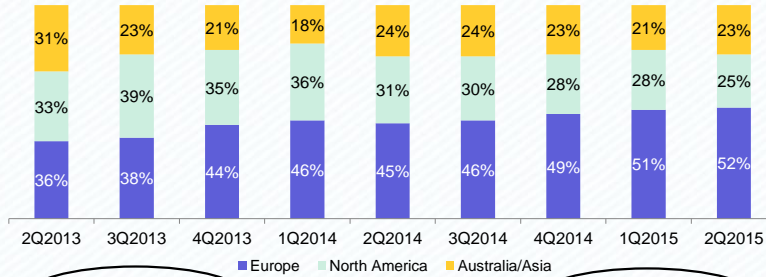


Order Book Customer Profile

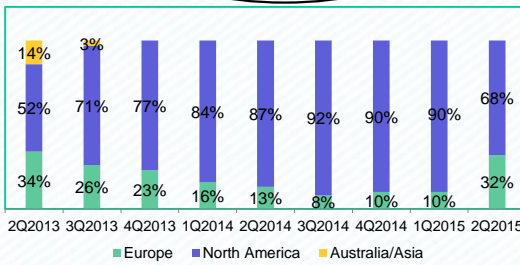


Figures are stated as at 30 Jun 2015
 2 LNG Vessel orders are from Europe

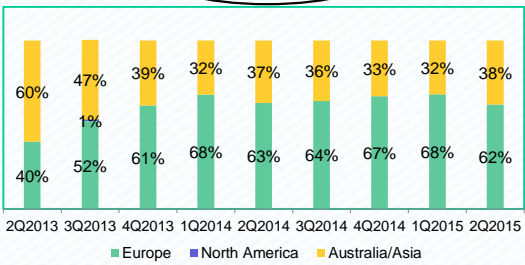
Breakdown by Geographical Segments



Containerships



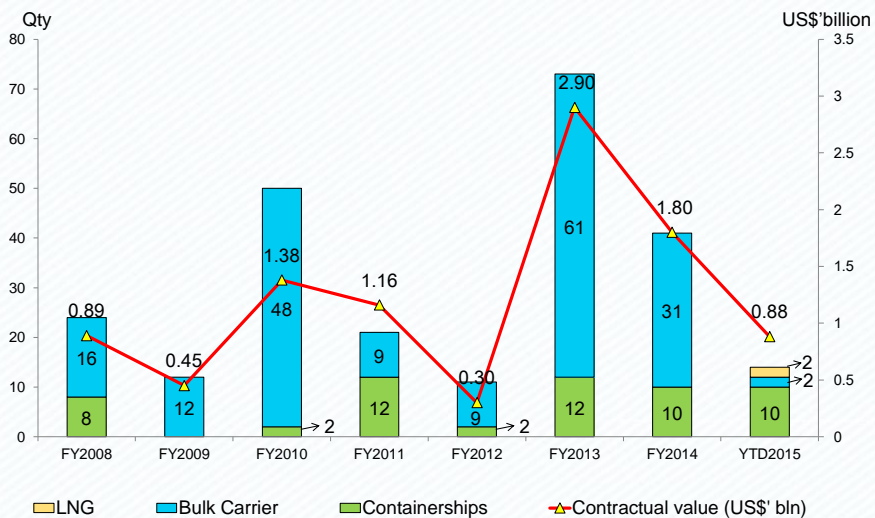
Bulk Carriers



Order-Winning Momentum



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:

- 3 x 92,500DWT under bareboat hire purchase
- 7 x 92,500DWT, self managed by the Group
- 3 x 64,000DWT, self managed by the Group

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



SECTION II - B SEGMENTAL REVIEW

Financial Investments

Interest Income Trend - HTM Assets



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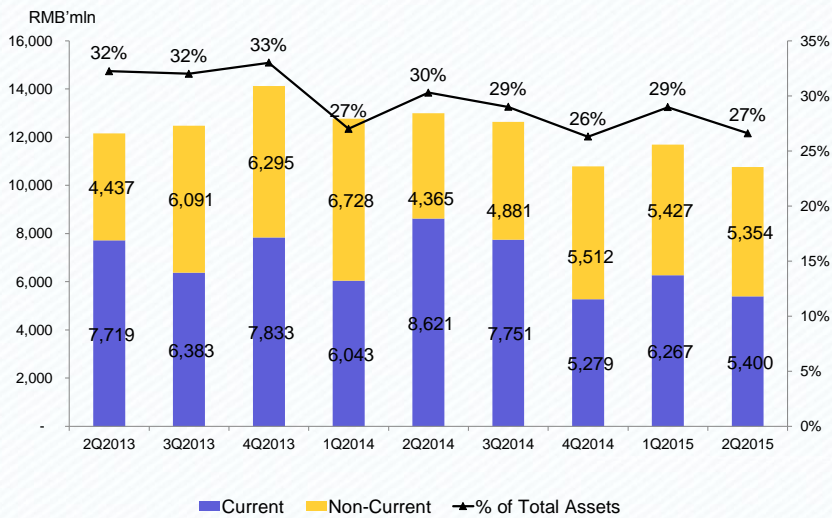
Source: Company Data

Held-to-Maturity Assets



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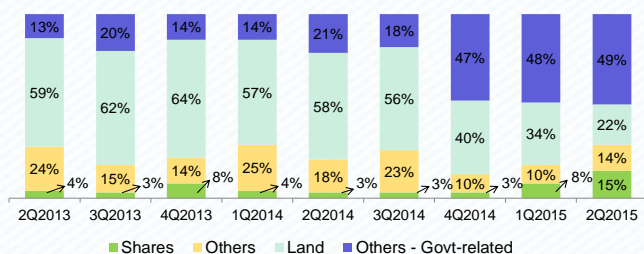


Source: Company Data

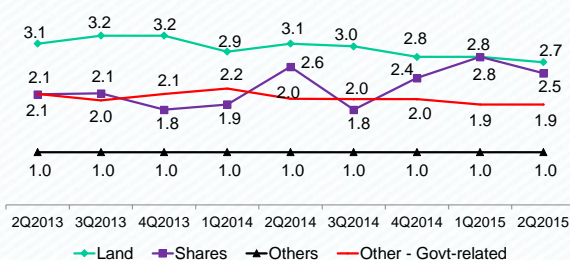
Held-to-Maturity Assets



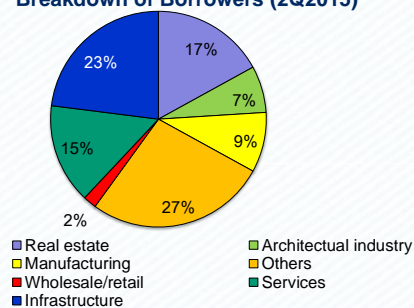
Breakdown of Investment Amount for which collaterals are secured (%)



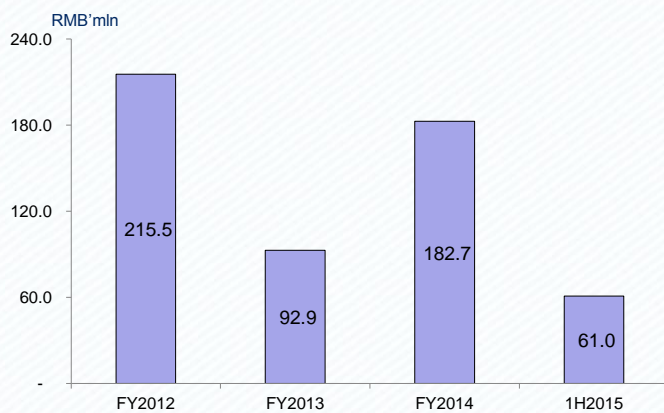
Coverage Ratio



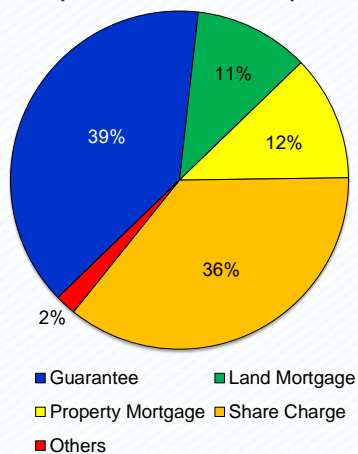
Breakdown of Borrowers (2Q2015)



Interest Income Trend – Micro Finance



Breakdown of Collaterals (As of 30 June 2015)





SECTION III

STRATEGIES & TRENDS



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Shipbuilding and Related Businesses

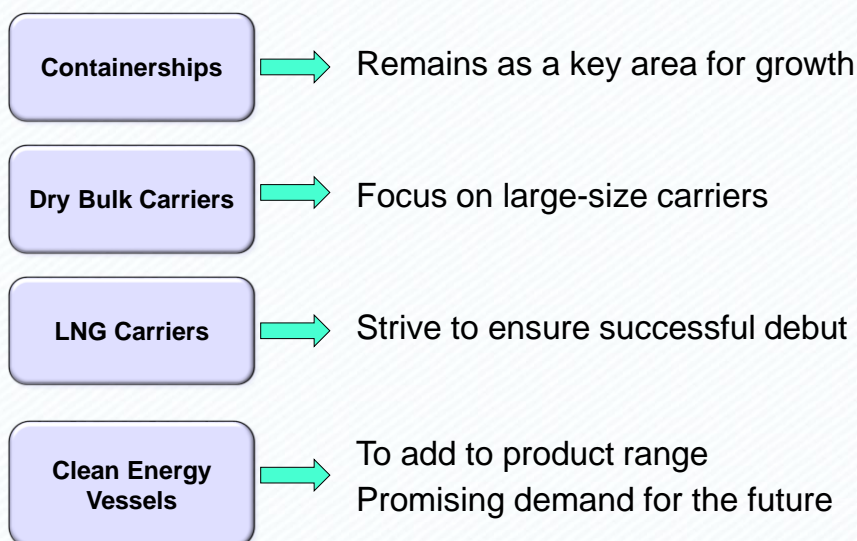


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- Globally: New shipbuilding orders in 1H2015 accounted for only 49% of that in 1H2014*
- Outstanding order book of **USD 4.14 billion** as of end of June 2015
- Order amendment: client requested to **change type of vessels**, primarily from dry bulk carriers to containerships. **Order book increment of USD25.4 million**
- New orders in July-August 2015 for **four 9,700 TEU** containerships and **four 3,800 TEU** containerships (total contract value of **USD 510 million**), each with options for four more vessels

* <http://www.businesskorea.co.kr/article/11292/talking-ship-south-korea-keeps-top-spot-shipbuilding-orders-5-months>



Non-Shipbuilding Business



- **Lower size of total Held-to-Maturity assets than end of 1Q2015**
- **Continue controlling the size of HTM assets**
- **Evaluate investment opportunities in upstream and downstream companies, and make investment through various vehicles**
 - Confined to familiar areas
 - A dedicated investment team
 - A stringent risk-control system



- **Redirect resources to the core shipbuilding and related businesses**
 - Disposal of the entire 100% equity interest in Jiangsu Hengyuan Real Estate Development Co., Ltd

- **Only one real estate project remains**
 - Focus on the development of residential buildings on the former shipyard land vacated by the Group's wholly-owned subsidiary, Jiangsu Yangzijiang Shipbuilding Co., Ltd in Jiangyin city.



SECTION IV 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



- Group and 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
- Mr. Ren was listed as one of the Asian Philanthropist by Forbes in 2014. He donates the dividends from his one billion Yangzijiang shares to the Yuanlin Charity Foundation, which he founded in 2011





SECTION V STOCK INFORMATION



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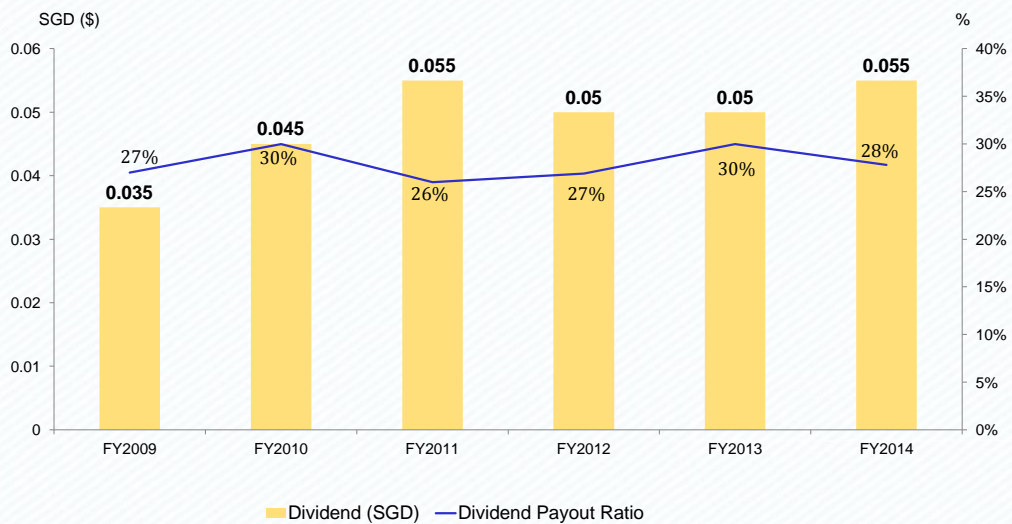
Dividend Summary



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Dividend and dividend payout ratio



Top Shareholders



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No.	Holder Name	Position	Filing Date	%
1	NEWYARD WORLDWIDE HOLDINGS	1,000,000,000	26/4/2014	26.10
2	LIDO POINT INVESTMENTS LTD	394,134,000	26/4/2014	10.29
3	HONGKONG HENGYUAN INVESTMENT	314,540,840	26/4/2014	8.21
4	BLACKROCK	191,361,840	6/5/2015	4.99
5	ALMOND BEACH RES CORP	184,086,000	26/4/2014	4.80
6	SEB	98,045,700	31/3/2015	2.56
7	GRANTHAM MAYO VAN OTTERLOO & CO	66,510,575	30/6/2015	1.74
8	Value Partners Ltd	46,797,000	31/12/2014	1.22
Total		2,295,475,955		59.91

Source: Bloomberg, as of August 3, 2015

Stock Performance



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Source: Bloomberg, as of August 4, 2015



Thank You Q&A



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For more information,
please contact:

Financial PR Pte Ltd

Investor Relations Consultants

Romil Singh / Reyna Mei

romil@financialpr.com.sg

reyna@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064