

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

3Q2017 Results Briefing

November 2017

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SECTION I

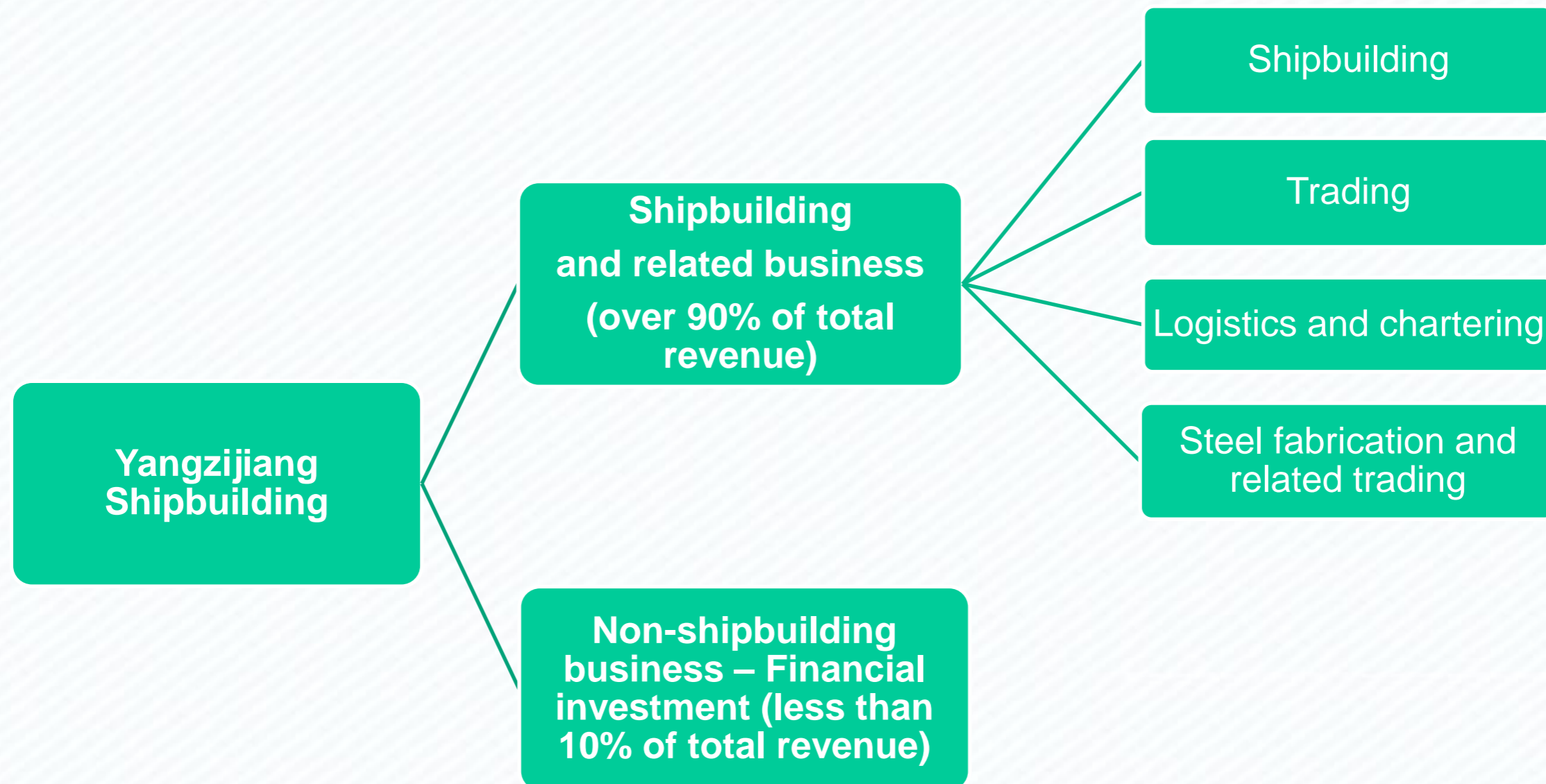
COMPANY OVERVIEW



- A leading shipbuilder in PRC in terms of manufacturing capability and capacity
- Listed on SGX-Mainboard since April 2007
- STI constituent stock
- The **largest** Chinese listed entity on SGX-Mainboard
- One of the **most profitable** shipbuilding company



Enhance R&D capability, build key types of vessels of all sizes and highly specialized vessels to cater to and stimulate market demand



Strategically Located Yards



江苏新扬子造船有限公司
Jiangsu New Yangzi Shipbuilding Co., Ltd.

注册资本	200,000,000.00 元
实缴资本	200,000,000.00 元
统一社会信用代码	913202237856852171
企业类型	有限责任公司
注册地址	江苏省靖江市
经营范围	船舶修理、船舶建造、船舶设备、船舶配件、船舶涂装、船舶舾装、船舶机电、船舶工程、船舶设计、船舶制造、船舶销售、船舶租赁、船舶运营、船舶管理、船舶维护、船舶保养、船舶修理、船舶改装、船舶升级、船舶改造、船舶扩建、船舶搬迁、船舶拆除、船舶回收、船舶报废、船舶拆解、船舶销毁、船舶环保、船舶安全、船舶质量、船舶服务、船舶培训、船舶咨询、船舶代理、船舶经纪、船舶保险、船舶融资、船舶租赁、船舶运营、船舶管理、船舶维护、船舶保养、船舶修理、船舶改装、船舶升级、船舶改造、船舶扩建、船舶搬迁、船舶拆除、船舶回收、船舶报废、船舶拆解、船舶销毁、船舶环保、船舶安全、船舶质量、船舶服务、船舶培训、船舶咨询、船舶代理、船舶经纪、船舶保险、船舶融资
法人代表	王明
成立时间	2006年

江苏扬子江船厂有限公司
Jiangsu Yangzijiang Shipbuilding Co., Ltd.

注册资本	100,000,000.00 元
实缴资本	100,000,000.00 元
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法人代表	王明
成立时间	2006年

扬子江海洋工程装备有限公司
Yangzijiang Offshore Engineering Co., Ltd.

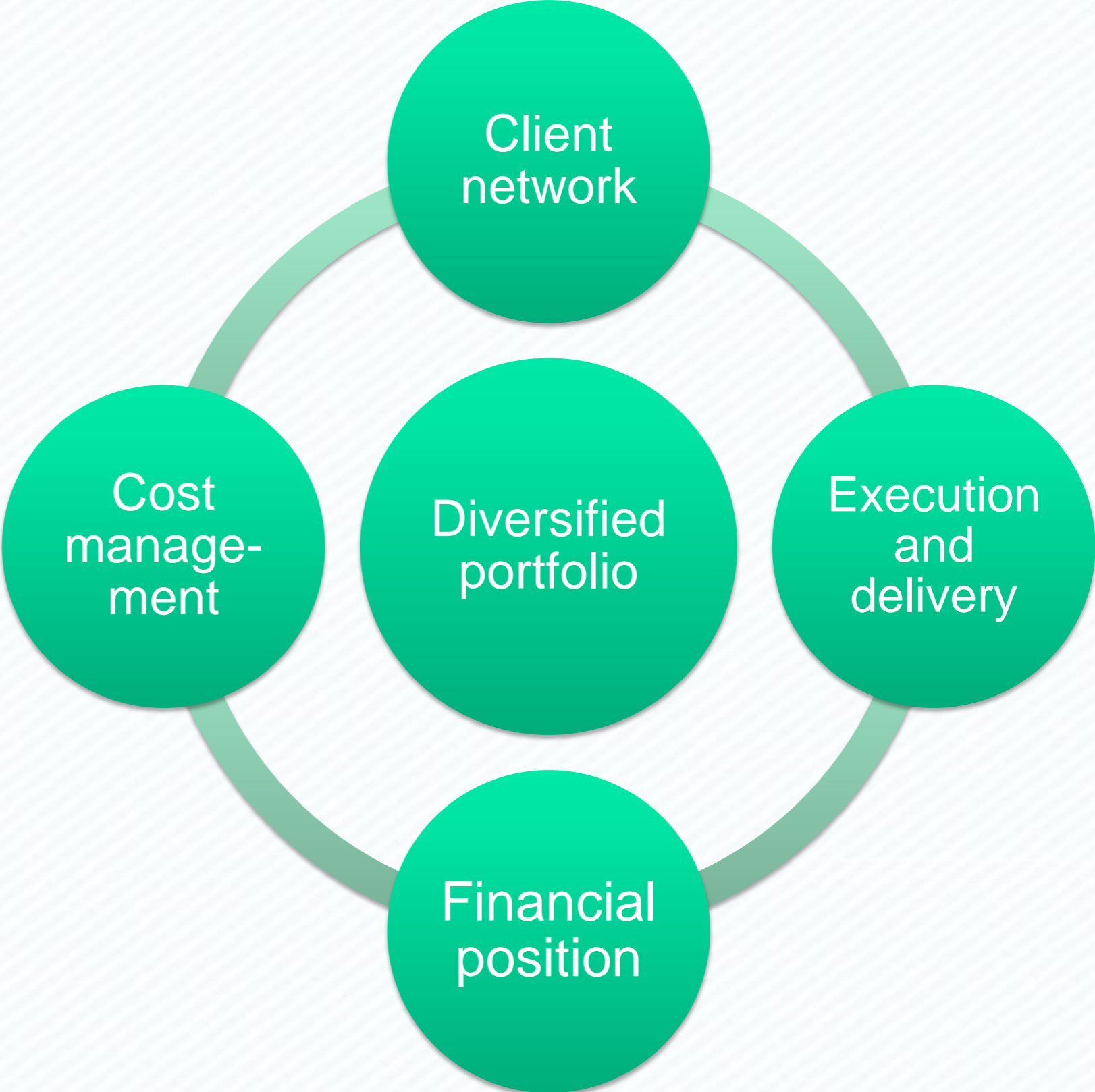
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法人代表	王明
成立时间	2006年

江苏华元金属加工有限公司
Jiangsu Huayuan Metal Processing Co., Ltd.

注册资本	100,000,000.00 元
实缴资本	100,000,000.00 元
统一社会信用代码	913202237856852171
企业类型	有限责任公司
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法人代表	王明
成立时间	2006年



Outstanding resilience and consistent financial performance in a challenging shipbuilding market





SECTION II

FINANCIAL HIGHLIGHTS

Results Highlight – 3Q2017 YoY



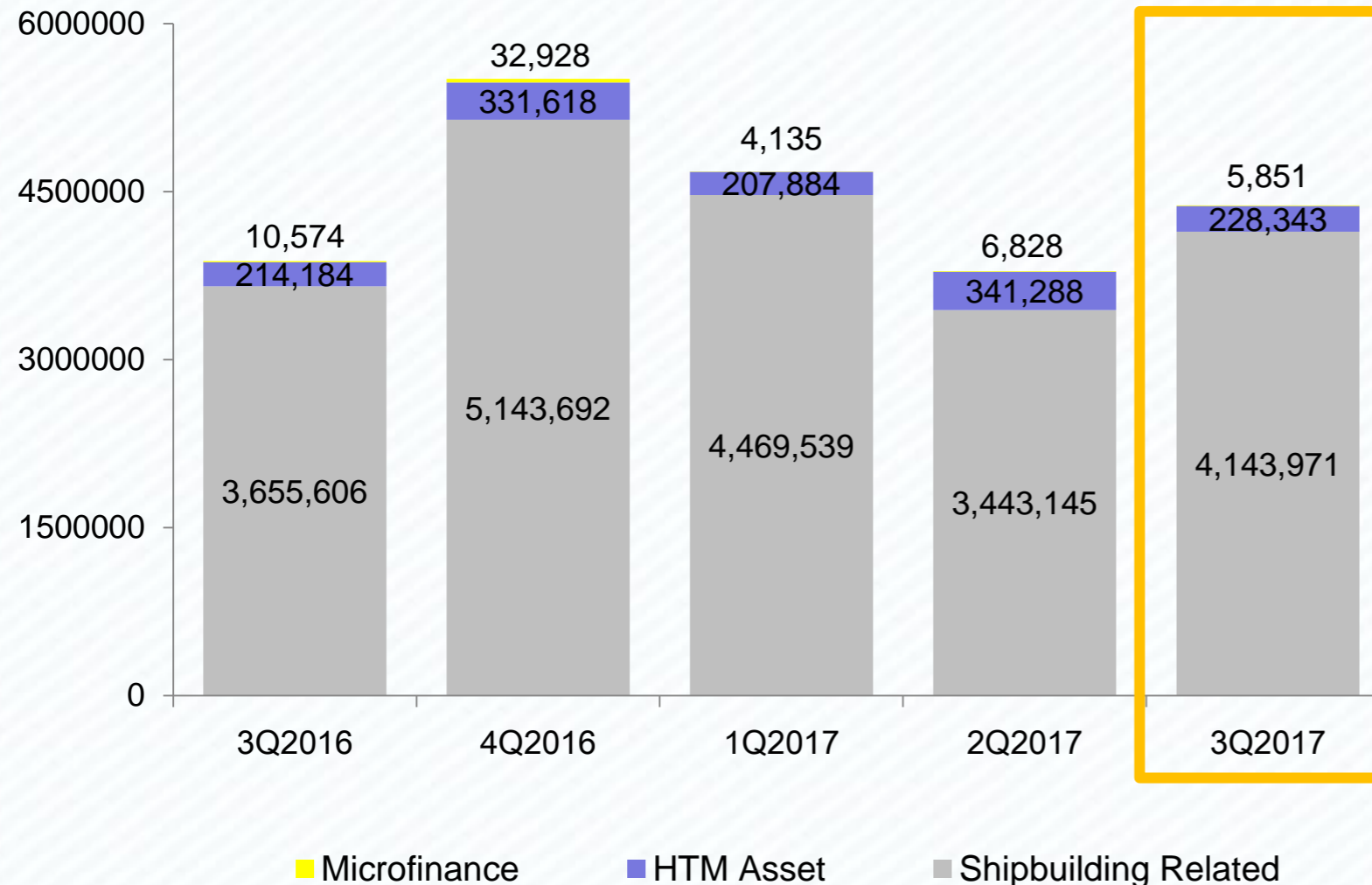
Financial Highlights	3Q2017	3Q2016	Change	Comments
	RMB'000	RMB'000	%	
Revenue	4,378,165	3,880,364	13	9 vessels delivered vs. 8 in 3Q2016, higher revenue from shipbuilding, higher trading revenue, offset by lower other shipbuilding related business due to the disposal of ship demolition business
Gross Profit	673,584	869,412	(23)	Lower GP and GPM due to appreciation of RMB against USD, higher raw material prices and higher revenue from lower margin trading business
Gross Profit Margin	15.4%	22.4%	-	
Other Income	57,697	501,078	(88)	-
Other Gains	309,302	240,268	29	Mainly related to a fair value gain of RMB82 million on financial assets, subsidy income of RMB148 million, a gain of RMB61 million on disposal of two vessels and gain of RMB95 million from disposal of ship demolition business, partly offset by an exchange related loss of RMB102 million.
Expenses #	113,949	965,636	(88)	Lower impairment provision of RMB7 million made for HTM investments, lower finance costs
Net Profit Attributable to Equity Holders (PATMI)	865,996	281,219	208	
PATMI Margin	19.8%	7.2%	-	

#: Includes Administrative and Finance Expenses

Revenue Breakdown



(All amounts are stated in RMB'000)

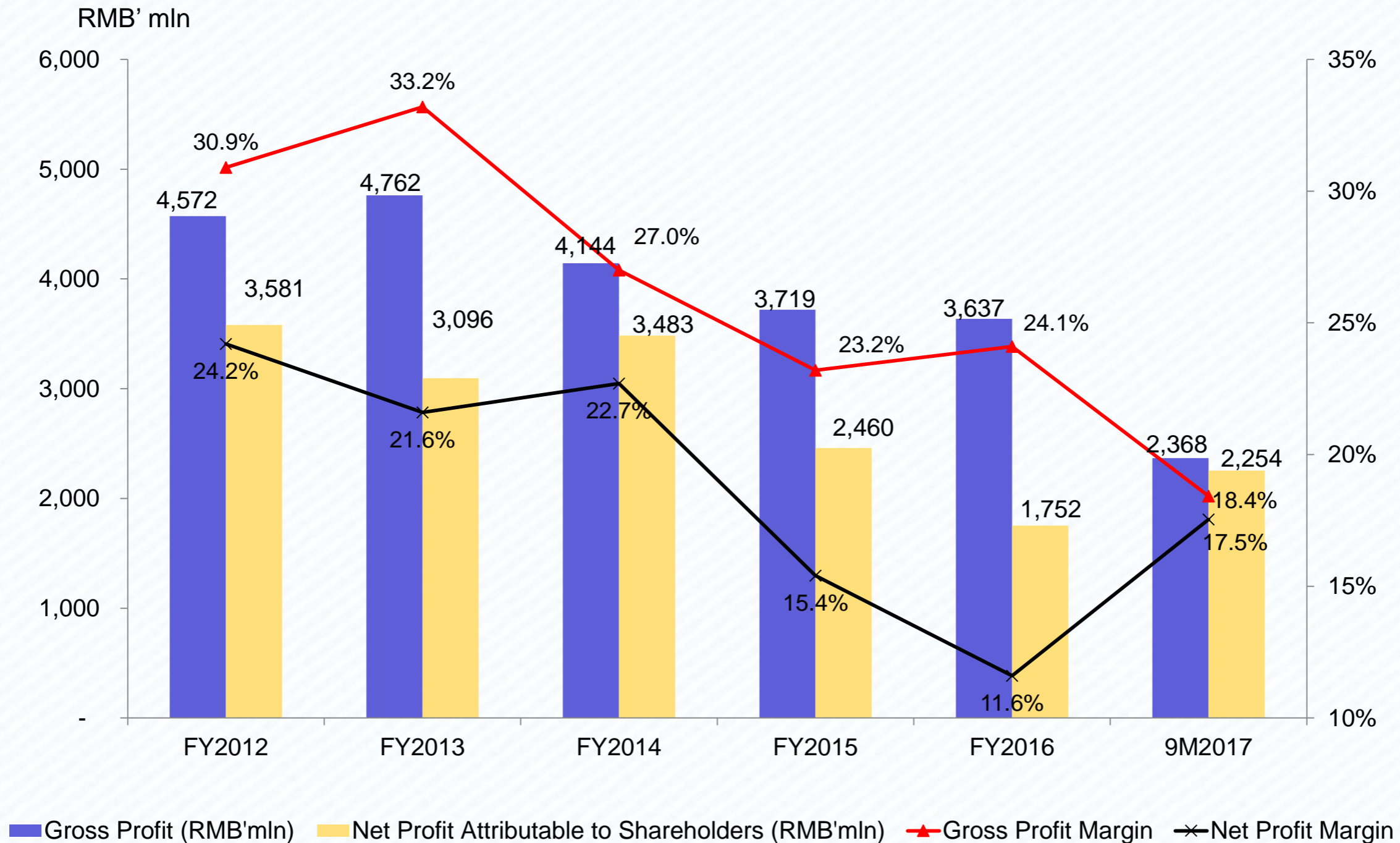


Shipbuilding Related Revenue Breakdown (3Q2017)	Percentage (%)
Shipbuilding	68%
Trading	31%
Others*	1%
Total	100%

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

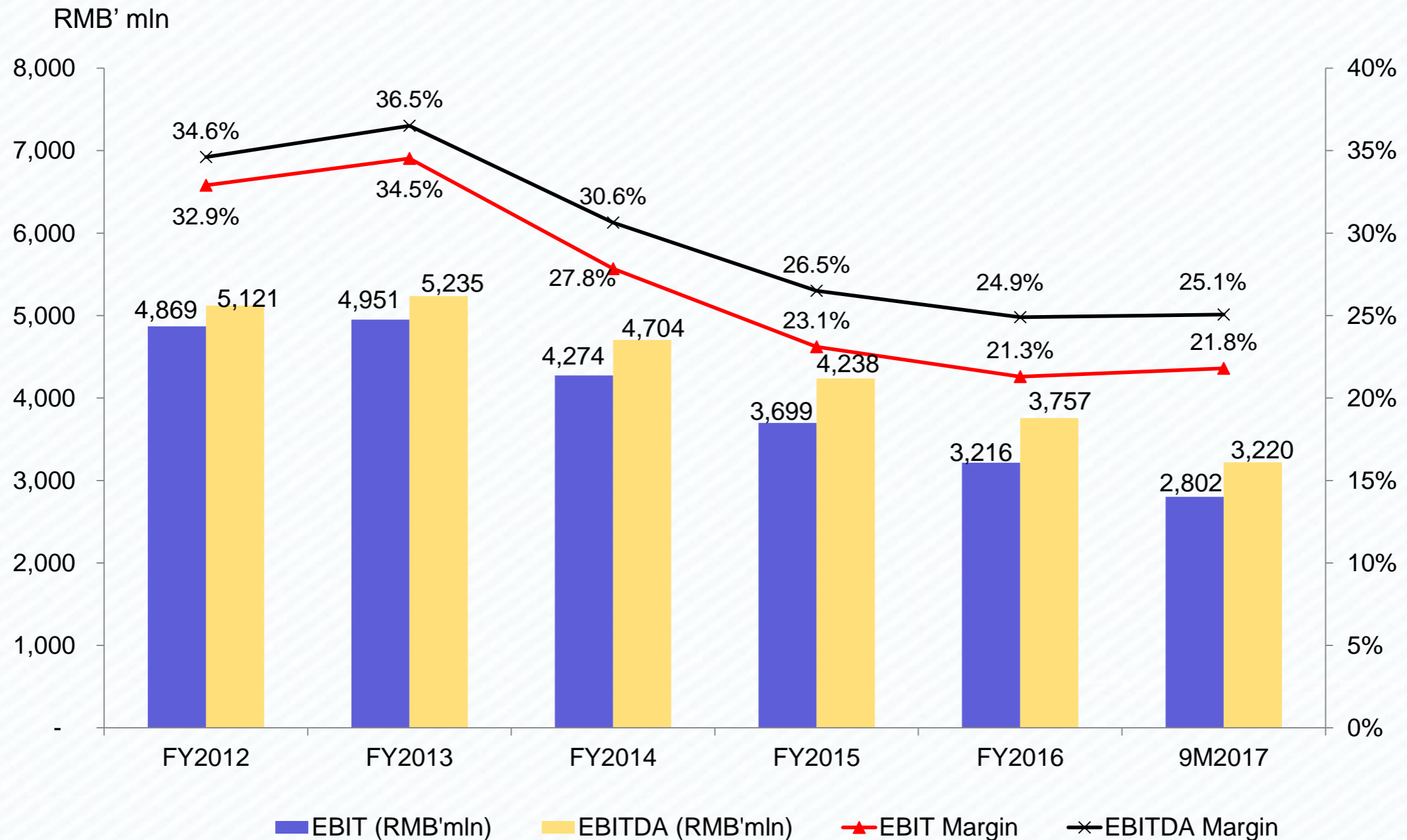
	Gross Profits		Gross Profit Margins	
	3Q2017	3Q2016	3Q2017	3Q2016
Shipbuilding Related	449,903	661,231	11%	18%
HTM Investment	217,858	197,702	95%	92%
Micro Finance	5,823	10,479	100%	99%

Gross Profit and Net Profit Attributable to Shareholders





EBIT and EBITDA



Results Highlight – Balance Sheet



Financial Highlights	30 Sep 2017	31 Dec 2016
	RMB'000	RMB'000
Property, Plant and Equipment	4,902,036	5,476,950
Restricted Cash	4,066	1,219,695
Cash & Cash Equivalents	5,353,829	7,085,796
Financial Assets, Held-to-Maturity	10,707,549	10,906,634
Total Debt	4,925,390	7,224,457
Total Equity	25,776,789	23,199,109
Gross Gearing	19.1%	31.1%
Net Gearing (including restricted cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB cents)	634.73	592.20



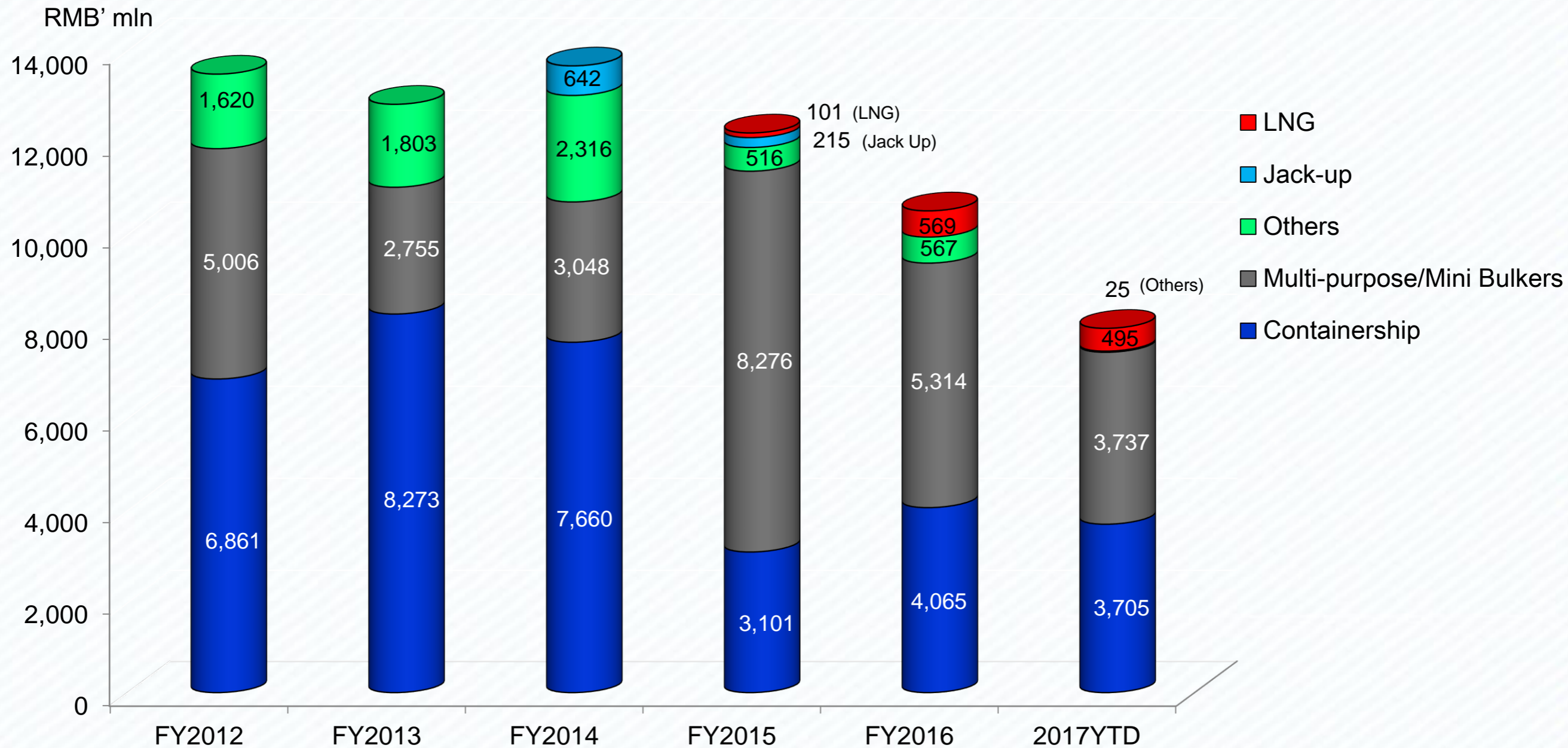
SECTION III - A SEGMENTAL REVIEW

Shipbuilding & Related Segments





Shipbuilding Revenue Breakdown





Total: 103 vessels; 4.15 million CGT @ US\$ 4.30 billion
41 containerships, 2.11 million CGT @ US\$ 2.13 billion
57 bulk carriers, 1.84 million CGT @ US\$ 1.91 billion
3 oil tankers, 0.07 million CGT @ US\$0.10 billion
2 VLGCs, 0.13 million CGT @ US\$ 0.15 billion

Containerships

- 1,668TEU x 2 vessels
- 1,800TEU x 9 vessels
- 1,900TEU x 5 vessels
- 2,700TEU x 3 vessels
- 3,800TEU x 6 vessels
- 10,000TEU x 4 vessels
- 11,800TEU x 12 vessels

Bulk Carriers

- 6,500DWT x 1 vessels
- 29,800DWT x 2 vessels
- 36,500DWT x 3 vessels
- 39,000DWT x 3 vessels
- 45,000DWT x 4 vessels
- 62,000DWT x 5 vessels
- 82,000DWT x 26 vessels
- 83,500DWT x 3 vessels
- 180,000DWT x 4 vessels
- 400,000DWT x 6 vessels

VLGC

- 84,000VLGCs x 2 vessels

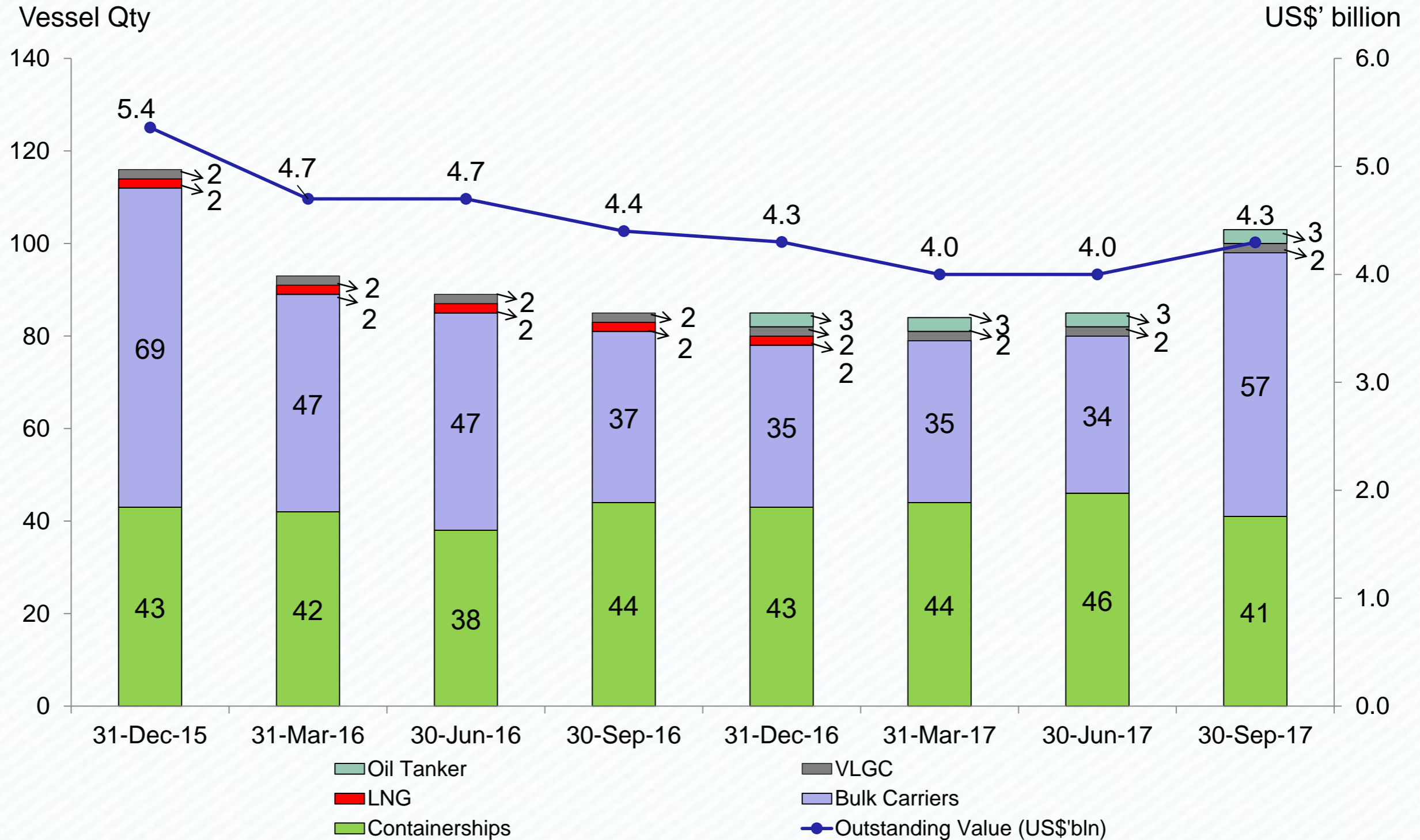
Oil Tanker

- 39,000CT x 3 vessels

Note: Order book is as at 30 September 2017

Since 30 Sep 2017, the Group secured an additional 14 shipbuilding orders with an aggregated contract value of US\$451 million. This brought the new order wins year-to-date to 59 vessels worth US\$1.59 billion in total.

Historical Order Book



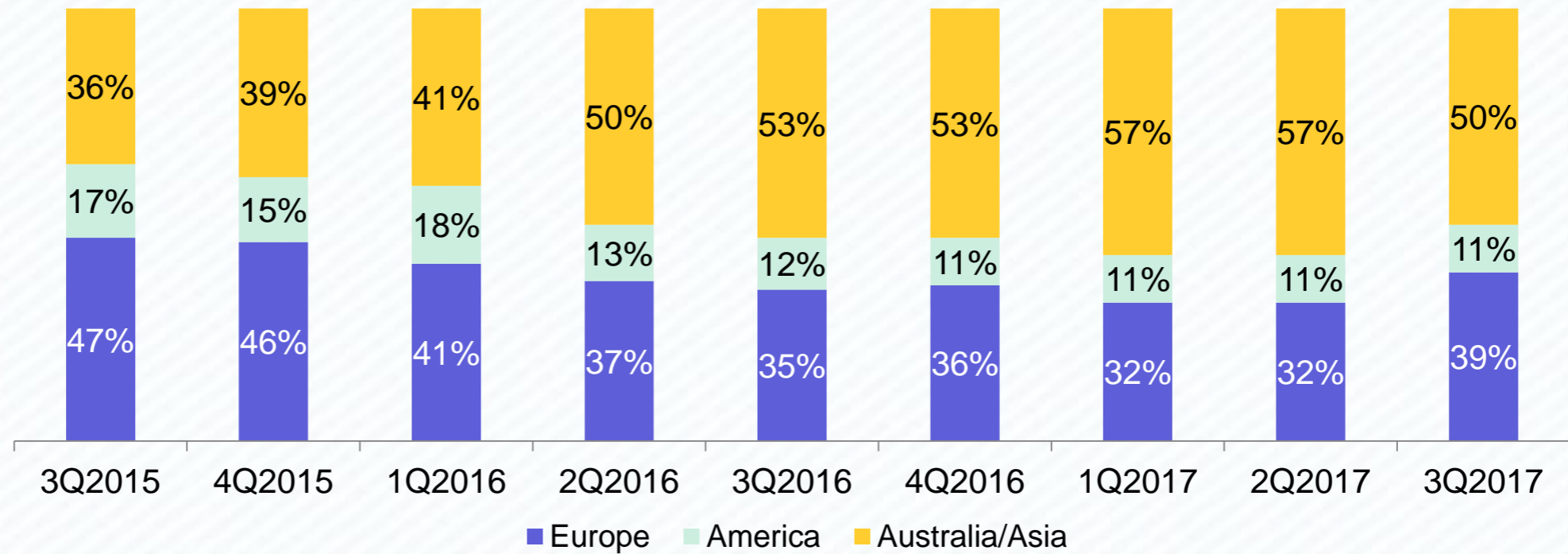
Order Book Customer Profile



Figures are stated as at 30 Sep 2017

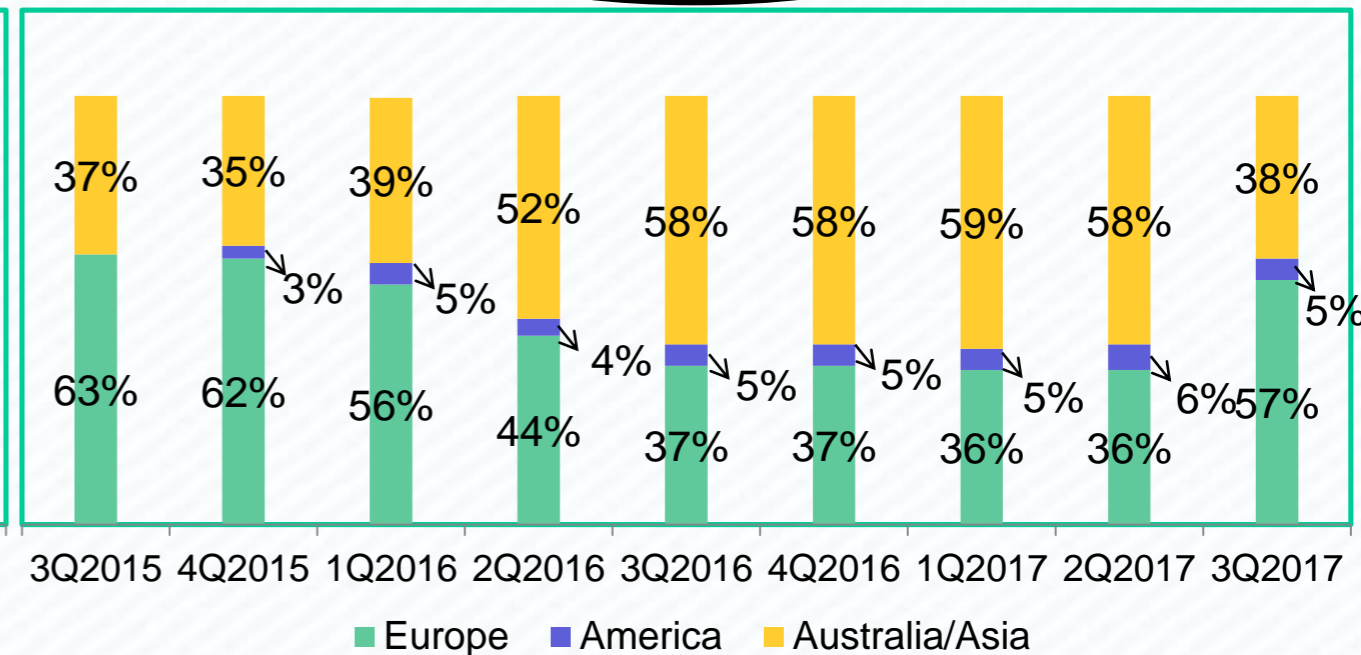
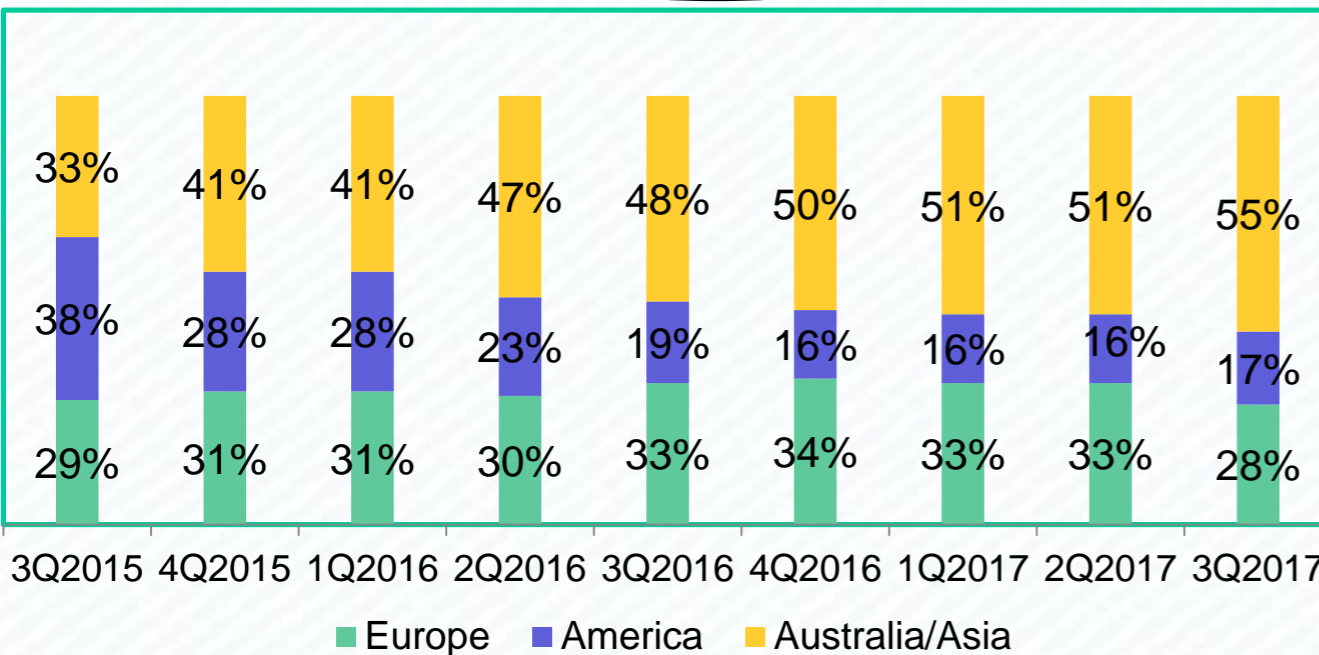
Breakdown by Geographical Segments

2 VLGC Vessel and 3 Oil Tanker orders are from Asia



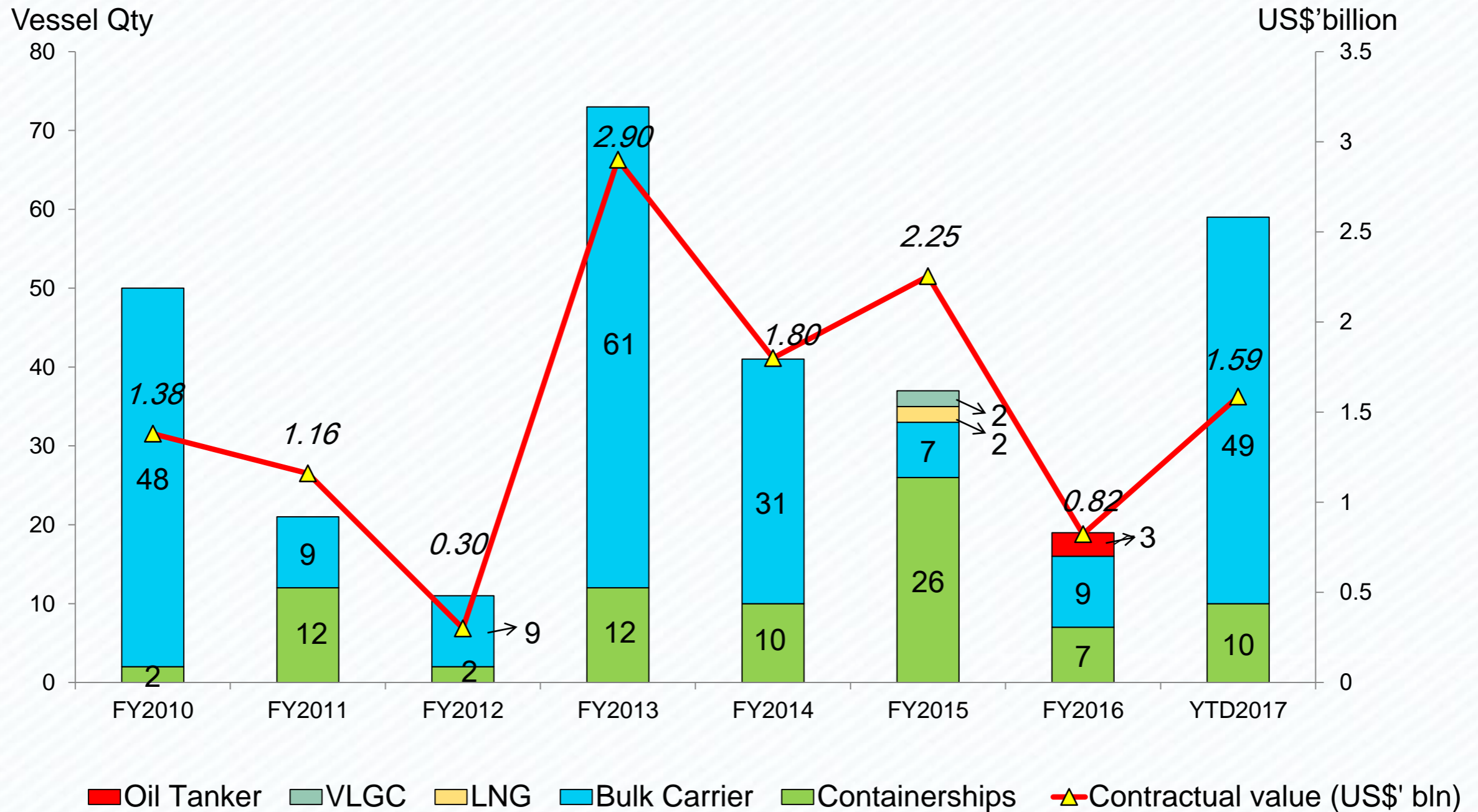
Containerships

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 July 2017

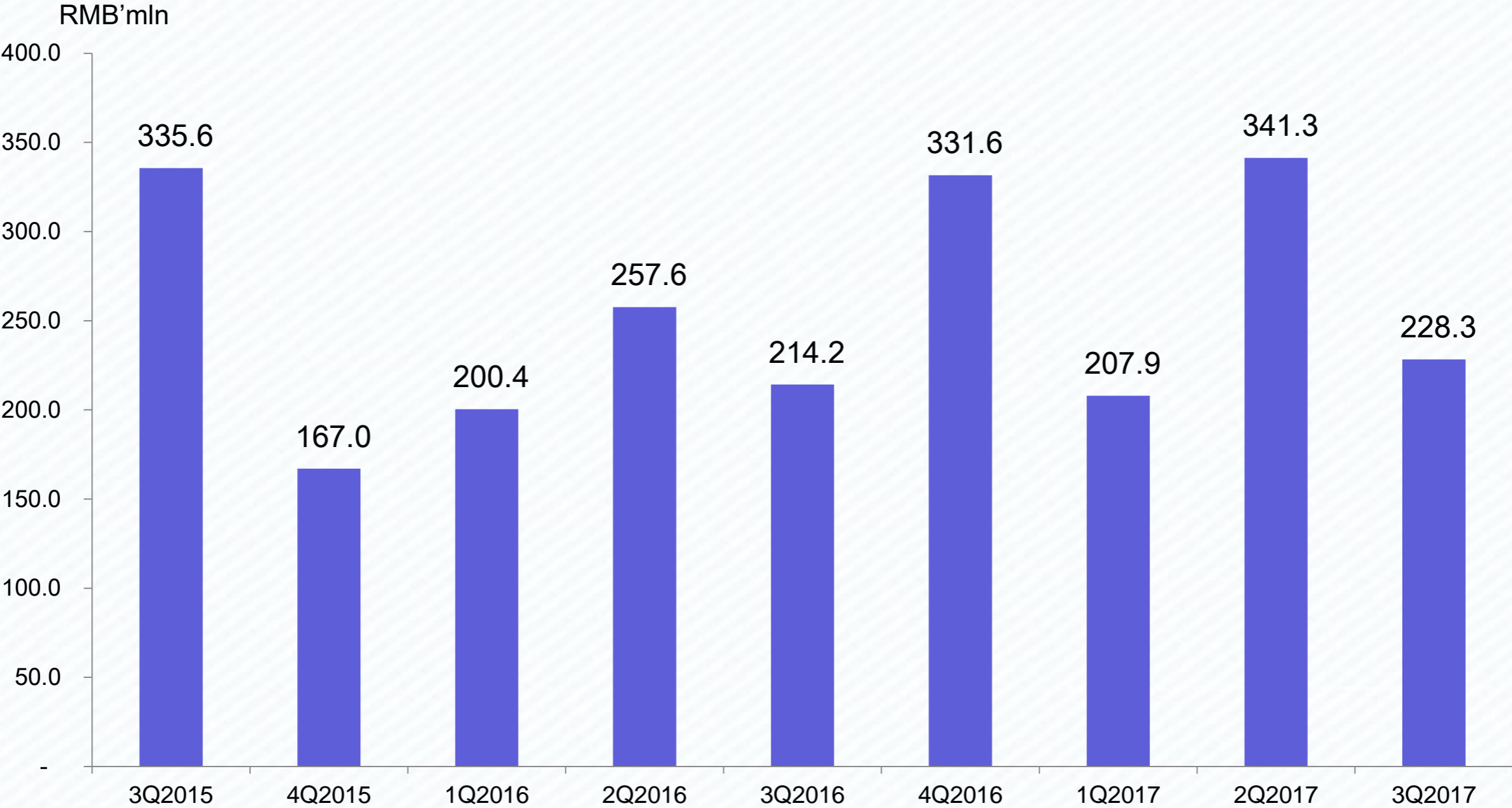
- **The strategy / plan for the business depends on the conditions of the shipbuilding market**



SECTION III - B SEGMENTAL REVIEW Financial Investments

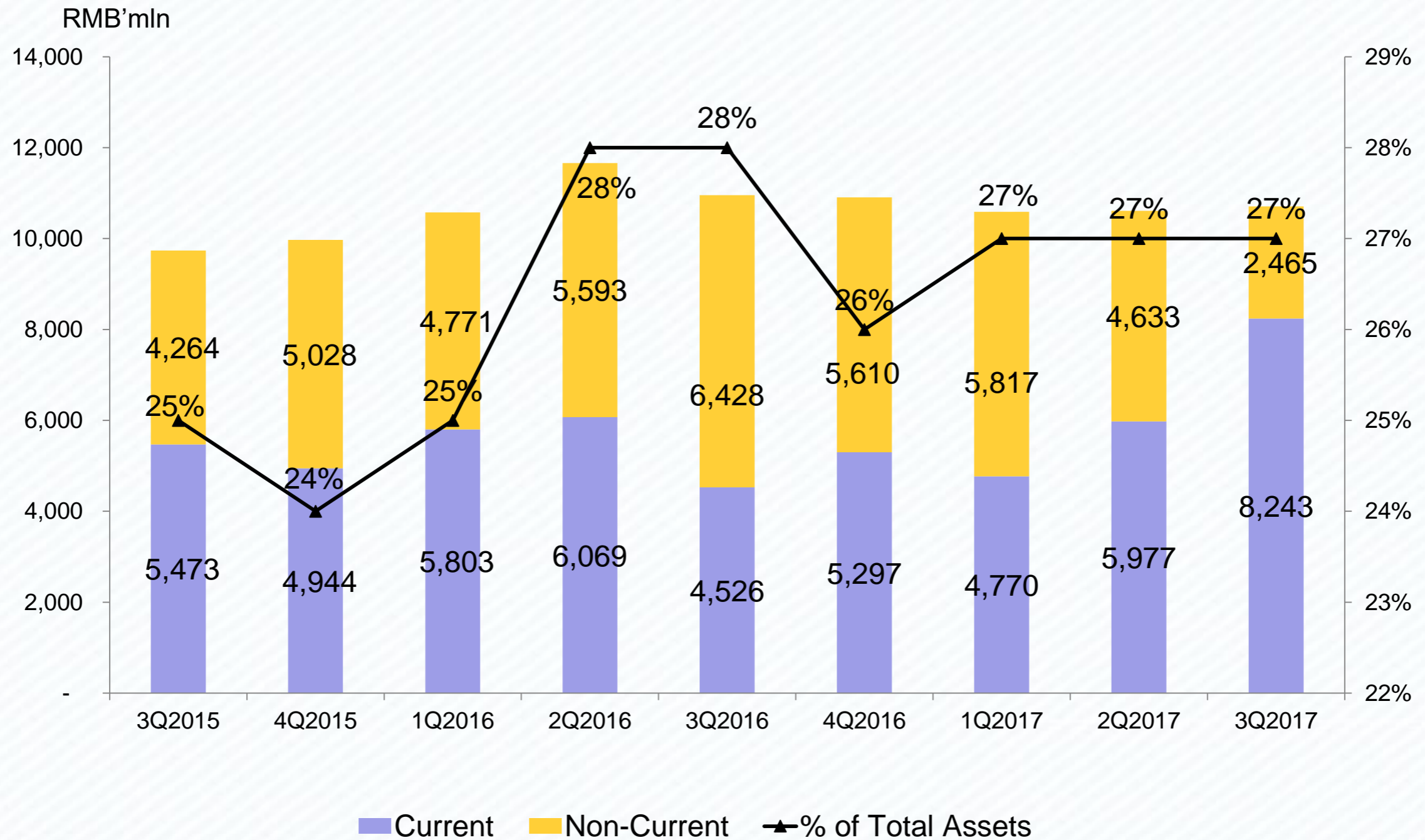


Interest Income Trend - HTM Assets



Source: Company Data

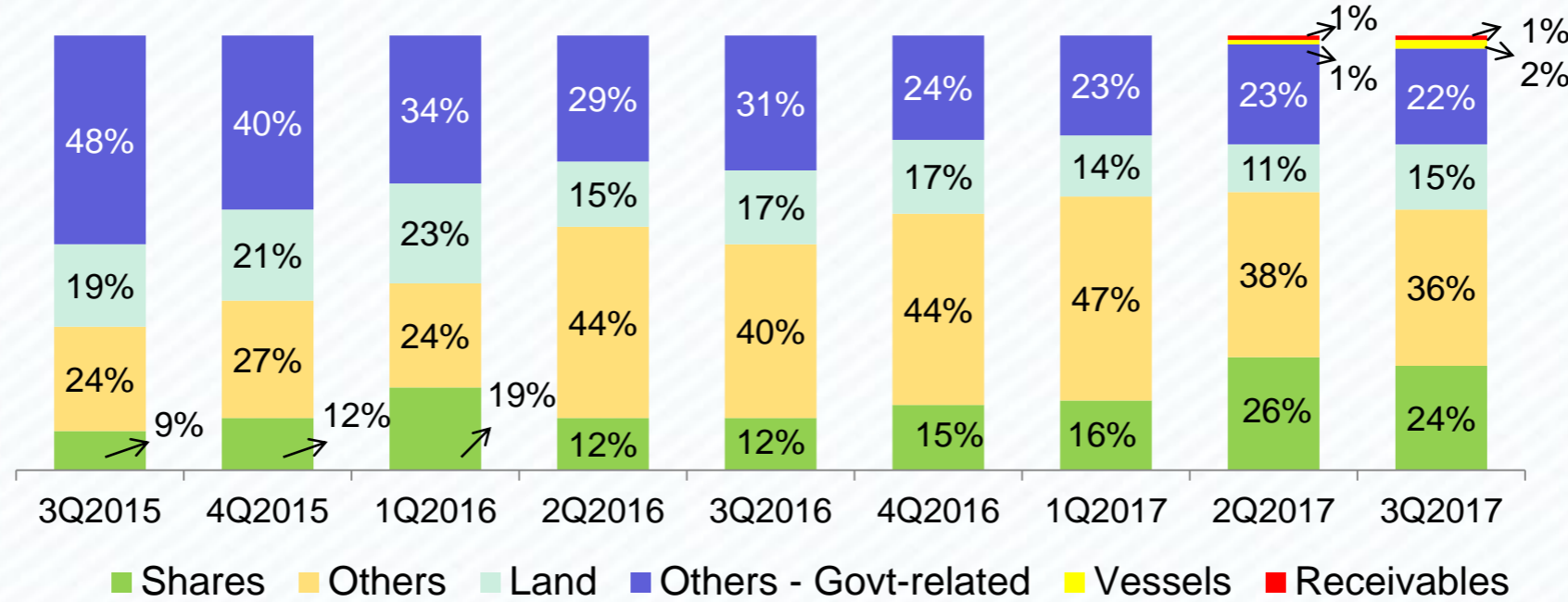
Held-to-Maturity Assets



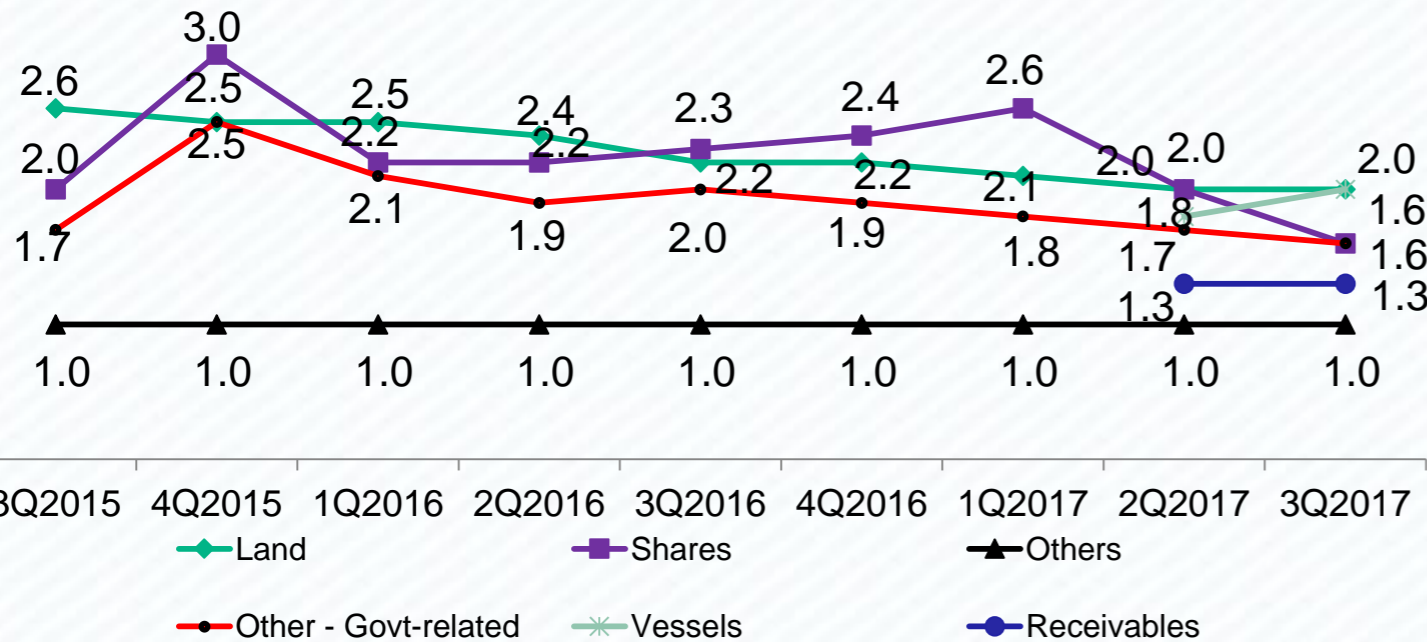
Source: Company Data



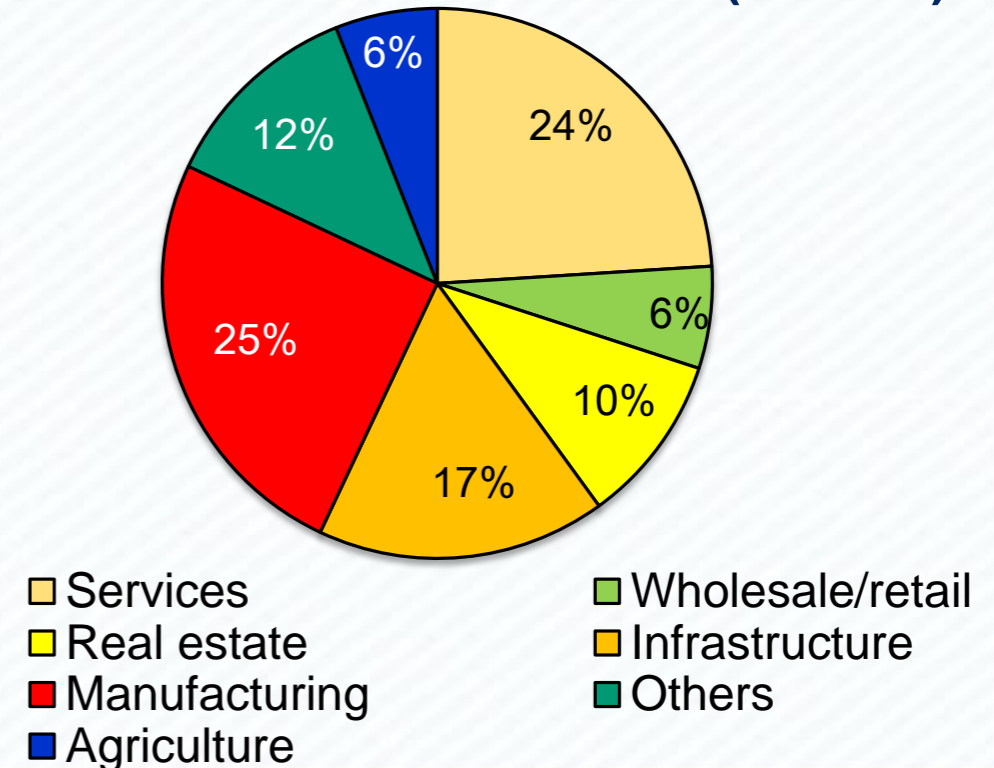
Breakdown of Investment Amount for which collaterals are secured (%)



Coverage Ratio

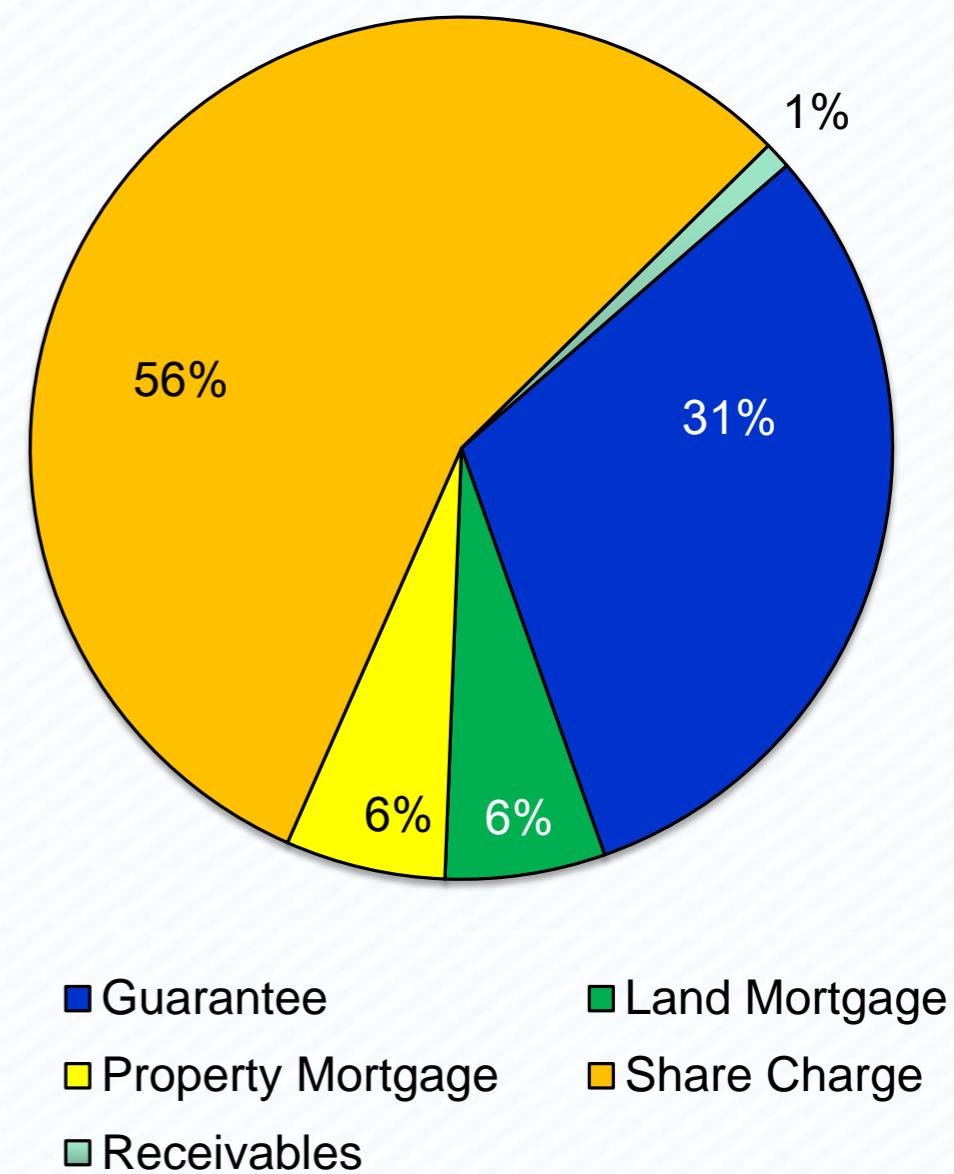
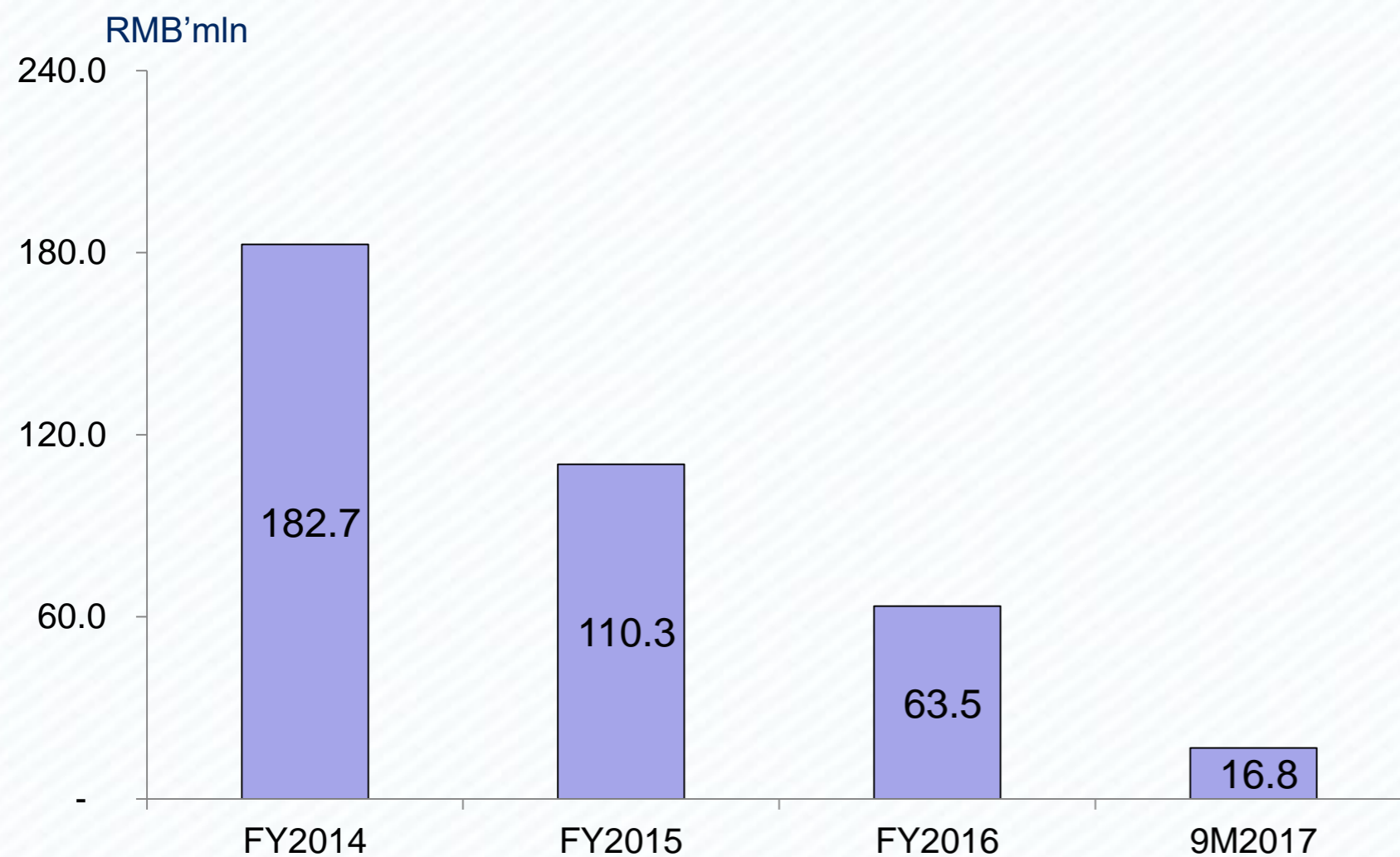


Breakdown of Borrowers (3Q2017)





Breakdown of Collaterals (As of 30 Sep 2017)





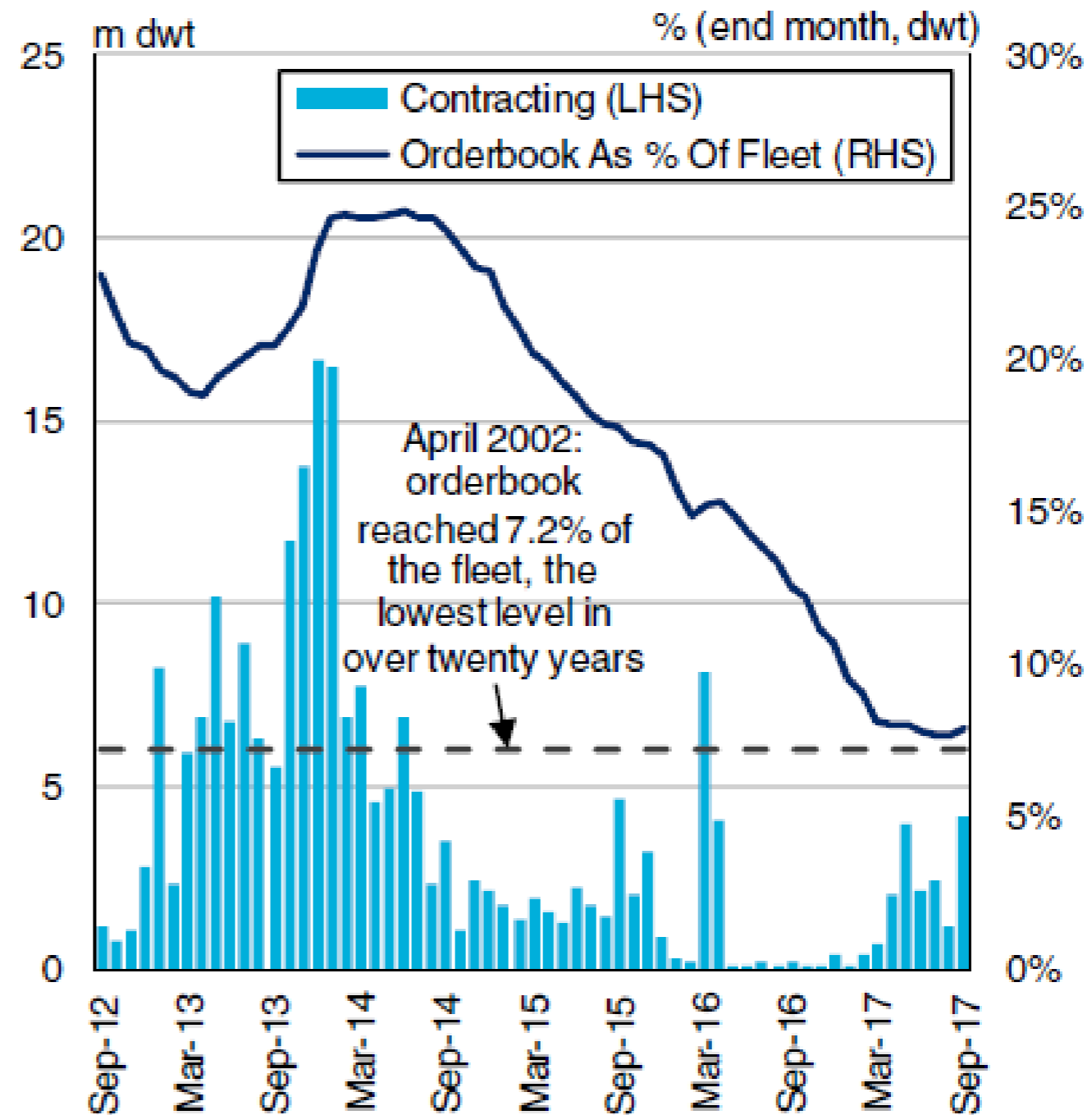
SECTION IV

TRENDS & STRATEGIES



Navigating The Bulker Orderbook Landscape

The bars show monthly bulkcarrier contracting in million dwt (left hand axis), whilst the line shows the bulkcarrier orderbook as a percentage of the fleet in dwt terms as at the end of each month (right hand axis). The dotted line shows the orderbook as a percentage of fleet capacity in April 2002, when it stood at 7.2%, the lowest level for over twenty years. Timeseries of the bulkcarrier orderbook, deliveries and contracting are available on the *Shipping Intelligence Network*.

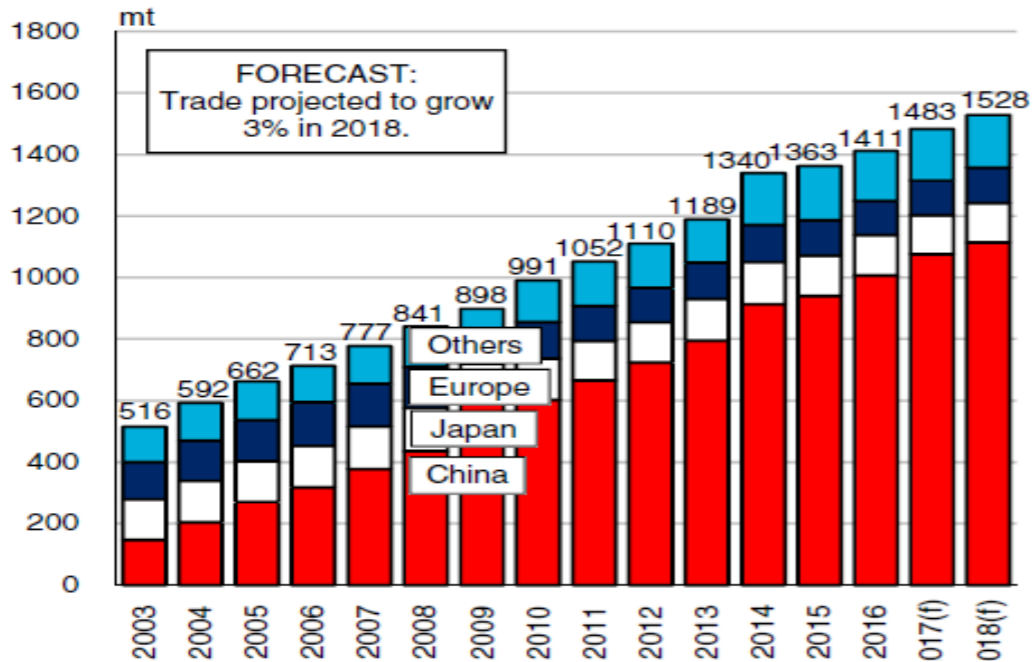


Source : Clarksons Research



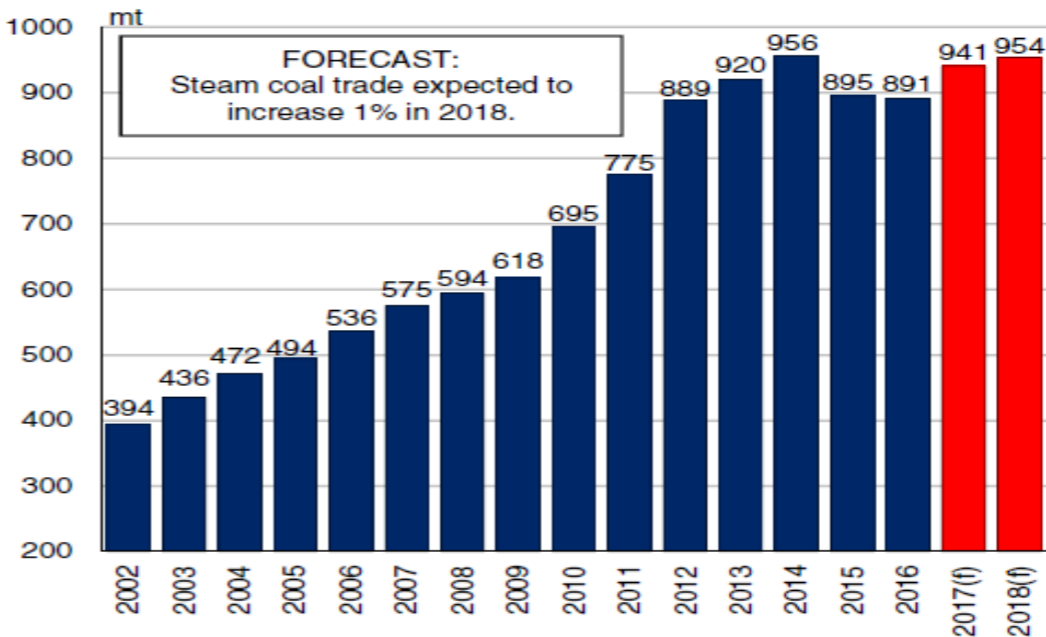
Seaborne Iron Ore Trade

Long Term Trade Trend



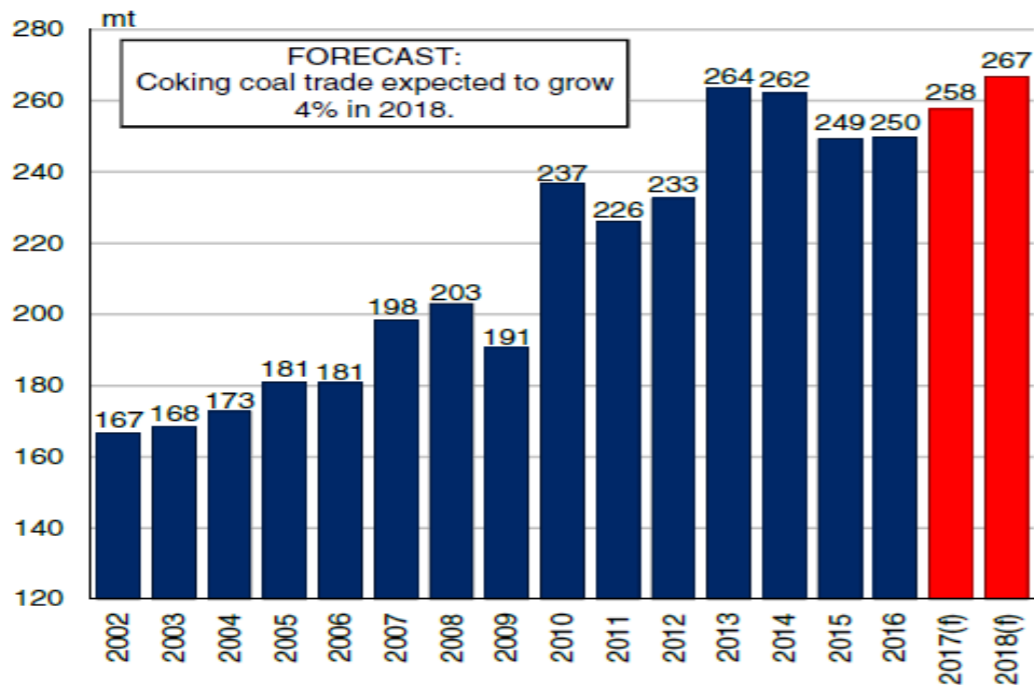
Seaborne Thermal Coal Trade

Long Term Trade Trend



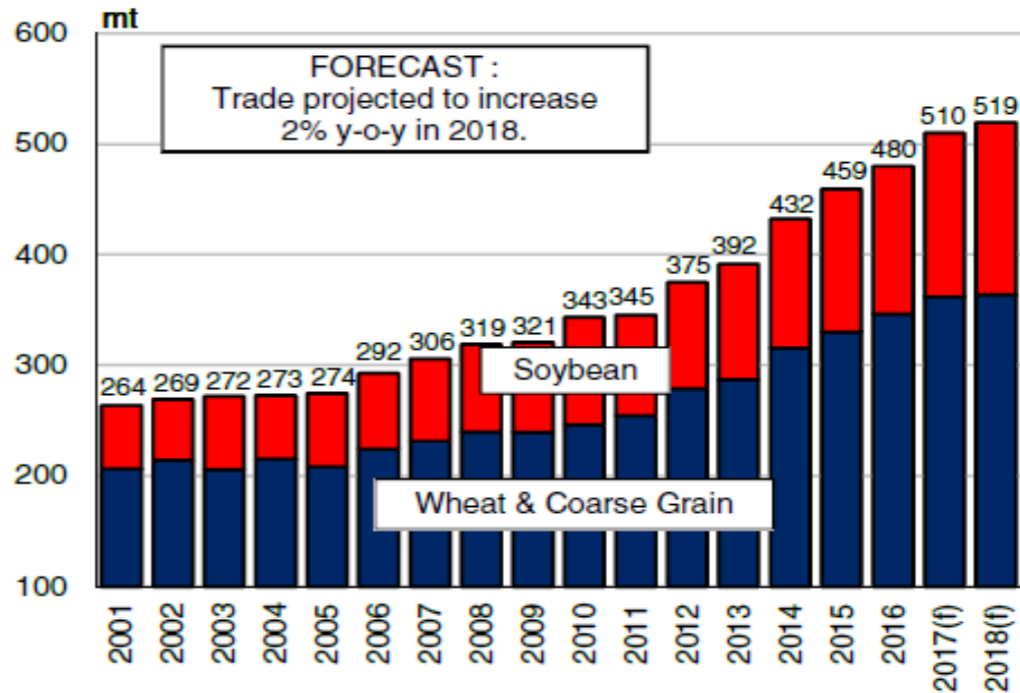
Seaborne Coking Coal Trade

Long Term Trade Trend



Grain Imports

Long Term Trade Trends



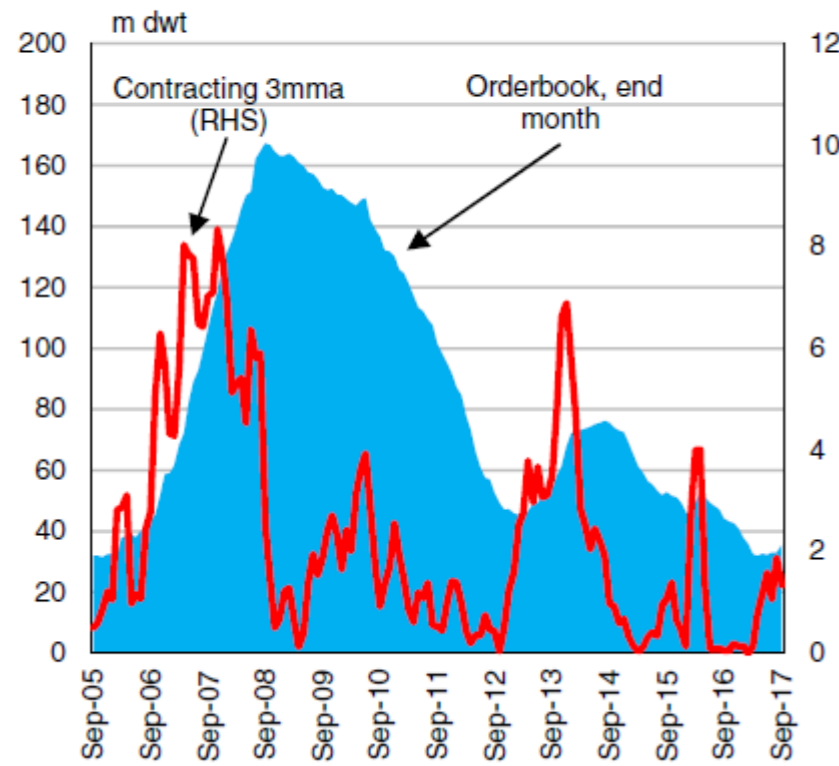
Source: Clarksons Research

Decreasing Bulk Carrier Fleet

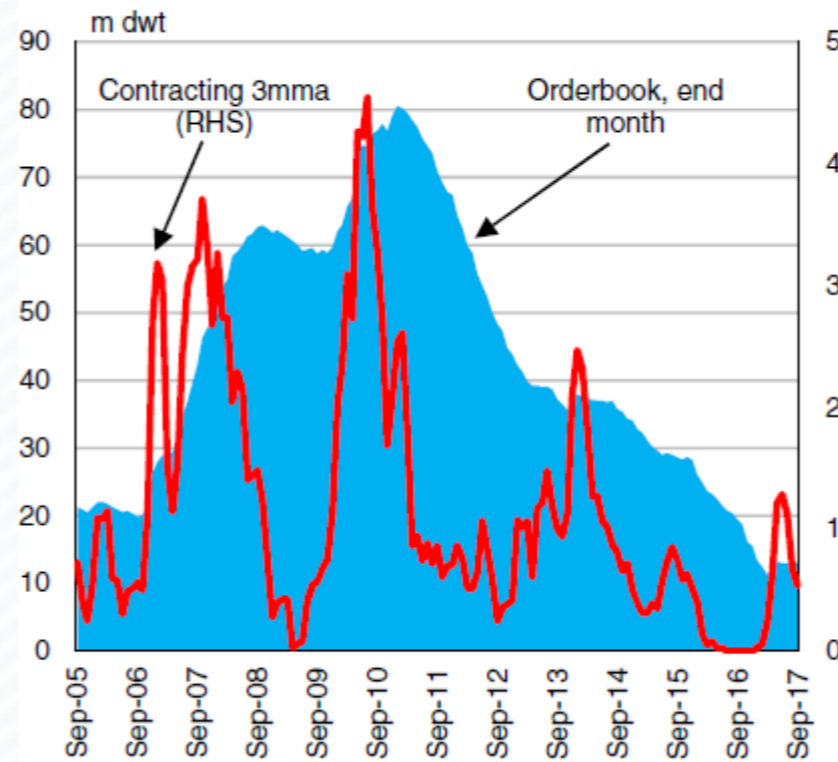


Bulkcarrier Fleet

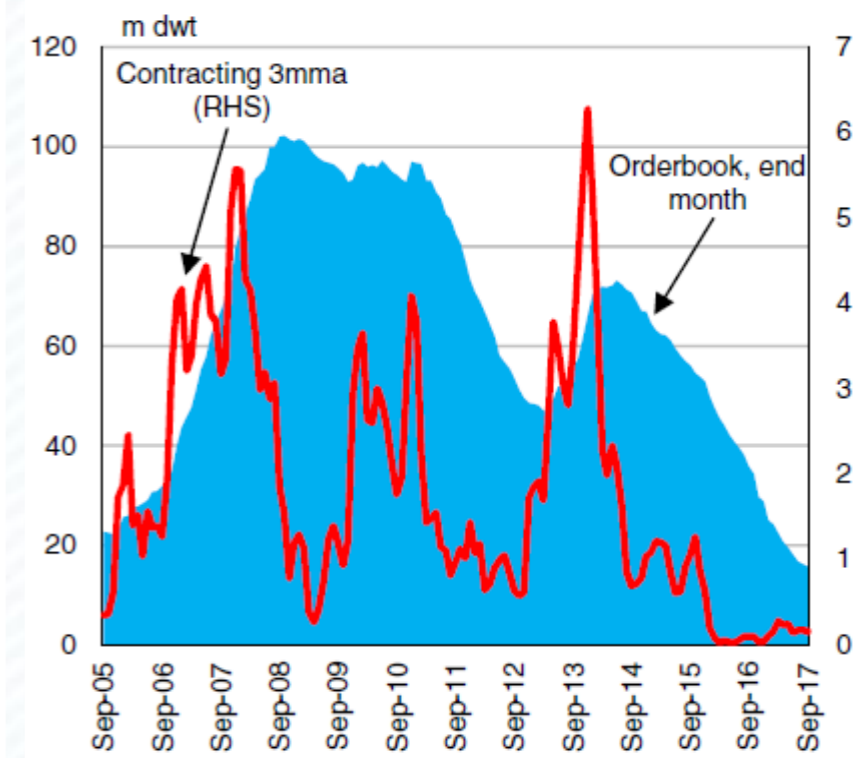
Capesize Fleet Trends



Panamax Fleet Trends



Handysize/Handymax Fleet Trends

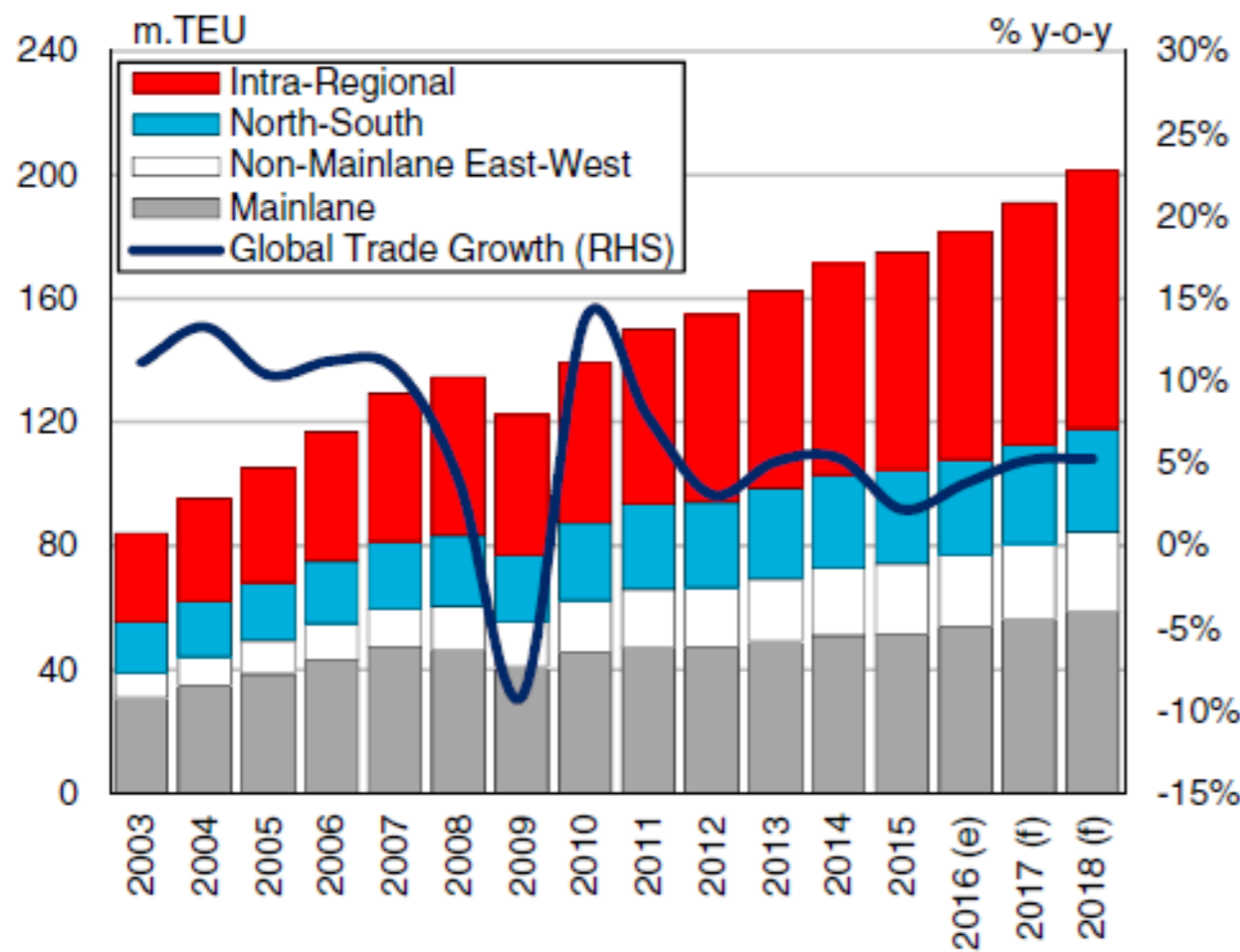




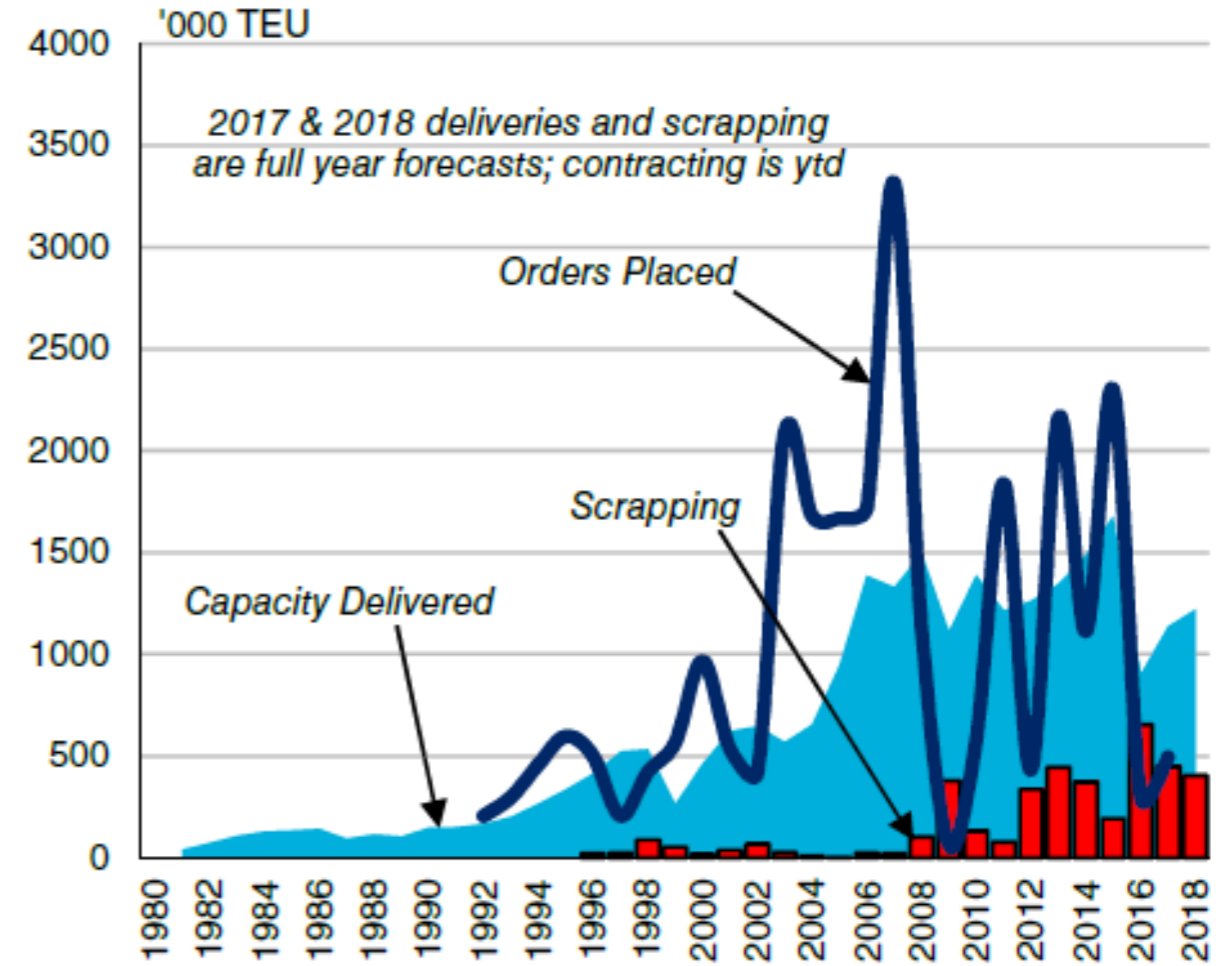
- Seaborne container trade volume expected to increase
- New orders decreased sharply in recent years
- Significant scrapping rate over the past few years

Container Trade and Capacity

Seaborne Container Trade

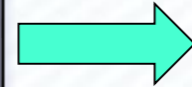


Containership Supply



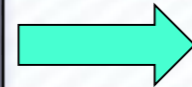


Containerships



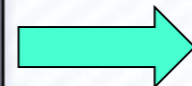
Actively obtain orders where demand is healthy

Dry Bulk Carriers



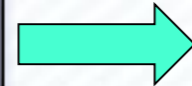
Focus on large-size carriers, multi-purpose and tailored vessels

LNG Carriers



Seek for further opportunities amidst successful maiden delivery

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





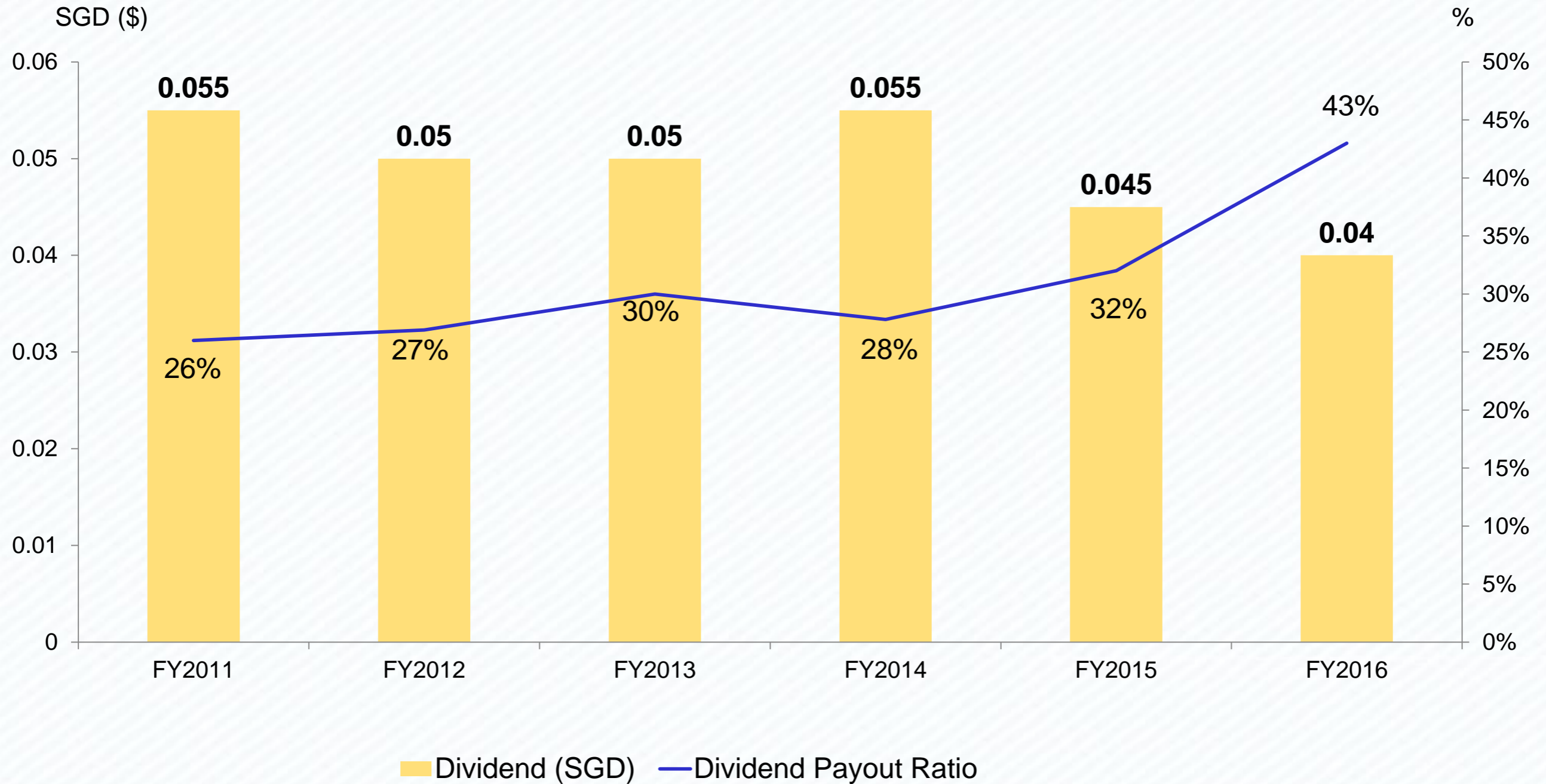
SECTION VI

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	79,160,734	30/9/2017	1.99
6	ALLIANCE BERNSTEIN	38,200,731	30/9/2017	0.96
7	VALUE PARTNERS GROUP LTD	36,190,800	31/12/2016	0.91
8	NORGES BANK	30,802,575	31/12/2016	0.78
Total		2,073,860,061		52.25

Source: Bloomberg, as of November 9, 2017

Stock Performance



Source: Bloomberg, as of November 9, 2017



Thank You Q&A

For more information,
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