



Yangzijiang Shipbuilding (Holdings) Ltd.
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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang reports 38% yoy increase in 1Q2019 earnings to RMB824 million

- Revenue increased by 27% yoy to RMB6.3 billion in 1Q2019, supported by growth in both shipbuilding revenue and trading revenue
- Core shipbuilding gross margin remained stable at 16% in 1Q2019 compared to 17% in 1Q2018
- Three new orders were received year to date. Outstanding order book stood at USD3.5 billion as at 29 April 2019, to provide a stable revenue stream for the Group

SINGAPORE – 29 April 2019 – Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang” or the “Group”), a globally-leading shipbuilder based in China, and an Straits Times Index component company listed on the SGX Main Board, reported net profit attributable to shareholders of RMB824 million for the three months ended 31 March 2019 (“1Q2019”).

Financial Analysis

Group’s total revenue increased by 27% year-on-year (“yoy”) to RMB6.3 billion in 1Q2019. In the shipbuilding related segment, as 15 vessels were delivered in 1Q2019 compared to 9 vessels delivered in 1Q2018, core shipbuilding revenue increased by 17% yoy to RMB3.4 billion. In line with the higher volume of trading activities, trading business generated revenue of RMB2.2 billion in 1Q2019, compared to RMB1.6 billion in 1Q2018. Revenue generated by other shipbuilding related businesses such as shipping logistics & chartering and ship design services was RMB122 million in 1Q2019,

compared to RMB88 million in 1Q2018. The increase was attributable to the charter income from the vessels owned by the Group's wholly-owned subsidiary that it acquired in 2018¹.

Financial Highlights	1Q2019	1Q2018	Change
	RMB'000	RMB'000	%
Revenue	6,291,116	4,963,255	27
Gross Profit	1,166,248	859,631	36
Gross Profit Margin	19%	17%	-
Expenses ^	156,746	46,063	240
Other Income	65,242	47,894	36
Other losses, net	82,384	42,188	95
Net Profit Attributable to Equity Holders	824,054	595,099	38
PATMI Margin	13%	12%	-

^ Expenses include finance expenses and administrative expenses, which include impairment loss

The Group's debt investment at amortised costs² increased to RMB16.4 billion as at 31 March 2019. Interest income from investment segment was RMB589 million in 1Q2019, compared to RMB311 million in 1Q2018.

Gross profit margin for core Shipbuilding business was at 16% for 1Q2019, compared to 17% for 1Q2018. Gross profit margin at Group level was 19% in 1Q2019, compared to 17% in 1Q2018.

Balance Sheet (RMB'000)	31 Mar 2019	31 Dec 2018
Property, Plant and Equipment	5,168,937	5,162,755
Restricted Cash	11,905	208,756
Cash & Cash Equivalents	6,603,298	6,594,143
Debt Investment at Amortised Costs	16,353,416	14,810,376
Total Borrowing	4,749,797	4,043,981
Total Equity	30,412,321	29,580,257
Gross Gearing (Borrowings / Equity)	15.6%	13.7%
Net cash*	1,865,406	2,758,918

* (restricted cash + cash & cash equivalents) – total borrowing

¹ The Group acquired 60% stake in Shanghai Huayuan Shipping Co., Ltd in 2Q2018 and the remaining 40% stake in 3Q2018.

² According to new accounting standards, the Group reclassified "financial assets, at amortised costs" as "debt investment at amortised costs" on the balance sheet

The Group delivered net profit attributable to shareholders of RMB824 million in 1Q2019 compared to RMB595 million in 1Q2018. Fully diluted earnings per share was RMB20.88 cents for 1Q2019, compared to RMB14.99 cents for 1Q2018³.

Group maintained a strong financial position with net cash of RMB1.9 billion as at 31 March 2019. Net asset value per share increased to RMB7.52 as at 31 March 2019 from RMB7.32 as at 31 December 2018.

REVIEW / OUTLOOK/ FUTURE PLANS

Global new shipbuilding orders declined substantially in the first three months of 2019 compared to a year ago, as shipowners' sentiment fell. This was affected by several factors, including less-bullish outlook on economic and trade growth, lower charter rates and uncertainties associated with the forthcoming IMO rules on emissions.

Year to date, the Group secured new orders for 3 vessels with total contract value of USD116 million. These were orders for 1 unit of 157,000DWT oil tanker, 1 unit of 29,800DWT self-unloading vessel and 1 unit of 82,000DWT bulk carrier. As at 29 April 2019, with an outstanding order book of USD3.5 billion for 101 vessels, Yangzijiang was ranked no.1 in China and no. 5⁴ in the world. These orders will keep the Group's yard facilities at a healthy utilization rate up to 2021 and provide a stable revenue stream for at least the next 2 years.

The Group is also building up the capabilities for the construction of LNG related vessels at its Taicang yard, under the joint venture with Mitsui E&S Shipbuilding Co., Ltd. and Mitsui & Co., Ltd. Research suggests that global LNG trade grew at an CAGR of 5.6% in the past 10 years, more than double the 2.5% CAGR for global international seaborne trade for the same period. The demand for clean energy and related vessels will remain strong, and the demand for LNG carriers, especially those are flexible for spot charters will continue to grow. Yangzijiang's strategic investment in developing its own capabilities in design and building LNG carriers will help the Group achieve long-term growth.

“Yangzijiang’s strong financial performance has its roots in our drive for excellence and efficiency, in both our operations and the vessels we build. While the market has its ups and downs, our commitment to designing and delivering the best-quality and cost-effective vessels is constant. As a resilient entity that consistently outperformed in unstable market conditions, our next step is to elevate our product portfolio to include more high-tech, green vessels especially in the LNG carrier space, catering to the evolving, long-term demand in the market.”

³ Based on the weighted average outstanding number of ordinary shares of 3,945,765,200 and 3,968,838,000 for 1Q2019 and 1Q2018 respectively

⁴ Source: Clarksons, as of 18 April, 2019

---- Mr. Ren Yuanlin (任元林), Executive Chairman,
Yangzijiang Shipbuilding (Holdings) Ltd

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Company Profile

Established in 1956, Yangzijiang Shipbuilding (Holdings) Ltd. (“Yangzijiang Shipbuilding” or collectively known as the “Group”) is one of the largest private shipbuilding companies in China. The Group is listed on SGX Mainboard since April 2007 and is currently one of the Straits Times Index (“STI”) constituent stocks. With four shipyards in Jiangsu Province, China along the Yangtze River, the Group produces a broad range of commercial vessels including large containerships, bulk carriers and LNG carriers, serving the orders from a well-established customer network covering Northern America, Europe and other parts of the world. Since listing on SGX, it has delivered consistent growth in the past ten years.

For more information please visit the website at: www.yzjship.com

Issued for and on behalf of Yangzijiang Shipbuilding (Holdings) Ltd.

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