



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

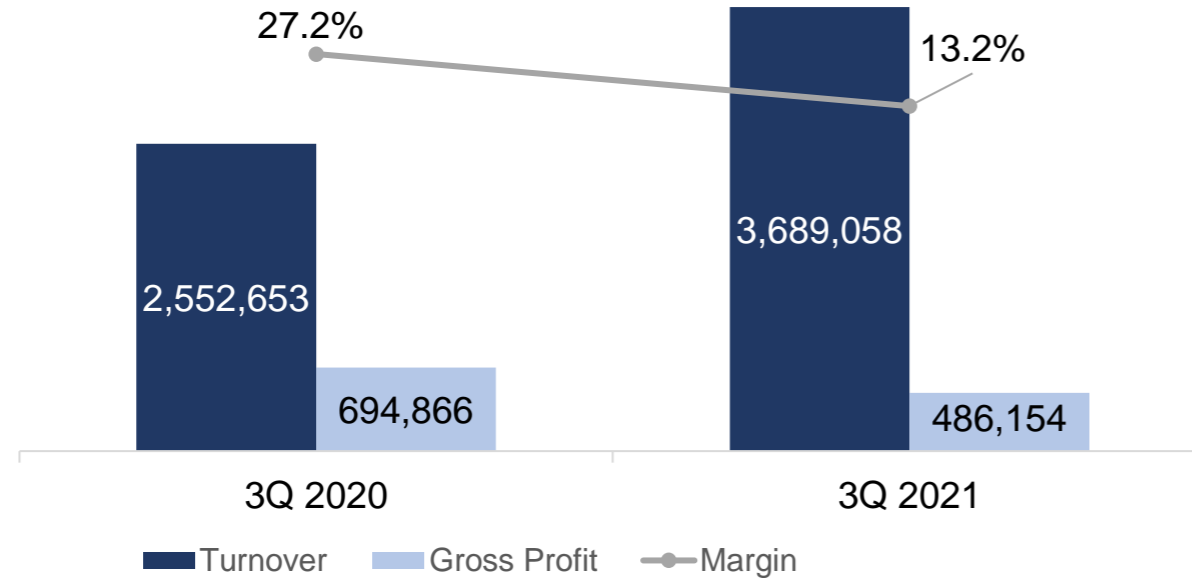
3Q 2021 Business Update

1 November 2021

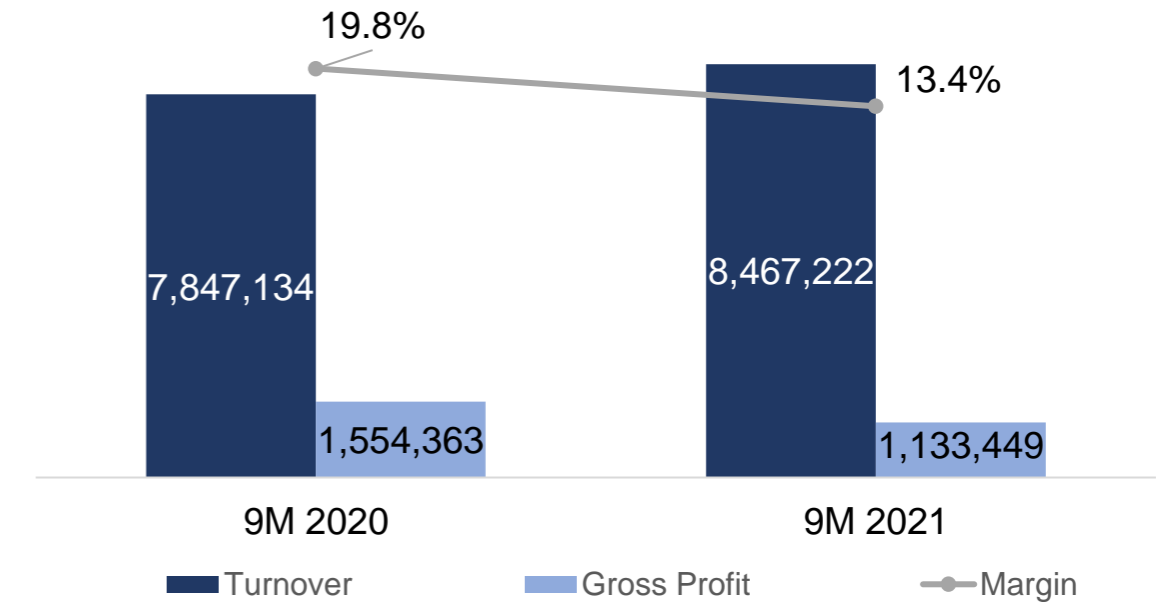
Financial Highlights



Shipbuilding Segment (RMB'000)



Shipbuilding Segment (RMB'000)



Shipbuilding

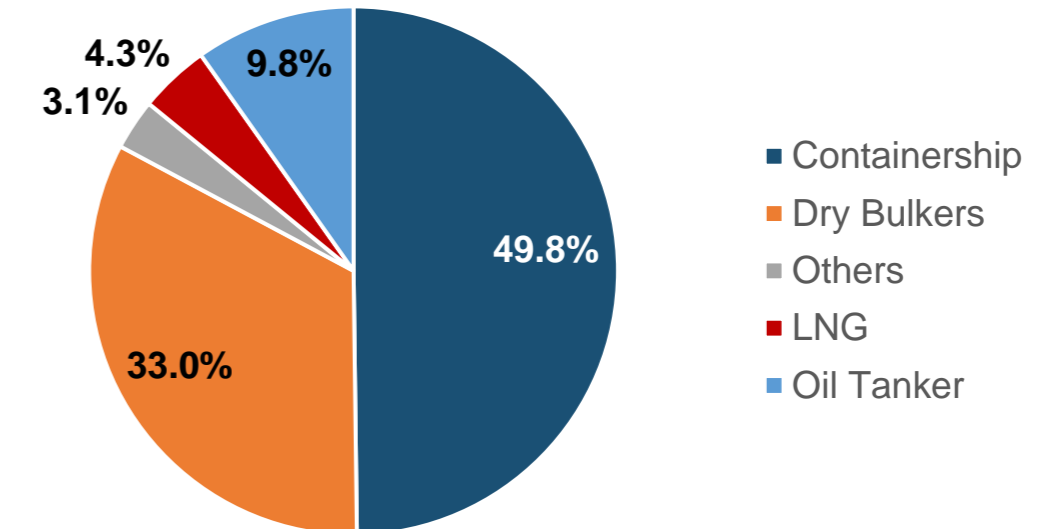
Revenue

- Revenue for 3Q2021 increased by 45% yoy to record RMB3,689 million
- Mainly due to higher level of shipbuilding activities during the quarter as compared to a year ago
- 15 vessels were delivered in 3Q2021, as compared to 9 vessels in 3Q2020
- There was also a full revenue recognition for two Medium Range ('MR') oil tankers in 3Q2021 when the order was placed with the Group, revenue for these tankers were not recognized previously

Gross Profit

- Gross profit margin for 3Q2021 remained stable at 13.2% despite higher input costs from rising raw materials costs
- Gross margin for 3Q2020 was relatively higher, mainly due to construction and delivery of several large size containerships and the net reversal of RMB94 million loss provision for onerous contracts

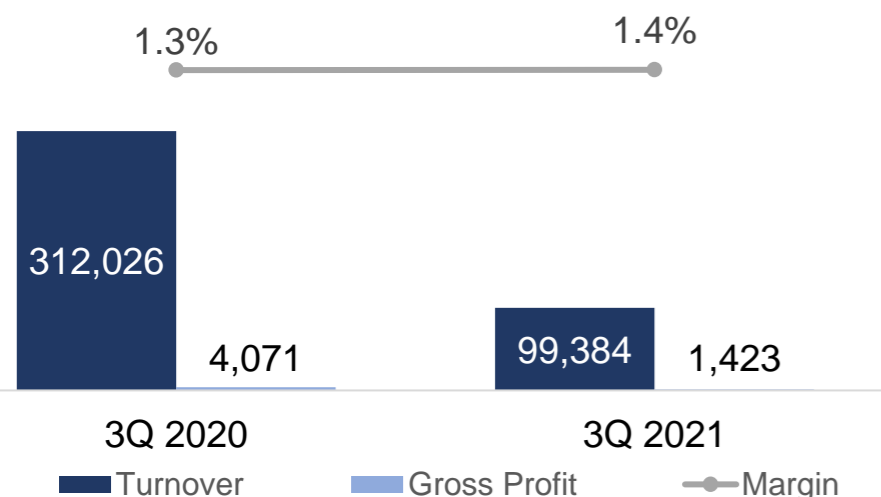
Shipbuilding Revenue Breakdown (9M2021)



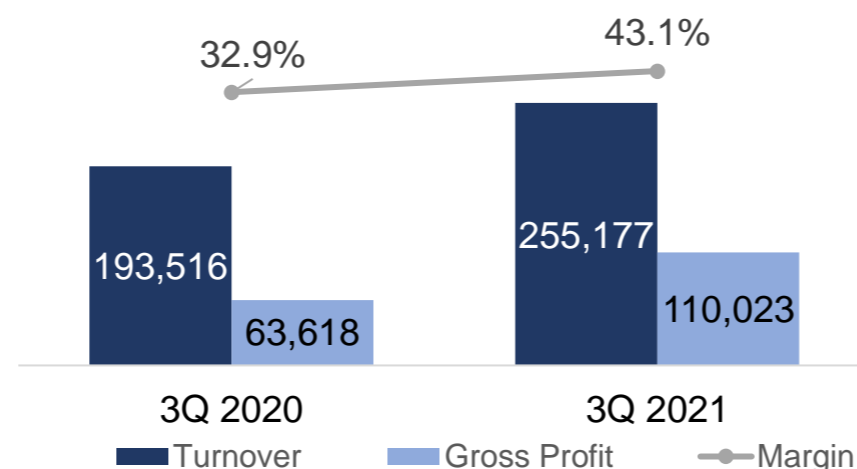
Financial Highlights



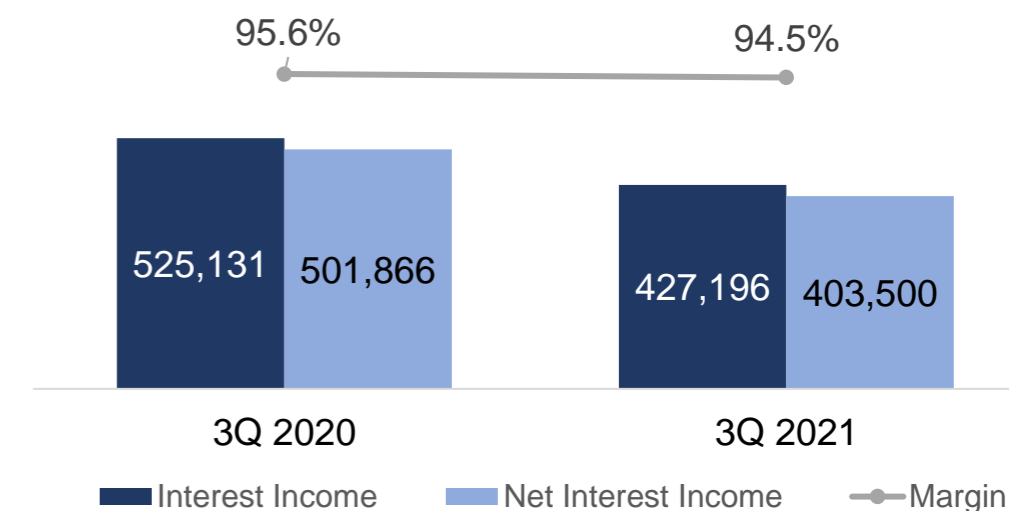
Trading Segment (RMB'000)



Shipping and Others Segment (RMB'000)



Investment Segment (RMB'000)



Trading

Revenue

- Revenue from the trading segment declined to RMB99.4 million in 3Q2021 due to lower volume of trading activities during the quarter

Gross Profit

- The trading business contributed a gross profit of RMB1.4 million in 3Q 2021, as this segment typically record a low gross profit margin of around 1%

Shipping and Others

Revenue

- Include revenue generated by other shipbuilding related businesses such as shipping logistics and chartering and ship design services
- Revenue for this segment was higher at RMB255 million due to an expanded fleet size and higher charter rates

Gross Profit

- This segment recorded a gross margin of 43.1%, mainly due to higher charter rates recorded in the quarter

Investment Segment

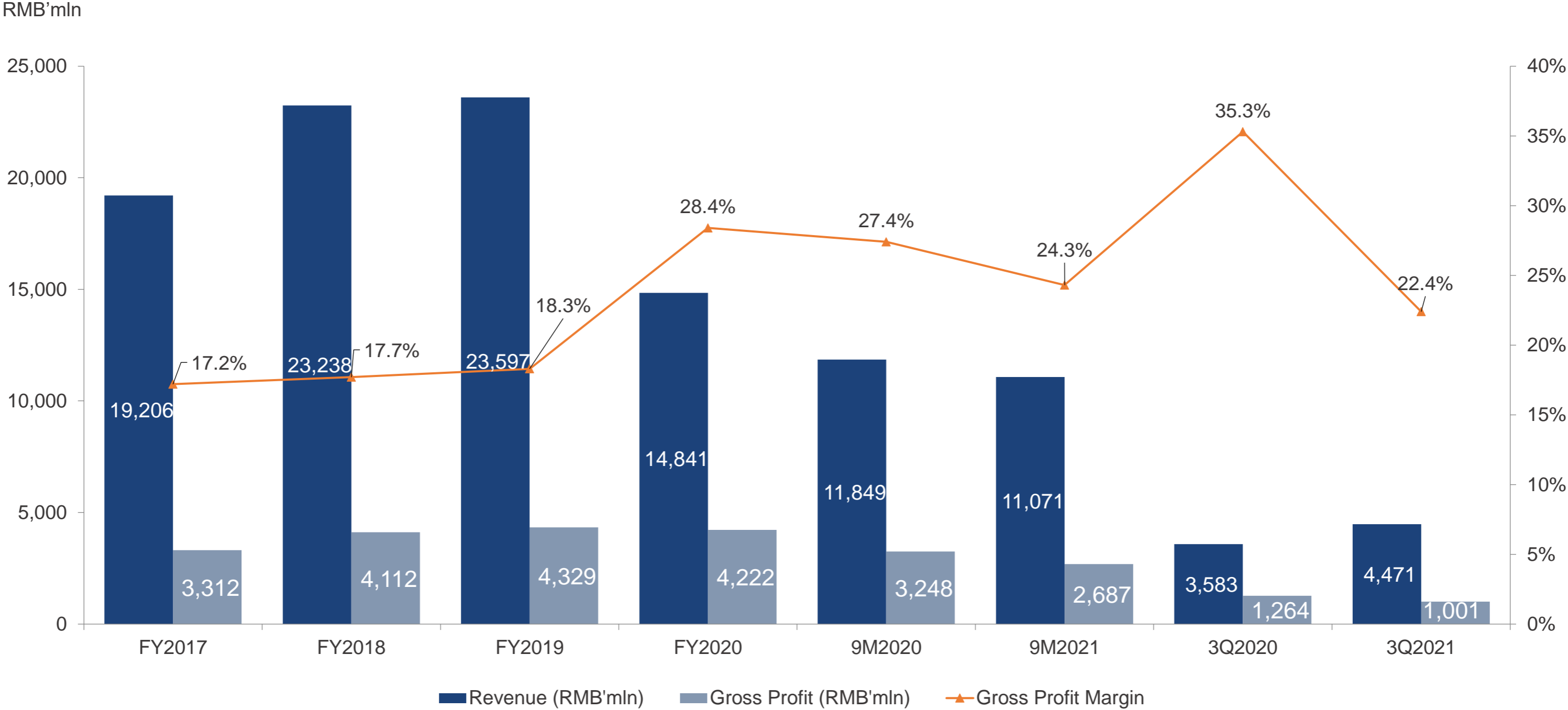
Revenue

- Interest income derived declined from RMB525 million in 3Q2020 to RMB427 million in 3Q2021, mainly due to reduction in size of investment portfolio

Gross Profit

- Gross margin for this segment remained stable at about 95%

Gross Margin Trend



Order Wins for YTD 2021



- YTD2021 order wins for **124 vessels** worth **USD7.41 billion**, Yangzijiang’s largest order wins in history
- **Oct 2021**: Secured orders for two 82,300 DWT and four 45,000 DWT bulk carriers with total contract value of USD200 million
- 2021: Breakthrough in LNG sector, secured its first batch of 40,000 CBM LPG carriers and LNG dual-fuel 7,000TEU containerships.

*The LNG dual-fuel 7,000TEU containerships will be filled with LNG fuel storage and supply system, and LNG tanks were jointly designed by Yangzijiang

These dual-fuel engines and vessels are in compliant with, and exceeds the current guidelines initiated by the IMO, ensure functionality and relevance of these new-built vessels

| Containerships | |
|-------------------------|----------------|
| Vessel Type | No. of Vessels |
| LNG dual-fuel 7,000TEU* | 15 |
| 24,000TEU | 4 |
| 15,000TEU | 16 |
| 12,200TEU | 5 |
| 11,800TEU | 6 |
| 4,600TEU | 10 |
| 3,500TEU | 5 |
| 3,300TEU | 3 |
| 2,600TEU | 4 |
| 2,400TEU | 4 |
| 1,800TEU | 12 |

| LPG/Tankers | |
|--------------------------|----------------|
| Vessel Type | No. of Vessels |
| 40,000 CBM LPG carrier | 3 |
| 50,000DWT MR tanker | 4 |
| 9,150DWT chemical tanker | 1 |

| Bulk Carriers | |
|------------------------|----------------|
| Vessel Type | No. of Vessels |
| 82,300DWT | 19 |
| 66,000DWT | 4 |
| 45,000DWT | 4 |
| 29,800DWT Self-loading | 1 |
| 31,800DWT Great Lake | 4 |

Overview of Orderbook (as of announcement date)

165 vessels

US\$8.86 billion in contract value

9.25 million CGT

Delivery: 2021- 2024

| Containerships 114 units Total CGT – 8.03 million Total value – US\$7.29 billion | |
|-------------------------------------------------------------------------------------------|----------------|
| Size | No. of Vessels |
| 1,000 TEU | 4 |
| 1,800 TEU | 20 |
| 2,400 TEU | 8 |
| 2,600 TEU | 10 |
| 3,300 TEU | 3 |
| 3,500 TEU | 10 |
| 4,600TEU | 10 |
| 11,800TEU | 6 |
| 12,200TEU | 4 |
| 14,000 TEU | 2 |
| 15,000TEU | 16 |
| 24,000 TEU | 6 |
| LNG Dual-Fuel 7000 TEU | 15 |

| Bulk Carriers 41 units Total CGT – 1.01 million Total value – US\$1.21 billion | |
|-----------------------------------------------------------------------------------------|----------------|
| Size | No. of Vessels |
| 29,800 DWT ^ | 1 |
| 31,800 DWT ^ | 6 |
| 40,000 DWT | 3 |
| 45,000 DWT | 4 |
| 56,000 DWT | 1 |
| 59,000 DWT ^ | 2 |
| 66,000 DWT ^ | 4 |
| 82,300 DWT ^ | 18 |
| 180,000 DWT | 1 |
| 325,000 DWT | 1 |

| LPG/LNG/Tanker 10 units Total CGT – 0.21 million Total value – US\$0.36 billion | |
|------------------------------------------------------------------------------------------|----------------|
| Size | No. of Vessels |
| 690 FEU LNG | 4 |
| Dual Fuel 13,000 CT * | 2 |
| 9,150 DWT CT * | 1 |
| 40,000 CBM LPG ^ | 3 |

* Chemical Tanker

^ 1 unit of 29,800DWT carrier, 2 units of 31,800DWT carriers, 2 units of 59,000DWT carriers, 4 units of 66,000DWT carriers, 18 units of 82,300DWT carriers and 3 units of 40,000 CBM LPG carriers, with a total contract value of USD930 million will be built and delivered by YAMIC.



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 6) are all for external customers**

Current fleet (self-managed) – 25 vessels in total

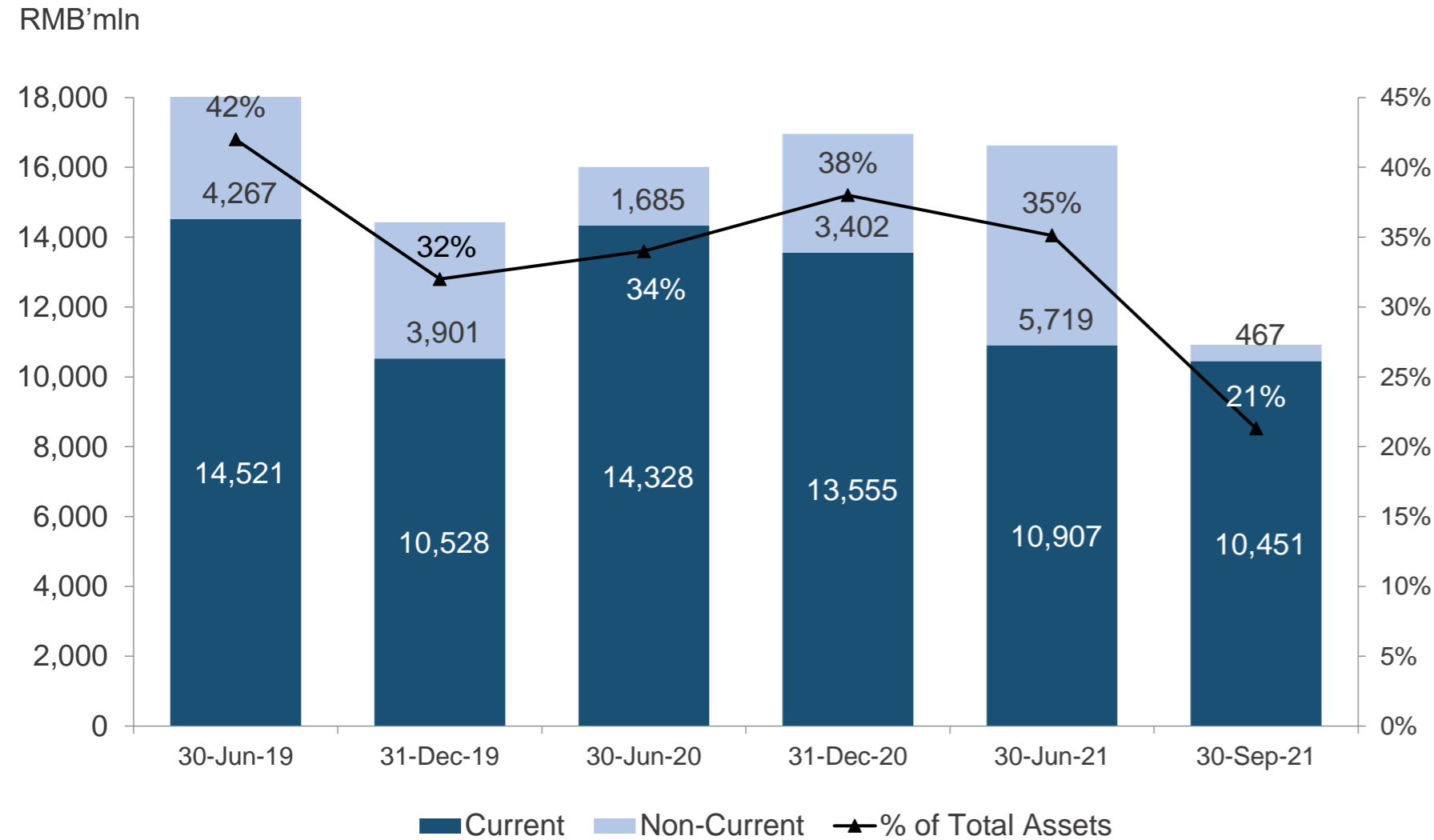
- 7 x 92,500DWT, bulk carriers
- 4 x 82,000DWT, bulk carriers*
- 3 x 64,000DWT, bulk carriers
- 2 x 52,000DWT, bulk carriers
- 1 x 19,900DWT, stainless steel chemical tanker
- 1 x 19,200DWT, stainless steel chemical tanker
- 1 x 12,000DWT, stainless steel chemical tanker
- 4 X 47,350DWT, bulk carriers
- 1 X 79,600DWT, bulk carrier
- 1 x 12,500MPV, multiple purpose vessel

*The Group sold 1 unit of 82,000DWT bulk carrier in 1H2021 and recorded a RMB25.4 million gain from disposal.

In 3Q2021, the Group sold another unit of 82,000DWT bulk carrier, to record approximately RMB40 million gain from disposal.

Outstanding Balance Debt Investments at Amortised Cost

Breakdown of Debt Investments



Debt Investments Movements RMB'000

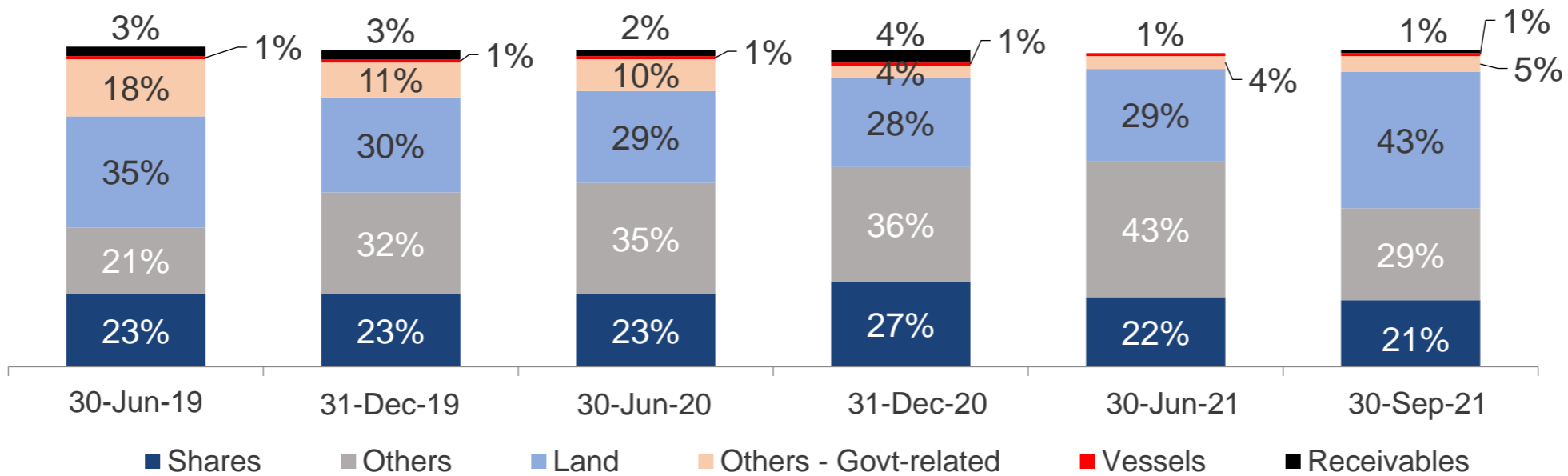
| | Gross Balance | Impairment | Net Balance |
|---------------------------------------------|---------------|-------------|-------------|
| Balance as at 30 June 2021 | 18,462,126 | (1,835,846) | 16,626,280 |
| Additions | 953,390 | - | 953,390 |
| Redemptions | (6,823,861) | - | (6,823,861) |
| Movement in impairment provisions in 3Q2021 | - | 161,840 | 161,840 |
| Balance as at 30 September 2021 | 12,591,655 | (1,674,006) | 10,917,649 |

The Group recorded a net reversal of impairment loss on financial assets of RMB191 million in 3Q2021 (3Q2020: Provision of impairment loss of RMB183 million), following repayment of debt investment at amortised costs during the quarter.

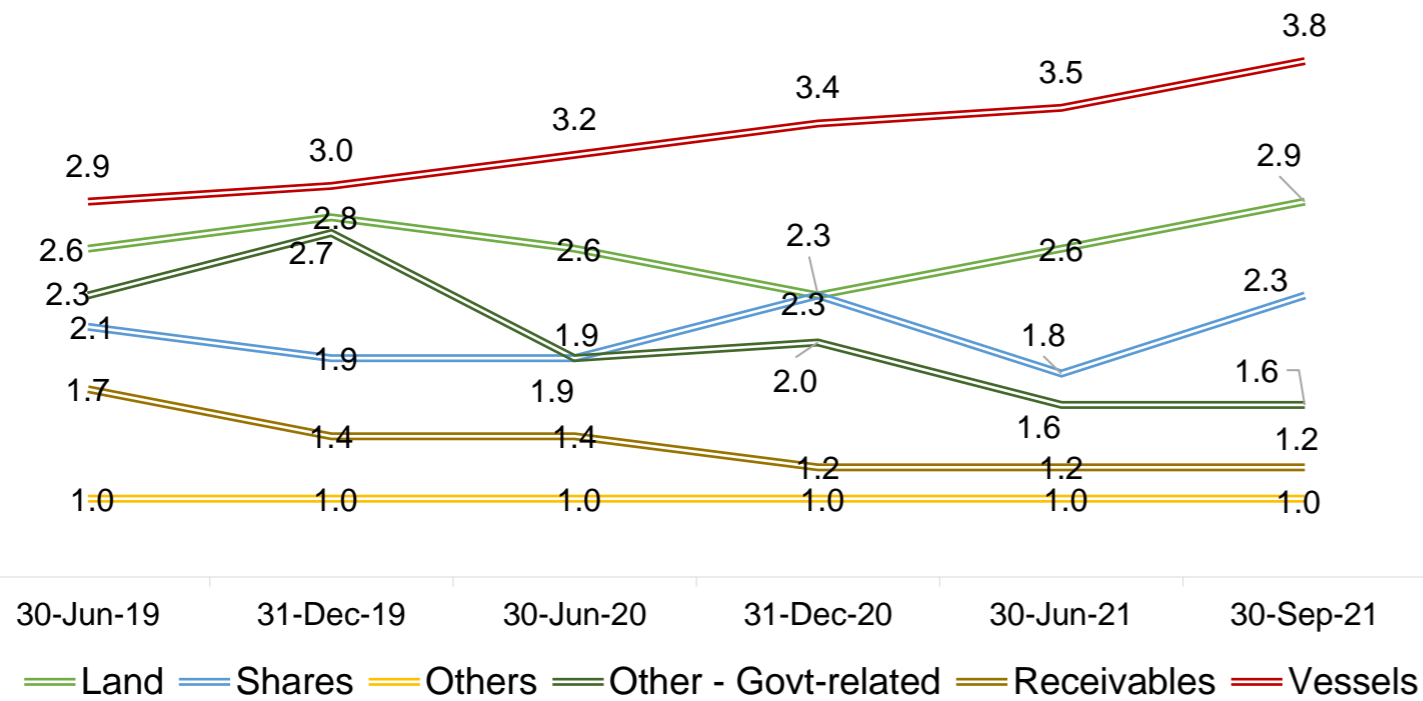
Debt Investments at Amortised Cost



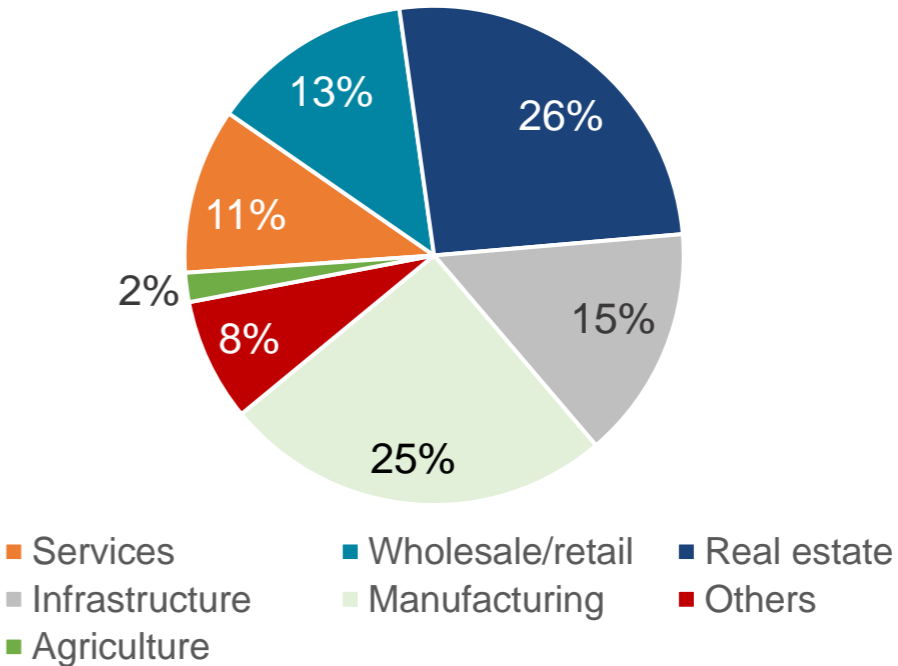
Analysis on Type of Collaterals (%)



Coverage Ratio



Breakdown of Borrowers (30 Sept 2021)





Shipbuilding

- Changbo yard resumed operations on 30 July 2021 and has launched its first vessel
- Power crunch amidst shortage of coal supplies in China have led to electricity rationing and production halt at numerous factories in September and October, impact was kept under control
- Since the start of November, restrictions and constraints on electricity usage have eased; shipyards are now back to normal operations
- YZJ's major shipyards are currently operating at full utilization rates
- No changes to scheduled delivery of vessels in 2H2021
- Completion of the proposed acquisition of 20% equity interest in Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd in 3Q2021

Debt Investment Portfolio

- The Group had announced on 5 August 2021, that it was in the preliminarily phase of conducting a strategic review of its debt investment portfolio to allow the Group to focus on the expansion of its core shipbuilding business
- The Group continues to consider various possibilities and its respective tax implications in order to ensure shareholder value maximization
- The Group's debt investment portfolio has no direct exposure to China Evergrande Group



5 October 2021: Launching of the first vessel built at Changbo yard, which resumed operations on 30 July 2021

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