



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

1Q2017 Results Briefing

April 27, 2017

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SECTION I

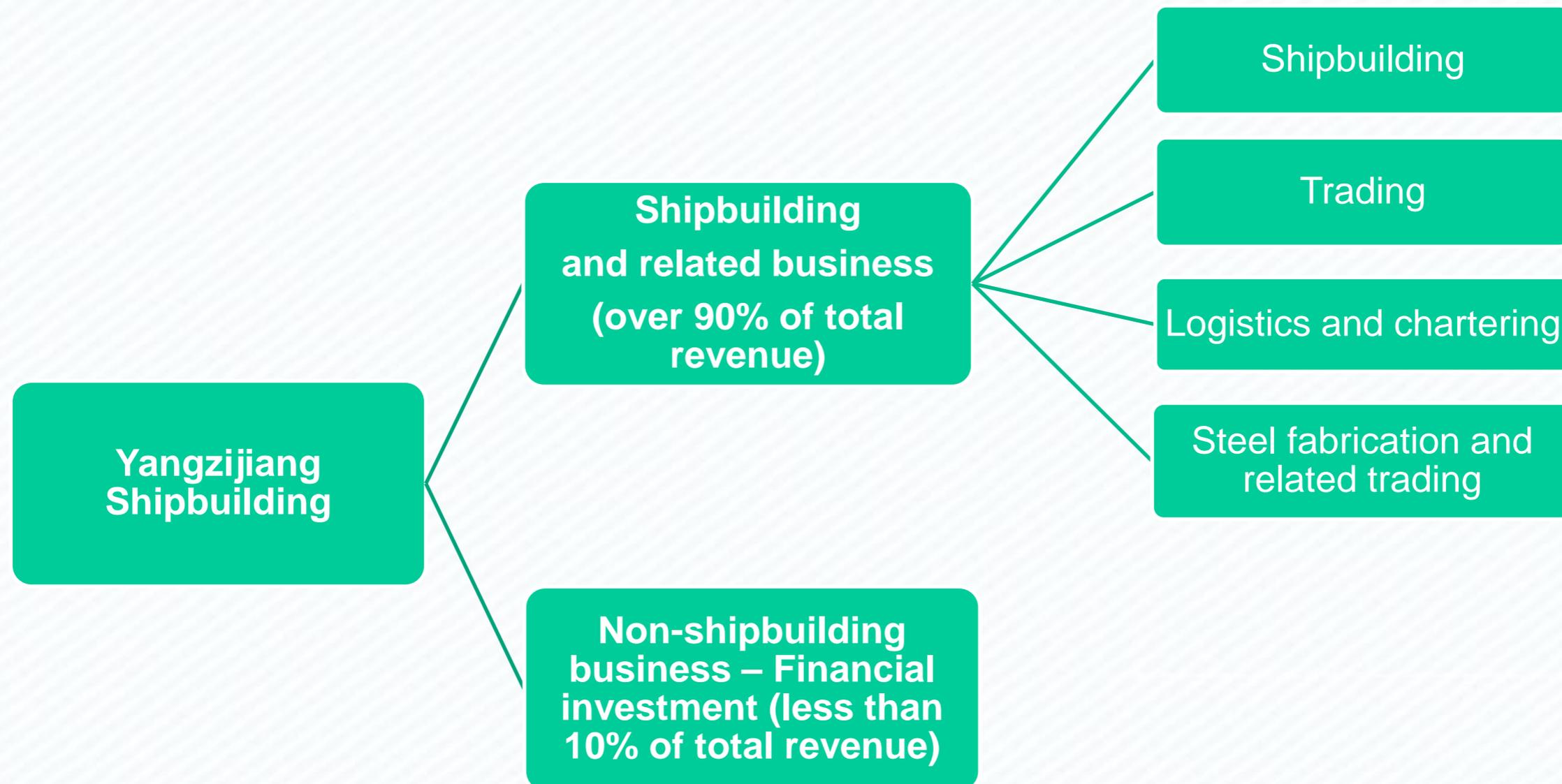
COMPANY OVERVIEW



- 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
- A top ten shipbuilder globally in terms of outstanding order book
 - No.1 in China and No.4 in the world as of end of March 2017
- One of the **most profitable** shipbuilding company

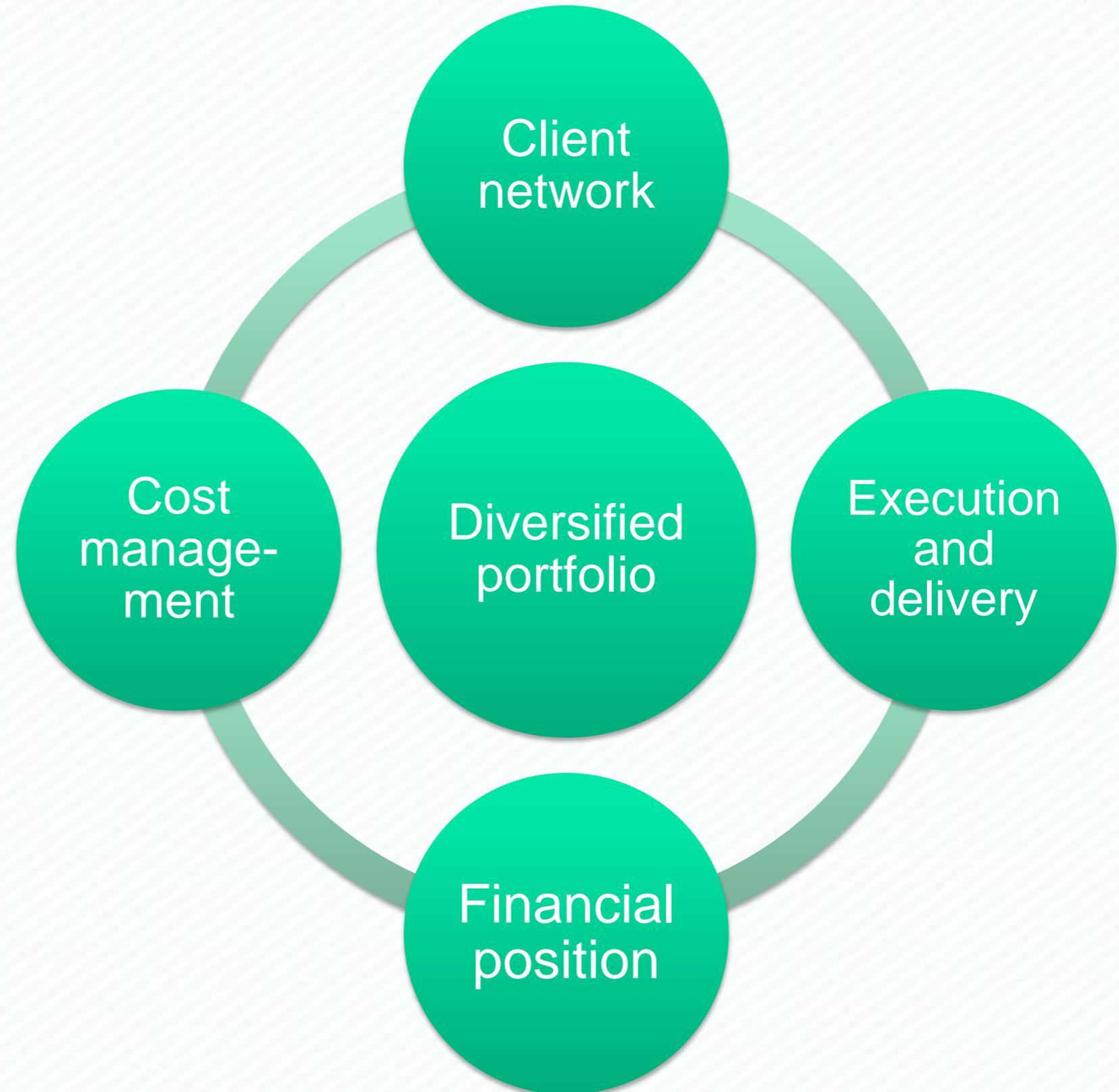


Enhance R&D capability, build key types of vessels of all sizes and highly specialized vessels to cater to and stimulate market demand





Outstanding resilience and consistent financial performance in a challenging shipbuilding market





SECTION II

FINANCIAL HIGHLIGHTS

Results Highlight – 1Q2017 YoY



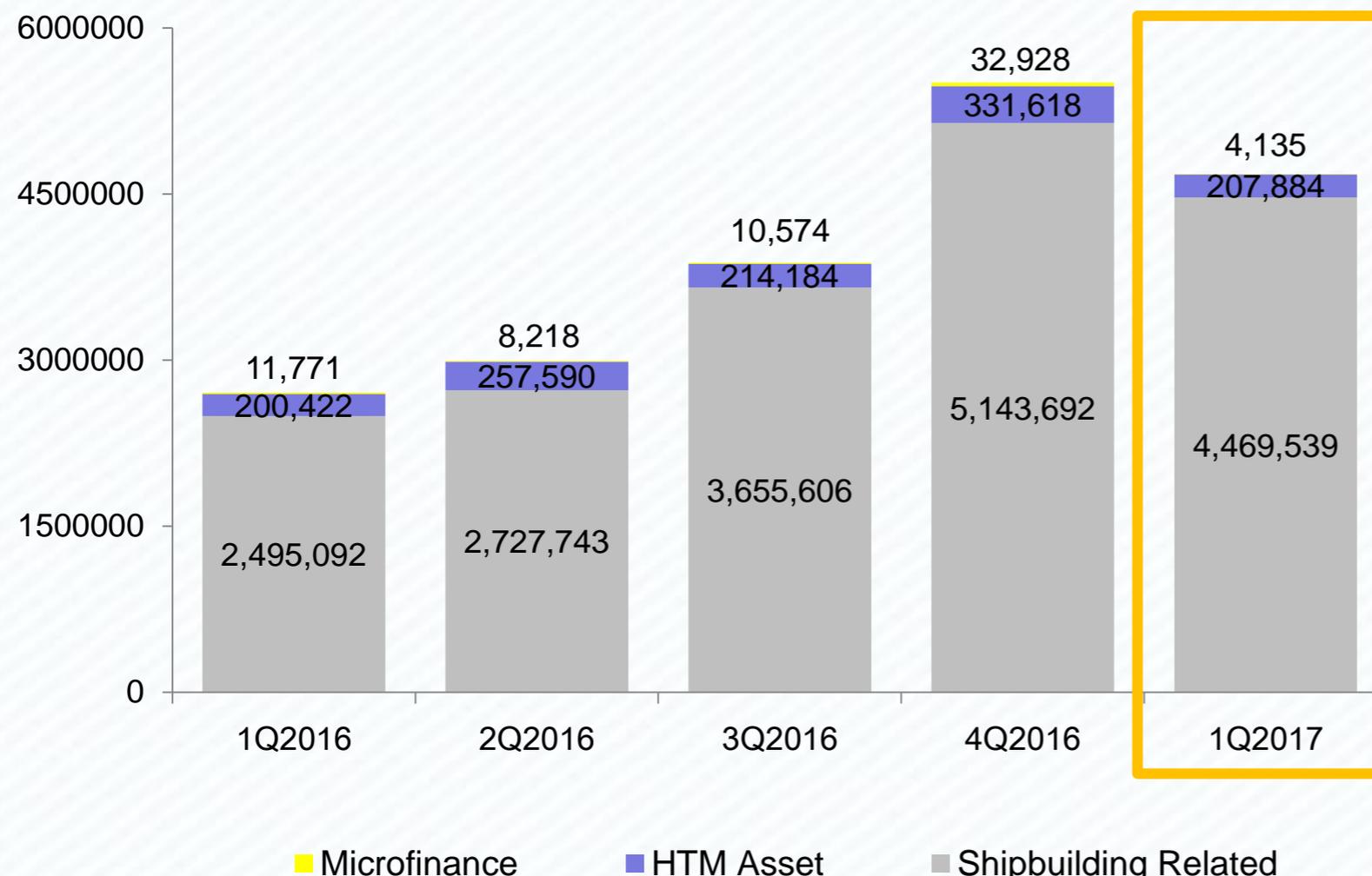
Financial Highlights	1Q2017	1Q2016	Change	Comments
	RMB'000	RMB'000	%	
Revenue	4,681,558	2,707,285	73	14 vessels delivered vs. 15 in 1Q2016, higher revenue from shipbuilding due to resale of four previously terminated bulk carriers and higher trading revenue
Gross Profit	889,341	648,482	37	High Revenue from trading business with low margins contributed 34% of revenue from shipbuilding related segment
Gross Profit Margin	19.0%	24.0%	-	
Other Income	57,434	45,153	27	Higher dividend income
Other Gains	91,072	163,375	(44)	Fair value gain of RMB144 million recognised at the end of 1Q2017 on the outstanding derivative financial instruments and foreign exchange loss of RMB62 million
Expenses #	169,553	161,651	5	Higher impairment provision of RMB45 million made for HTM investments and higher administration costs, offset partially by lower finance costs
Net Profit Attributable to Equity Holders (PATMI)	667,670	447,977	49	
PATMI Margin	14.3%	16.5%	-	

#: Includes Administrative and Finance Expenses
n.m. denotes not meaningful.

Revenue Breakdown



(All amounts are stated in RMB'000)

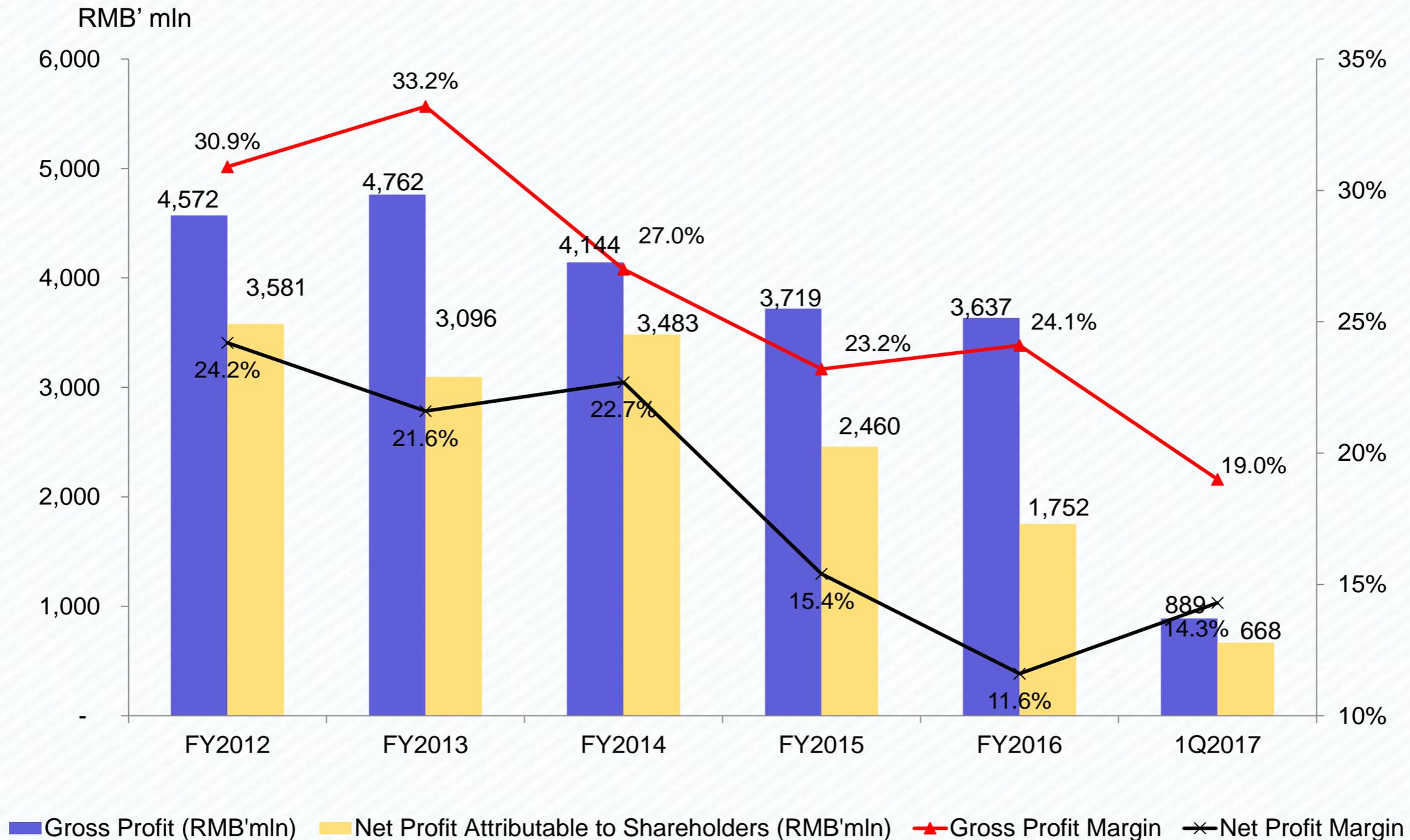


Shipbuilding Related Revenue Breakdown (1Q2017)	Percentage (%)
Shipbuilding	65%
Trading	34%
Others*	1%
Total	100%

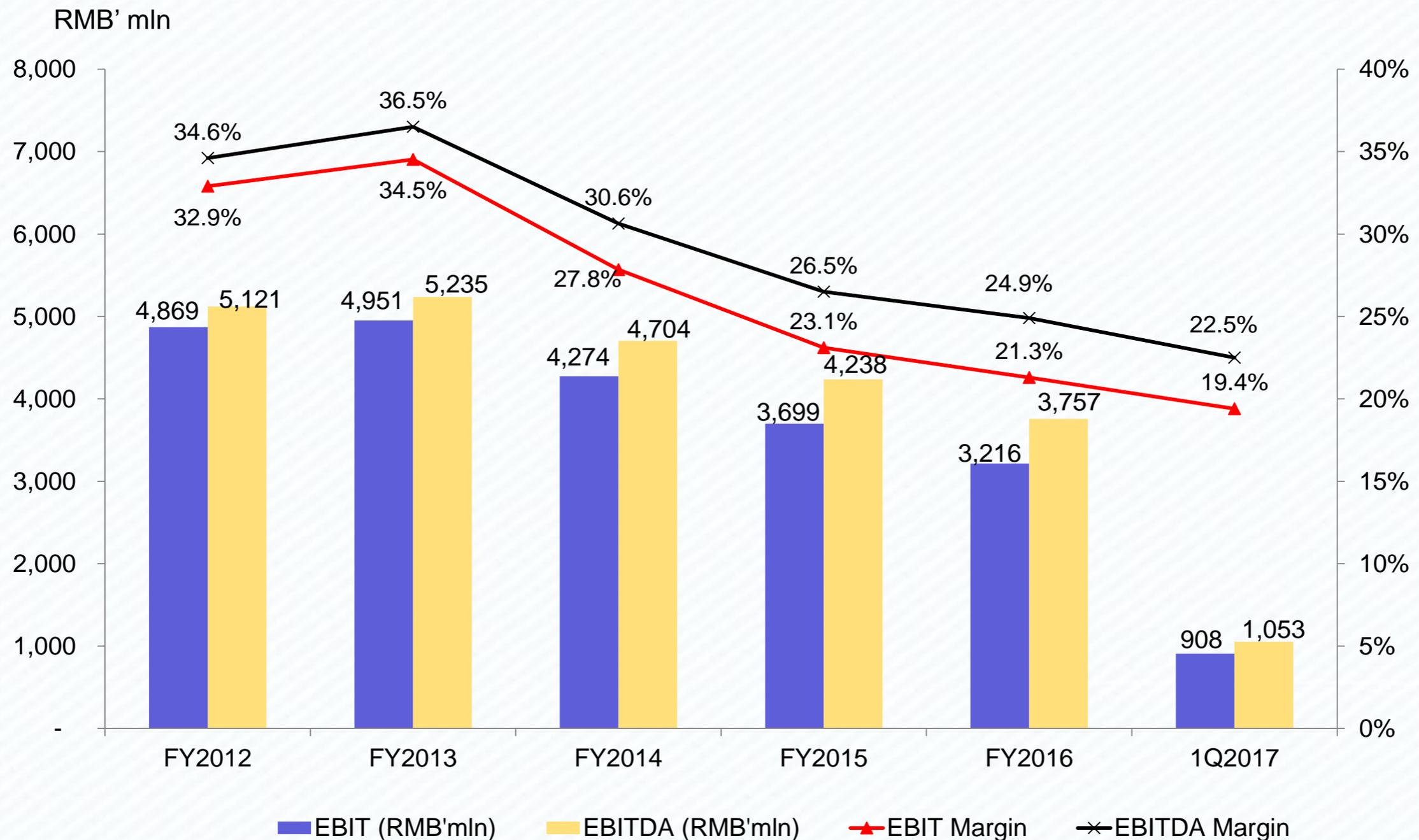
* Includes revenue from shipping logistics and chartering, steel fabrication and ship design services etc.

	Gross Profits		Gross Profit Margins	
	1Q2017	1Q2016	1Q2017	1Q2016
Shipbuilding Related	685,559	449,217	15%	18%
HTM Investment	199,698	188,210	96%	94%
Micro Finance	4,084	11,055	99%	94%

Gross Profit and Net Profit Attributable to Shareholders



EBIT and EBITDA



Results Highlight – Balance Sheet



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Financial Highlights	31 Mar 2017	31 Dec 2016
	RMB'000	RMB'000
Property, Plant and Equipment	5,358,717	5,476,950
Restricted Cash	548,253	1,219,695
Cash & Cash Equivalents	6,671,351	7,085,796
Financial Assets, Held-to-Maturity	10,587,089	10,906,634
Total Debt	5,457,795	7,224,457
Total Equity	23,891,688	23,199,109
Gross Gearing	22.8%	31.1%
Net Gearing (including restricted cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB cents)	609.62	592.20



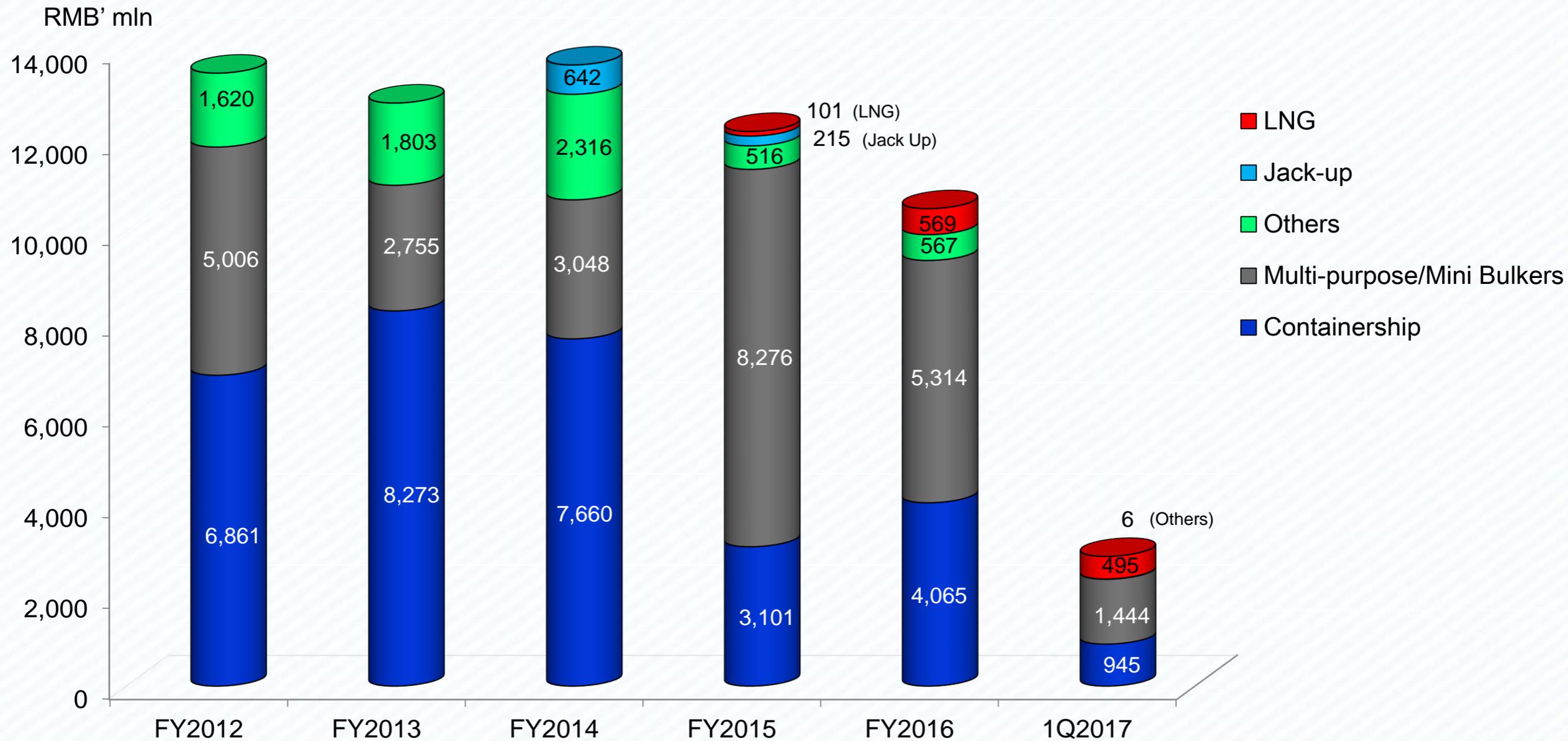
SECTION III - A SEGMENTAL REVIEW

Shipbuilding & Related Segments





Shipbuilding Revenue Breakdown





Total:84 vessels; 3.87 million CGT @ US\$ 4.03 billion
44 containerships, 2.26 million CGT @ US\$ 2.29 billion
35 bulk carriers, 1.41 million CGT @ US\$ 1.49 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 6 vessels
- 1,900TEU x 5 vessels
- 2,700TEU x 7 vessels
- 3,800TEU x 8 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
- 62,000DWT x 5 vessels
- 64,000DWT x 1 vessel
- 82,000DWT x 7 vessels
- 83,500DWT x 3 vessels
- 208,000DWT x 2 vessels
- 260,000DWT x 2 vessels
- 400,000DWT x 6 vessels

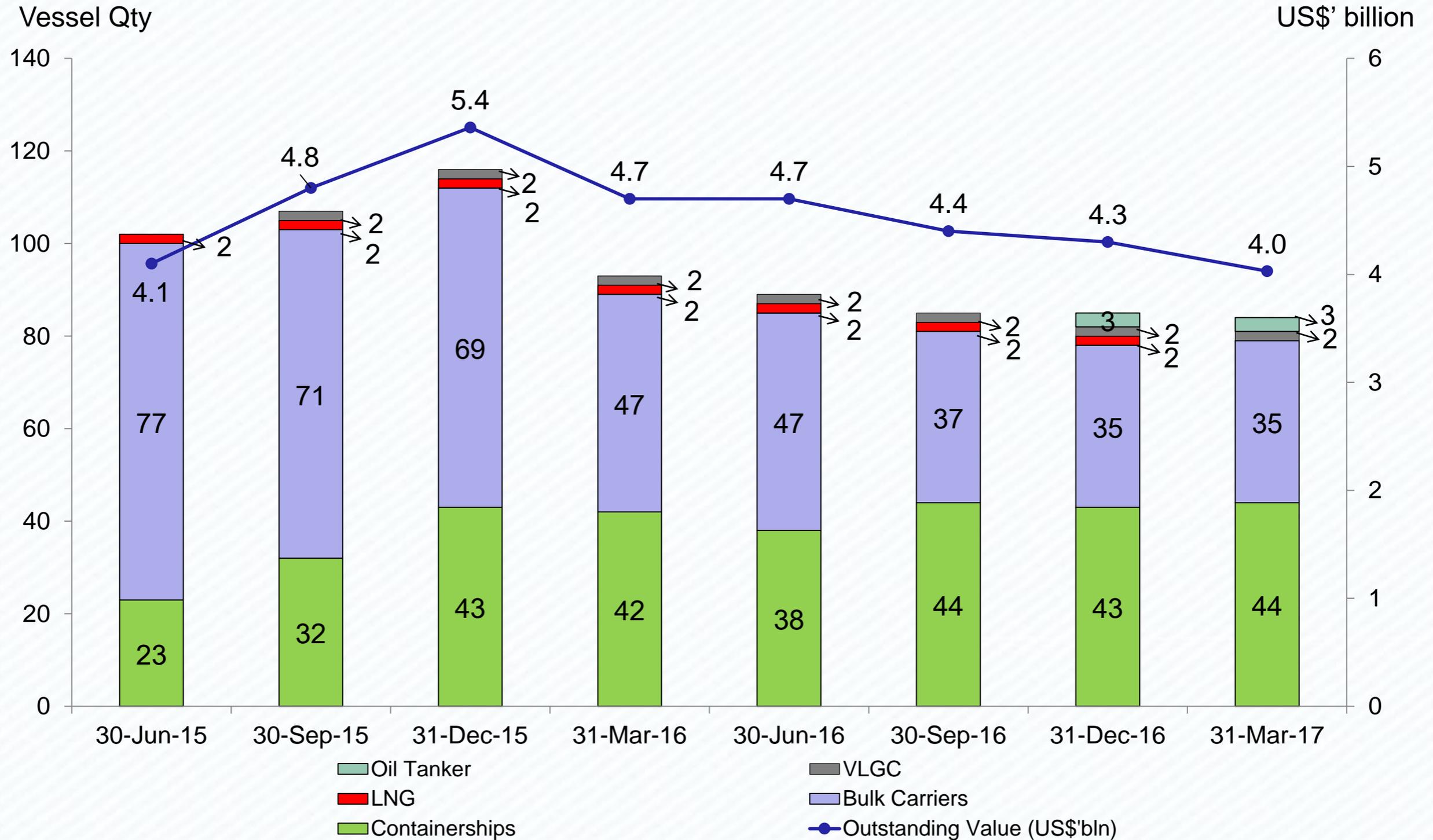
VLGC

- 84,000VLGCs x 2 vessels

Oil Tanker

- 39,000CT x 3 vessels

Historical Order Book



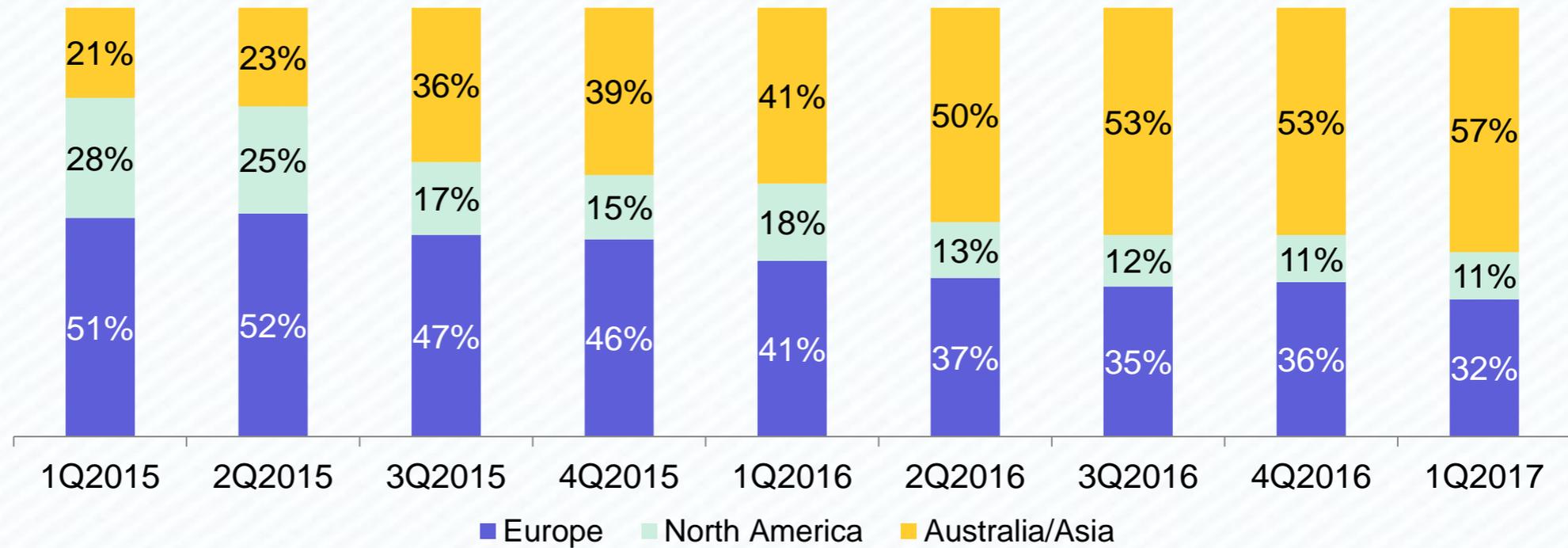
Order Book Customer Profile



Figures are stated as at 31 Mar 2017

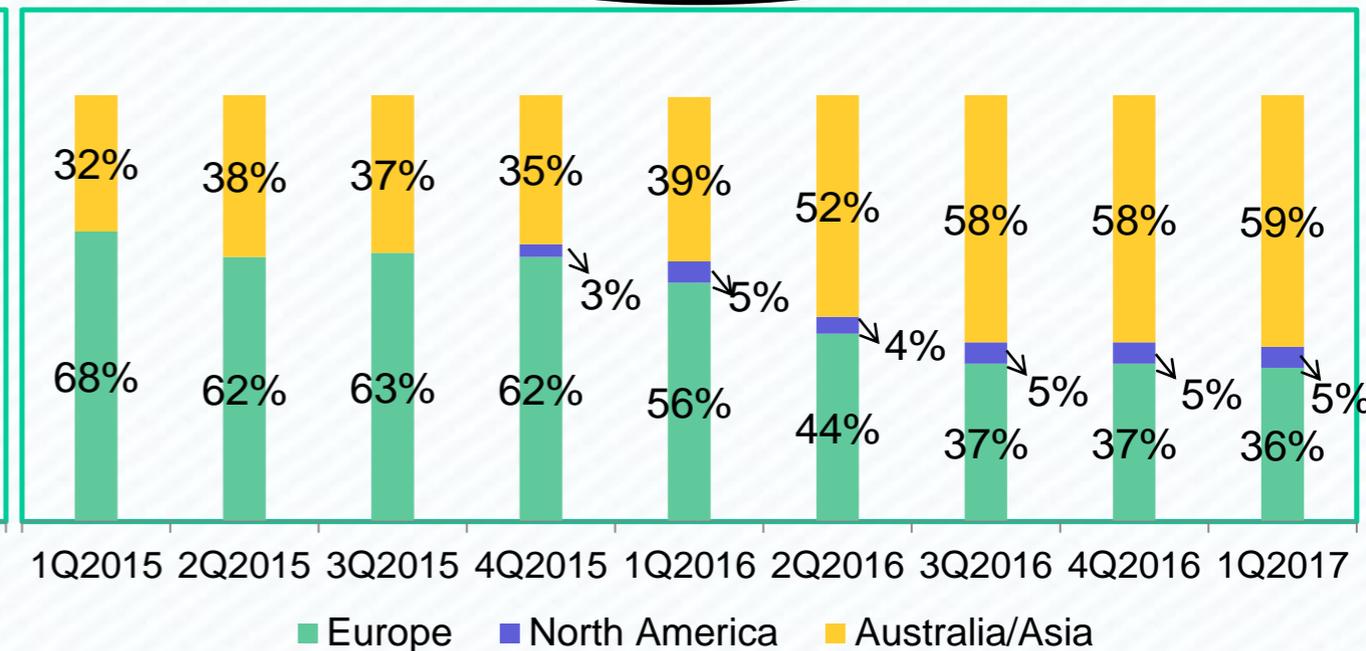
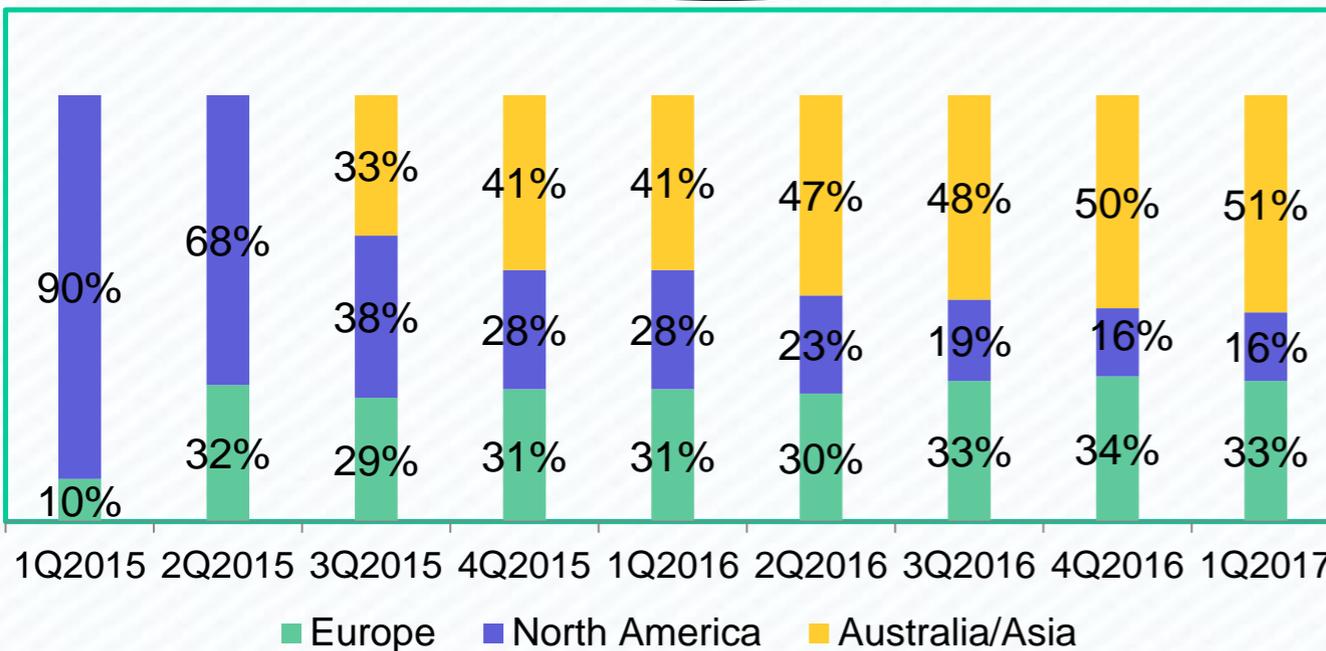
Breakdown by Geographical Segments

2 VLGC Vessel orders
are from Asia
3 Oil Tanker orders
are from Asia



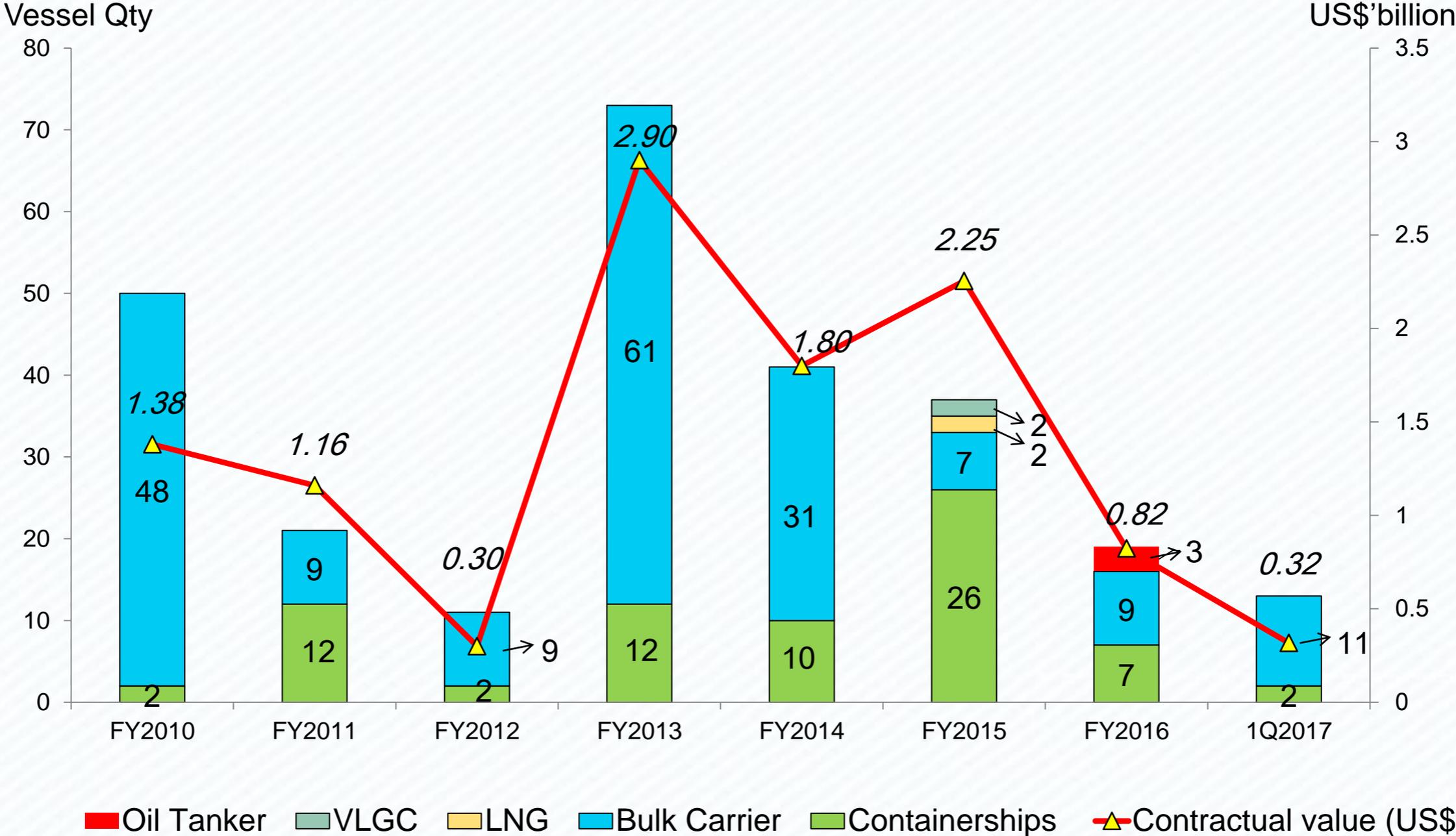
Containerships

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:**

- 10 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 of the shipbuilding market**

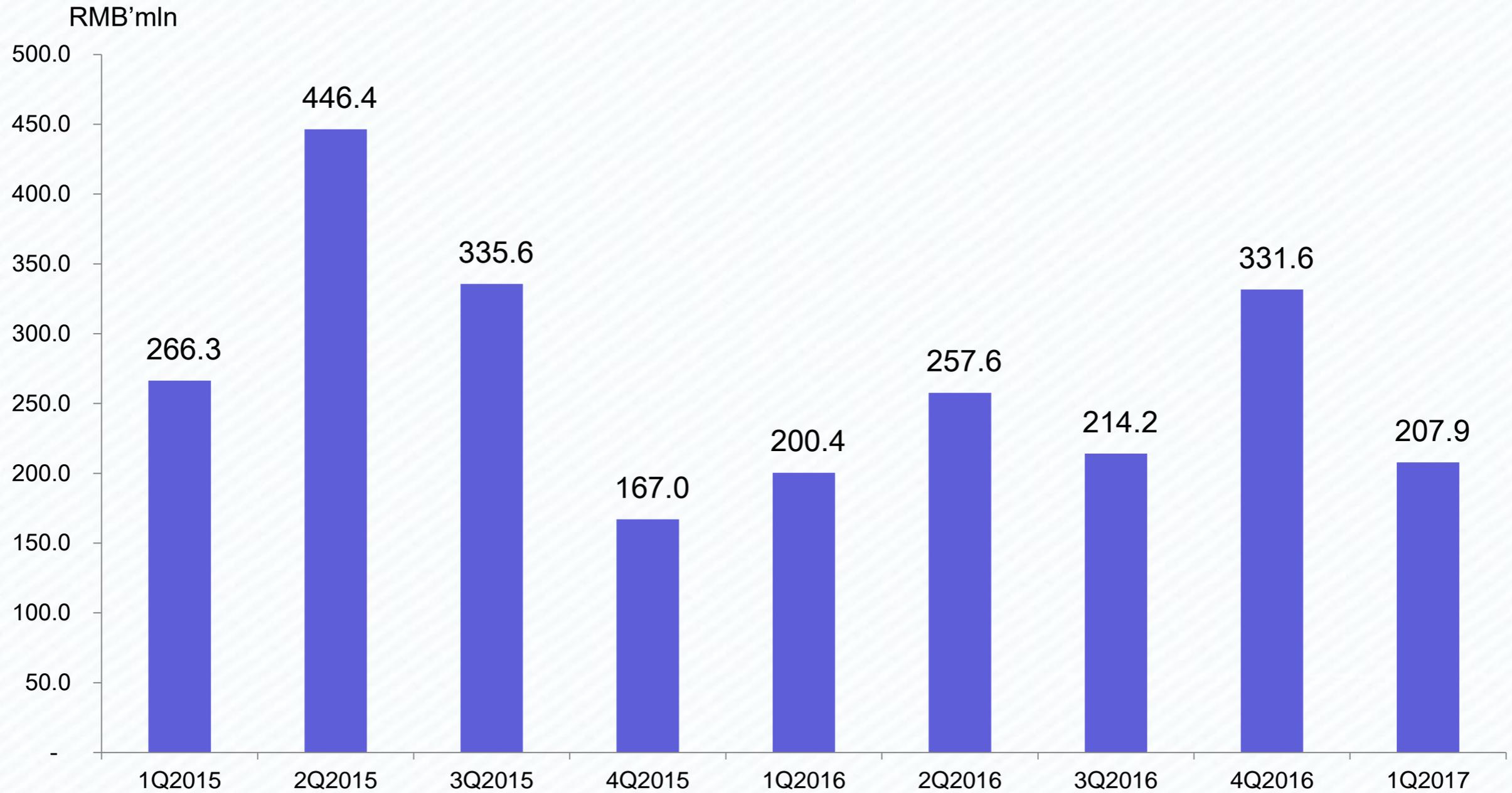


SECTION III - B SEGMENTAL REVIEW

Financial Investments

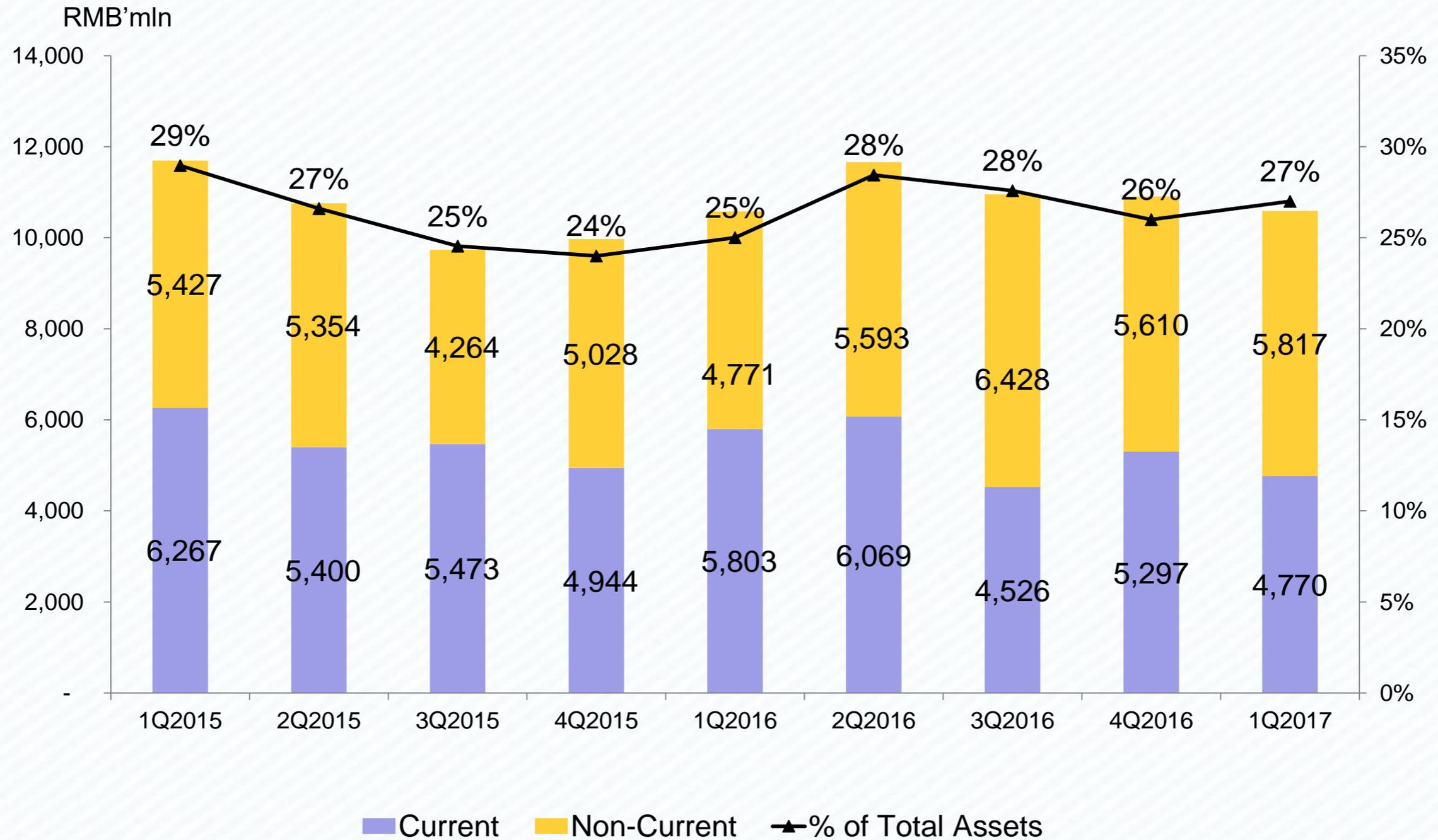


Interest Income Trend - HTM Assets



Source: Company Data

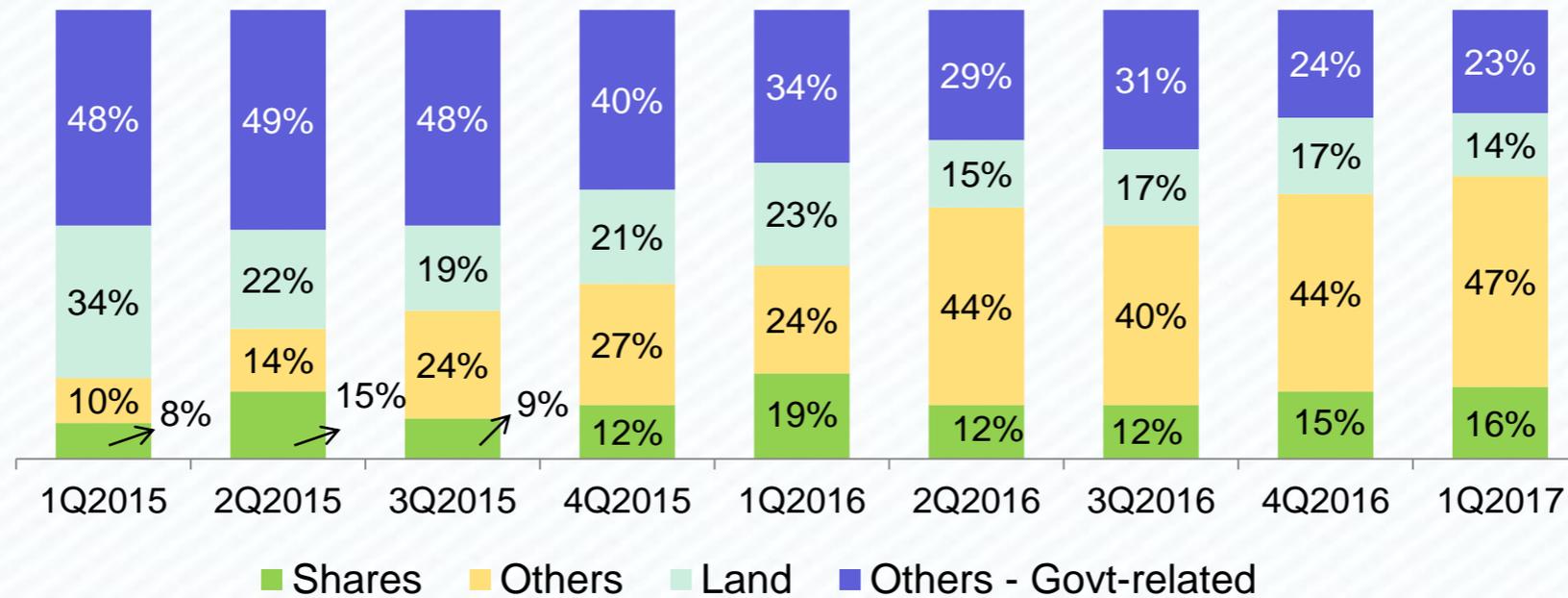
Held-to-Maturity Assets



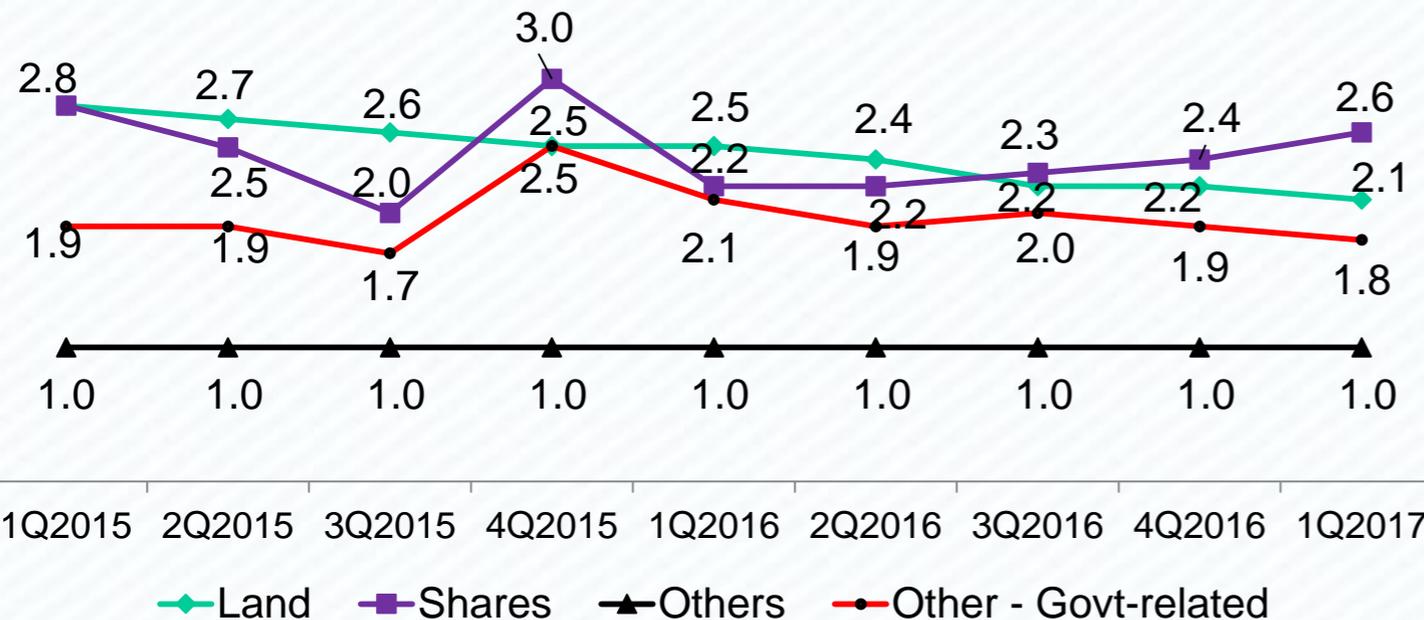
Source: Company Data



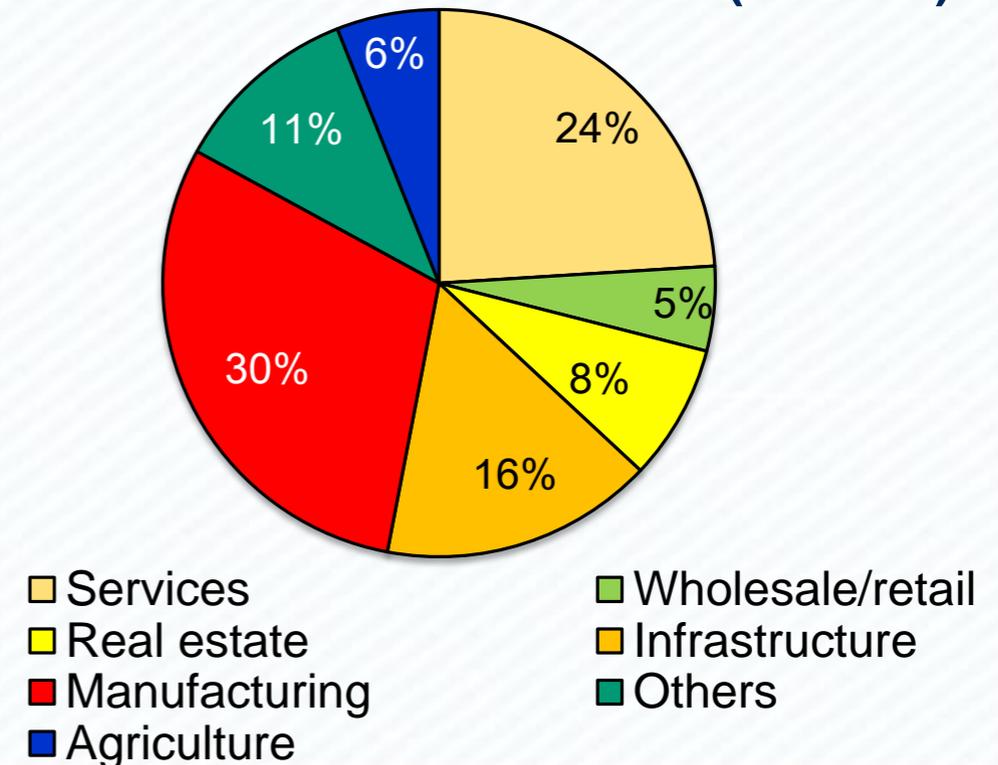
Breakdown of Investment Amount for which collaterals are secured (%)



Coverage Ratio

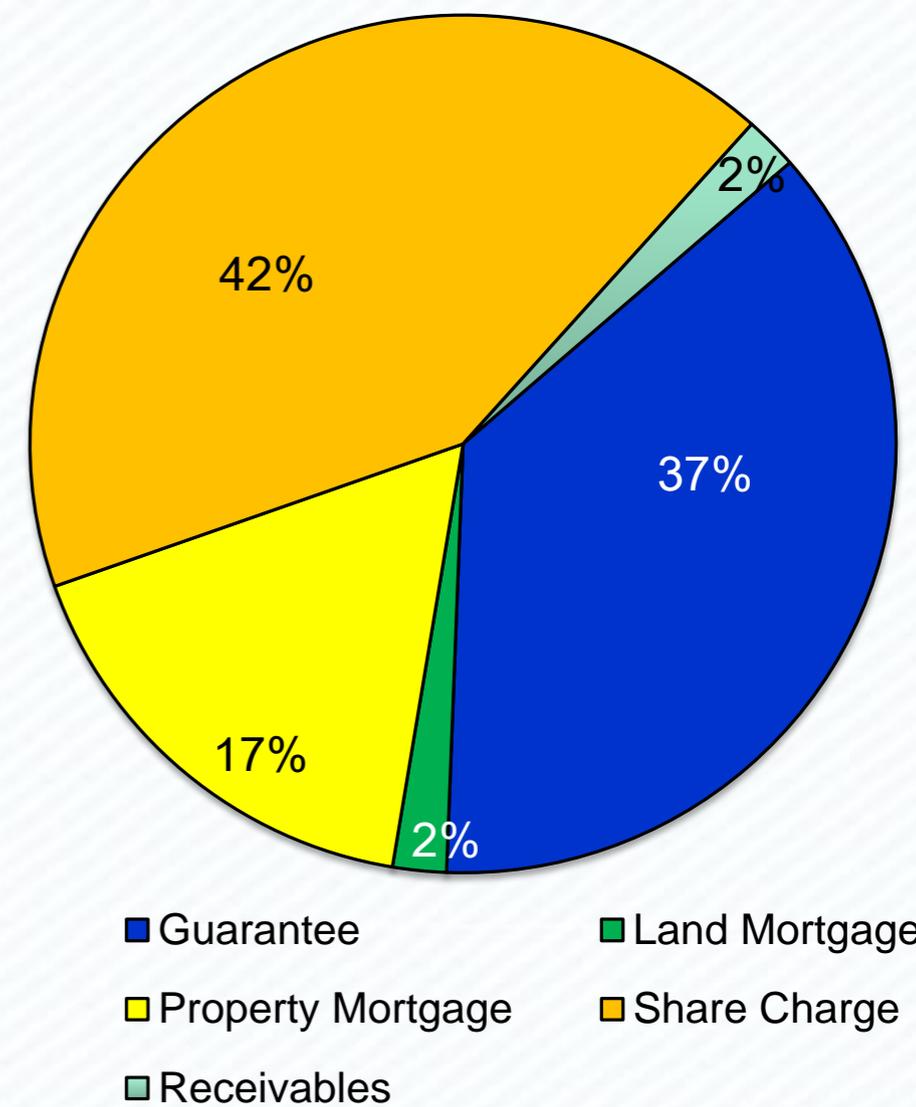
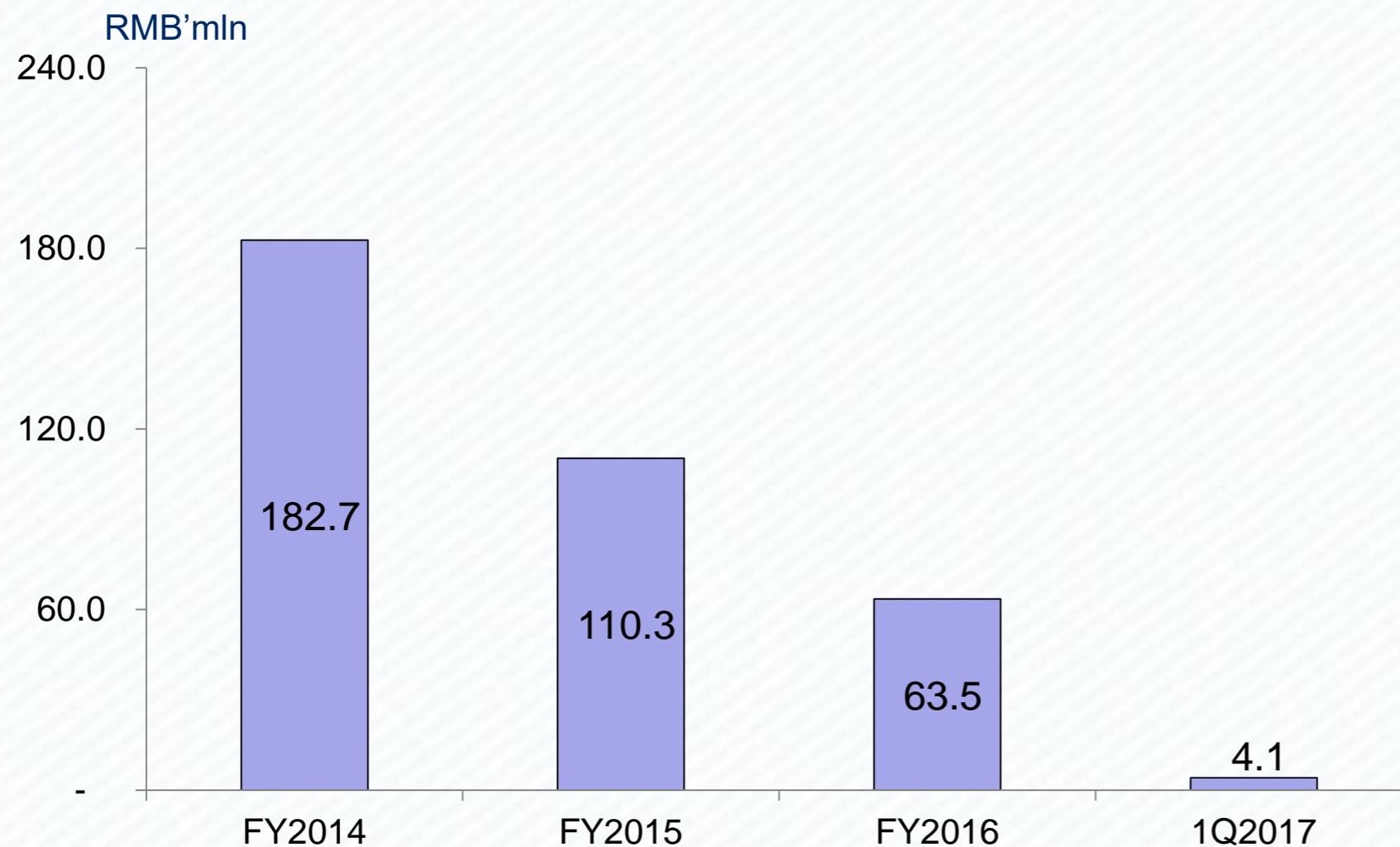


Breakdown of Borrowers (1Q2017)





Breakdown of Collaterals (As of 31 March 2017)





SECTION IV

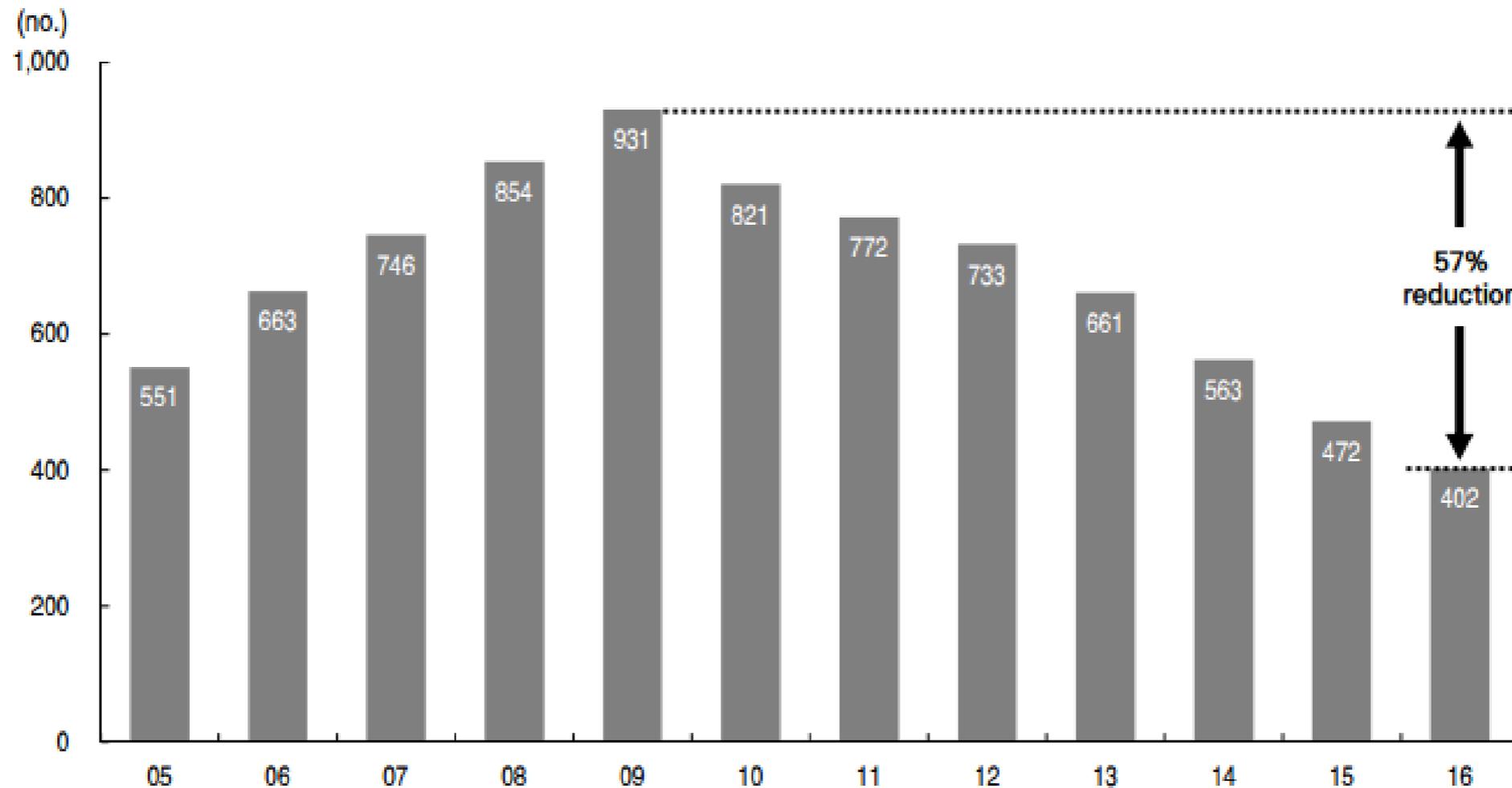
TRENDS & STRATEGIES

Global shipbuilding capacity declined



- As of 2016, the number of global shipbuilders declined 57% from the 2009 level
- The number is expected to fall further in 2017 (by more than 70% overall)
- Global shipbuilding capacity is anticipated to decline 50% from the previous peak
- Capacity is likely to decline 45-50% in 2017 following additional restructuring and industry realignment efforts

Number of global shipbuilders

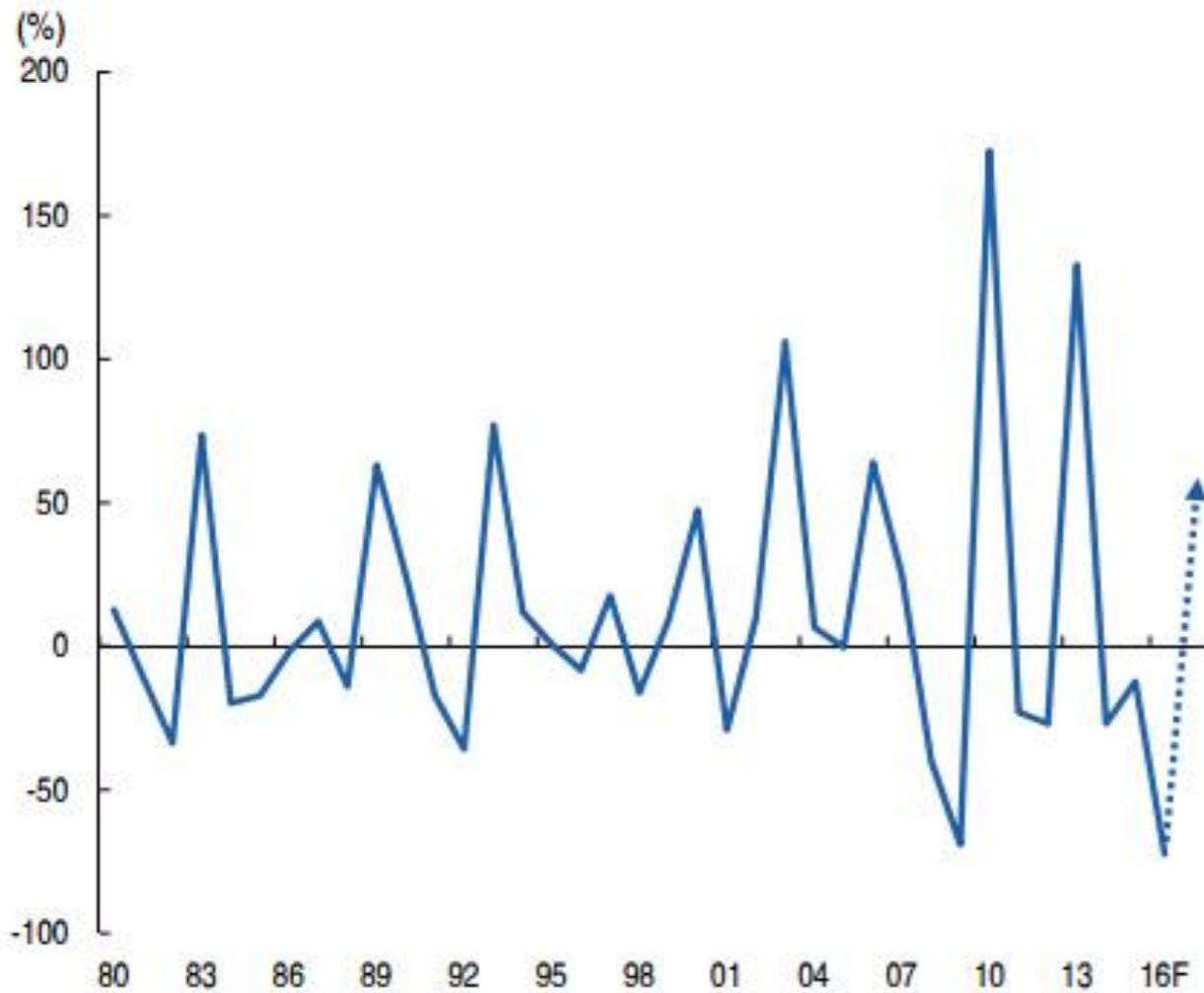


Source: Clarkson, Mirae Asset Daewoo Research



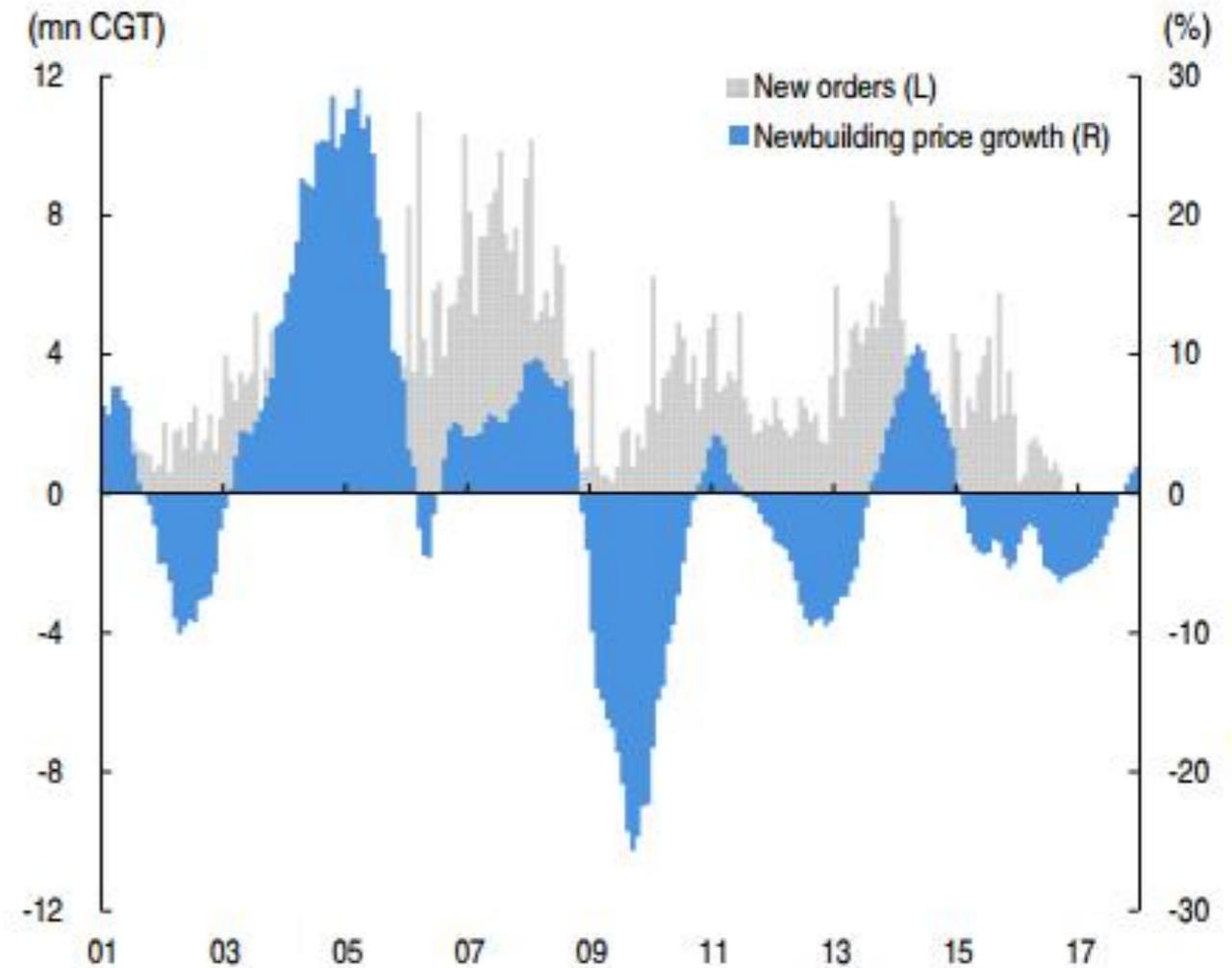
- During 2014-16, shipbuilders for the first time saw orders decline for three consecutive years
- Order growth is likely to recover in 2017 (on a low base of comparison) but orders to stay weak through 1H17
- Ship prices are projected to pick up in 2H17

Order growth and outlook: Historic-low level in 2016



Source: Clarkson, Mirae Asset Daewoo Research

Newbuilding price growth and outlook



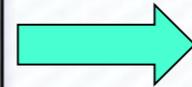
Source: Clarkson, Mirae Asset Daewoo Research



- Increased global shipping demand supported by the transportation of iron ore and grain, which led to increases in charter rates and a strong rebound of the Baltic Dry Index
- The increase in second-hand vessel prices also triggered increased enquiries for new build vessels
- Oversupply of vessels remains, sustainability of recovery remains to be seen

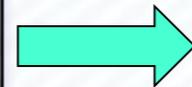


Containerships



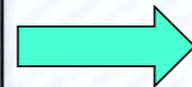
Remains as a key category in portfolio

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

- 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



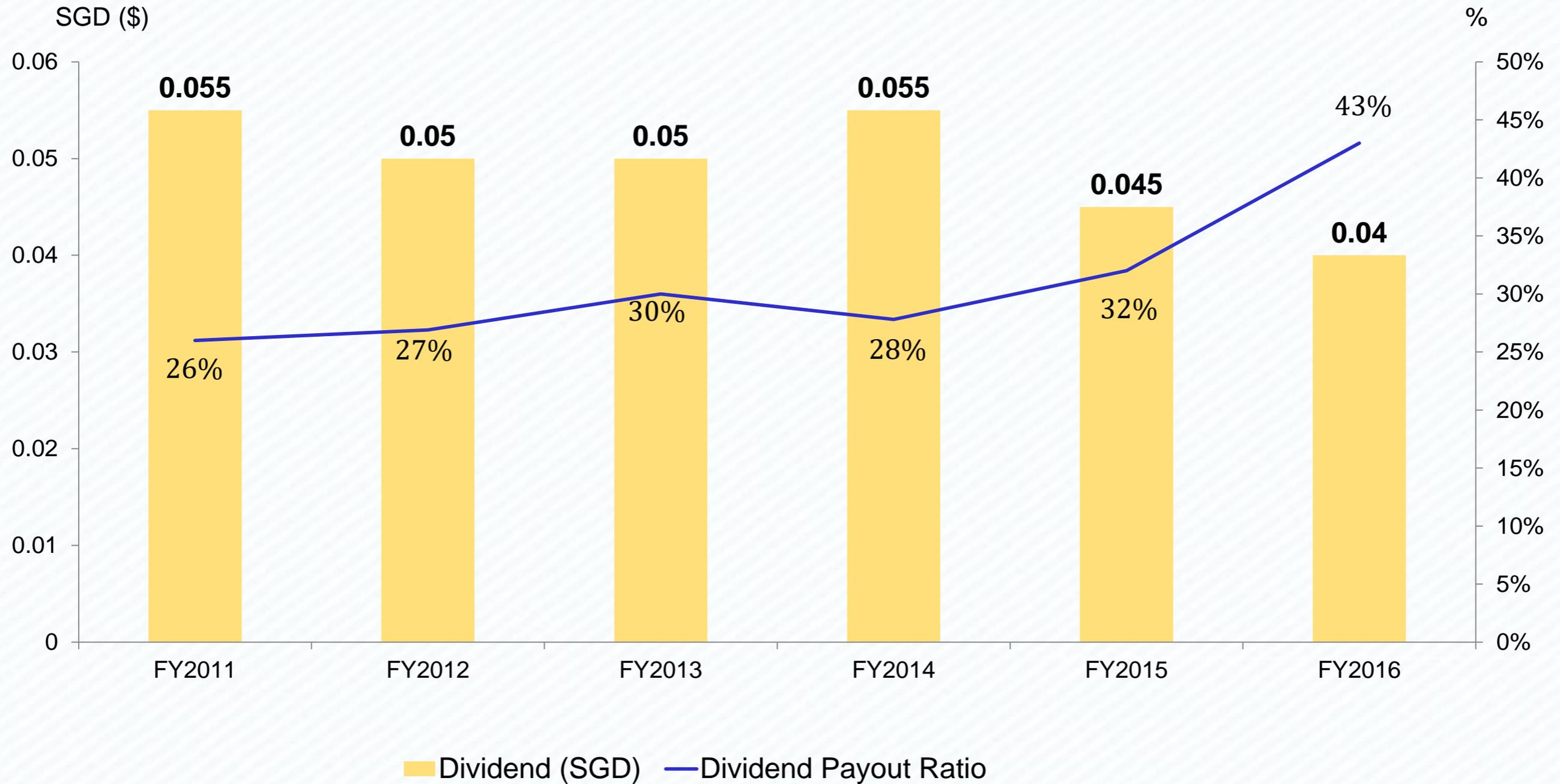


SECTION VI

STOCK INFORMATION



Dividend and dividend payout ratio



Top Shareholders



No.	Holder Name	Position	Filing Date	%
1	YANGZI INTERNATIONAL	1,002,845,825	19/4/2016	26.17
2	LIDO POINT INVESTMENTS LTD	394,134,000	10/3/2015	10.29
3	HONGKONG HENGYUAN INVESTMENT	303,962,240	11/3/2016	7.93
4	GRANTHAM MAYO VAN OTTERLOO & CO	71,148,380	30/9/2016	1.86
5	VALUE PARTNERS GROUP LTD	54,104,100	30/6/2016	1.41
6	VANGUARD GROUP	45,509,606	31/3/2017	1.19
7	BLACKROCK	41,422,658	26/4/2017	1.08
8	SEB	41,221,900	30/09/2016	1.08
Total		1,954,348,709		51.01

Source: Bloomberg, as of April 27, 2017

Stock Performance



Source: Bloomberg, as of April 27, 2017



Thank You Q&A

For more information,
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