



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

1H2021 Corporate Presentation

5 August 2021

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**SECTION I
BUSINESS UPDATE**

Update on Order Wins for YTD 2021



- YTD2021 order wins for **112 vessels** worth **USD6.67 billion**, Yangzijiang's largest order wins in history
- 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	10+5*
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

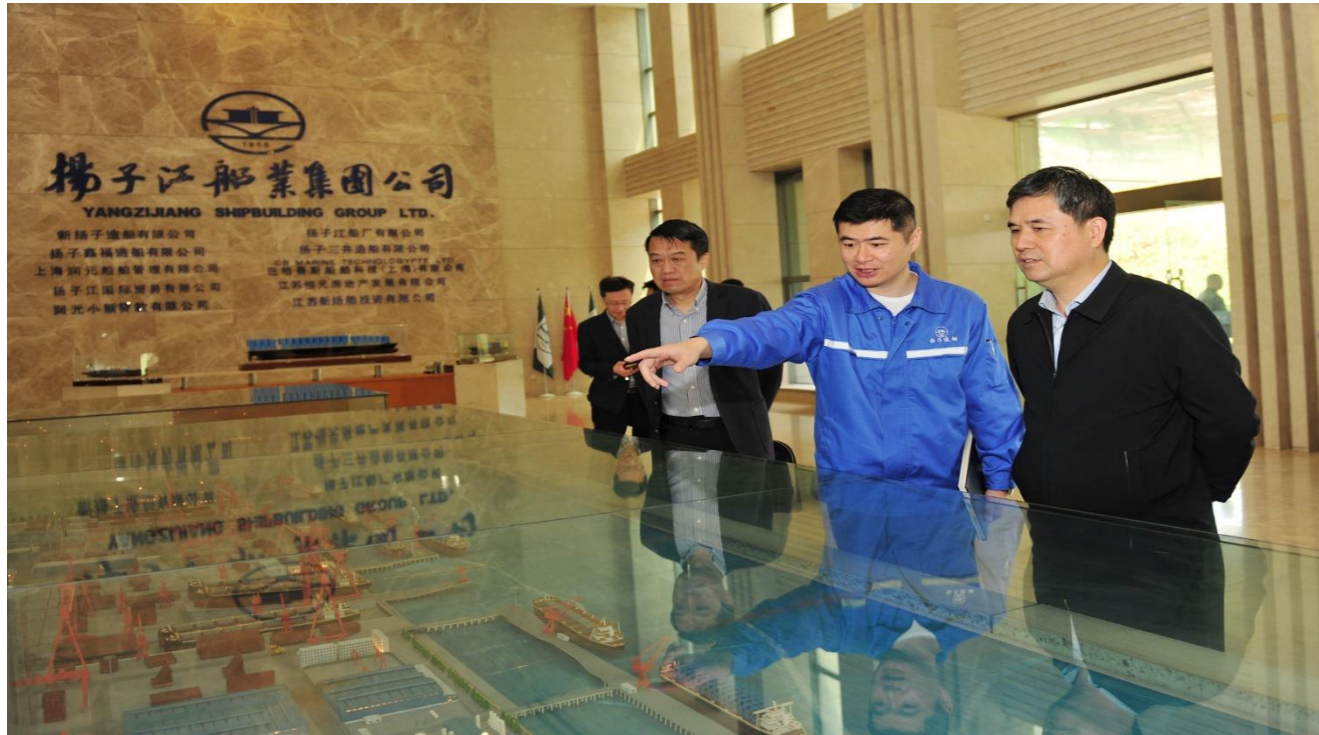
Bulk Carriers	
Vessel Type	No. of Vessels
82,300DWT	16
66,000DWT	4
29,800DWT Self-loading	1
31,800DWT Great Lake	4

*Orders for 5 units of LNG dual-fuel 7,000TEU containerships will come into effect this month, in August 2021

Half-Yearly Highlights in Pictures



Yangzijiang Shipbuilding (Holdings) Ltd.
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SECTION II FINANCIAL HIGHLIGHTS

Results Highlight – Income Statement



Financial Highlights	1H2021	1H2020	Change	Comments
	RMB'000	RMB'000	%	
Revenue	6,600,236	8,265,321	(20)	23 vessels delivered in 1H2021, fewer than the 28 vessels delivered a year ago. Core shipbuilding revenue was 10% lower at RMB4.78 billion for 1H2021. Interest income derived was lower at RMB903.9 million due to lower average interest rate earned from new investments in 1H2021 as compared to last year.
Gross Profit	1,686,313	1,983,910	(15)	Core shipbuilding margin was 14% in 1H2021 as compared to 16% in 1H2020, due to rising raw material costs and strengthening of RMB against USD.
Gross Profit Margin	26%	24%	2ppts	
Reversal of impairment loss/ (impairment loss) on financial assets	166,229	(334,286)	n.m.	Net reversal of impairment loss on financial assets in 1H2021, compared to a provision of impairment loss in 1H2020 due to a net release of impairment provision following repayment of debt investment during the period.
Other Administrative Expenses	(249,529)	(246,291)	1	
Finance Costs	(36,059)	(57,718)	(38)	Lower bank borrowing and borrowing costs in 1H2021
Other Income	265,445	162,667	63	Increased largely due to higher dividend income of RMB71 million from financial assets at fair value through profit of loss, partly offset by lower interest income from bank deposits.
Other Gains, net	351,674	139,223	153	Higher fair value gain of RMB162.2 million on financial assets at fair value through profit or loss, foreign exchange related gains of RMB112.6 million, higher subsidy income of RMB52.7 million and RMB25.4 million gain from disposal of one 82,000DWT bulk carrier
Net Profit Attributable to Equity Holders (PATMI)	1,638,920	1,177,753	39%	
PATMI Margin	25%	14%	11ppts	

Revenue Breakdown

Shipbuilding Related Segment	1H2021		1H2020	
	RMB'000	%	RMB'000	%
Shipbuilding Turnover	4,778,164	100	5,294,481	100
Cost	(4,130,869)	-86	(4,434,984)	-84
Margin	647,295	14	859,497	16
Trading Turnover	321,881	100	1,560,764	100
Cost	(313,478)	-97	(1,538,623)	-99
Margin	8,403	3	22,141	1
Others* Turnover	596,285	100	325,145	100
Cost	(422,712)	-71	(257,933)	-79
Margin	173,573	29	67,212	21

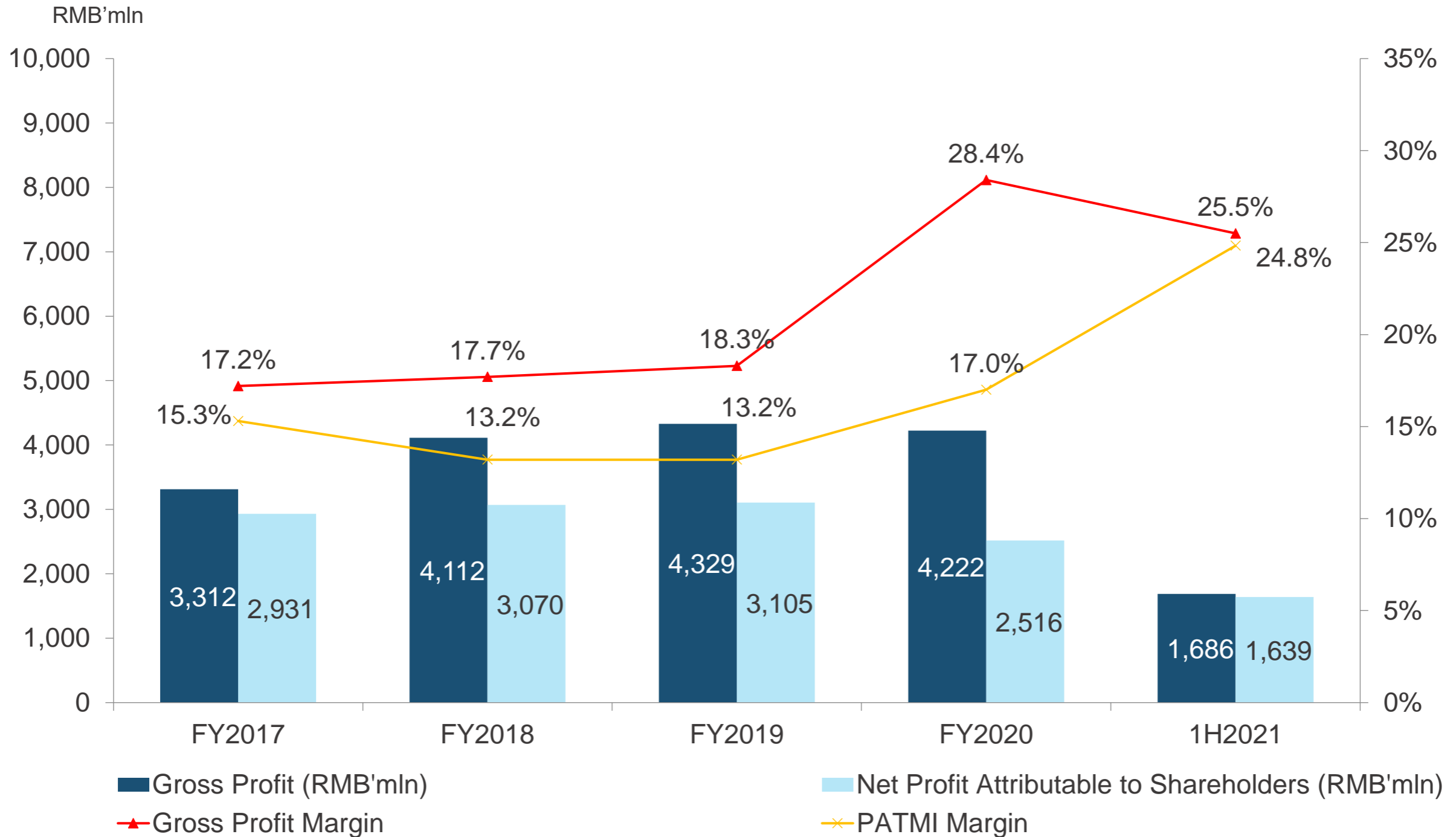
*Other businesses such as shipping logistics & chartering and ship design services

Investment Segment	1H2021		1H2020	
	RMB'000	%	RMB'000	%
Interest Income	903,906	100	1,084,931	100
Sale taxes and levies	(46,864)	-5	(49,871)	-5
Net Interest Income	857,042	95	1,035,060	95

Consolidated	1H2021		1H2020	
	RMB'000	%	RMB'000	%
Total Revenue	6,600,236	100	8,265,321	100
Cost	(4,913,923)	-74	(6,281,411)	-76
Margin	1,686,313	26	1,983,910	24

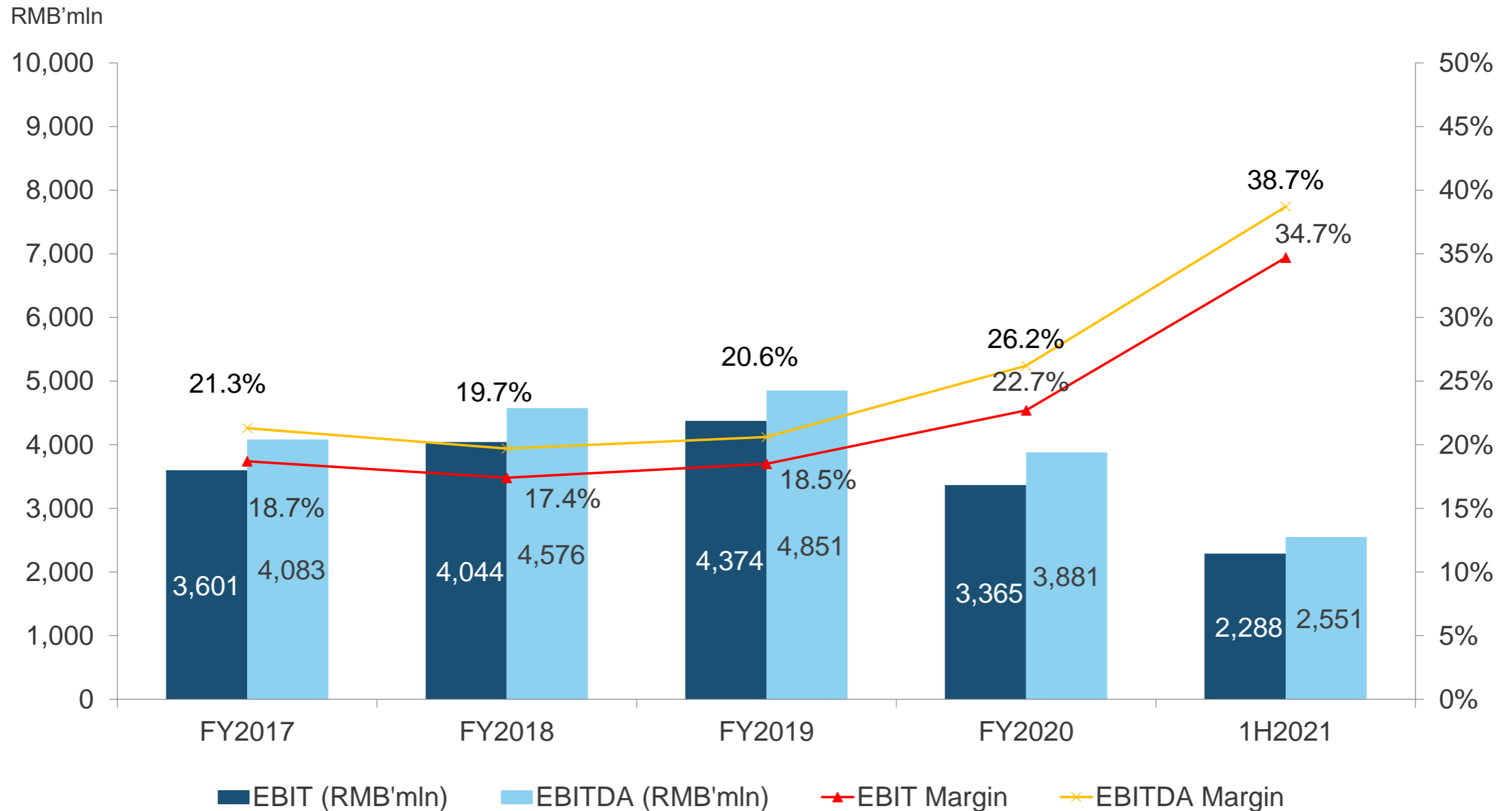
Profitability Trend

Gross Profit and Net Profit Attributable to Shareholders



Profitability Trend

EBIT AND EBITDA



Results Highlight – Balance Sheet



Yangzijiang Shipbuilding (Holdings) Ltd.
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Financial Highlights	30 June 2021	31 Dec 2020
	RMB'000	RMB'000
Property, Plant and Equipment	4,966,130	5,226,004
Restricted Cash	731,583	15,624
Cash & Cash Equivalents	9,715,711	6,633,416
Debt Investments at Amortised Costs	16,626,280	16,957,689
Total Debt	4,682,842	4,244,053
Total Equity	34,189,013	33,376,515
Gross Gearing	13.7%	12.7%
Net Gearing (including Restricted Cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB)	8.61	8.40



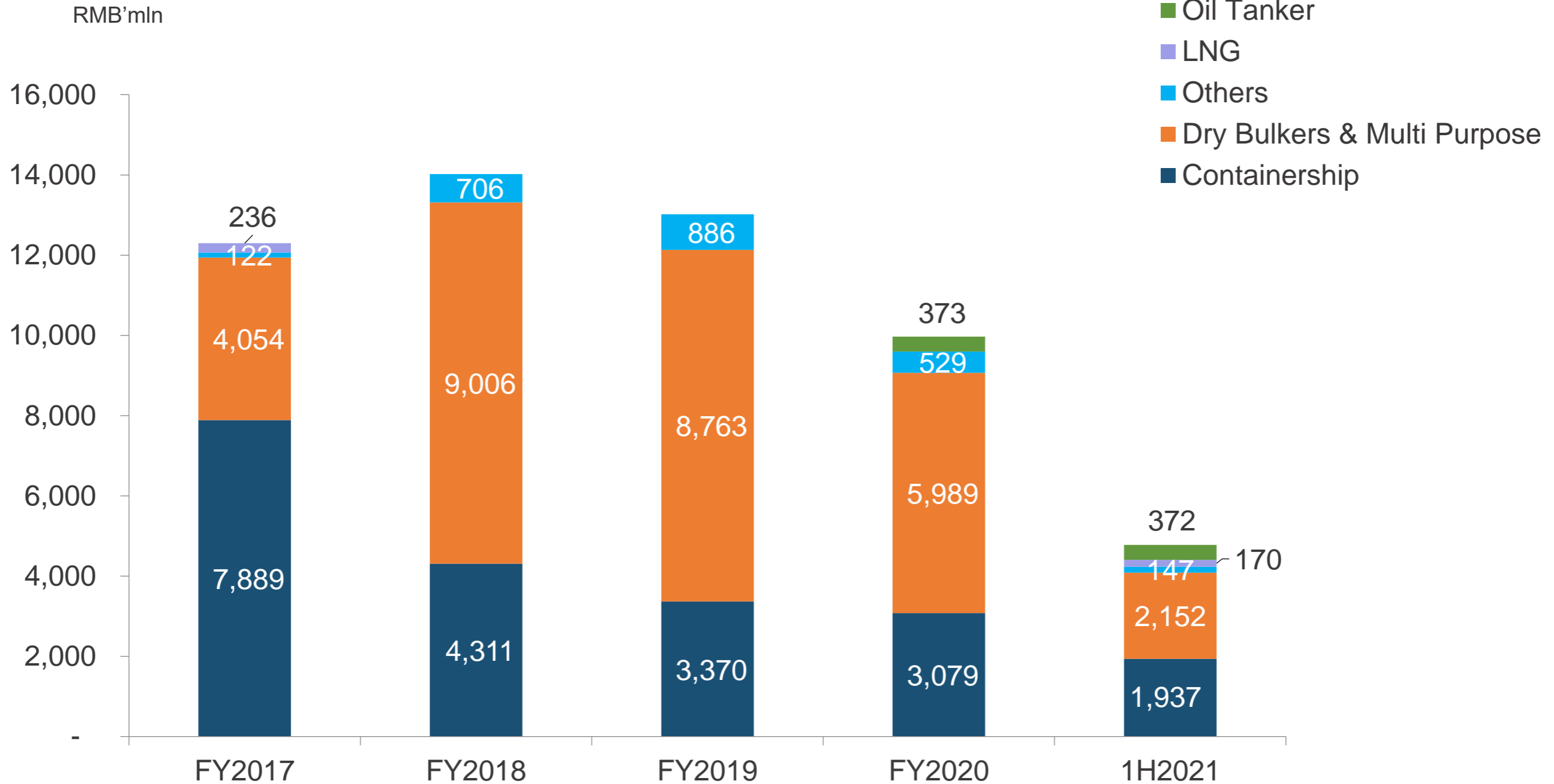
SECTION III SEGMENTAL REVIEW



Revenue Trend



Shipbuilding Revenue Breakdown



Overview of Order Book

167 vessels

US\$8.65 billion in contract value

9.27 million CGT

Delivery: 2021- 2024

Containerships

111 units
Total CGT – 7.70 million
Total value – US\$6.91 billion

Size	No. of Vessels
1,000 TEU	4
1,800 TEU	20
2,400 TEU	8
2,600 TEU	10
2,700 TEU	1
3,300 TEU	3
3,500 TEU ^	10
4,600TEU	10
11,800TEU	6
12,200TEU	5
14,000 TEU	2
15,000TEU	16
24,000 TEU	6
LNG Dual-Fuel 7000 TEU	10

Bulk Carriers

43 units
Total CGT – 1.32 million
Total value – US\$1.30 billion

Size	No. of Vessels
29,800 DWT ^	1
31,800 DWT	8
40,000 DWT	3
56,000 DWT	2
59,000 DWT	2
66,000 DWT^	4
82,300 DWT ^	19
180,000 DWT	1
325,000 DWT	3

LPG/LNG/Tanker

13 units
Total CGT – 0.25 million
Total value – US\$0.44 billion

Size	No. of Vessels
690 FEU LNG	4
Dual Fuel 13,000 CT*	2
9,150 DWT CT *	2
50,000 DWT MR **	2
40,000 CBM LPG ^	3

* Chemical Tanker
** Medium Range

^ 3 units of 40,000 CBM LPG carriers , 1 unit of 29,800 DWT carrier, 5 units of 3,500TEU containerships, 4 units of 6600 DWT and 11 units of 82,300 DWT with a total contract value of USD822.68 million will be built and delivered by YAMIC.

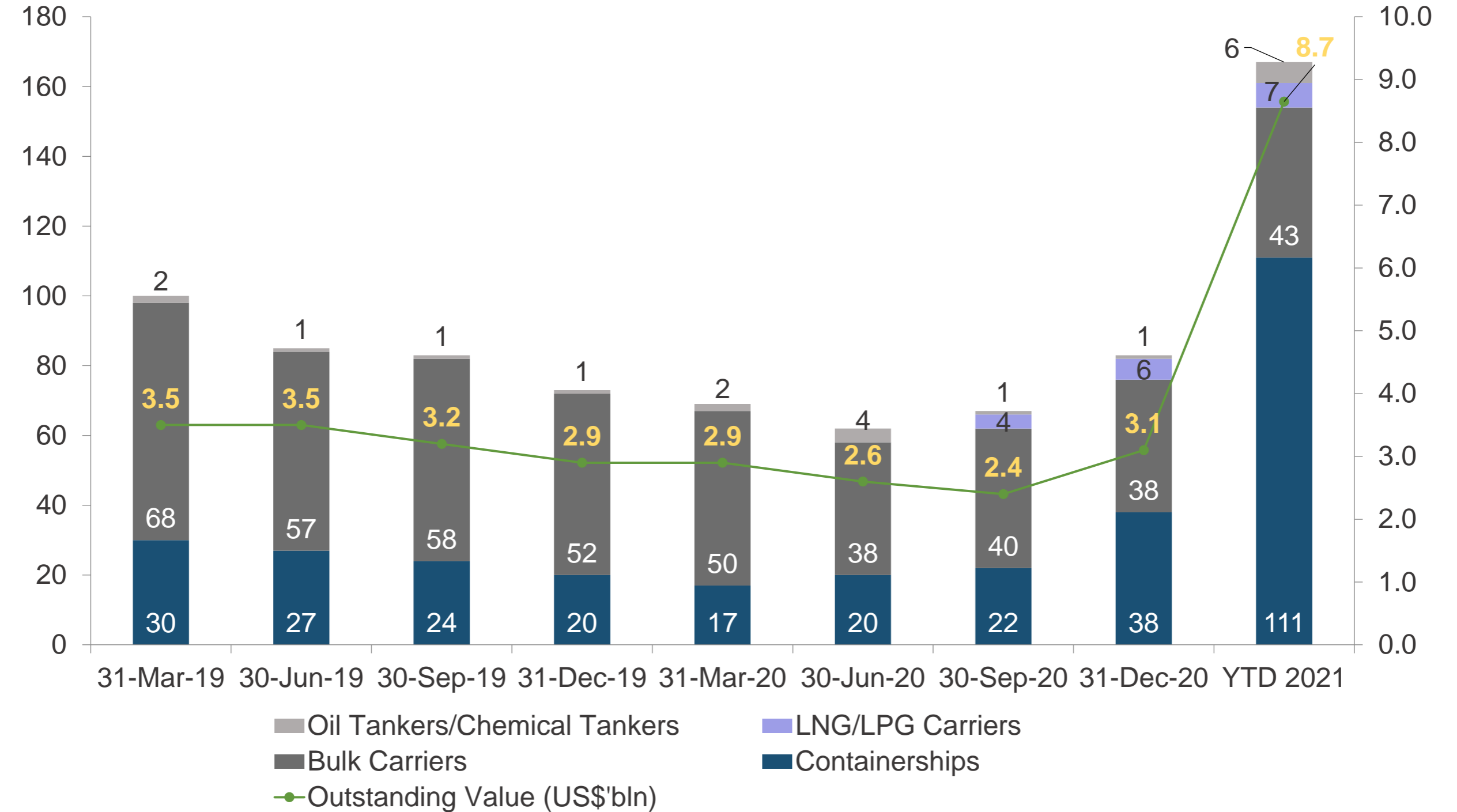
Note: Order book is as at announcement date

Historical Order Book



Vessel Qty

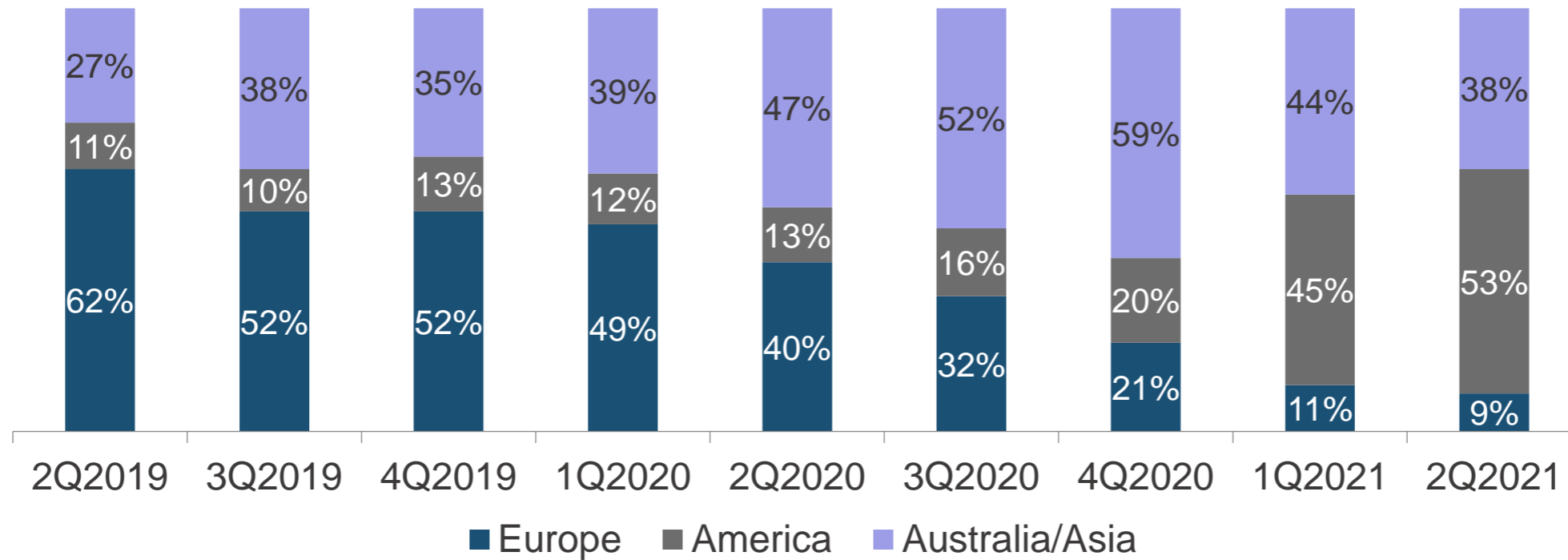
US\$' billion



Order Book Customer Profile



Figures are stated as at 30 June 2021



LNG/LPG

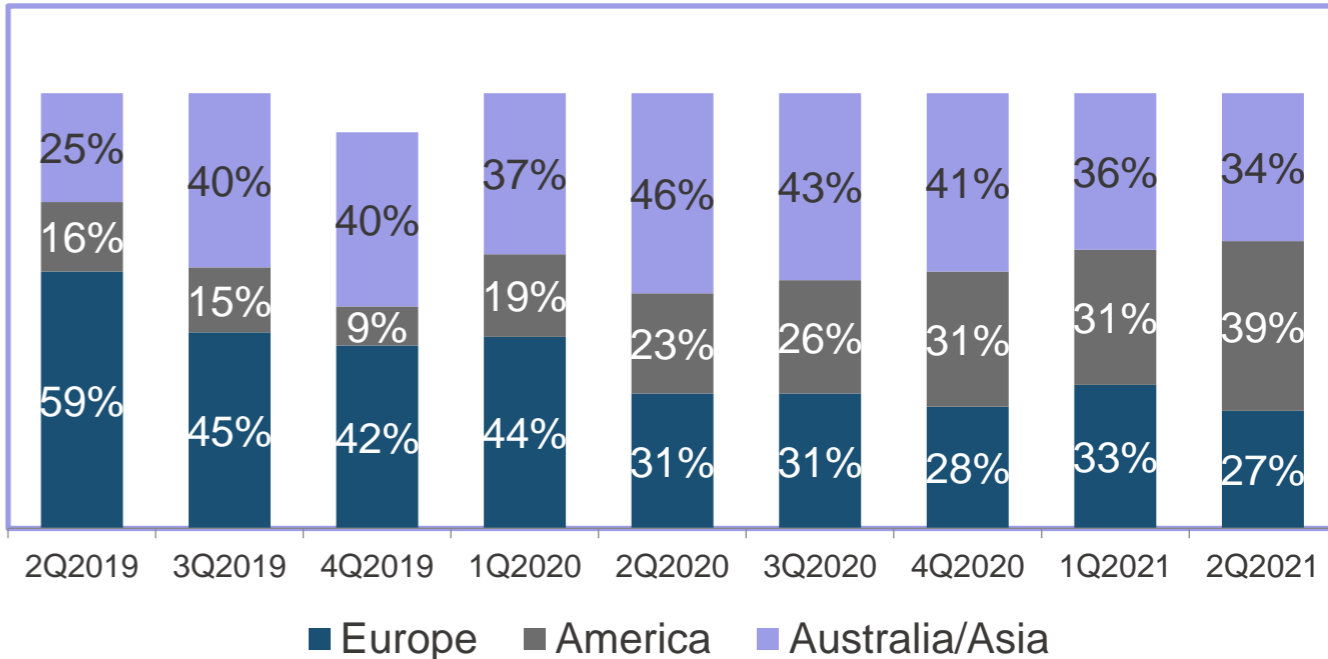
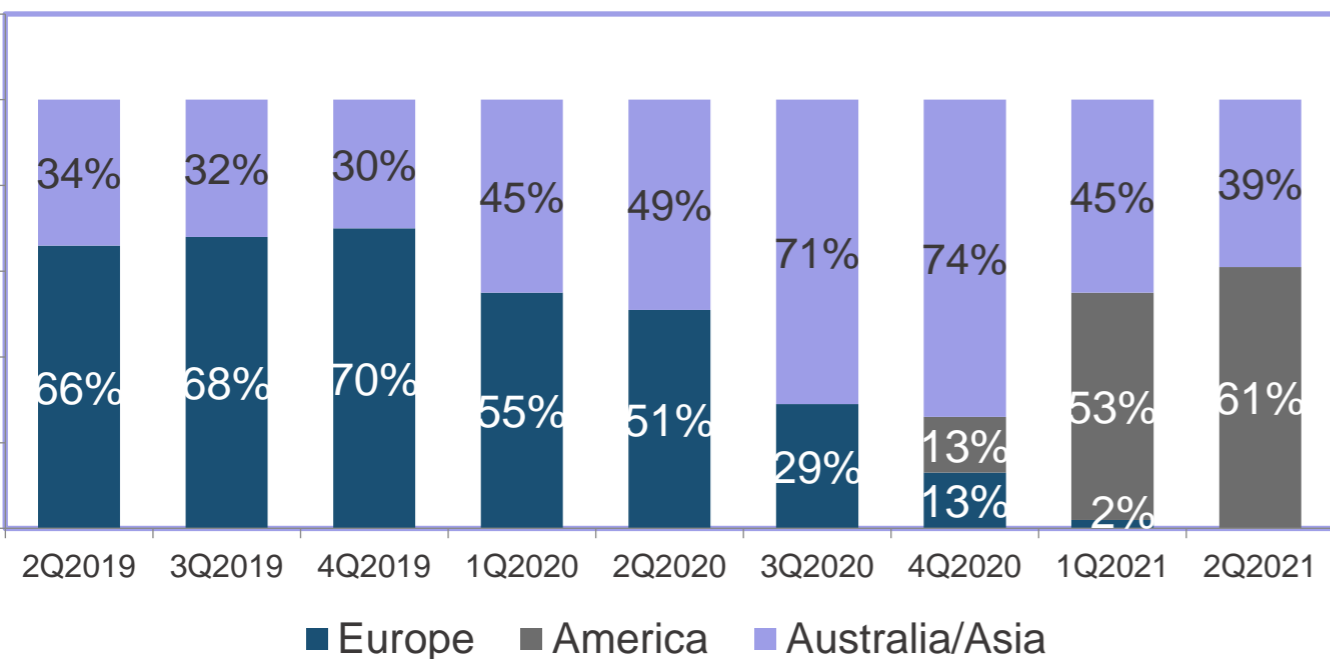
3 orders from Europe and 4 orders from Asia

Chemical Tanker/Oil Tanker

5 orders from Europe

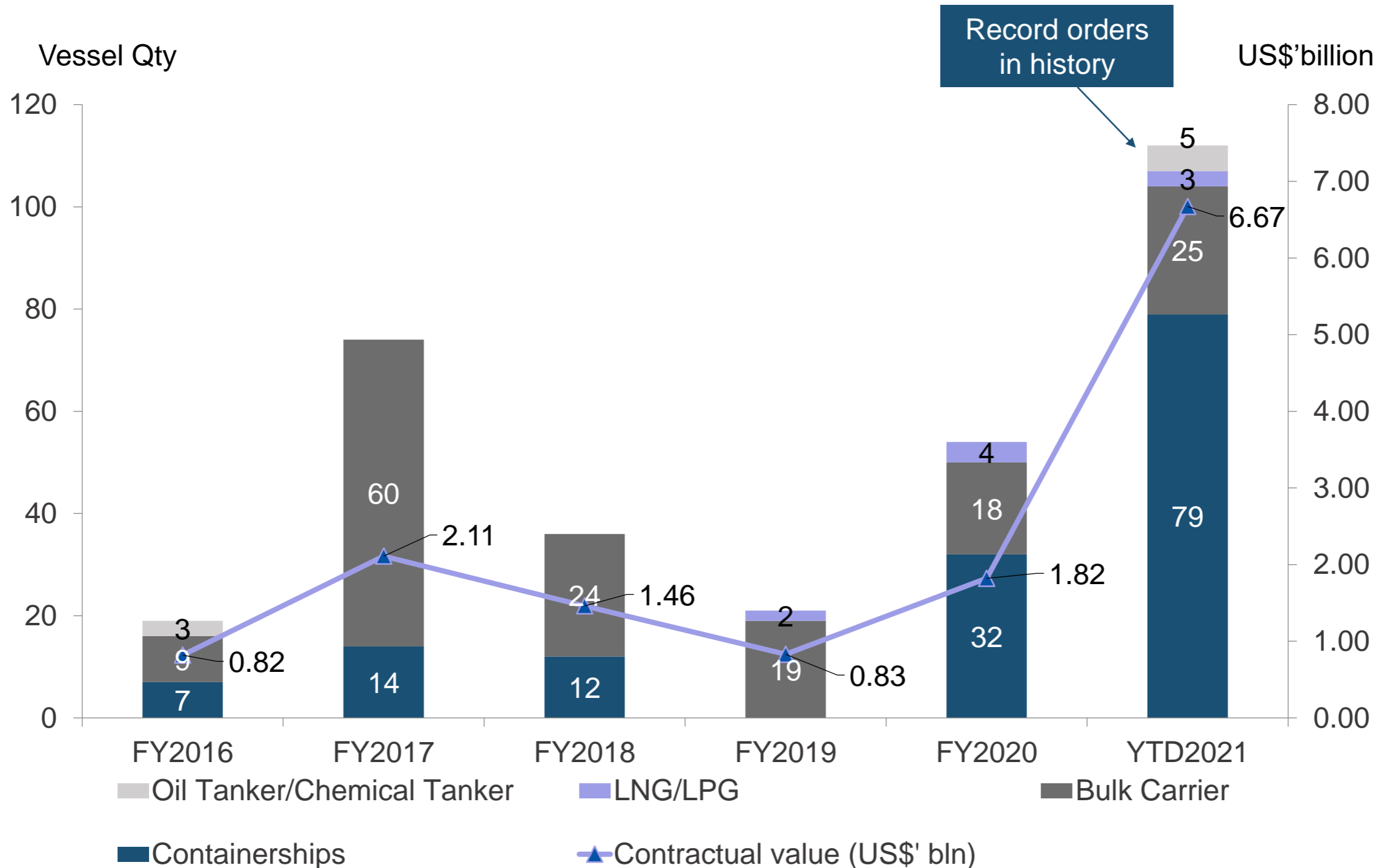
Containerships

Bulk Carriers



Order-Winning Momentum

New contracts secured in terms of vessel quantity and contract value





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 14) are all for external customers**

Current fleet (self-managed) – 23 vessels in total

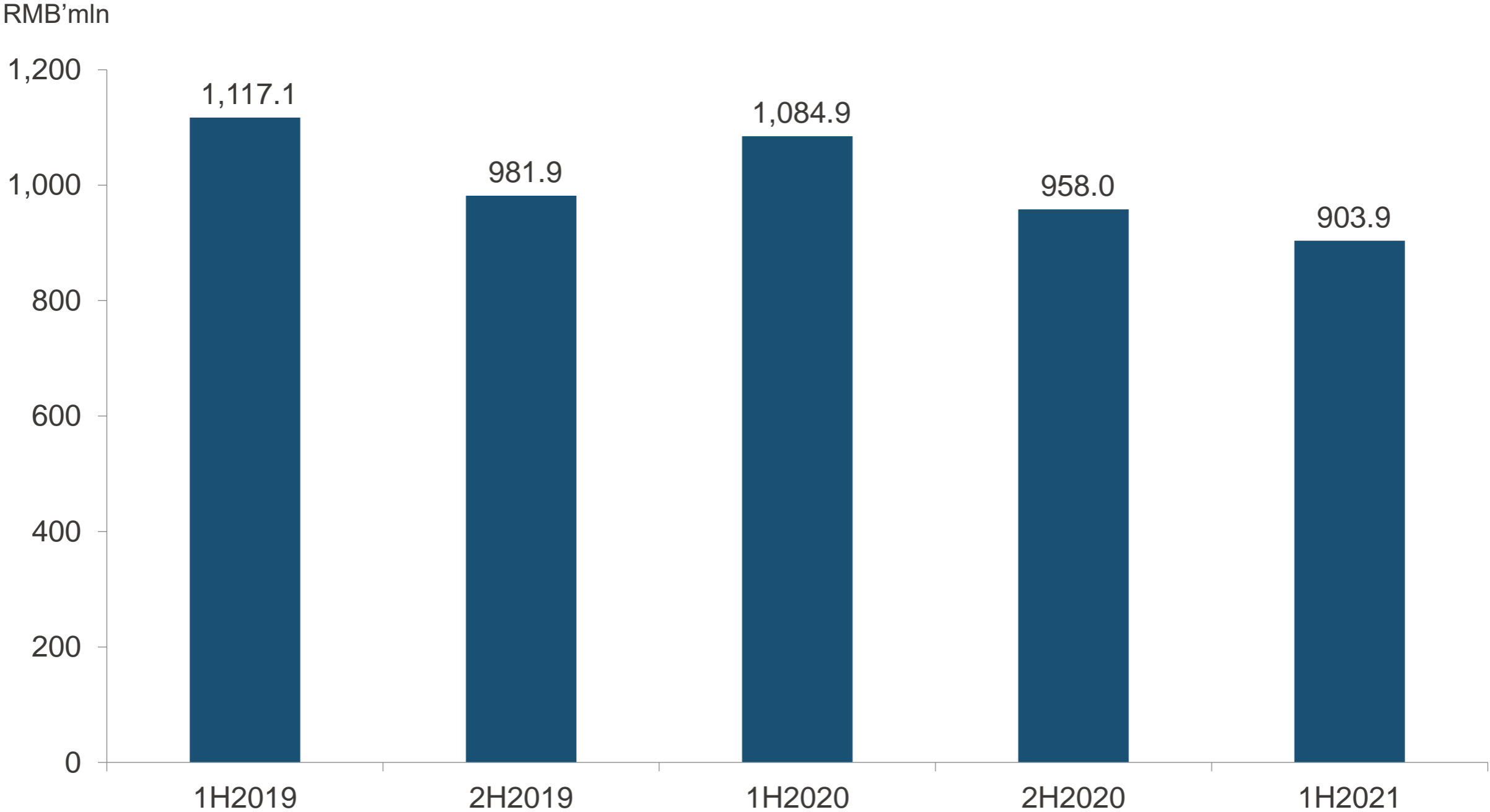
- 7 x 92,500DWT, bulk carriers
- 5 x 82,000DWT, bulk carriers*
- 3 x 64,000DWT, bulk carriers
- 1 x 19,900DWT, stainless steel chemical tanker
- 1 x 12,000DWT, stainless steel chemical tanker
- 4 X 47,350DWT, bulk carriers
- 1 X 79,600DWT, bulk carrier
- 1 x 12,500MPV, multiple purpose vessel

*The Group sold 1 unit of 82,000DWT bulk carrier in 1H2021



SECTION IV SEGMENTAL REVIEW

Interest Income Investment Segment



Source: Company Data

Debt Investments Movements



Debt Investments at amortized costs RMB'000

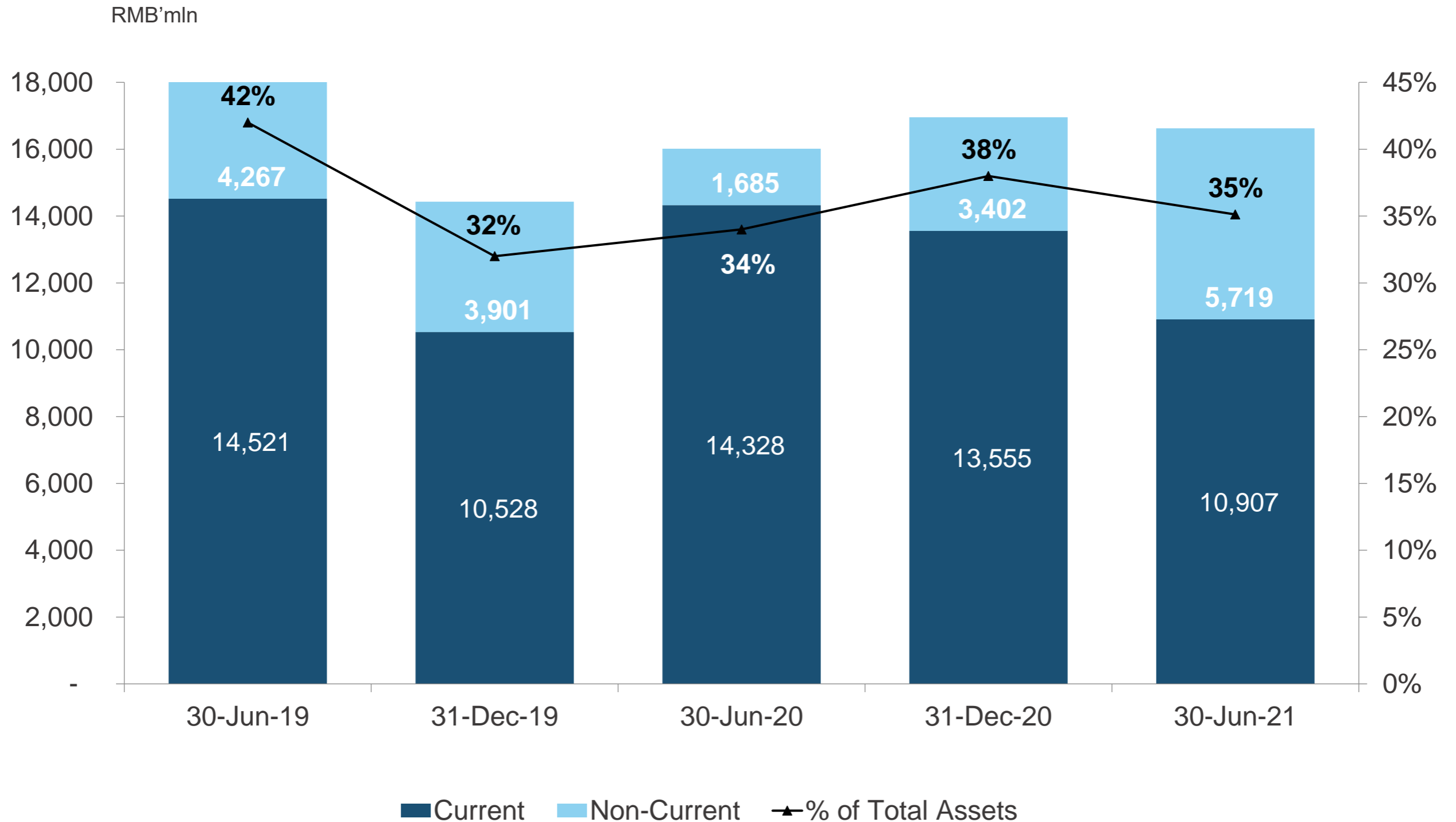
	Gross Balance	Impairment	Net Balance
Balance as at 31 December 2020	18,963,512	(2,005,822)	16,957,690
Additions	12,919,828	-	12,919,828
Redemptions	(13,421,214)	-	(13,421,214)
Movement in impairment provisions in 1H2021	-	169,976	169,976
Balance as at 30 June 2021	18,462,126	(1,835,846)	16,626,280*

*As shown on the Group's Statements of Financial Position

Outstanding Balance Debt Investments at Amortised Cost



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Source: Company Data

Debt Investment at Amortised Costs Investment Process



Team

- A team of 40 people, consisting of professionals with extensive experience with banking, legal and auditing backgrounds

Due Diligence

- Thorough due diligence based on the project proposal
- Vote by investment committee
- Legal review and opinion
- Project approval and fund disbursement
- Designated teams monitor and review project status (coverage ratio, payment progress etc.) in weekly meetings
- Include policy to cap loan-to-value ratio at strict level of 50% or below
- Accepted collaterals include publicly traded share, land, government guarantee

Role of Trust Company

- Documentation
- Legal structure
- Safekeeping of collaterals

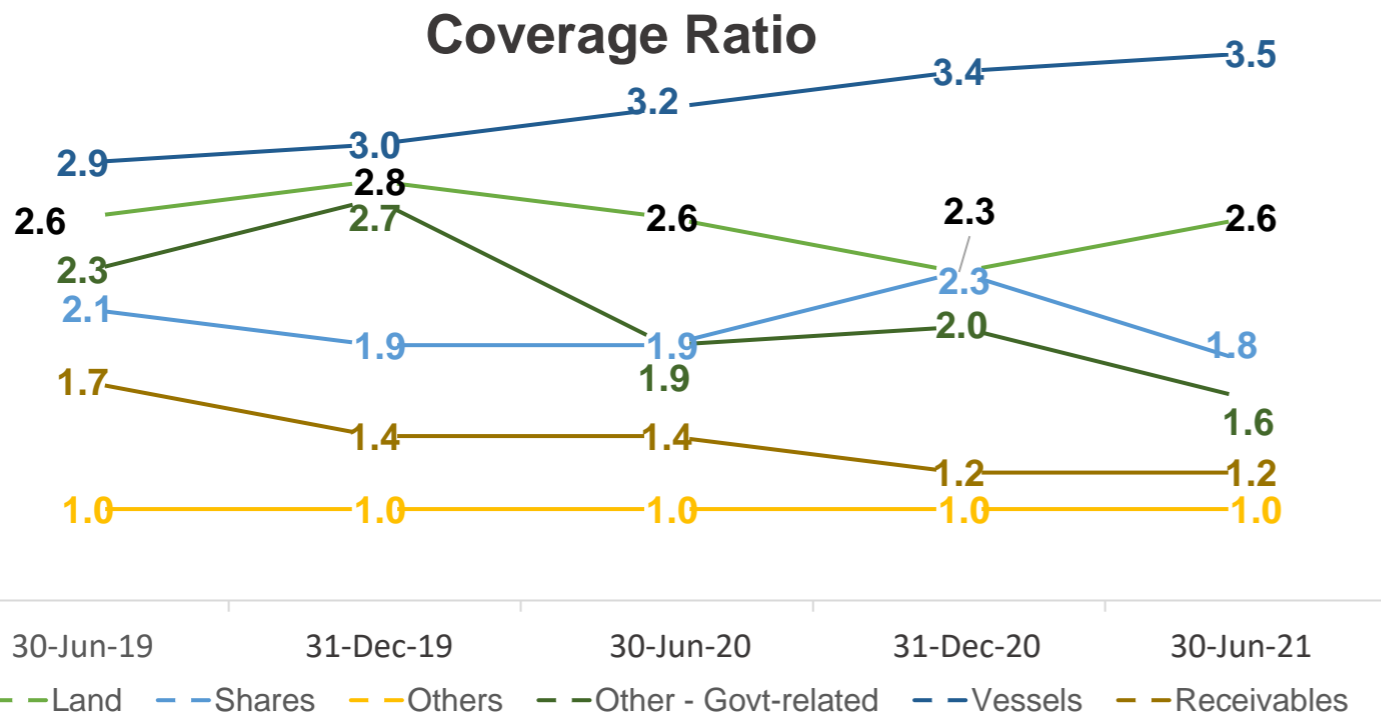
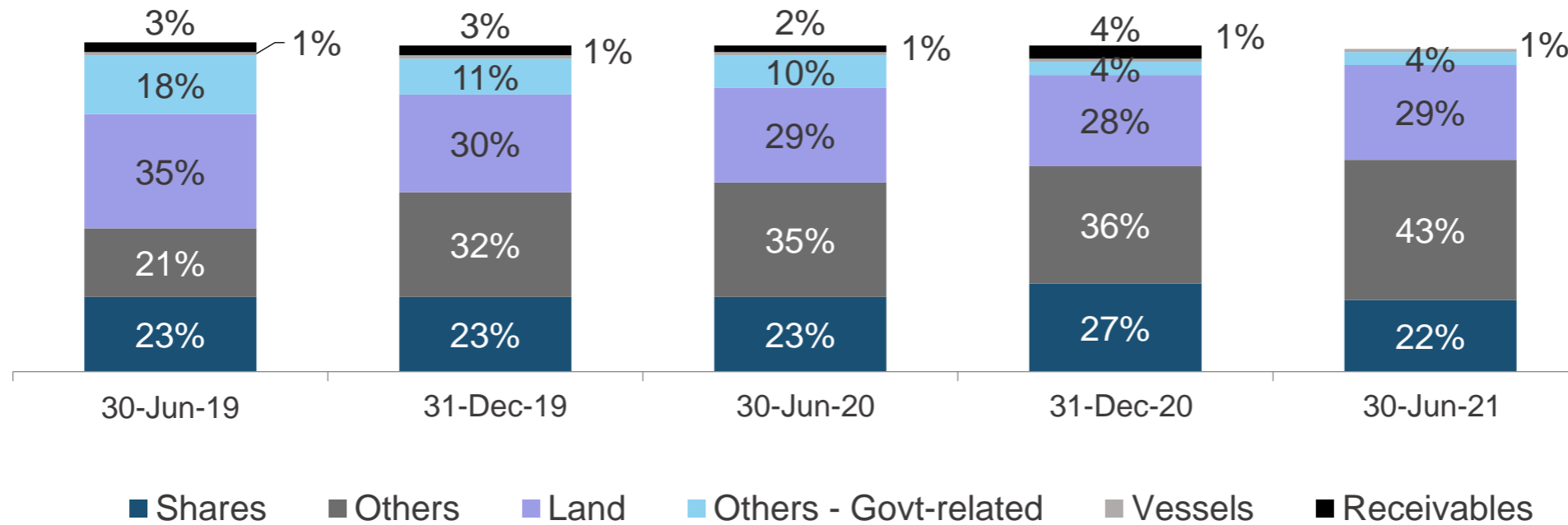
Current Strategy

- Increase the 'current' portion in the portfolio for higher liquidity and tighter risk control
- Increase the requirement on collaterals and enhance coverage ratio when credit environment in China tightens

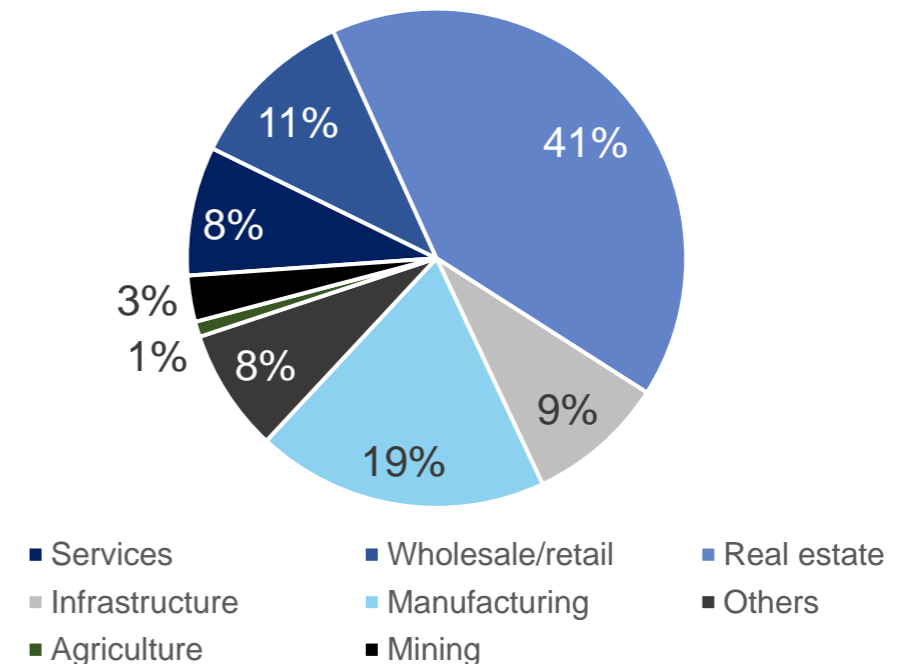
Debt Investment at Amortised Costs



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



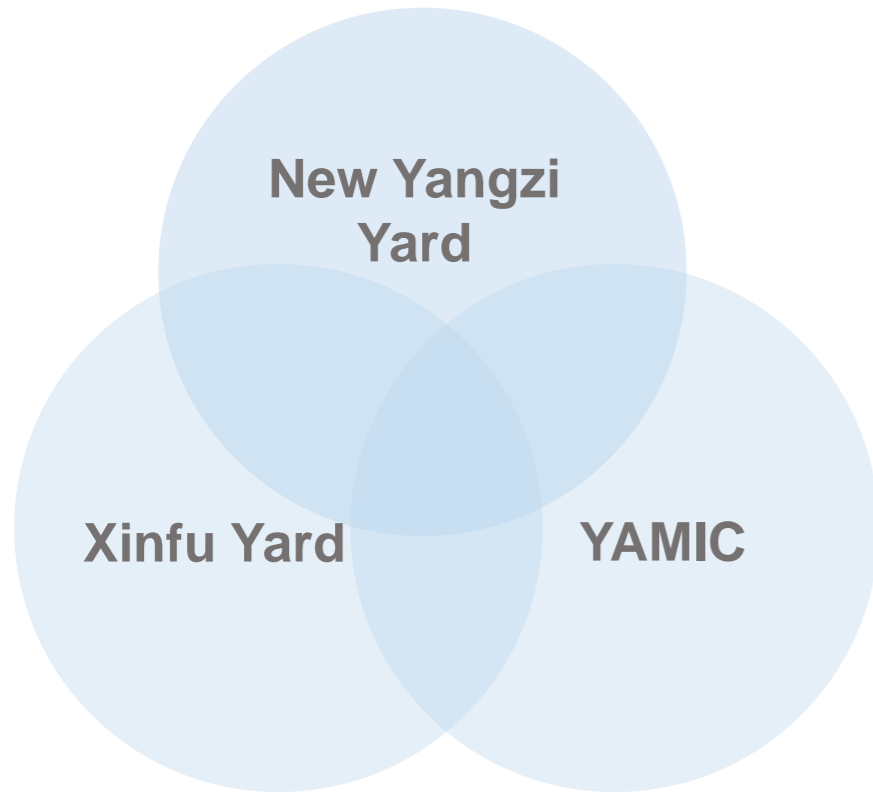
Breakdown of Borrowers (30 June 2021)





SECTION V STRATEGIES

Strategies



Optimise the use of capacity and expertise at the Group's three major yards

R&D

Production Efficiency

Energy Efficiency

Lower Emission

LNG Technology

Large Containerships

Large Dry Bulkers

Mid-sized LNG Carriers

Other Clean Energy Vessels

Production Base

Growth Areas

Vision:
A world-class shipbuilding group in these vessel types



Seeking vertical and horizontal integration to build capabilities across the LNG supply chain

YAMIC

- JV between Mitsui E&S Shipbuilding and YZJ, will allow the Group to strengthen its capabilities in building of LNG vessels

Expanding Partnerships

- Formed a company with venture partners Wuxi China Resources Gas Co., Ltd and Jiangyin Xinyangchuan Enterprise Management Center in 2021
- To build up on capabilities on the construction of LNG storage facilities, natural gas trading and businesses related to parts of the LNG supply chain.

Supported by long-term growth trends

Sustainable development a key priority for YZJ

- China aims to have carbon emissions peak before 2030 and to achieve carbon neutrality
- Global environment standards and major economies have also called for a carbon-neutrality target by 2050
- YZJ remains fully supportive of these global targets and will work towards building environmentally-friendly vessels, such as LNG carriers.

Strong Industry Outlook*

- LNG is expected to grow by 3.4% per annum to 2035, requiring about 100 million metric tons of additional capacity.
- By 2050, more than 200 million metric tons of new capacity will be needed to meet the demand for LNG.

Strategies



Energy Efficiency Design Index ('EEDI') – with increasingly strict carbon intensity standards for new ships

One of the first ever mandatory global GHG reduction regimes for an entire international transport sector

EEDI phase 1 in effect – **10% reduction in carbon intensity** of new ships

2015

2021

2020

EEDI phase 2 in effect – up to **20% reduction in carbon intensity** of new ships

EEDI phase 3 in effect for certain ship types with **up to 50% carbon intensity reduction** for new build large containerships

2022

2025

EEDI phase 3 in effect - up to **30% reduction in carbon intensity** for newbuild ship

IMO Initial GHG Strategy objective of **40% reduction of CO2 emissions** per transport work compared to 2008, as an average across international shipping

2030

- In 1H2021, YZJ clinched orders for the construction of LNG dual-fuel 7,000TEU containerships, to be fitted with 'Type B' LNG fuel tank.
- Yangzijiang participated in the design of the LNG fuel storage, supply system and LNG tanks, first-of-its-kind in the Group's shipbuilding history
- These engines and vessels fulfil, and go beyond the EEDI phase 3 requirement
- The Group plans to focus on building capabilities for environmentally-friendly vessels, and strives to be part of the push for a sustainable shipping industry

YANGZIJIANG OFFSHORE

600t/186m 2013'
EKING



SECTION VI
STOCK INFORMATION



Share Buyback Summary in 1H2021

Number of Shares	4,000,000
Average Share Price	S\$0.975
Share Consideration	S\$3,900,000
Share buy-back over total number of shares issued	0.10%

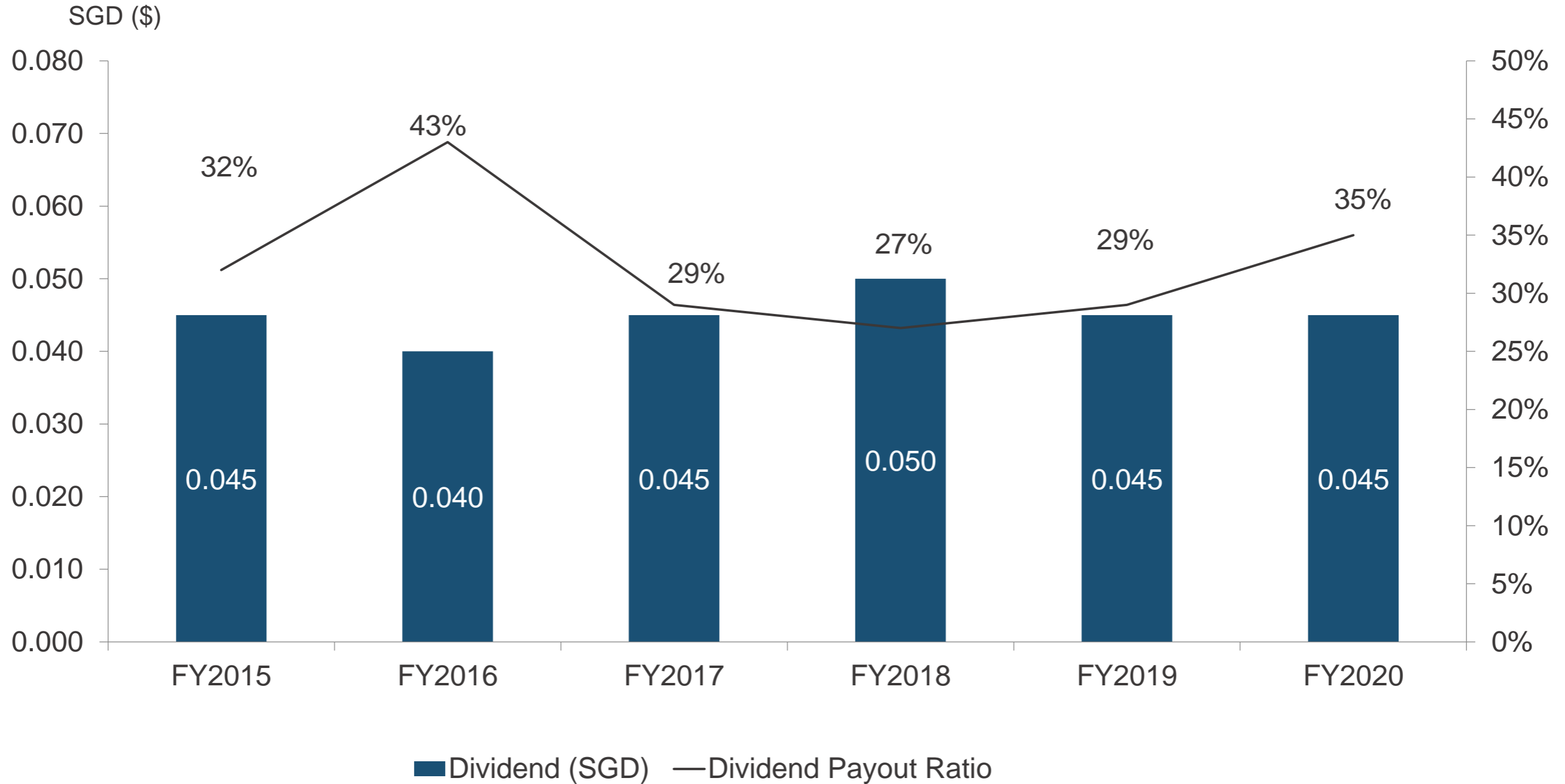
All Share Buybacks Summary

Total number of shares issued	3,974,077,000
Number of Treasury Shares as at 30 June 2021	125,561,000
Number of issued shares excluding treasury shares	3,848,516,000

Source: Company's data, as of 30 June, 2021

Dividend Summary

Dividend and dividend payout ratio



Top Shareholders



No.	Holder Name	Position	Filing Date	%
1	YANGZI INTERNATIONAL	852,845,825	03/12/2019	21.60
2	LIDO POINT INVESTMENTS LTD	394,134,000	03/12/2019	9.98
3	T ROWE PRICE GROUP INC	233,535,600	06/30/2021	5.91
4	BLACKROCK INC	195,107,017	12/12/2018	4.94
5	HENGYUAN ASSET INV LIMITED	165,797,370	08/03/2021	4.20
6	XINYANGCHUAN INTL LTD	150,000,000	04/20/2020	3.80
7	VANGUARD GROUP INC	72,317,901	06/30/2021	1.83
8	NINETY ONE UK LTD	59,544,700	06/30/2021	1.51
9	DIMENSIONAL FUND ADVISORS LP	35,141,714	05/31/2021	0.89
10	GRANTHAM MAYO VAN OTTERLOO & CO LL	32,686,098	05/31/2021	0.83
Total		2,191,110,225		55.49

Source: Bloomberg, as of 5 August, 2021

Stock Performance



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



Source: Bloomberg, as of 5 August, 2021



Thank You

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