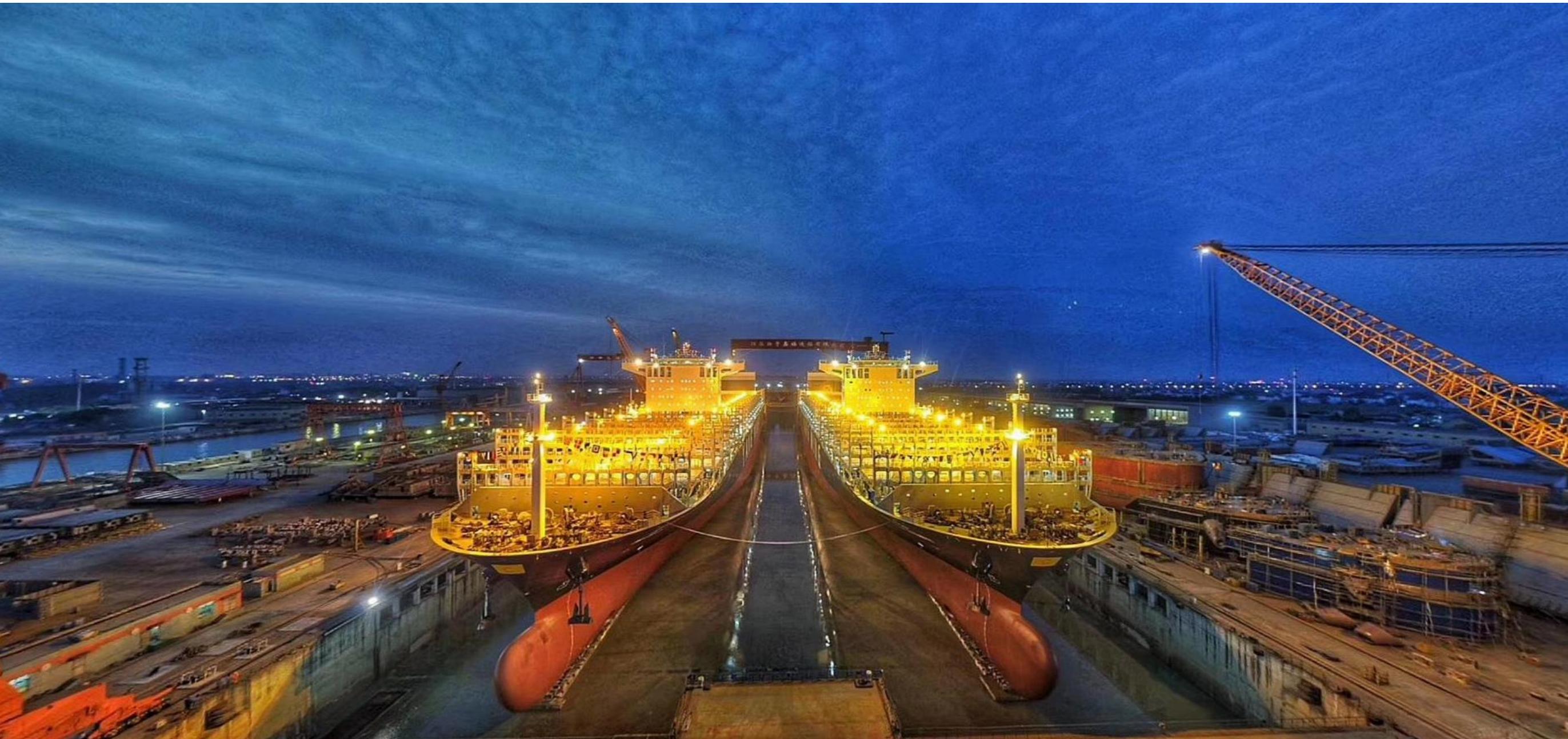




Yangzijiang Shipbuilding (Holdings) Ltd.  
揚子江船業(控股)有限公司



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**Corporate Presentation**

April 2020

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# **SECTION I**

## **BUSINESS UPDATE**



# Business Update

## Production Schedule

- Delay by a few weeks in Feb-Mar due to government-ordered shutdown
- Almost 100% yard work resumed by end March
- Longer work shifts and hired more workers
- Gradually catching up with the original schedule, delivery schedule in control

## Order Book

- 7 new orders worth USD360 million in 1Q2020
- Outstanding order book at USD2.9 bn at end of March
- 1 x 157,000 DWT oil tanker cancelled, and then resold

Limited  
impact of  
COVID-19  
on  
operations

## Vessel Delivery

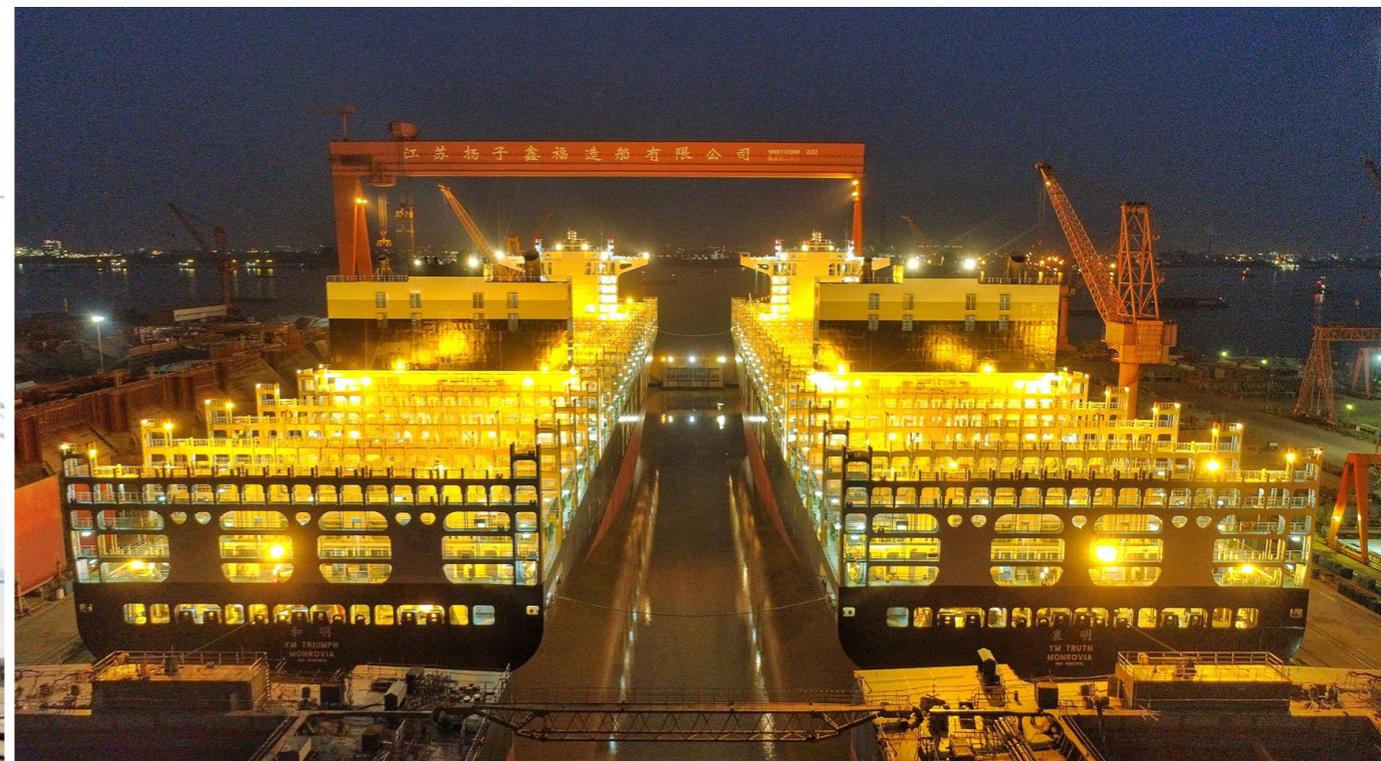
- Overseas shipowners are allowed to come to yard directly from custom
- Cloud-based technology supports remote work, virtual meetings and exchange of paper work
- 12 vessels delivered in 1Q, 25% of annual target
- Delivery gathered pace since April

## Supply Chain

- Advance purchase sufficient to cover the disruption for a few weeks earlier
- Supply chain back to normal, sufficient to support ongoing construction



# A Moment Worth Remembering



Vessel deliveries and major milestones in April 2020 at Yangzijiang



## SECTION II

# FINANCIAL HIGHLIGHTS



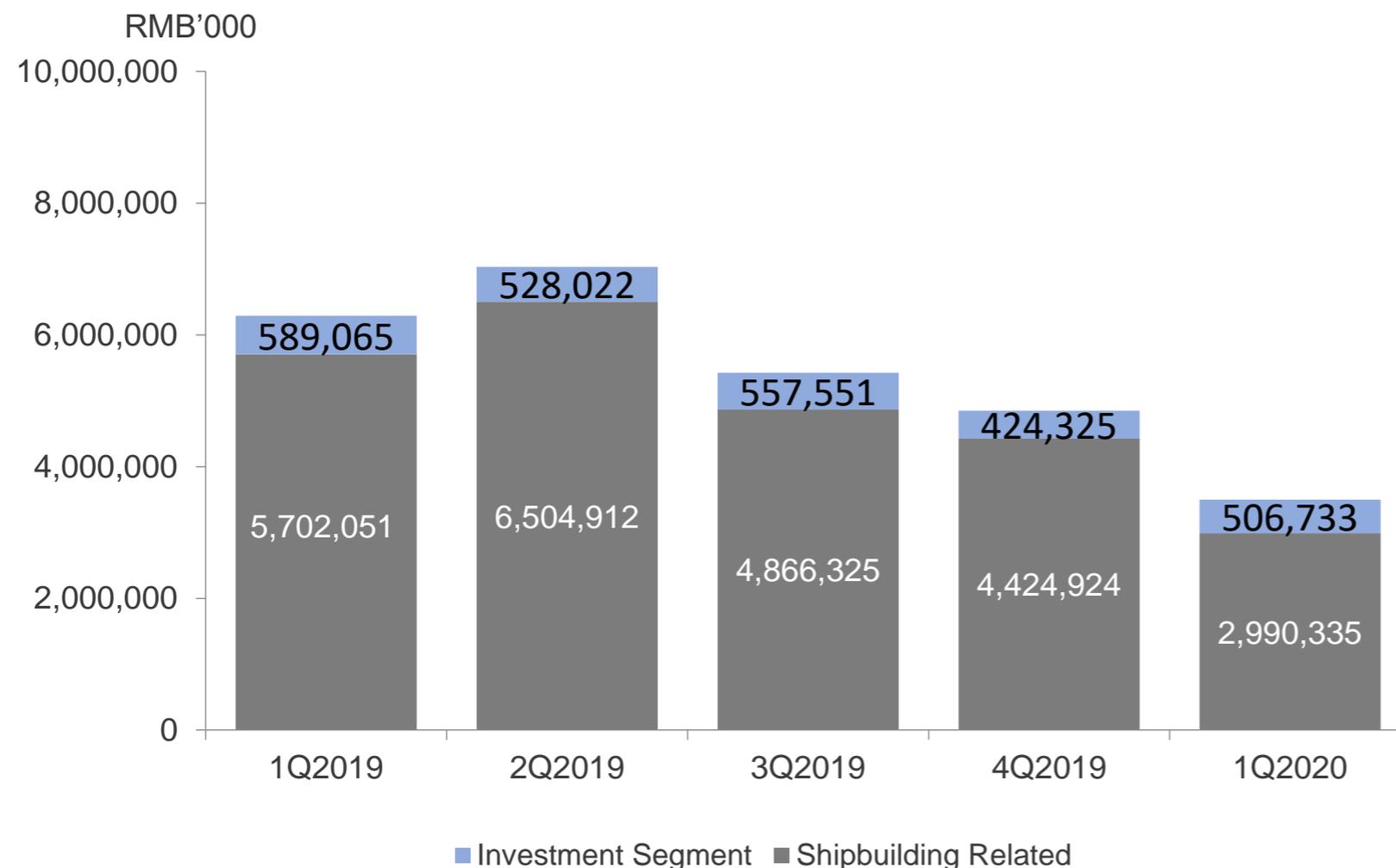
# Results Highlight – Income Statement

Financial Highlights	1Q2020	1Q2019	Change	Comments
	RMB'000	RMB'000	%	
<b>Revenue</b>	3,497,068	6,291,116	-44	12 vessels delivered 1Q2020 vs 15 vessels in 1Q2019. Higher revenue from other shipbuilding related business. Lower revenue from core shipbuilding and trading business
<b>Gross Profit</b>	714,140	1,166,248	-39	Core shipbuilding margin was 8% in 1Q2020, lower than that of 1Q2019, due to the higher allocation of fixed depreciation costs attributable to lower volume of shipbuilding activities this quarter
<b>Gross Profit Margin</b>	20.4%	18.5%	-	
<b>Other Income</b>	89,142	65,242	37	Increased mainly due to higher interest income from bank deposits
<b>Other (Loss)/Gains, net</b>	7,521	(82,384)	n.m	The reversal of losses to gains was due to a foreign exchange related gain of RMB109 million as the USD appreciated against the RMB at the end of this quarter
<b>Expenses #</b>	230,940	156,746	47	Total admin expenses increased to RMB217 million from RMB115 million in 1Q2019
<b>Net Profit Attributable to Equity Holders (PATMI)</b>	403,832	824,054	(51)	
<b>PATMI Margin</b>	11.5%	13.1%	-	

#: Expenses include finance expenses and administrative expenses, which include impairment loss



# Revenue Breakdown



Shipbuilding Related Revenue Breakdown (1Q2020)	Percentage (%)
Shipbuilding	77%
Trading	18%
Others*	5%
<b>Total</b>	<b>100%</b>

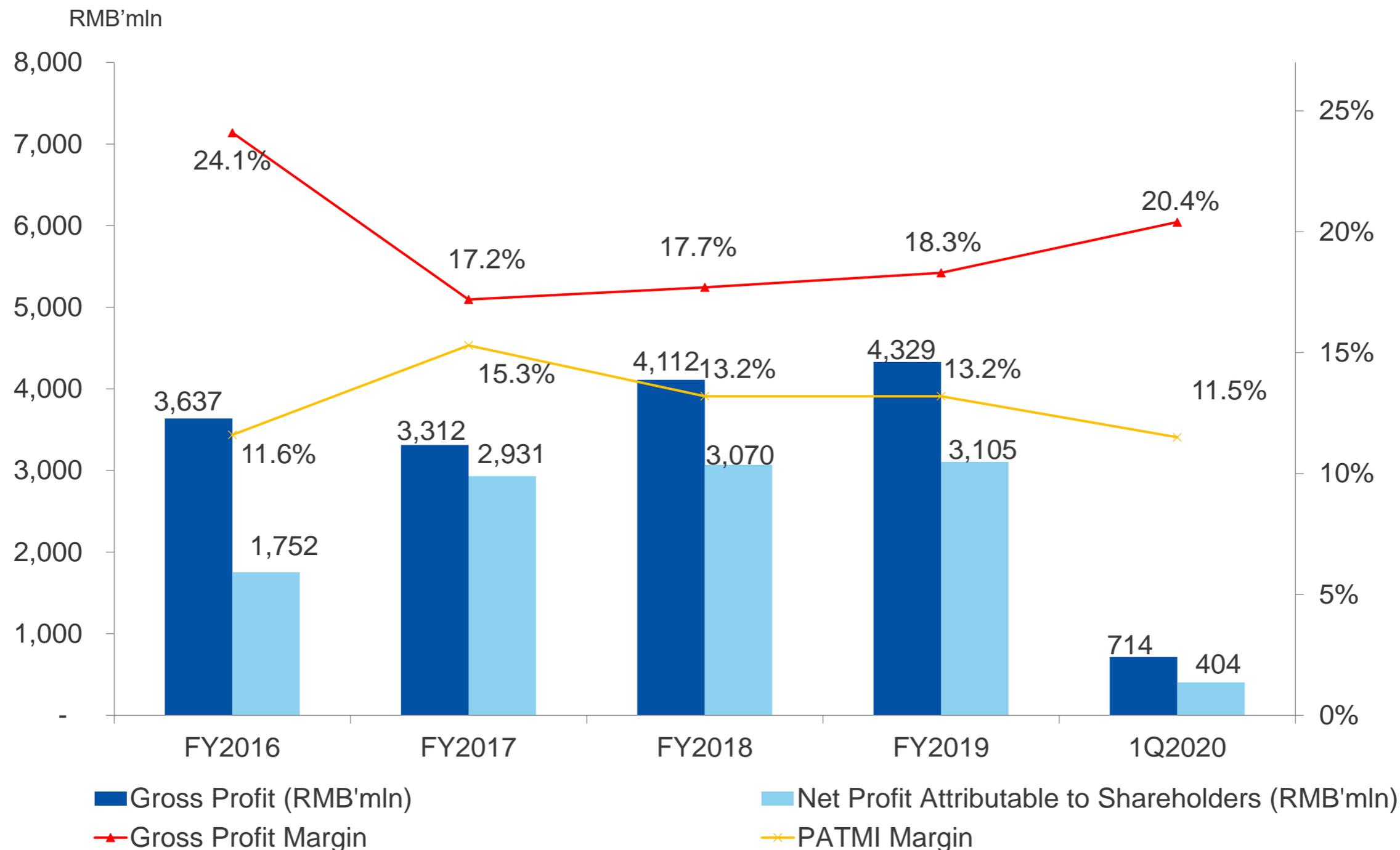
\* Includes revenue from shipping logistics and chartering and ship design services etc.

RMB'000	Gross Profits		Gross Profit Margins	
	1Q2020	1Q2019	1Q2020	1Q2019
Shipbuilding Related	233,244	605,370	8%	11%
Investment Segment	480,896	560,878	95%	95%



# Profitability Trend

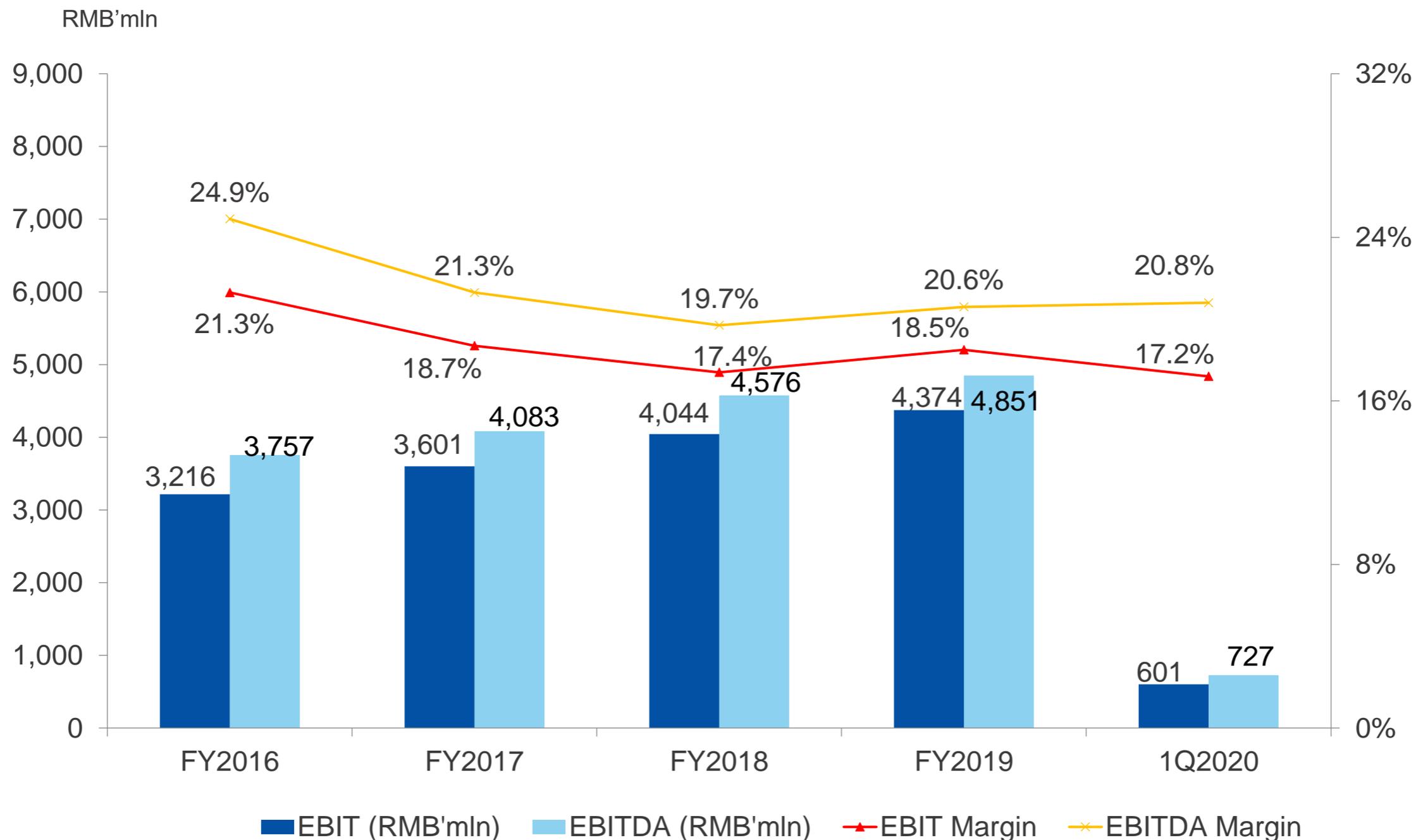
## Gross Profit and Net Profit Attributable to Shareholders





# Profitability Trend

## EBIT AND EBITDA





# Results Highlight – Balance Sheet

Financial Highlights	31 March 2020	31 Dec 2019
	RMB'000	RMB'000
Property, Plant and Equipment	5,709,138	5,678,063
Restricted Cash	315,163	17,049
Cash & Cash Equivalents	9,627,937	10,183,019
Debt Investments at Amortised Costs	15,475,227	14,428,382
Total Debt	4,910,252	5,032,932
Total Equity	32,484,809	32,054,525
Gross Gearing	15.1%	15.7%
Net Gearing (including Restricted Cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB cents)	804.36	793.51



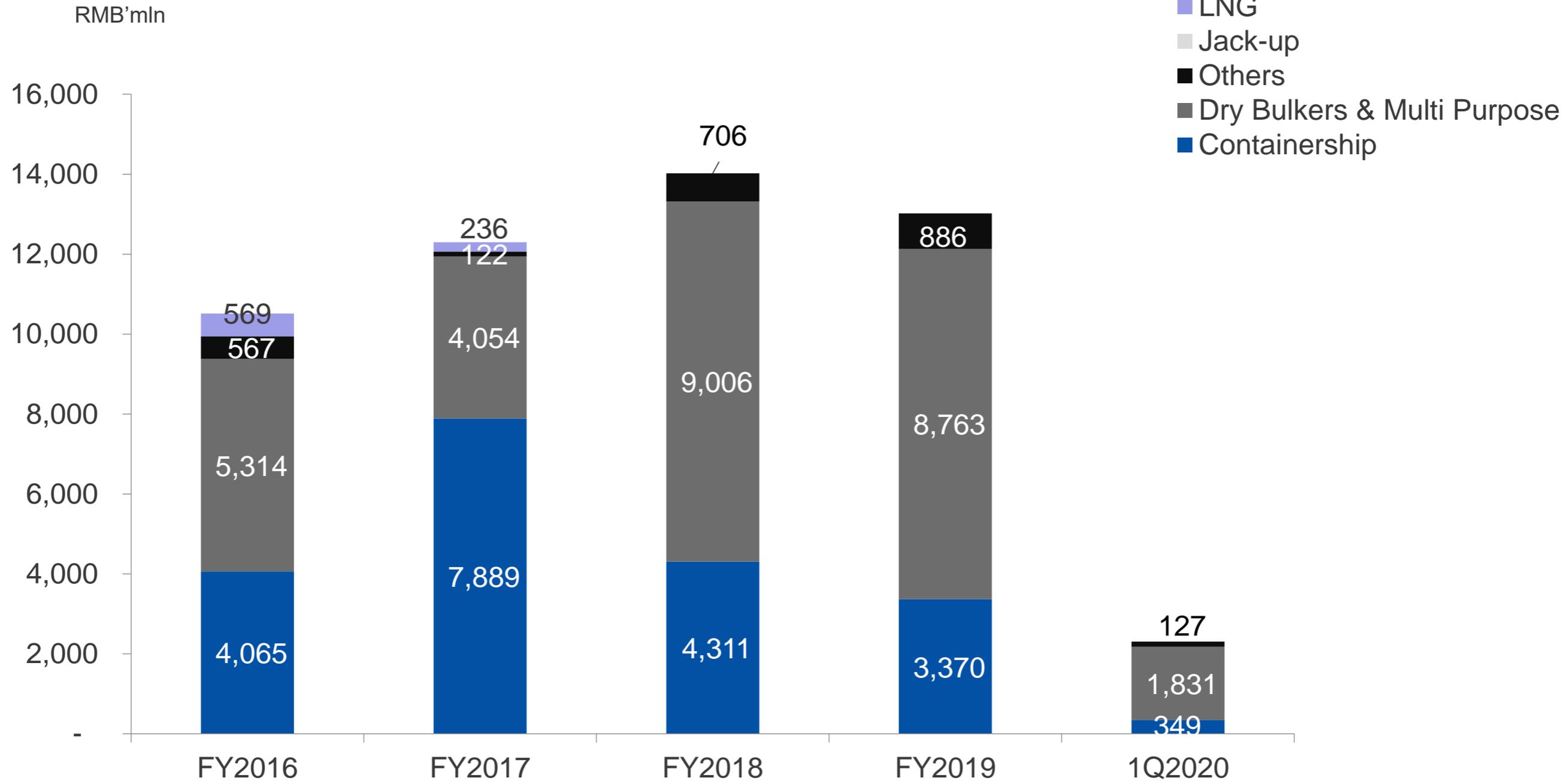
## **SECTION III SEGMENTAL REVIEW**

**Shipbuilding &  
Related Segments**



# Revenue Trend

## Shipbuilding Revenue Breakdown



# Overview of Order Book

**69 vessels**

**US\$2.89 billion contract value**

**3.05 million CGT**

**Delivery: 2020- 2022**

## Containerships

17 units

Total CGT – 0.90 million

Total value – US\$0.96 billion

- 1,800TEU x 3 vessels
- 2,200TEU x 1 vessel
- 2,400TEU x 2 vessels
- 2,700TEU x 4 vessels
- 12,690TEU x 5 vessels
- 14,000TEU x 2 vessels

## Bulk Carriers

50 units

Total CGT – 2.12 million

Total value – US\$1.88 billion

- 29,800DWT x 1 vessel
- 31,800DWT x 4 vessels
- 40,000DWT x 2 vessels
- 45,000DWT x 3 vessels
- 82,000DWT x 19 vessels
- 83,500DWT x 5 vessels
- 180,000DWT x 2 vessels
- 208,000DWT x 10 vessels
- 325,000DWT x 4 vessels

## LNG

2 units

Total CGT – 0.03 million

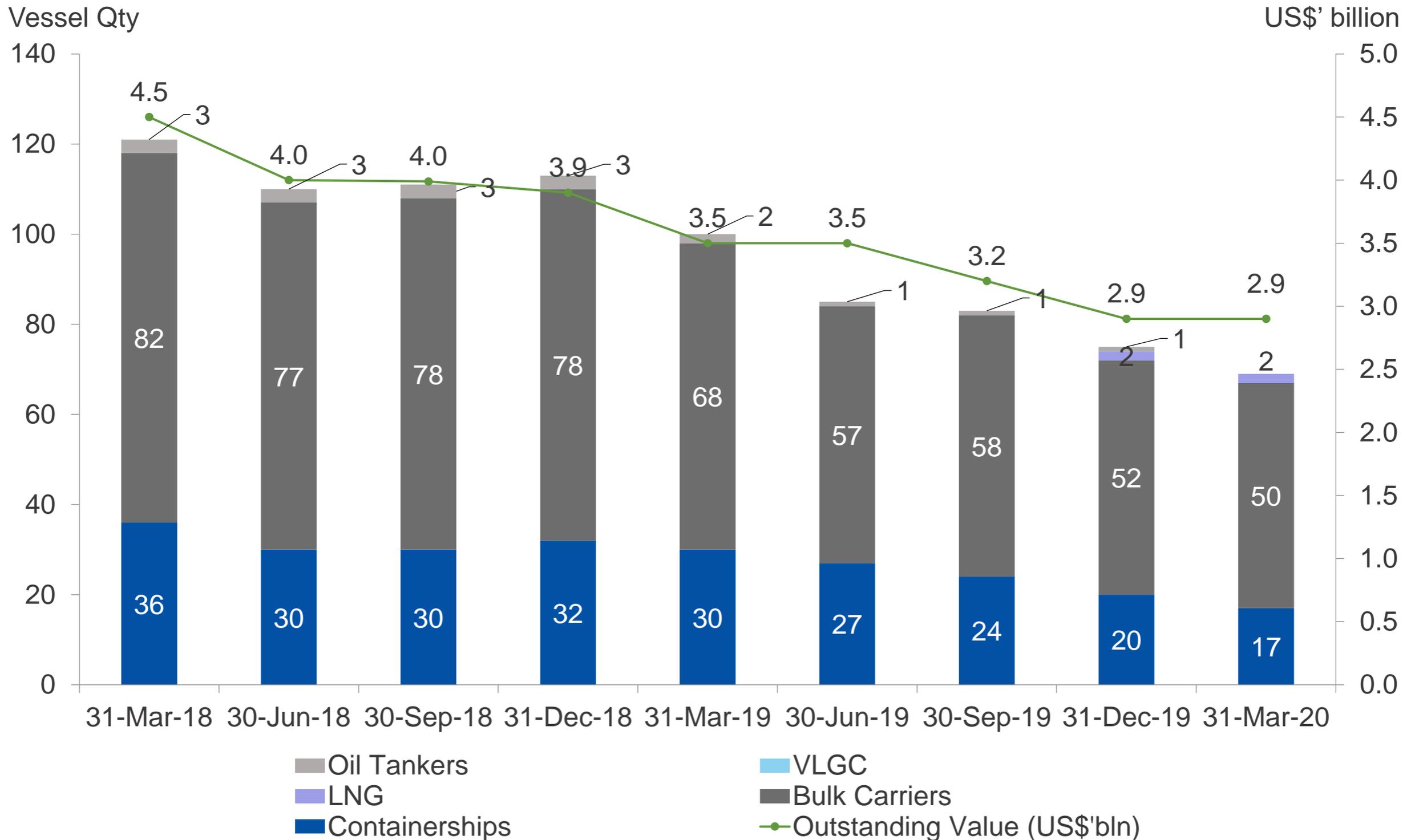
Total value – US\$0.05 billion

- 13,000LNG x 2 vessels

**Note: Order book is as at 31 March 2020**



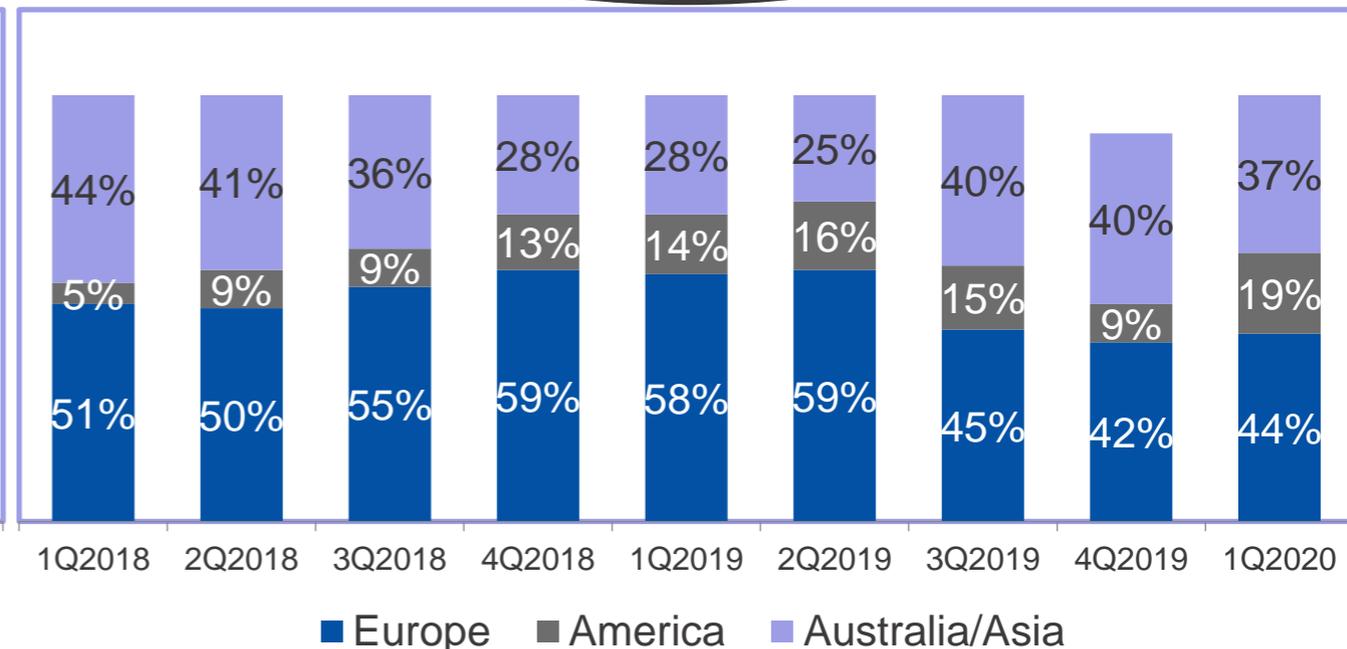
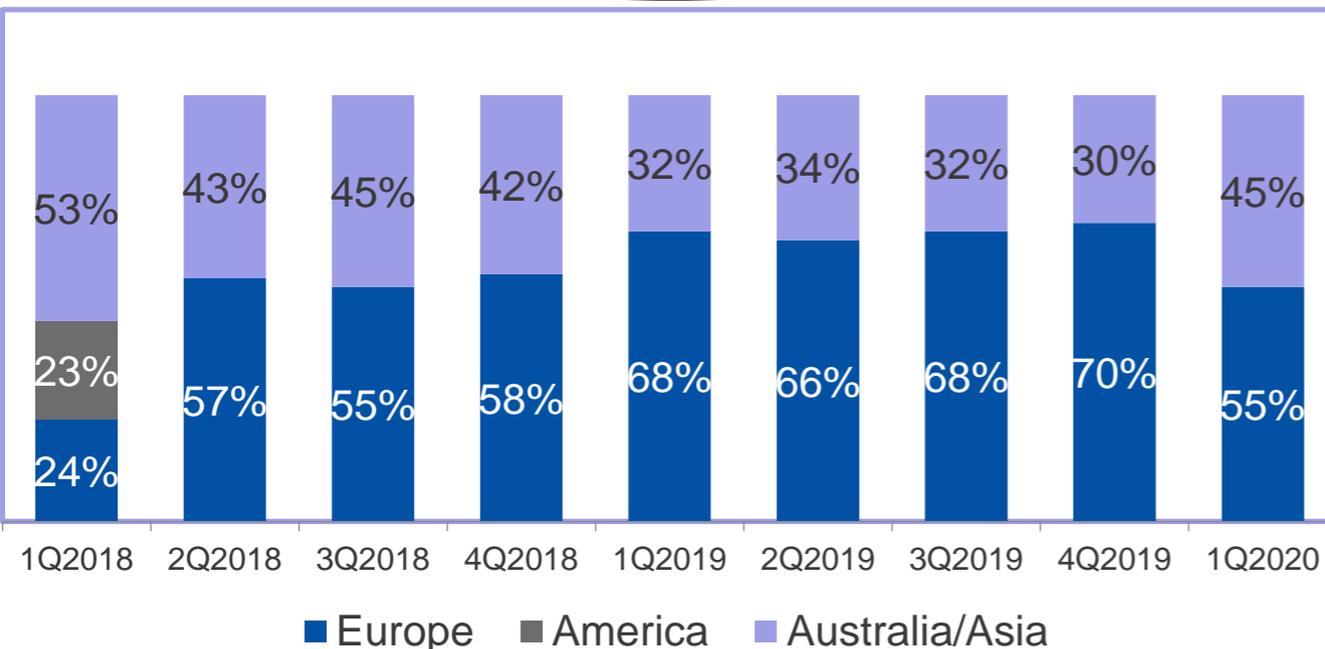
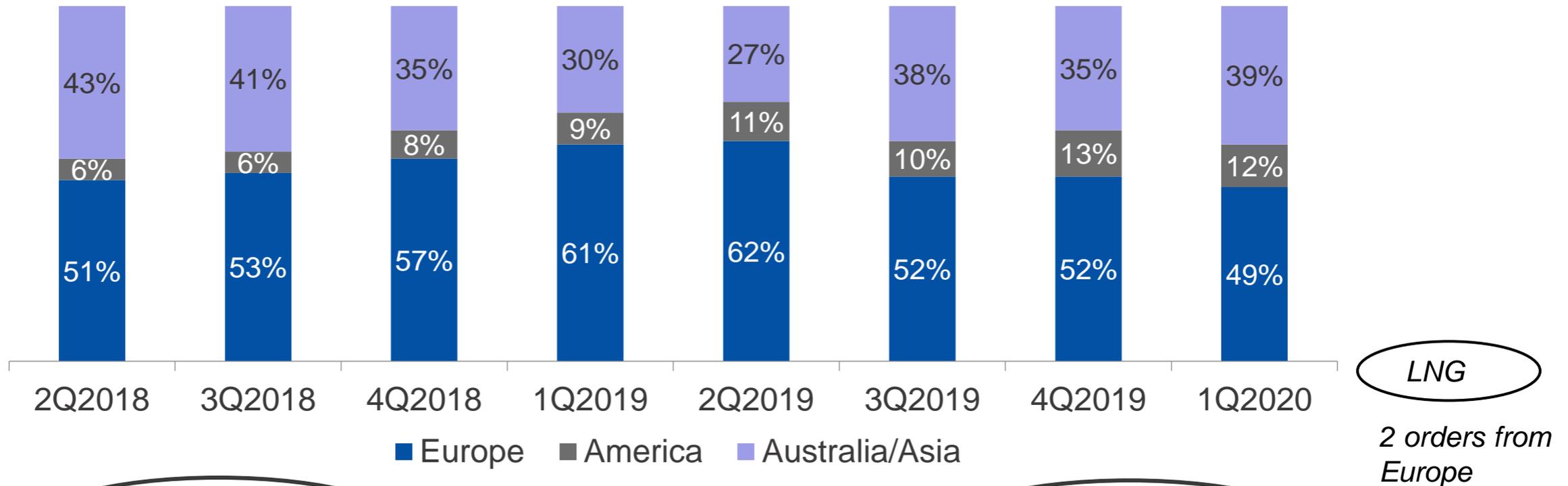
# Historical Order Book





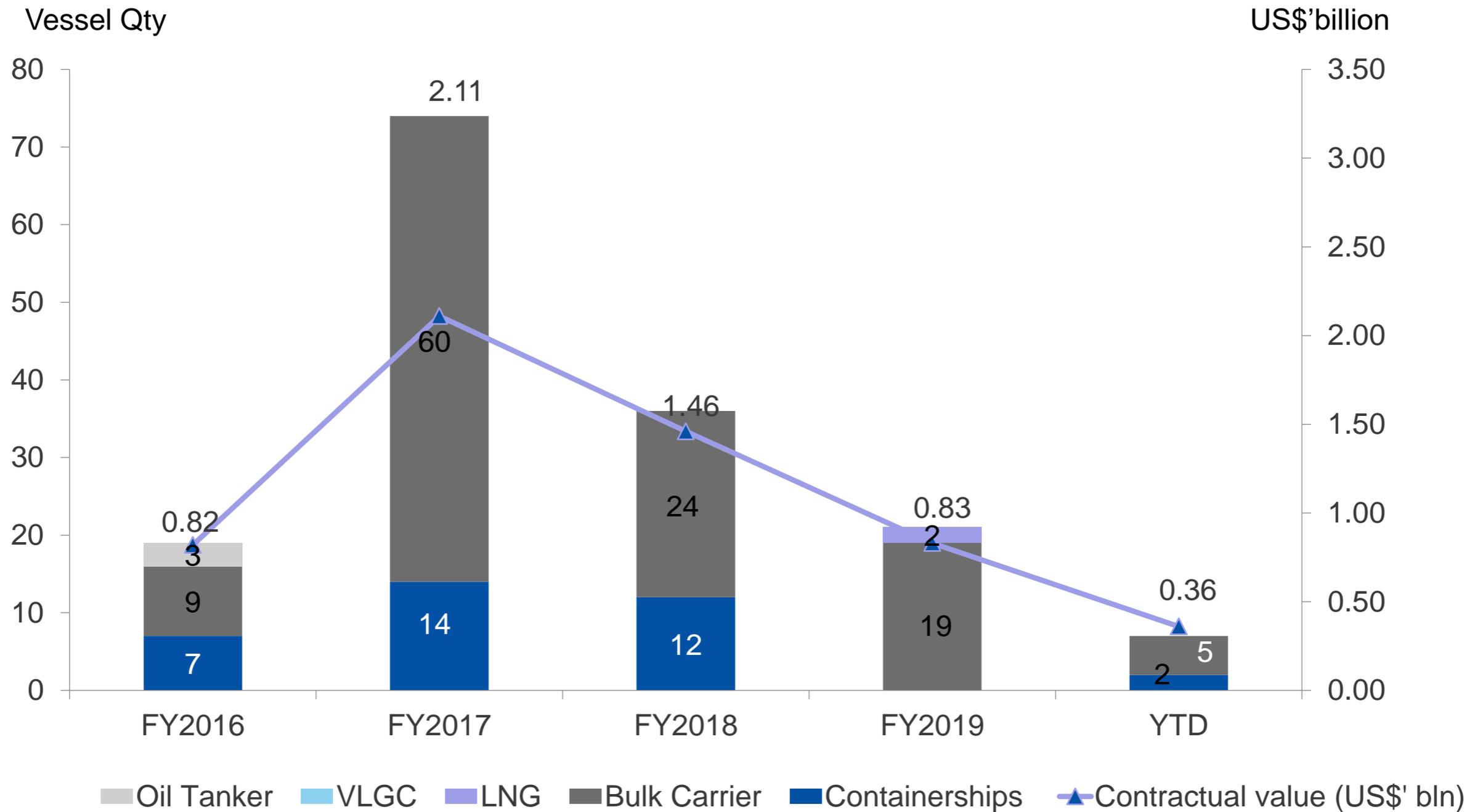
# Order Book Customer Profile

Figures are stated as at 31 March 2020



# Order-Winning Momentum

## New contracts secured in terms of vessel quantity and contract value





# Shipping and Chartering

## 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)

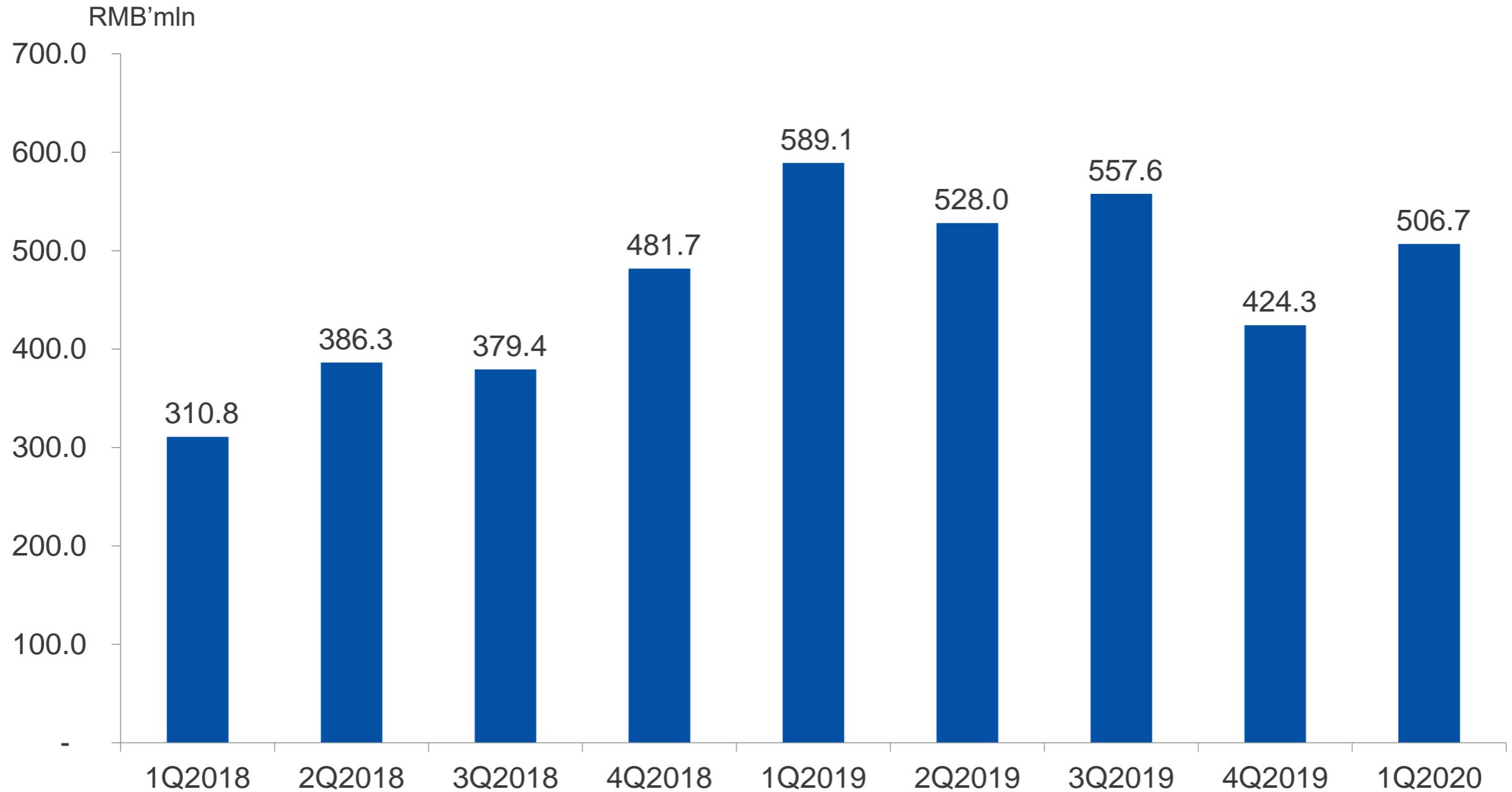
- 7 x 92,500DWT, bulk carriers
- 5 x 82,000DWT, bulk carriers
- 3 x 64,000DWT, bulk carriers
- 1 x 19,900DWT, stainless steel chemical tanker
- 1 x 12,000DWT, stainless steel chemical tanker
- 4 X 47,350DWT, bulk carriers
- 1 X 79,600DWT, bulk carrier
- 1 x 12,500MPV, multiple purpose vessel



## **SECTION IV SEGMENTAL REVIEW**

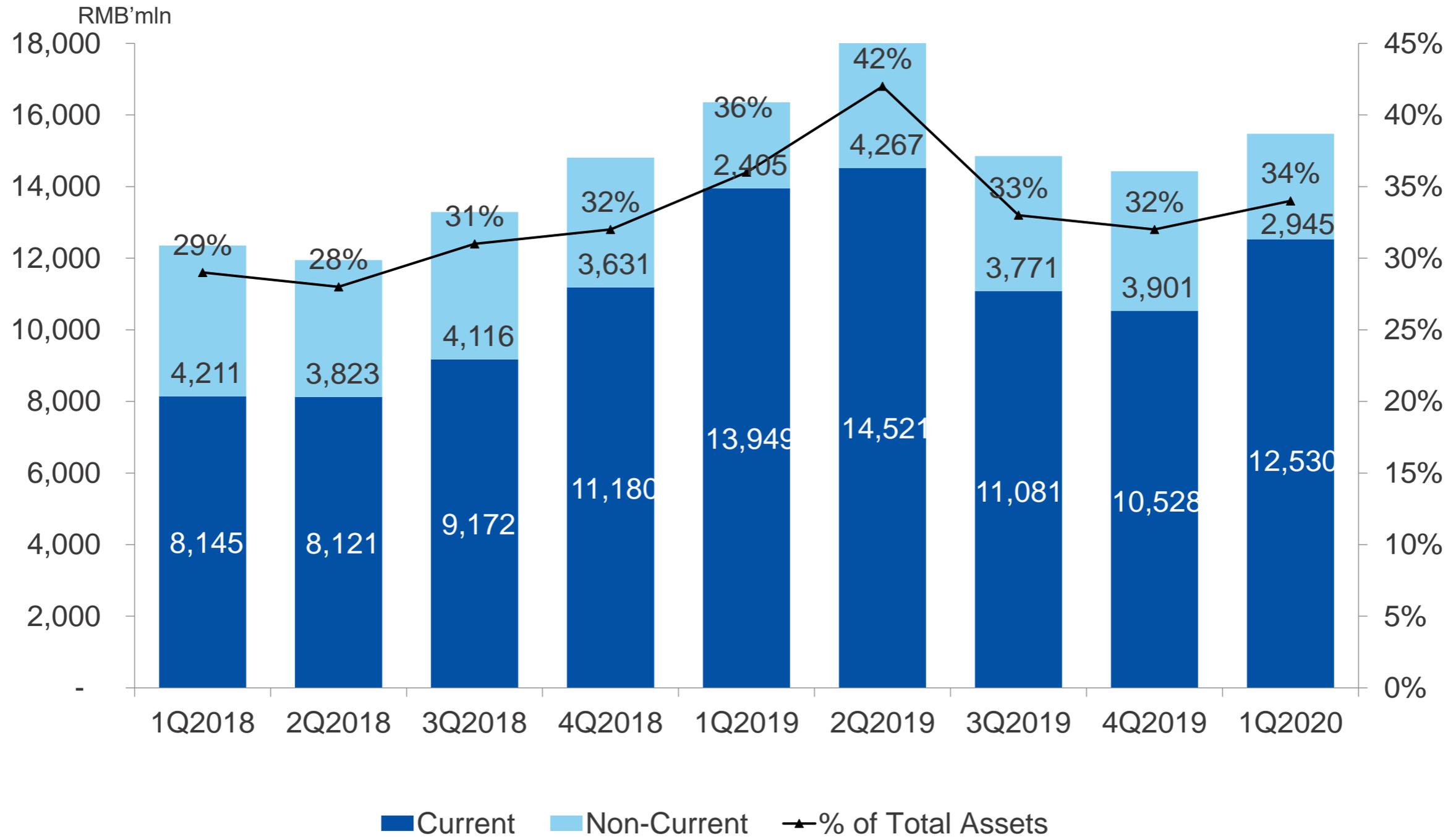
### **Financial Investments**

# Interest Income Investment Segment



Source: Company Data

# Outstanding Balance Debt Investments at Amortised Cost



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 product proposal
- Vote by investment committee
- Legal review and opinion
- Project approval and fund disbursement
- Designated team monitor and review project status (coverage ratio, payment progress etc.) in weekly meetings

## Structure - Role of Trust Company

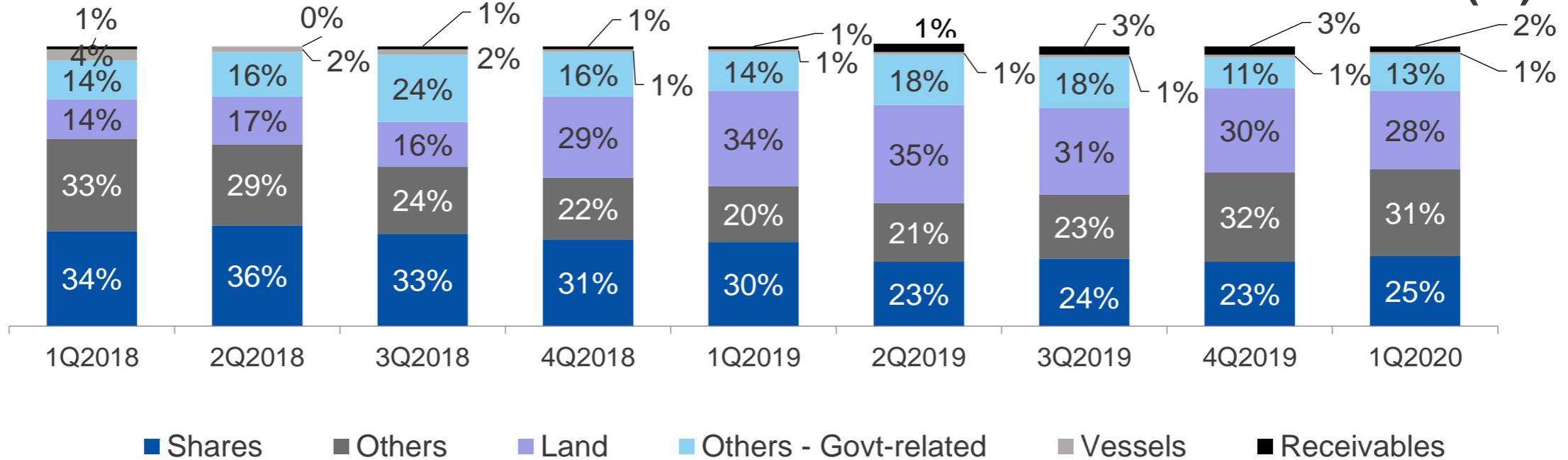
- Documentation
- Legal structure
- Safekeeping of collaterals

## Current Strategy

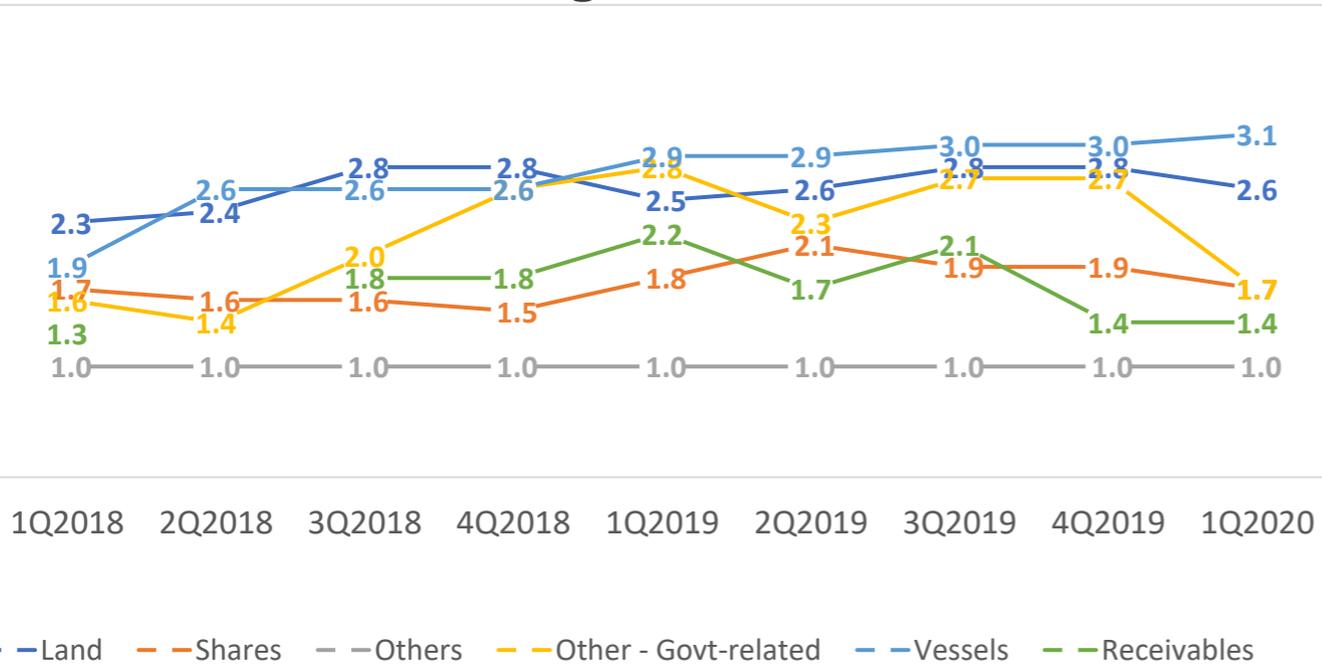
- Increase the 'current' portion in the portfolio for higher liquidity and tighter risk control
- Increase the requirement on collaterals and enhance coverage ratio when credit environment in China tightens

# Debt Investment at Amortised Costs

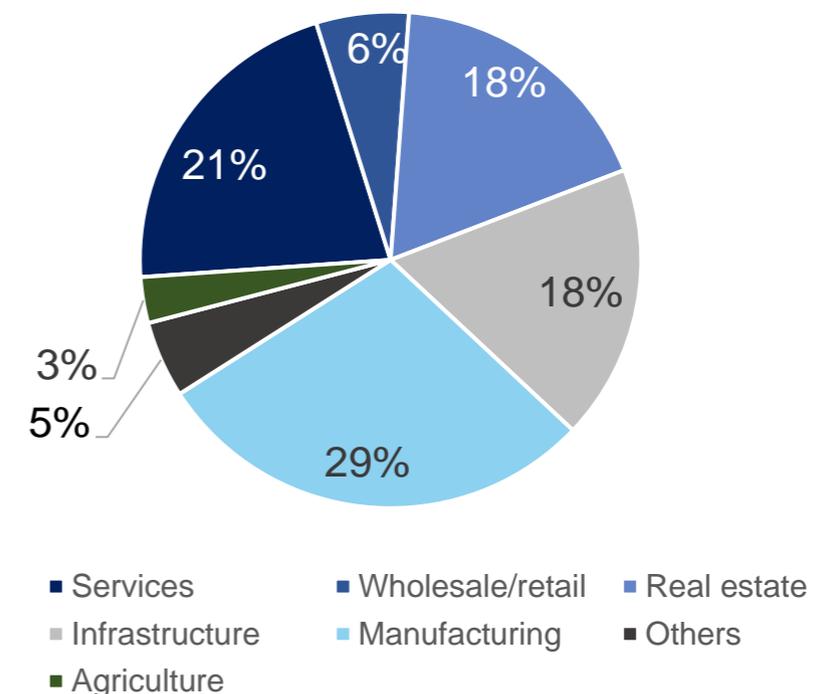
## Breakdown of Investment Amount for which collaterals are secured (%)



## Coverage Ratio



## Breakdown of Borrowers (1Q2020)





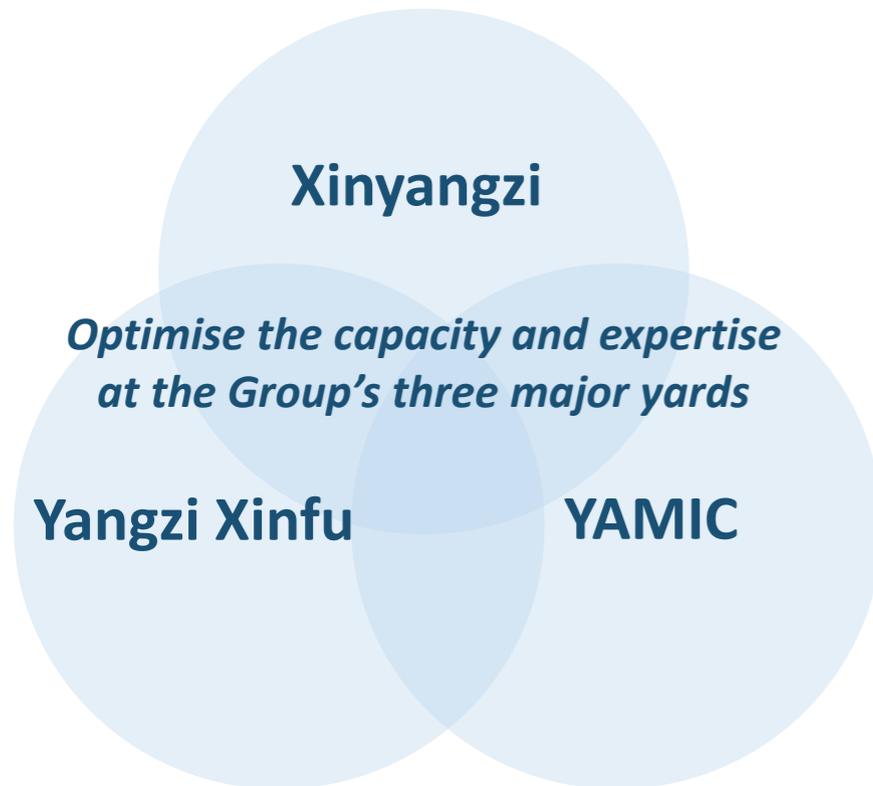
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## SECTION V

# STRATEGIES



# Strategies



**Production Base**

**Growth Areas**

**Vision: A world leader in these vessel types**



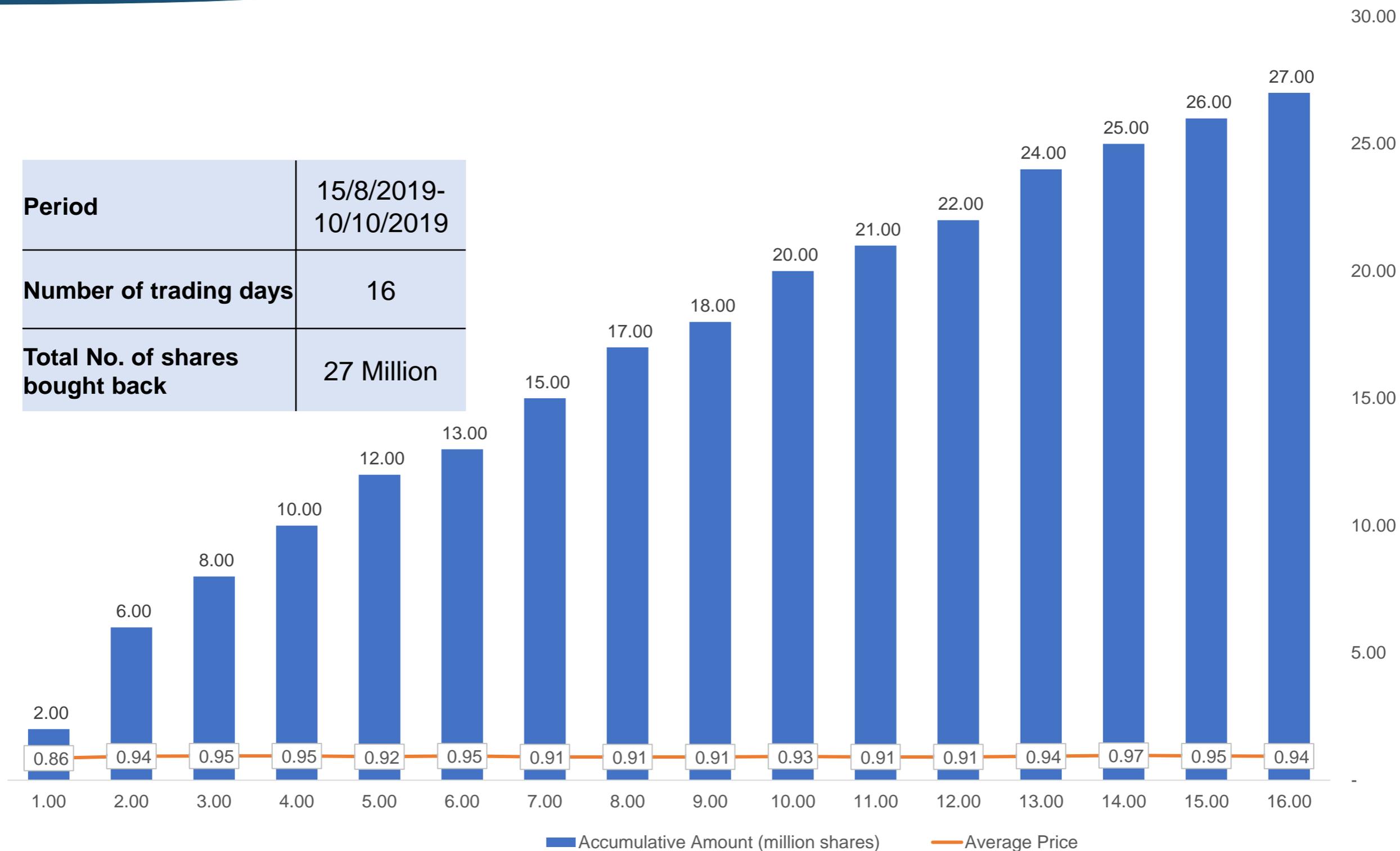
## SECTION VI

# STOCK INFORMATION



# Share Buyback

<b>Period</b>	15/8/2019-10/10/2019
<b>Number of trading days</b>	16
<b>Total No. of shares bought back</b>	27 Million

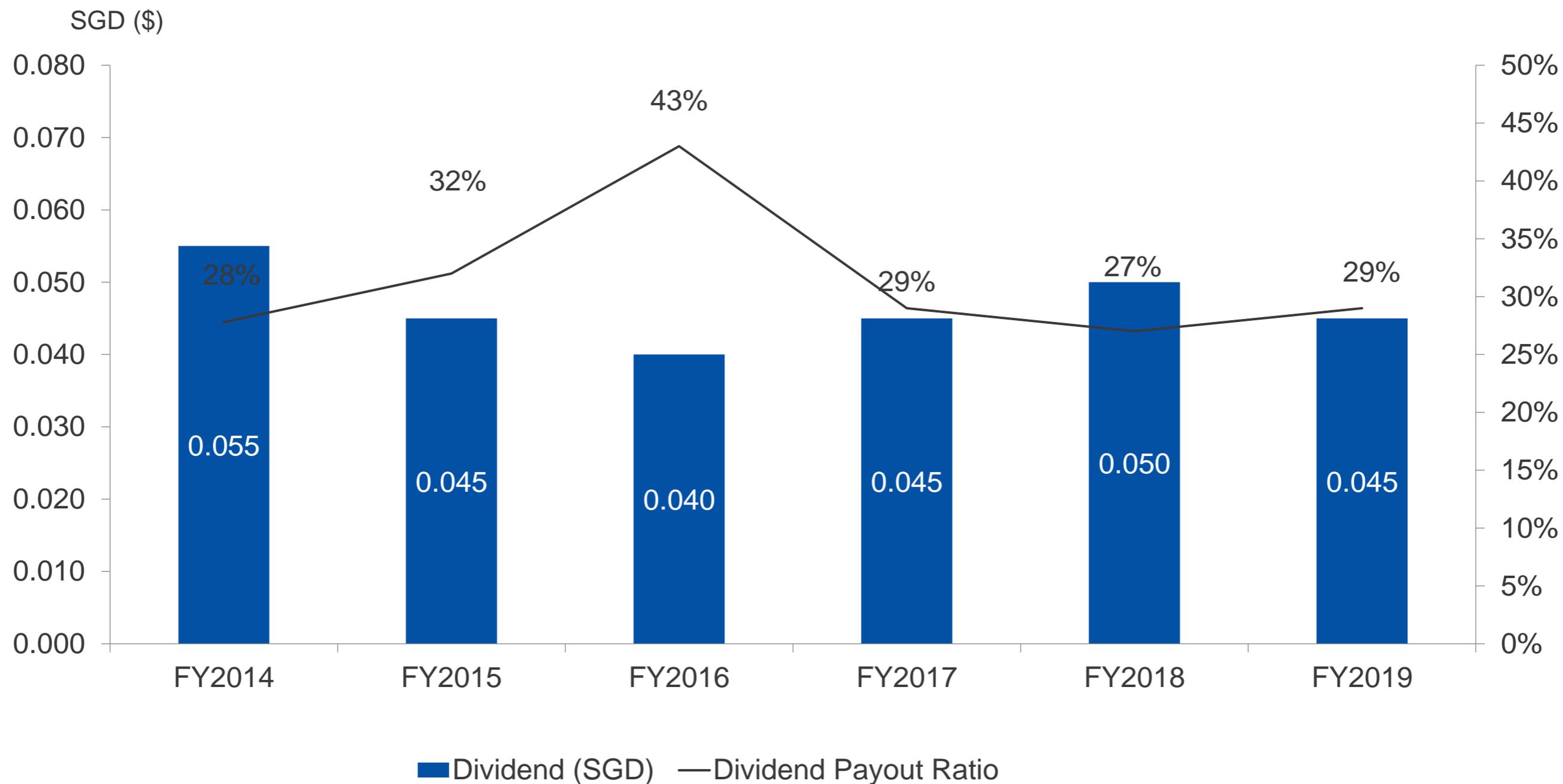


Source: Bloomberg, as of 29 April, 2020



# Dividend Summary

## Dividend and dividend payout ratio





# Top Shareholders

No.	Holder Name	Position	Filing Date	%
1	YANGZI INTERNATIONAL	852,845,825	12/31/2019	21.76
2	LIDO POINT INVESTMENTS LTD	394,134,000	12/31/2019	10.06
3	BLACKROCK INC	195,107,017	12/12/2018	4.98
4	HENGYUAN ASSET INV LTD	163,697,370	03/02/2020	4.18
5	INVESTEC ASSET MGT GUERNSEY LTD	38,901,400	02/29/2020	0.99
6	Vanguard Group INC/Wayne	35,886,530	03/31/2020	0.92
7	MERIAN GLOBAL INVESTORS UK LTD	26,463,100	06/30/2018	0.68
8	GOVERNMENT PENSION FUND GLOBAL	24,119,386	12/31/2019	0.62
9	DIMENSIONAL FUND ADVISORS LP	22,893,040	01/31/2020	0.58
10	VANGUARD GROUP INC	21,936,580	03/31/2020	0.56
<b>Total</b>		<b>1,775,984,248</b>		<b>45.33</b>

Source: Bloomberg, as of 29 April, 2020



# Stock Performance



Source: Bloomberg, as of 29 April, 2020



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



Thank You

Q&A

For more information,  
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