



Yangzijiang Shipbuilding (Holdings) Ltd.

Roadshow Presentation

25th April 2008



Agenda

Our Presence & Our Shipyards

Strong order book and increasing of production capacity

Operation update

Market outlook

Consideration and Strategies

Sustaining profit margins

Q & A

Our Presence & Our Shipyard

Our Presence

- ◆ Old shipyard is located in Jiangyin City
- ◆ New shipyard is located in Jiangjiang city with new facility to produce more ships

Our shipyards

- ◆ 2nd largest non-state-owned shipbuilder in terms of production capability

Our Core Business

- ◆ Producing wide range of commercial vessels

Our Products

- ◆ Containerships
- ◆ Dry bulk carriers, and
- ◆ Multi-purpose cargo vessels

Our Customers

- ◆ Peter Dohle (Germany)
- ◆ Rickers Reederei (Germany)
- ◆ Tomas Schulte (Germany)
- ◆ Hansa Shipping (Germany)
- ◆ Carisbrooke (UK)
- ◆ Seaspan (Canada)
- ◆ Formosa (Taiwan)
- ◆ Canadry (Italy)
- ◆ D'amato (Italy)
- ◆ IMS Shipping (Italy)
- ◆ Cosco (China)

Strong order book and increasing of production capacity

New yard

- ◆ New yard completed in June 2007
- ◆ 4 vessels launched in the yard in 2007
- ◆ 2 of the 4 vessels delivered

Capacity

- ◆ Current built capacity in existing yard 0.2 million CGT and its production capacity is expected to grow more than 1.0 million with the phasing in of the new yard

Order in 2007

- ◆ USD 5.0 billion, equivalent to 2.1 million CGT = 107 vessels

Backlog

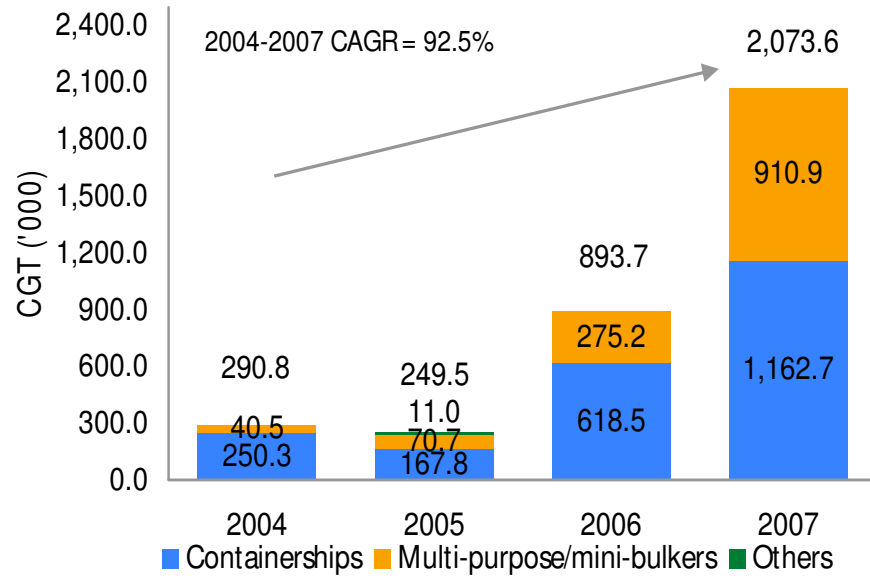
- ◆ USD 6.8 billion as at 03/31/08, equivalent to 2.9 million CGT=155 vessels

Order book Breakdown

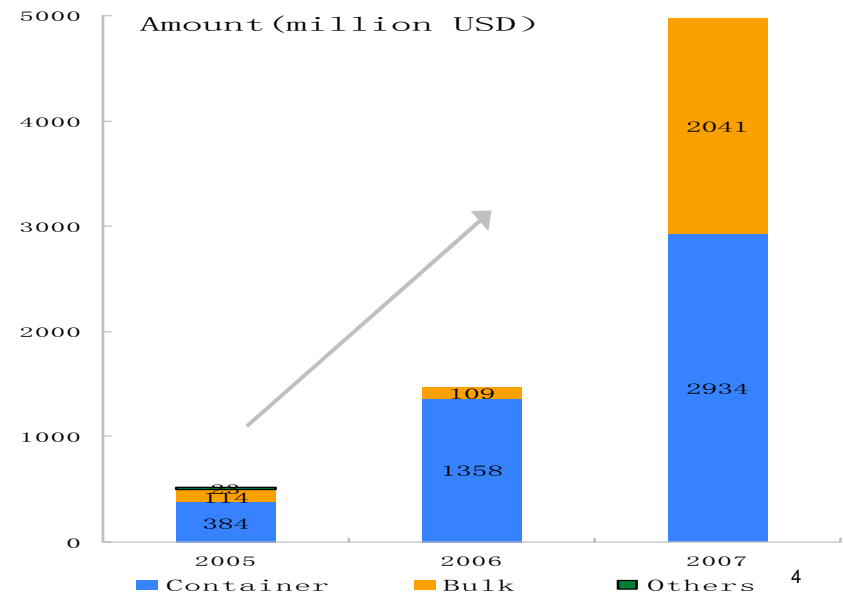
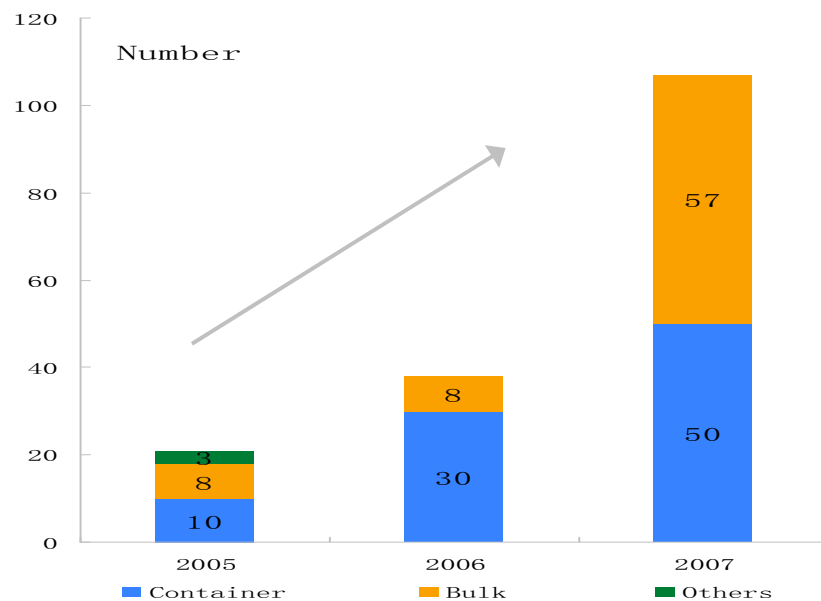
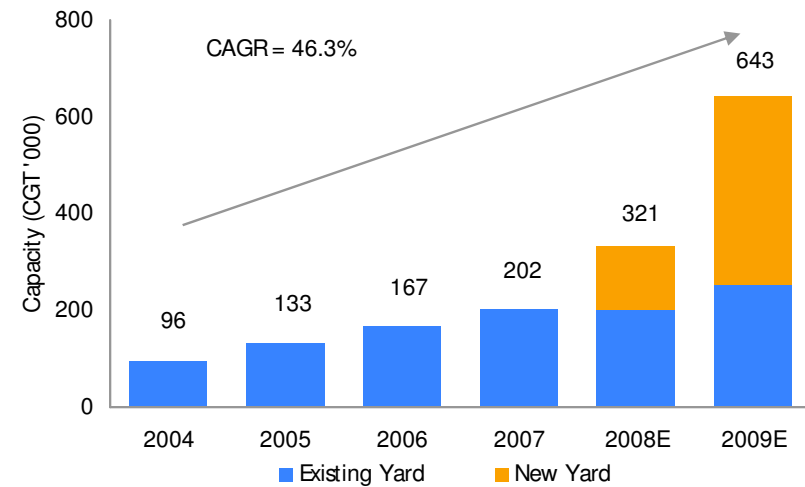
- | | |
|-------------------------|--------------------------|
| ◆ 4250 TEU (48 Vessels) | ◆ 92500 DWT (34 Vessels) |
| ◆ 2500 TEU (26 Vessels) | ◆ 12600 DWT (10 Vessels) |
| ◆ 1350 TEU (14 Vessels) | ◆ 7600 DWT (16 Vessels) |
| ◆ 13000 DWT (1 Vessels) | ◆ 8000 DWT (6 Vessels) |

Strong orderbook and increasing in production capacity

New orderbook growth



Production Capacity

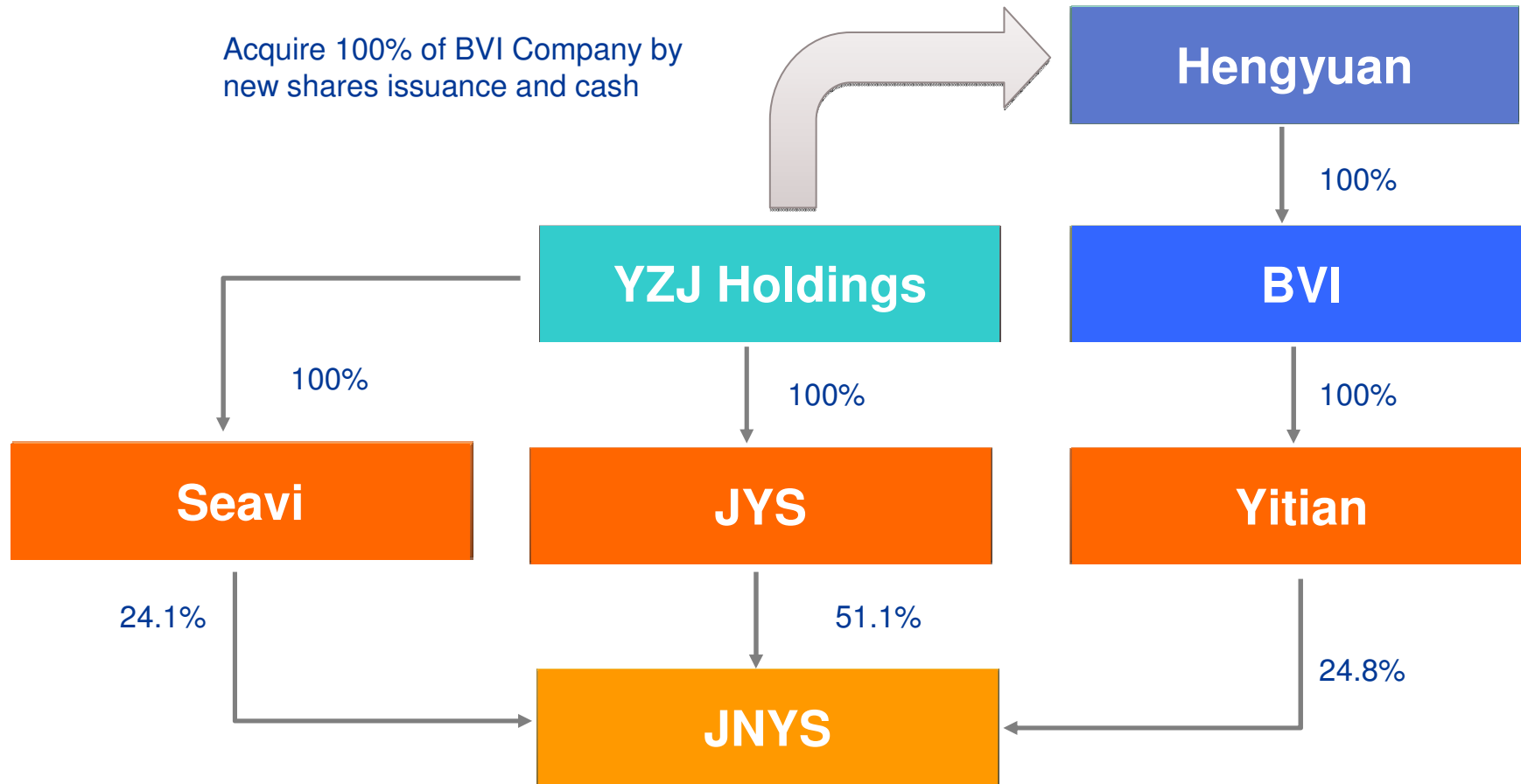


Strong orderbook and increasing in production capacity

New order highlights

- 1 Secured contract from Cosco container to build 16+4 vessels, equivalent to USD1.36bn, delivery between August 2011 and June 2012
- 2 Have a broad base of regular and new customers; in particular our long-term relationship with D'amato, further expanding our customer base in Europe
- 3 Our new orders increased by 132% from 897.3 thousands CGT of 2006 to 2,073.6 thousands CGT of 2007. The compound growth rate from 2004 to 2007 is 92.5%.
- 4 It converts to our order book in hand of 4 years, and our capacity is expected to have large increase in 1-2 years.

Acquisition of the Remaining Minority Interest of New Yard



Market outlook

We foresee that:

- 1 The containerships sector will grow steadily while the bulkers sector may shrink
- 2 Equal opportunities for industry consolidation are emerging
- 3 The rise of Chinese shipbuilding industry is unquestionable
- 4 China-related factors will lead the direction of the shipping market in the future

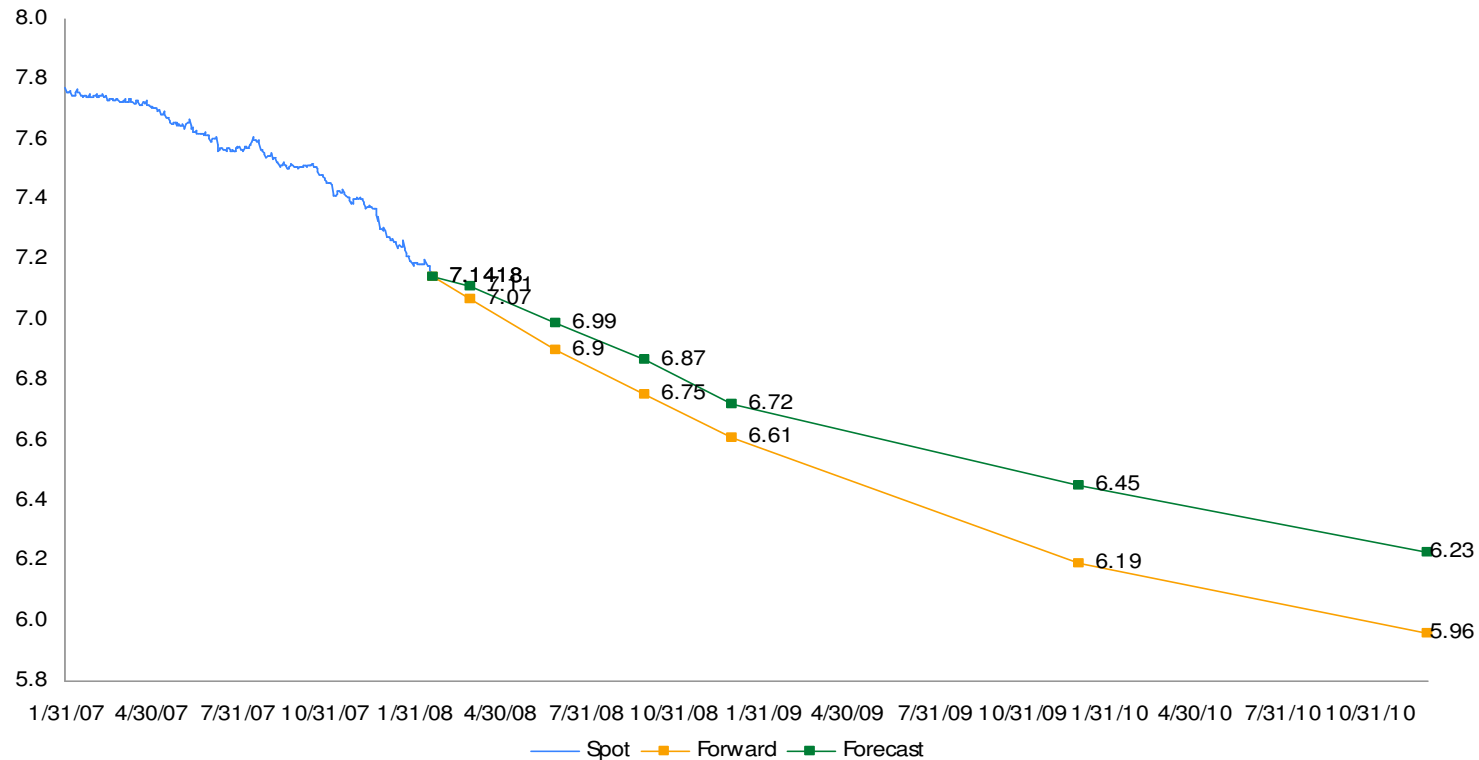
Rising steel prices

- ◆ Steel Price is expected to increase in 2008, which in turn will increase the raw material cost;
- ◆ The enlarged production capacity by steel mills in 2005 may take away some of the heat from the raising steel price towards the second half of 2008;
- ◆ Demand for steel will decrease with tight fiscal policy implemented to cool the economic;
- ◆ Rapid increase in steel price push CPI further; we believe the Chinese government will freezing certain prices within the economy in order to help keep inflation under control;

RMB appreciation

RMB has appreciated against USD at a pace of 8.25% over the last year, and this trend is expected to continue in the median term.

USD/RMB exchange rate forecast



Source: Bloomberg, 22 Feb 2008

Notes:

1 "Forecast" refer to the median of the USD/RMB forecasts provided by 30 banks to Bloomberg

About the New Orders:

- ◆ To a certain extent the boom of shipbuilding industry in 2007 had caused a temporary over tonnage situation.
- ◆ On average most shipyards have more than 4 years' of orders in hand. When only 2 years' order conventionally, their desires to accept orders are not very strong. Any new order, will have to live with a longer than normal delivery time.
- ◆ In terms of uncertain judgment of cost increase/exchange rate and ship market, ship yards are not willing to accept an order easily.
- ◆ The decreased of new ship orders are deemed to be a blessing in disguise as it can help to sustain the high price of new ships, especially for container ships. The appreciation of price in 2007 are considered to be reasonable.
- ◆ Our focus on container ships, good track record and our ability to build a wide range of ships will mitigate any serious impact to our profitability while allowing the market to find its own equilibrium.
- ◆ Our cautious and steady management strategy ensure the least possibility of contract cancellations.

Industry cycle and our competitiveness

We foresee that industry cycle and the introduction of new yards will intensify the competitiveness of the industry.

- 1** Our sustainable operating policies ensure the continuity of new orders while the industry troughs
- 2** Relevant training program for all level of staffs are in place.
- 3** Timely & efficient application of capital markets to consolidate the industry
- 4** Rewarding systems to keep talent and to inspire creativity

Sustaining profit margins

We will adopt the following strategies:

- 1 Prepayments of essential material to lock in the quantity of steel and the price of key components, lower the raw material cost at the expense of costs of capital;
- 2 The new labor law is not going to have any adverse impact to our overhead on short term as we have already adopted most of it long before it became law;
- 3 Higher labor cost reflects the continuous improvement of our business result;
- 4 Market and focus on producing key products to benefit from economic of scales;
- 5 Capacity growth ensures the growth of the dollar amount of net profit



Appendix

Q & A