



Yangzijiang Shipbuilding (Holdings) Ltd.



FY2008 ANALYST BRIEFING

24 February 2009

Disclaimer

The presentation is prepared by Yangzijiang Shipbuilding (Holdings) Ltd. (the “Company”) and is intended solely for your personal reference and is strictly confidential. The information contained in this presentation is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. Neither the Company nor any of its affiliates, advisors or representatives make any representation regarding, and assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of these materials. By attending this presentation, you are agreeing to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The information contained in these materials has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. The information and opinions contained in these materials are provided as at the date of this presentation and are subject to change without notice. None of the underwriters nor any of their respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of these materials.

In addition, the information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the Company and its directors. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those forecast and projected.

This presentation and such materials is not and does not constitute or form part of any offer, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto. This document may not be used or relied upon by any other party, or for any other purpose, and may not be reproduced, disseminated or quoted without the prior written consent of the Company.

Any investment in any securities issued by the Company or its affiliates should be made solely on the basis of the final offer document issued in respect of such securities.

Relaying copies of this presentation to other persons in your company or elsewhere is prohibited.

These materials are not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

These materials are not an offer of securities for sale into the United States, Canada or Japan. The securities may not be offered or sold in the United States under the U.S. Securities Act of 1933, as amended, unless they are registered or exempt from registration. There will be no public offer of securities in the United States.



Agenda

- Group Overview
- Financial Overview
- Operational Highlights
- Outlook / Future Plans



SECTION 1

Group Overview



Group's presence & shipyard profile

Presence (since 1956)

- ◆ Old shipyard is located in Jiangyin City
- ◆ New shipyard is located in Jiangjiang City

Shipyard Profile

- ◆ Largest non-state-owned publicly listed shipbuilder by virtue of manufacturing capability in the PRC
- ◆ Total size of 220 hectares, 3,000m fitting-out quay, 900 ton gantry cranes, ultra-size docks build upto 300,000 DWT vessel

Core Business

- ◆ Wide range of commercial vessels; Containerships, Bulk cargo carriers, and Multi-purpose cargo vessels

Milestones

- ◆ First Chinese Non-state-owned Public listed shipyard
- ◆ China's most productive and cost efficient shipbuilder



Excellent track record, solid quality & prompt delivery

Competitive advantages

- ◆ High level of quality maintained and well acclaimed by shipbuilding surveyors
- ◆ Repeated orders from long term clients
- ◆ Prompt in delivery of vessels
- ◆ Well managed operations to minimize cost overruns

Group's niche

- ◆ Sophisticated designs = Minimum modification
- ◆ Least retrofitting of tools = significant reduction of fixed cost per vessel
- ◆ Mass production = economies of scale

Build capacity (1.0 million CGT)

- ◆ Old yard - current built capacity of 0.2 million CGT
- ◆ New yard - progressively expanding to reach 0.8 million CGT



Share information

Share Price (*as at 20 February 2009)	\$0.425
Market Capitalization	\$1,552.75 million
52 Week High & Low	\$0.27 - \$1.38
P/E (Based on trailing 12m EPS & SGD/RMB of 4.45)	4.4x
P/B	1.6x
Cash/share	\$0.19
No. of shares	3,653.522 million
Major Shareholders:	Ren Yuanlin (29.23%) Wan Dong (13.97%) Public Float (56.80%)

*Sources: Bloomberg (20 Feb 2009)



SECTION 2

Financial Overview



Results highlight for 4Q2008 / FY2008

Financial Highlights	4Q2008	4Q2007	Change	FY2008	FY2007	Change
	RMB' 000	RMB' 000	%	RMB' 000	RMB' 000	%
Revenue	1,868,488	1,555,035	20	7,359,096	3,855,494	91
Gross Profit	238,108	309,622	(23)	1,363,012	885,253	54
Gross Profit Margin	12.7%	19.9%	-	18.5%	23.0%	-
Other Income	122,012	33,490	264	232,431	121,423	91
Other Gains, Net	73,155	31,729	131	274,239	101,766	169
Operating Expenses	38,032	21,435	77	160,421	117,898	36
Net Profit Attributable to Equityholders	395,075	315,411	25	1,579,760	869,509	82
Net Profit Margin	21.1%	20.3%	-	21.5%	22.6%	-
Basic EPS* (RMB cents)	-	-	-	45.13	28.20	-

* Based on weighted average number of ordinary shares of 3,500,361,597 for FY2008 (3,082,091,304 for FY2007)



Quarter on quarter

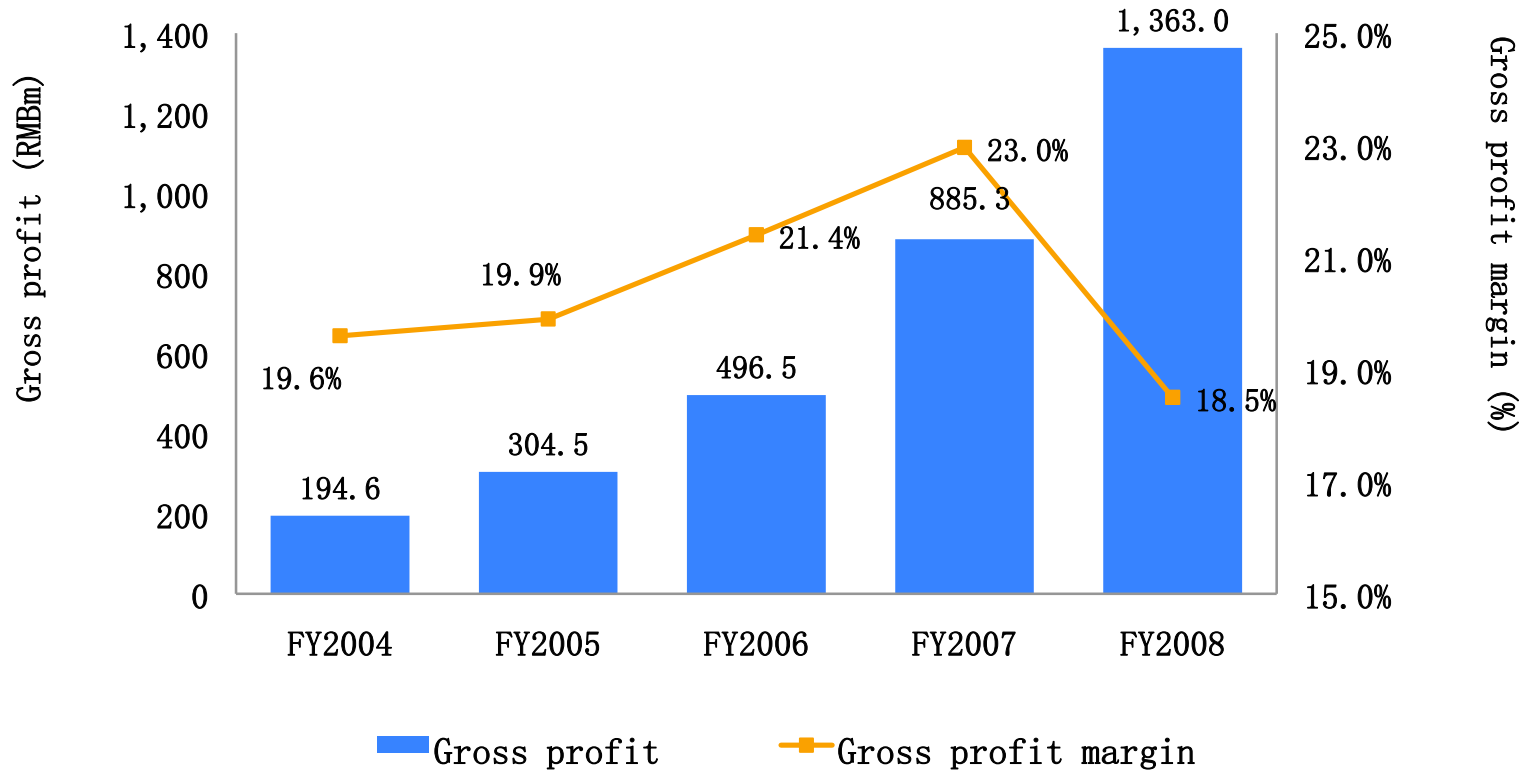
Financial Highlights	4Q2008	3Q2008	Change
	RMB' 000	RMB' 000	%
Revenue	1, 868, 488	2, 023, 895	(8)
Gross Profit	238, 108	465, 643	(49)
Gross Profit Margin	12. 7%	23. 0%	-
Other Income	122, 012	50, 311	143
Other Gains, Net	73, 155	30, 825	137
Operating Expenses	38, 032	41, 911	(9)
Net Profit Attributable to Equityholders	395, 075	475, 260	(17)
Net Profit Margin	21. 1%	23. 5%	-

Other income registered a jump in the 4Q2008 mainly due to the interest income accrued from financial assets, held to maturity



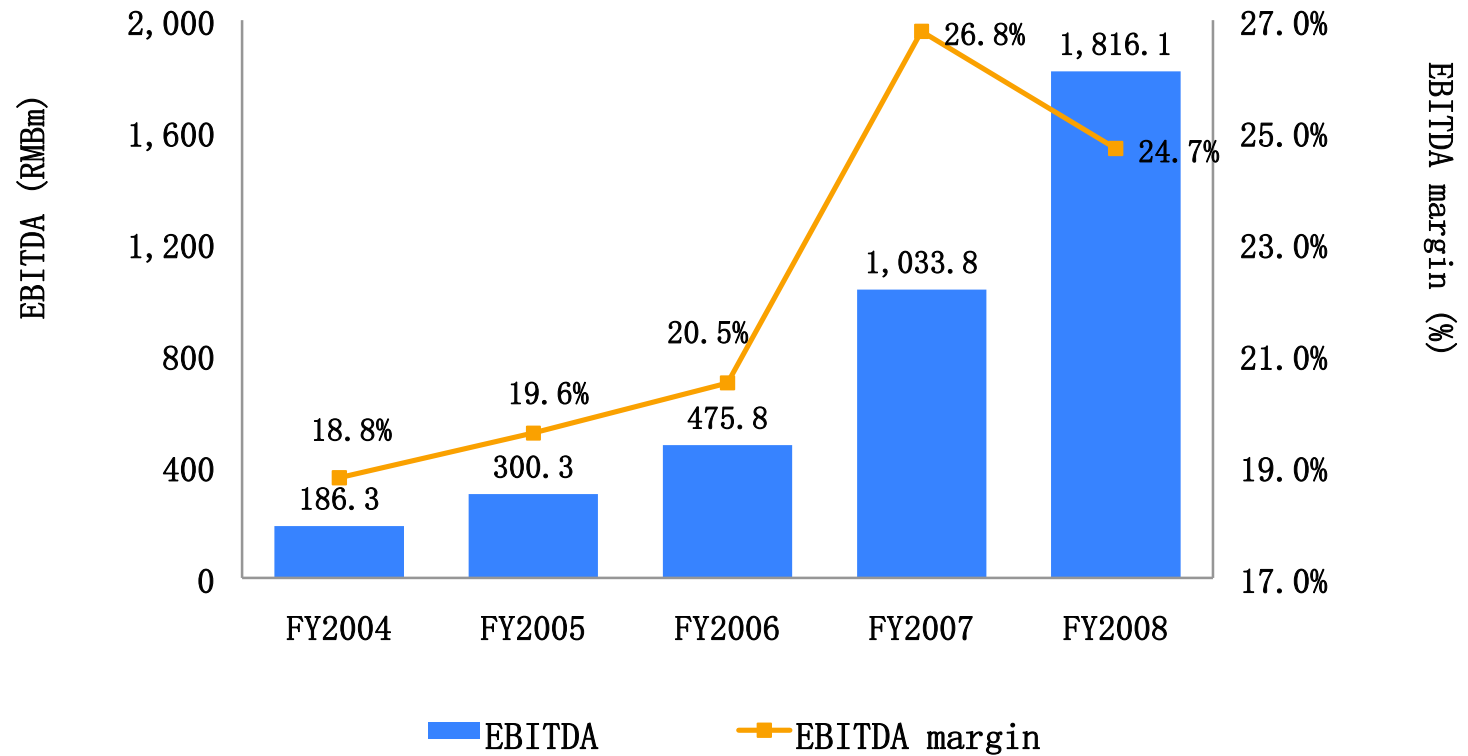
Profitability trends

Gross profit



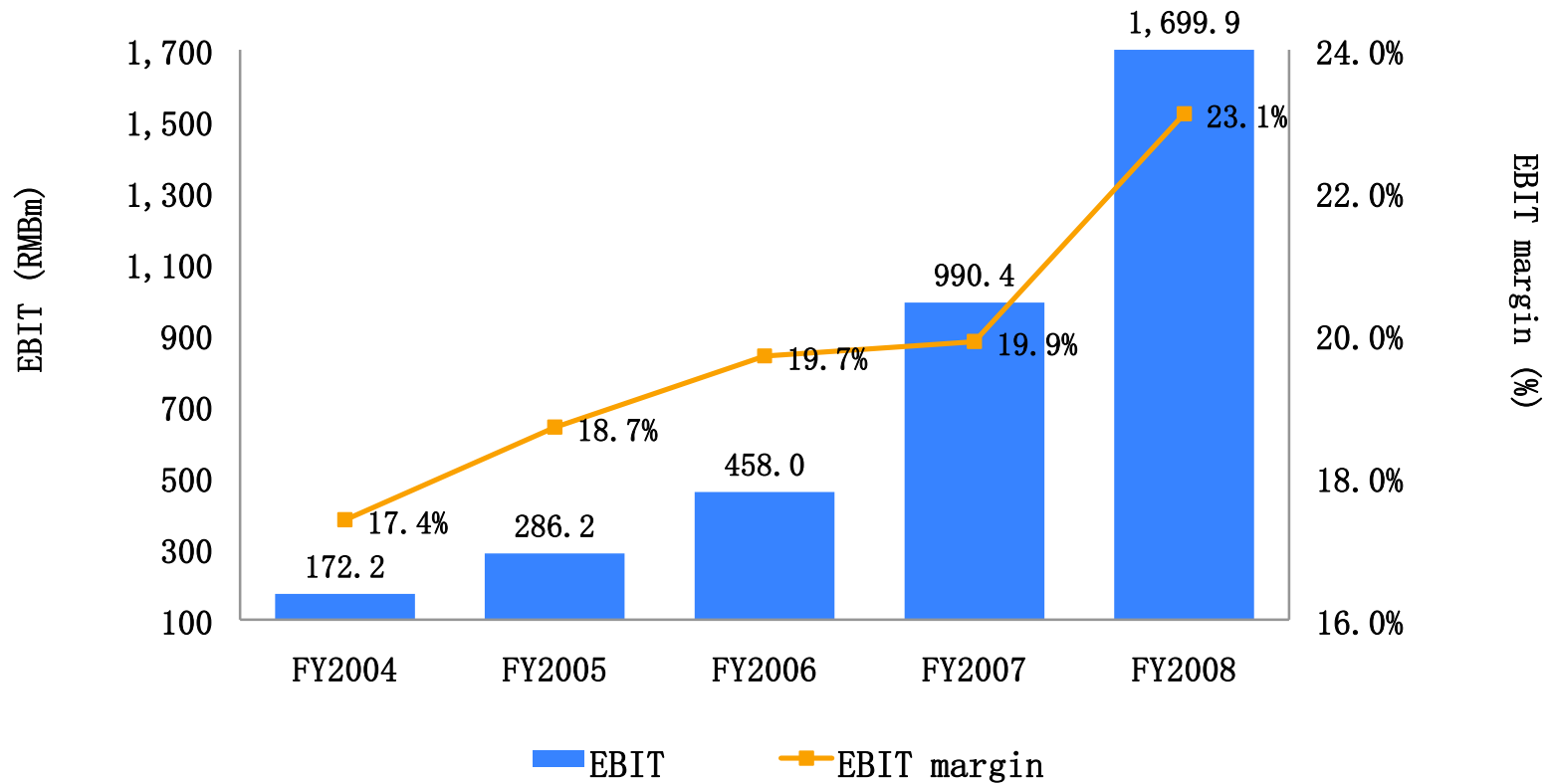
Profitability trends

EBITDA



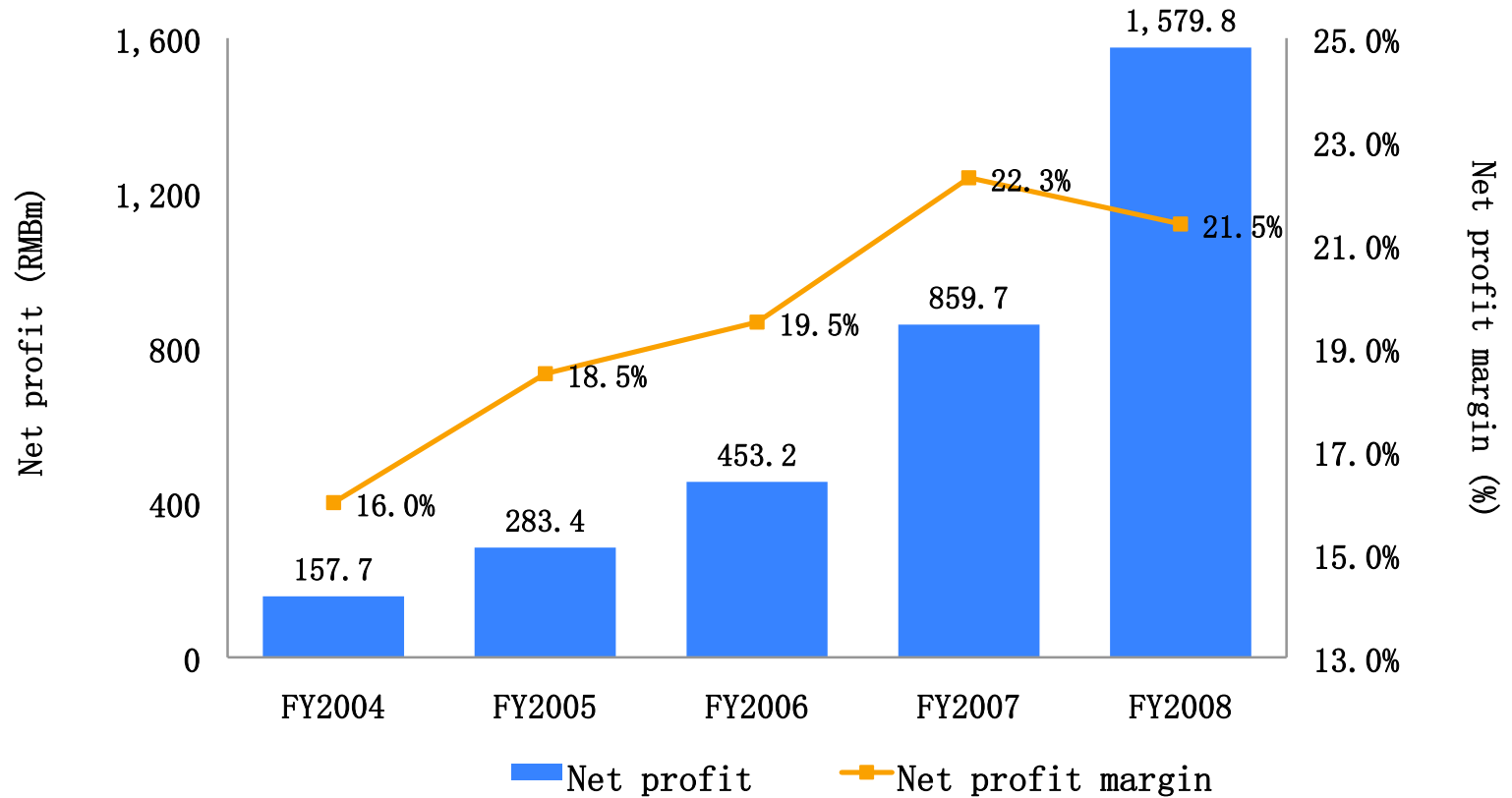
Profitability trends

EBIT



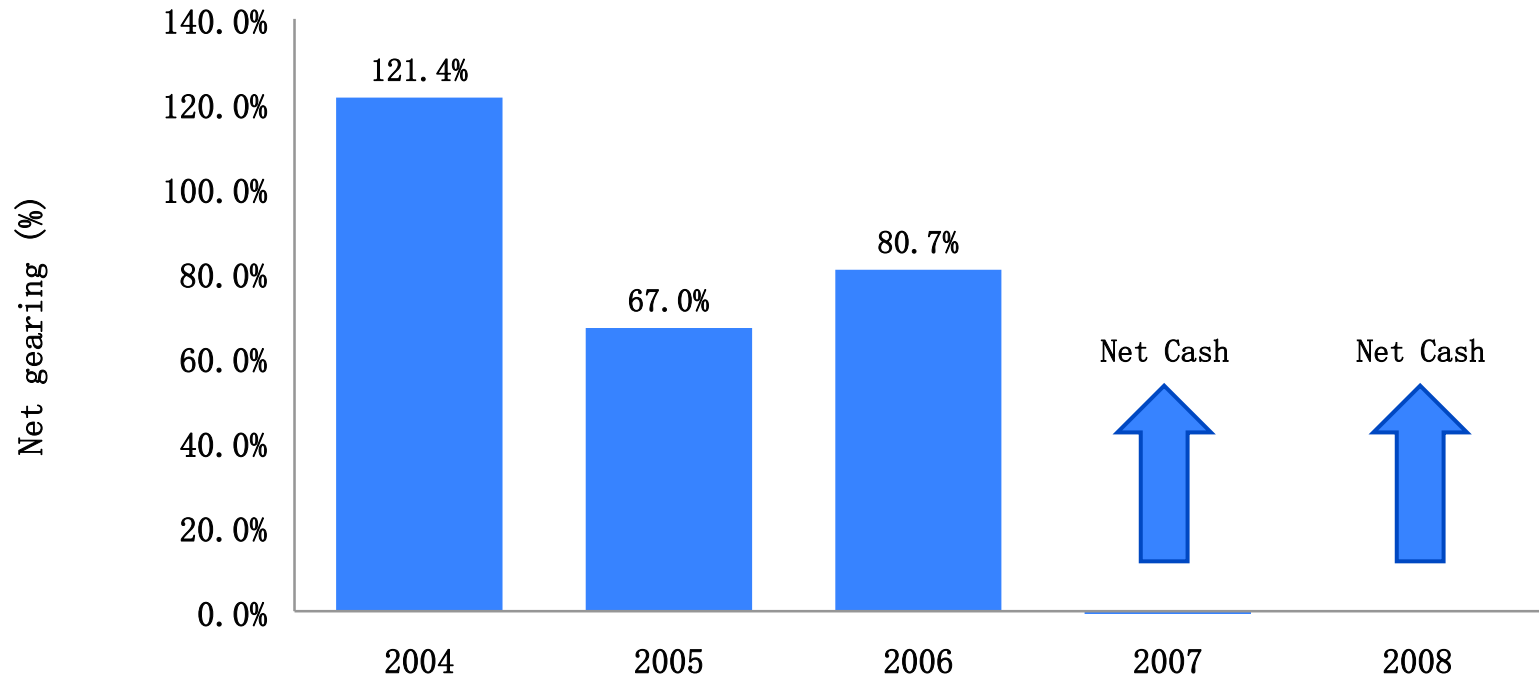
Profitability trends

Net profit



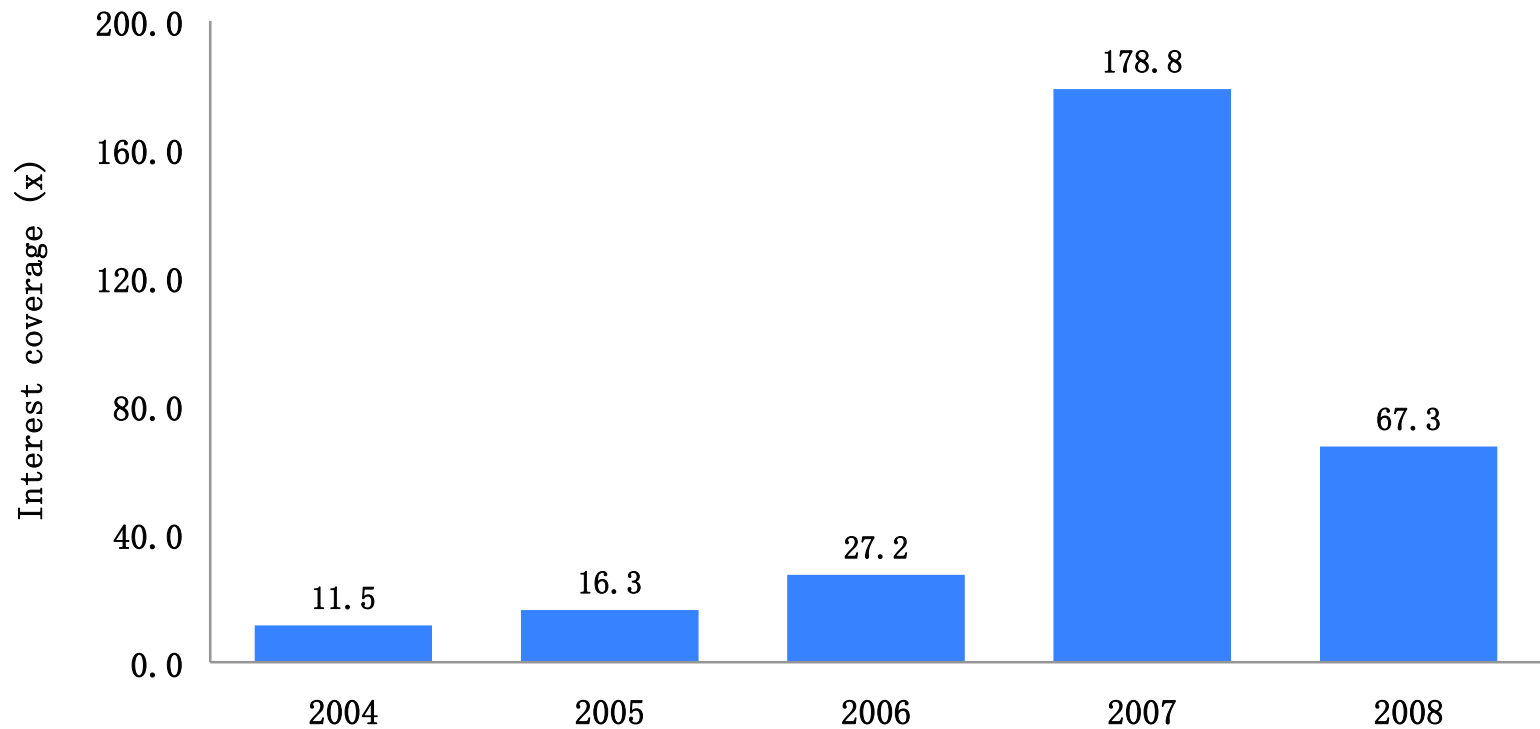
Strong financial position

Net gearing



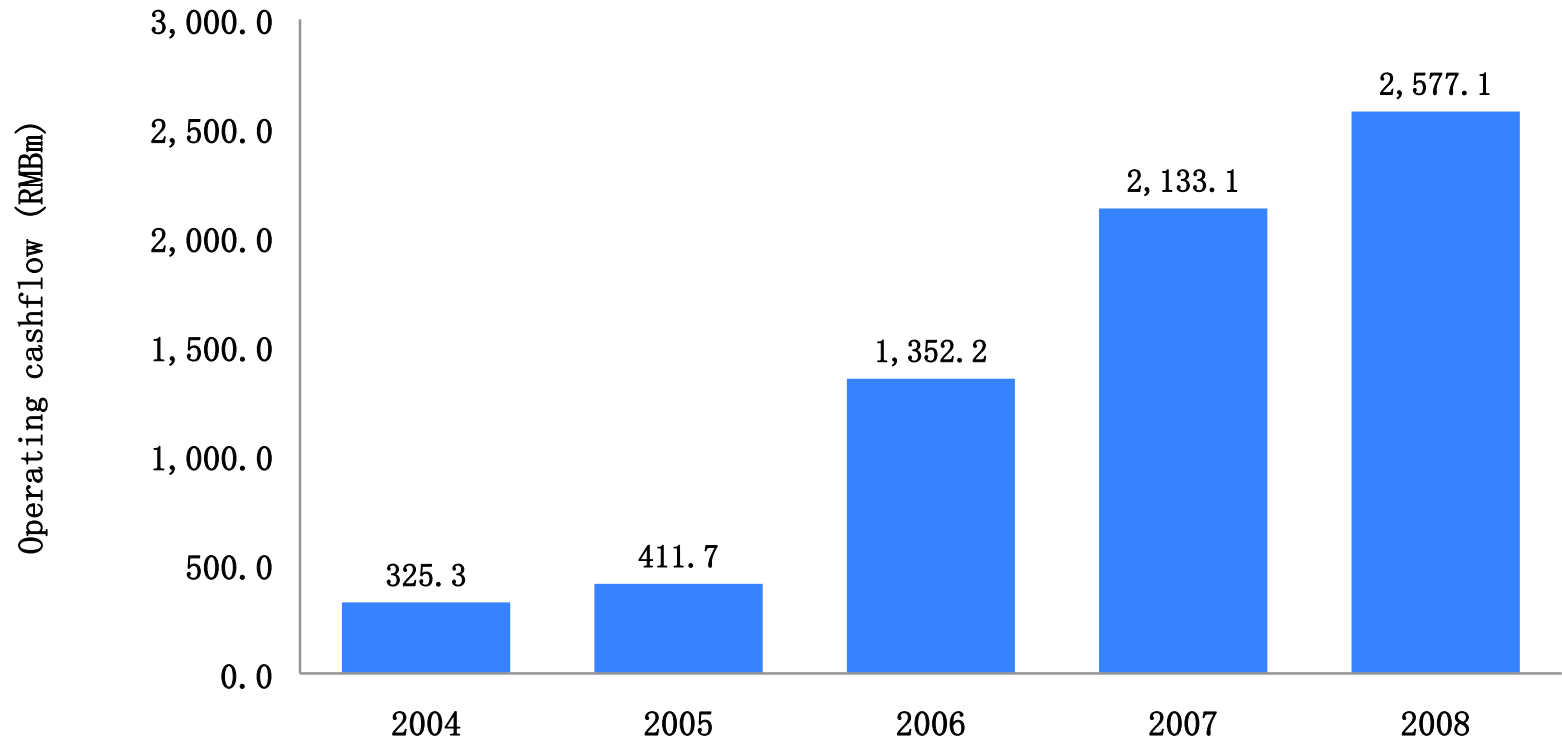
Strong financial position

Interest coverage ratio



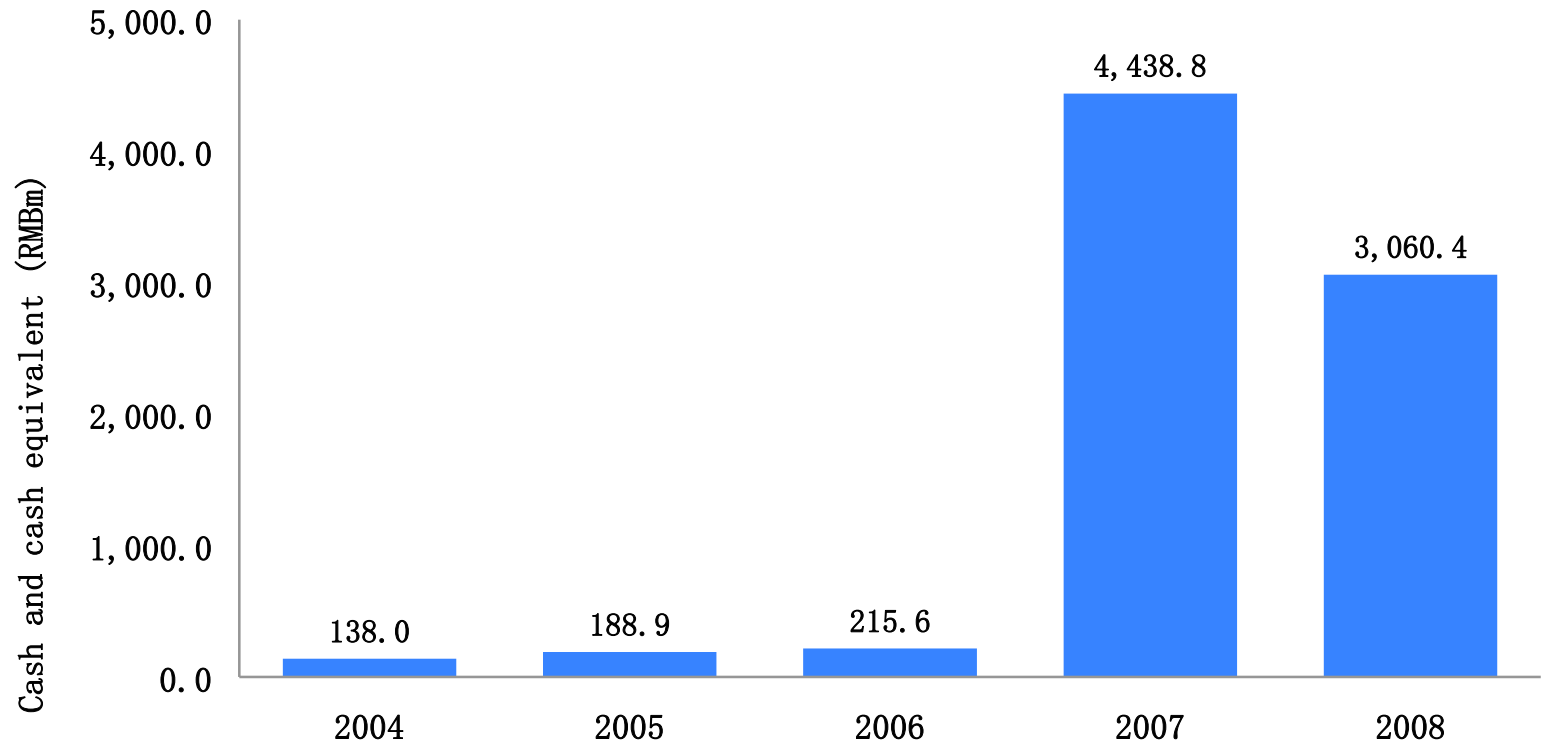
Strong financial position

Operating cashflow



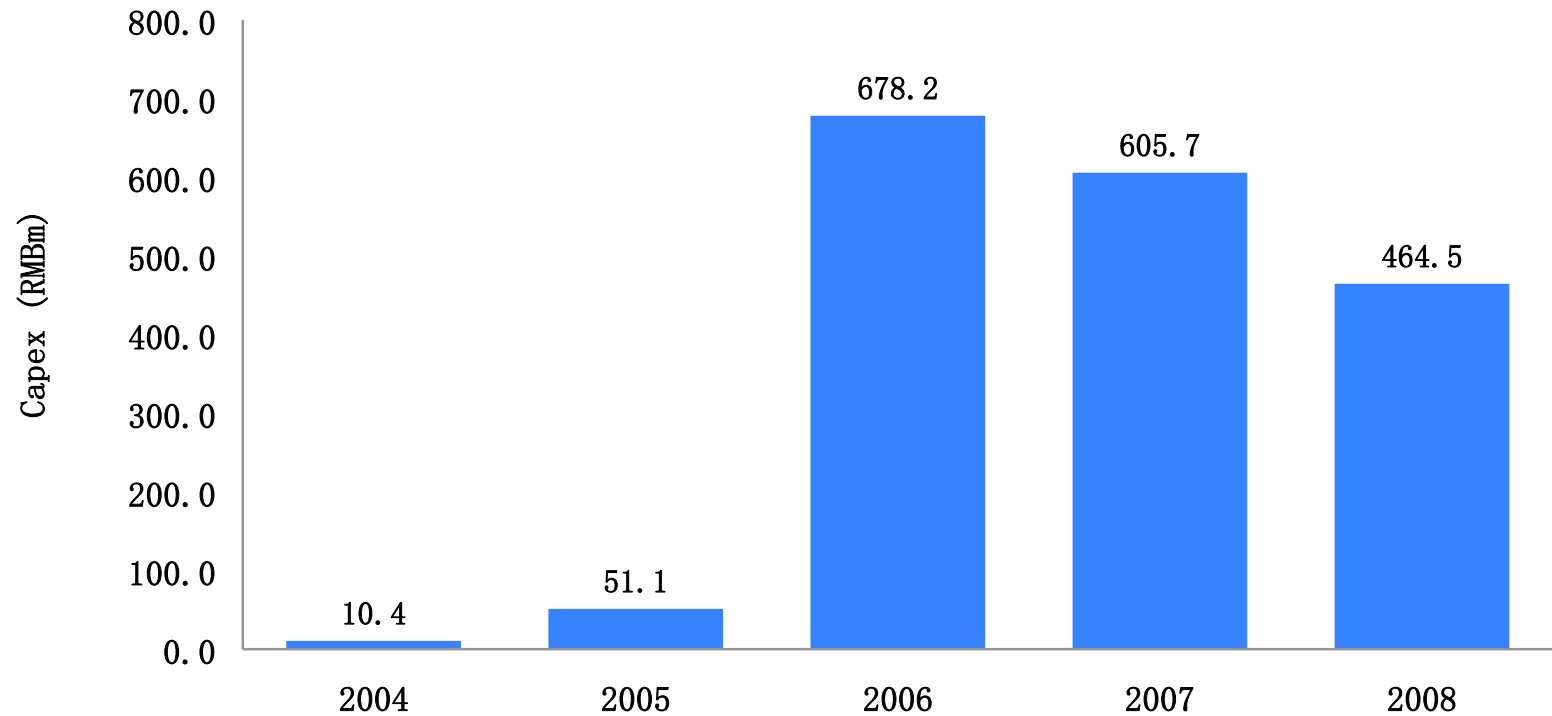
Strong financial position

Cash and cash equivalents



CAPEX

Capital expenditure



Note: No major capital expenditure is expected going forward as the Group has completed the acquisition of the new yard



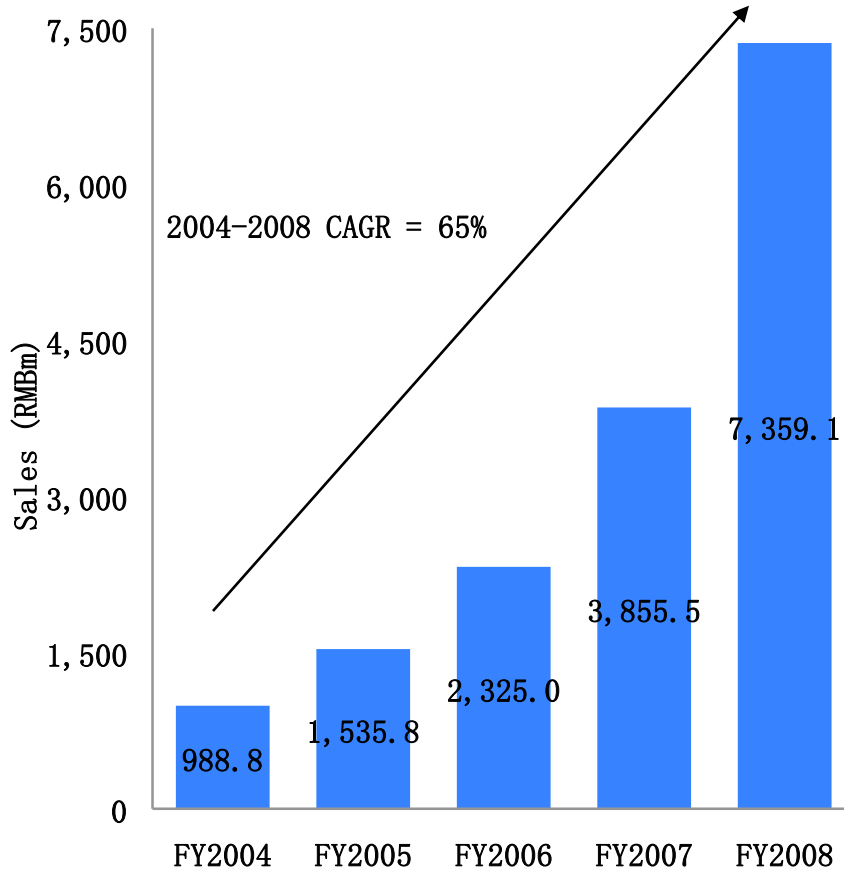
SECTION 3

Operational Highlights

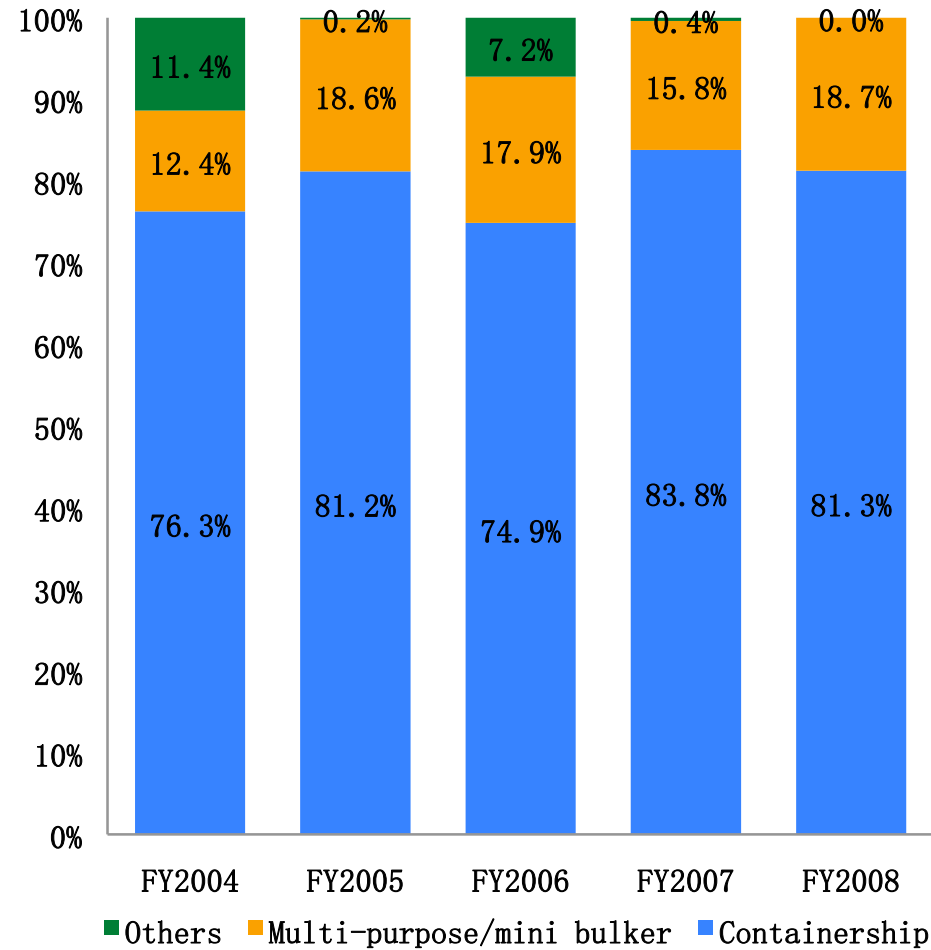


Solid revenue growth

Total revenue

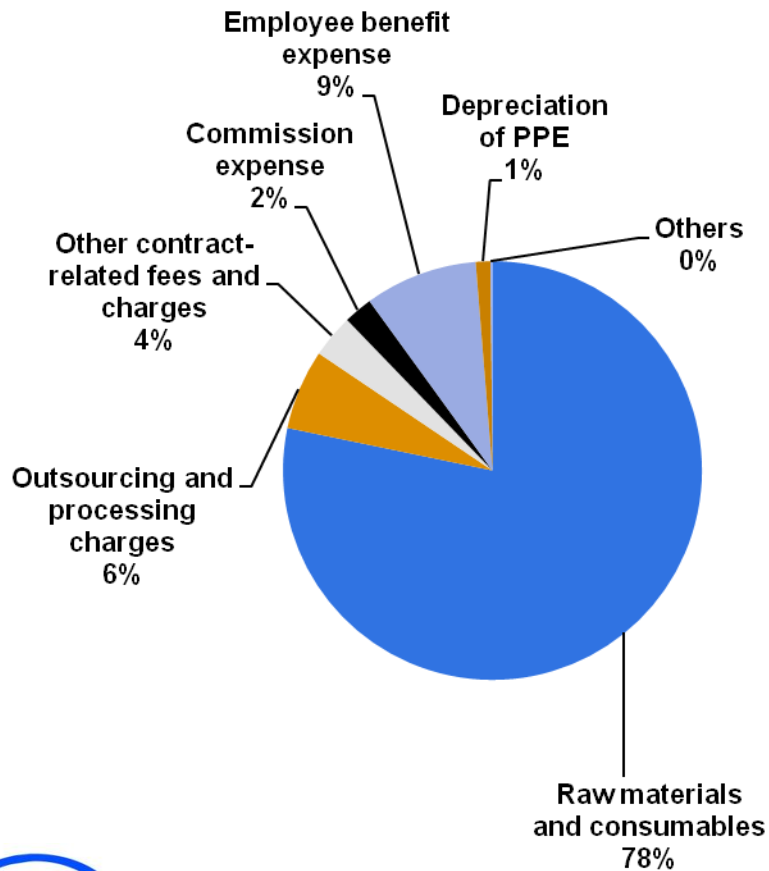


Revenue breakdown

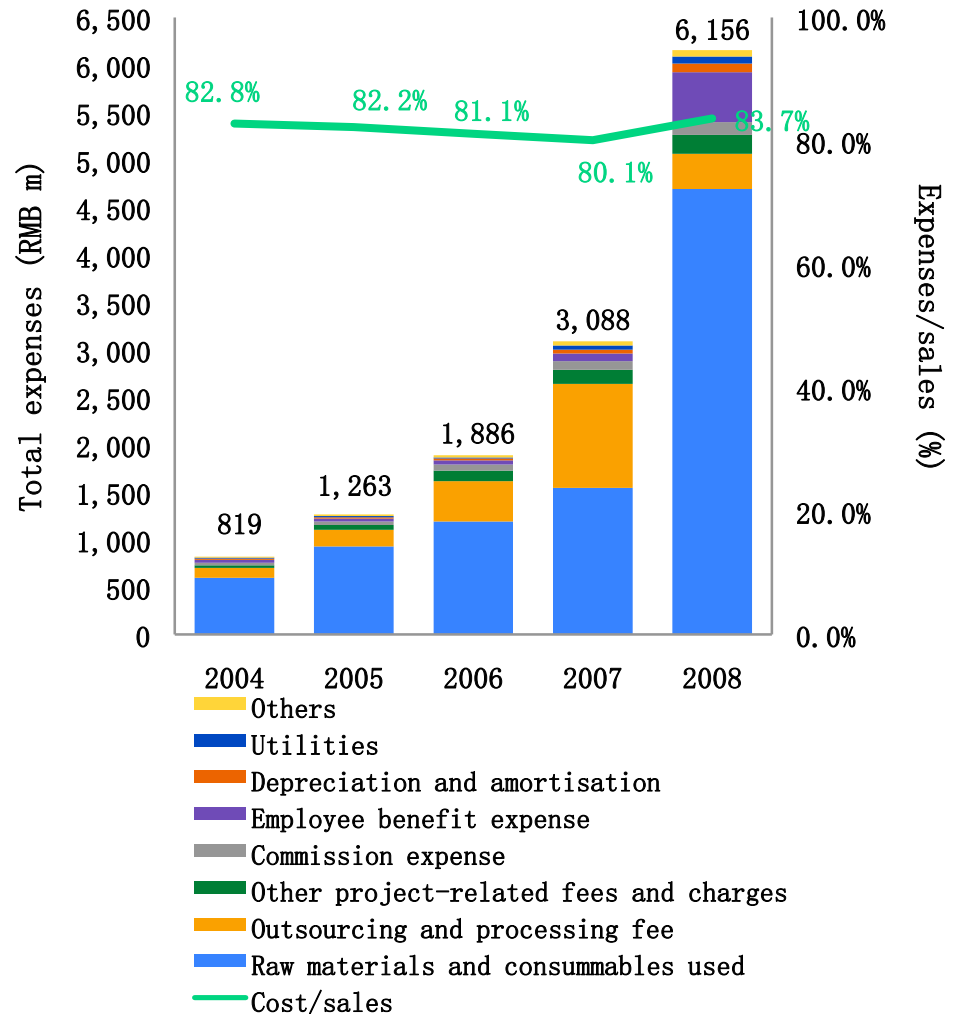


Stable and competitive cost structure

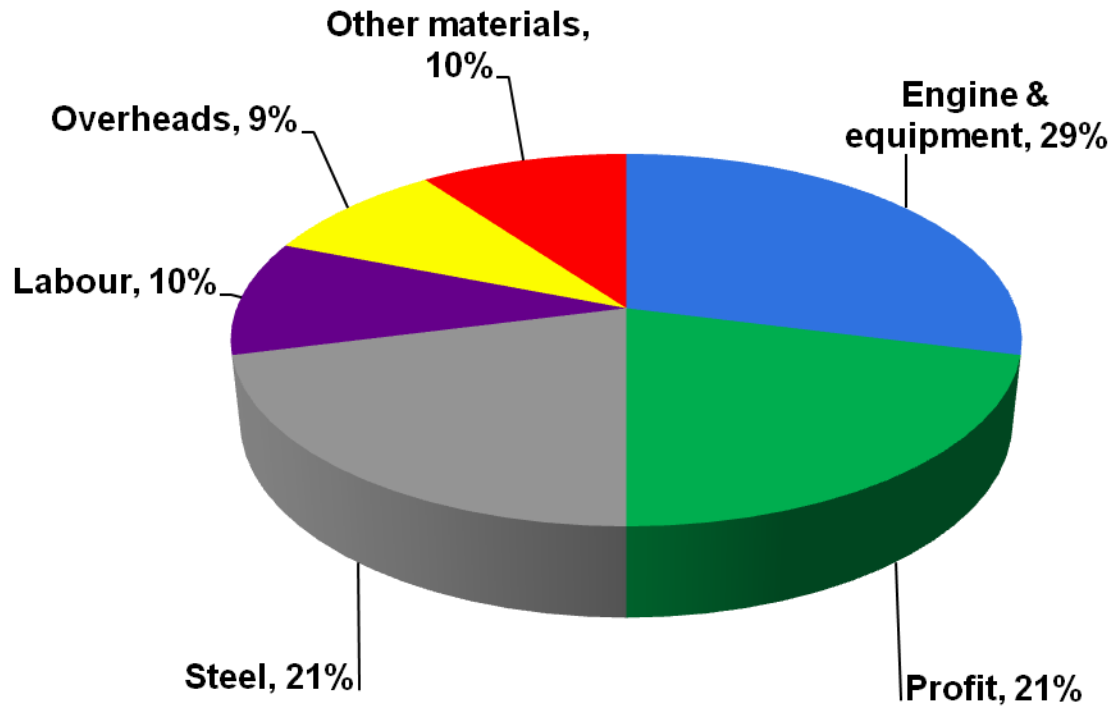
Breakdown of FY2008 cost of sales



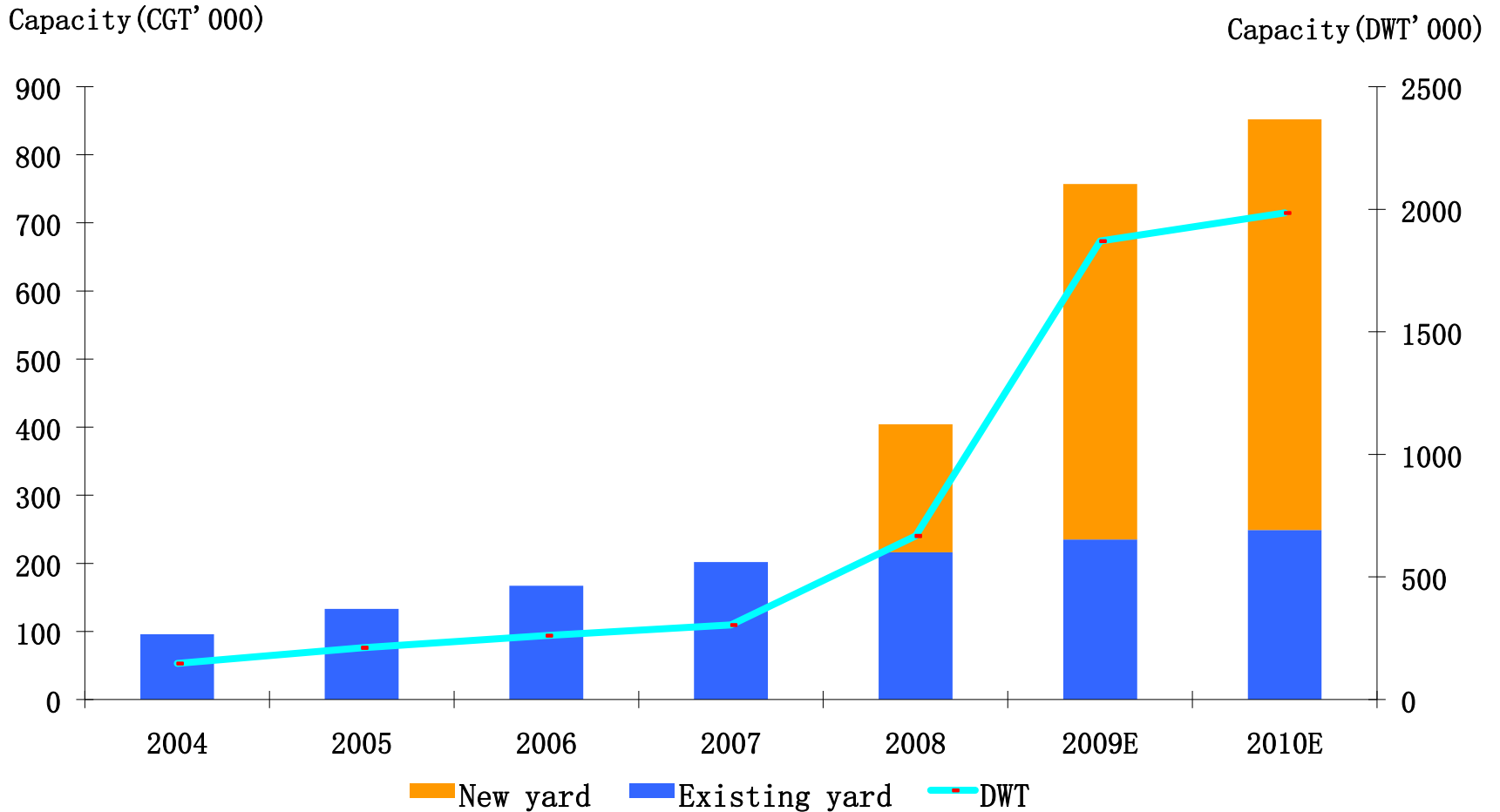
Cost of sales + operating cost



Cost structure



Production capacity



Note: Currently the new yard is operating at a capacity utilization rate of 25%, while the old yard at full capacity

Sizable order book & quality customer base

Backlog

Total: 155 vessels; 2.9 million CGT@ USD 6.9 billion, comprises of:
- 78 Containership, 1.8 million CGT@ USD 4.4 billions
- 77 Bulk Carriers, 1.1 million CGT@ USD 2.5 billions

Type of Vessels

- ◆ 4250 TEU (52 Vessels)
- ◆ 2500 TEU (16 Vessels)
- ◆ 1350 TEU (10 Vessels)
- ◆ 6250 DWT (10 Vessels)
- ◆ 92500 DWT (38 Vessels)
- ◆ 12600 DWT (10 Vessels)
- ◆ 8000 DWT (2 Vessels)
- ◆ 7600 DWT (17 Vessels)

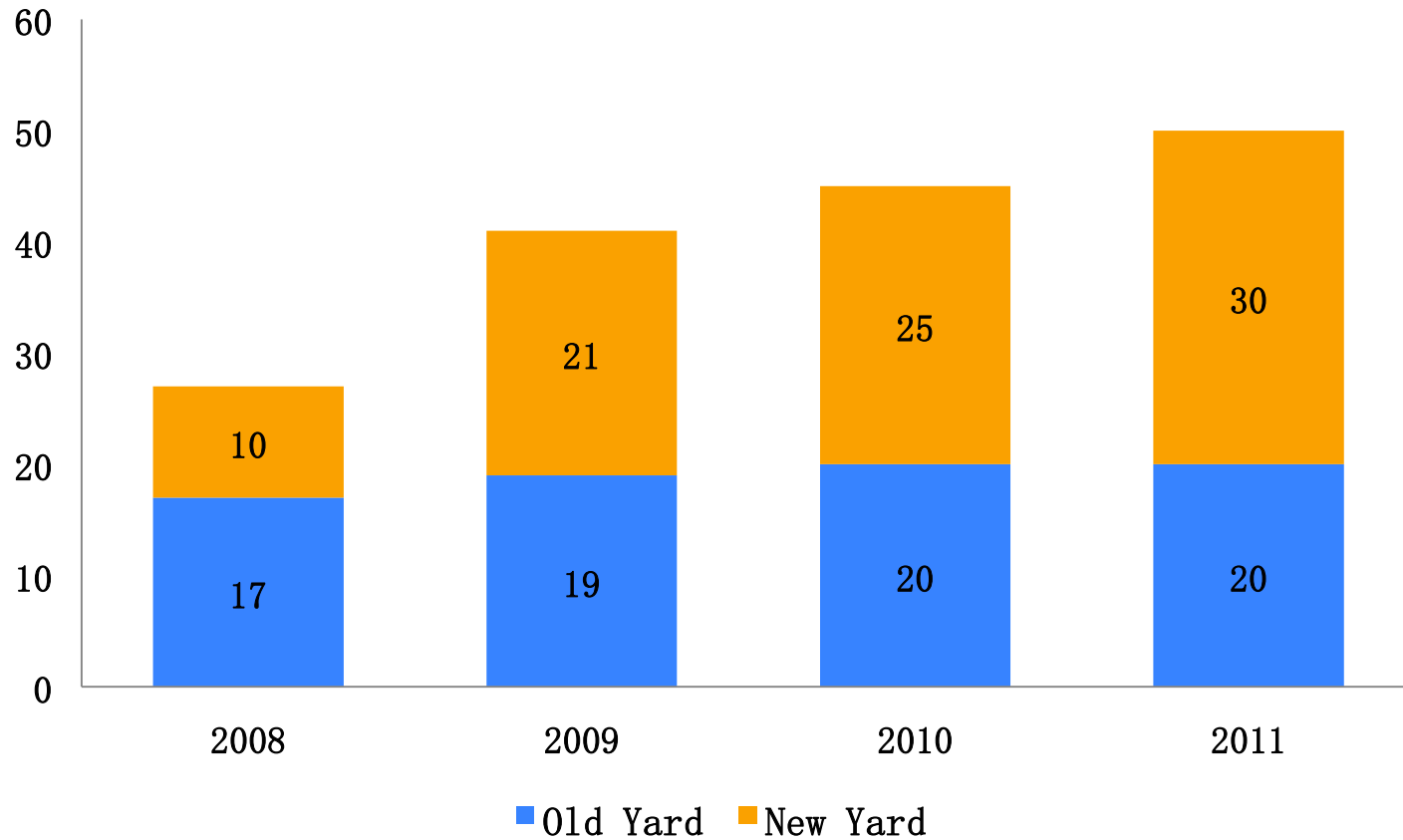
Profile of customer

Financially sound with credible track background

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



Delivery schedule for the vessels



SECTION 4

Outlook / Future Plans



Industry outlook - Key concerns

- Industry specialists concerned over the over-supply expected
- Slowing down of order books
- Cancellation/delay of vessels with the customers lacking the finances
- Customers requesting for delaying vessel delivery and price re-negotiation
- Shipyards leveraging very high and running into a debt trap
- Concerns over the execution of orders



Ride out the industry downturn

- Sound reputation and sizable order book backs our strong growth and earning visibility
- Down cycle impacts the less-established yards (missing of delivery dates, failure to source key components on time, etc issues)
- Short coming of small yard boosts demand of the established yards
- Significant upfront payment deters the exodus of confirmed orders and most of the customers are long term customers with sound financial background and in the business for long
- In choosing the customers, the management does a thorough background check to even the extent of finding out as to where the customers intend to deliver/charter the vessel in order to avoid any speculative action



Positive for the industry - China's stimulus scheme

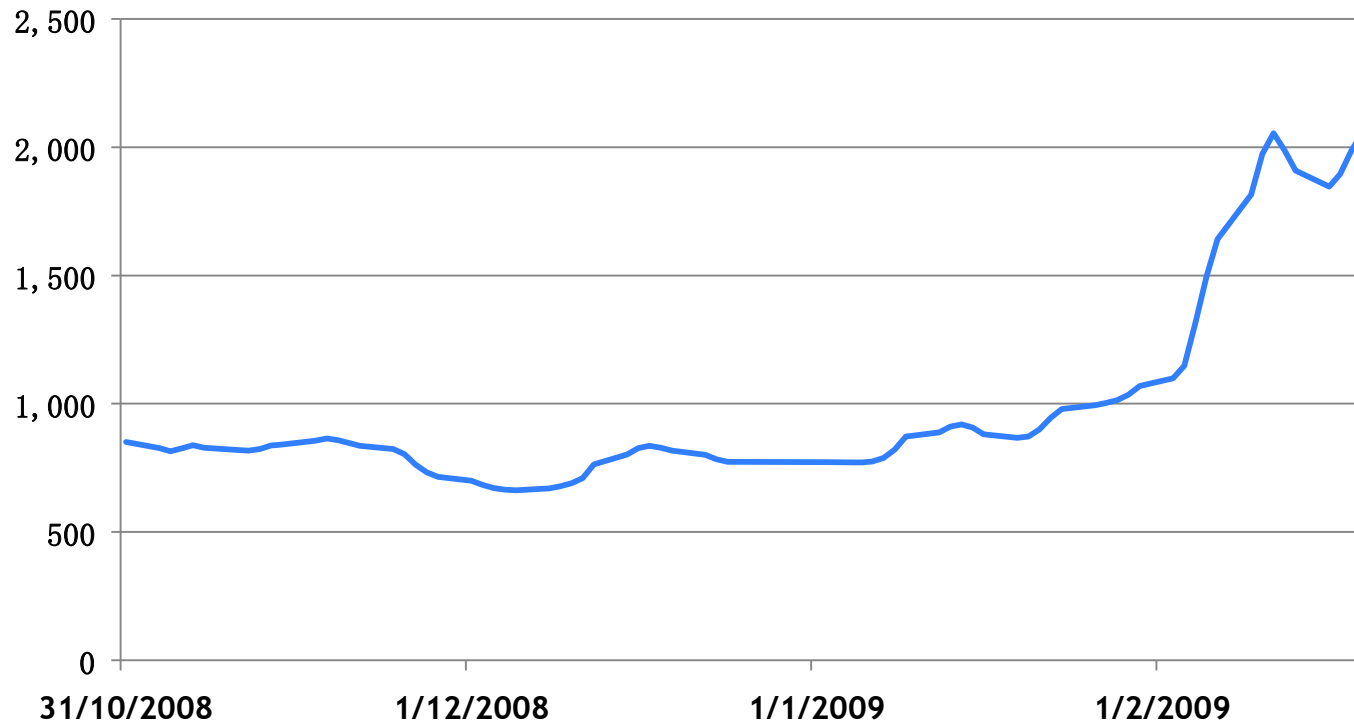
- PRC government introduced on 2 February 2009 a stimulus framework for the industry, with a series of proactive measures taken not only to stabilize the landscape for major ship building enterprises to boost market demand, but also focus on developing the companies' capabilities to remain competitive and towards restructuring within the market, if necessary
- In 2008, the Group was ranked 6th in China and 26th in the world* in terms of capacity with delivering 27 vessels as per schedule that totaled up to 850,000 DWT or 403,273 CGT. With Group's order book at USD6.9 billion, which is made up of 7.53 million DWT or 2.86 million CGT as at 31 December 2008, Yangzijiang is placed 8th in China and 21st in the world*, which elevated the Group to becoming one of the few prominent non state-owned ship building enterprises in China to be eligible for the stimulus scheme

Sources: China Ship Marketing Research Center



Positive for the industry - BDI's recovery

- After the fall and staying flat for many weeks, a recovery in the Baltic Dry Index



Sources: Bloomberg (USD)



Investment Merits

- Strong order book of 155 vessels worth US\$6.9 billion as at 31 December 2008
- Customers are mostly big companies with strong financial backbone and the Group employs a policy of 20% upfront payment and another 20% banker's guarantee prior to effecting the orders
- Employs a timely delivery schedule which is well planned for next few years
- Low slip-ups cost as the company does mass production employing economies of scale
- Well experienced company which has seen the industry cycles and well capable of surviving the downturn and minimizing the impact from it
- With enough cash on the balance sheet, possible M&A activities
- Maintain stable dividend payout levels / Share buybacks
- Low valuations based on P/E of 4.4x and P/B of 1.6x



For more information, please contact:

Financial PR Pte Ltd

Investor Relations Consultants

Kathy Zhang, kathy@financialpr.com.sg

Romil Singh, romil@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064

