



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

Corporate Presentation 3Q FY2011 Results 9 November 2011



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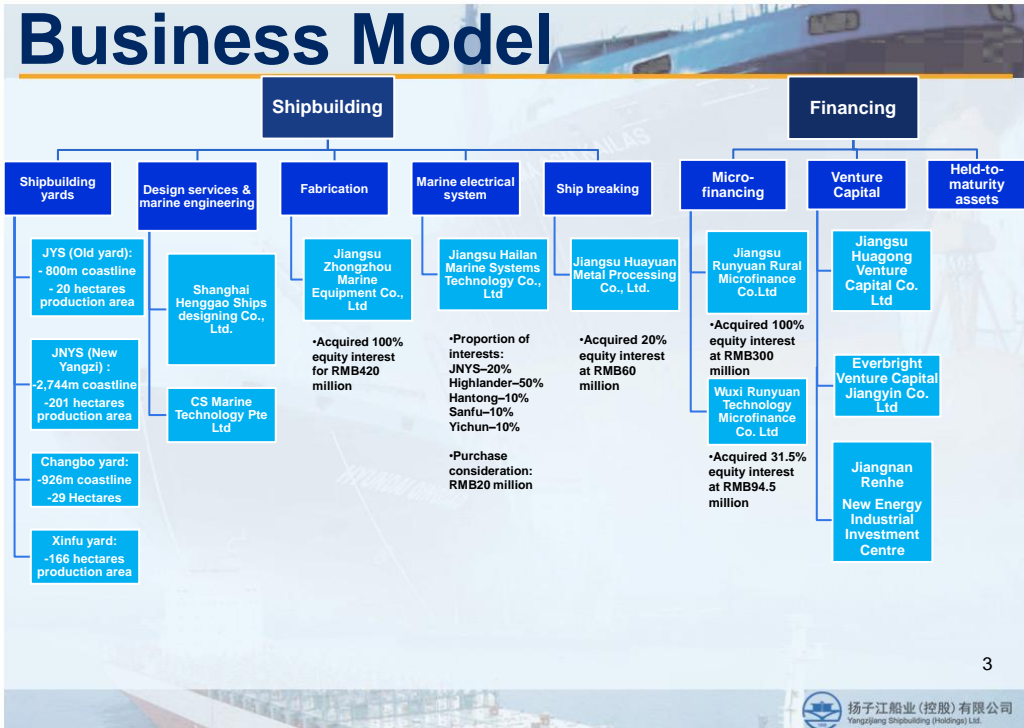
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Yangzijiang Shipbuilding (Holdings) Ltd.



Excellent track record

Uncompromising Quality & Prompt Delivery

Competitive advantages

- High level of quality and well acclaimed by shipbuilding surveyors
- Repeat orders from long term clients
- Prompt in delivery of vessels
- Well managed operations – less cost overruns

Group's niche

- Sophisticated designs = minimum modifications
- Least retrofitting of tools = significant reduction of fixed cost per vessel
- Mass production = economies of scale

Building capacity

- For JYS, it is currently 0.2 million CGT & 0.8 million CGT for JNYS
- For the Changbo yard, the capacity will be 0.2 million CGT once integrated in the Group
- For Xinfu, once fully operational, it will be up to 3 million DWT

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Quality Clients

Europe

- ◆ Hansa Shipping
- ◆ Peter Dohle
- ◆ Hammonia
- ◆ Thomas Schulte
- ◆ Perseveranza
- ◆ Canadry
- ◆ D'amato
- ◆ Carisbrooke
- ◆ Ship Finance International
- ◆ T. Klaveness Shipping

Rest of world

- ◆ Cosco
- ◆ Fujian Shipping Company
- ◆ Jiangsu Huayuan
- ◆ Rewood Ocean Shipping
- ◆ Formosa
- ◆ Nova Shipping
- ◆ Arcelor Mittal
- ◆ Seaspan Corporation

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Share Information

Share price (as at close of 8 Nov 2011)	S\$0.955
Market capitalization	S\$3.66 billion
52 week high / low	S\$2.09 / S\$0.77
Trailing 12 months P/E	5.16
P/B	1.7
Dividend yield (gross indicated)	4.7%
Number of shares	3.83 billion
Major shareholders:	Ren Yuanlin (27.89%) Wang Dong (13.03%) Public Float (45-50%)

Source: Bloomberg (8 November 2011)

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Section 2
= FINANCIAL HIGHLIGHTS =

Results Highlight

For 3Q2011 yoy

Financial Highlights	3Q2011	3Q2010	Change	Reason/s
	RMB'000	RMB'000	%	
Revenue	3,459,160	3,083,587	12	Total 19 vessels were delivered in 3Q2011 (3Q2010: 14, 2Q2011: 12)
Gross Profit	959,573	724,645	32	Higher margins due to delivery of shipbuilding contracts that were secured prior to the crisis
Gross Profit Margin	27.7%	23.5%	-	
Other Income	228,817	203,014	13	Increased investment in held-to-maturity products and increased in earnings from Microfinancing
Other Gains	206,287	80,569	156	RMB158 million of tax subsidies received through subsidiaries
Expenses	128,652	116,038	11	Increase in finance expenses due to higher borrowings
Net Profit Attributable to Equity Holders	1,020,855	730,371	40	
Net Profit Margin	29.5%	23.7%	-	

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Results Highlight

For 3Q2011 qoq

Financial Highlights	3Q2011	2Q2011	Change
	RMB'000	RMB'000	%
Revenue	3,459,160	3,161,869	9
Gross Profit	959,573	698,803	37
Gross Profit Margin	27.7%	22.1%	-
Other Income	228,817	346,356	(34)
Other Gains/(Losses)	206,287	228,861	(10)
Expenses	128,652	104,620	23
Net Profit Attributable to Equity Holders	1,020,855	963,922	6
Net Profit Margin	29.5%	30.5%	-

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Results Highlight

For 9M2011 yoy

Financial Highlights	9M2011	9M2010	Change
	RMB'000	RMB'000	%
Revenue	9,671,442	8,832,542	9
Gross Profit	2,484,972	2,108,517	18
Gross Profit Margin	25.7%	23.9%	-
Other Income	855,898	519,342	65
Other Gains	559,484	134,190	317
Expenses	314,420	215,124	46
Net Profit Attributable to Equity Holders	2,939,636	2,117,249	39
Net Profit Margin	30.4%	24.0%	-

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Results Highlight

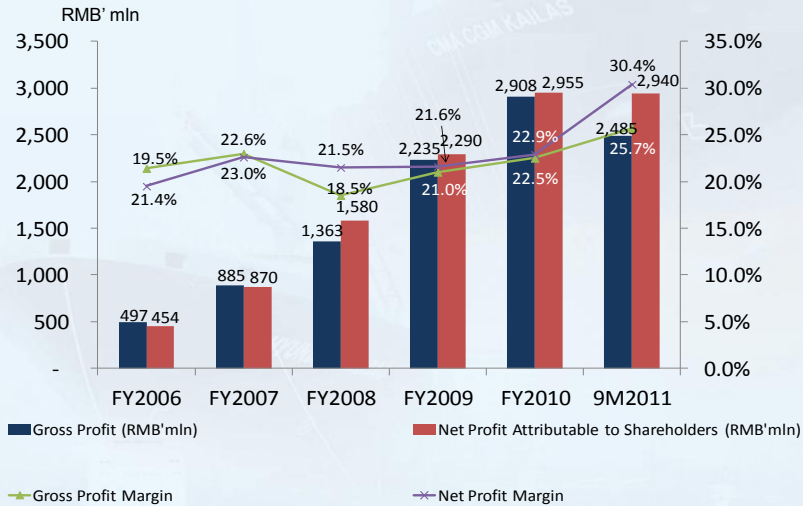
Balance Sheet

Financial Highlights	30 Sep 2011	31 Dec 2010
	RMB'000	RMB'000
Property, Plant and Equipment	3,183,182	2,629,809
Restricted Cash	4,872,882	2,204,414
Cash & Cash Equivalents	1,806,102	4,543,038
Financial Assets, Held-to-Maturity	10,439,300	8,614,741
Total Debt	4,914,387	1,226,759
Total Equity	12,757,184	10,078,477
Gross Gearing	38.5%	12.2%
Net Gearing (including restricted cash)	Net Cash	Net Cash
Net Asset Value per Ordinary Share (RMB cents)	310.91	258.76

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Profitability Trends

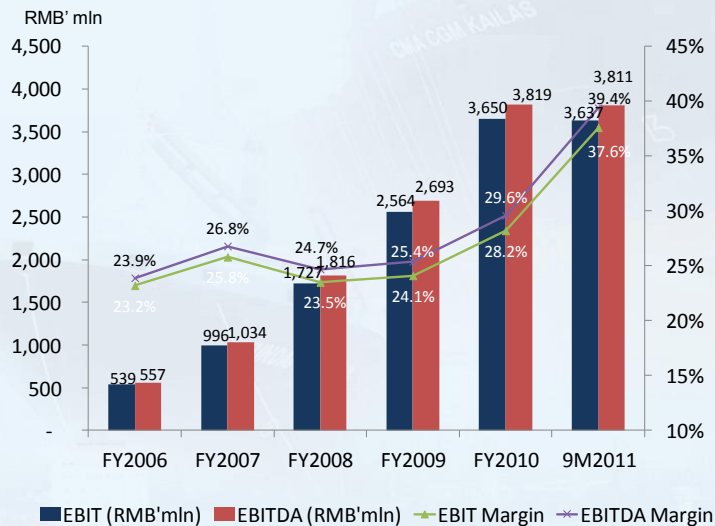
Gross Profit and Net Profit Attributable to Shareholders



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Profitability Trends

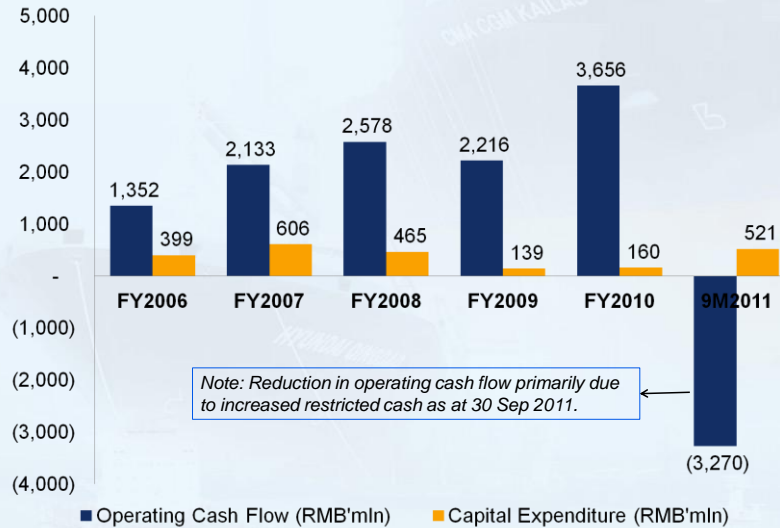
EBIT and EBITDA



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Strong Financial Position

Operating Cash Flow and Capital Expenditure (RMB'mln)



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Financial Position

Cash & Cash Equivalents (RMB'mln)



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Core Investments - Shipbuilding

Core Business	Yards	CAPEX required?	Types of vessels build	Capacity / utilisation	Existing orders backlog
Shipbuilding	JYS – old yard	No	<3,000 TEU and/or <50,000 DWT	0.2 million CGT / running at full capacity	10 containers, 37 bulk carriers
	Changbo yard	RMB100 million in FY2011	Same as JYS	0.2 million CGT **	To deliver 8 existing backlogs by end 2012
	JNYS – New Yangzi	RMB 400 million (land and wharf)	>3,000 TEU and/or >50,000 DWT as well as 10,000 TEU to 30,000 TEU containerships	0.8 million CGT / running at approx. 100% capacity without land and wharf <i>(Additional 1 million DWT once land and wharf are completed by 2014)</i>	34 containers, 26 bulk carriers and 7 10,000 TEU containerships with 18 options of identical vessels
	Xinfu yard	RMB4 billion over the next 3 years	10,000 TEU to 30,000 TEU containerships	3 million DWT / capacity to come online in 2013	
Total Shipbuilding Capacity:				7.29 million DWT	

** Capacity for Changbo will only be integrated into the Group once existing backlogs are delivered
Information updated as at 30 September 2011

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Non-Core Investments

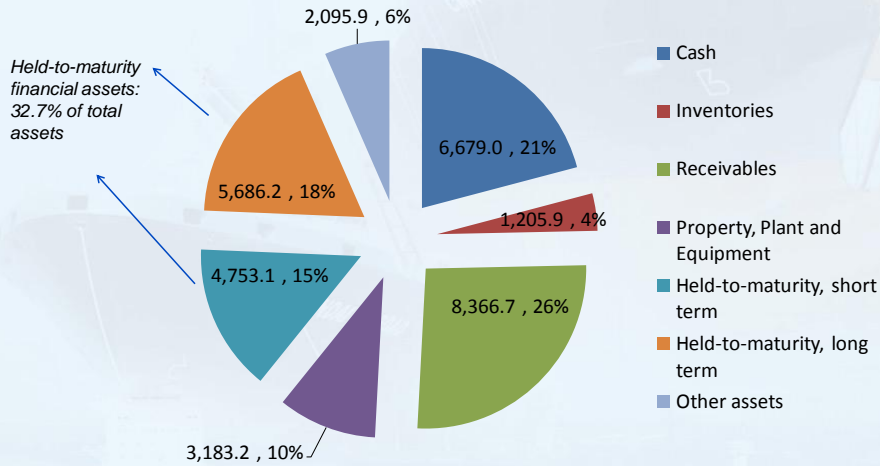
Financial Assets, Held-to-Maturity

Nature	Rationale
<ul style="list-style-type: none"> • Fixed rates instruments invested by Yangzijiang • Offered by Chinese banks and trust companies used in the financing of Chinese corporate and entities from diverse industries • Backed by single or a group of collaterals including listed shares, land titles, corporate guarantees 	<ul style="list-style-type: none"> • Better cash management • Generates higher returns (10%-15%) as compared to idle cash • To reserve cash required for CAPEX and working capital

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Held-to-Maturity Assets

Total Assets as at 30 September 2011

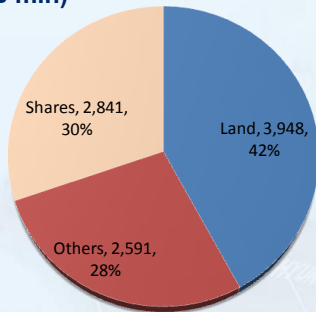


Source: Company Data

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Held-to-Maturity Assets

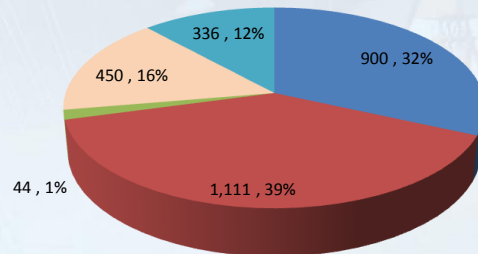
Breakdown of Investment Amount for which collaterals are secured (RMB'mln)



Coverage rate:

Land: 2.73 Shares: 2.00 Others: 1.00

Industry Breakdown of Investments for which Shares are held as Collateral (RMB'mln)

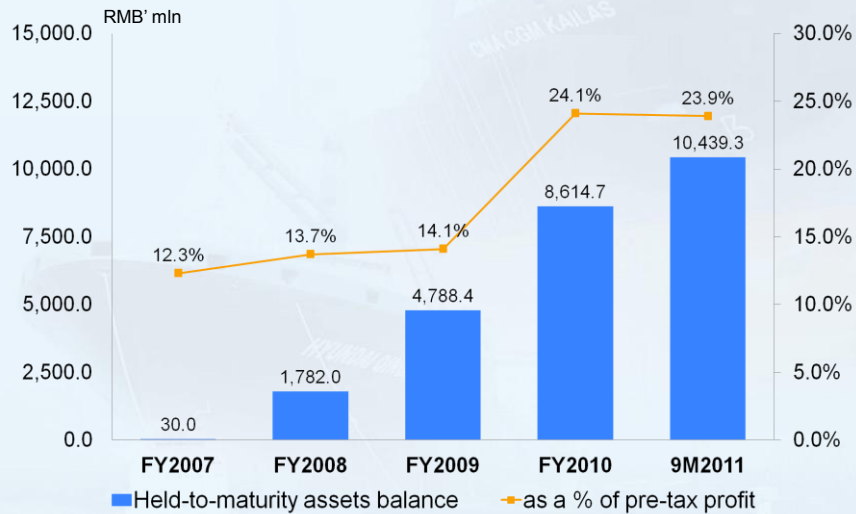


■ Finance ■ Manufacturing ■ Commerce
■ Properties ■ Construction

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Held-to-Maturity Assets

Held-to-Maturity Balance and Income derived as a proportion of pre-tax profit



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Held-to-Maturity Assets

Maturity Date of Assets

Less than 1 year (RMB'mln)	More than 1 year (RMB'mln)	Total (RMB'mln)
4,753.1	5,686.2	10,439.3
45.5%	54.5%	100%

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Non-Core Investments

Investments	Nature	Amount invested till date	Rationale
Property	Operating lease of old yard will expire in 2013. Since yard is located in prime property area, the Group is keen to work with property developer to co-develop the land	-	<ul style="list-style-type: none"> • Purely opportunistic • Additional revenue stream for the Group
Financing business	<ul style="list-style-type: none"> • Microfinancing ▪ Runyuan Rural Microfinance 	▪ RMB 300 million	<ul style="list-style-type: none"> • Purely opportunistic • Potential huge profits to be earned if existing banking license is sold
	<ul style="list-style-type: none"> ▪ Wuxi Runyuan Technology Microfinance 	▪ RMB 94.5 million	
	<ul style="list-style-type: none"> • Venture Capital ▪ Jiangsu Huagong 	▪ RMB 60 million	<ul style="list-style-type: none"> • Purely opportunistic • To assist local companies in China to ease financing concerns
	<ul style="list-style-type: none"> ▪ Everbright Venture Capital Jiangyin Co. Ltd ▪ Jiangsu Renhe New Energy 	<ul style="list-style-type: none"> ▪ RMB 100 million ▪ RMB 112 million 	
	• Held-to-maturity assets	RMB 10.4 billion	<ul style="list-style-type: none"> • Better cash management • Higher returns • CAPEX and working capital

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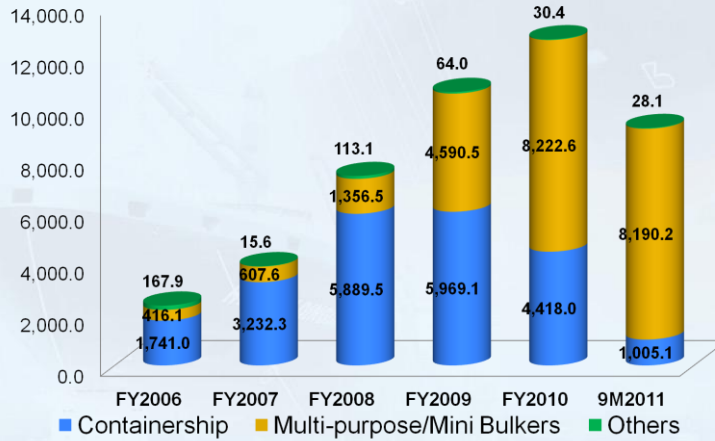


Section 3

OPERATIONAL HIGHLIGHTS

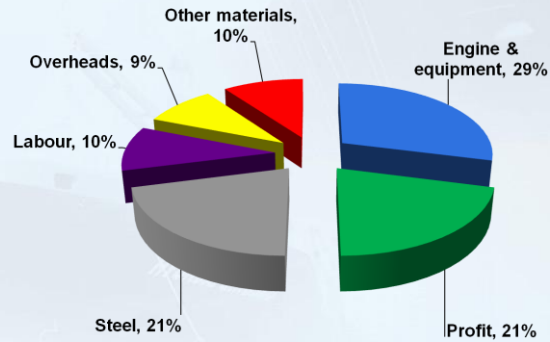
Revenue Trend

Total Revenue (RMB'mln)



Cost Structure

Usual cost structure



Production Capacity



Note: Currently both New Yangzi and old yard are operating at full capacity (without the land and wharf at New Yangzi); Changbo is currently executing shipbuilding contracts secured prior to acquisition, hence only capacity freed in 2012 will be accounted for under the Group

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New Orders

Order wins YTD worth US\$1.2 billion have been affected in the order book

- US\$512.3 mln worth of shipbuilding contracts secured in 1Q2011
- US\$700 mln contract with Seaspan for 7 x 10,000 TEU container ships (7 effective worth US\$500 mln), with options for 18 more worth US\$1.8 bln
- LOI for 8 x 10,000 TEU container ships worth US\$800 mln with Peter Dohle

Confident to rope in more new orders despite challenging environment

- YZJ's healthy cash position as it reduces clients' concerns on yard's ability to complete vessel construction
- Strong execution track record & reputation
- Sound R&D capabilities for newer & better vessels more in tune with market demand
- Demand for newer, bigger & more fuel efficient containerships & thus strategy of going towards 10,000TEU & similar vessels

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Strong Order Book

Total: 114 vessels; 2.51 million CGT @ US\$ 5.29 billion
 51 containerships, 1.47 million CGT @ US\$ 3.39 billion
 63 bulk carriers, 1.04 million CGT @ US\$ 1.90 billion

New Yangzi / Xinfu: 4250 TEU (24 vessels) 92500 DWT (12 vessels)
 4800 TEU (10 vessels) 82500 DWT (6 vessels)
 10000 TEU (7 vessels) 82000 DWT (2 vessels)
 470000 C.F.WT (6 vessels)

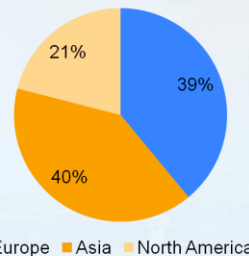
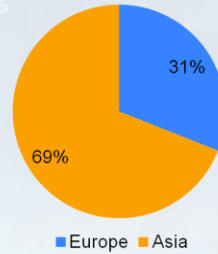
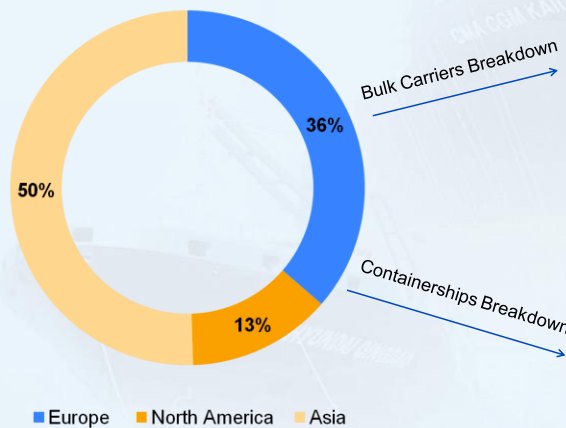
Old Yard / Changbo: 2500 TEU (10 vessels) 19000 DWT (2 vessels)
 45000 DWT (6 vessels) 7600 DWT (1 vessels)
 34000 DWT (7 vessels) 47500 DWT (9 vessels)
 8500 DWT (4 vessels) 10000 DWT (4 vessels)
 49500 DWT (4 vessels)

Note: Order book is as at 30 Sept 2011 and this does not include order book of the Changbo yard

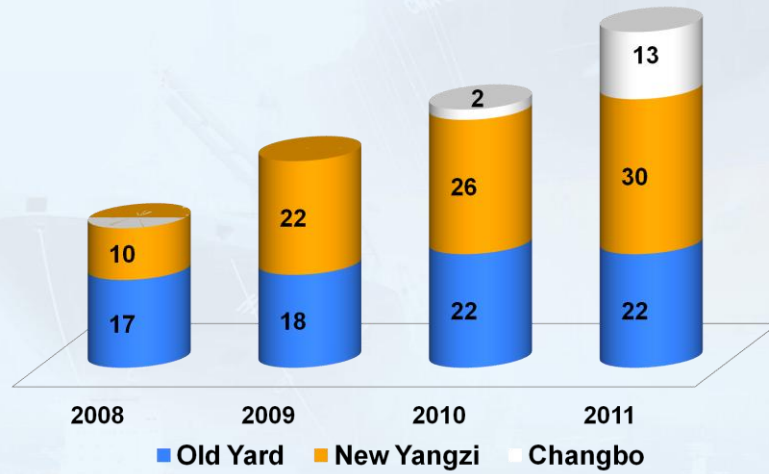
Order Book Customer Profile

Order Book by Geographical Segment

Order Book by Vessel Types



Vessel Delivery Schedule



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Outlook

Expand shipbuilding capacity

- **New land with wharf:**
 - 50 years of land use rights for RMB108mn
 - Able to accommodate construction /mooring of 150,000 DWT
 - Aims to increase capacity of JNYS by 1,000,000 DWT in 2014
- **Xinfu yard:**
 - Intends to invest RMB4bn over next 3 years
 - Annual capacity expected to reach 3mn DWT when fully operational

Expand product offerings

- First Chinese shipyard to win 10,000 TEU container ship order (segment traditionally dominated by Korean yards)
- Moving up the value chain to produce energy-saving 4,800 TEU and 10,000 TEU container ships
- New design reduces fuel consumption by 40%; cuts carbon emissions by 30%; and raises loading capacity by 20%

Expand into offshore marine

- Offered to acquire PPL Holdings for a total consideration of US\$116.25mn from Baker Technology Ltd.
- PPLH holds 15% stake in PPL Shipyard, which is engaged in the business of design and construction of offshore drilling rigs

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Peer Comparison

NAME	MKT CAP (\$\$/mln)	P/E	NET MARGIN (%)	ROE (%)
YANGZIJANG SHIPBUILDING	3,659.63	5.16	22.87	36.40
SINGAPORE				
SEMBCORP MARINE LTD	8,621.70	11.29	18.89	38.37
KEPPEL CORP LTD	16,711.15	9.51	16.59	25.51
COSCO CORP SINGAPORE LTD	2,172.07	11.15	6.44	21.80
AVERAGE		10.65	13.97	28.56
CHINA				
GUANGZHOU SHIPYARD INTL CO-H	1,818.66	4.95	10.09	20.72
GUANGZHOU SHIPYARD INTL CO-A	2,896.31	6.89	13.57	23.40
CHINA CSSC HOLDINGS LTD-A	1,818.66	16.51	10.09	20.72
AVERAGE		10.84	10.63	20.58
KOREA				
DAEWOO SHIPBUILDING & MARINE	5,537.79	6.17	6.46	21.37
HYUNDAI MIPO DOCKYARD	2,660.38	5.03	12.14	13.30
HANJIN HEAVY INDUS & CONST	24,366.36	4.56	16.79	31.84
SAMSUNG HEAVY INDUSTRIES	990.94	-	(1.88)	(2.52)
STX OFFSHORE & SHIPBUILDING	8,452.04	7.84	6.81	26.69
HYUNDAI HEAVY INDUSTRIES	1,396.67	15.51	1.91	4.64
AVERAGE		7.82	7.04	15.89
TAIWAN				
CSBC CORP TAIWAN	760.24	10.55	6.51	13.53

Source: Bloomberg (8 November 2011)

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Investment Merits

Good earnings growth

- CAGR of 60% in PATMI for FY05 – FY10
- 3Q2011 PATMI of RMB1.02b, up 40% yoy

Strong order book

- YTD order wins worth US\$1.2 billion (order book as at 30 Sept 2011 – US\$5.3 billion)

Diversifying revenue streams

- Possible M&A
- Ship breaking /repair, more capacity and also looking towards offshore industry
- Looking towards building bigger (energy-saving) and newer generation vessels

Strong focus on execution of orders

- Low slip-up/conversion costs as mass production done
- Timely vessel delivery schedule
- Experienced management

Healthy balance sheet

- Good level of cash, M&A feasibility in case any opportunity
- Maintains net cash position gearing wise

Dividends paid

- Maintains good payout ratio
- Involves in share buy backs

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Q&A

For more information, please contact:

Financial PR Pte Ltd

Investor Relations Consultants

Romil Singh / Kathy Zhang / Sylvia Lee

romil@financialpr.com.sg / staff@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064



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APPENDIX



Accolades

SIAS Award

- Yangzijiang awarded “Most Transparent Company Award 2011” as winner in the Foreign Listings Category
- Award was given by the Securities Investors Association (Singapore) at its Investors’ Choice Award 2011
- This is the Group’s second such award after being awarded the Runner-up award in the same category in 2009

Lloyd’s List Award

- Shortlisted as one of the three yards in Asia for the “Shipyards of the Year” at Lloyd’s List Awards, Asia 2011
- First time ever a Chinese shipbuilder got shortlisted for such an award
- Though Keppel won the award, yet Yangzijiang was the “Highly Commended” yard in the category

E&Y Award

- Chairman, Mr Ren Yuanlin awarded the prestigious Ernst & Young Entrepreneur Of The Year China 2011 award
- Selected Winner for the Industrial Products Category and also the Winner of Mainland China
- Will go on to represent China at an international awards ceremony next year in Monte Carlo, where he will compete for the prestigious title of Ernst & Young World Entrepreneur Of The Year

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Recap of corporate developments

For 3Q2011

- **8 November 2011:** Acquisition of 49% equity interest in Jiangsu Runyuan Rural Microfinance Co. Ltd
- **8 November 2011:** Yangzijiang's Chairman, Mr Ren wins the prestigious Ernst & Young Entrepreneur Of The Year 2011 China award, Mainland China Region
- **31 October 2011:** Yangzijiang awarded the "Most Transparent Company Award 2011"
- **17 October 2011:** Corporate updates addressing market concerns on Group's exposure to informal lending and corporate failures in China
- **28 September 2011:** Yangzijiang launches the first vessel of the Super Green 8500 type, the first Chinese-built ship with a Groot Cross-Bow



Recap of corporate developments

For 3Q2011

- **5 September 2011:** Corporate updates on order book and ranking among Top 500 Chinese Enterprises
- **5 September 2011:** Acquisition of 31.5% equity interest in Wuxi Runyuan Technology Microfinance Co. Ltd
- **22 August 2011:** Announcement of Corporate Clarifications with respect to Group's financial performance and position
- **11 August 2011:** Yangzijiang delivers record half yearly earnings of RMB1.9 billion for 1H2011, up 38% y-o-y



Recap of corporate developments

For 3Q2011

- **3 August 2011:** Yangzijiang receives RMB 139.5 million worth of government incentives and tax subsidies through Chinese subsidiaries
- **29 July 2011:** Acquisition of 60% equity interest in CS Marine Technology Pte Ltd
- **19 July 2011:** Announcement of Corporate Updates with regards to Group's share price

