



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



## STAYING AHEAD

1Q FY2013 Results Presentation

26 April 2013

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## Section 1 FINANCIAL HIGHLIGHTS



### Results Highlight – 1Q2013 YoY

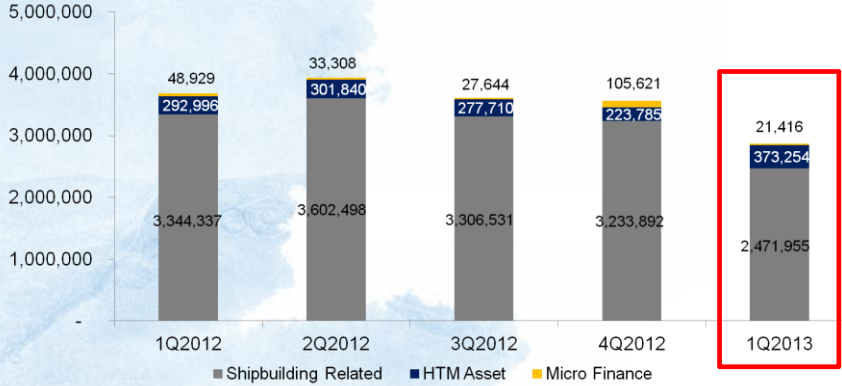
Financial Highlights	1Q2013	1Q2012	Change	Reason/s
	RMB'000	RMB'000	%	
Revenue	2,866,624	3,686,262	(22)	Total 9 vessels were delivered in 1Q2013 (1Q2012:15, 4Q2012:12)
Gross Profit	1,033,773	1,218,535	(15)	Gross profit margin from Shipbuilding related business remains healthy at 26%
Gross Profit Margin	36.1%	33.1%	-	
Other Income	73,263	65,566	12	Higher other income, primarily due to RMB12.1 million registered as charter income for ship finance leasing business in 1Q2013
Other Gains	56,861	205,208	(72)	Lower foreign exchange gain of RMB53.0 million in 1Q2013 (1Q2012: RMB191.5 million )
Expenses <sup>#</sup>	174,025	225,001	(23)	Lower administrative expenses with disposal of 2 subsidiaries
Net Profit Attributable to Equity Holders	717,173	1,017,693	(30)	
Net Profit Margin	25.0%	27.6%	-	

<sup>#</sup>: Includes Administrative and Finance Expenses



# Revenue Breakdown

(All amounts are stated in RMB'000)

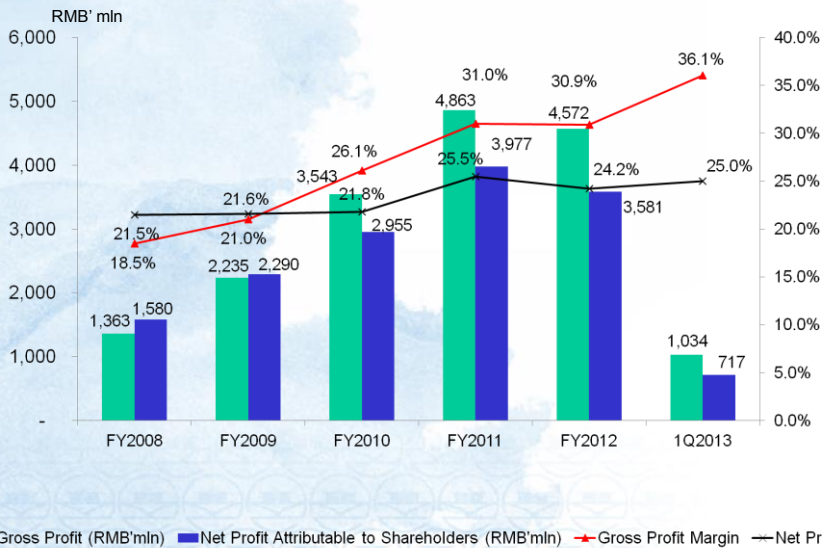


	Gross Profits		Gross Profit Margins	
	1Q2013	1Q2012	1Q2013	1Q2012
Shipbuilding Related	639,824	882,532	26%	26%
HTM Investment	373,254	292,996	100%	100%
Micro Finance	20,695	43,007	97%	88%

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# Profitability Trend

## Gross Profit and Net Profit Attributable to Shareholders

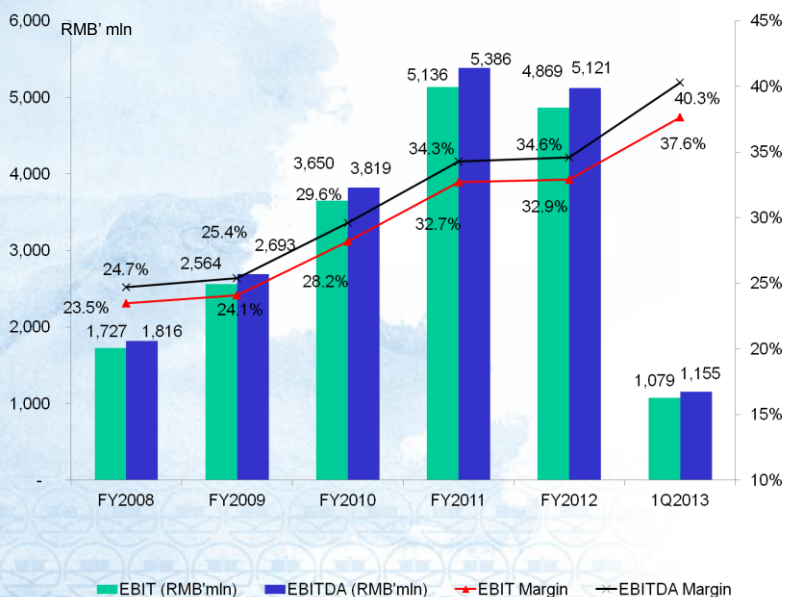


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# Profitability Trend

## EBIT and EBITDA



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# Results Highlight – Balance Sheet

Financial Highlights	31 Mar 2013	31 Dec 2012
	RMB'000	RMB'000
Property, Plant and Equipment	4,300,006	4,276,704
Restricted Cash	5,199,113	4,170,767
Cash & Cash Equivalents	2,904,688	2,086,659
Financial Assets, Held-to-Maturity	11,626,677	11,376,710
Total Debt	8,931,043	7,390,469
Total Equity	16,955,564	16,267,687
Gross Gearing	52.7%	45.4%
Net Gearing (including restricted cash)	4.9%	7.0%
Net Asset Value per Ordinary Share (RMB cents)	426.38	404.77

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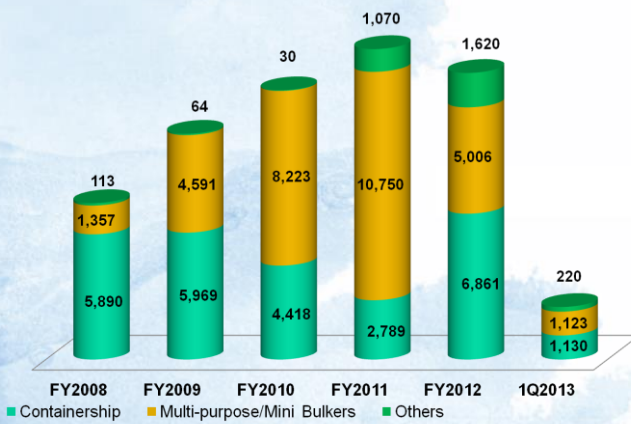


## Section 2A SEGMENTAL REVIEW – Shipbuilding & Related Segments

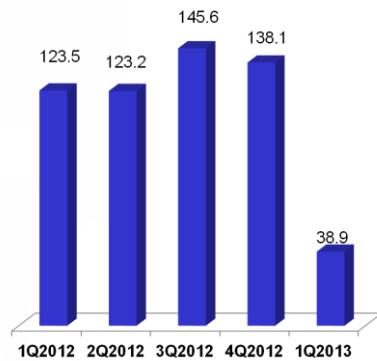
### Revenue Trend

All amounts are stated in RMB' mln

Shipbuilding Division



Ship Breaking Division



# Strong Order Book

Total: 65 vessels; 1.81 million CGT @ US\$ 3.31 billion  
 36 containerships, 1.22 million CGT @ US\$ 2.46 billion  
 29 bulk carriers, 0.59million CGT @ US\$ 0.85 billion

## Containerships

- 1,100 TEU x 2 vessels
- 2,500 TEU x 6 vessels
- 4,250 TEU x 8 vessels
- 4,800 TEU x 9 vessels
- 10,000TEU x 11 vessels

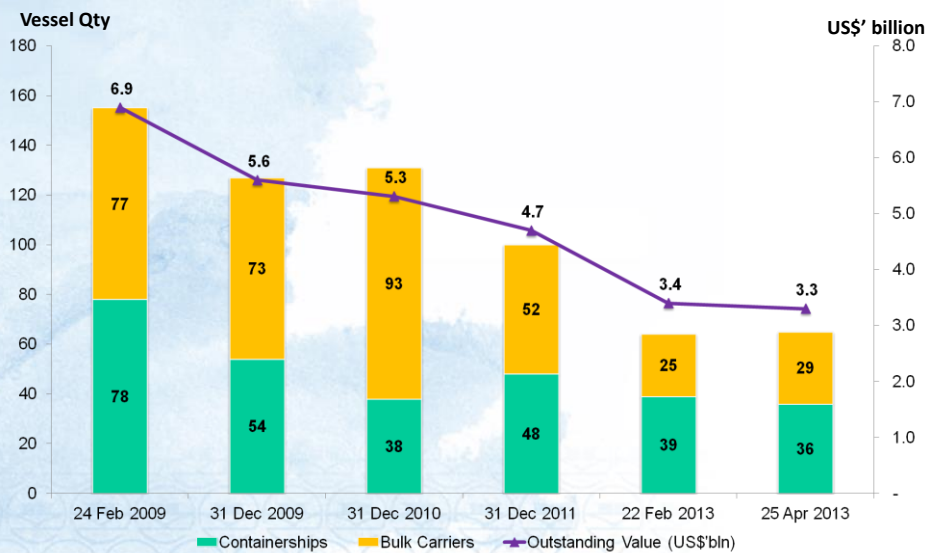
## Bulk Carriers

- 34,000DWT x 1 vessels
- 36,000DWT x 2 vessels
- 45,000DWT x 2 vessels
- 47,500DWT x 1 vessels
- 49,500DWT x 4 vessels
- 470,000 c.f. x 5 vessels
- 64,000DWT x 4 vessels
- 82,000DWT x 9 vessels
- 94,000DWT x 1 vessels

Note: Order book is as at 25 April 2013

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# Historical Order Book

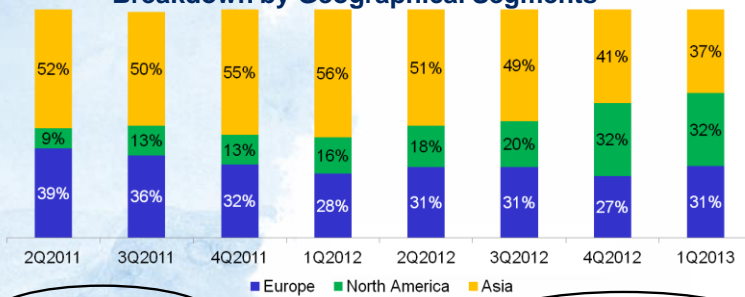


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# Order Book Customer Profile

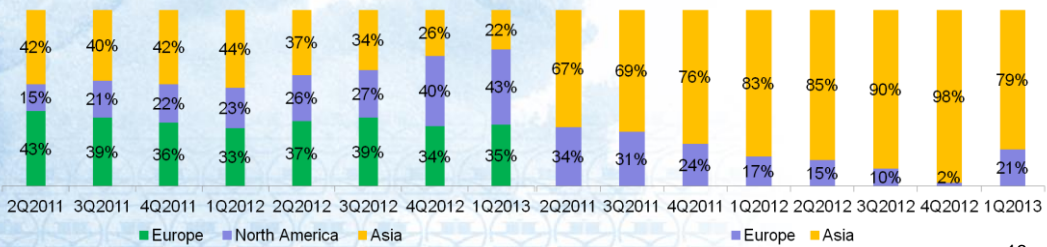
Figures are stated as at 25 April 2013

## Breakdown by Geographical Segments



### Containerships

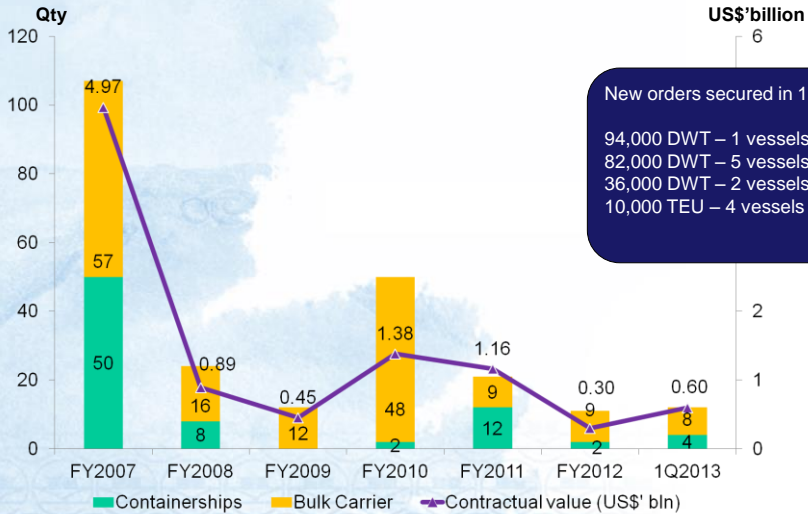
### Dry Bulk Carriers



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# Order-Winning Momentum

## New contracts secured in terms of vessel qty and US\$'bln



### New orders secured in 1Q2013:

- 94,000 DWT – 1 vessels
- 82,000 DWT – 5 vessels
- 36,000 DWT – 2 vessels
- 10,000 TEU – 4 vessels

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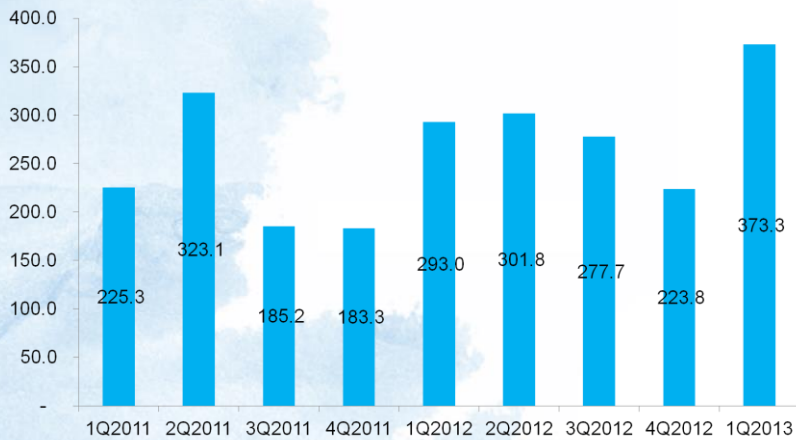
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## Section 2B SEGMENTAL REVIEW – Financial Investments



## Revenue Trend – HTM Assets

All amounts are stated in RMB' mln

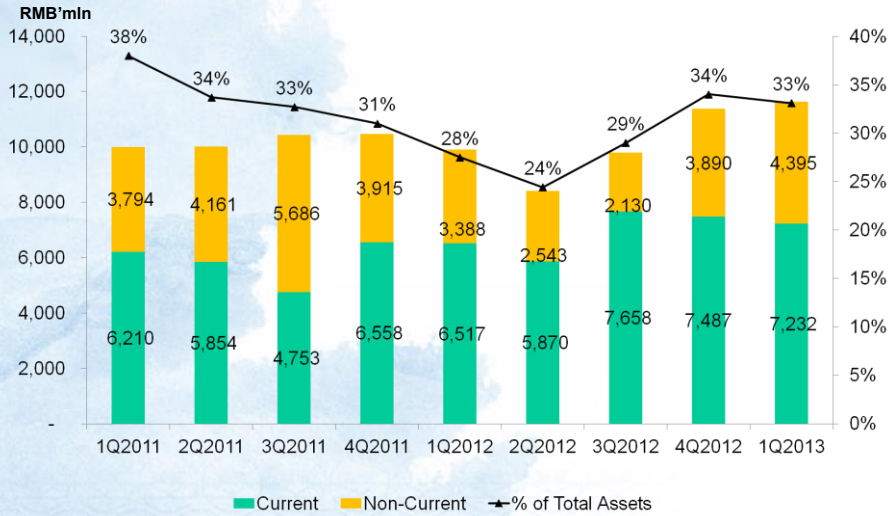


Source: Company Data





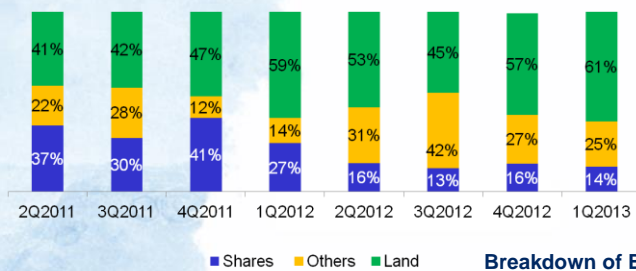
# Held-to-Maturity Assets



Source: Company Data

# Held-to-Maturity Assets

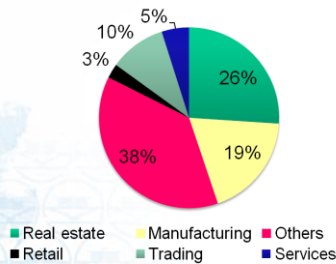
## Breakdown of Investment Amount for which collaterals are secured (%)



## Coverage Ratio



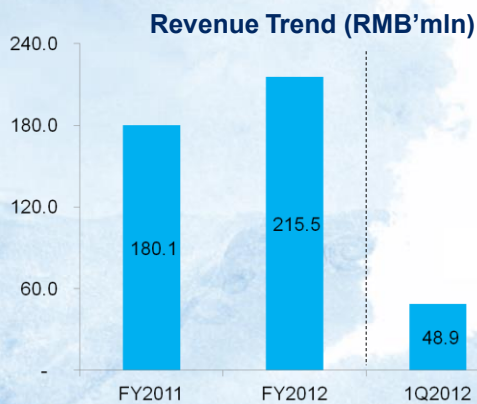
## Breakdown of Borrowers (1Q2013)



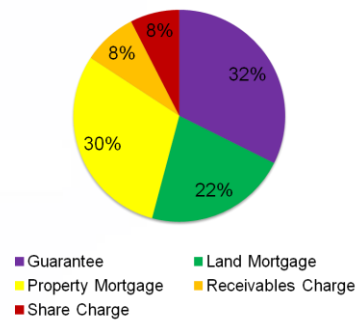
# Held-to-Maturity Assets

- Recycling of capital: about 60% of capital is redeemed every year (or 15% per quarter) and re-invested
- In 1Q13, RMB\$1.911 billion was redeemed, with new capital invested of RMB\$2.161 billion
- Default rates on HTM investments were less than 5%, with most repaid through sale of collateral
- Zero bad loans

# Micro Financing



**Breakdown of Collaterals**





## Section 3 STRATEGIES & TRENDS



## Integrated Marine Group

**Key Focus: Delay Contraction Impact for 2 years, emerge stronger from downturn 1 year earlier, as compared to industry peers**



**Plan: Evolve into an Integrated Marine Service Provider**

**1** Core Business

Shipbuilding

**2** Growth Engines

Offshore

Ship demolition & steel fabrication (incl. non-marine related)

**3** Supplementary Revenue Streams

Financial Investments

Property Development

Shipping Logistics





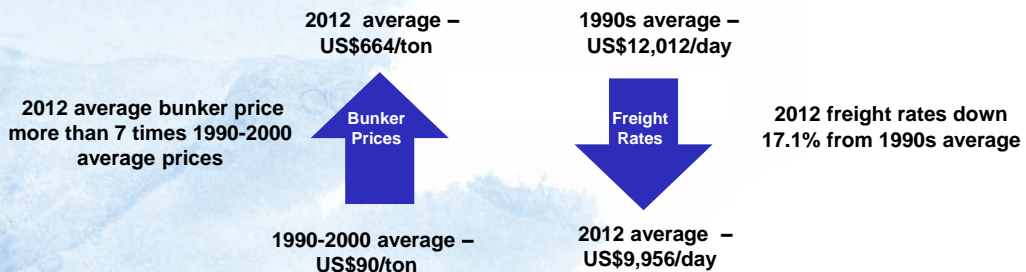
## Strategically Located Yards



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## Trend of Increased Emphasis on Fuel Efficiency

- The combination\* of increased bunker prices and reduced freight rates is the key reason for the increased emphasis on fuel efficiency



- Such trends have contributed to burden of fuel cost rising to 25-30% and 3.5-9.8 times of shipping revenue and capital expenditures respectively in 2012

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\*Source: J.P. Morgan March 2013 Report titled "Eco-ship, a game changer"

## Well-Positioned to Capitalize on this Trend

- The Group is well placed to leverage on this trend, having existing capabilities to construct eco-friendly vessels of various sizes

- YZJ's capabilities in eco-ships include:

- To deliver 4800 TEU vessel in 1H2013
- Wide product range including 4,800 TEU, 10,000 TEU and 82,000 DWT

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## Q&A



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