



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



STAYING AHEAD

3Q 2013 Results Presentation
13 November 2013

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Section 1 FINANCIAL HIGHLIGHTS



Results Highlight – 3Q2013 YoY

Financial Highlights	3Q2013	3Q2012	Change	Reason/s
	RMB'000	RMB'000	%	
Revenue	3,668,355	3,611,885	2	Total 8 vessels were delivered in 3Q2013, with more larger vessels constructed in this quarter (3Q2012:9, 2Q2013:11)
Gross Profit	1,086,652	1,063,110	2	Gross profit margin from Shipbuilding related business remains healthy at 22%
Gross Profit Margin	30%	29%	-	
Other Income	126,935	44,015	188	Higher interest income from bank deposits due mainly to more time deposit matured in 3Q2013
Other Gains	100,246	178,927	(44)	Decline in other gains due to lower subsidies collected and less gains recognized from derivative instrument for hedging activities in 3Q2013
Expenses [#]	149,972	185,435	(19)	As a result of efforts to control overall administrative expenses, administrative expenses in 3Q2013 were maintained at around 2% of revenue.
Net Profit Attributable to Equity Holders (PATMI)	820,741	877,245	(6)	
PATMI Margin	22%	24%	-	

[#]: Includes Administrative and Finance Expenses



Results Highlight – 9M2013 YoY

Financial Highlights	9M2013	9M2012	Change
	RMB'000	RMB'000	%
Revenue	10,957,071	11,235,794	(2)
Gross Profit	3,335,108	3,483,419	(4)
Gross Profit Margin	30%	31%	-
Other Income	251,696	164,039	53
Other Gains, net	177,416	407,250	(56)
Expenses [#]	501,828	618,777	(19)
Net Profit Attributable to Equity Holders (PATMI)	2,349,577	2,773,119	(15)
Net Profit Margin	21%	25%	-

[#]: Includes Administrative and Finance Expenses

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Revenue Breakdown

(All amounts are stated in RMB'000)

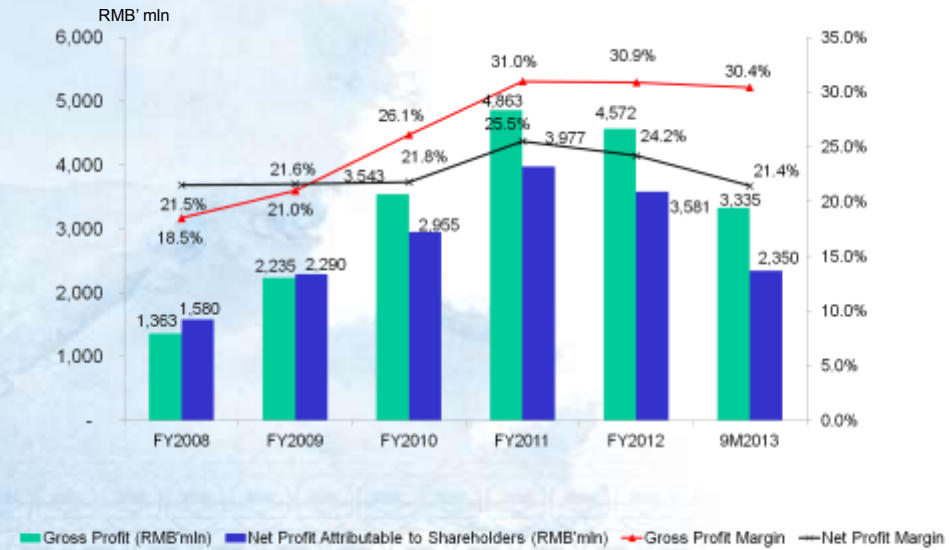


	Gross Profits		Gross Profit Margins	
	3Q2013	3Q2012	3Q2013	3Q2012
Shipbuilding Related	738,540	758,700	22%	23%
HTM Investment	313,650	277,710	100%	100%
Micro Finance	34,462	26,701	97%	97%

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Profitability Trend

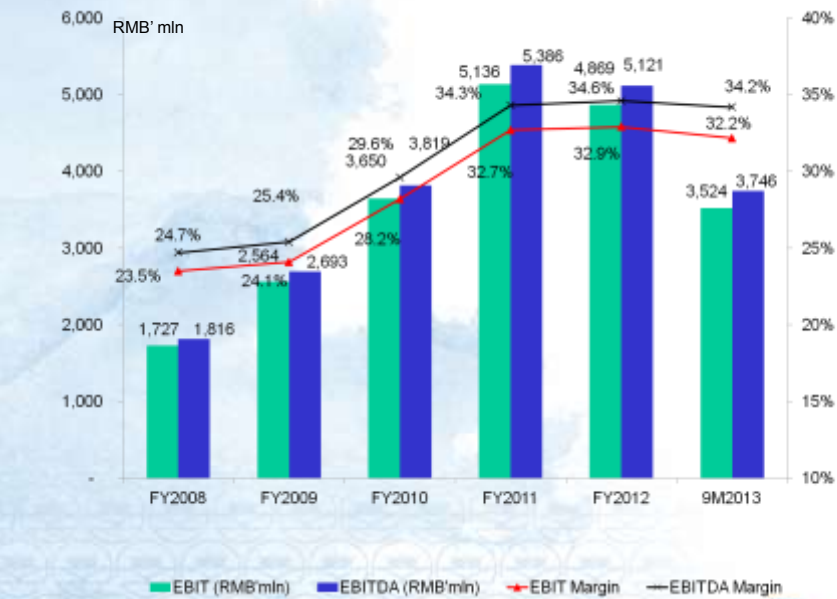
Gross Profit and Net Profit Attributable to Shareholders



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Profitability Trend

EBIT and EBITDA



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Results Highlight – Balance Sheet

Financial Highlights	30 Sep 2013	31 Dec 2012
	RMB'000	RMB'000
Property, Plant and Equipment	4,568,750	4,276,704
Restricted Cash	6,864,082	4,170,767
Cash & Cash Equivalents	3,421,724	2,086,659
Financial Assets, Held-to-Maturity	12,473,931	11,376,710
Total Debt	11,296,209	7,390,469
Total Equity	17,544,502	16,267,687
Gross Gearing	64.4%	45.4%
Net Gearing (including restricted cash)	5.8%	7.0%
Net Asset Value per Ordinary Share (RMB cents)	445.13	404.77

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Section 2A SEGMENTAL REVIEW – Shipbuilding & Related Segments

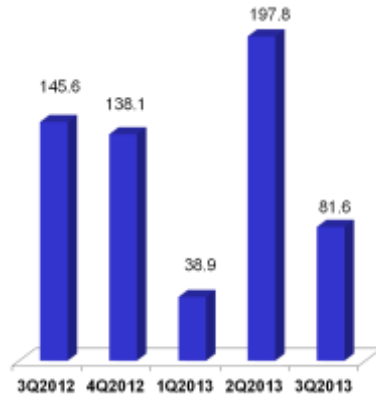
Revenue Trend

All amounts are stated in RMB' mln

Shipbuilding-related Division



Ship Breaking Division



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Strong Order Book

Total: 88 vessels; 2.51 million CGT @ US\$ 3.87 billion
 30 containerships, 1.22 million CGT @ US\$ 2.14 billion
 58 bulk carriers, 1.29 million CGT @ US\$ 1.73 billion

Containerships

- 1,100 TEU x 4 vessels
- 2,500 TEU x 3 vessels
- 4,250 TEU x 1 vessels
- 4,800 TEU x 6 vessels
- 10,000 TEU x 16 vessels

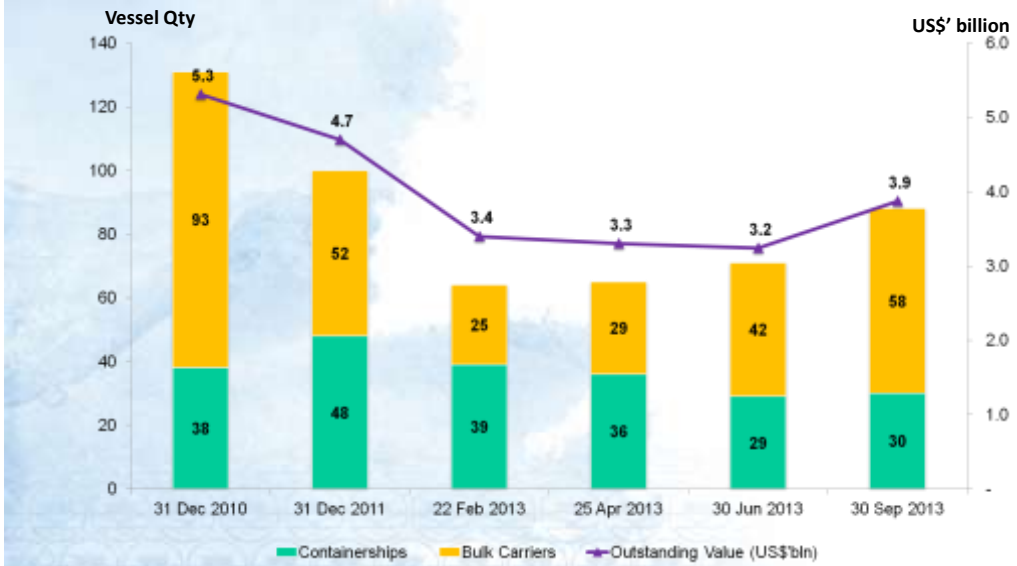
Bulk Carriers

- 36,000 DWT x 2 vessels
- 45,000 DWT x 2 vessels
- 47,500 DWT x 1 vessels
- 49,500 DWT x 3 vessels
- 470,000 c.f. x 3 vessels
- 64,000 DWT x 17 vessels
- 82,000 DWT x 24 vessels
- 94,000 DWT x 2 vessels
- 208,000 DWT x 4 vessels

Note: Order book is as at 30 Sep 2013

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Historical Order Book

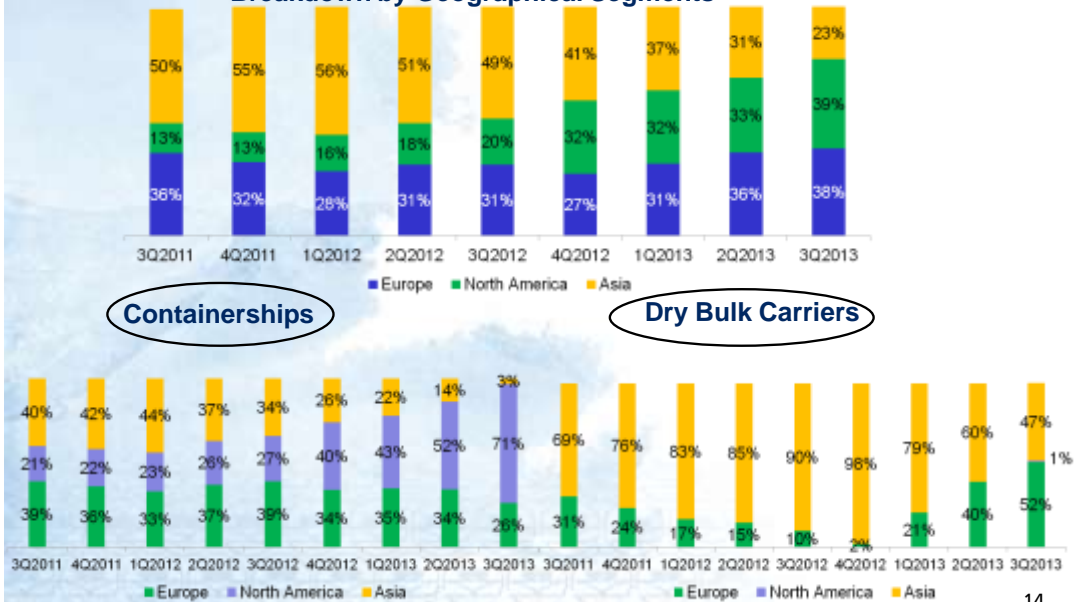


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Order Book Customer Profile

Figures are stated as at 30 Sep 2013

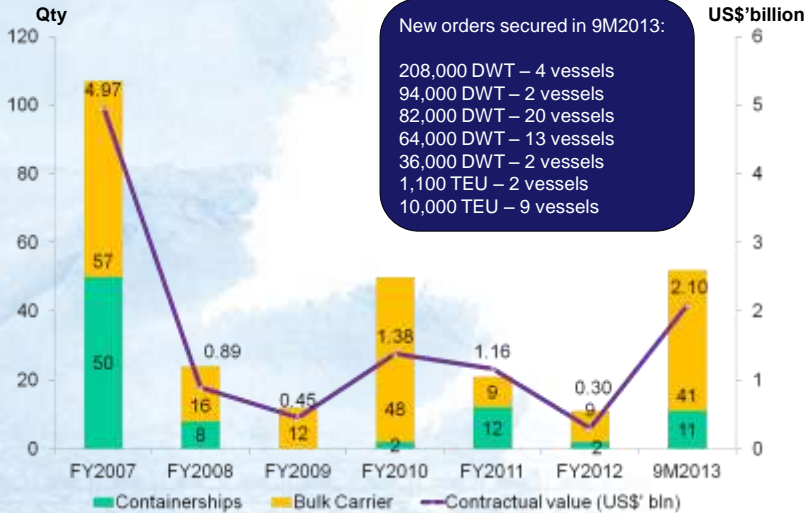
Breakdown by Geographical Segments



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Order-Winning Momentum

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



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Options outstanding for vessels

- The Group now has remaining 28 options worth US\$1.36 billion
- This includes 11 options for containerships worth US\$0.85 billion and 17 options for multi-purpose bulk carriers worth US\$0.51 billion
- Expects more options to be converted by end of the year

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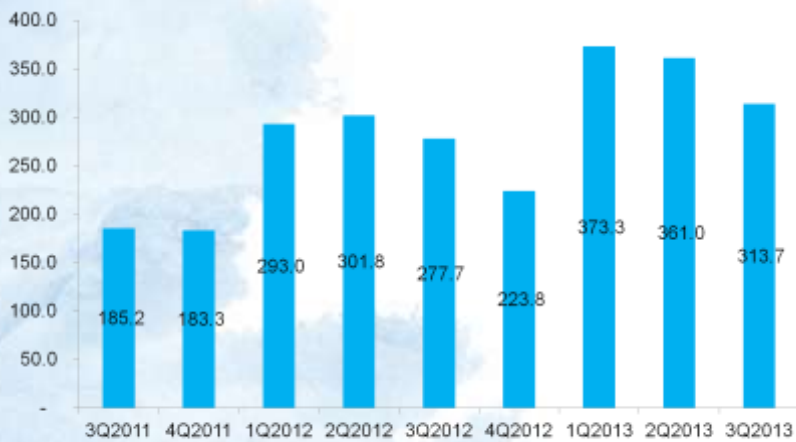
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Section 2B SEGMENTAL REVIEW – Financial Investments



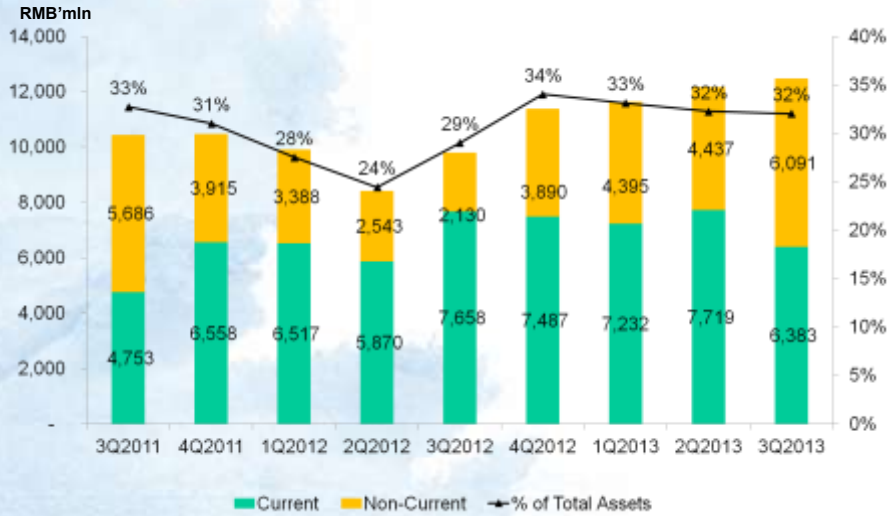
Revenue Trend – HTM Assets

All amounts are stated in RMB' mln



Source: Company Data

Held-to-Maturity Assets



Source: Company Data

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Held-to-Maturity Assets

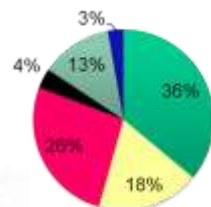
Breakdown of Investment Amount for which collaterals are secured (%)



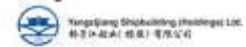
Coverage Ratio



Breakdown of Borrowers (3Q2013)



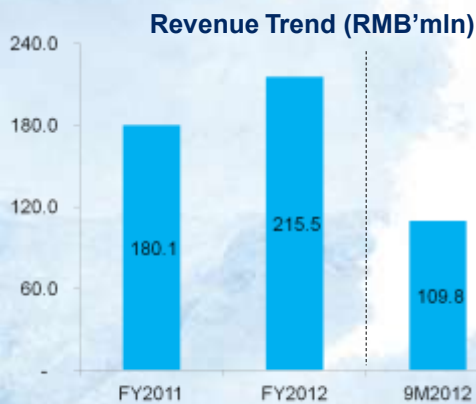
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Held-to-Maturity Assets

- Recycling of capital: about 60% of capital is redeemed every year (or 15% per quarter) and re-invested
- In 3Q2013, RMB\$2.50 billion was redeemed, with new capital invested of RMB\$2.82 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 (3Q2013)





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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

Shipbuilding and
Offshore

2

Financial
Investments

3

Shipping Logistics
and Chartering

4

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

5

Property
Development



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Strategically Located Yards



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Industry Trends

- Industry orders* for vessels surged 89% y-o-y to 73 million dwt in the first 8 months of 2013, exceeding the 54 million dwt of orders in 2012
- Orderbook to fleet ratio* down to 15-20% from peak of 60% in 2008
- Clarksons newbuild price index has improved by 2.4% year-to-date
- In August 2013, the Chinese government has revealed plans to restructure and consolidate the shipbuilding industry in a bid to remove excess capacity

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*Source: Clarksons and DBS Vickers September 2013 China Shipyards Report titled "Early recovery signs "

Outlook for 4Q2013

- The Group had secured a total of 52 effective shipbuilding contracts with an aggregate value of US\$2.1 billion in the first 9 months of 2013
- The Group also has a total of 28 outstanding options worth a total of US\$1.36 billion
- Expects more options to be converted by end of the year
- No vessel cessation during the quarter
- The Group's yard capacity will be highly utilized until 2016, with an outstanding order book of US\$3.87 billion comprising of 88 vessels
- Industry consolidation may have a positive impact for the Group, as the smaller number of shipyards in China may potentially lead to a higher market share of the Group
- The Group has undertaken a strategy of diversification to strengthen its earnings profile and preserve profitability during downturns, to protect shareholders' interest

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Q&A



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