



Yangzijiang Shipbuilding (Holdings) Ltd.
揚子江船業(控股)有限公司

Leading With Confidence

2Q2014 Results Presentation

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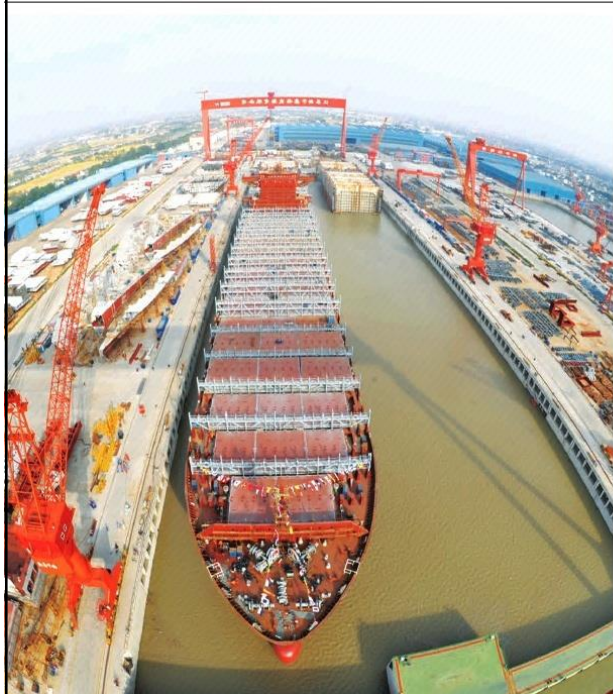
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Section 1 FINANCIAL HIGHLIGHTS



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Results Highlight – 2Q2014 YoY



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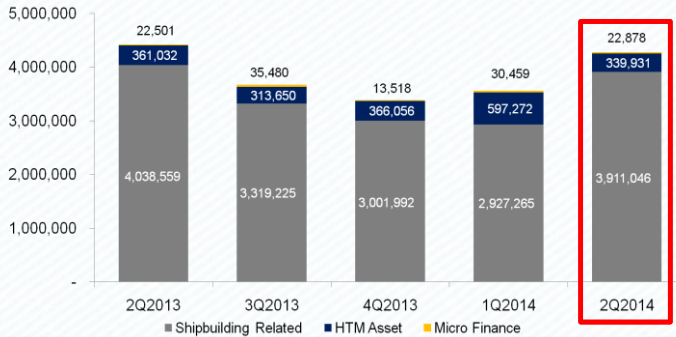
Financial Highlights	2Q2014	2Q2013	Change	Reason/s
	RMB'000	RMB'000	%	
Revenue	4,273,855	4,422,092	(3)	<ul style="list-style-type: none"> 9 vessels delivered in 2Q2014 as compared to 11 vessels in 2Q2013 Trading business supplemented Group's revenue
Gross Profit	1,183,533	1,214,683	(3)	Shipbuilding business gross profit margin remained healthy at 24% due to delivery of first batch of 10,000TEU containerships with higher contract prices
Gross Profit Margin	27.7%	27.5%	-	
Other Income	214,981	51,498	317	One-off interest income of RMB130 million received from restricted cash deposit matured in 2Q2014
Other Gains / (Losses)	(29,766)	20,309	n.m.	Foreign exchange related losses of RMB49.1 million and lower subsidy income of RMB3.8 million, partially offset by dividend income of RMB33.1 million
Expenses #	192,873	177,830	8	Administrative expenses maintained at healthy level
Net Profit Attributable to Equity Holders (PATMI)	1,235,981	811,664	52	One-off tax refund of RMB349 million to Jiangsu New Yangzi Shipbuilding Co., Ltd for FY2013 boosted 2Q2014 PATMI and PATMI margin
PATMI Margin	29%	18%	-	

#: Includes Administrative and Finance Expenses

Revenue Breakdown



(All amounts are stated in RMB'000)



Shipbuilding related Revenue Breakdown (2Q2014)	Percentage (%)
Shipbuilding	86%
Trading	12%
Others*	2%
Total	100%

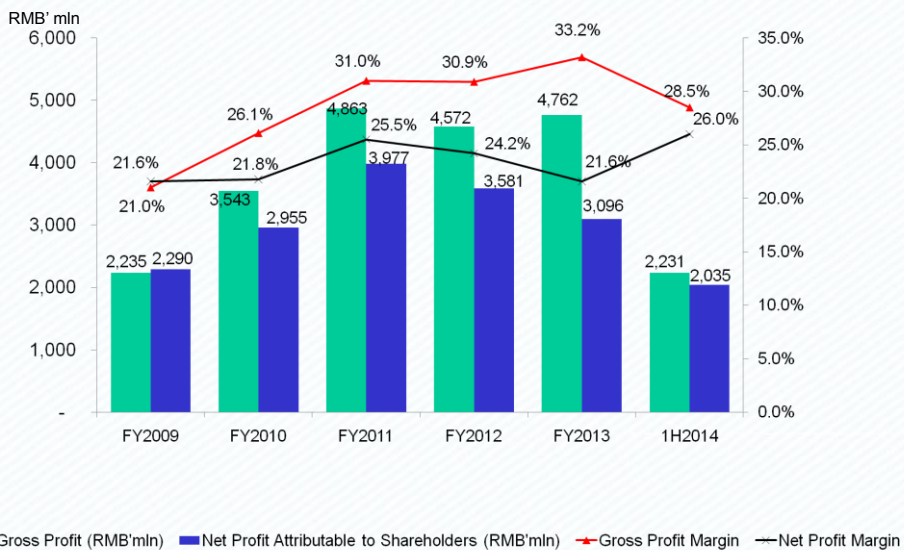
* Includes revenue from Shipping Logistics and Chartering, Steel Fabrication and Ship Design Services

	Gross Profits		Gross Profit Margins	
	2Q2014	2Q2013	2Q2014	2Q2013
Shipbuilding Related	846,080	832,085	22%	21%
HTM Investment	315,345	361,032	93%	100%
Micro Finance	22,108	21,566	97%	96%

Profitability Trend



Gross Profit and Net Profit Attributable to Shareholders



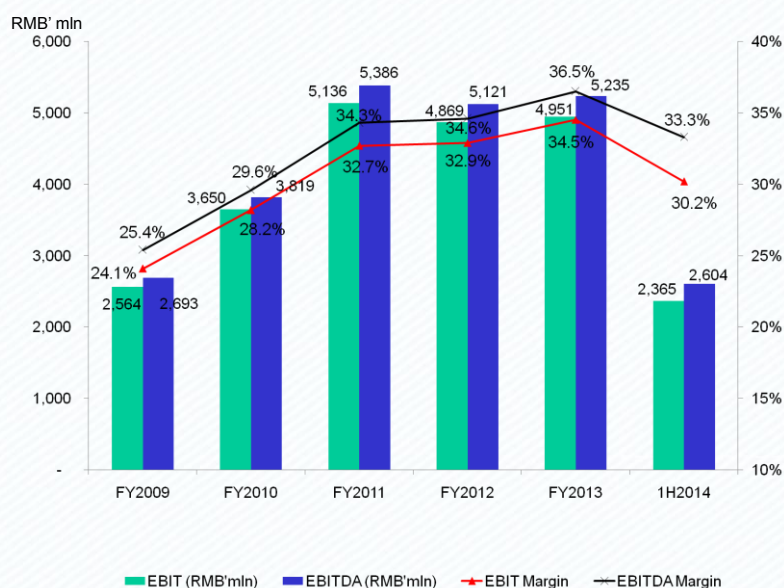
Profitability Trend



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EBIT and EBITDA



Results Highlight – Balance Sheet



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Financial Highlights	30 Jun 2014	31 Dec 2013
	RMB'000	RMB'000
Property, Plant and Equipment	5,811,017	5,793,041
Restricted Cash	4,983,280	8,416,977
Cash & Cash Equivalents	2,643,423	1,436,246
Financial Assets, Held-to-Maturity	12,986,070	14,127,351
Total Debt	11,397,209	13,373,442
Total Equity	19,394,933	18,272,881
Gross Gearing	58.80%	73.2%
Net Gearing (including restricted cash)	19.40%	19.3%
Net Asset Value per Ordinary Share (RMB cents)	492.77	464.55



Section 2A SEGMENTAL REVIEW Shipbuilding & Related Segments



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Revenue Trend

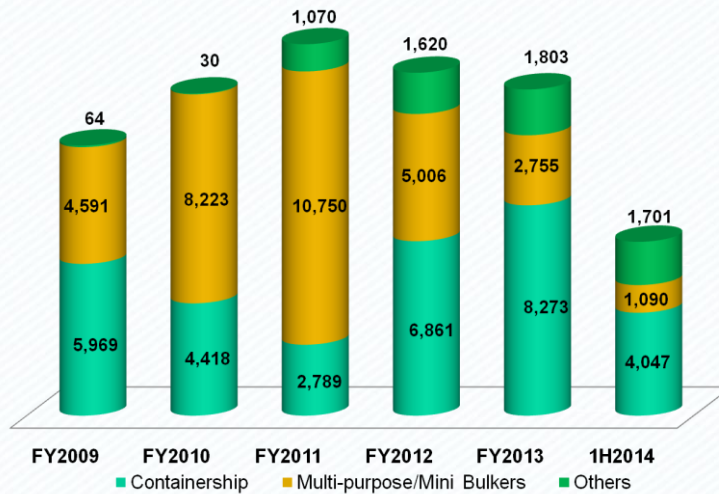


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All amounts are stated in RMB' mln

Shipbuilding-related Segment



* 1H2014 Others – Includes revenue from Shipping Logistics and Chartering, Steel Fabrication and related Trading businesses, Ship Design Services



Section 2B SEGMENTAL REVIEW Financial Investments



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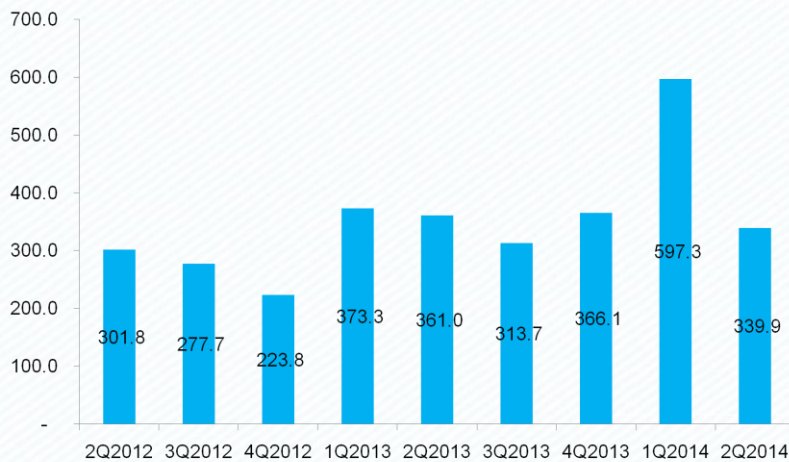
Revenue Trend – HTM Assets



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All amounts are stated in RMB' mln

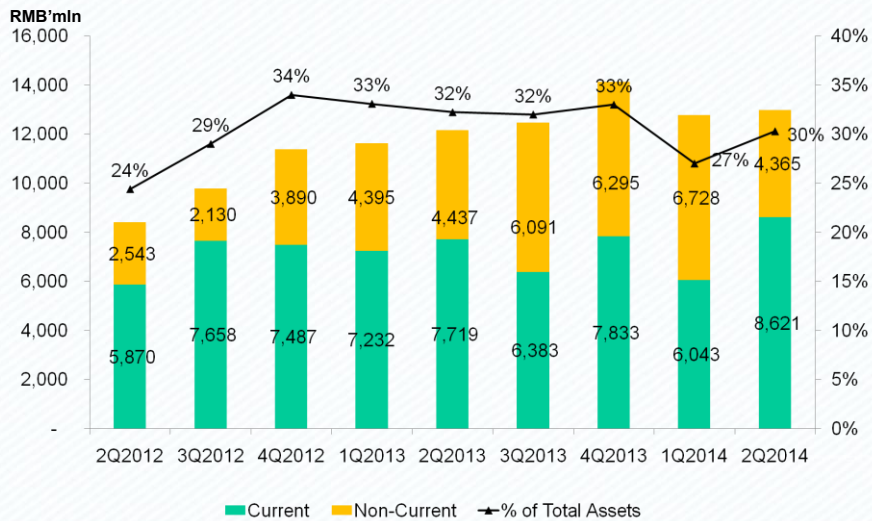


Source: Company Data

Held-to-Maturity Assets



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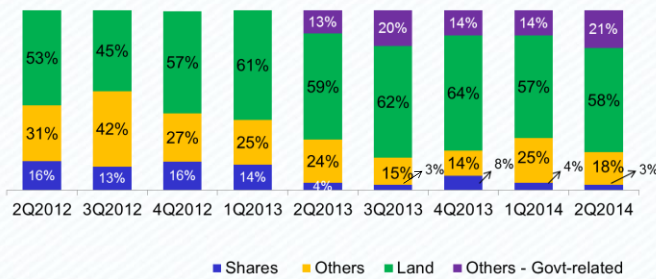
Source: Company Data

Held-to-Maturity Assets

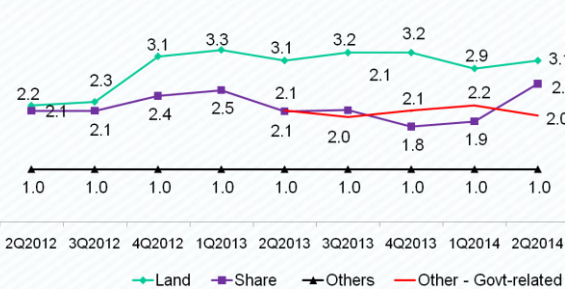


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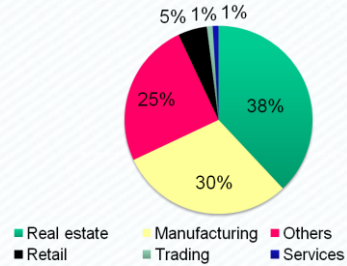
Breakdown of Investment Amount for which collaterals are secured (%)



Coverage Ratio



Breakdown of Borrowers (2Q2014)

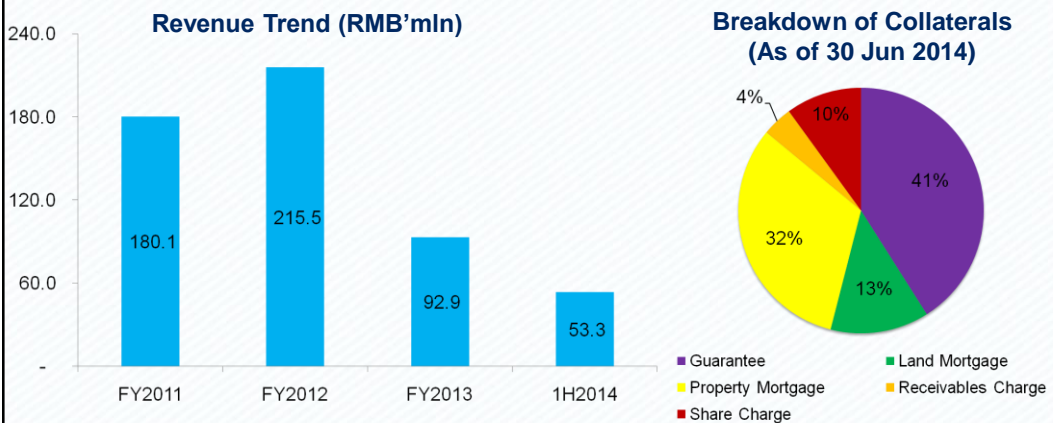


Held-to-Maturity Assets



- Recycling of capital: about 60% of capital is redeemed every year (or 15% per quarter) and re-invested
- In 2Q14, RMB\$1.7 billion was redeemed, with new capital invested of RMB\$1.9 billion
- Default rates on HTM investments were less than 5%

Micro Financing





Section 3 SHIPBUILDING ORDERBOOK



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Strong Order Book



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Total: 122 vessels; 3.61 million CGT @ US\$ 5.02 billion
25 containerships, 1.12 million CGT @ US\$ 1.81 billion
97 bulk carriers, 2.49 million CGT @ US\$ 3.21 billion

Containerships

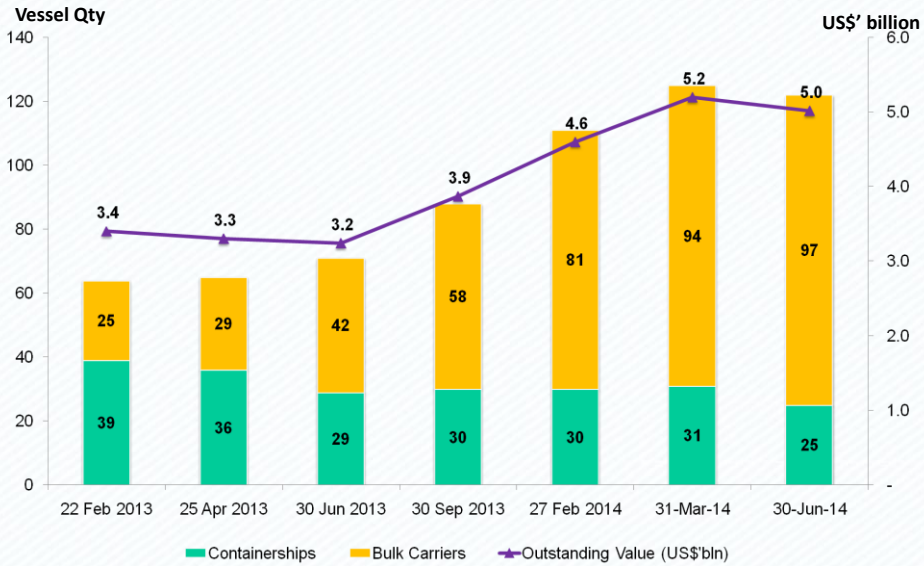
- 1,100TEU x 5 vessels
- 2,500TEU x 2 vessels
- 4,800TEU x 1 vessels
- 10,000TEU x 17 vessels

Bulk Carriers

- 36,000DWT x 4 vessels
- 45,000DWT x 2 vessels
- 49,500DWT x 1 vessels
- 64,000DWT x 21 vessels
- 82,000DWT x 51 vessels
- 94,000DWT x 2 vessels
- 208,000DWT x 12 vessels
- 260,000DWT x 4 vessels

Note: Order book is as at 30 Jun 2014

Historical Order Book

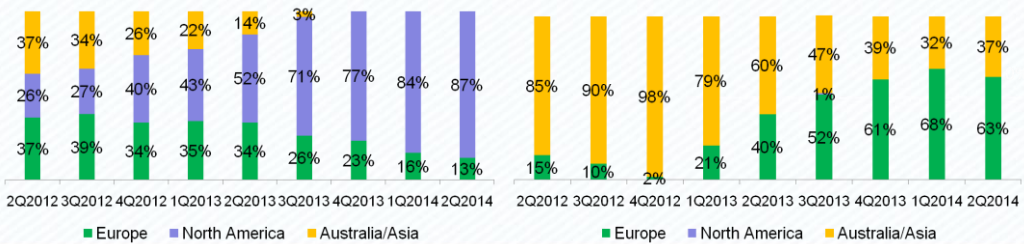
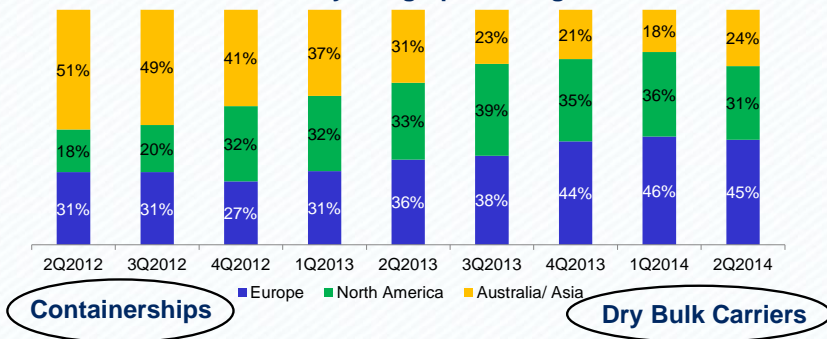


Order Book Customer Profile



Figures are stated as at 30 Jun 2014

Breakdown by Geographical Segments



Order-Winning Momentum



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



Section 4 STRATEGIES & TRENDS



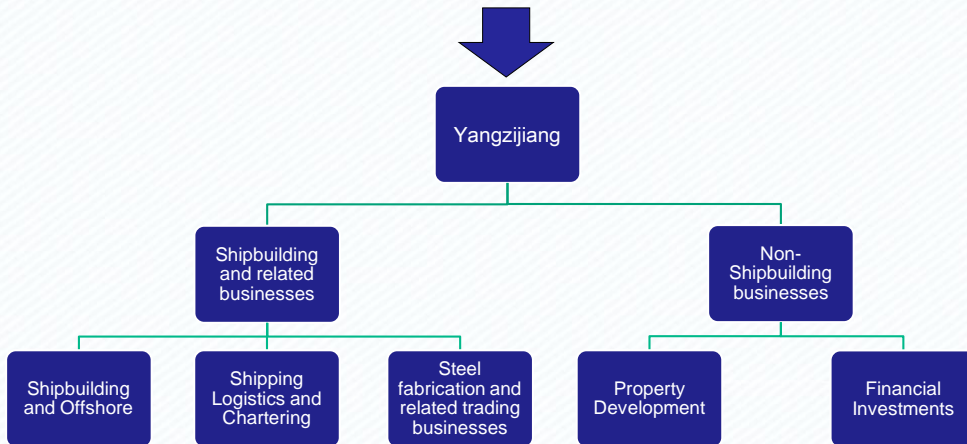
Strategically Located Yards



Integrated Marine Group



Key Strategy: Build on Group's core strength in shipbuilding to optimise benefits from shipbuilding sector's upswing



Shipbuilding and related businesses



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▪ Shipbuilding and Offshore

- The Group secured a contract for four 260,000DWT very large ore carriers from its first Australian customer as announced on 18 June 2014
- Resources from other non-shipbuilding businesses will be gradually redeployed into shipbuilding and its related businesses, especially into R&D, to better meet market demand
- Incorporated a wholly owned subsidiary, Taixing Tongzhou Warehousing Co. Ltd., which provides storage handling solutions. This new subsidiary is expected to shorten the production cycle of the Group's shipyards and improve profitability
- Construction of the Group's jack-up rig secured in end 2012 continues to progress according to planned schedule and is on track for delivery in mid 2015

▪ Shipping Logistics and Chartering

- YZJ targets to build up an experienced shipping team
- Current fleet includes:
 - i) 5 x 92,500DWT under bareboat hire purchase
 - ii) 5 x 92,500DWT self managed by the Group
- Fleet Expansion: 6 x 64,000DWT under construction in the Group's yard
- May place order with the Group's yards while shipbuilding industrial activities are low
- Exiting of this business may be considered on strong recovery signs of the shipbuilding sector

▪ Steel Fabrication and related trading businesses

- Disposal of wholly owned trading subsidiary, Jiangsu Leyuan Innovation International Trading Co., Ltd; consolidating similar business structure within Group so as to manage administrative expenses more effectively.

Non-Shipbuilding businesses



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▪ Financial Investments

- Strive to maintain a secure investment portfolio with stable returns to serve as effective tool to counter cycles of shipbuilding industry
- Keeping size of Financial Investments under control

▪ Property Development

- Disposal of its entire 50% stake in property development subsidiary, Wujiang Jinke Yangzi Real Estate Development Co., Ltd
- This is in line with the Group's strategy to control the size of investment in non-shipbuilding businesses

Outlook for FY2014



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- In 1H2014, the Group had secured a total of 32 effective shipbuilding contracts with an aggregate value of US\$1.42 billion.
- According to www.eworldship.com as of 29 July 2014, the Group has won the most new orders till date in 2014 among Chinese yards. According to order size based on compensated gross tonnage, the Group was ranked at top No. 8 globally and No. 1 in China.
- With the substantial outstanding order book of US\$5.02 billion comprising of 122 vessels, the Group's yard capacity will be highly utilized until end of 2016. The Group also has 4 options remaining for 10,000TEU containerships.
- Demand among shipping industry for vessels that are more complex and larger are rising as ship owners are enhancing their focus on vessels' operational efficiencies. As a result, the Group is witnessing active newbuild enquiries. The Group will continue to take in orders selectively to maximise shareholders' return.
- The Group will continue to build on its shipbuilding capabilities in order to build new vessel types as well as vessels that are larger and more sophisticated.
- Accredited as a High/New Technology Enterprise, Jiangsu New Yangzi Shipbuilding Co. Ltd ("JNYS") will continue to enjoy a preferential corporate income tax rate of 15% for the rest of FY2014 and FY2015.

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Thank You Q&A



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