



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

3Q2016 Results Briefing

November 8, 2016

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SECTION I

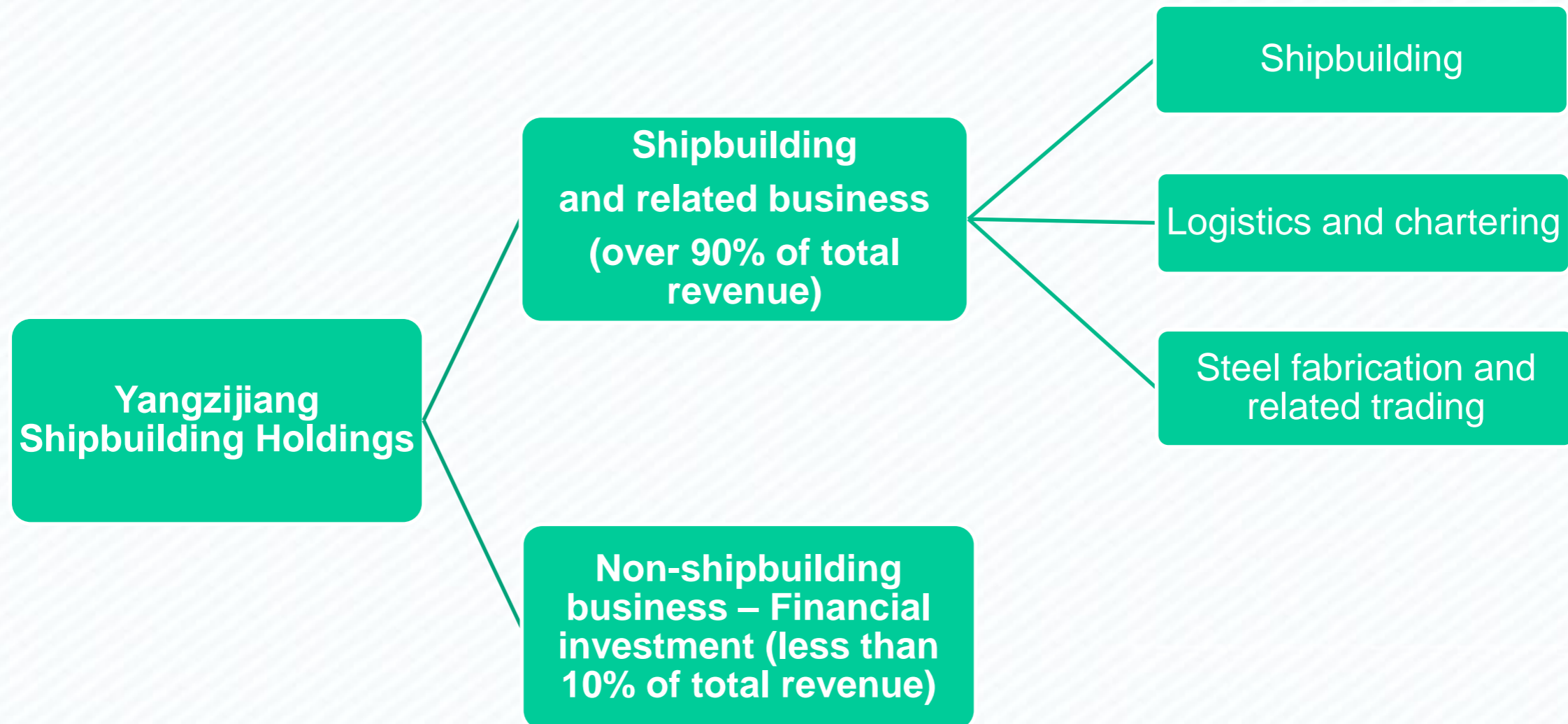
COMPANY OVERVIEW



- A leading shipbuilder in PRC in terms of manufacturing capability and capacity
- A top ten shipbuilder globally in terms of outstanding order book
 - No.1 in China and No.4 in the world as of end of September 2016
- One of the **most profitable** shipbuilding company among PRC listed peers
- Listed on SGX-Mainboard since April 2007
- STI constituent stock
- The **largest** Chinese listed entity on SGX-Mainboard



Key Strategy: Enhance the R&D to cater to and lead market demand, and build up Group's core shipbuilding capability



Strategically Located Yards



江苏新扬子造船有限公司
Jiangsu New Yangzi Shipbuilding Co., Ltd.

| | |
|----------|---|
| 注册资本 | 200,000,000.00 元 |
| 实缴资本 | 200,000,000.00 元 |
| 统一社会信用代码 | 91320921MA1M888888 |
| 企业类型 | 有限责任公司 |
| 注册地址 | 江苏省泰州市靖江市 |
| 经营范围 | 船舶修理、船舶建造、船舶改装、船舶涂装、船舶设备、船舶配件、船舶材料、船舶五金、船舶机电、船舶工程、船舶设计、船舶制造、船舶销售、船舶租赁、船舶运营、船舶管理、船舶服务、船舶咨询、船舶培训、船舶研发、船舶创新、船舶合作、船舶共赢。 |
| 法定代表人 | 王德明 |
| 成立日期 | 2010年01月01日 |

江苏扬子造船有限公司
Jiangsu Yangzi Shipbuilding Co., Ltd.

| | |
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| 法定代表人 | 王德明 |
| 成立日期 | 2010年01月01日 |

扬子江海洋工程装备有限公司
Yangzijiang Offshore Engineering Co., Ltd.

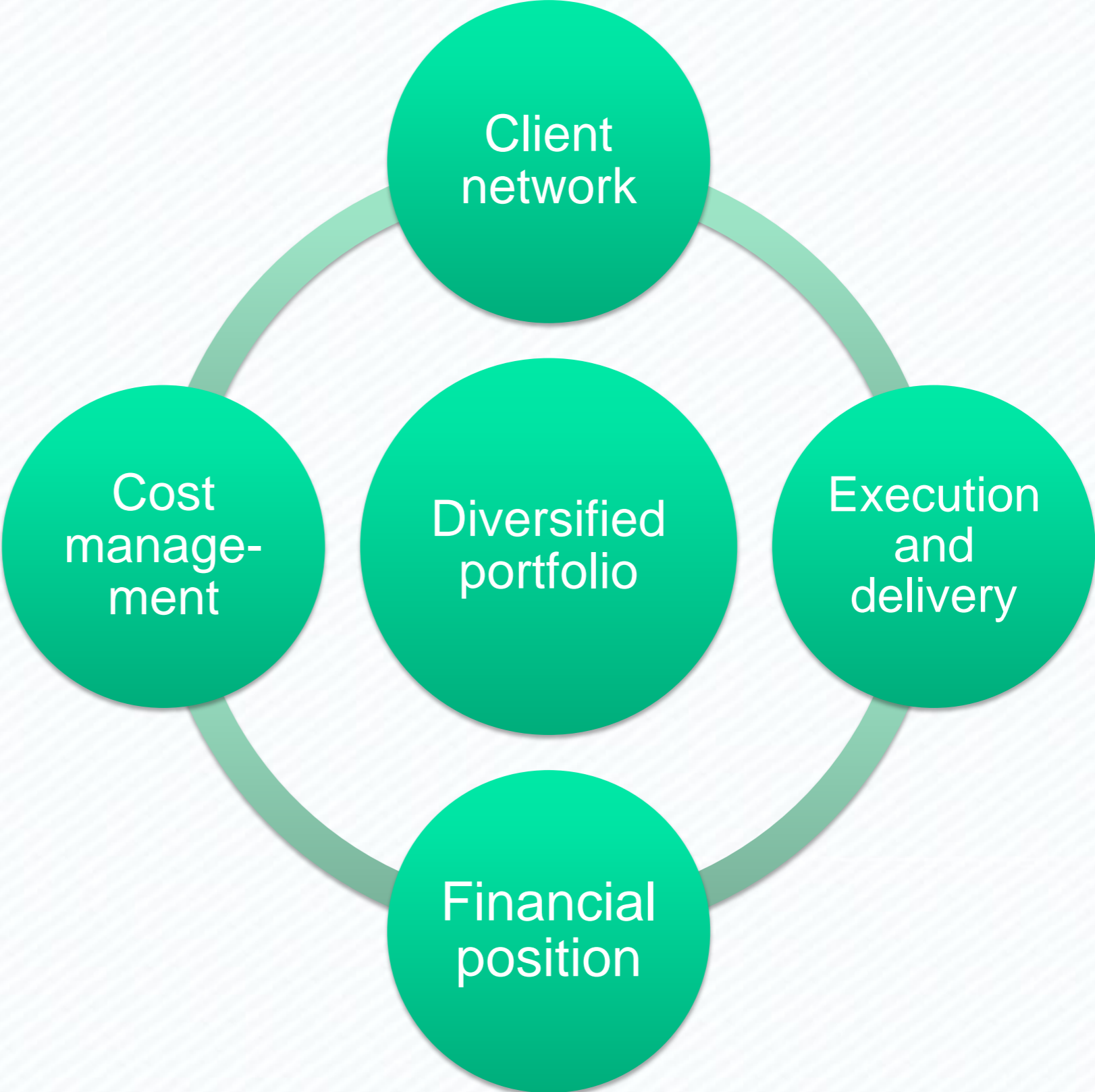
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| 法定代表人 | 王德明 |
| 成立日期 | 2010年01月01日 |

江苏华元金属加工有限公司
Jiangsu Huayuan Metal Processing Co., Ltd.

| | |
|----------|---|
| 注册资本 | 100,000,000.00 元 |
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Outstanding resilience and consistence in a challenging shipbuilding market





SECTION II

FINANCIAL HIGHLIGHTS

Results Highlight – 3Q2016 YoY



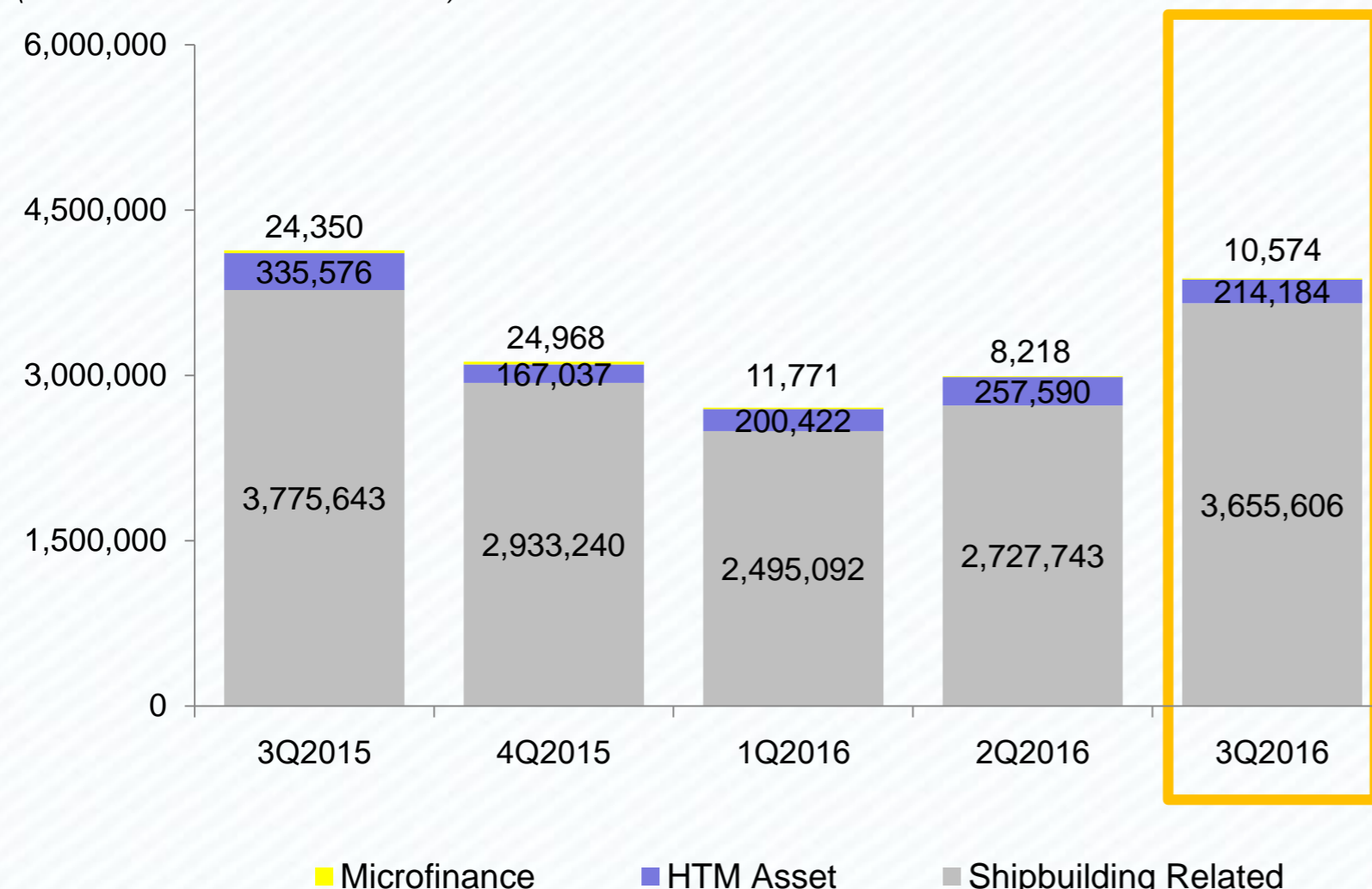
| Financial Highlights | 3Q2016 | 3Q2015 | Change | Comments |
|---|-----------|-----------|--------|---|
| | RMB'000 | RMB'000 | % | |
| Revenue | 3,880,364 | 4,135,569 | (6) | 8 vessels delivered vs. 9 in 3Q2015, higher revenue from trading business and other shipbuilding related businesses |
| Gross Profit | 869,412 | 976,613 | (11) | Better shipbuilding margins supported by reversal of warranty provision and appreciation of USD against RMB; |
| Gross Profit Margin | 22.4% | 23.6% | - | |
| Other Income | 501,078 | 39,649 | 1164 | Recognition of advance payment from terminated shipbuilding contracts |
| Other (Losses) / Gains | (509,813) | 241,892 | n.m. | Impairment provision made for vessels owned and HTM assets, partly offset by subsidy income and foreign exchange gain |
| Expenses # | 215,555 | 293,441 | (27) | Higher revaluation loss on USD borrowings in 3Q2015, higher reversal of bad debt provisions in 3Q2015 |
| Net Profit Attributable to Equity Holders (PATMI) | 281,219 | 680,665 | (59) | |
| PATMI Margin | 7.2% | 16.5% | - | |

#: Includes Administrative and Finance Expenses
n.m. denotes not meaningful.

Revenue Breakdown



(All amounts are stated in RMB'000)



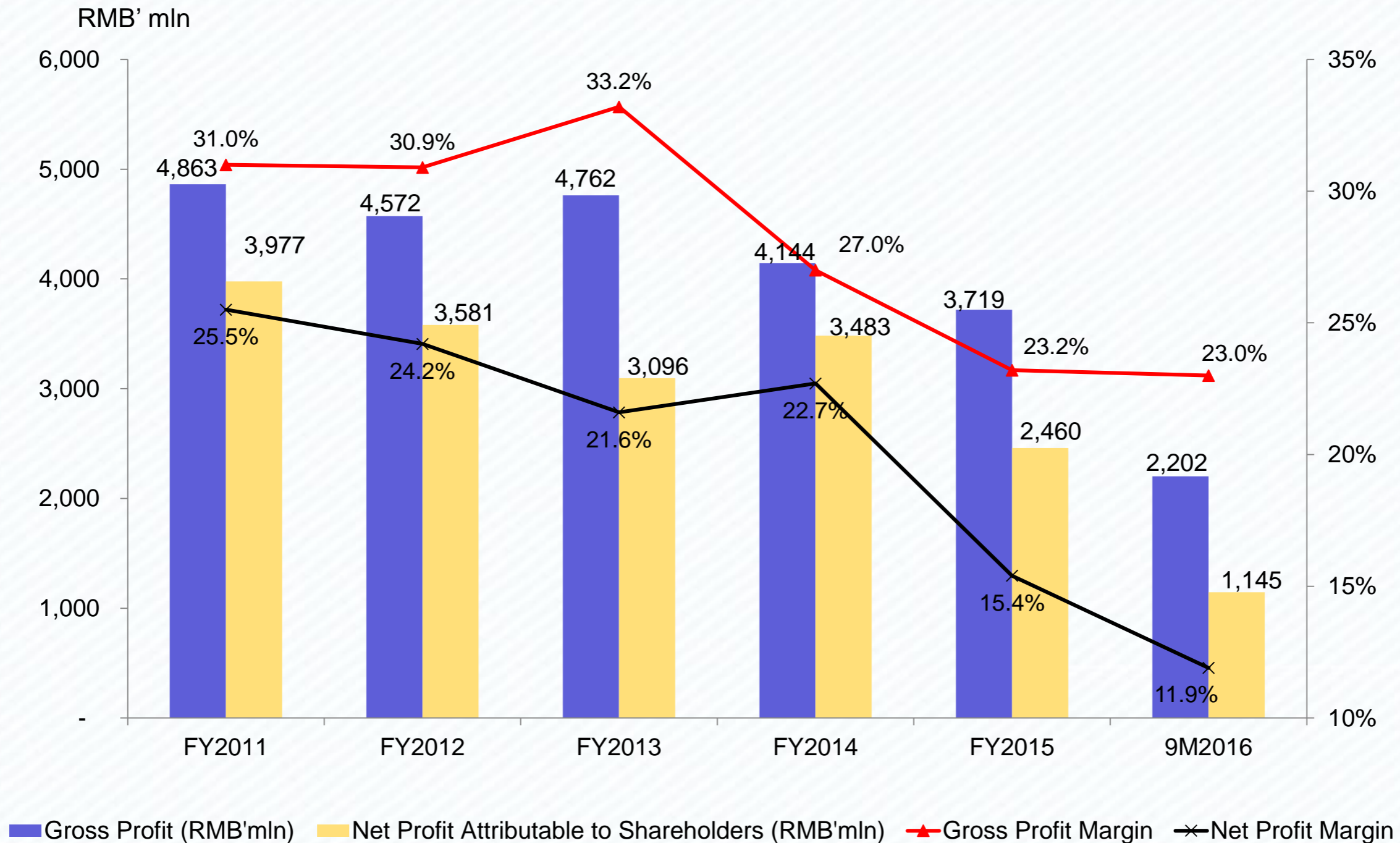
| Shipbuilding Related Revenue Breakdown (3Q2016) | Percentage (%) |
|---|----------------|
| Shipbuilding | 74% |
| Trading | 24% |
| Others* | 2% |
| Total | 100% |

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

| | Gross Profits | | Gross Profit Margins | |
|----------------------|---------------|---------|----------------------|--------|
| | 3Q2016 | 3Q2015 | 3Q2016 | 3Q2015 |
| Shipbuilding Related | 661,231 | 627,410 | 18% | 17% |
| HTM Investment | 197,702 | 325,682 | 92% | 97% |
| Micro Finance | 10,479 | 23,521 | 99% | 97% |

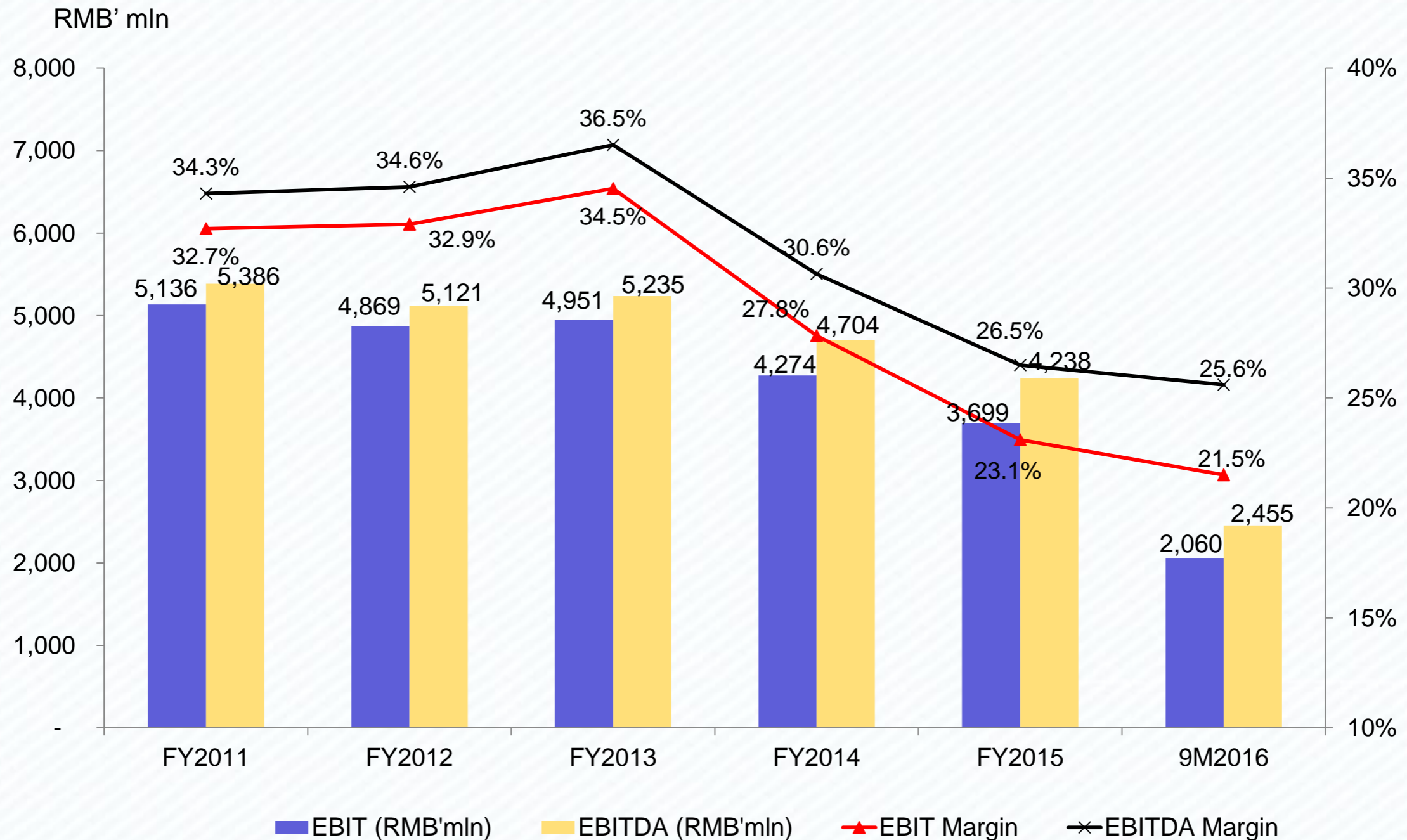


Gross Profit and Net Profit Attributable to Shareholders





EBIT and EBITDA



Results Highlight – Balance Sheet



| Financial Highlights | 30 Sep 2016 | 31 Dec 2015 |
|--|-------------|-------------|
| | RMB'000 | RMB'000 |
| Property, Plant and Equipment | 6,051,930 | 6,401,967 |
| Restricted Cash | 1,439,980 | 1,028,550 |
| Cash & Cash Equivalents | 5,754,886 | 5,992,935 |
| Financial Assets, Held-to-Maturity | 10,954,178 | 9,972,406 |
| Total Debt | 7,327,058 | 8,282,421 |
| Total Equity | 22,610,863 | 22,358,981 |
| Gross Gearing | 32.4% | 37.0% |
| Net Gearing (including restricted cash) | 0.6% | 5.6% |
| Net Asset Value per Ordinary Share (RMB cents) | 577.46 | 568.90 |



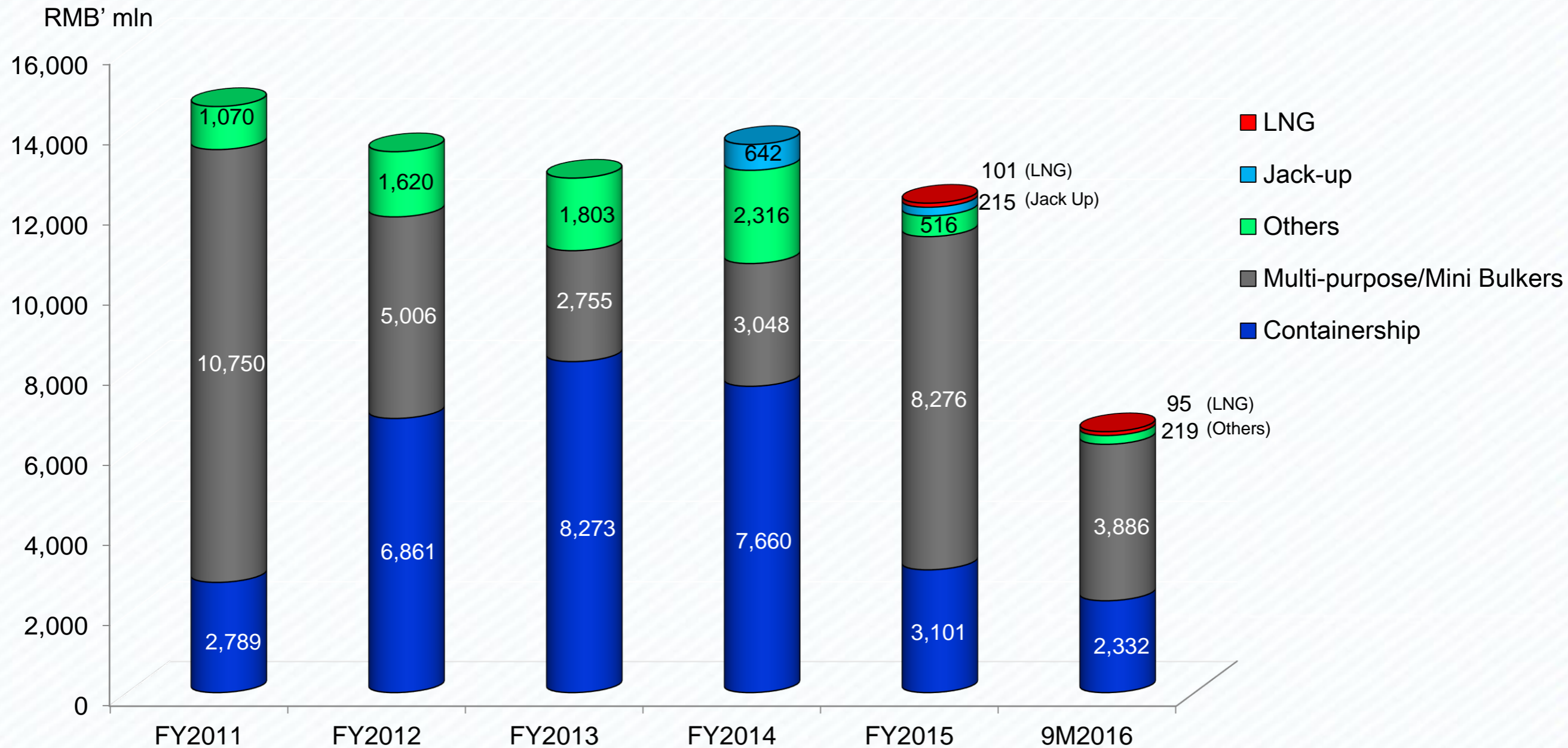
SECTION III - A SEGMENTAL REVIEW

Shipbuilding & Related Segments





Shipbuilding Revenue Breakdown





Total:85 vessels; 4.07 million CGT @ US\$ 4.40 billion
44 containerships, 2.34 million CGT @ US\$ 2.43 billion
37 bulk carriers, 1.54 million CGT @ US\$ 1.68 billion
2 LNG Carriers, 0.06 million CGT @ US\$ 0.14 billion
2 VLGCs, 0.13 million CGT @ US\$ 0.15 billion

Containerships

- 1,668TEU x 2 vessels
- 1,800TEU x 4 vessels
- 1,900TEU x 5 vessels
- 2,700TEU x 7 vessels
- 3,800TEU x 8 vessels
- 10,000TEU x 6 vessels
- 11,800TEU x 12 vessels

LNG Carriers

- 27,500LNG x 2 vessels

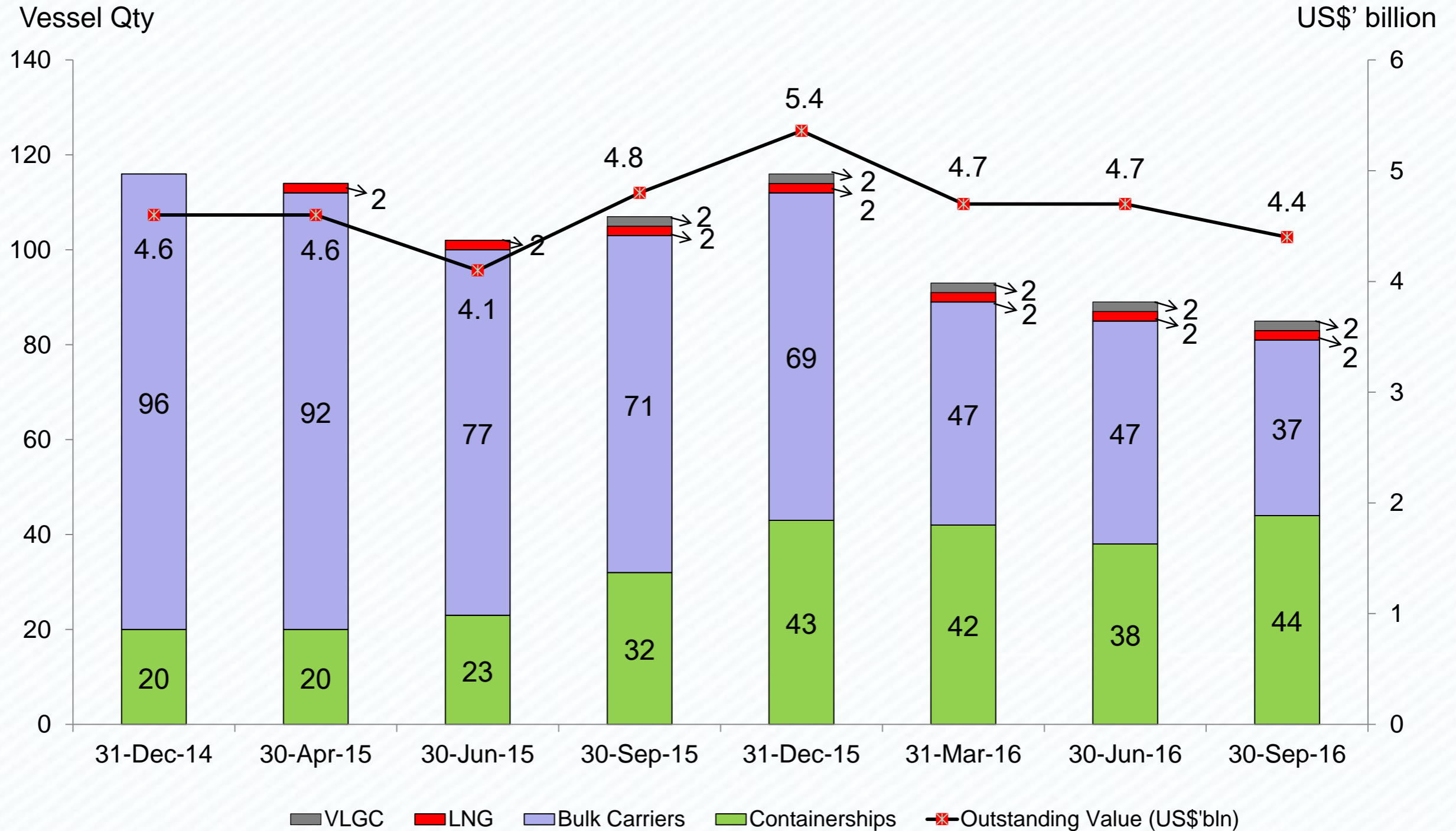
Bulk Carriers

- 29,800DWT x 2 vessels
- 36,500DWT x 6 vessels
- 64,000DWT x 4 vessels
- 81,100DWT x 1 vessels
- 82,000DWT x 8 vessels
- 83,500DWT x 3 vessels
- 208,000DWT x 3 vessels
- 260,000DWT x 4 vessels
- 400,000DWT x 6 vessels

VLGC

- 84,000VLGCs x 2 vessels

Historical Order Book



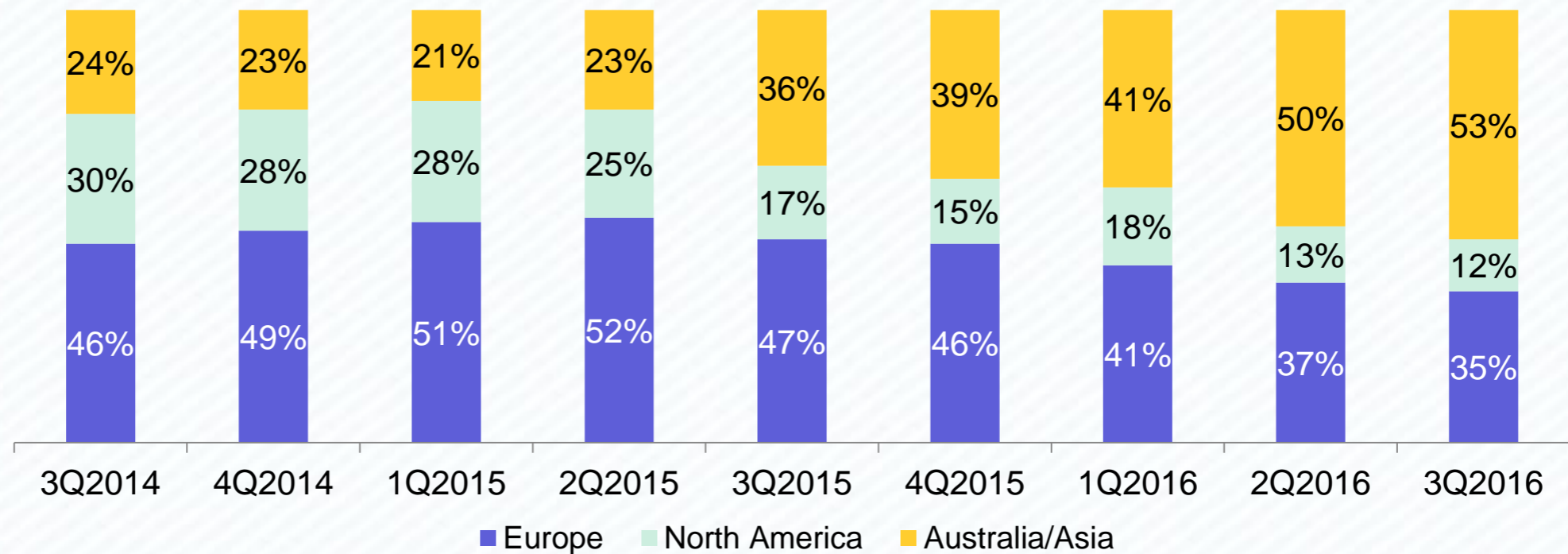
Order Book Customer Profile



Figures are stated as at 30 Sep 2016

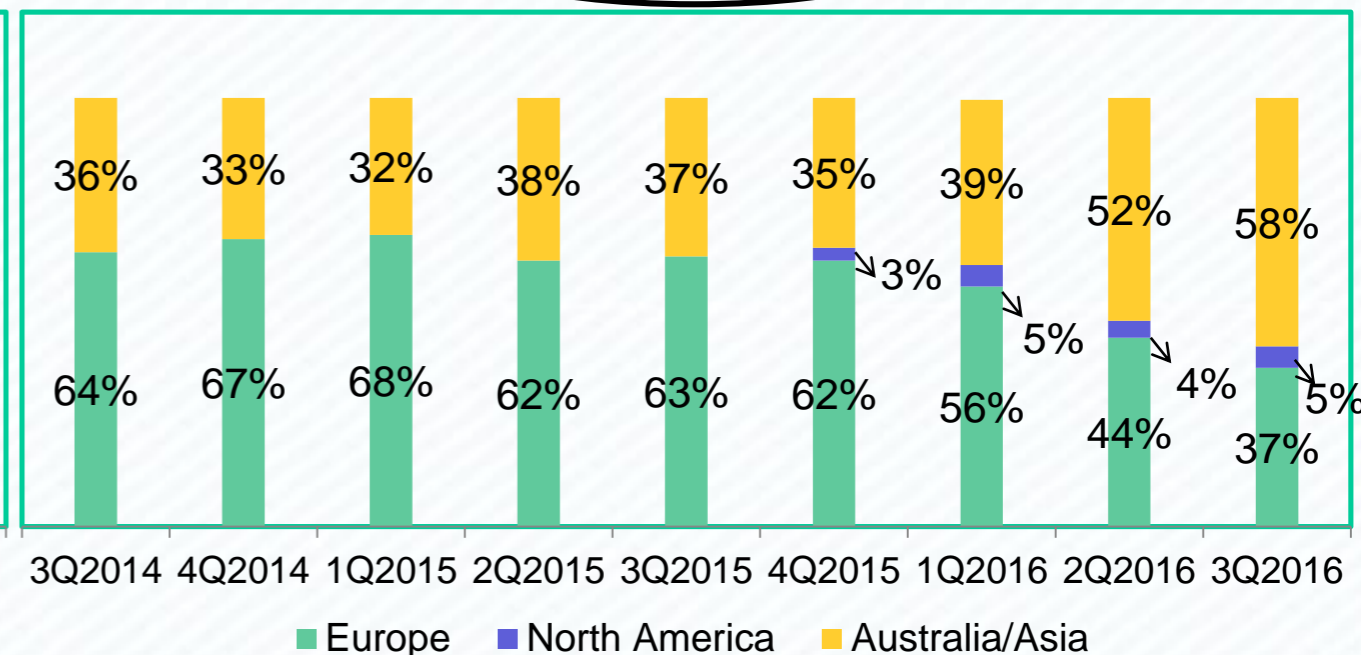
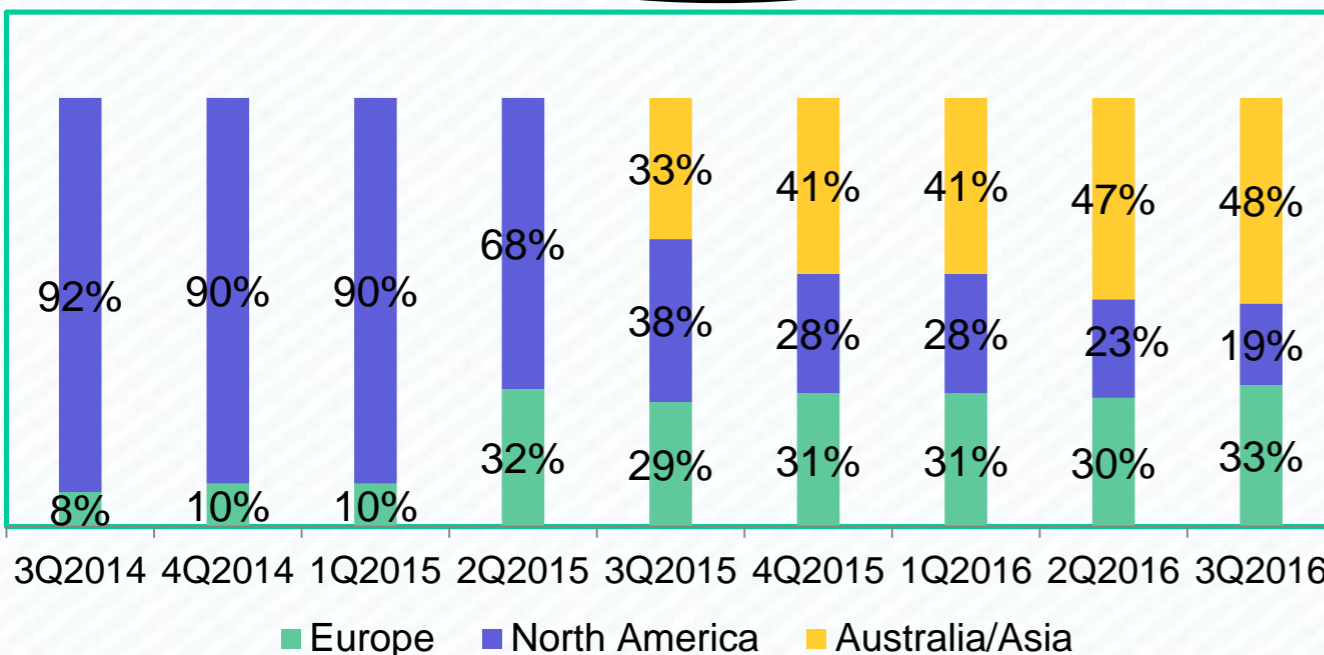
Breakdown by Geographical Segments

2 LNG Vessel orders
are from Europe
2 VLGC Vessel orders
are from Asia



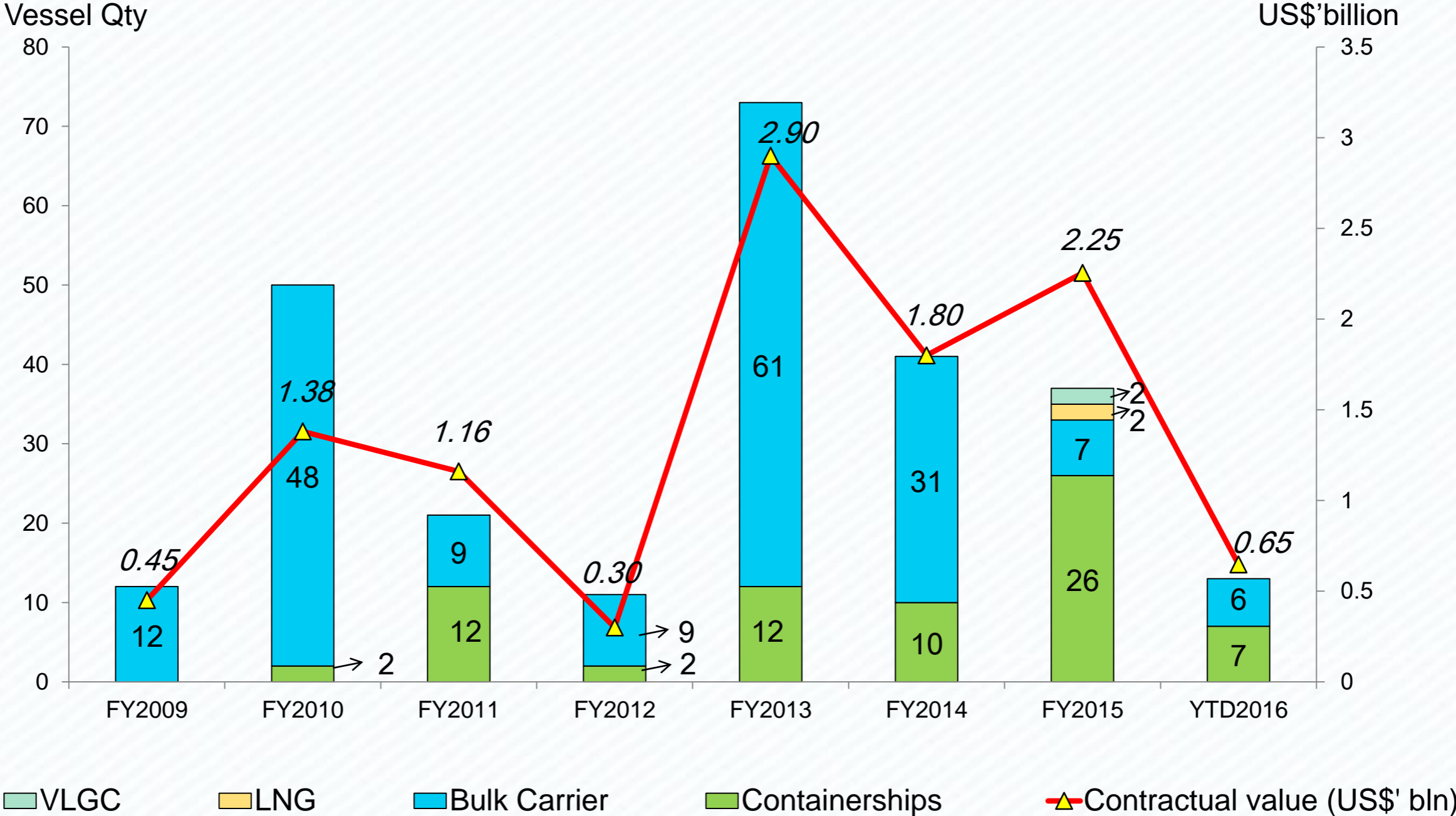
Containerships

Bulk Carriers





New contracts secured in terms of vessel quantity and contract value





▪ **The idea:**

- **Leveraging on shipbuilding facilities, build and manage vessels and generate revenue**
- **To balance utilization**
- **A ready fleet to better meet shipowners' demand**
- **Based on forward planning, build vessels and sell the vessels when valuation picks up on the market**

▪ **Current fleet includes:**

- **10 x 92,500DWT, self managed by the Group**
- **3 x 64,000DWT, self managed by the Group**

▪ **The strategy / plan for the business depends on the conditions on the shipbuilding market**



SECTION III - B SEGMENTAL REVIEW

Financial Investments

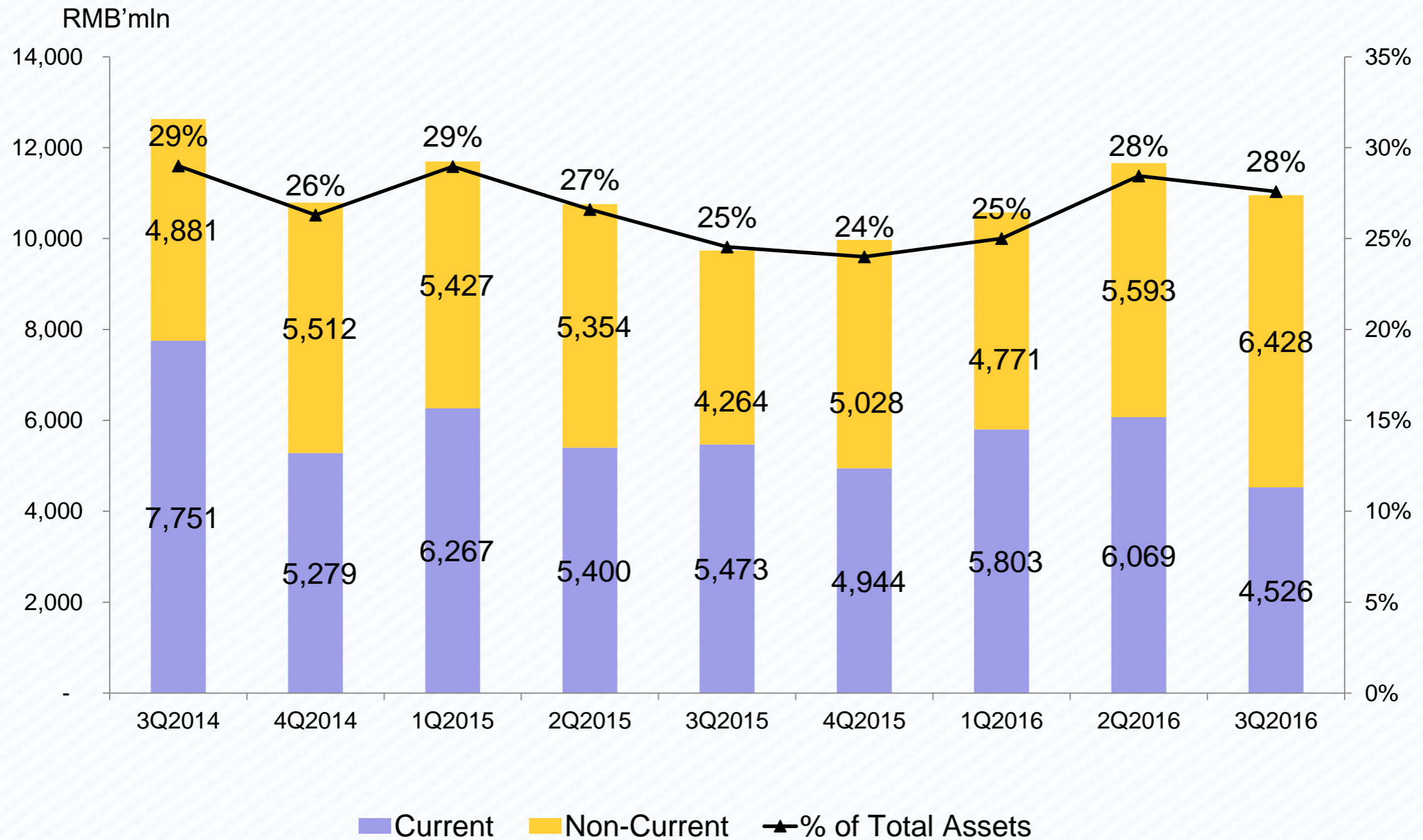


Interest Income Trend - HTM Assets



Source: Company Data

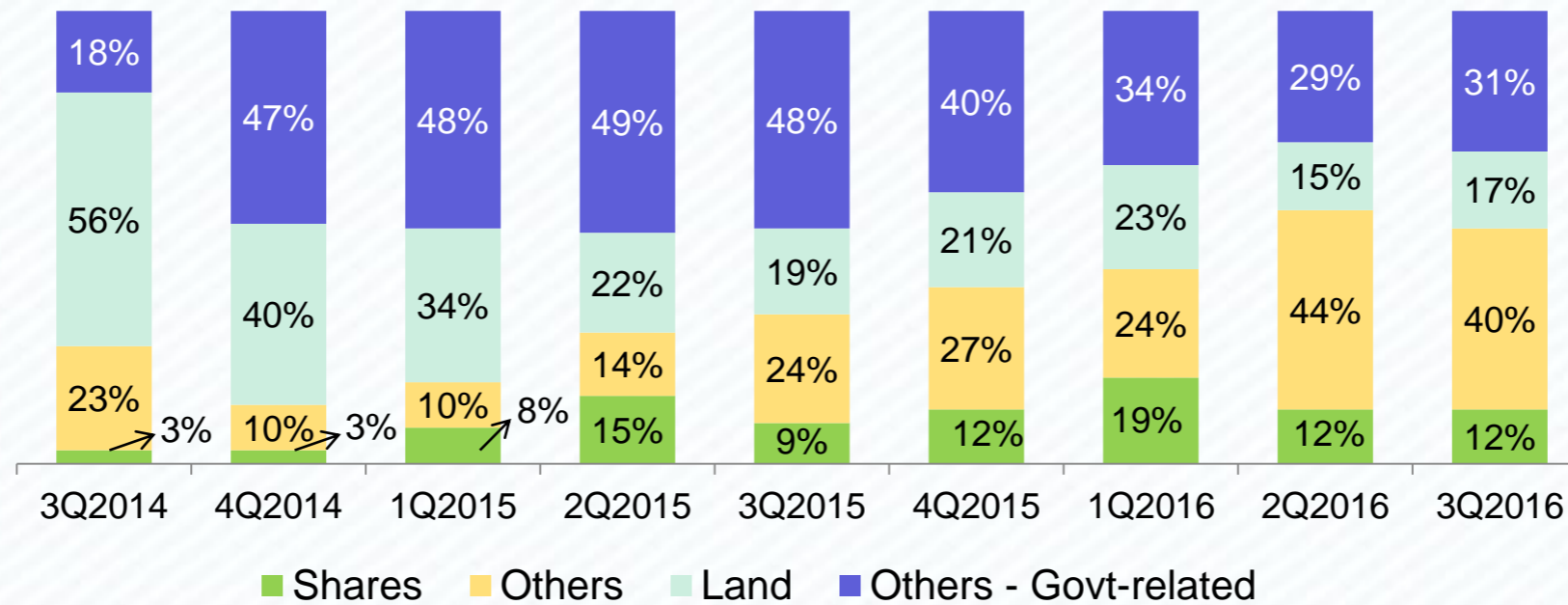
Held-to-Maturity Assets



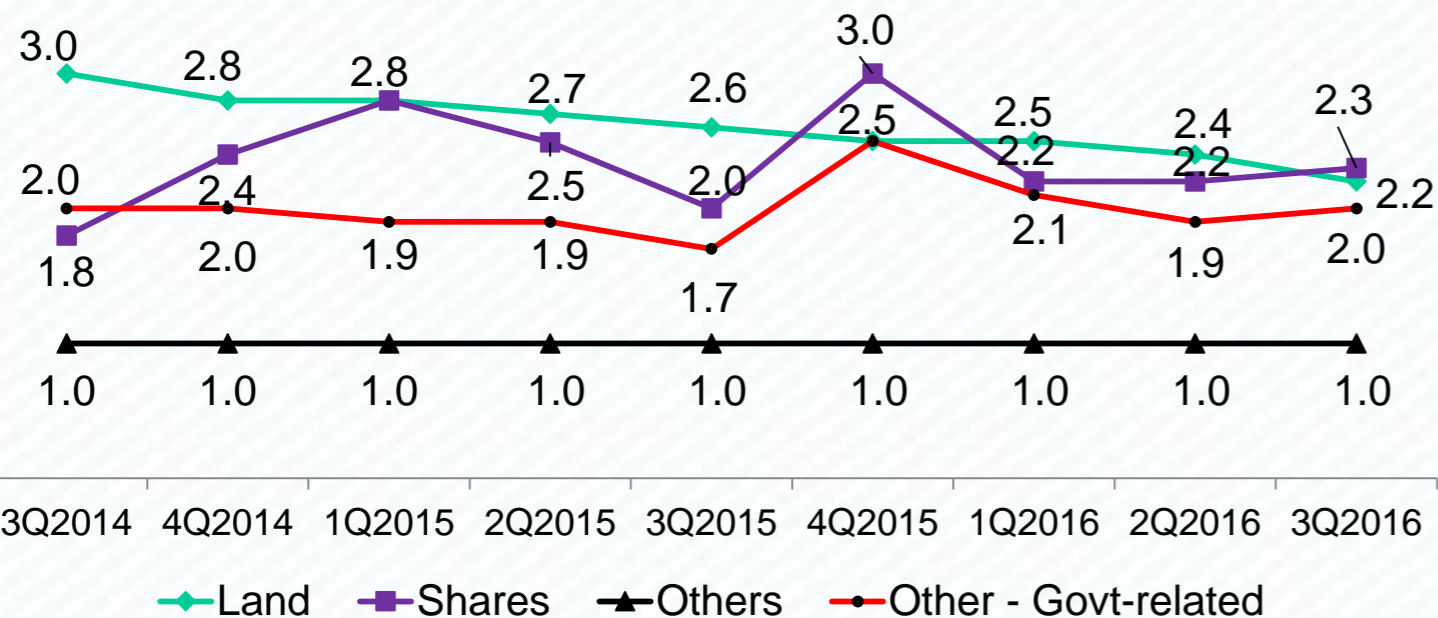
Source: Company Data



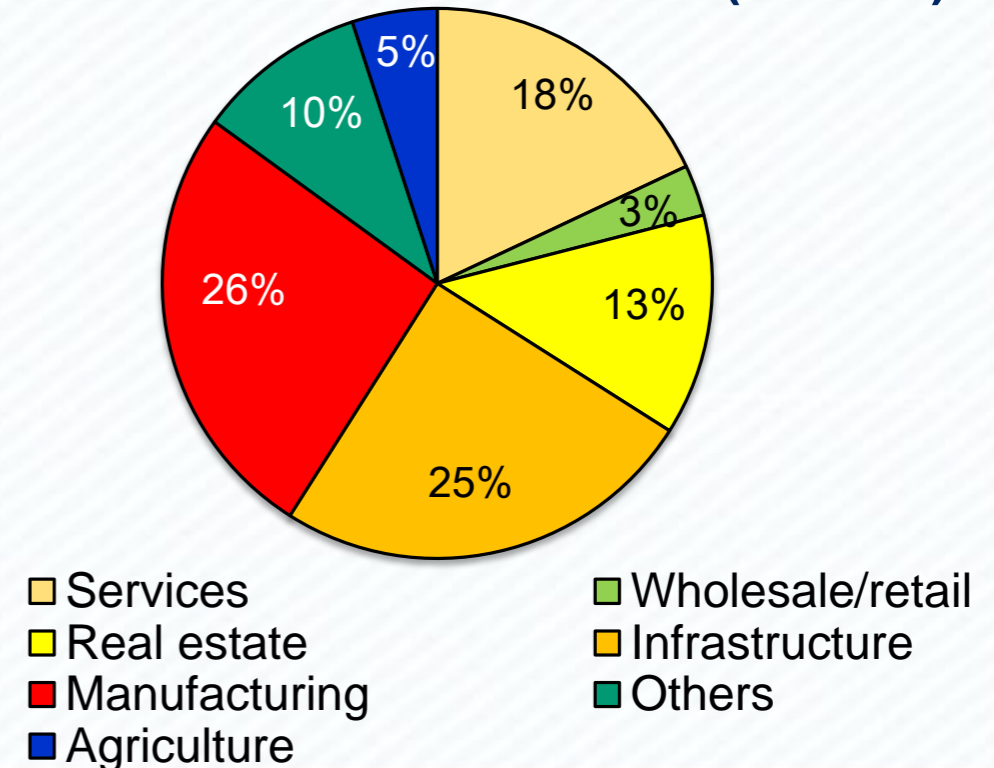
Breakdown of Investment Amount for which collaterals are secured (%)



Coverage Ratio

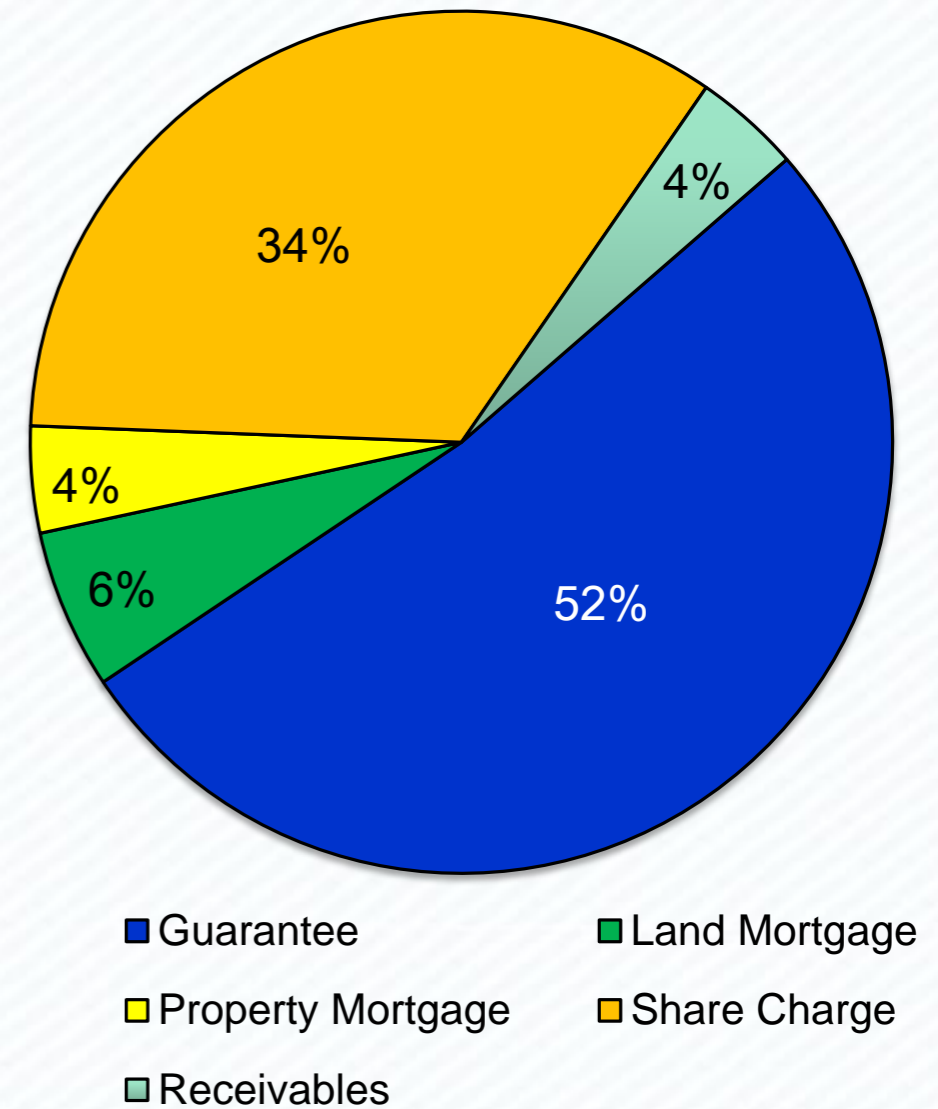
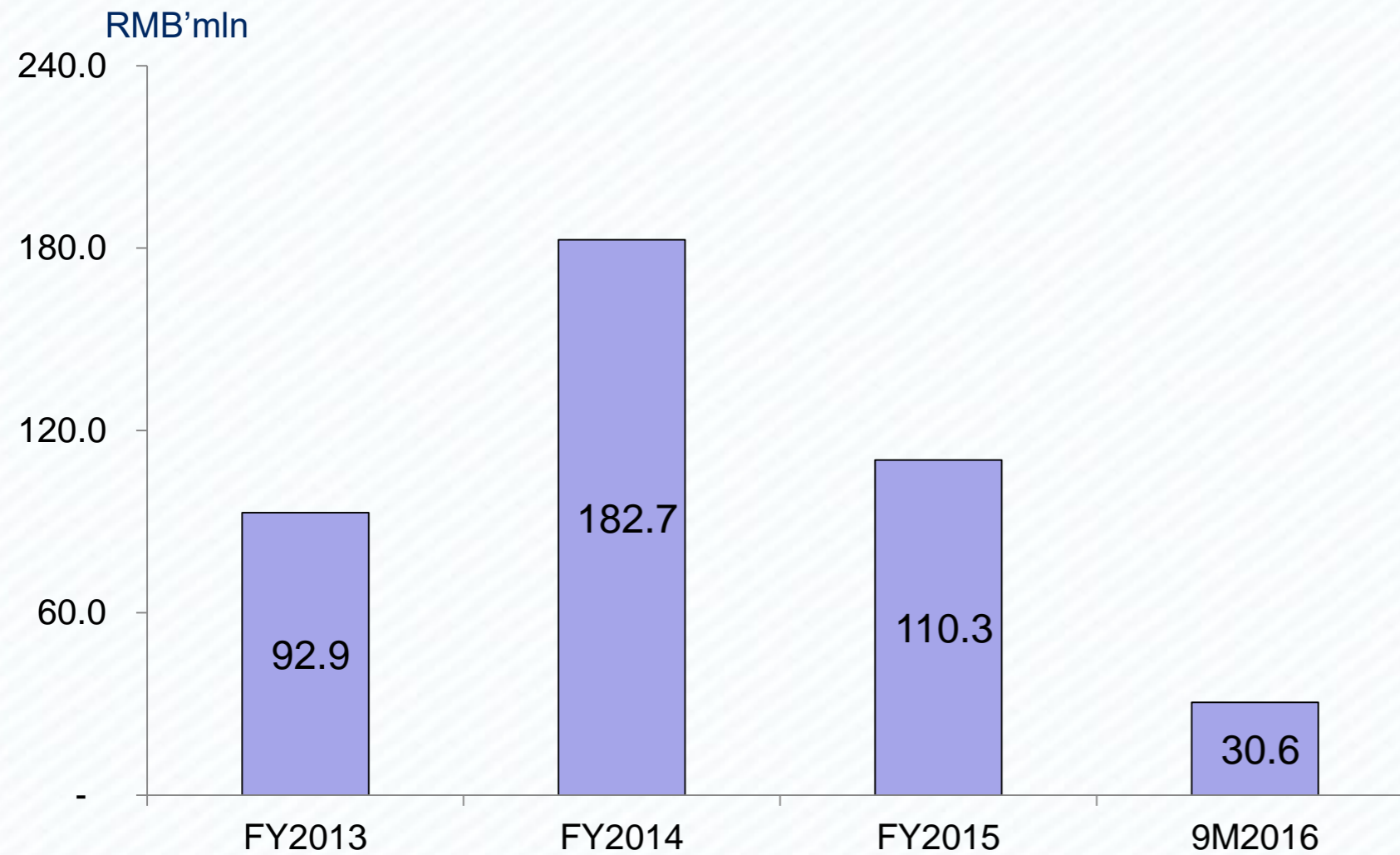


Breakdown of Borrowers (3Q2016)





Breakdown of Collaterals (As of 30 September 2016)





SECTION IV

STRATEGIES & TRENDS

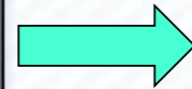


- Weaker shipping demand, low shipping rates, oversupply of vessels
- Global orderbook decline to its lowest level since 2004 in numerical terms, to 4,159 ships at the start of September 2016.
- Active yards (those with at least one vessel of 1,000+ GT or above on order) has more than halved since 2009 to 402 yards.

Source - Clarksons Research – Shipping Review & Outlook, Autumn 2016, page 30

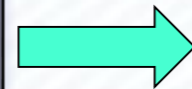


Containerships



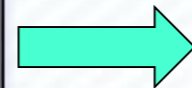
Remains as a key category in portfolio

Dry Bulk Carriers



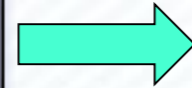
Focus on large-size carriers, multi-purpose and tailored vessels

LNG Carriers



Ensure successful debut

**Clean Energy
Vessels**



Enhance R&D and develop new vessels to cater to long-term demand



SECTION V

SOCIAL RESPONSIBILITY





- Continuous efforts in building up R&D capabilities in the **design and development of green vessels**
 - Group is ISO9001 qualified by the China Classification Society
 - Quality management system is BV ISO9002 and CCS ISO2000 certified
 - Vessels are CCS, ABS, BV, NK, GL, LR, DNV and RINA certified
- 32% employees possess a diploma-level or higher certification. **R&D headcount accounts for 16%** of our total staff strength
- Environmental management system **ISO14001 and CSQA certified**
- Compliant with national and international standards on emissions, such as wastewater, waste gas, solid waste, dust, and noise generated in the production process
- Group won the **SIAS Most Transparent Company Award** 3 times in a row from 2010 to 2012
- **“Shipbuilding & Repair Yard Award”** of Seatrade Maritime Awards Asia 2015



- Group Executive Chairman, Mr. Ren Yuanlin believe in returning to the society. Over the years, the Group and Mr. Ren have given **hundreds of millions of RMB** to society for various purposes
- The Foundation primarily funds a charity for improving elderly service facilities; finances technological innovation, helps in disaster rescue and helps poor people
- Jiangyin Yuanlin Rehabilitation Centre Project set up and in progress (*Artist's impression as shown below*)
- Mr. Ren was listed as one of the Asian Philanthropist by Forbes in 2015. He donates the dividends from his one billion Yangzijiang shares to the Yuanlin Charity Foundation, which he founded in 2011





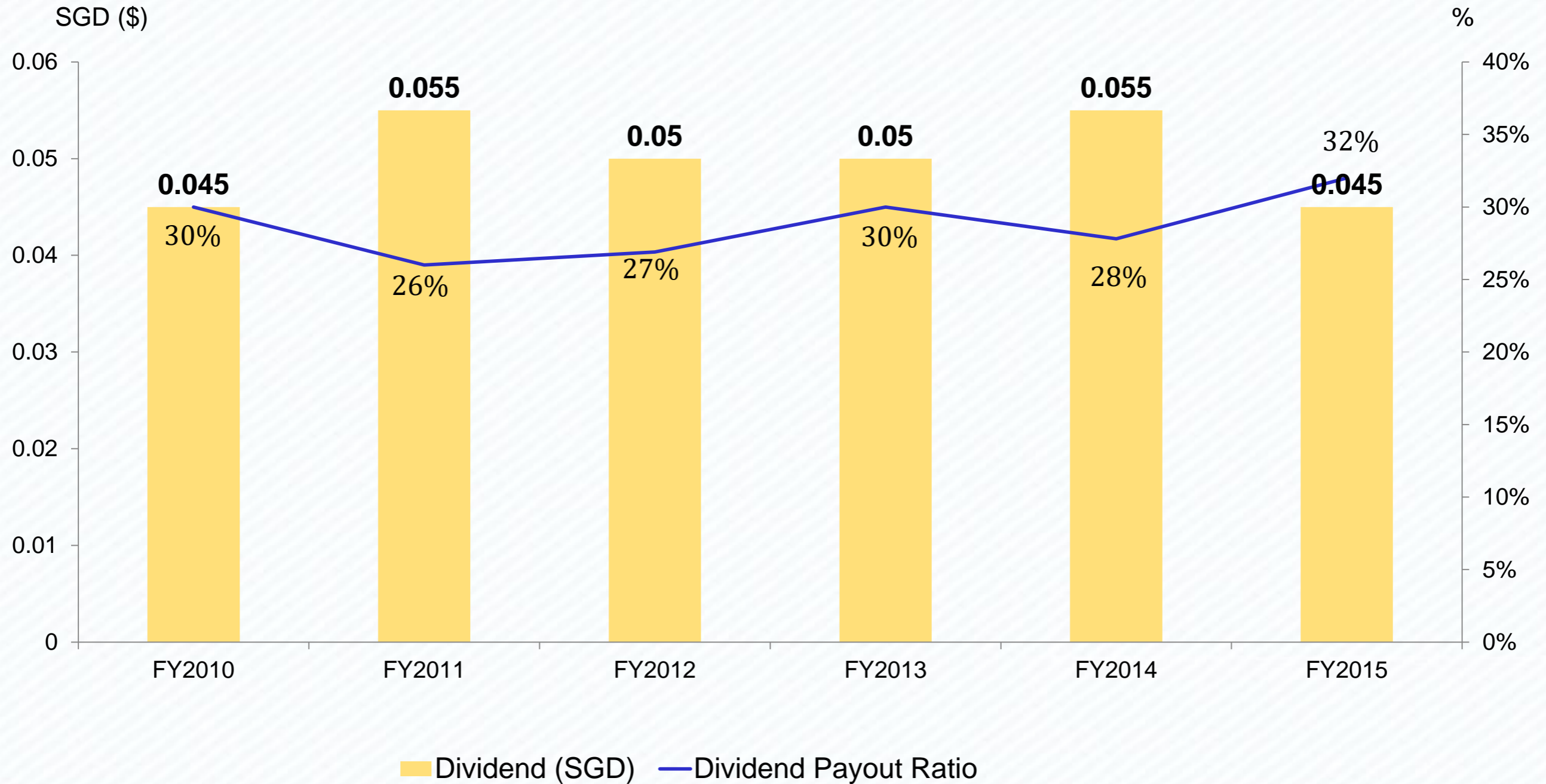
SECTION VI

STOCK INFORMATION





Dividend and dividend payout ratio



Top Shareholders



| No. | Holder Name | Position | Filing Date | % |
|-------|---------------------------------|---------------|-------------|-------|
| 1 | YANGZI INTERNATIONAL | 1,002,845,825 | 19/4/2016 | 26.17 |
| 2 | LIDO POINT INVESTMENTS LTD | 394,134,000 | 10/3/2015 | 10.29 |
| 3 | HONGKONG HENGYUAN INVESTMENT | 303,962,240 | 11/3/2016 | 7.93 |
| 4 | BLACKROCK | 191,361,840 | 6/5/2015 | 4.99 |
| 5 | GRANTHAM MAYO VAN OTTERLOO & CO | 69,762,980 | 29/02/2016 | 1.82 |
| 6 | VALUE PARTNERS GROUP LTD | 54,104,100 | 30/6/2016 | 1.41 |
| 7 | VANGUARD GROUP | 41,991,154 | 30/09/2016 | 1.10 |
| 8 | SEB | 41,221,900 | 30/09/2016 | 1.08 |
| Total | | 2,099,384,039 | | 54.79 |

Source: Bloomberg, as of November 8, 2016

Stock Performance



Source: Bloomberg, as of November 8, 2016

Thank You Q&A



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

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