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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang’s 1Q2017 earnings increases by 49% to RMB667.7 million, secured new shipbuilding orders of USD318 million in the quarter and maiden LNG carriers delivered to customer

- **Group reported revenue of RMB4.7 billion for 1Q2017, 73% higher compared to 1Q2016, supported by the 14 vessels delivered with the resale of vessels that were previously terminated and higher trading revenue**
- **Gross profit margin for core shipbuilding business remained healthy at 23% for 1Q2017**
- **Group secured 13 new shipbuilding orders with a total value of USD318 million**
- **Outstanding order book stood at USD4.03 billion as at 31 March 2017, comprising 84 vessels, to keep optimal use of yards’ facilities till 2018-2020**

SINGAPORE – 27 April 2017 – Yangzijiang Shipbuilding (Holdings) Limited (“Yangzijiang” or the “Group”), a globally-leading shipbuilder based in China and listed on the SGX Main Board, reported net profit attributable to shareholders of RMB667.7 million for the three months ended 31 March 2017 (“1Q2017”).

1Q2017 Analysis

Financial Highlights	1Q2017	1Q2016	Chg
	RMB'000	RMB'000	%
Revenue	4,681,558	2,707,285	73
Gross Profit	889,341	648,482	37
Gross Profit Margin	19%	24%	-
Expenses [^]	(169,553)	(161,651)	5
Other Income	57,434	45,153	27
Other Gains	91,072	163,375	(44)
Net Profit Attributable to Equity Holders	667,670	447,977	49
PATMI Margin	14%	17%	-

[^] Expenses include administrative expenses and finance expenses

Group's total revenue posted strong growth of 73% year-on-year ("yoy") to RMB4.7 billion in 1Q2017. With 14 vessels being delivered in 1Q2017, revenue from core Shipbuilding business increased by 43% from RMB2,021 million in 1Q2016 to RMB2,890 million in 1Q2017. The increase was primarily supported by the recognition of revenue of RMB551 million on the resale of four 82,000DWT bulk carriers in 1Q2017 which were terminated previously in FY2016. Revenue generated by trading business and other shipbuilding related businesses such as shipping logistics & chartering and ship design services were also higher in 1Q2017, supported by higher trading volume and higher charter rate. Under investment segment, interest income derived from held to maturity ("HTM") financial assets increased marginally from RMB200 million in 1Q2016 to RMB208 million in 1Q2017.

The gross profit margin for Shipbuilding business was at 23%, same as 1Q2016. The net interest income margin for HTM investment improved slightly from 94% in 1Q2016 to 96% for 1Q2017.

Other income increased from RMB45 million in 1Q2016 to RMB57 million in 1Q2017, mainly due to higher dividend income of RMB23 million in this quarter. The Group recorded other gains of RMB91 million in 1Q2017 which was mainly related to a fair value gain of

RMB144 million from outstanding currency-hedging derivative financial instruments, which was offset by an exchange related loss of RMB62 million.

Group made higher impairment provision of RMB45 million for the HTM investments during the quarter. The remaining administrative expenses was higher due to increased shipbuilding activities this quarter. As Group continued to reduce borrowings, finance cost decreased from RMB 70 million in 1Q2017 to RMB 40 million in 1Q2016.

The Group delivered net profit attributable to shareholders of RMB667.7 million in 1Q2017 compared to RMB448.0 million in 1Q2016. Fully diluted earnings per share was RMB17.42 cents for 1Q2017, compared to RMB11.69 cents for 1Q2016.

Balance Sheet (RMB'000)	31 March 2017	31 Dec 2016
Property, Plant and Equipment	5,358,717	5,476,950
Restricted Cash	548,253	1,219,695
Cash & Cash Equivalents	6,671,351	7,085,796
Financial Assets, Held-to-Maturity	10,587,089	10,906,634
Total Borrowing	5,457,795	7,224,457
Total Equity	23,891,688	23,199,109
Gross Gearing (Borrowings / Equity)	22.8%	31.1%
Net Gearing (Net Borrowings* / Equity)	Net cash	Net cash

*Borrowings - (restricted cash + cash & cash equivalents)

Group continued to maintain a strong balance sheet. Gross gearing decreased from 31.1% as at 31 December 2016 to 22.8% as at 31 March 2017, and it remained in a net cash position. Net asset value per share increased to RMB6.10 as at 31 March 2017 from RMB5.92 as at 31 December 2016.

REVIEW / OUTLOOK/ FUTURE PLANS

There have been several encouraging signs for the shipping and shipbuilding industry since early 2017, and the Group also benefited from the improved market sentiment. In 1Q2017, Yangzijiang secured 13 new shipbuilding orders with a total value of USD318 million. These orders comprised of five units of 82,000DWT bulk carriers, five units of 62,000DWT woodchip carriers, two units of 1,800TEU containerships and one unit of 6,500DWT ConRo Vessel.

As of end of March 2017, with an outstanding order book of USD 4.03 billion, comprising 84 vessels, Yangzijiang was ranked no.1 in China and no. 4 in the world in terms of outstanding order book. This is after taking into account the termination of four shipbuilding orders (3 units of 36,500DWT bulk carriers and 1 unit of 10,000TEU containership) in 1Q2017. Construction for one of these vessels has not started yet, and the company is actively seeking for buyers for the remaining three vessels. On average, approximately 20% down payment of contract value had been collected for these terminated contracts, and the group will recognise these down payment according to its accounting policy.

In March 2017, Yangzijiang delivered the two units of the 27,500 CBM LNG carriers, four months ahead of schedule.

“2017 started off well for us. The first two LNG carriers that Yangzijiang ever built were successfully delivered. This marked a milestone for Yangzijiang’s capability in building clean-energy vessels. It further enhanced our product profile and opened doors for further orders for high-tech and clean-energy vessels.

The improved sentiment on the shipbuilding market not only led to a pick-up in new shipbuilding orders, but also helped us find new buyers for several orders that were previously terminated. However, as the sustainability of the recovery is uncertain, we will remain cautiously optimistic, mindful of the market dynamics, give preference to good-quality orders and continue to build up the order book. Yangzijiang has a strong financial and operational foundation to ride the recovery on the market, and continue to deliver growth and reward shareholders.”

***---- Mr Ren Yuanlin (任元林), Executive Chairman,
Yangzijiang Shipbuilding (Holdings) Ltd***

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Company Profile

Established in 1956, Yangzijiang Shipbuilding (Holdings) Limited (“Yangzijiang Shipbuilding” or collectively known as the “Group”) is one of the largest private shipbuilding companies in China. The Group is listed on SGX Mainboard since April 2007, and is currently one of the Straits Times Index (“STI”) constituent stocks. With four shipyards in Jiangsu Province, China along the Yangtze River, the Group produces a broad range of commercial vessels including large containerships, bulk carriers and LNG carriers, serving the orders from a well-established customer network covering America, Europe and other parts of the world. Since listing on SGX, it has delivered consistent growth in the past ten years.

For more information please visit the website at: www.yzjship.com

Issued for and on behalf of Yangzijiang Shipbuilding (Holdings) Limited

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