Yangzijiang Shipbuilding (Holdings) Ltd
16 Raffles Quay #41-02
Hong Leong Building
Singapore 048581
(Co. Reg. No. 200517636Z)

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang reports 67% increase in earnings to RMB2.9 billion, and secures new shipbuilding orders of USD2.1 billion in 2017

- **Revenue of RMB19.2 billion for 2017, 27% higher yoy**
- **Core shipbuilding gross margin at 17%, lower compared to 2016 due to RMB appreciation and increase in steel prices**
- **Group secured new orders for 74 vessels with total contract value of USD2.1 billion in 2017, more than double of the new contract value for 2016**
- **Outstanding order book stood at USD4.7 billion as at 31 December 2017 and will keep yards' facilities highly utilized up to 2020**
- **Group proposed final dividend of 4.5 Singapore cents for financial year 2017**

SINGAPORE – 28 February 2018 – Yangzijiang Shipbuilding (Holdings) Limited ("**Yangzijiang**" or the "**Group**"), a globally-leading shipbuilder based in China, and an Straits Times Index component company listed on the SGX Main Board, reported net profit attributable to shareholders of RMB2.9 billion for the twelve months ended 31 December 2017 ("FY2017").

Financial Analysis

Group's total revenue increased by 27% year-on-year ("yoy") to RMB19.2 billion in 2017. 33 vessels were delivered in 2017, compared to 39 delivered in 2016. Revenue derived from shipbuilding business increased by 17% from RMB10.5 billion in 2016 to RMB12.3 billion in

2017. Revenue generated by trading business increased too as a result of higher trading volume. Revenue generated by other shipbuilding related businesses such as shipping logistics & chartering, ship design services and ship demolishing business was RMB393 million in 2017, compared to RMB270 million in 2016 supported by higher charter rates.

Financial Highlights	4Q2017	4Q2016	Change	FY2017	FY2016	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	6,354,612	5,508,238	15	19,205,596	15,089,438	27
Gross Profit	944,203	1,434,493	(34)	3,311,963	3,636,622	(9)
Gross Profit Margin	*15%*	*26%*	-	*17%*	*24%*	-
Expenses ^	(324,228)	(626,269)	(48)	(723,069)	(2,046,412)	(65)
Other Income	505,132	306,366	65	670,253	903,681	(26)
Other Gains/(Losses)	(400,838)	(212,111)	89	188,146	338,603	(44)
Net Profit Attributable to Equity Holders	677,916	607,837	12	2,931,498	1,752,432	67
PATMI Margin	*11%*	*11%*	-	*15%*	*12%*	-

^ *Expenses include administrative expenses and finance expenses, which include some impairment losses*

Under investment segment, the size of the HTM assets increased by RMB1.1 billion to RMB12 billion, and the interest income increased from RMB1,004 million in 2016 to RMB1,079 million in 2017.

Gross profit margin for Shipbuilding business was at 17% for 2017, lower than the 25% for 2016. The lower margin was due to a provision of RMB1,203 million that the Group made for foreseeable losses on construction contracts due to higher raw material cost and the impact of RMB appreciation against USD.

Other income decreased from RMB904 million in 2016 to RMB670 million in 2017, mainly due to lower recognition of the advances payment from the ship owners of the terminated shipbuilding contracts. The Group also recorded other gains of RMB188 million in 2017.

The Group delivered net profit attributable to shareholders of RMB2.9 billion in 2017 compared to RMB1.8 billion in 2016. Fully diluted earnings per share was RMB75.59 cents for 2017, compared to RMB45.73 cents for 2016.

Balance Sheet (RMB'000)	31 Dec 2017	31 Dec 2016
Property, Plant and Equipment	4,820,729	5,476,950
Restricted Cash	29,405	1,219,695
Cash & Cash Equivalents	6,195,431	7,085,796
Financial Assets, Held-to-Maturity	11,978,869	10,906,634
Total Borrowing	4,890,746	7,224,457
Total Equity	26,516,697	23,199,109
Gross Gearing (Borrowings / Equity)	18.4%	31.1%
Net Gearing (Net Borrowings* / Equity)	Net cash	Net cash

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

Group's financial position has continued to strengthen. Gross gearing decreased from 31.1% as at 31 December 2016 to 18.4% as at 31 December 2017, and it remained in a net cash position. Net asset value per share increased from RMB5.92 as at 31 December 2016 to RMB6.52 as at 31 December 2017.

Group proposed final dividend of 4.5 Singapore cents for financial year 2017, representing a payout ratio of 0.29[1].

REVIEW / OUTLOOK/ FUTURE PLANS

With the Baltic Dry Index recovering to a 3-year high, the market conditions for shipbuilding industry have improved in 2017, especially for dry bulkers. In 2017, the Group secured new orders for 74 vessels with total contract value of USD2.1 billion. This is more than double of the total contract value for the new orders received in 2016. According to Clarksons, New Yangzi Yard, a major shipyard of the Group, ranked No. 2 in the world in terms of new orders received in 2017 (by CGT)[2].

As at 31 December 2017, with an outstanding order book of USD4.7 billion for 123 vessels, Yangzijiang was ranked no.1 in China and no. 3 in the world[3]. This is the confirmed order book excluding the occasional order terminations during the year. The contracts for nine vessels were terminated in 2017, and the Group will recognise down payments from those terminated contract according to its accounting policy. Out of these nine contracts, six have

[1] Based on SGD/RMB exchange rate of 4.88.
[2] http://mp.weixin.qq.com/s/nJdzoRw3XXVWpjPywMO8Cg
[3] As above

been constructed (five commercial vessels and one jack-up rig), and the Group has found new buyers for all the five commercial vessels.

"As the business environment improved, we delivered commendable operational and financial performance in 2017. New order taking exceeded our target, and our outstanding order book continued to grow. Vessel deliveries have been on or ahead of schedule, two units of our maiden LNG carriers were delivered to customer, and our containership and dry bulker products further strengthened their market-leader position in terms of quality, loading capacity, and energy and emission efficiency.

The shipbuilding industry is cyclical, and there are still uncertainties in the length and magnitude of the current recovery. However, given that seaborne trade will remain a dominant part in international trade, the growth of e-commerce, China's Belt and Road Initiative, and the International Maritime Organization's rules and regulations on vessel emission standards, the long-term demand for shipbuilding remains promising. In China, the supply-side reform will further propel the consolidation in the shipbuilding industry, benefiting strong shipyards.

Yangzijiang remained profitable throughout market cycles and our outstanding order book will bring us a stable revenue stream for the next few years. We will continue to build up the order book, strengthen our competitiveness, enhance our capabilities in building LNG related vessels, and actively manage cost to mitigate the impact of the stronger RMB and steel prices. As a strong, stable and responsible entity, we strive to grow and bring returns to all our customers, shareholders and employees."

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

--The End—

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 Northern 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

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

By Financial PR Pte Ltd
For more information, please contact:

Romil SINGH / Reyna MEI/ Kathy ZHANG
Email: romil@financialpr.com.sg / reyna@financialpr.com.sg
Tel: (65) 6438 2990 / Fax: (65) 6438 0064