



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

1H2022 Corporate Presentation

08 August 2022

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Financial Performance at A Glance



Record 1H2022
Shipbuilding Revenue

8.5 billion

↑ 78% yoy***



PATMI from Continuing
Operations

1.2 billion

↑ 32% yoy



Improved
Return on Equity*

14 %

↑ 5 ppts**

Business Highlights



Record 1H2022 Vessel Delivery

35 Units



YTD Order-win****

USD1.09 billion



YTD Vessel Units Secured

18 Units

* 1H2021 Return on Equity = 1H2021 total profit attributable to equity holders * 2 / [total equity – non-controlling interest]

* 1H2022 Return on Equity = 1H2022 profit attributable to equity holders from continuing operations * 2 / [total equity – non-controlling interest]

** Percentage points

*** Year-on-year

**** As of 07 August 2022



**SECTION I
FINANCIAL HIGHLIGHTS**

Financial Highlights: Income Statement



Financial Highlights	1H2022	1H2021	Change	Comments
	RMB'000	RMB'000	%	
Revenue	9,741,127	5,738,998	70	35 vessels were delivered in 1H2022 as compared to 23 vessels delivered in 1H2021. As a result, the Group recorded a higher shipbuilding revenue of RMB8,521 million in 1H2022 as compared to RMB4,778 million in 1H2021. Revenue contribution from shipping business increased by 37% to RMB561 million as a result of an expanded charter fleet size and improved charter rates.
Cost of Sales	(8,317,157)	(4,869,475)	71	
Gross Profit	1,423,970	869,523	64	The Group's shipbuilding business registered a gross profit margin of 13% in 1H2022, slightly lower than 14% recorded in 1H2021, mainly due to the rising raw material costs during the period, but it was up from 11% in 2H2021.
Gross Profit Margin	15%	15%	(0) ppts*	Shipping business contributed a gross profit margin of 40% in 1H2022, slightly higher compared to 38% in 1H2021, mainly due to improved charter rates for bulk carriers during the period
Return on Equity (annualised)**	14%	9%	5 ppts	

* Ppts: Percentage points

** 1H2021 Return on Equity = 1H2021 total profit attributable to equity holders * 2 / [total equity – non-controlling interest]

** 1H2022 Return on Equity = 1H2022 profit attributable to equity holders from continuing operations * 2 / [total equity – non-controlling interest]

Note: Financial results were solely from continuing operations, excluding earnings from investment segment which was spun-off to Yangzijiang Financial Holding Ltd.

Financial Highlights: Revenue Breakdown

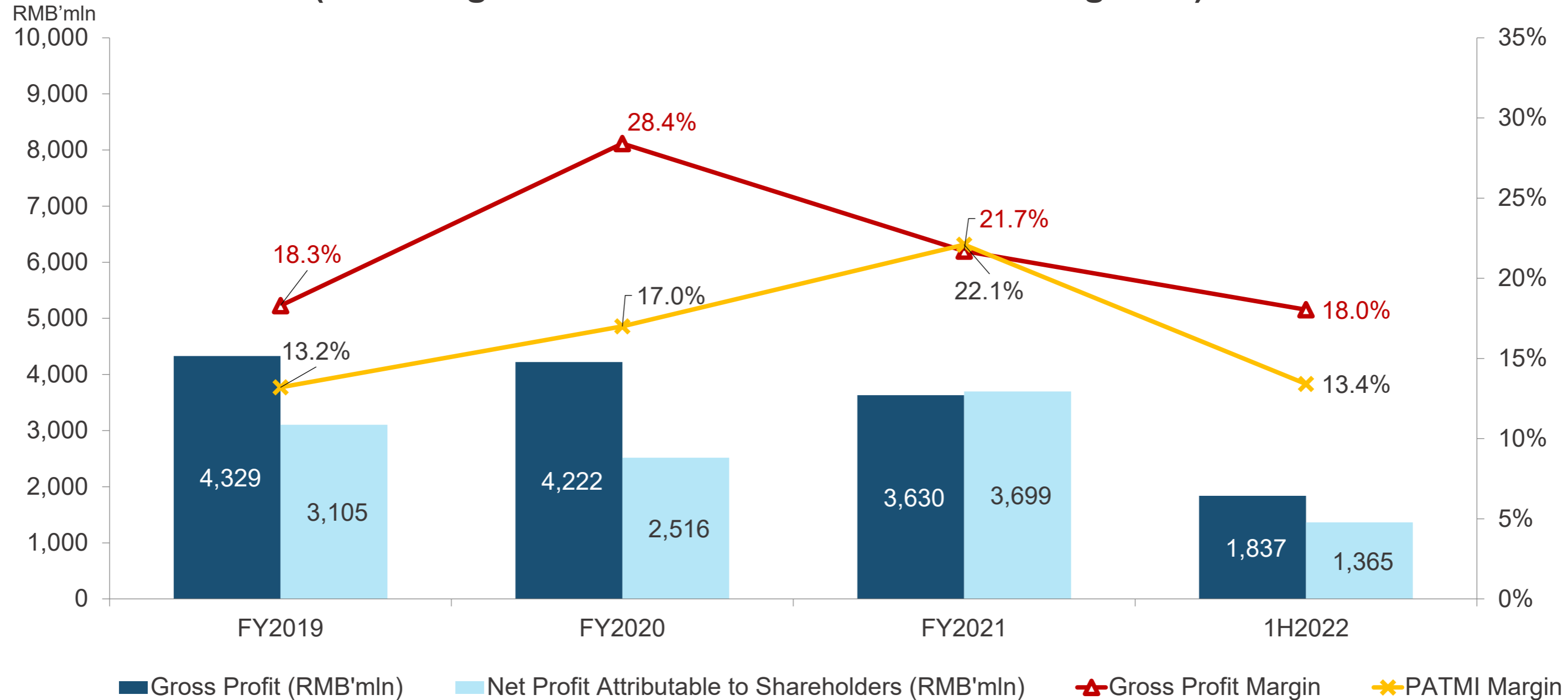


Revenue from continuing operations	1H2022		1H2021	
	RMB'000	%	RMB'000	%
Shipbuilding	8,521,106	100	4,778,163	100
Cost	(7,431,004)	(87)	(4,130,869)	(86)
Margin	1,090,102	13	647,294	14
Shipping	560,947	100	408,326	100
Cost	(334,864)	(60)	(252,832)	(62)
Margin	226,083	40	155,494	38
Others*	659,074	100	552,509	100
Cost	(551,289)	(84)	(485,774)	(88)
Margin	107,785	16	66,735	12
Total Revenue	9,741,127	100	5,738,998	100
Cost	(8,317,157)	(85)	(4,869,475)	(85)
Margin	1,423,970	15	869,523	15

* Other businesses such as trading, ship design services, and investment retained subsequent to the spin-off.

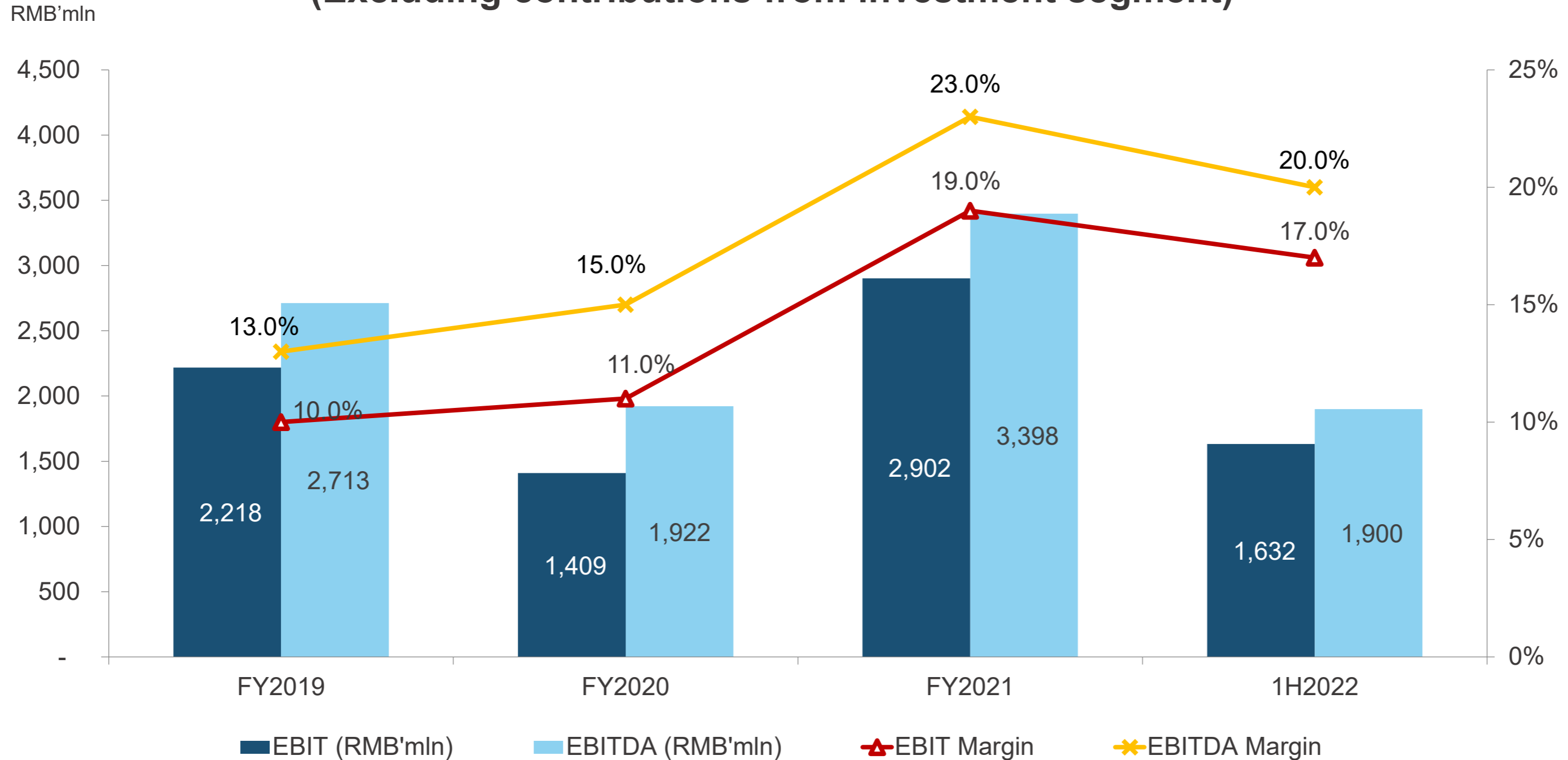
Financial Highlights: Profitability Trend

Gross Profit and Net Profit Attributable to Shareholders (Including contributions from investment segment)



Financial Highlights: Profitability Trend

EBIT AND EBITDA (Excluding contributions from investment segment)



Financial Highlights: Balance Sheet

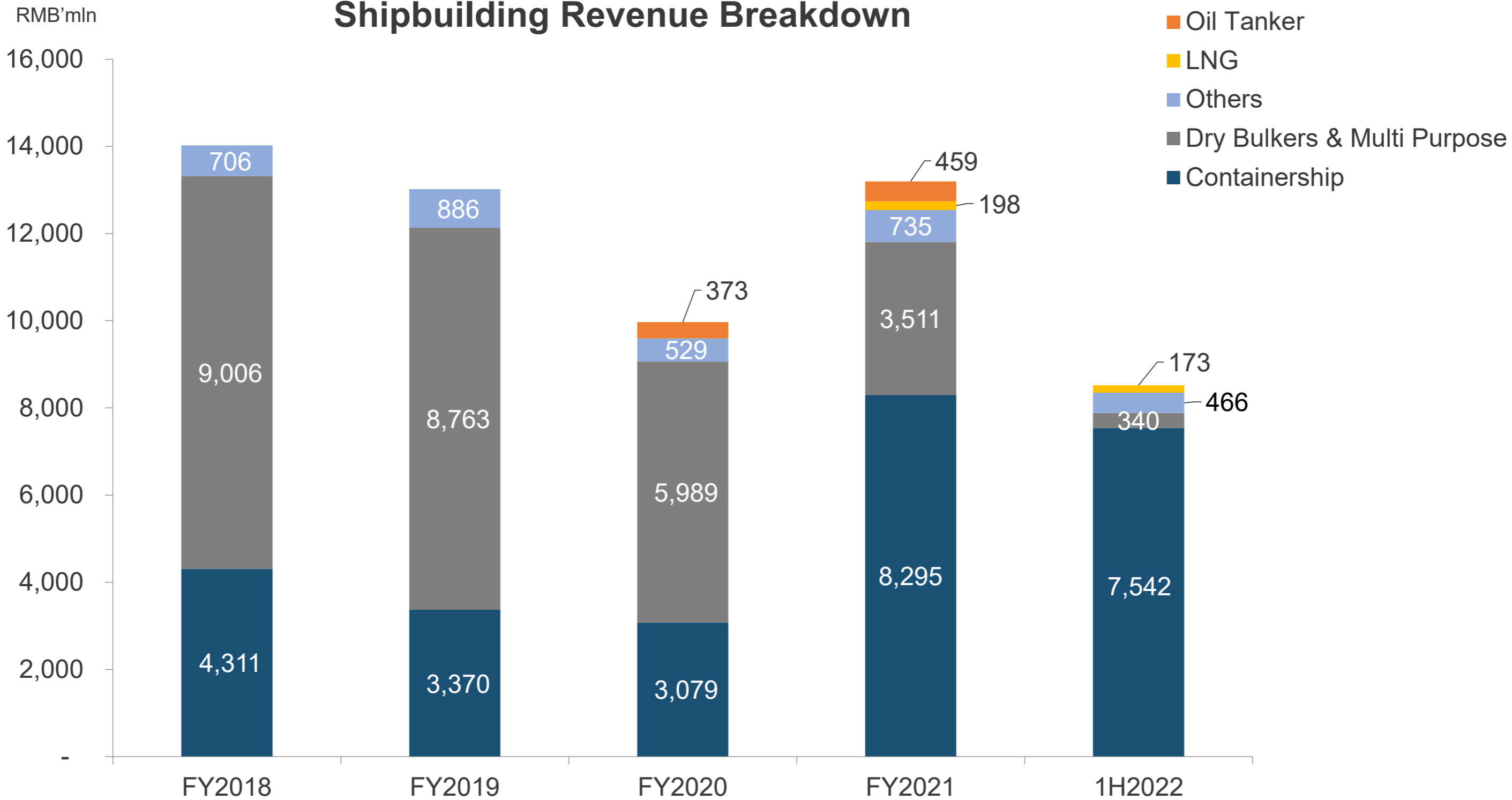


Financial Highlights	1H2022	FY2021
	RMB'000	RMB'000
Property, Plant and Equipment	5,527,819	5,151,788
- Including Property, Plant and Equipment - Shipping	2,688,421	2,185,152
Cash & Cash Equivalents	9,046,537	12,363,193
Total Debt	5,328,511	4,456,593
Total Equity	16,658,970	36,061,565
Gross Gearing	32.0%	12.4%
Net Gearing	Net Cash	Net Cash



SECTION II SEGMENTAL REVIEW SHIPBUILDING

Shipbuilding Segment: Revenue Trend



Shipbuilding Segment: Overview of Orderbook

134 vessels

US\$8.13 billion in contract value

8.18 million CGT

Delivery: 2022- 2025

Containerships

100 units
Total CGT – 7.47 million
Total value – US\$6.89 billion

Size	No. of Vessels
1,800 TEU	16
2,400 TEU	4
2,600 TEU	10
3,300 TEU	3
3,500 TEU	10
4,600 TEU	12
11,800 TEU	4
15,000 TEU	16
24,000 TEU	6
LNG Dual-Fuel 7,000 TEU	15
LNG Dual-Fuel 8,000 TEU	4

Bulk Carriers

28 units
Total CGT – 0.58 million
Total value – US\$0.89 billion

Size	No. of Vessels
29,800 DWT	1
31,800 DWT	3
45,000 DWT	4
63,200 DWT	2
66,000 DWT	8
82,300 DWT	10

LPG/LNG/Tanker

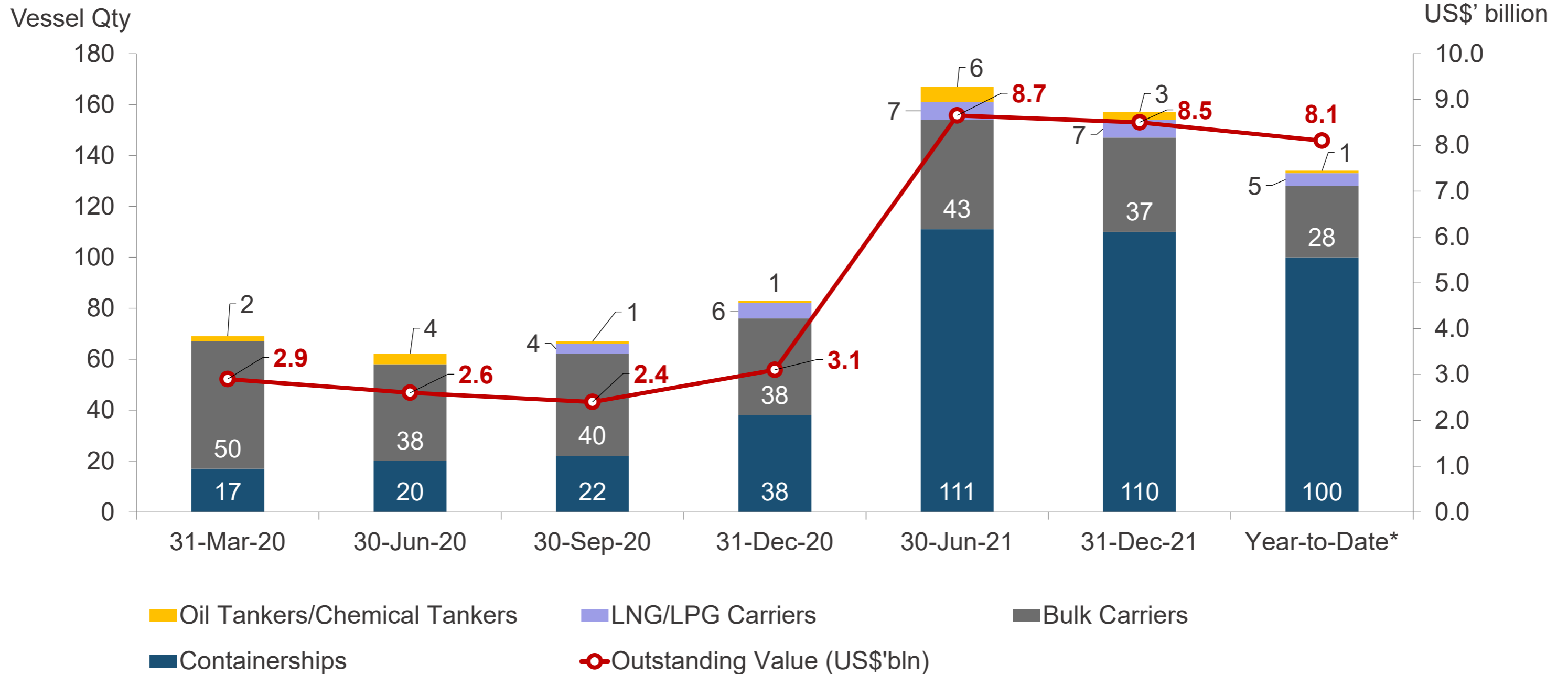
6 units
Total CGT – 0.13 million
Total value – US\$0.35 billion

Size	No. of Vessels
9,150 DWT CT*	1
36,000 CBM LEG	2
40,000 CBM LPG	3

* Chemical Tanker

Note: Order book is as of 07 August 2022

Shipbuilding Segment: Historical Outstanding Orderbook



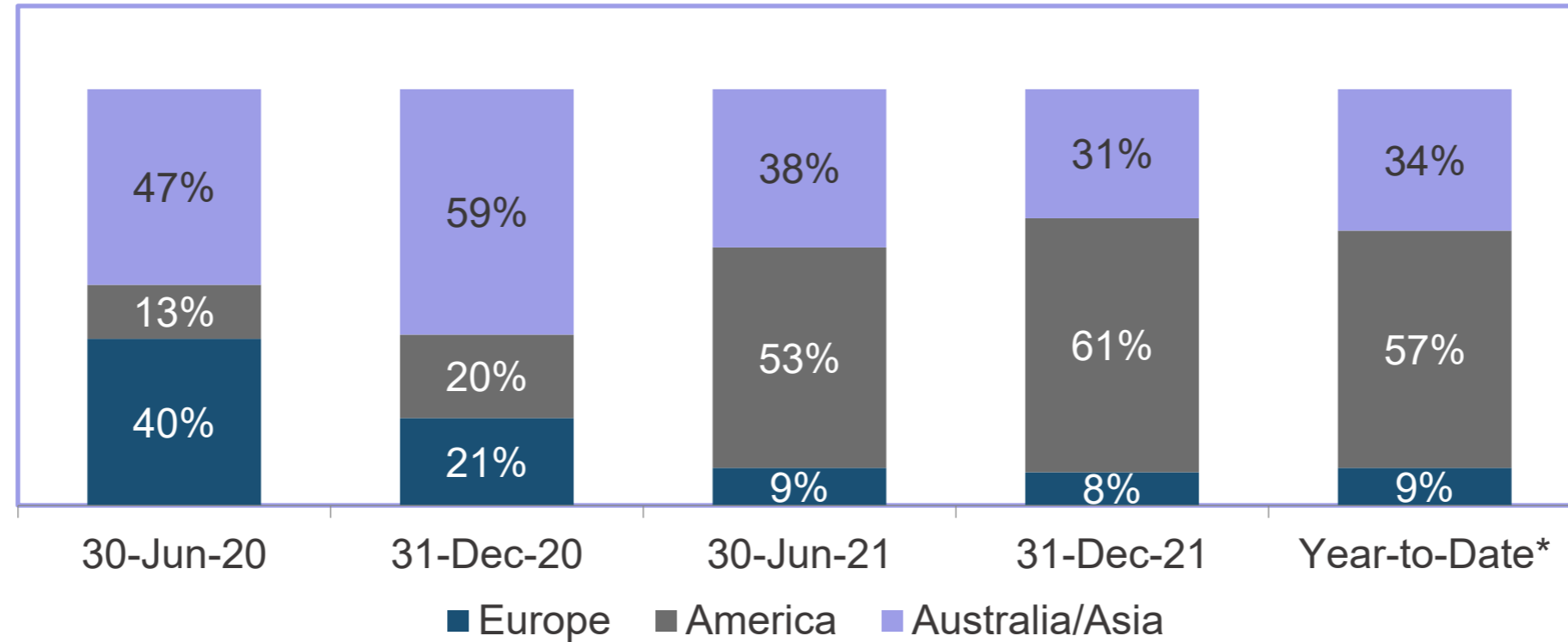
* As of 07 August 2022, the Group had total outstanding orderbook of USD8.13 billion for 134 vessels.

Shipbuilding Segment: Orderbook Customer Profile



* Figures are stated as of 07 August 2022

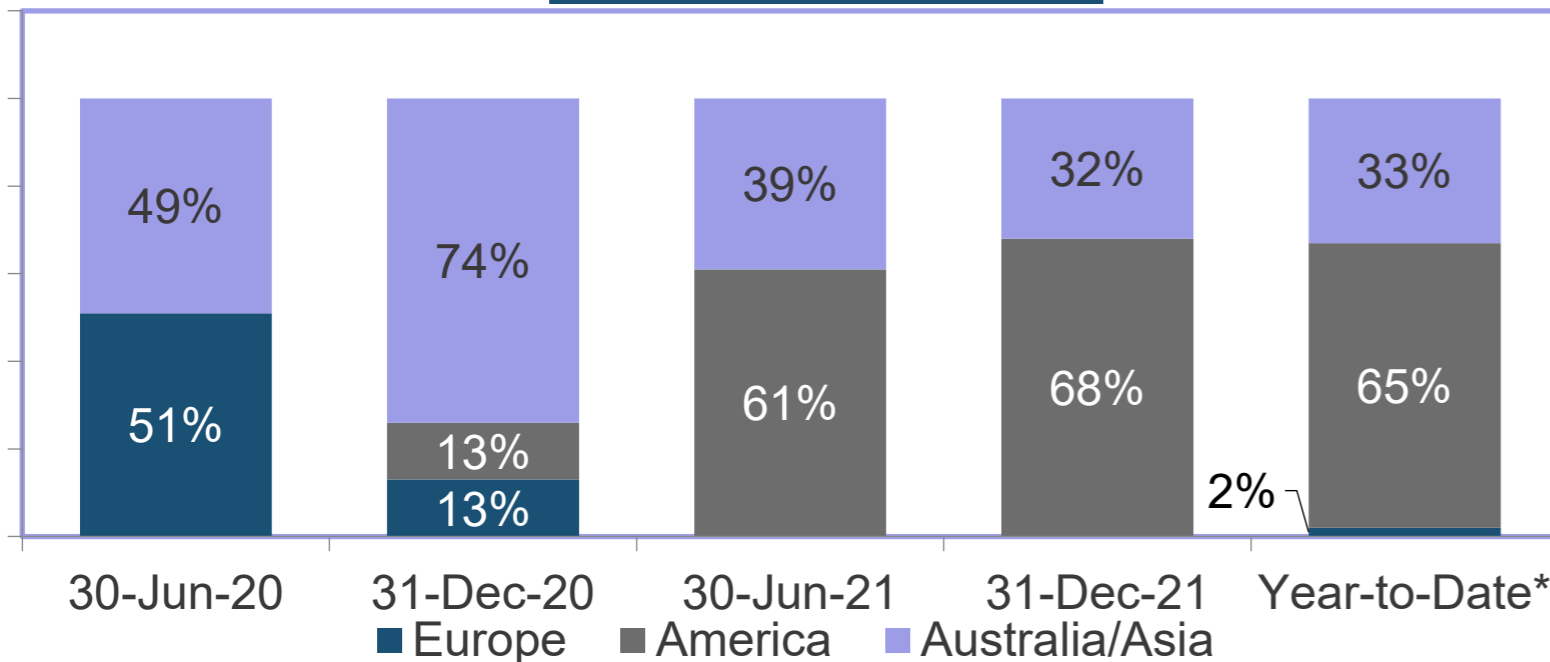
Orderbook Overview



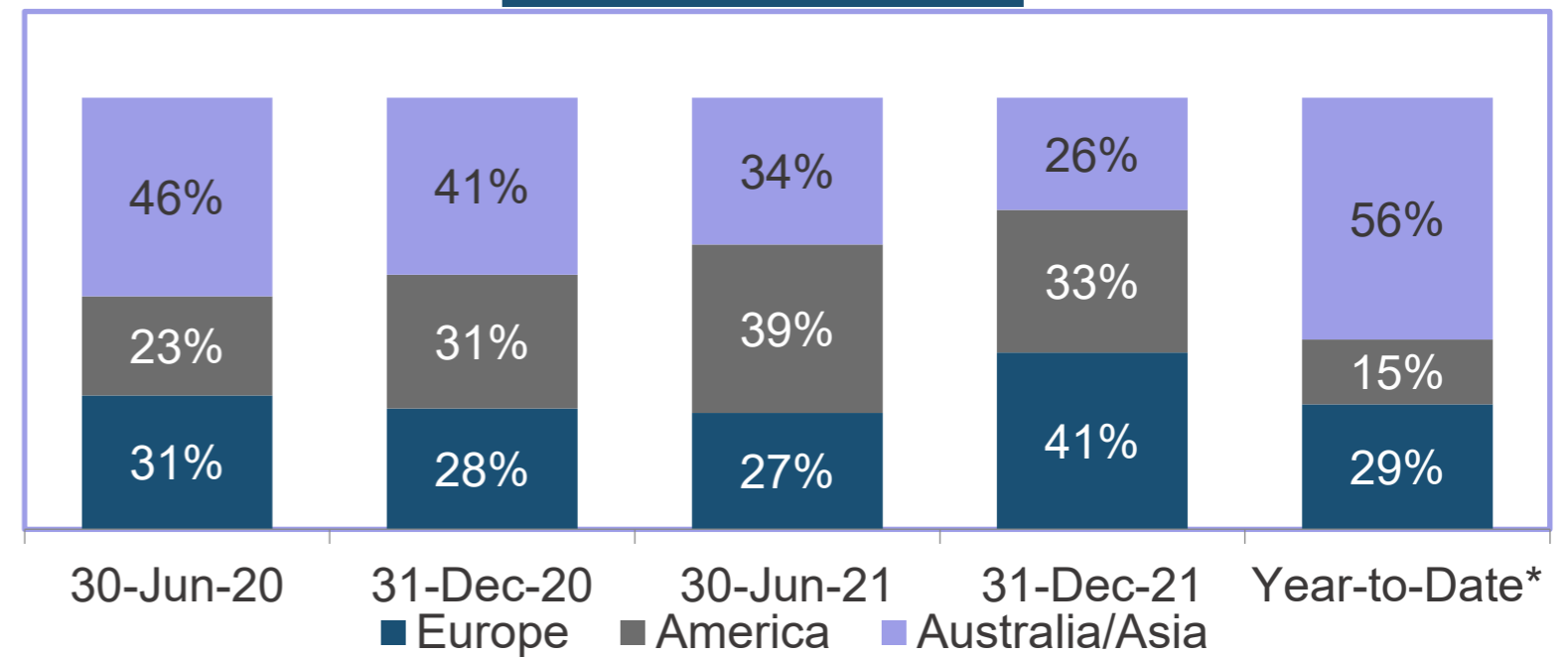
LEG
LPG
Oil Tanker

6 orders from Europe

Containerships

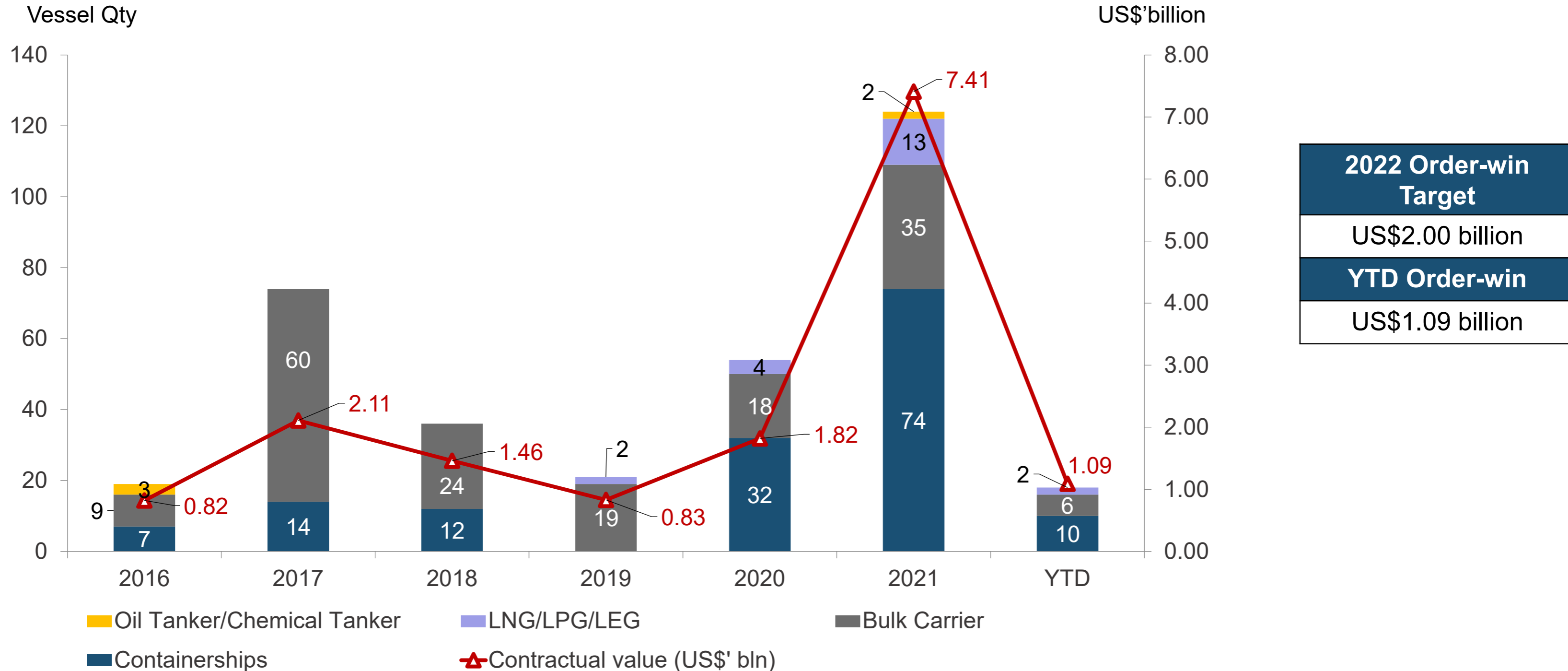


Bulk Carriers

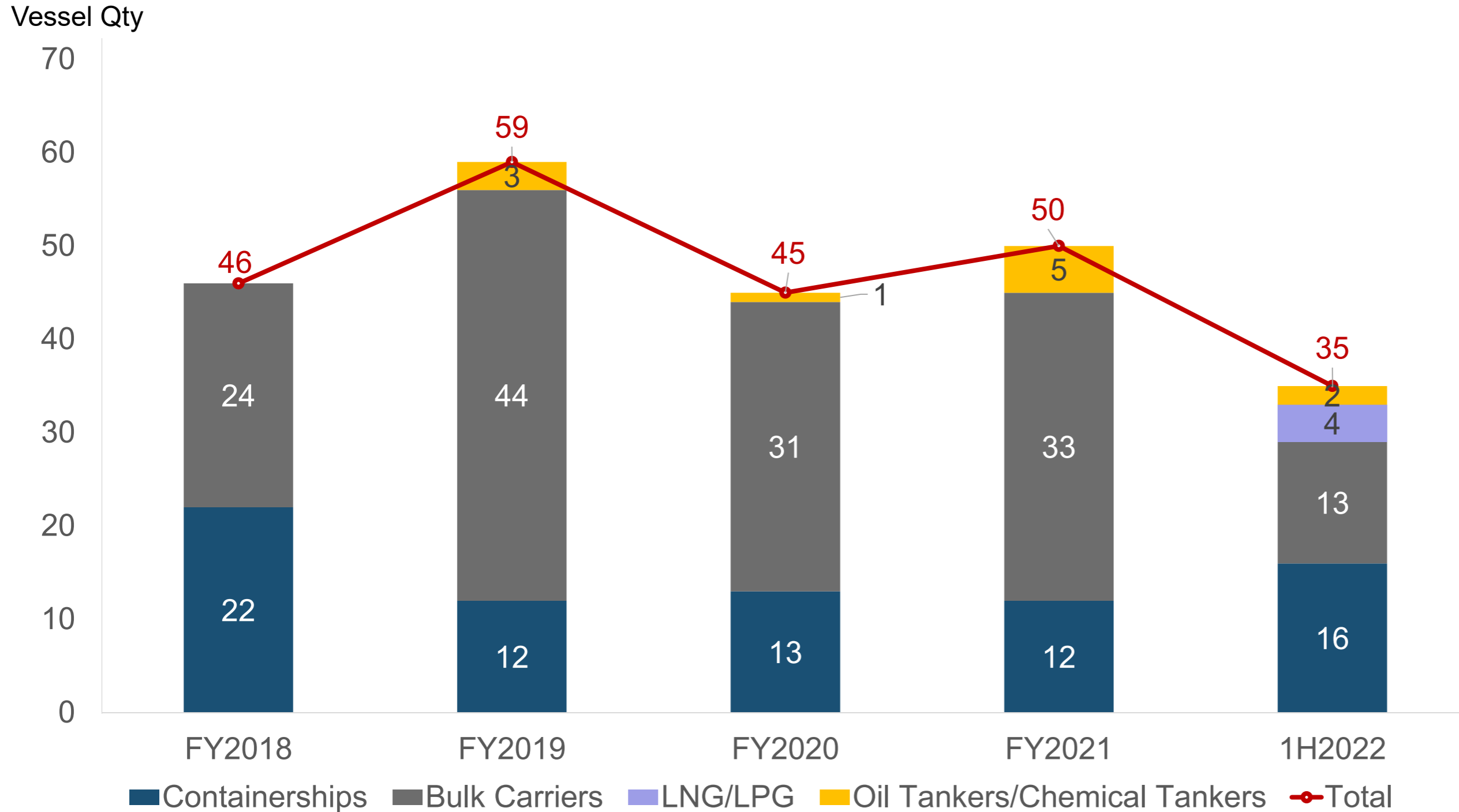


Shipbuilding Segment: Order-Winning

New contracts secured in terms of vessel quantity and contract value



Shipbuilding Segment: Vessel Delivery



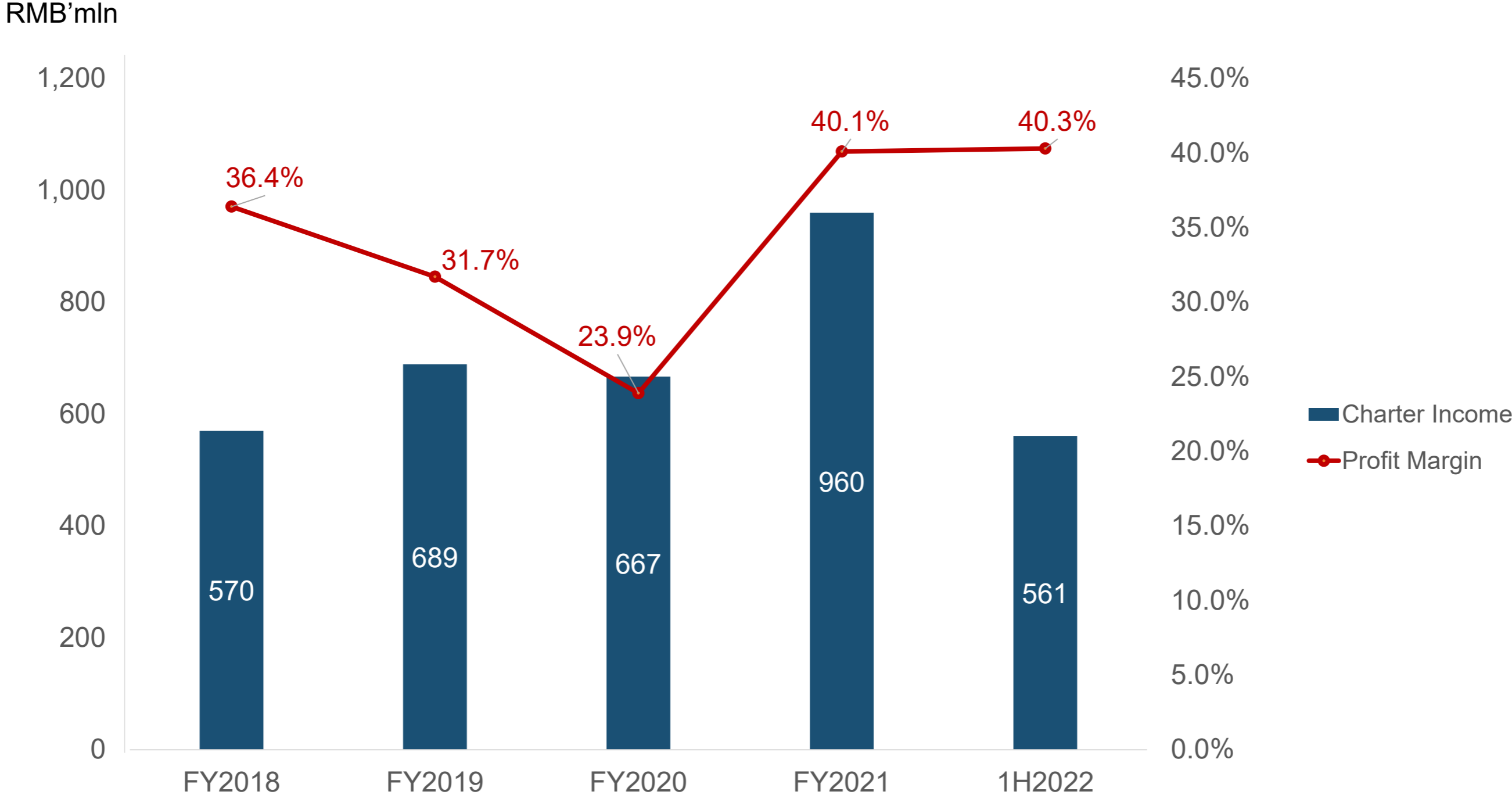
2022 Delivery Target	
	70
1H2022 Vessel Delivery	
	35



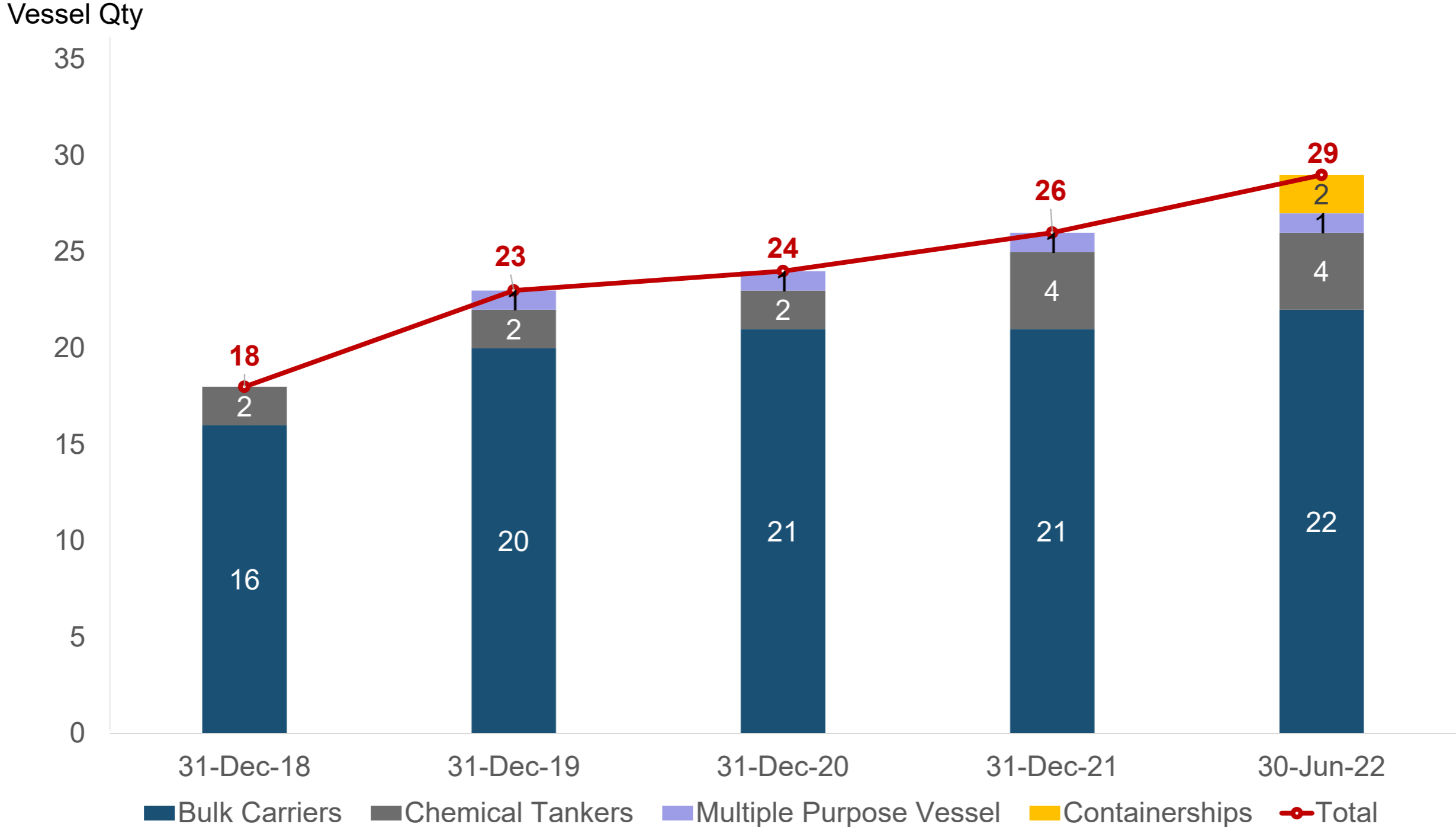
SECTION III SEGMENTAL REVIEW SHIPPING



Shipping Segment: Charter Income Trend



Shipping Segment: Our Fleet Portfolio





SECTION IV ESG STRATEGY

ESG Overarching Trend: IMO Environmental Regulations



Energy Efficiency Design Index (EEDI)

CO₂ Reduction Plan for Newbuild Ships

Phase I	2015	All vessel types to achieve 0% CO ₂ reduction
Phase II	2020	All vessel types to achieve 20% CO ₂ reduction
Phase III	01 Apr 2022	<ul style="list-style-type: none"> LNG vessels to achieve 30% CO₂ reduction Containerships to achieve 45% - 50% CO₂ reduction
	2025	Tankers and bulk carriers to achieve 30% CO ₂ reduction

Energy Efficiency eXisting ship Index (EEXI)

CO₂ Reduction Factor for Existing Ships as of January 2022

<u>Containerships</u> 20% - 50%	<u>Bulk Carrier</u> 15% - 20%	<u>Practical Method</u> <ul style="list-style-type: none"> Emission Reduction: Energy saving equipment, Power limitation, Engine Conversion Replacement: Newbuild vessels
<u>Tanker</u> 15% - 20%	<u>LNG Carrier</u> 20% - 50%	



ESG Initiatives: Two-carbon Strategy

Green Factory Strategy

1. Utilisation of renewables
 - Set up **Photovoltaic Power Generation** on the factory roof to reduce emissions
2. Management of **water and electricity**
 - Conserve natural water resources
 - Build energy storage plant
3. Efficient usage of steel
 - Improve **steel primary utilisation rate to 92.32%**

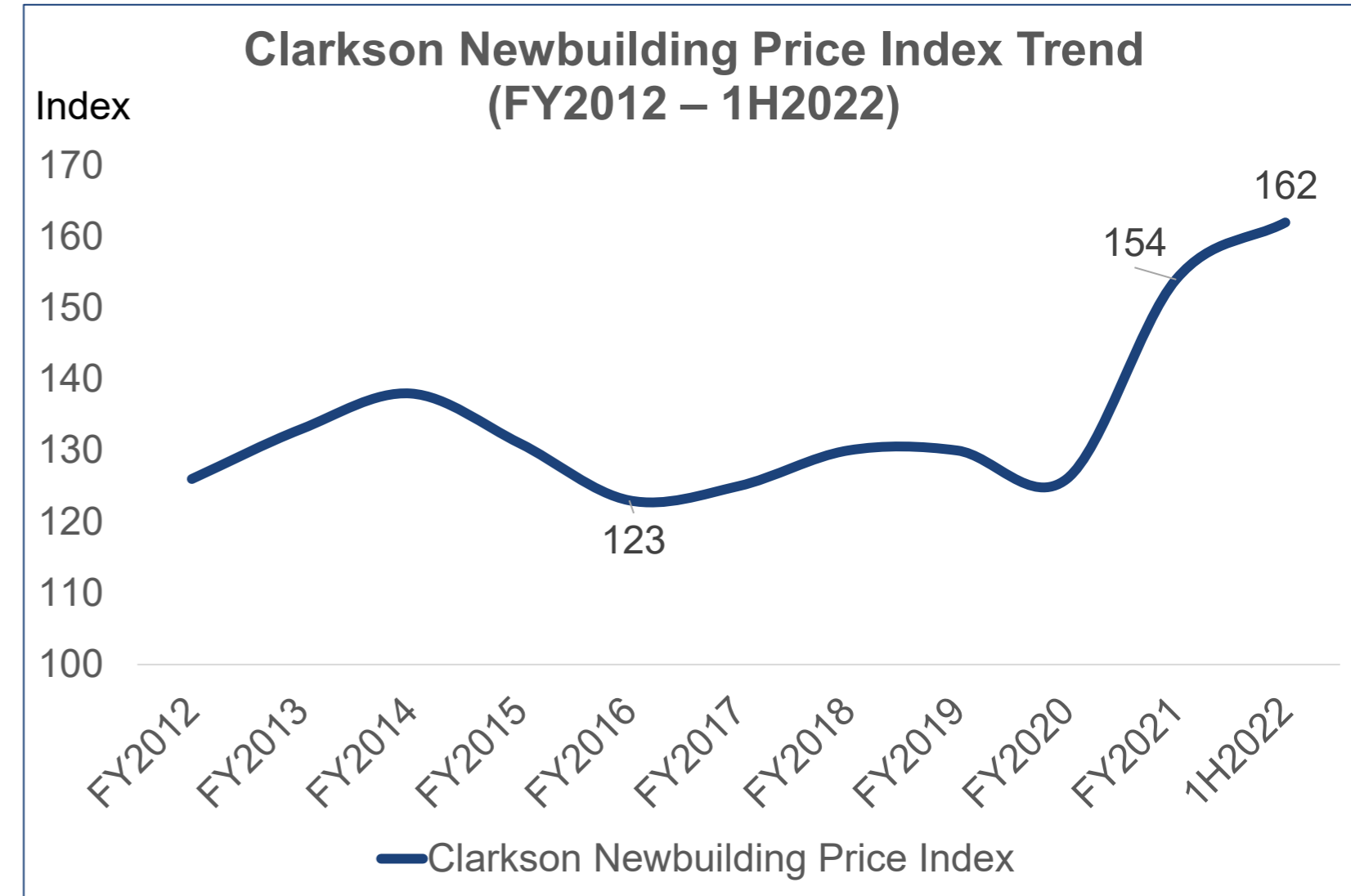
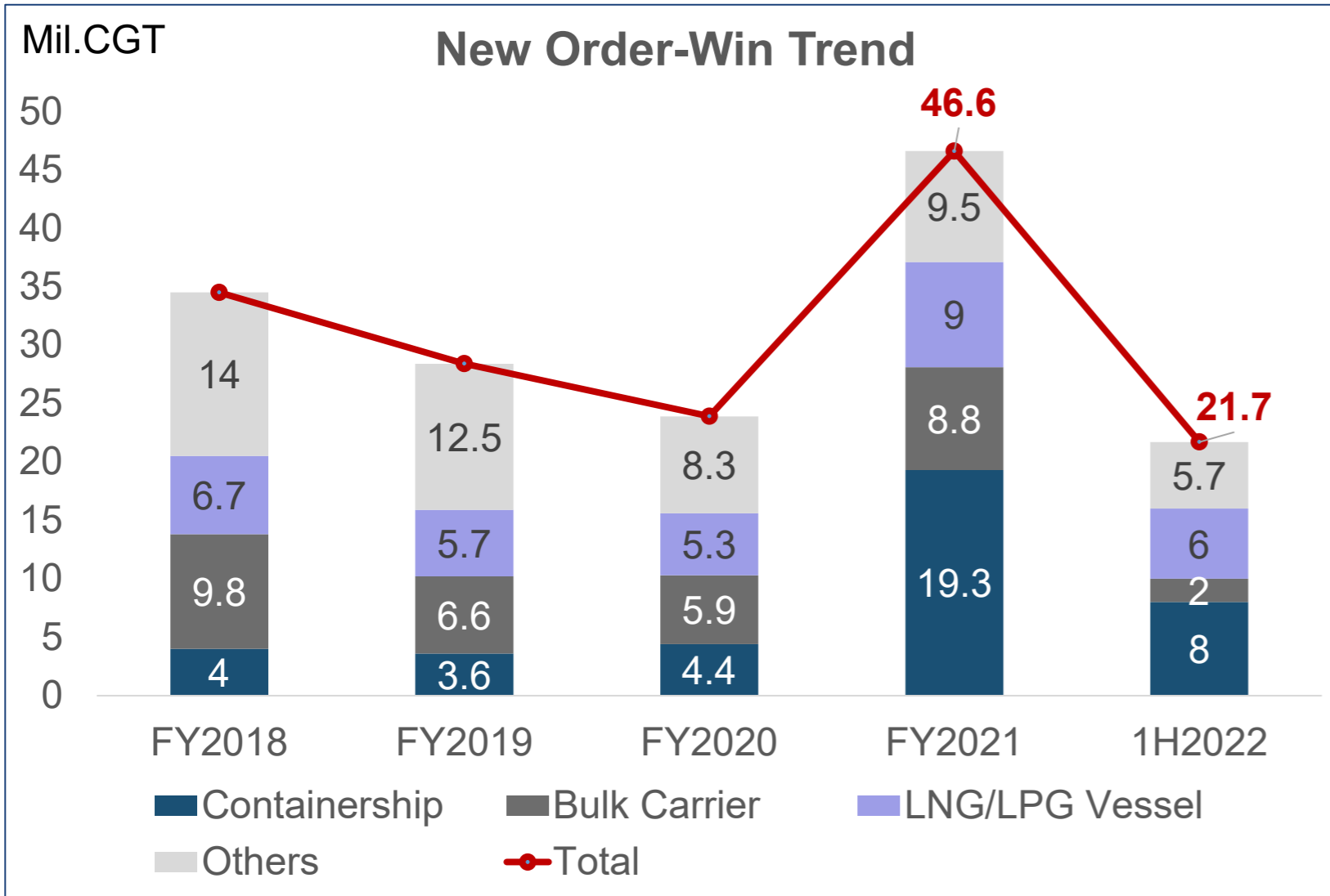
Green Vessel Strategy

1. Developments in clean energy vessels
 - Secured **4 units of 8,000TEU LNG dual-fuel containerhips** that will carry the **GTT Mark III technology** with an ammonia-ready fuel tank
 - Another **2 units of 36,000CBM LEG vessels**
 - Together accounting for **33%** of total new orders secured as of 07 August 2022
2. Continuous efforts in **R&D**
 - Retain **“High-and-New Technology Enterprise”** status for New Yangzi Yard, Xinfu Yard, and YAMIC
 - Cost-saving, efficient vessel launching method
 - Lower paint volatile organic compounds (“VOC”)



SECTION V BUSINESS OUTLOOK & STRATEGIES

Shipbuilding Industry Outlook



Source: Clarksons Research

Group Strategies: Shipbuilding Business



Optimise the use of capacity and expertise at the Group's three major yards

R&D

Production Efficiency

Energy Efficiency

Lower Emission

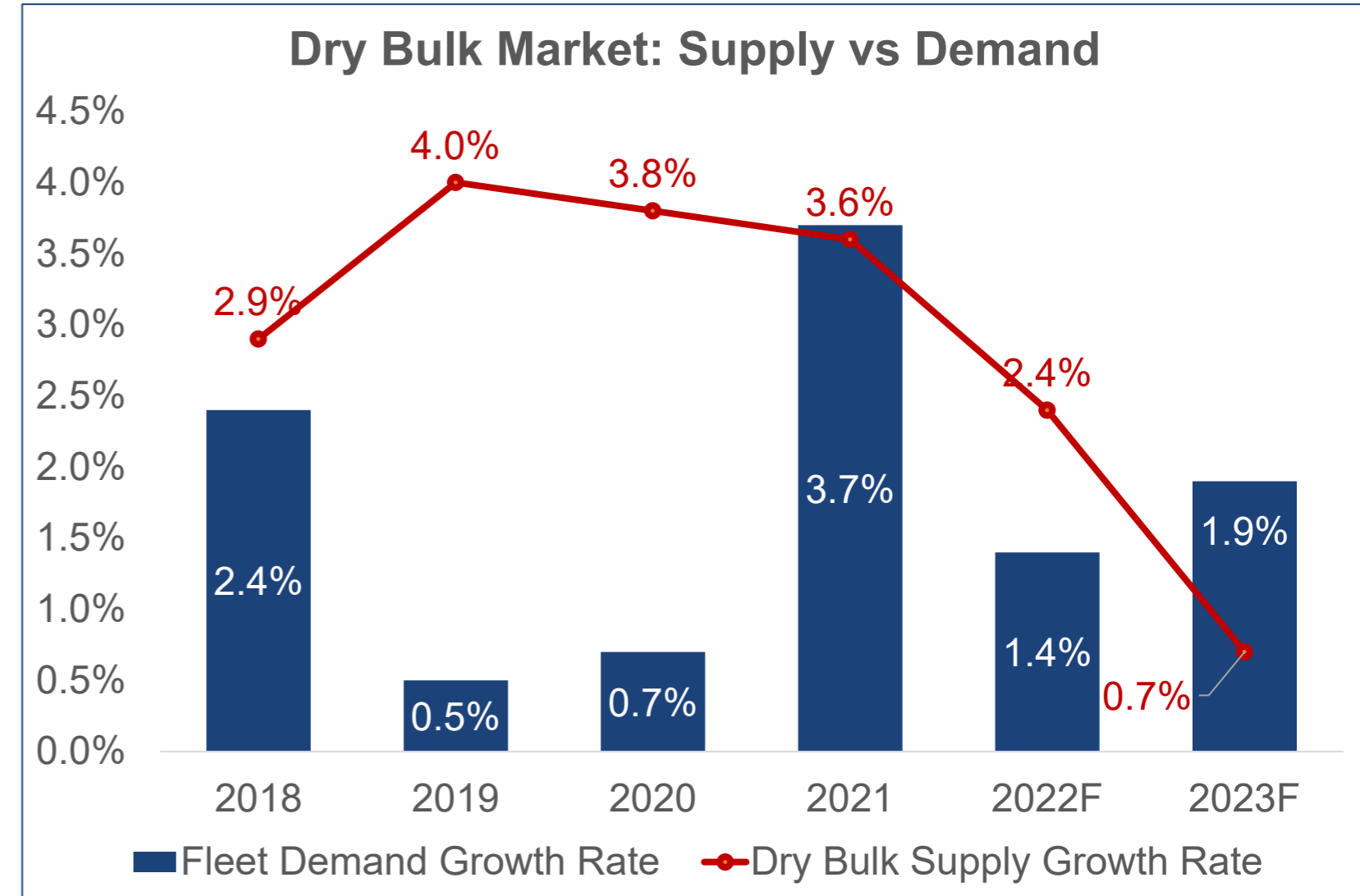
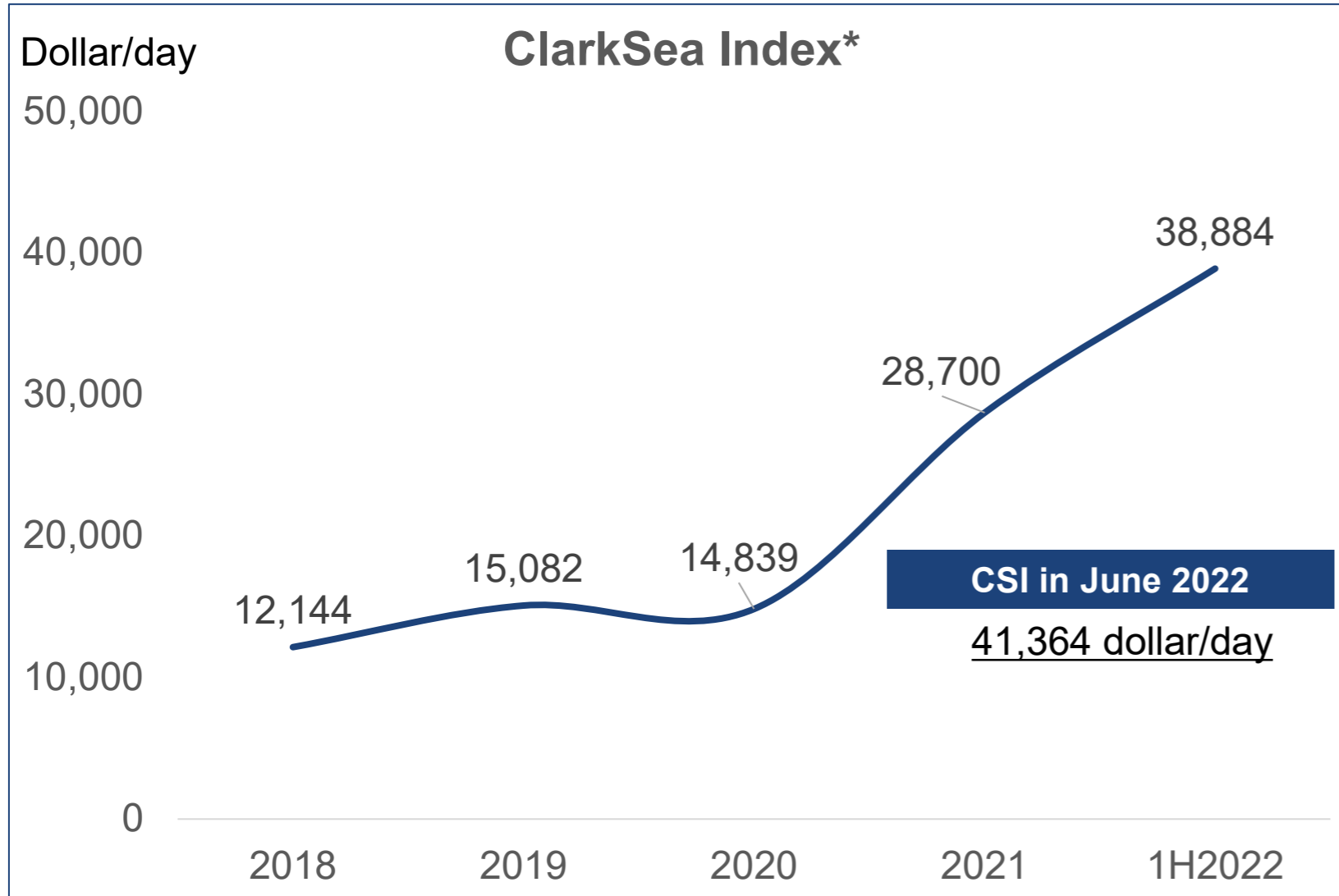
LNG Technology

LNG Related Business

- Large Containerships
- Large Dry Bulkers
- Mid - large LNG Carriers
- Other Clean Energy Vessels



Shipping Industry Outlook



- ClarkSea Index (“CSI”): A weighted average index of earnings for tanker, bulk carrier, containership and gas carrier managed by Clarkson Research Services

Source: Clarksons Research

Group Strategies: Shipping Business



Leveraging on own shipbuilding facilities, build and manage vessels



Sustainable cash flow and income generator

Shipping Business Strategies



A ready fleet to better meet shipowners' demand



Flexible on fleet size and ready to sell when valuation is desirable



Thank You

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