

# YZJ: Upcoming EGM on proposed investment arm spin-off

DIGITAL ENGAGEMENT TEAM

07 APRIL 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	1.59
Latest Dividend	0.05
Dividend Ex-Date	N/A
Indicated Dividend Yield	3.16%
14 Day RSI	72.67
Analysts 12M Target Price	1.81

**REFINITIV STOCKREPORTS+ AVERAGE SCORE**

**10/10**  
As of 06 Apr 2022

Refer to page 3 for indicator components

### Yangzijiang Shipbuilding (YZJSGD SP) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 06 Apr 2022 midday closing

### KEY MARKET EVENTS

- 11 Apr China CPI Release (Mar)
- 13 Apr China Trade Balance (Mar)
- 15 Apr Good Friday
- 18 Apr China Q1 GDP
- 27 Apr US Goods Trade Balance (Mar)

### Straits Times Index Price Chart



As of 06 Apr 2022 midday closing

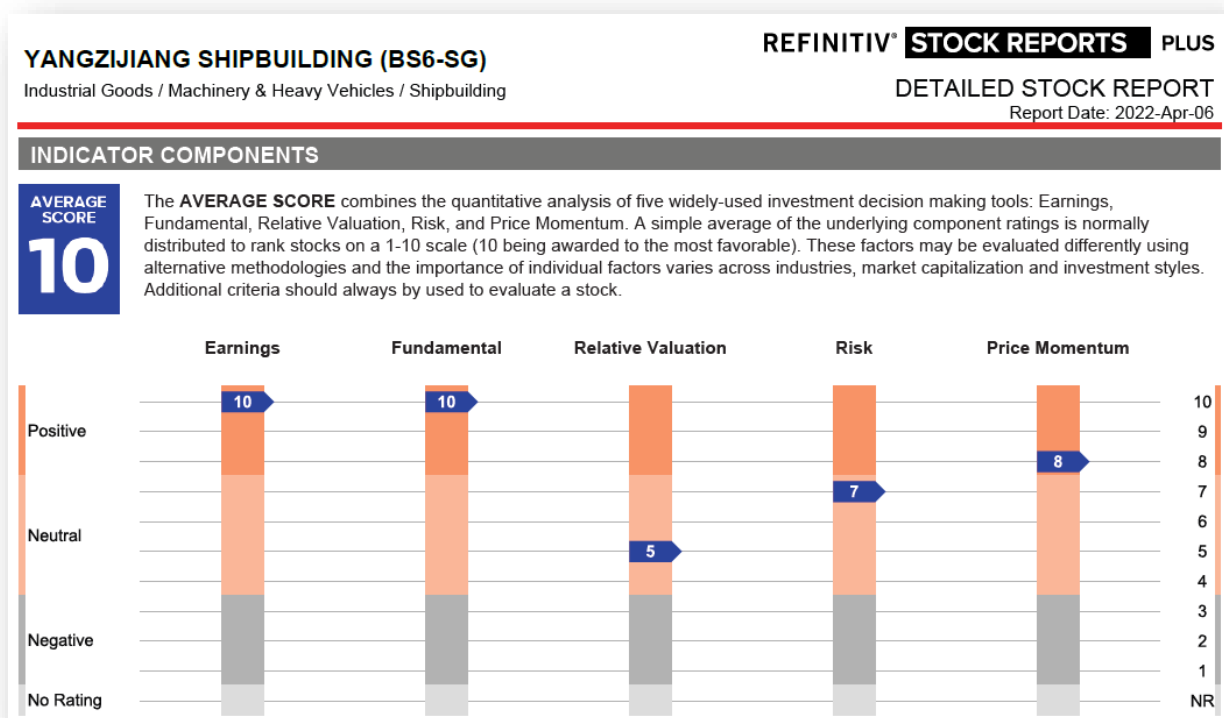
## Headline News & Information

- Yangzijiang Shipbuilding Holdings Limited builds a wide range of ships. The company produces a wide range of commercial vessels, mini bulk carriers, multi-purpose cargo vessels, containerships, chemical tankers, offshore supply vessels, rescue and salvage vessels, and lifting vessels (Bloomberg)
- CGS-CIMB raises Yangzijiang target price on listing of investment unit (05 Apr 2022, The Business Times)
  - CGS-CIMB has increased Yangzijiang Shipbuilding's target price to S\$2.41 from its previous target of S\$1.78, if its plans to list its investment arm spin-off Yangzijiang Financial Holdings come to fruition
  - This presents a potential upside of 54.5% from its last closing price of S\$1.56 on 04 Apr 2022
  - The new target price is derived from a sum-of-the-parts valuation method, based on a price-to-earnings ratio of 9 times of the projected shipping profits for FY2023, assuming order momentum tapers relative to 2021
- Yangzijiang directors endorse proposed spin-off of investment segment (01 Apr 2022, The Business Times)
  - In a bourse filing on 01 Apr 2022, the company stated that the directors are of the opinion that the spin-off is in the group's "best interest", and have recommended that shareholders vote in favour of it at an upcoming Extraordinary General Meeting on 18 Apr 2022
  - A proposed spin-off would grant the 2 entities greater autonomy to better focus their attention and resources on their respective core businesses and oversee the strategies, growth opportunities and operations of each group more effectively, without the constraints of a conglomerate structure

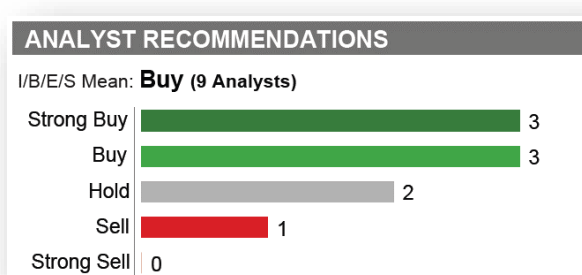
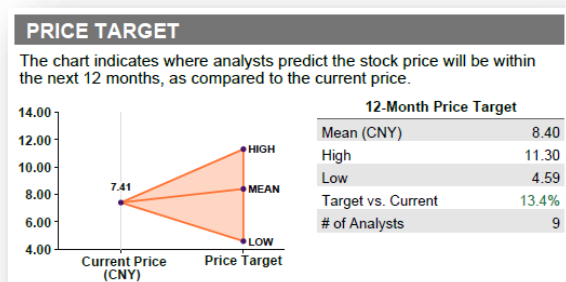
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> <li>• Shares rose 3.2 % in the past 5 days and are up 6.7% in the past 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• 1.65 (Sep 2021)</li> <li>• 2.00 (Jan 2011)</li> </ul>	<ul style="list-style-type: none"> <li>• 1.40 (200 Day MA)</li> <li>• 1.25 (Nov 2021)</li> </ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 06 Apr 2022

## SG Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS												Currency in SGD	
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS		# of Analysts
		Price (2022-04-05)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	
10	BS6	1.58	6.0%	17.9%	19.7%	6.1B	9.6	8.7	2.9%	22.1%	6.1%	Buy	8
3	S51	0.10	9.9%	20.5%	-46.6%	3.0B	--	--	--	-62.9%	--	Hold	7
8	8AZ	0.95	1.6%	8.0%	-22.1%	720M	9.5	8.1	5.3%	11.9%	--	Strong Buy	4
4	E28	1.70	4.9%	-11.5%	11.1%	709M	12.4	10.8	2.4%	7.7%	--	Buy	5
6	5GD	0.47	-2.1%	-3.1%	-28.1%	370M	2.2	15.6	0.6%	29.0%	--	Buy	2
6	JLB	1.00	1.0%	-16.0%	100.0%	338M	17.0	11.1	1.0%	15.1%	--	Buy	1
9	G20	0.62	0.0%	3.3%	12.7%	321M	9.5	--	2.0%	2.4%	--	--	--
8	S19	0.28	1.8%	-1.8%	3.7%	114M	8.0	--	1.8%	21.1%	--	--	--
8	NO4	0.10	-1.0%	4.3%	-5.8%	101M	18.3	--	--	2.5%	--	--	--
3	A04	0.06	0.0%	6.7%	25.5%	41M	--	--	--	-12.5%	--	--	--
NR	5RC	0.05	-16.4%	-27.0%	-28.1%	7M	--	--	--	-28.7%	--	--	--
6.5	Average	0.63	0.5%	0.1%	3.8%	1.1B	10.8	10.9	2.3%	0.7%	6.1%	Buy	4.5

PEER COMPANIES			
5GD	Sunpower Group	G20	GP Industries
5RC	ES Group (Holdings)	JLB	Grand Venture Technology
8AZ	Aztech Global	NO4	Dyna-Mac Holdings
A04	ASL Marine Holdings	S19	Singapore Shipping Corp
E28	Frencken Group	S51	Sembcorp Marine

Source: REFINITIV STOCKREPORTS+, extracted 06 Apr 2022

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>60,419</b>	<b>20,686</b>	<b>37.90</b>	<b>33.79</b>	<b>4.05</b>	<b>3.52</b>	<b>1.82</b>
YZJSGD SP	YANGZIJIAN SHIPBUILDING	4,574	1.59	9.69	8.00	0.86	0.66	3.16
300008 CH	BESTWAY MARINE & ENERGY TE-A	1,224	4.51	N/A	N/A	4.68	7.86	N/A
329180 KS	HYUNDAI HEAVY INDUSTRIES CO	9,218	126,500	N/A	N/A	2.01	N/A	N/A
600072 CH	CSSC SCIENCE & TECHNOLOGY -A	1,495	12.93	44.68	64.05	2.40	2.37	0.46
600150 CH	CHINA CSSC HOLDINGS LTD-A	12,179	17.34	N/A	N/A	1.68	1.81	0.20
600685 CH	CSSC OFFSHORE AND MARINE E-A	2,612	16.89	300.64	39.92	1.54	0.61	0.82
601989 CH	CHINA SHIPBUILDING INDUSTR-A	13,787	3.85	N/A	N/A	1.03	1.13	N/A
009540 KS	KOREA SHIPBUILDING & OFFSHOR	4,990	85,900	N/A	N/A	0.62	0.77	N/A
028300 KS	HLB INC	2,612	29,850	N/A	N/A	7.29	9.54	N/A
010140 KS	SAMSUNG HEAVY INDUSTRIES	4,038	5,590.00	N/A	N/A	1.16	1.27	N/A
010620 KS	HYUNDAI MIPO DOCKYARD	2,515	76,700	N/A	N/A	1.41	1.21	N/A

Source: Bloomberg, extracted 06 Apr 2022 midday closing

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