



**JINHUI SHIPPING AND TRANSPORTATION LIMITED**  
Q3 2014 Results Presentation  
28 November 2014

# Disclaimer

This presentation may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including the Company's management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or targets.

Key risk factors that could cause actual results to differ materially from those discussed in this presentation will include but not limited to the way world economies, currencies and interest rate environment may evolve going forward, general market conditions including fluctuations in charter rates and vessel values, counterparty risk, changes in demand in the dry bulk market, changes in operating expenses including bunker prices, crewing costs, drydocking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, piracy or political events, and other important factors described from time to time in the reports filed by the Company.

# Q3 2014 Highlights

## Financial Highlights

- Revenue for the quarter declined 49% to US\$27 million
- Net loss for the quarter: US\$15.7 million
- Basic loss per share: US\$0.187
- Gearing ratio as at 30 September 2014: 23%

# Financial Highlights

For the quarter and nine months ended 30 September 2014

<u>US\$000</u>	<u>Q3 2014</u> <u>(Unaudited)</u>	<u>Q3 2013</u> <u>(Unaudited)</u>	<u>QoQ</u>	<u>9M 2014</u> <u>(Unaudited)</u>	<u>9M 2013</u> <u>(Unaudited)</u>	<u>YoY</u>
Revenue	27,036	52,644	-49%	102,095	161,128	-37%
EBITDA	10	40,993	-100%	28,787	78,176	-63%
Operating profit (loss)	(14,416)	26,070	-155%	(14,162)	33,590	-142%
Net profit (loss) for the period	(15,734)	24,367	-165%	(18,321)	28,281	-165%
Basic earnings (loss) per share	US\$(0.187)	US\$0.290	-165%	US\$(0.218)	US\$0.337	-165%

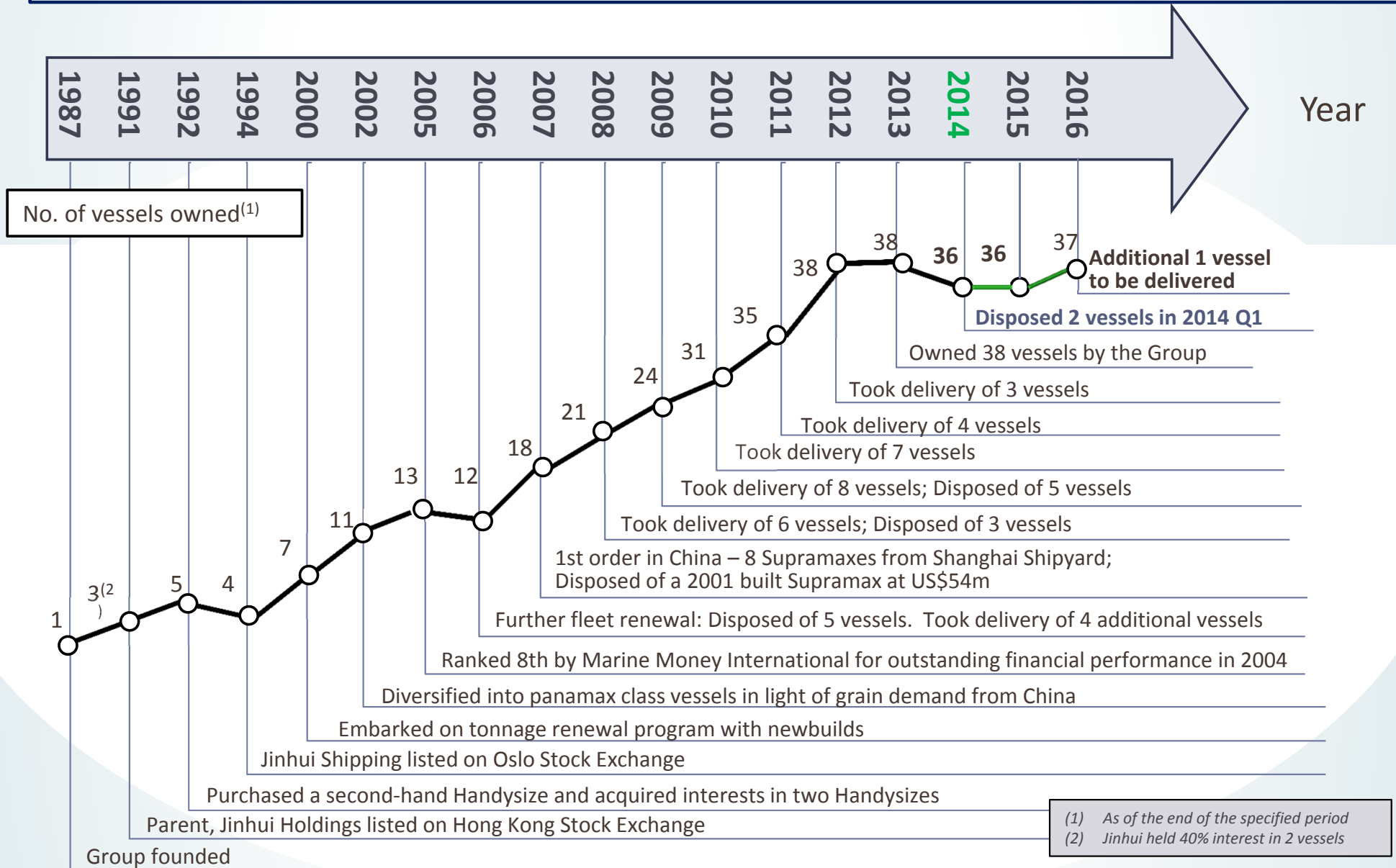
# Key Financial Ratios

For the quarter ended 30 September 2014

	<u>Q3 2014</u> <u>(Unaudited)</u>	<u>Q3 2013</u> <u>(Unaudited)</u>
<b>Total assets (US\$'000)</b>	<b>1,309,617</b>	<b>1,424,380</b>
<b>Return on equity<sup>1</sup></b>	<b>-1.8%</b>	<b>2.8%</b>
<b>Return on total assets<sup>2</sup></b>	<b>-1.2%</b>	<b>1.7%</b>
<b>Current ratio<sup>3</sup></b>	<b>2.8 : 1</b>	<b>2.8 : 1</b>
<b>Net gearing<sup>4</sup></b>	<b>23%</b>	<b>36%</b>

1. ROE is calculated based on net profit (loss) divided by average equity
2. ROA is calculated based on net profit (loss) divided by average of total assets
3. Current ratio is calculated based on current assets divided by current liabilities
4. Net gearing is calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity

# Our Fleet Development



# Young and Modern Fleet

As of 27 November  
2014

Total Capacity of  
Owned Vessels:  
2,076,781 dwt

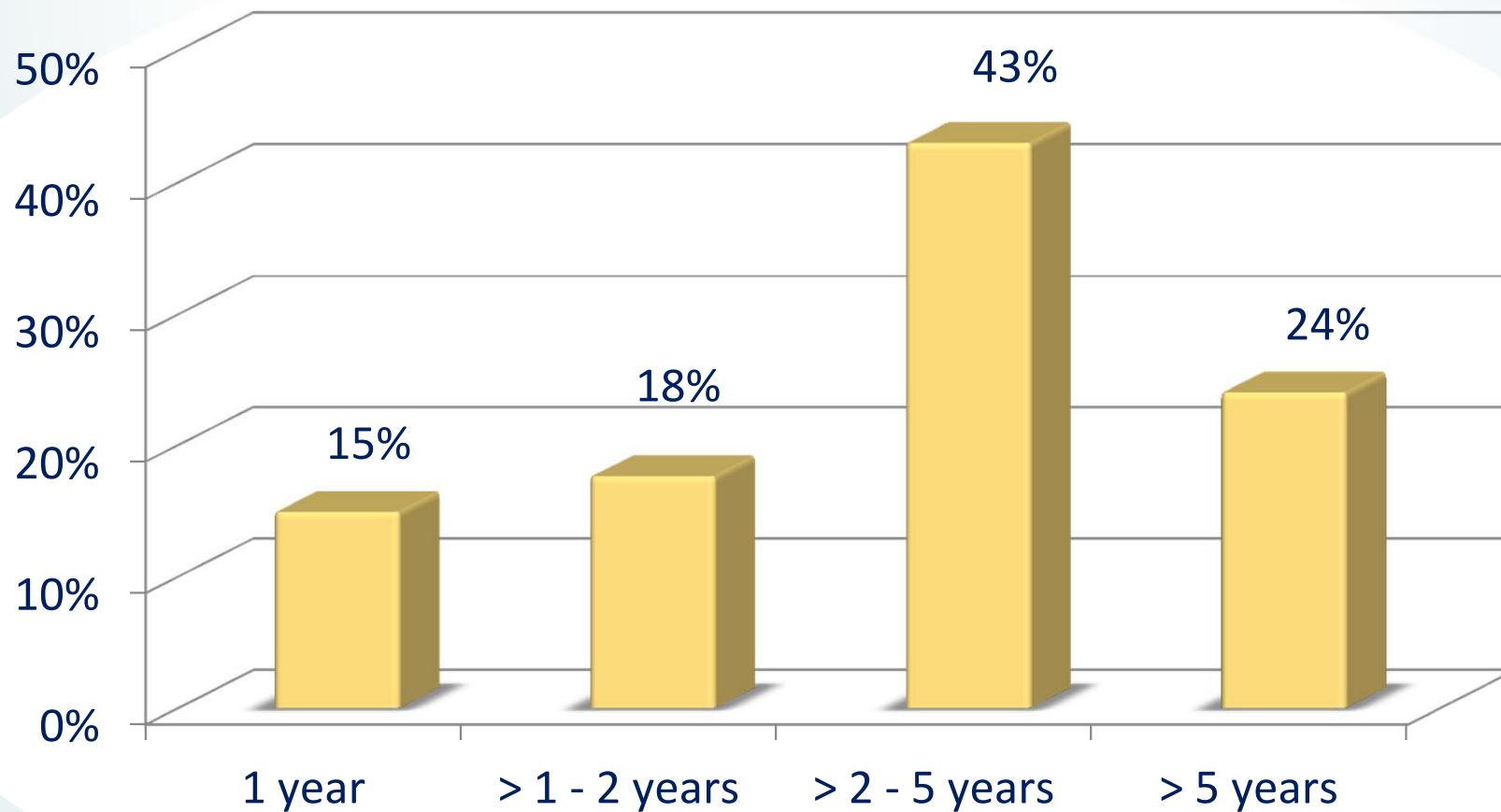
Average age: 8 years

<u>Owned Fleet</u>	<u>Type</u>	<u>Size (dwt)</u>	<u>Year built</u>	<u>Shipyard</u>
1 Jin Lang	Post-Panamax	93,279	2010	Jiangsu New Yangzi
2 Jin Mei	Post-Panamax	93,204	2010	Jiangsu New Yangzi
3 Jin Chao	Panamax	75,008	2011	Sasebo
4 Jin Rui	Panamax	76,583	2009	Imabari
5 Jin Xiang	Supramax	61,414	2012	Oshima
6 Jin Hong	Supramax	61,414	2011	Oshima
7 Jin Han	Supramax	61,414	2011	Oshima
8 Jin Feng	Supramax	57,352	2011	STX (Dalian)
9 Jin Ming	Supramax	61,414	2010	Oshima
10 Jin Yue	Supramax	56,934	2010	Shanghai Shipyard
11 Jin Ao	Supramax	56,920	2010	Shanghai Shipyard
12 Jin Heng	Supramax	55,091	2010	Nantong Kawasaki
13 Jin Gang	Supramax	56,927	2009	Shanghai Shipyard
14 Jin Ji	Supramax	56,913	2009	Shanghai Shipyard
15 Jin Wan	Supramax	56,897	2009	Shanghai Shipyard
16 Jin Jun	Supramax	56,887	2009	Shanghai Shipyard
17 Jin Mao	Supramax	54,768	2009	Oshima
18 Jin Shun	Supramax	54,768	2009	Oshima
19 Jin Sui	Supramax	56,968	2008	Shanghai Shipyard
20 Jin Tong	Supramax	56,952	2008	Shanghai Shipyard
21 Jin Yuan	Supramax	55,496	2007	Oshima
22 Jin Yi	Supramax	55,496	2007	Oshima
23 Jin Xing	Supramax	55,496	2007	Oshima
24 Jin Sheng	Supramax	52,050	2006	IHI
25 Jin Yao	Supramax	52,050	2004	IHI
26 Jin Cheng	Supramax	52,961	2003	Oshima
27 Jin Quan	Supramax	51,104	2002	Oshima
28 Jin Ping	Supramax	50,777	2002	Oshima
29 Jin Fu	Supramax	50,777	2001	Oshima
30 Jin Li	Supramax	50,777	2001	Oshima
31 Jin Zhou	Supramax	50,209	2001	Mitsui
32 Jin An	Supramax	50,786	2000	Oshima
33 Jin Hui	Supramax	50,777	2000	Oshima
34 Jin Rong	Supramax	50,236	2000	Mitsui
35 Jin Bi	Handymax	48,220	2000	Oshima
36 Jin Yu	Handysize	38,462	2012	Naikai Zosen

# Debt Maturity Profile

(Based on information up to 30 September 2014)

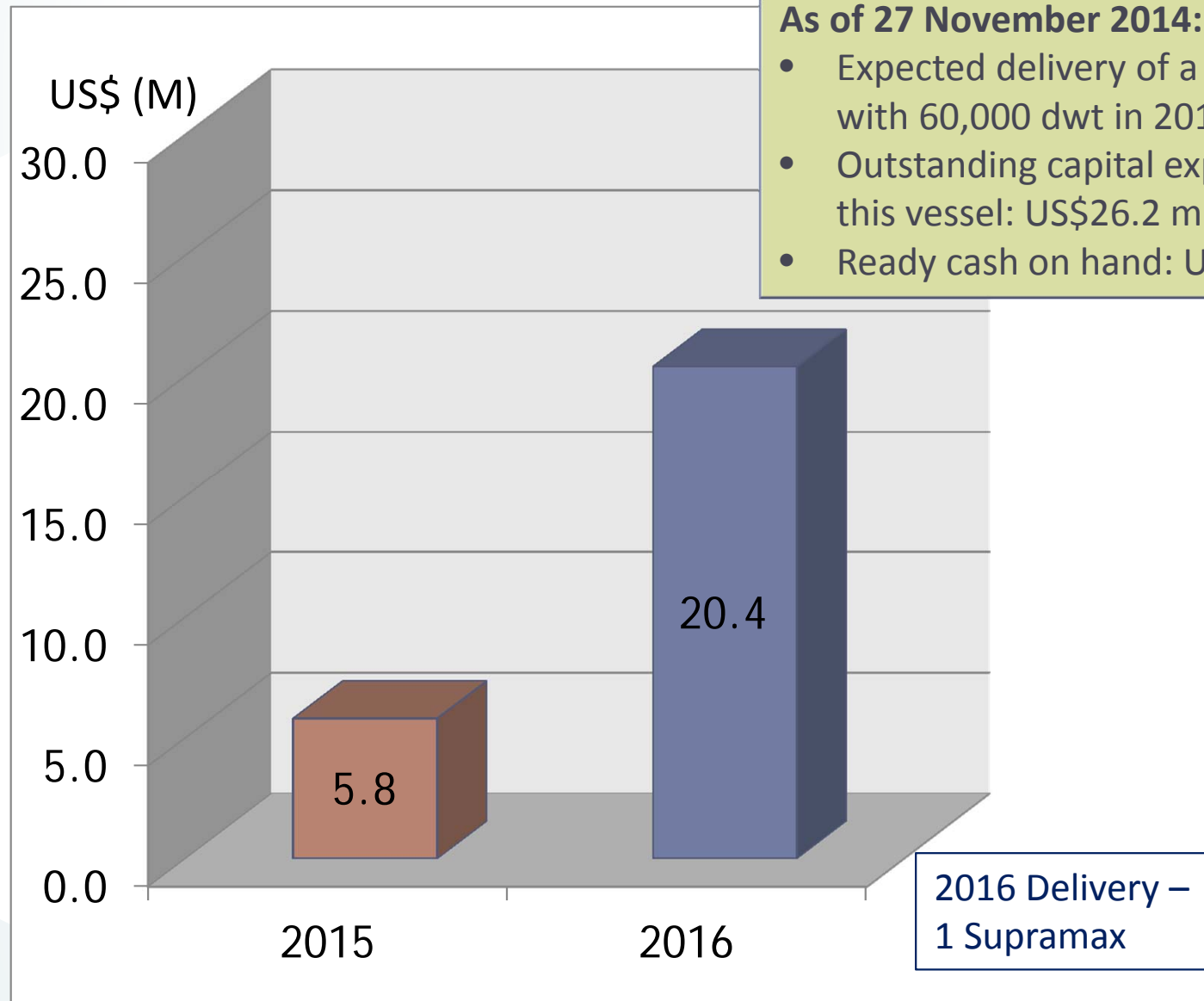
## Debt breakdown by maturity



Total debt as of 30 September 2014 = US\$418 million



# Capital Expenditure



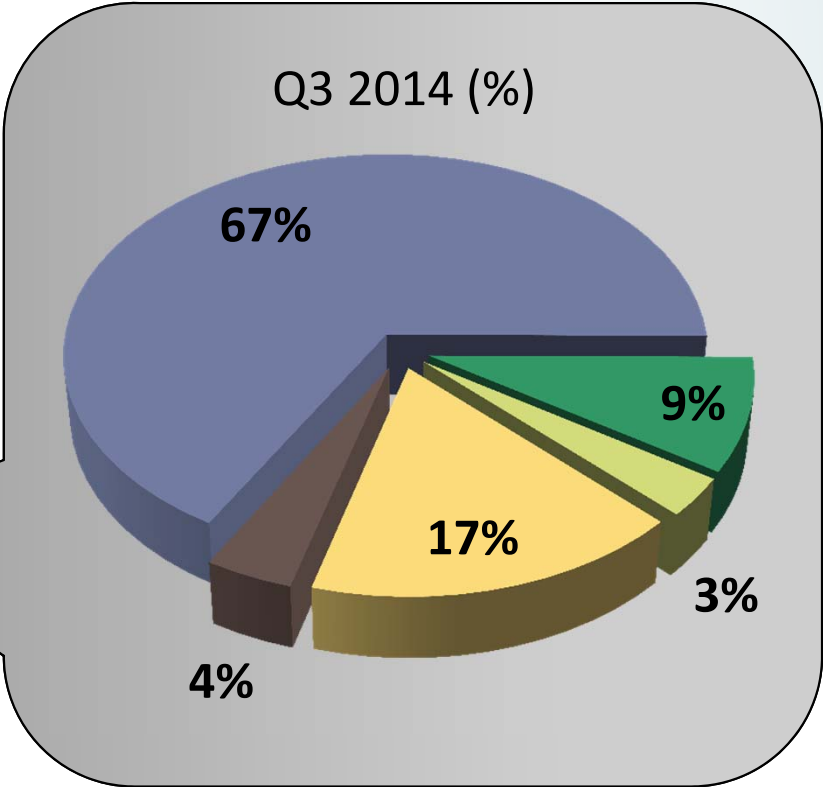
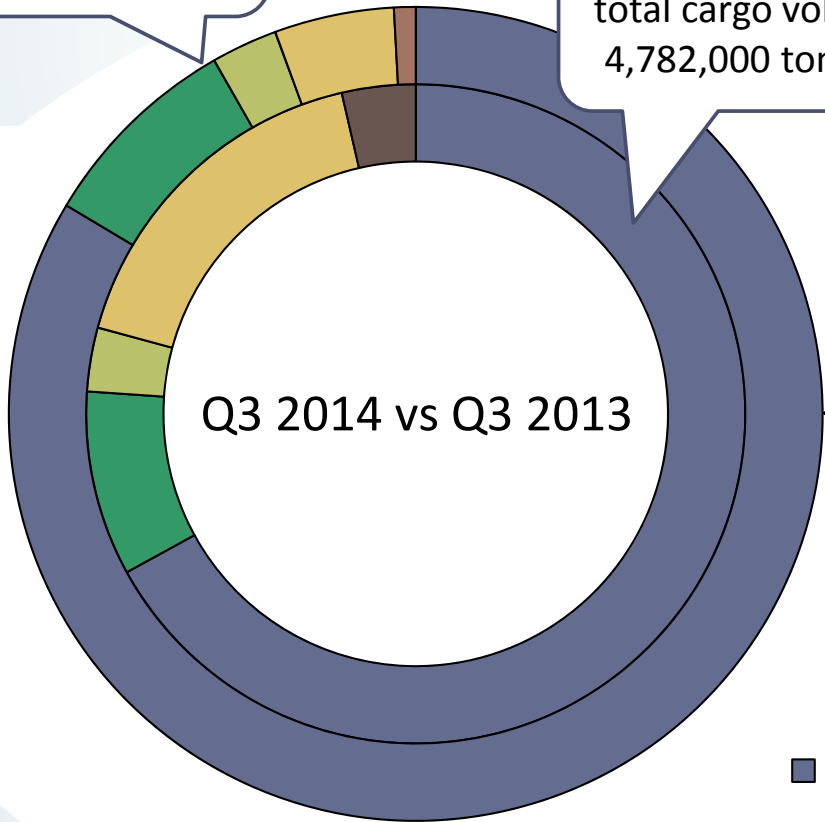
## As of 27 November 2014:

- Expected delivery of a Supramax with 60,000 dwt in 2016
- Outstanding capital expenditure for this vessel: US\$26.2 million
- Ready cash on hand: US\$63 million

# Cargo Volume Analysis Q3 2014

Q3 2014  
total cargo volume  
5,901,000 tonnes

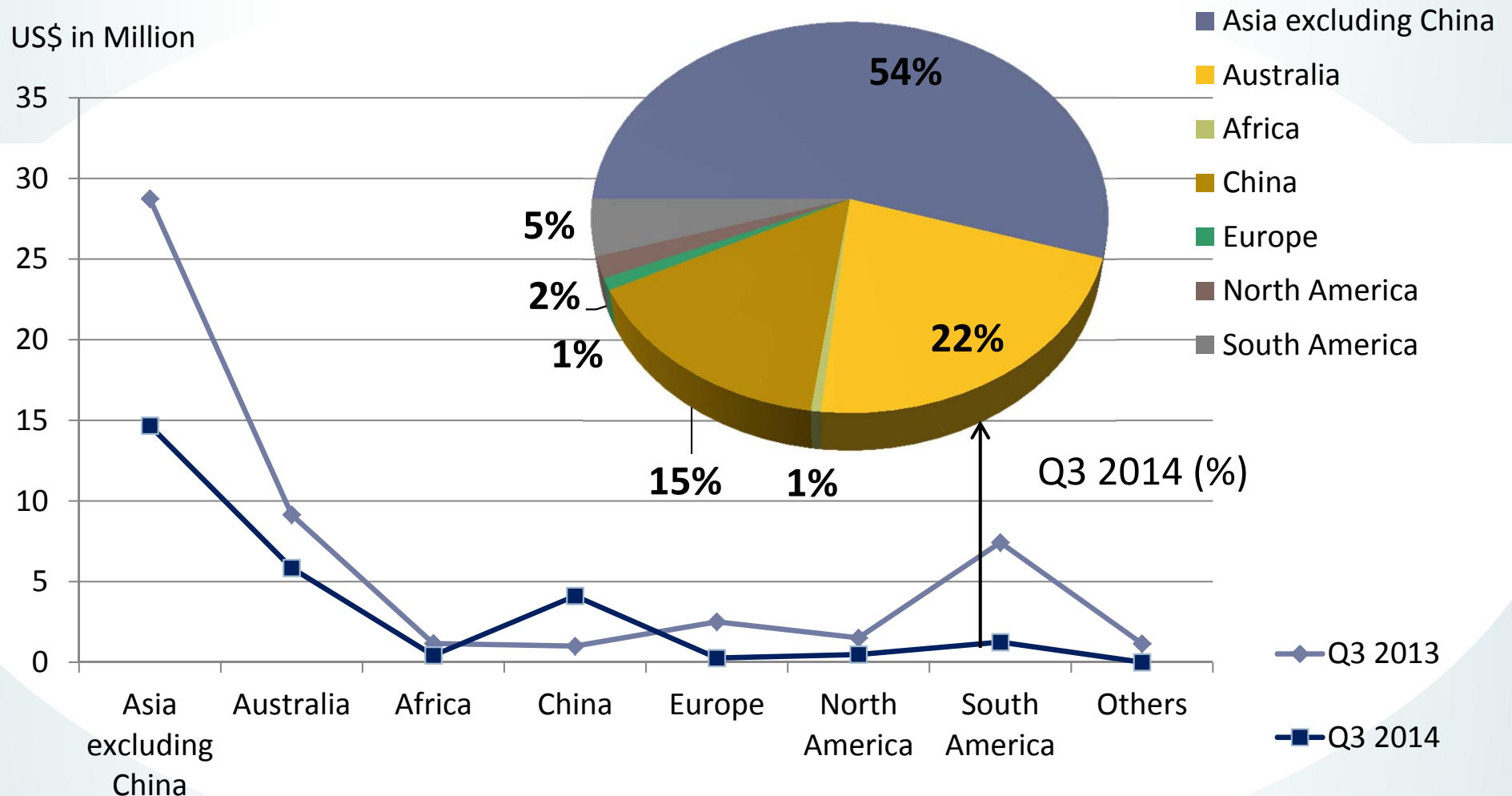
Q3 2013  
total cargo volume  
4,782,000 tonnes



- Minerals
- Coal\*
- Agricultural Products
- Steel Products
- Cement

# Loading Port Analysis Q3 2014

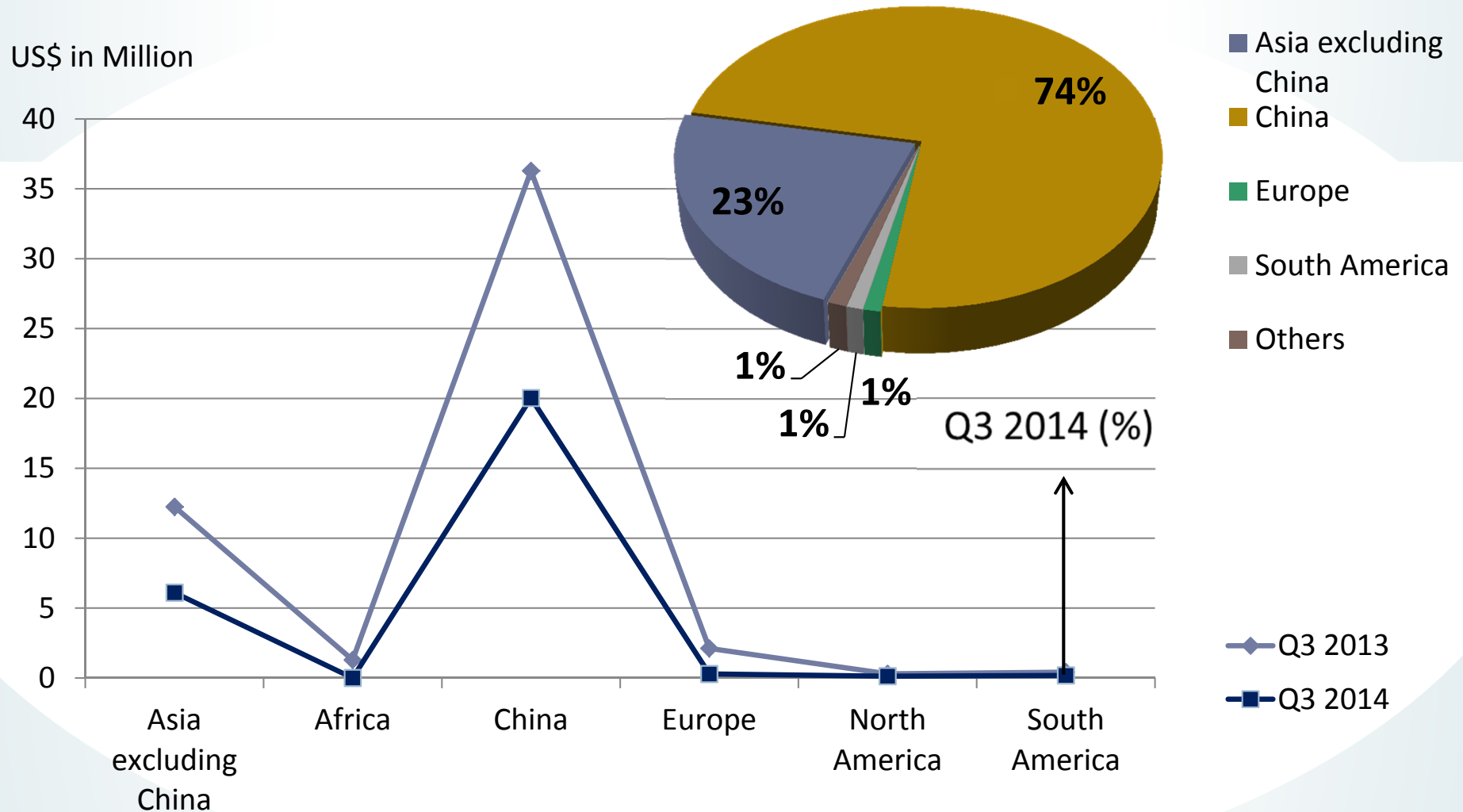
(Chartering revenue expressed by loading port)



Q3 2014 vs Q3 2013

# Discharging Port Analysis Q3 2014

(Chartering revenue expressed by discharging port)



Q3 2014 vs Q3 2013

# TCE of Jinhui Shipping's Fleet

(Based on information up to 30 September 2014)

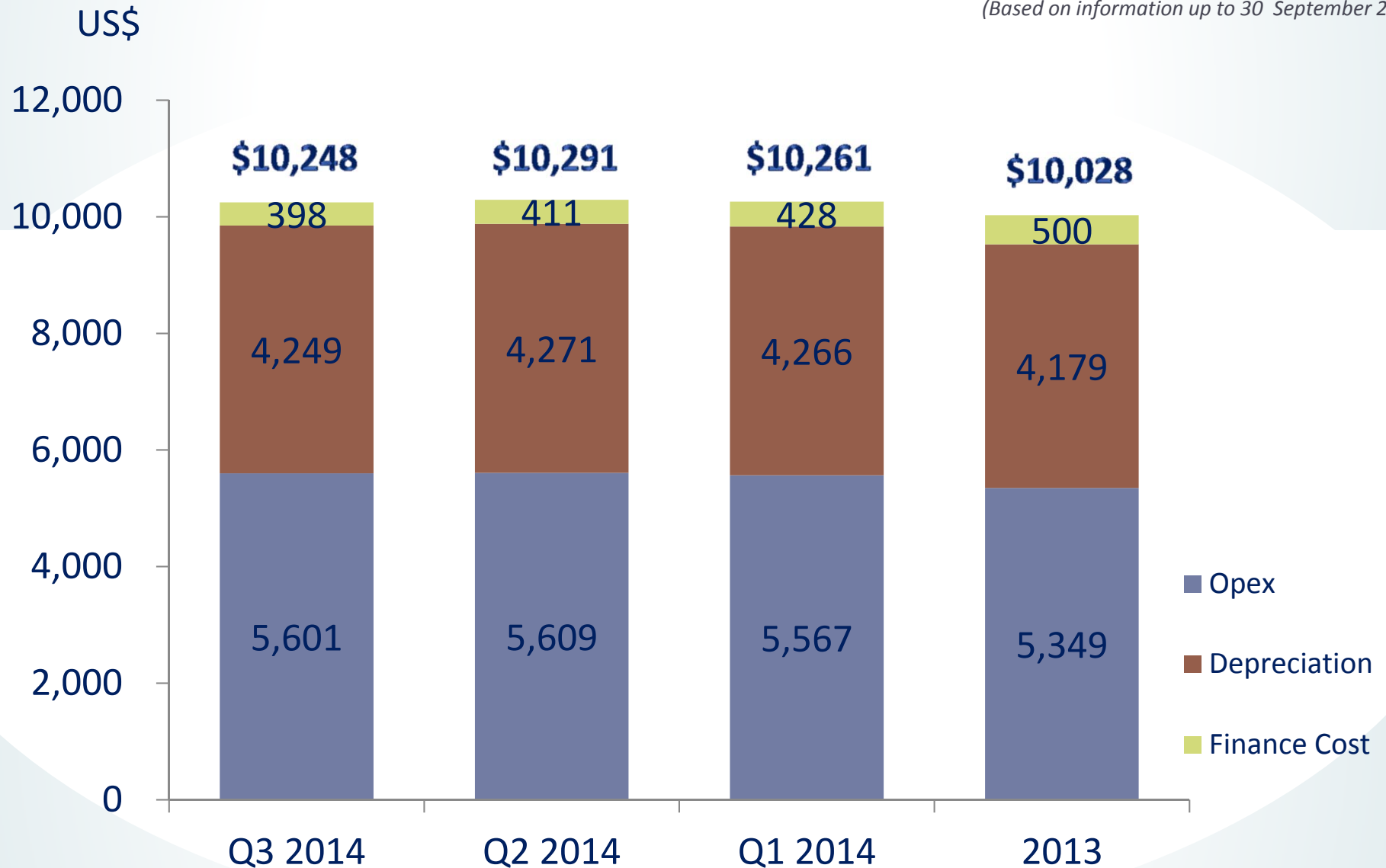
Average daily time charter equivalent rate (TCE)	Q3 2014	Q3 2013	9M 2014	9M 2013	2013
	US\$	US\$	US\$	US\$	US\$
Capesize Fleet	-	13,400	13,477	13,141	13,202
Post-Panamax / Panamax Fleet	7,320	15,378	9,442	15,126	15,817
Supramax / Handymax / Handysize Fleet	7,750	13,156	9,540	13,340	13,424
<b>In average</b>	<b>7,706</b>	<b>13,389</b>	<b>9,541</b>	<b>13,508</b>	<b>13,653</b>

Decrease in TCE mainly due to:

- vessels chartered out at low freight rates; and
- reduce in the number of fleet in operation from 40 in Q3 2013 to 36 in Q3 2014

# Daily Cost of Owned Vessels

(Based on information up to 30 September 2014)



# Outlook

- Supply demand imbalance on paper – overhang in new tonnages;
- Traditional ship financing channel cautious, but increasing participants in leasing model supporting speculative orders remains a worry;
- Continue to trade our vessels on spot market to seek opportunities to lock in higher rates as freight environment improves;
- Rebalance long term vs spot exposure as freight market recovers;
- Monitor market closely in coming months for factors that change our long term outlook of dry bulk market and consider the need of impairment review;
- Actively follow up outstanding litigation and pursue arbitration awards.