



# JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q2 2016 Results Presentation  
31 August 2016

# 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, availability of financing and refinancing, inability to obtain restructuring or rescheduling of indebtedness from lenders in liquidity trough, 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.

# Highlights

## Q2 2016 Financial Highlights

- Revenue for the quarter dropped 25% to US\$15 million
- Net loss for the quarter : US\$21 million  
(included non-cash impairment loss on assets held for sale of US\$13 million)
- EBITDA \*: US\$2.4 million
- Basic loss per share: US\$0.246
- Gearing ratio as at 30 June 2016: 54%

## Q2 2016 Fleet Development

- A Supramax which was contracted to dispose in Q1 2016 was delivered to the purchaser in Q2 2016
- Contract to dispose 2 Supramaxes in Q2 2016 with total consideration of US\$6.8m; these vessels were subsequently delivered to the purchasers in August 2016

\* EBITDA is calculated as operating loss before depreciation and amortization, and excluding non-cash impairment loss on owned vessels/assets held for sale

# Financial Highlights

For the quarter and six months ended 30 June 2016

US\$'000	Q2 2016 (Unaudited)	Q2 2015 (Unaudited)	QoQ	1H 2016 (Unaudited)	1H 2015 (Unaudited)	YoY
Revenue	15,064	20,201	-25%	25,023	42,409	-41%
EBITDA *	2,405	1,980	21%	(5,470)	21,235	-126%
Operating loss **	(19,450)	(11,383)	-71%	(36,710)	(5,470)	-571%
Net loss for the quarter / period	(20,667)	(12,611)	-64%	(39,144)	(7,925)	-394%
Basic loss per share	US\$(0.246)	US\$(0.150)	-64%	US\$(0.466)	US\$(0.094)	-394%

\* EBITDA is calculated as operating profit (loss) before depreciation and amortization, and excluding non-cash impairment loss on owned vessels/assets held for sale

\*\* Operating loss for Q2 and first half of 2016 included impairment loss on assets held for sale of US\$12,552,000 recognized upon reclassification of three 2000-built Supramaxes for which the Group entered into disposal agreements during the period.

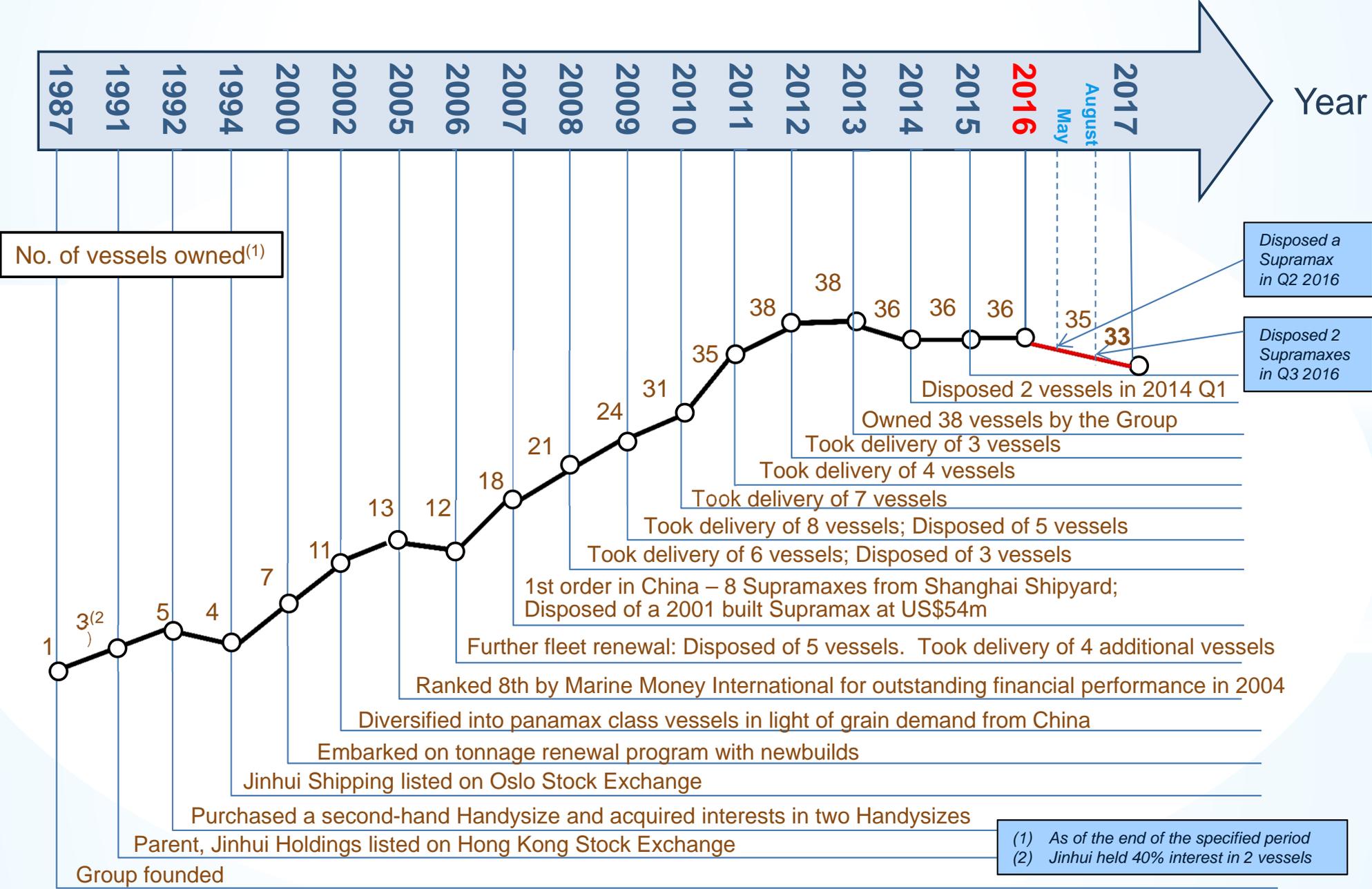
# Key Financial Ratios

## As at 30 June 2016

	Q2 2016 (Unaudited)	Q2 2015 (Unaudited)	2015 (Audited)
Total assets (US\$'000)	694,270	1,185,137	759,404
Total debt borrowings (US\$'000)	293,525	365,349	317,483
Return on equity <sup>1</sup>	-5.37%	-1.60%	-62.83%
Return on total assets <sup>2</sup>	-2.91%	-1.05%	-38.16%
Net gearing <sup>3</sup>	54%	23%	47%
Available liquidity (US\$'000) <sup>4</sup>	89,958	186,261	121,195

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. 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
4. Available liquidity included bank and cash balances, equity and debt securities as of reporting date

# Our Fleet Development



# Young and Modern Fleet

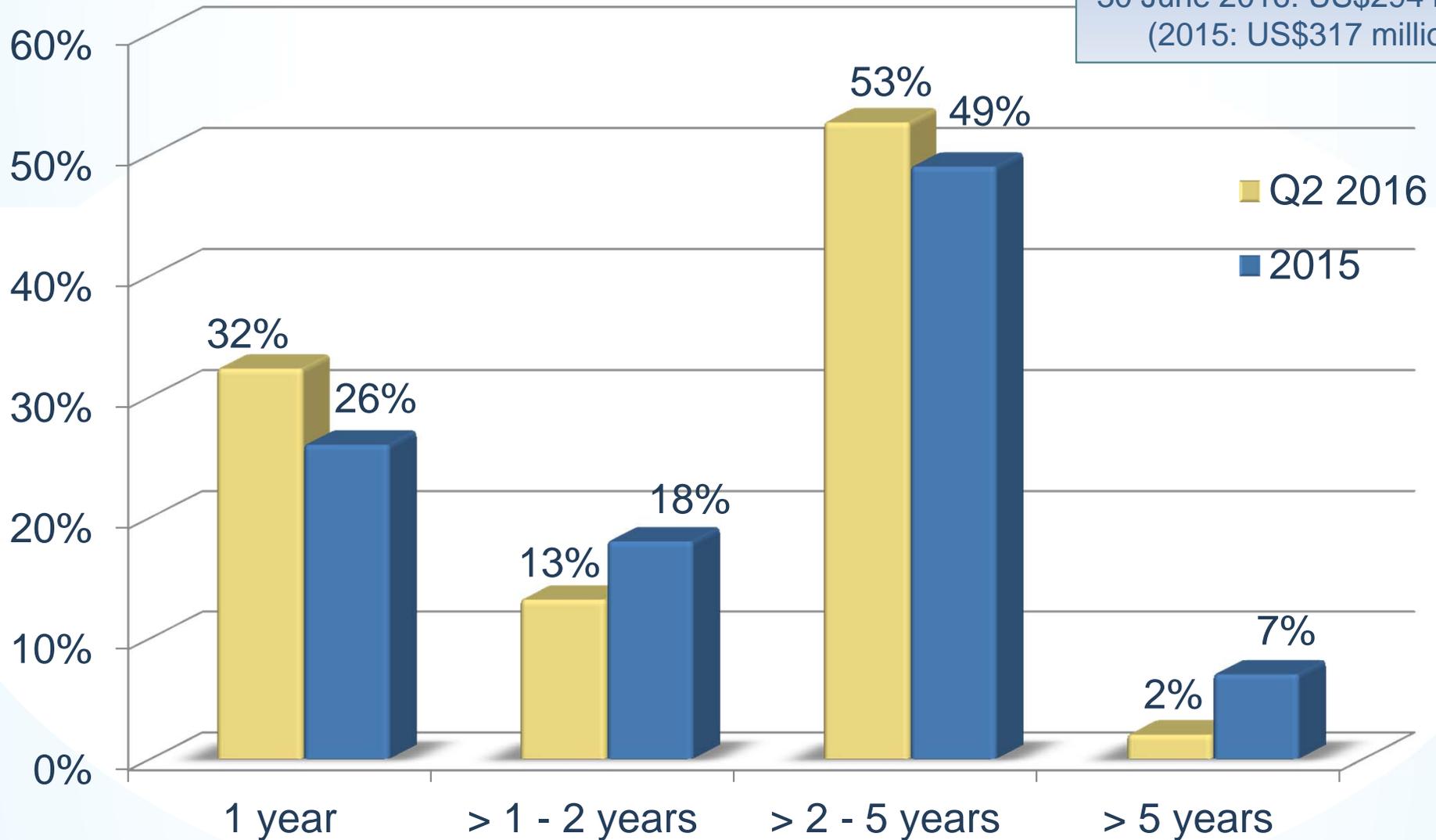
<u>Owned Fleet</u>	<u>Type</u>	<u>Size (dwt)</u>	<u>Year built</u>	<u>Shipyard</u>
1 Jin Lang	Post-Panamax	93,279	2010	Jiangsu New Yangzi
2 Jin Mei	Post-Panamax	93,204	2010	Jiangsu New Yangzi
3 Jin Chao	Panamax	75,008	2011	Sasebo
4 Jin Rui	Panamax	76,583	2009	Imabari
5 Jin Xiang	Supramax	61,414	2012	Oshima
6 Jin Hong	Supramax	61,414	2011	Oshima
7 Jin Han	Supramax	61,414	2011	Oshima
8 Jin Feng	Spramax	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 Bi	Handymax	48,220	2000	Oshima
33 Jin Yu	Handysize	38,462	2012	Naikai Zosen

As of 30 August 2016,  
Total capacity : 1,924,982 dwt  
Average age: 8.5 years

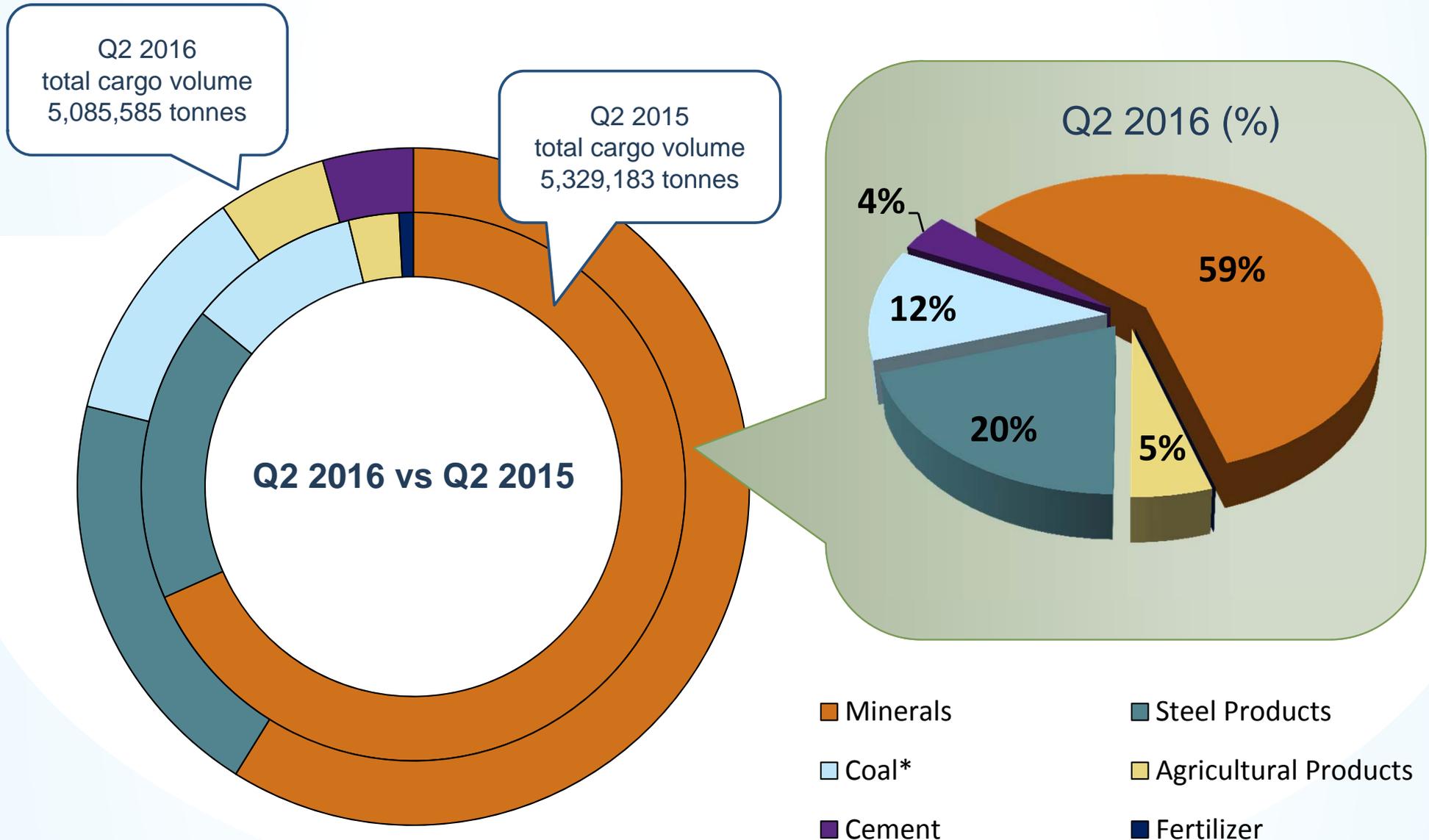
# Debt Maturity Profile

(Based on information up to 30 June 2016)

Total debt as of  
30 June 2016: US\$294 million  
(2015: US\$317 million)



# Cargo Volume Analysis Q2 2016



\* Including steaming coal and coking coal

# Loading Port Analysis Q2 2016

## Chartering revenue expressed by loading ports

### Q2 2016 vs Q2 2015

US\$ (M)

12.0

10.0

8.0

6.0

4.0

2.0

0.0

Asia  
excluding  
China

Australia

Africa

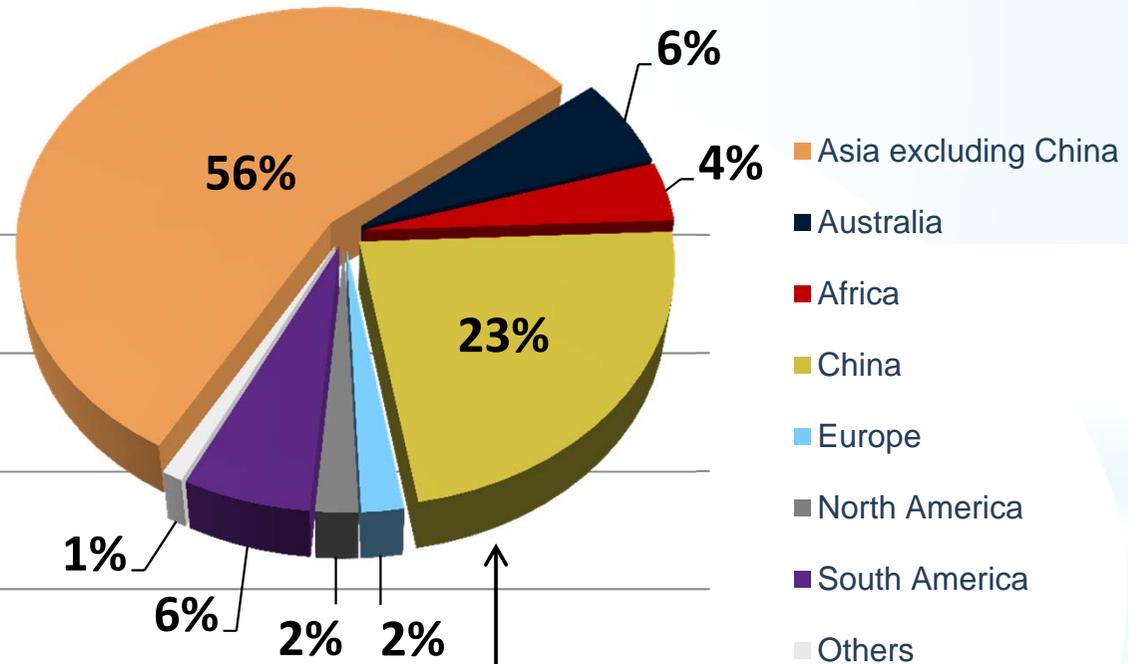
China

Europe

North  
America

South  
America

Others



Q2 2016 (%)

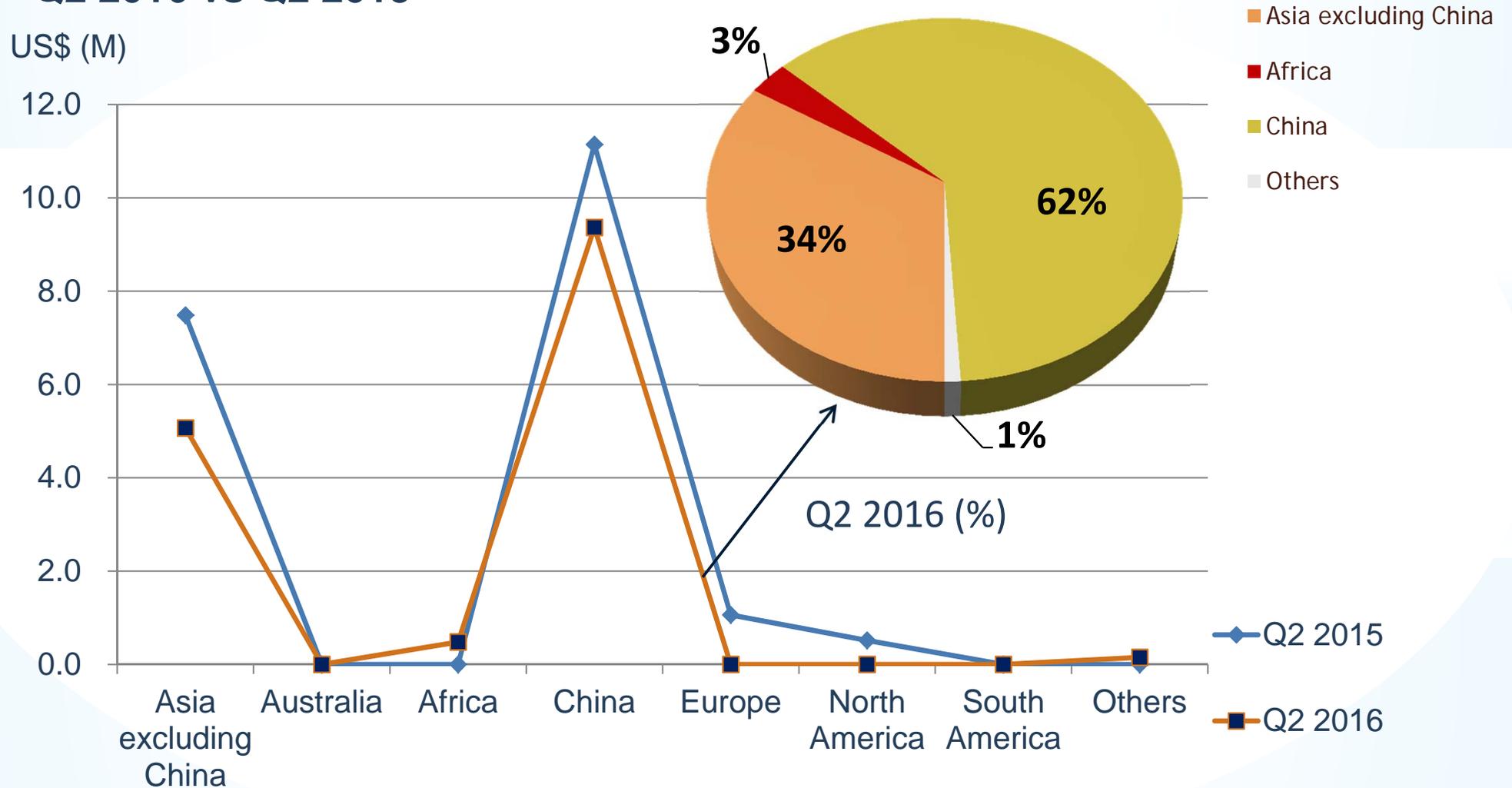
◆ Q2 2015

■ Q2 2016

# Discharging Port Analysis Q2 2016

## Chartering revenue expressed by discharging ports

### Q2 2016 vs Q2 2015



# TCE of Jinhui Shipping's Fleet

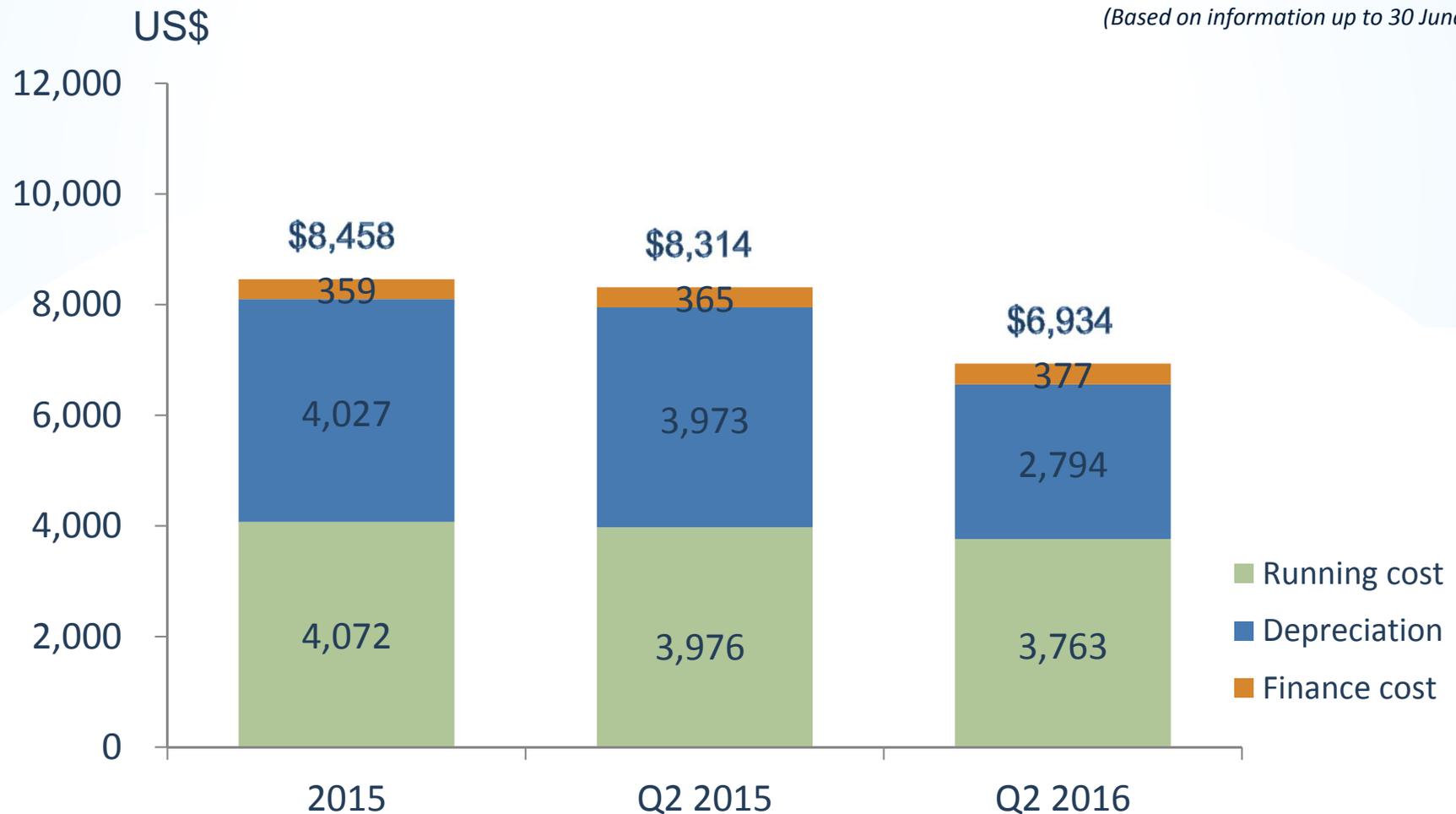
(Based on information up to 30 June 2016)

Average daily time charter equivalent rate (TCE)	2016 Q2	2015 Q2	1H 2016	1H 2015	2015
	US\$	US\$	US\$	US\$	US\$
Post-Panamax / Panamax Fleet	4,905	5,153	3,450	4,587	5,456
Supramax / Handymax / Handysize Fleet	4,764	6,352	3,891	6,692	6,519
In average	<b>4,781</b>	<b>6,234</b>	<b>3,841</b>	<b>6,486</b>	<b>6,412</b>

- Decrease in TCE mainly due to exposure to declining freight rates at such unexpected weak shipping market

# Daily Vessel Costs of Owned Vessels

(Based on information up to 30 June 2016)



Daily running costs is calculated as the aggregate of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' mis expenses divided by ownership days during the period.

Daily running costs dropped from US\$3,976 for Q2 2015 to US\$3,763 for Q2 2016. The decrease was attributable to the Group's continuing effort in reduction of running costs in order to remain competitive in the current tough market environment.