



# JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q2 2020 Results Presentation  
25 August 2020

JINHUI SHIPPING

# 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, financial market conditions including fluctuations in marketable securities value, 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 2020 Financial Highlights

- Revenue for the quarter: US\$9 million
- Net loss for the quarter: US\$5 million
- Basic loss per share: US\$0.048
- Gearing ratio as at 30 June 2020: 22%

# Highlights

- Consolidated net loss mainly attributable to:
  - 1. poor business sentiment by the outbreak of COVID-19, leading a reduction in market freight rates and decrease in fleet utilization rate;
  - 2. increase in shipping related expenses mainly due to bunker related expenses of US\$2 million;
- A net gain of US\$2.3 million from financial assets at fair value through profit or loss was recognized in current quarter.
- Increase in interest income was attributable to the interest income generated from loan receivables during the quarter.
- During the quarter, the Group drawn new secured bank loans of US\$3.2 million and repaid US\$11.3 million.
- Received a further update from the Investment Manager of Co-investment in property on 21 August 2020 that due to unexpected COVID-19 pandemic that has broadly affected different economic sectors, the vendor of Tower A has agreed on extension of the closing of acquisition to November 2020. We will update all shareholders on the significant investment update timely and accordingly.
- Contract to acquire a Supramax at consideration of US\$4 million in July 2020 and was delivered to the Group in July 2020.

# Financial Highlights

## For the quarter and six months ended 30 June 2020

US\$'000	Q2 2020 (Unaudited)	Q2 2019 (Unaudited)	1H 2020 (Unaudited)	1H 2019 (Unaudited)	2019 (Audited)
Revenue	8,510	14,019	17,724	26,784	63,160
Operating profit (loss) before depreciation / amortization and finance costs	(553)	3,825	(14,157)	10,664	24,180
Operating profit (loss)	(4,422)	(38)	(21,700)	2,905	8,818
Finance costs	(863)	(1,109)	(1,956)	(2,087)	(4,323)
Net profit (loss) for the period / year	(5,285)	(1,147)	(23,656)	818	4,495
Basic earnings (loss) per share	US\$(0.048)	US\$(0.010)	US\$(0.217)	US\$0.007	US\$0.041

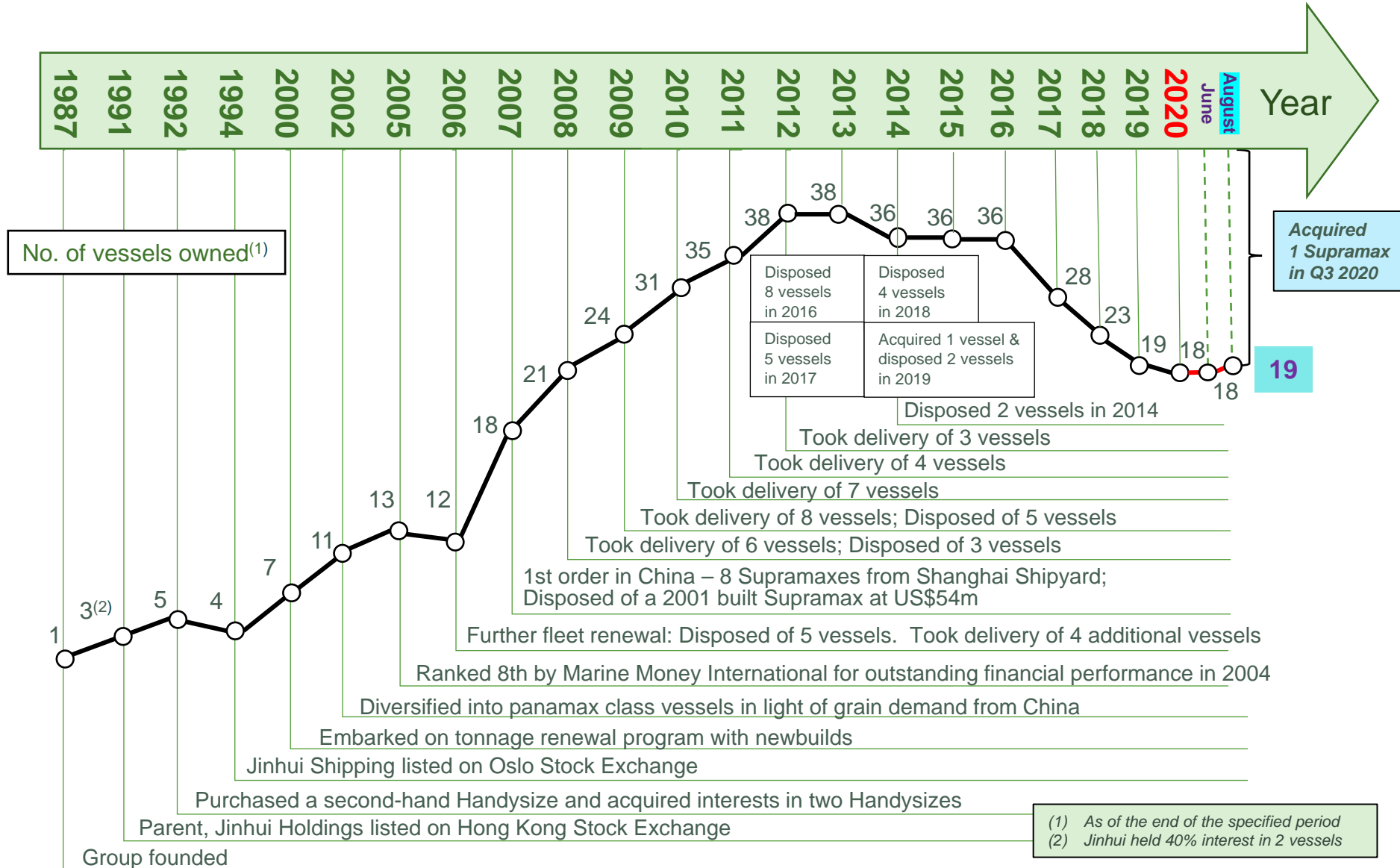
# Key Financial Ratios

## As at 30 June 2020

	Q2 2020 (Unaudited)	Q2 2019 (Unaudited)	2019 (Audited)
Total assets (US\$'000)	369,085	387,369	406,433
Secured bank loans (US\$'000)	121,609	118,219	133,915
Current ratio <sup>1</sup>	1.24 : 1	1.71 : 1	1.39 : 1
Net gearing <sup>2</sup>	22%	3%	14%
Working Capital (US\$'000)	18,715	54,208	34,458
Available liquidity (US\$'000) <sup>3</sup>	70,944	109,835	97,662

1. Current ratio is calculated based on current assets divided by current liabilities.
2. 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.
3. Available liquidity included bank and cash balances, equity and debt securities as of reporting date.

# Our Fleet Development



# Jinhui Fleet

	<u>Fleet</u>	<u>Type</u>	<u>Size (dwt)</u>	<u>Year built</u>	<u>Status</u>	<u>Shipyard</u>
1	JIN LANG	Post-Panamax	93,279	2010	Owned	Jiangsu New Yangzi
2	JIN MEI	Post-Panamax	93,204	2010	Owned	Jiangsu New Yangzi
3	JIN XIANG	Supramax	61,414	2012	Owned	Oshima
4	JIN HONG	Supramax	61,414	2011	Owned	Oshima
5	JIN YUE	Supramax	56,934	2010	Owned	Shanghai Shipyard
6	JIN AO	Supramax	56,920	2010	Owned	Shanghai Shipyard
7	JIN GANG	Supramax	56,927	2009	Owned	Shanghai Shipyard
8	JIN JI	Supramax	56,913	2009	Owned	Shanghai Shipyard
9	JIN WAN	Supramax	56,897	2009	Owned	Shanghai Shipyard
10	JIN JUN	Supramax	56,887	2009	Owned	Shanghai Shipyard
11	JIN SUI	Supramax	56,968	2008	Owned	Shanghai Shipyard
12	JIN TONG	Supramax	56,952	2008	Owned	Shanghai Shipyard
13	JIN YUAN	Supramax	55,496	2007	Owned	Oshima
14	JIN YI	Supramax	55,496	2007	Owned	Oshima
15	JIN XING	Supramax	55,496	2007	Owned	Oshima
16	JIN SHENG	Supramax	52,050	2006	Owned	IHI
17	JIN YAO	Supramax	52,050	2004	Owned	IHI
18	JIN PING	Supramax	50,777	2002	Owned	Oshima
19	ATLANTICA	Supramax	50,259	2001	Owned	Shanghai Shipyard

➤ As of 24 August 2020, we operated 19 motor vessels with total capacity of deadweight 1,136,333 metric tons and average age of 12.16 years.



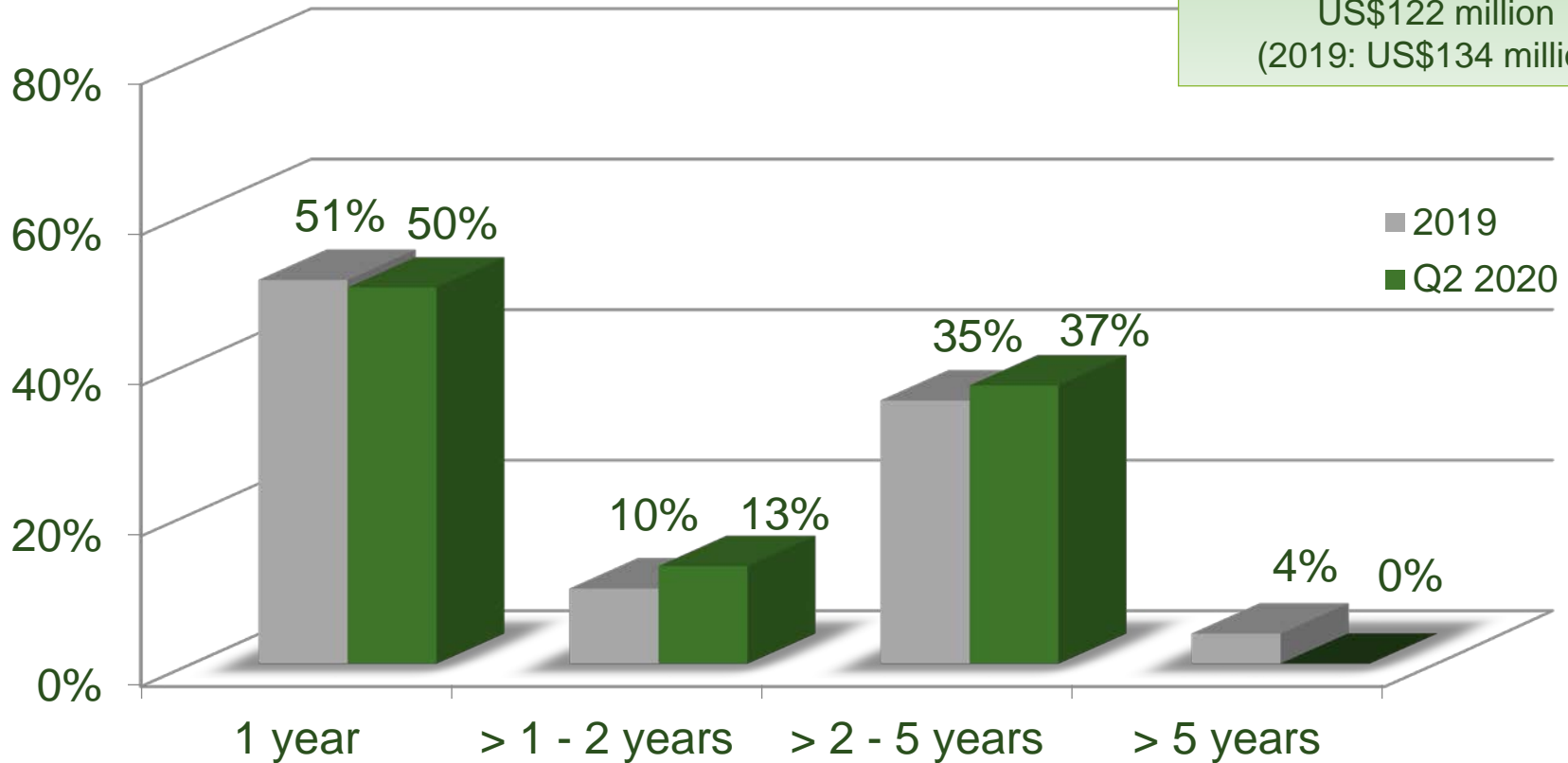
# Installation of ballast water treatment systems

	<u>Fleet</u>	<u>Type</u>	<u>Size (dwt)</u>	<u>Year built</u>	<u>Installation of ballast water treatment systems</u>
1	JIN YUE	Supramax	56,934	2010	Year 2021
2	JIN JI	Supramax	56,913	2009	Year 2021
3	JIN WAN	Supramax	56,897	2009	Year 2021
4	JIN JUN	Supramax	56,887	2009	Year 2021
5	JIN TONG	Supramax	56,952	2008	Year 2021
6	JIN YAO	Supramax	52,050	2004	Year 2021
7	JIN XIANG	Supramax	61,414	2012	Year 2022
8	JIN HONG	Supramax	61,414	2011	Year 2022
9	JIN LANG	Post-Panamax	93,279	2010	Year 2022
10	JIN MEI	Post-Panamax	93,204	2010	Year 2022
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16	JIN PING	Supramax	50,777	2002	Year 2022
17	ATLANTICA	Supramax	50,259	2001	Year 2022
18	JIN SUI	Supramax	56,968	2008	Year 2023
19	JIN GANG	Supramax	56,927	2009	Year 2024

# Debt Maturity Profile

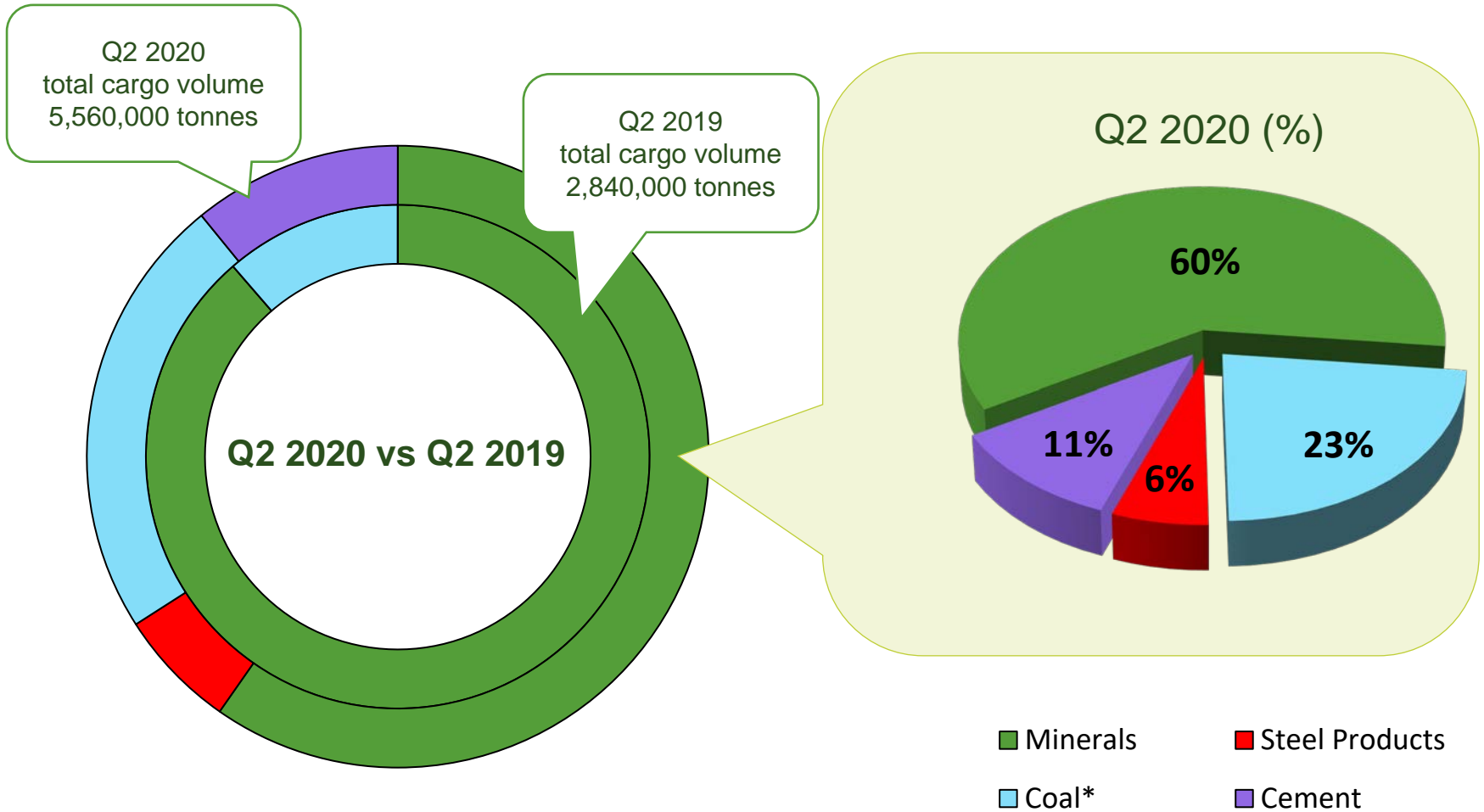
(Based on information up to 30 June 2020)

Total debt as of  
30 June 2020:  
US\$122 million  
(2019: US\$134 million)



- Secured bank loans represented vessel mortgage loans, revolving loans, term loans and property mortgage loans which were secured by the Group's motor vessels, land & buildings, investment properties, financial assets at fair value through profit or loss and loan receivables to secure credit facilities utilized by the Group.

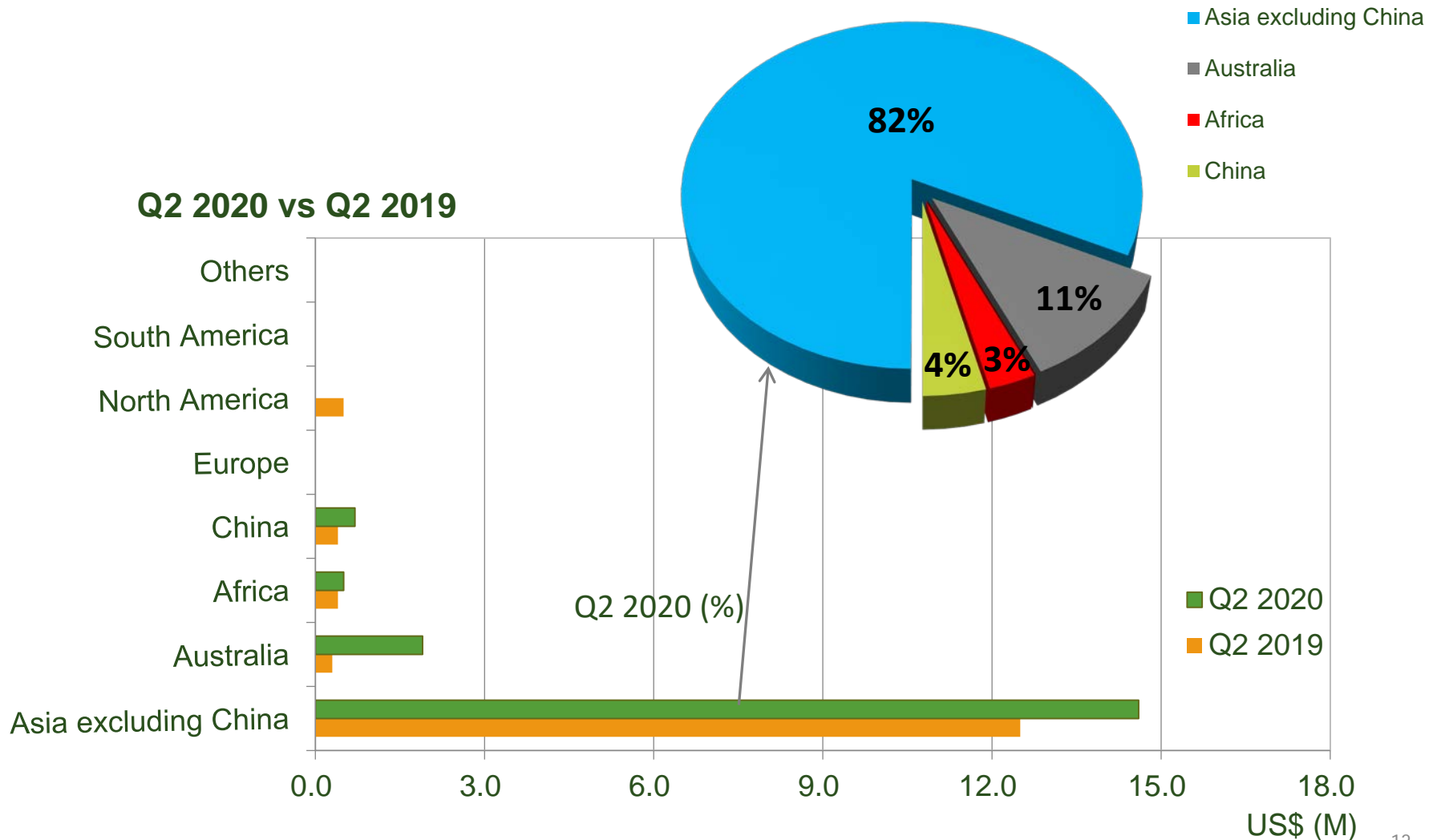
# Cargo Volume Analysis Q2 2020



\* Including steaming coal and coking coal

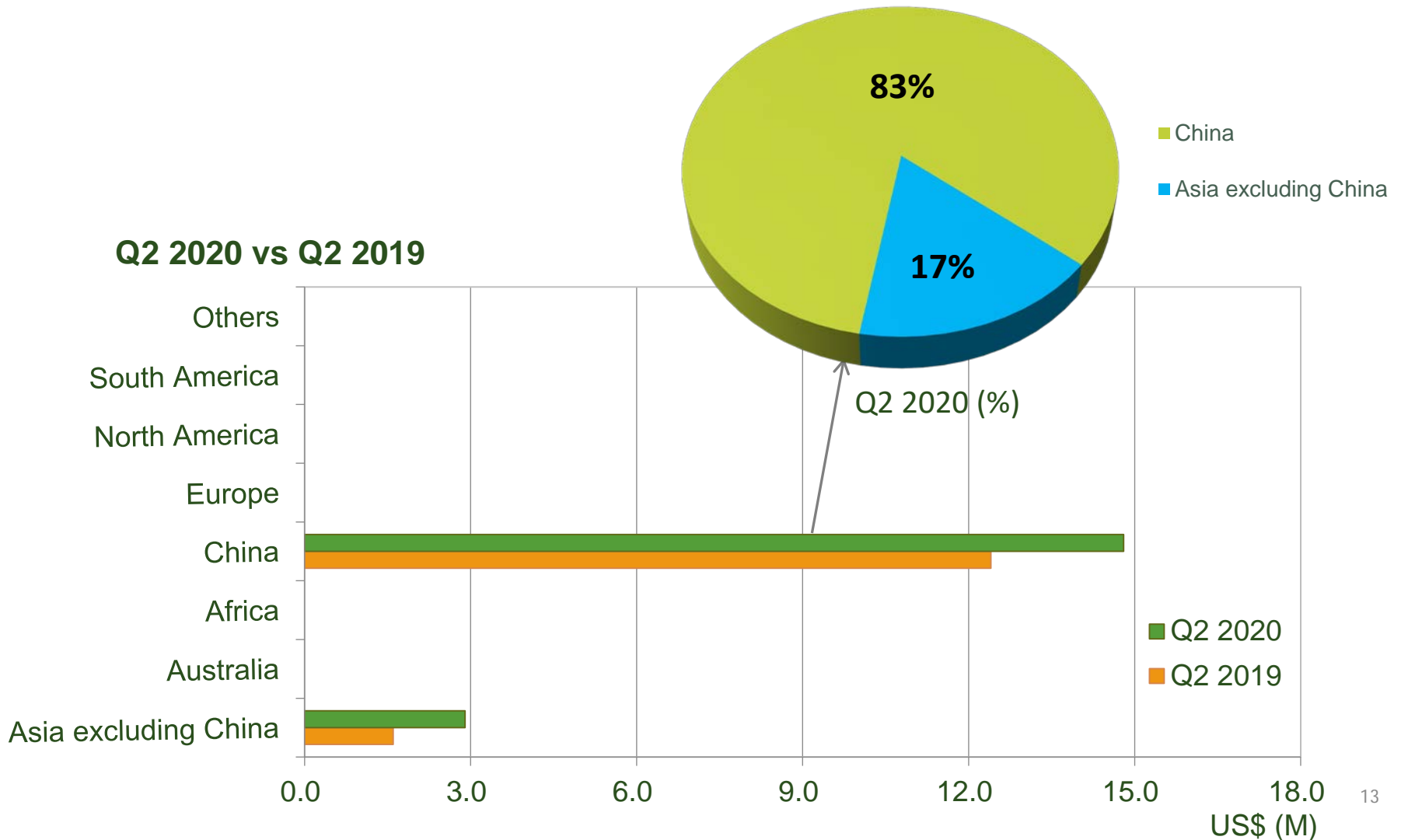
# Loading Port Analysis Q2 2020

## Chartering revenue expressed by loading ports



# Discharging Port Analysis Q2 2020

## Chartering revenue expressed by discharging ports



# TCE of Jinhui Shipping's Owned Vessels

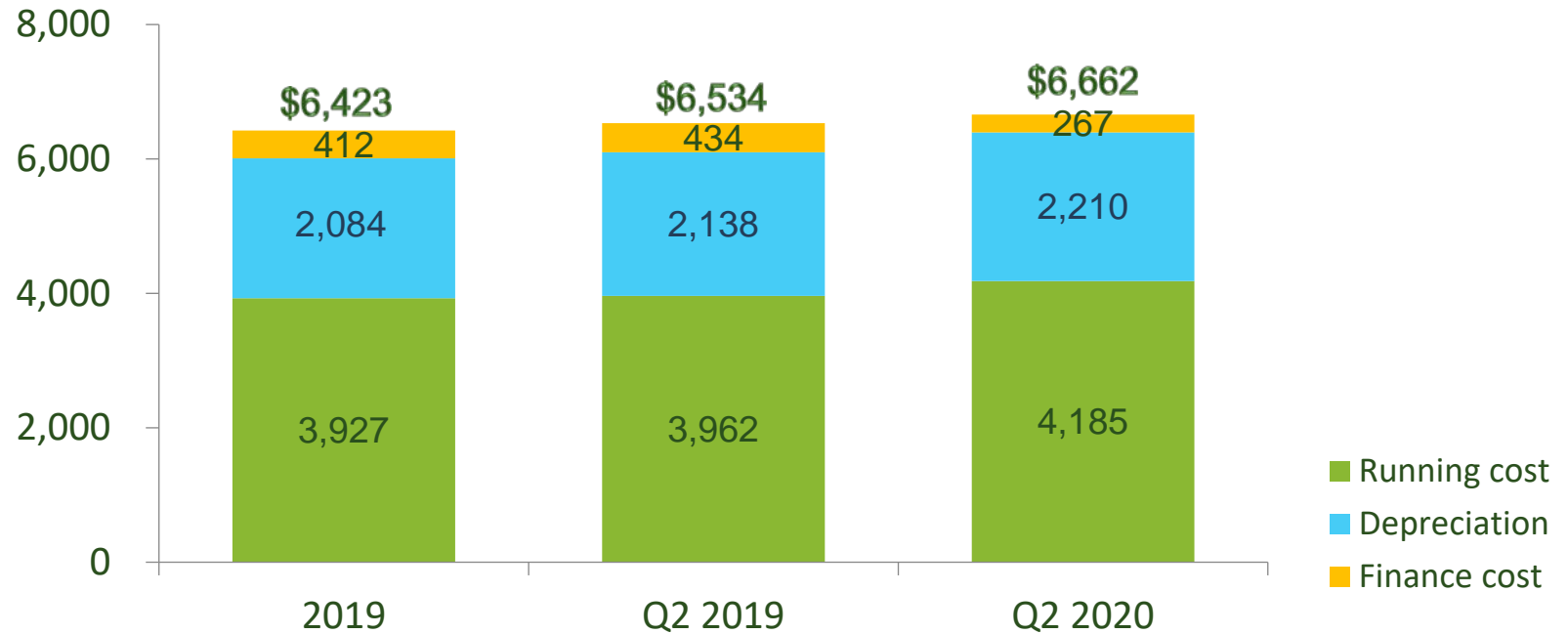
*(Based on information up to 30 June 2020)*

Average daily time charter equivalent rate (TCE)	2020 Q2	2019 Q2	2020 1H	2019 1H	2019
	US\$	US\$	US\$	US\$	US\$
Post-Panamax Fleet	5,750	8,711	7,382	7,473	9,628
Supramax Fleet	5,194	8,963	5,096	8,376	9,522
In average	5,229	8,934	5,293	8,277	9,533

# Daily Vessel Running Costs of Owned Vessels

US\$

(Based on information up to 30 June 2020)



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

Daily vessel finance cost is calculated as the aggregate of vessels' finance costs divided by ownership days during the period.

# Outlook

- Worldwide economy has heavily affected by the combination of political tensions, the COVID-19 pandemic, as well as natural disasters for some;
- Recovery will depend on how economies rebound going forward, and that depends on how the pandemic is kept under control in order to inspire consumers' as well as business confidence;
- Financial markets and political tensions remain the biggest uncertainty going forward;
- Supply of newbuildings in dry bulk remains low given the poor sentiment;
- Cautiously optimistic with the rebound of demand in dry bulk seaborne trade given industries will eventually need to catch up with procurement of energy, industrial and agricultural commodities as economies normalize.