



JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q2 2022 Results Presentation

24 August 2022

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' 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.

Q2 2022 Financial Highlights

- Revenue for the quarter: US\$51 million
- Net profit for the quarter: US\$20 million
- EBITDA: US\$30 million
- Basic earnings per share: US\$0.186
- Gearing ratio as at 30 June 2022: 1%
- Interim dividend per share: US\$0.03

Highlights – Q2 2022

- Reported net profit of US\$20 million;
- Chartering revenue increased 59% to US\$51 million, due to remarkable rebound of market freight rates and increase of number of owned vessels as compared to last corresponding quarter;
- Average TCE in Q2 2022 significantly stronger than Q2 2021, increased 38% to US\$26,397;
- Net gain of US\$4 million on bunker was recognized during the quarter as compared to US\$0.5 million in last corresponding quarter;
- Increase in shipping related expenses mainly due to increase in vessel operating expenses such as crew costs and other pandemic-related manning expenses as well as the increase in number of owned vessels as compared to last corresponding period; Covid-19 continues to impact the running cost of the vessels, in particular with respect to crewing;

Highlights – Q2 2022

- Net loss of US\$4.5 million was recognized in current quarter on financial assets at fair value through profit or loss, as compared to net gain of US\$1.6 million from last corresponding quarter;
- Fair value loss on investment properties of US\$0.8 million was reported during the quarter as compared to fair value gain of US\$0.8 million for Q2 2021;
- Borrowings decreased due to repayment of US\$18.3 million during the quarter;
- US\$4 million was recorded for dry docking and installation of BWTS;
- Entered into a charterparty for leasing of a newly 2022-built Panamax/Kamsarmax for seven years, the vessel was delivered to the Group at the end of June 2022;
- The chartered-in vessel increased the carrying capacity of our fleet profile with minimal immediate capital expenditure;
- Contract to acquire a 2014-built Supramax at consideration of US\$25.5 million in Q1 2022 was delivered in July 2022;

Financial Highlights

For the quarter and six months ended 30 June 2022

| US\$'000 | Q2 2022 (Unaudited) | Q2 2021 (Unaudited) | 1H 2022 (Unaudited) | 1H 2021 (Unaudited) | 2021 (Audited) |
|--|------------------------|------------------------|------------------------|------------------------|-------------------|
| Revenue | 50,629 | 31,902 | 83,265 | 48,083 | 131,069 |
| Net gain on disposal of owned vessels | - | - | 6,146 | - | - |
| Reversal of impairment loss on owned vessels | - | 65,521 | - | 65,521 | 133,606 |
| EBITDA | 29,963 | 89,918 | 57,955 | 99,315 | 214,984 |
| Operating profit | 20,821 | 86,194 | 40,255 | 91,945 | 196,136 |
| Finance costs | (474) | (465) | (890) | (963) | (1,749) |
| Net profit for the period / year | 20,331 | 85,502 | 39,349 | 90,755 | 194,197 |
| Basic earnings per share | US\$0.186 | US\$0.783 | US\$0.360 | US\$0.831 | US\$1.777 |

Key Financial Ratios as at 30 June 2022

| | Q2 2022 (Unaudited) | Q2 2021 (Unaudited) | 2021 (Audited) |
|---|------------------------|------------------------|-------------------|
| Total assets (US\$'000) | 605,905 | 452,059 | 547,725 |
| Secured bank loans (US\$'000) | 76,675 | 100,013 | 92,578 |
| Current ratio ¹ | 1.61 : 1 | 1.61 : 1 | 1.50 : 1 |
| Net gearing ² | 1% | N/A | 4% |
| Working Capital (US\$'000) | 44,523 | 48,187 | 37,887 |
| Available liquidity (US\$'000) ³ | 70,087 | 107,819 | 76,407 |
| Return on equity ⁴ | 4% | 30% | 58% |
| Return on total assets ⁵ | 3% | 21% | 43% |

1. Current ratio is calculated based on current assets divided by current liabilities.

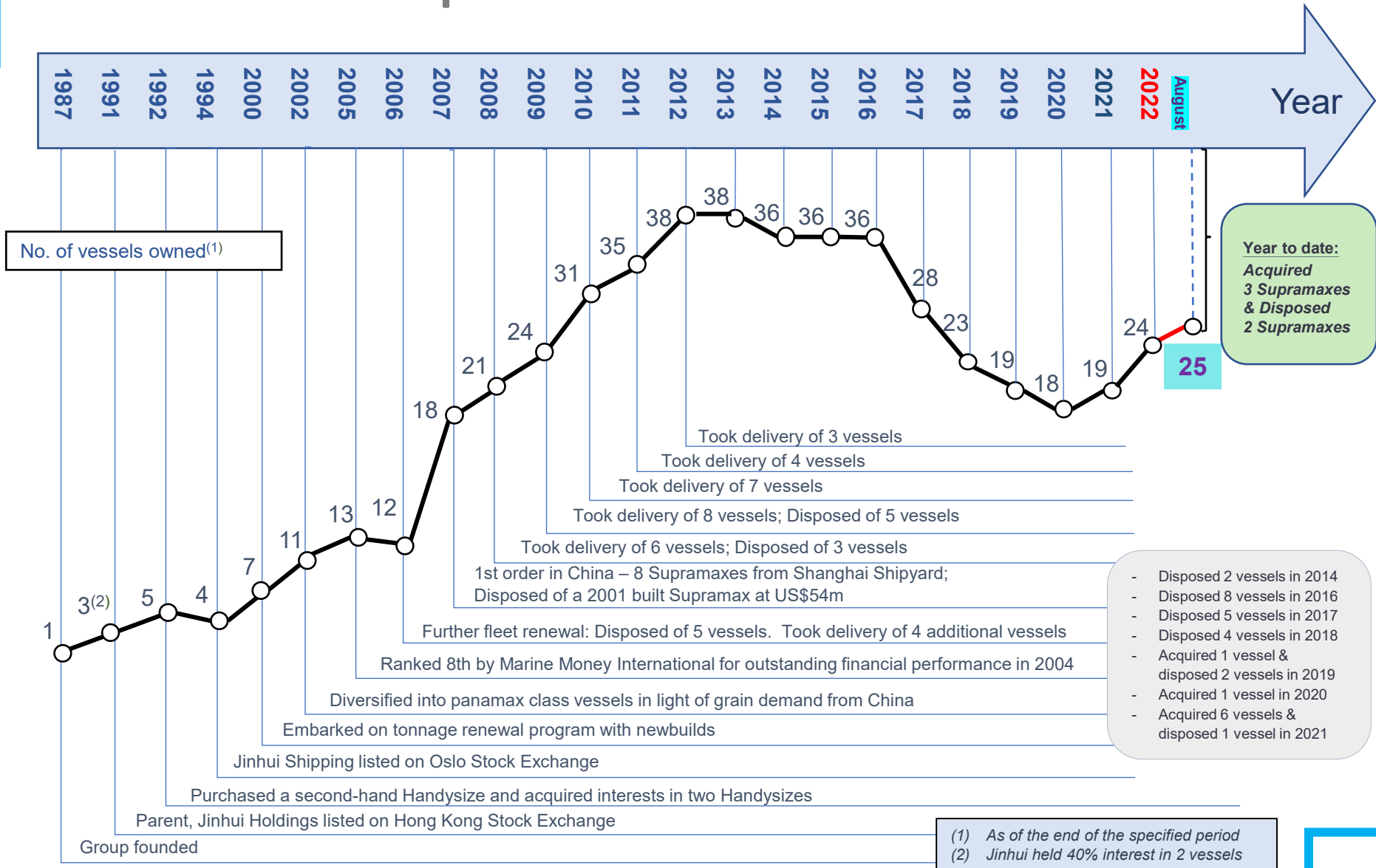
2. Net gearing is calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity. Gearing ratio as at Q2 2021 is not presented due to increase in liquid assets that led to the drop of net debts below zero.

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

4. Return on equity is calculated as net profit divided by average of opening balance and closing balance of total equity during the period / year.

5. Return on total assets is calculated as net profit divided by average of opening balance and closing balance of total assets during the period / year.

Our Fleet Development



(1) As of the end of the specified period
(2) Jinhui held 40% interest in 2 vessels

Jinhui Fleet of Vessels – 25 owned vessels

| Fleet | Size (dwt) | Year built | Shipyard | Fleet | Size (dwt) | Year built | Shipyard | | |
|---------------------|------------|------------|----------|--------------------|------------|------------|----------|-------------------|-------------------|
| POST-PANAMAX | | | | SUPRAMAX | | | | | |
| 1 | JIN LANG | 93,279 | 2010 | Jiangsu New Yangzi | 13 | JIN JUN | 56,887 | 2009 | Shanghai Shipyard |
| 2 | JIN MEI | 93,204 | 2010 | Jiangsu New Yangzi | 14 | JIN RONG | 58,729 | 2008 | Tsuneishi |
| SUPRAMAX | | | | 15 | JIN SUI | 56,968 | 2008 | Shanghai Shipyard | |
| 3 | JIN PING | 63,485 | 2014 | Jiangsu Hantong | 16 | JIN TONG | 56,952 | 2008 | Shanghai Shipyard |
| 4 | JIN XIANG | 61,414 | 2012 | Oshima | 17 | JIN AN | 55,866 | 2007 | Kawasaki |
| 5 | JIN MAO | 56,469 | 2012 | Jiangsu Hantong | 18 | JIN YUAN | 55,496 | 2007 | Oshima |
| 6 | JIN BI | 56,361 | 2012 | Jiangsu Hantong | 19 | JIN YI | 55,496 | 2007 | Oshima |
| 7 | JIN HONG | 61,414 | 2011 | Oshima | 20 | JIN XING | 55,496 | 2007 | Oshima |
| 8 | JIN YUE | 56,934 | 2010 | Shanghai Shipyard | 21 | JIN SHUN | 53,350 | 2007 | Shanghai Shipyard |
| 9 | JIN AO | 56,920 | 2010 | Shanghai Shipyard | 22 | JIN QUAN | 52,525 | 2006 | Tsuneishi |
| 10 | JIN GANG | 56,927 | 2009 | Shanghai Shipyard | 23 | JIN SHENG | 52,050 | 2006 | IHI |
| 11 | JIN JI | 56,913 | 2009 | Shanghai Shipyard | 24 | JIN FENG | 52,686 | 2004 | Oshima |
| 12 | JIN WAN | 56,897 | 2009 | Shanghai Shipyard | 25 | JIN YAO | 52,050 | 2004 | IHI |

- As of 23 August 2022, we are operating 25 owned vessels with total capacity of deadweight 1,484,768 metric tons and average age of 13.36 years.

Jinhui - Chartered-in Vessel

| <u>Fleet</u> | <u>Type</u> | <u>Size (dwt)</u> | <u>Year built</u> | <u>Charter-in date</u> | <u>Expiry</u> |
|---------------|-------------|-------------------|-------------------|------------------------|---------------|
| TAHO CIRCULAR | Panamax | 84,484 | 2022 | Jun 2022 | Feb 2029 |

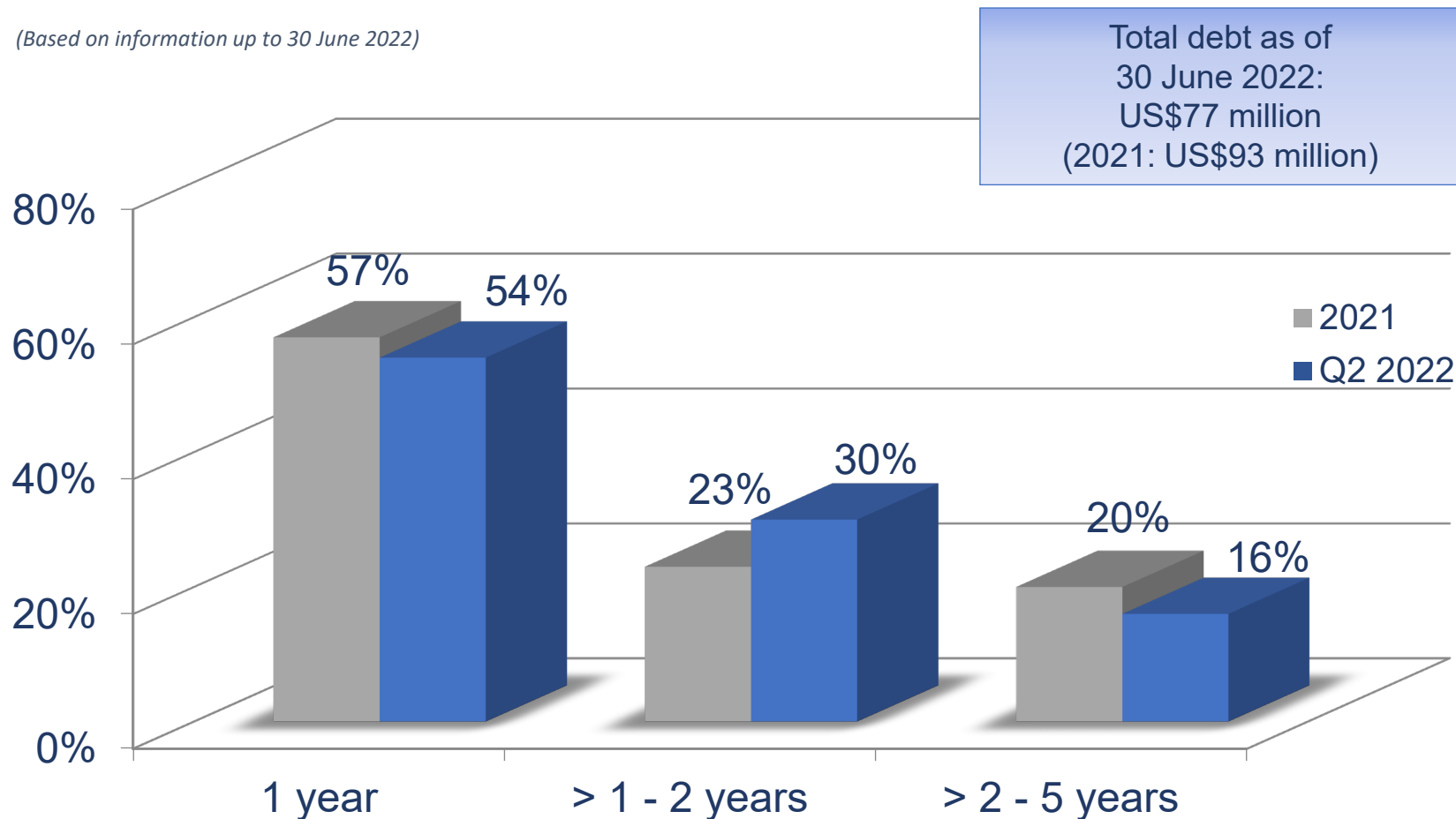
➤ As of 23 August 2022, we are operating 1 chartered-in vessel.

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 XIANG | Supramax | 61,414 | 2012 | Year 2022 |
| 2 | JIN MAO | Supramax | 56,496 | 2012 | Year 2022 |
| 3 | JIN BI | Supramax | 56,361 | 2012 | Year 2022 |
| 4 | JIN RONG | Supramax | 58,729 | 2008 | Year 2023 |
| 5 | JIN SUI | Supramax | 56,968 | 2008 | Year 2023 |
| 6 | JIN GANG | Supramax | 56,927 | 2009 | Year 2024 |

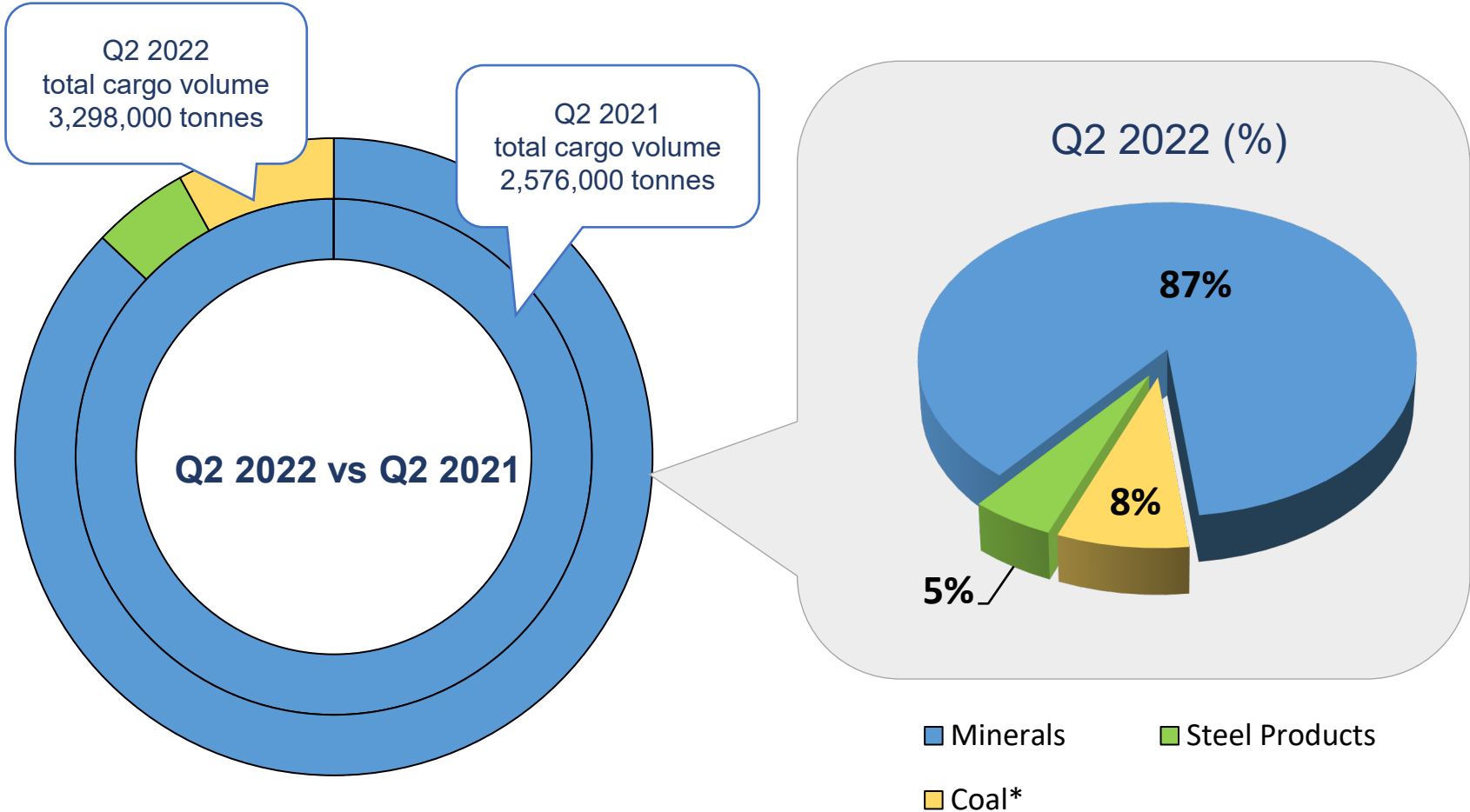
Debt Maturity Profile

(Based on information up to 30 June 2022)



- 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.

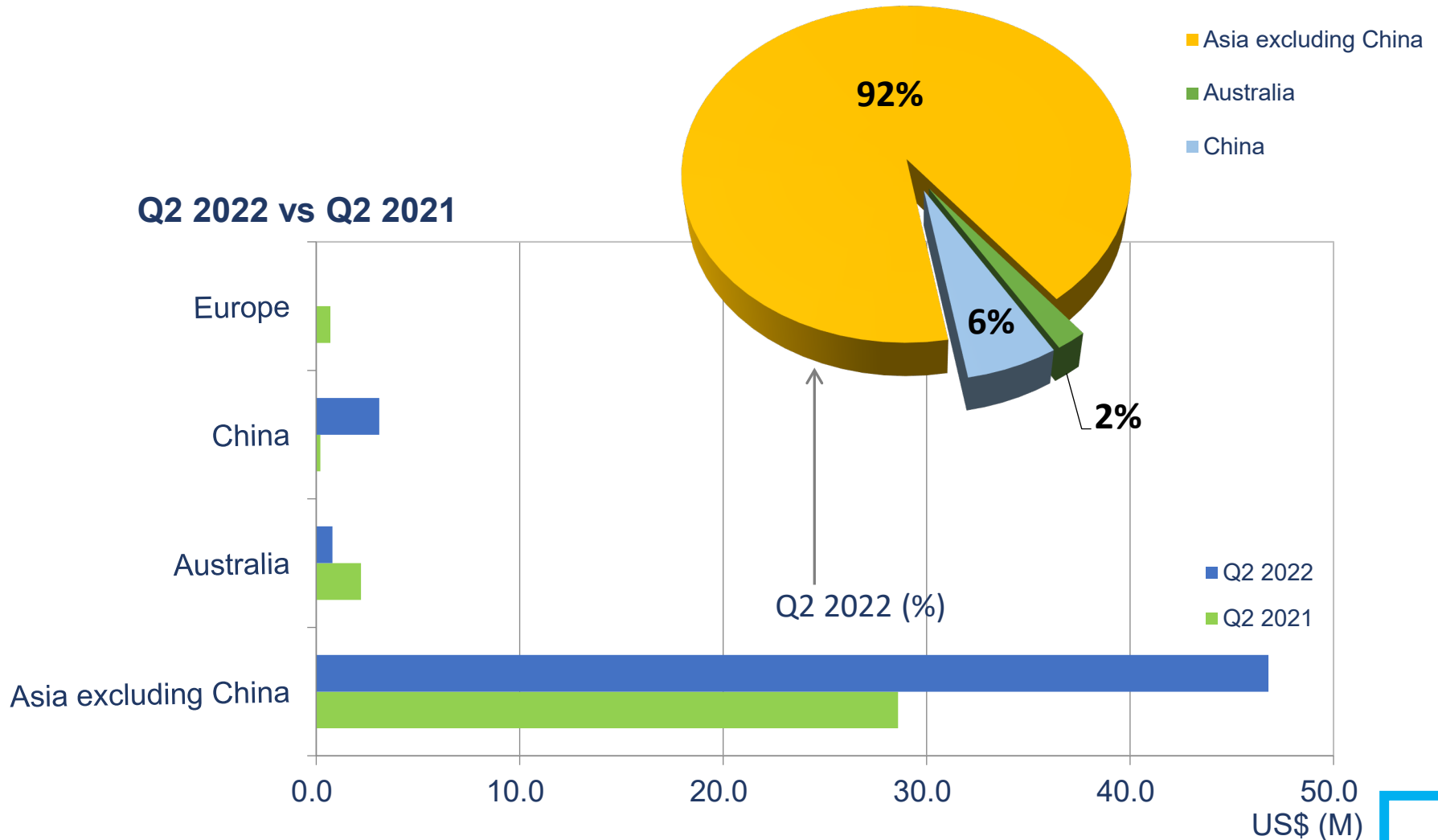
Cargo Volume Analysis Q2 2022



* Including steaming coal and coking coal

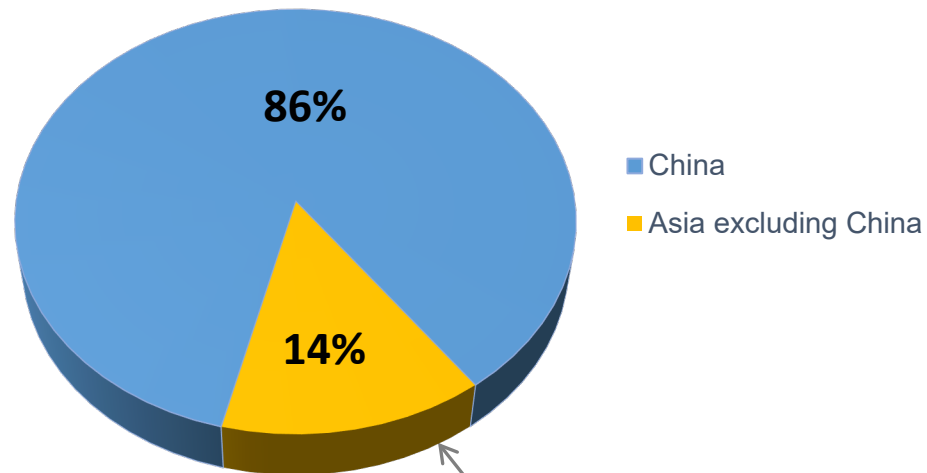
Loading Port Analysis Q2 2022

Chartering revenue expressed by Loading Ports

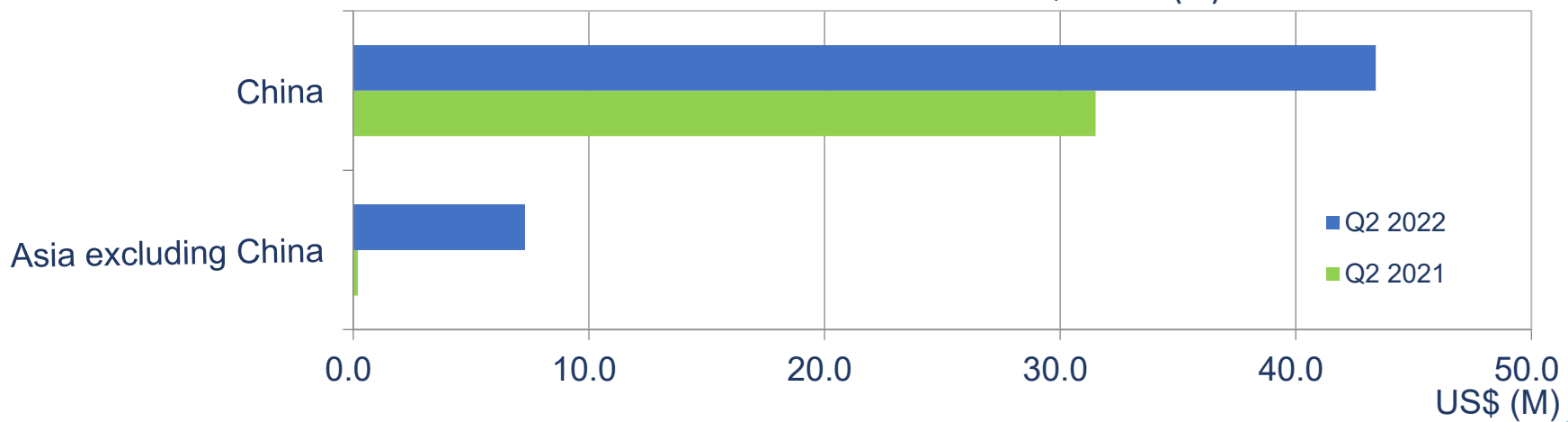


Discharging Port Analysis Q2 2022

Chartering revenue expressed by Discharging Ports



Q2 2022 vs Q2 2021



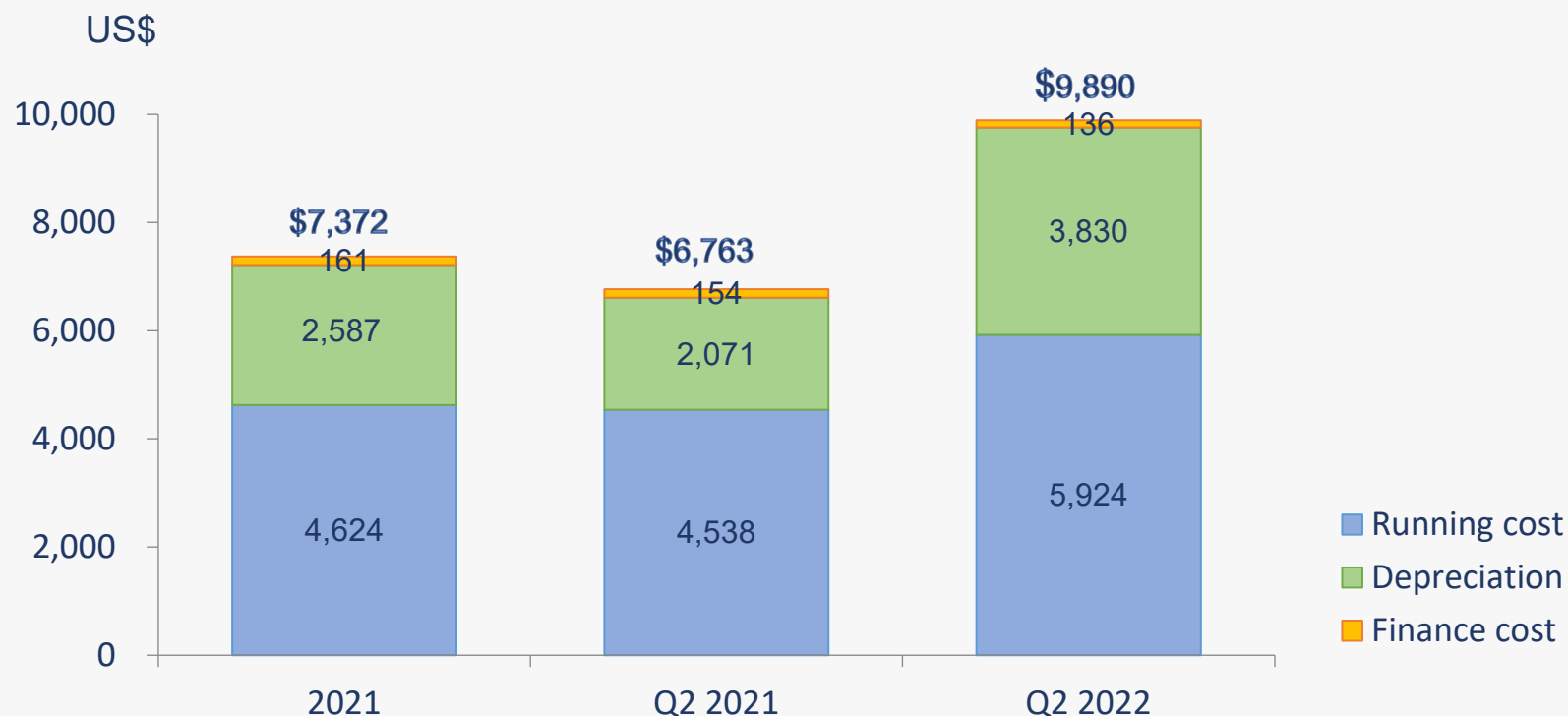
TCE of Jinhui Shipping's Fleet

(Based on information up to 30 June 2022)

| Average daily time charter equivalent rate (TCE) | Q2 2022 | Q2 2021 | 1H 2022 | 1H 2021 | 2021 |
|--|---------|---------|---------|---------|--------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| Post-Panamax / Panamax Fleet | 23,171 | 12,250 | 22,569 | 12,250 | 19,116 |
| Supramax Fleet | 26,544 | 20,000 | 21,988 | 15,182 | 19,247 |
| In average | 26,397 | 19,149 | 22,029 | 14,852 | 19,233 |

Daily Vessel Running Costs of Owned Vessels

(Based on information up to 30 June 2022)



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.

Increase in running costs due to rise in crew wages from inflation and certain other pandemic related manning expenses.

Daily vessel finance cost is calculated as the aggregate of vessels' finance costs divided by ownership days during the period. The decrease during the quarter was mainly due to the drop in interest rate and repayment of secured bank during the period.

Daily vessel depreciation is calculated as the aggregate of vessels' depreciation divided by ownership days during the period. The increase during the quarter was mainly due to the increase in carrying amounts of owned vessels after the recognition of reversal of impairment loss vessels in 2021 and the delivery of acquired owned vessel.

Outlook

- Dry bulk demand expected to weaken in the second half against a backdrop of softening global economy;
- Freight environment to remain healthy, due to robust coal demand for electricity production and minor bulk demand for specialized industrial productions;
- Any additional infrastructure investments and/or resumption of real estate construction in China may lead to further upside;
- Uncertainty over environmental regulations should limit newbuilding orders;
- Remain highly alert to the increasingly frequent economic or geo-political events that will cause volatility.