



JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q3 2022 Results Presentation

28 November 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.

Q3 2022 Financial Highlights

- Revenue for the quarter: US\$40 million
- Net profit for the quarter: US\$0.3 million
- EBITDA: US\$12 million
- Basic earnings per share: US\$0.003
- Gearing ratio as at 30 September 2022: 7%

Highlights – Q3 2022

- Reported net profit of US\$0.3 million;
- Chartering revenue decreased 2% to US\$40 million, due to weakening of dry bulk market during the quarter; while the number of owned and chartered-in vessels was increased as compared to last corresponding quarter in 2021;
- Reported average TCE for Post-Panamax fleet and Supramax fleet of US\$20,607 per day and US\$19,408 per day respectively;
- Net loss of US\$3.8 million on bunker was recognized during the 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;

Highlights – Q3 2022

- Net loss of US\$4.3 million was recognized in current quarter on financial assets at fair value through profit or loss, as compared to net loss of US\$2.9 million from last corresponding quarter;
- During the quarter, drawdown of new secured bank loans of US\$24.4 million for financing the acquisition of vessels and repaid US\$6.1 million of bank borrowings;
- CAPEX of US\$38.8 million, of which US\$25.5 million was paid for a Supramax which was delivered in July 2022 and US\$13.3 million for dry docking and BWTS;
- Contract to acquire two 2014-built Supramaxes, each at a consideration of US\$25.4 million; both vessels were delivered in Q4 2022;
- After the reporting date, two Post-Panamaxes were disposed at a consideration of US\$17.3 million each. Both vessels were delivered to the purchasers in Q4 2022;
- One Supramax was contracted to dispose at consideration of US\$13.3 million and will be delivered in Q4 2022.

Financial Highlights

For the quarter and nine months ended 30 September 2022

US\$'000	Q3 2022 (Unaudited)	Q3 2021 (Unaudited)	9M 2022 (Unaudited)	9M 2021 (Unaudited)	2021 (Audited)
Revenue	39,579	40,405	122,844	88,488	131,069
Net gain on disposal of owned vessels	-	-	6,146	-	-
Reversal of impairment loss on owned vessels	-	-	-	65,521	133,606
EBITDA	12,279	25,070	70,234	124,385	214,984
Operating profit	1,353	19,784	41,608	111,729	196,136
Finance costs	(1,064)	(400)	(1,954)	(1,363)	(1,749)
Net profit for the period / year	289	19,384	39,638	110,139	194,197
Basic earnings per share	US\$0.003	US\$0.177	US\$0.363	US\$1.008	US\$1.777

Key Financial Ratios as at 30 September 2022

	Q3 2022 (Unaudited)	Q3 2021 (Unaudited)	2021 (Audited)
Total assets (US\$'000)	605,060	465,505	547,725
Secured bank loans (US\$'000)	94,888	95,829	92,578
Current ratio ¹	1.31 : 1	1.54 : 1	1.50 : 1
Net gearing ²	7%	N/A	4%
Working Capital (US\$'000)	22,392	43,033	37,887
Available liquidity (US\$'000) ³	62,078	96,314	76,407
Return on equity ⁴	0.06%	5.72%	58%
Return on total assets ⁵	0.05%	4.23%	43%

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

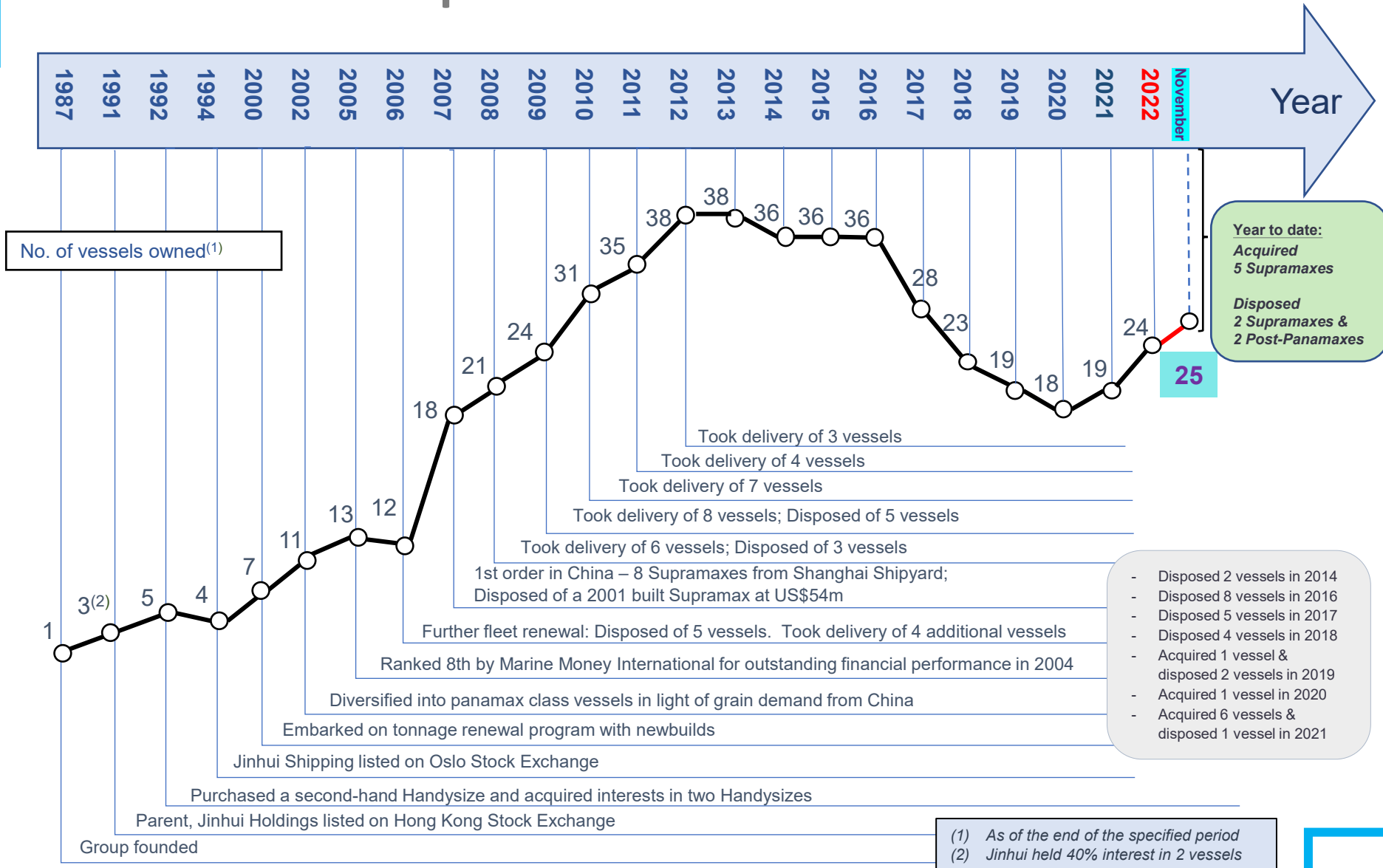
2. Net gearing is calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity. Gearing ratio as at Q3 2021 is not presented due to increase in liquid assets that led to the drop of net debts below zero.

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



Jinhui Fleet of Vessels – 25 owned vessels

Fleet	Size (dwt)	Year built	Shipyard	Fleet	Size (dwt)	Year built	Shipyard
SUPRAMAX							
1 JIN HENG	63,518	2014	Jiangsu Hantong	14 JIN RONG	58,729	2008	Tsuneishi
2 JIN PING	63,485	2014	Jiangsu Hantong	15 JIN SUI	56,968	2008	Shanghai Shipyard
3 JIN CHAO	63,469	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
13 JIN JUN	56,887	2009	Shanghai Shipyard				

- As of 27 November 2022, we are operating 25 owned vessels with total capacity of deadweight 1,425,272 metric tons and average age of 13.04 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 27 November 2022, we are operating 1 chartered-in vessel.

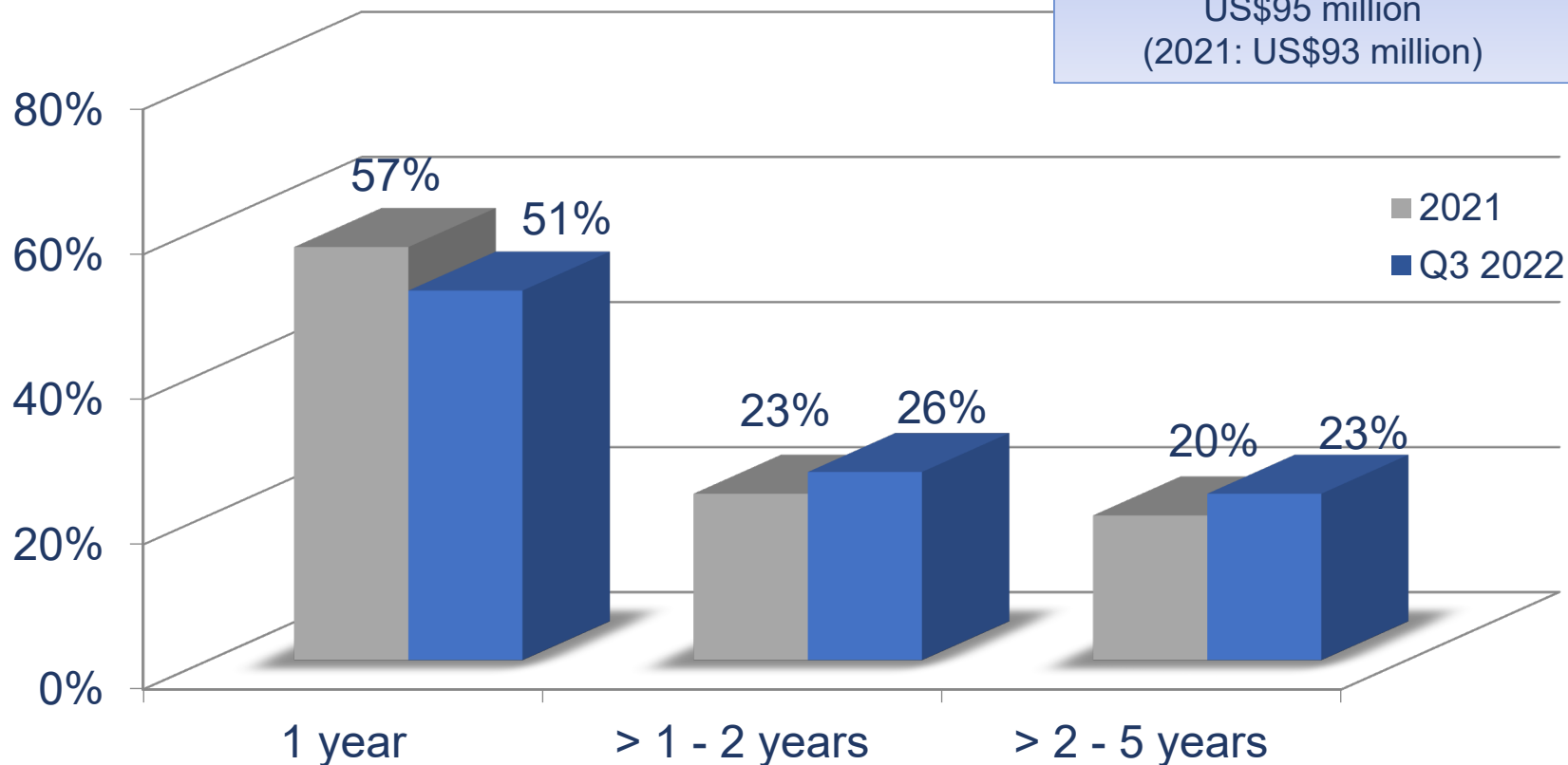
Installation of Ballast Water Treatment Systems

	<u>Fleet</u>	<u>Type</u>	<u>Size (dwt)</u>	<u>Year built</u>	<u>Installation of ballast water treatment systems</u>
1	JIN RONG	Supramax	58,729	2008	Year 2023
2	JIN SUI	Supramax	56,968	2008	Year 2023
3	JIN GANG	Supramax	56,927	2009	Year 2024

Debt Maturity Profile

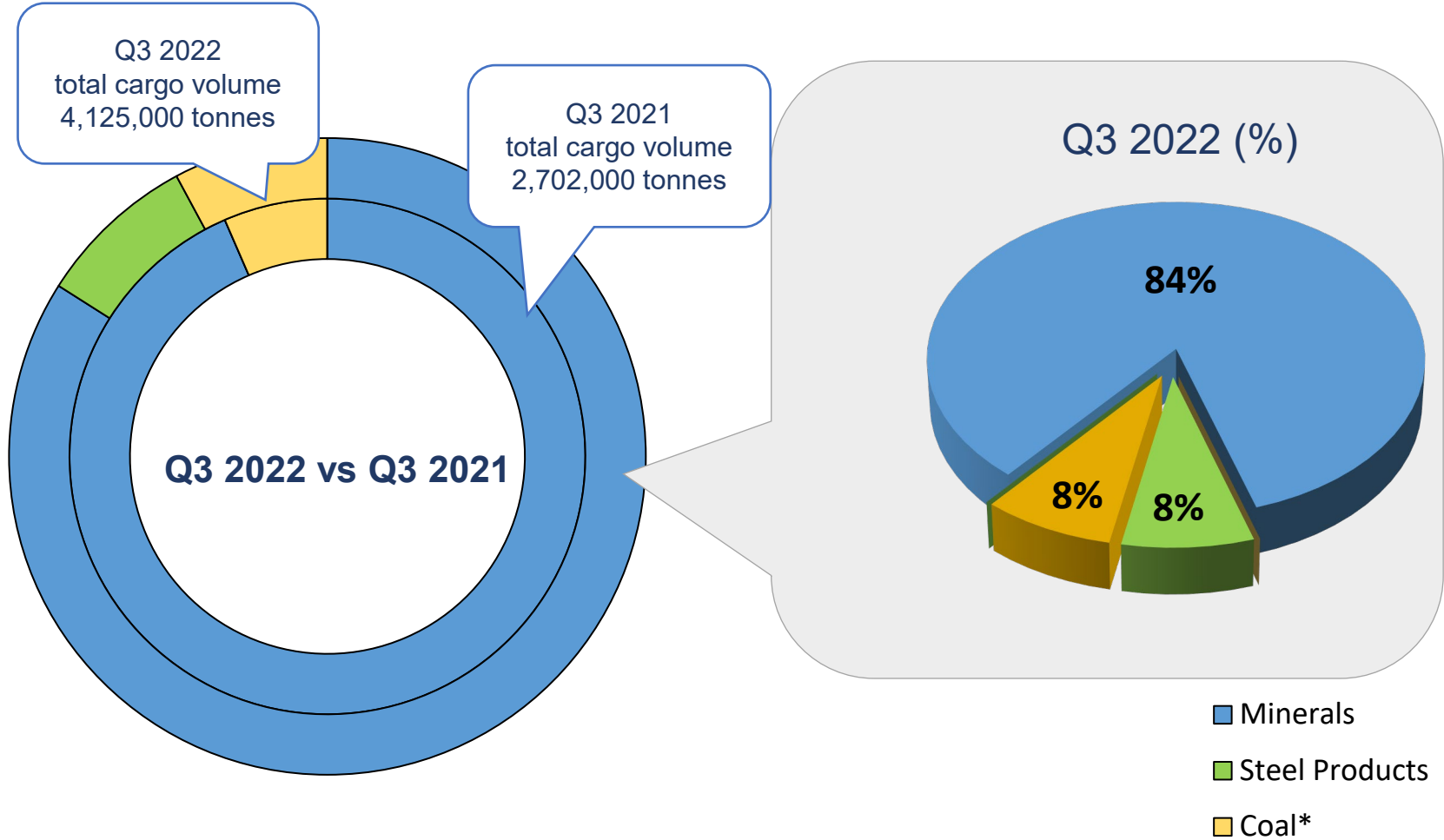
(Based on information up to 30 September 2022)

Total debt as of
30 September 2022:
US\$95 million
(2021: US\$93 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.

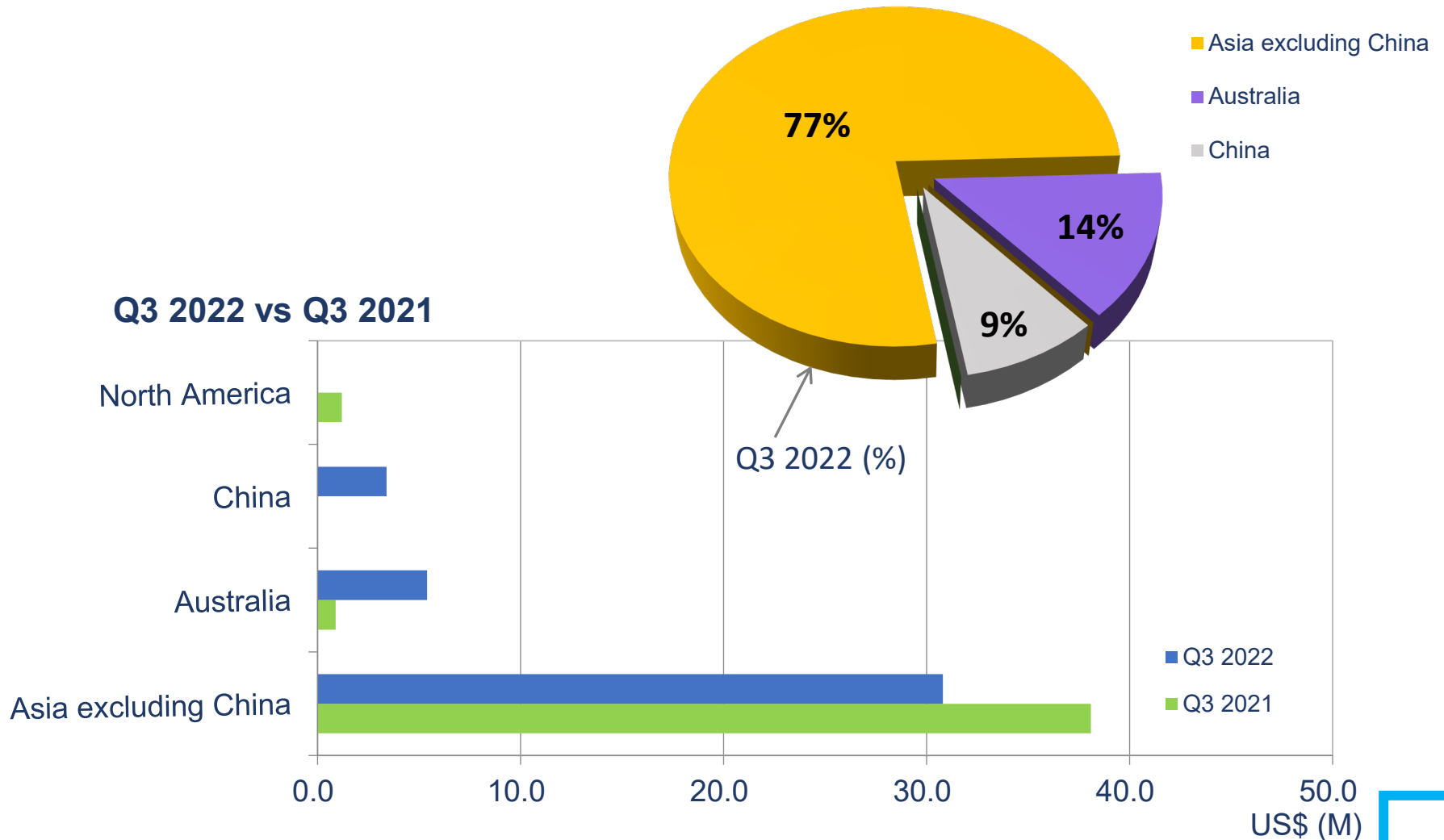
Cargo Volume Analysis Q3 2022



* Including steaming coal and coking coal

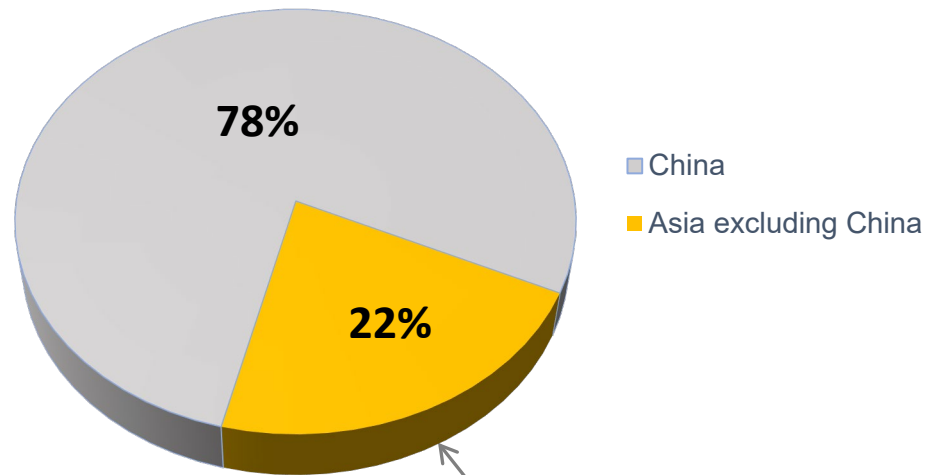
Loading Port Analysis Q3 2022

Chartering revenue expressed by Loading Ports

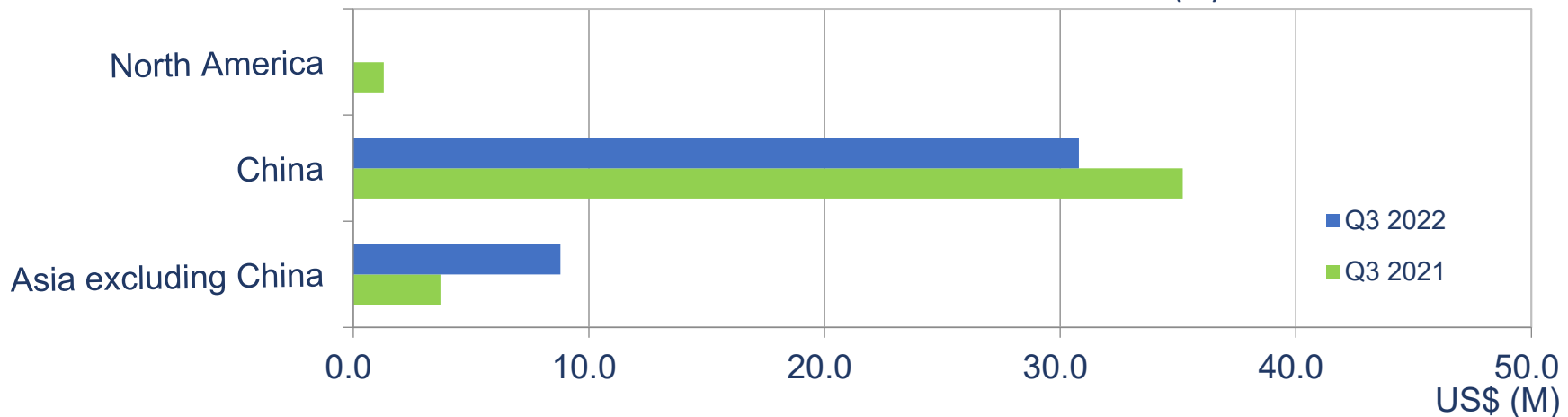


Discharging Port Analysis Q3 2022

Chartering revenue expressed by Discharging Ports



Q3 2022 vs Q3 2021



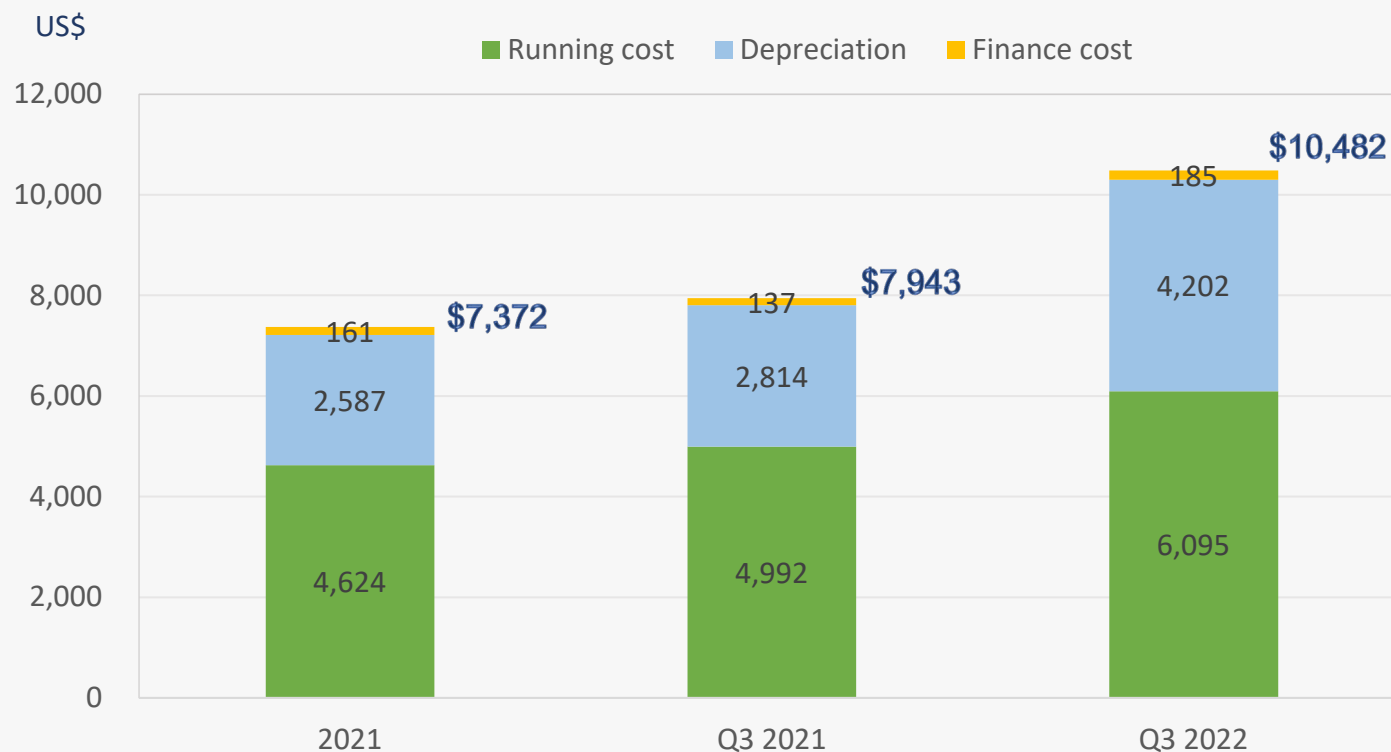
TCE of Jinhui Shipping's Fleet

(Based on information up to 30 September 2022)

Average daily time charter equivalent rate (TCE)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
	US\$	US\$	US\$	US\$	US\$
Post-Panamax / Panamax Fleet	20,607	20,248	21,593	14,806	19,116
Supramax Fleet	19,408	23,963	21,125	18,254	19,247
In average	19,562	23,592	21,168	17,881	19,233

Daily Vessel Running Costs of Owned Vessels

(Based on information up to 30 September 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 daily 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 increase in daily finance cost was mainly due to the rise in interest rate during the quarter.

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, the delivery of acquired owned vessel and increment in capitalized drydocking costs.

Outlook

- Increasing uncertainty in global economic growth;
- Inflationary pressure and interests rate cycle translates to reducing investment appetite across the board;
- Limited newbuilding orders given economic and regulatory outlook both uncertain;
- Geopolitical risks continue to linger;
- Competition for energy and food supplies; and
- Cautiously optimistic in the short term