



JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q4 2022 and 2022 Annual
Results Presentation
28 February 2023

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.

Q4 2022 Financial Highlights

- Revenue for the quarter: US\$30 million
- Net loss for the quarter: US\$47 million, included non-cash impairment loss on owned vessels of US\$49 million
- Basic loss per share: US\$0.428

Year 2022 Financial Highlights

- Revenue for the year: US\$152 million
- Net loss for the year: US\$7 million, included non-cash impairment loss on owned vessels of US\$49 million
- EBITDA: US\$36 million
- Basic loss per share: US\$0.065
- Gearing ratio as at 31 December 2022: 5%
- Proposed final dividend: US\$0.04 per share, with interim dividend of US\$0.03 per share → Full year 2022 dividends : US\$0.07 per share

Highlights – 2022

- Reported consolidated net loss for the year of US\$7 million, including an impairment loss on owned vessels of US\$49 million was recognized in the fourth quarter of 2022;
- Chartering revenue increased 16% to US\$152 million as compared to US\$131 million of last year; mainly due to rebound of market freight rates during the first half of 2022 and the increase in number of owned and chartered-in vessels, partially offset by the downward correction of freight rates during the fourth quarter of 2022;
- Reported average TCE of the Group's fleet was US\$18,813 per day as compared to US\$19,233 per day for 2021;
- Slowdown of global economic growth due to high inflation, increase in interest rates, COVID-19 related issues and multiple geo-political issues during the second half of 2022, about US\$49 million impairment loss on owned vessels was recognized during the fourth quarter 2022;
- Increase in shipping related expenses of 53% mainly due to increase in vessel operating expenses such as crew costs and other pandemic-related manning expenses as well as the increased in number of owned vessels as compared to last corresponding period; Covid-19 continues to impact the running cost of the vessels in 2022, in particular with respect to crewing;

Highlights – 2022

- 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;
- During the year, drawdown of new secured bank loans of US\$66.9 million for financing the acquisition of vessels and repaid US\$76.6 million of bank borrowings;
- CAPEX of US\$140.6 million, mainly on acquisition of vessels, dry docking and BWTS;
- Took delivery of 5 vessels and disposed of 5 vessels during the year.

Financial Highlights

For the quarter and year ended 31 December 2022

US\$'000	Q4 2022 (Unaudited)	Q4 2021 (Unaudited)	2022 (Unaudited)	2021 (Audited)
Revenue	29,622	42,581	152,466	131,069
Net gain (loss) on disposal of owned vessels	(510)	-	5,636	-
Reversal of impairment loss (Impairment loss) on owned vessels	(49,326)	68,085	(49,326)	133,606
EBITDA	(34,019)	90,599	36,215	214,984
Operating profit (loss)	(45,263)	84,407	(3,655)	196,136
Finance costs	(1,484)	(386)	(3,438)	(1,749)
Net profit (loss) for the period / year	(46,751)	84,058	(7,113)	194,197
Basic earnings (loss) per share	US\$(0.428)	US\$0.769	US\$(0.065)	US\$1.777

Key Financial Ratios as at 31 December 2022

	2022 (Unaudited)	2021 (Audited)
Total assets (US\$'000)	538,312	547,725
Secured bank loans (US\$'000)	82,838	92,578
Current ratio ¹	1.64 : 1	1.50 : 1
Net gearing ²	5%	4%
Working Capital (US\$'000)	34,153	37,887
Available liquidity (US\$'000) ³	61,504	76,407

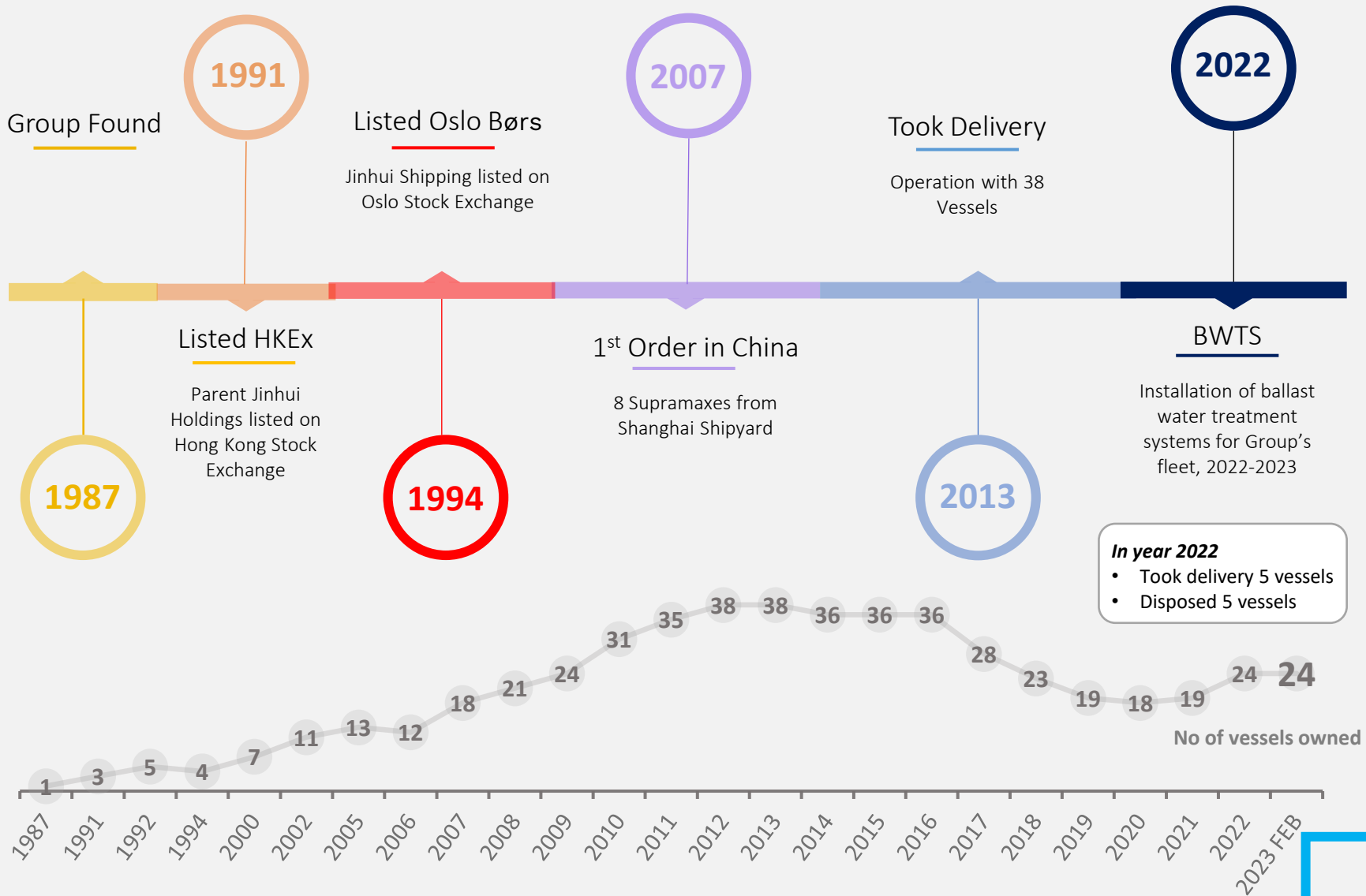
1. Current ratio is calculated based on current assets divided by current liabilities.

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

(Based on information up to 27 February 2023)



Jinhui Fleet of Vessels – 24 owned vessels

SUPRAMAX									
Fleet	Size (dwt)	Year built	Shipyard	Fleet	Size (dwt)	Year built	Shipyard		
1	JIN HENG	63,518	2014	Jiangsu Hantong	13	JIN JUN	56,887	2009	Shanghai Shipyard
2	JIN PING	63,485	2014	Jiangsu Hantong	14	JIN RONG	58,729	2008	Tsuneishi
3	JIN CHAO	63,469	2014	Jiangsu Hantong	15	JIN SUI	56,968	2008	Shanghai Shipyard
4	JIN XIANG	61,414	2012	Oshima	16	JIN TONG	56,952	2008	Shanghai Shipyard
5	JIN MAO	56,469	2012	Jiangsu Hantong	17	JIN AN	55,866	2007	Kawasaki
6	JIN BI	56,361	2012	Jiangsu Hantong	18	JIN SHUN	53,350	2007	Shanghai Shipyard
7	JIN HONG	61,414	2011	Oshima	19	JIN YUAN	55,496	2007	Oshima
8	JIN YUE	56,934	2010	Shanghai Shipyard	20	JIN YI	55,496	2007	Oshima
9	JIN AO	56,920	2010	Shanghai Shipyard	21	JIN XING	55,496	2007	Oshima
10	JIN GANG	56,927	2009	Shanghai Shipyard	22	JIN QUAN	52,525	2006	Tsuneishi
11	JIN JI	56,913	2009	Shanghai Shipyard	23	JIN SHENG	52,050	2006	IHI
12	JIN WAN	56,897	2009	Shanghai Shipyard	24	JIN FENG	52,686	2004	Oshima

- As of 27 February 2023, we are operating 24 owned vessels with total capacity of deadweight 1,373,222 metric tons and average age of 12.83 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/Kamsarmax	84,484	2022	Jun 2022	Feb 2029

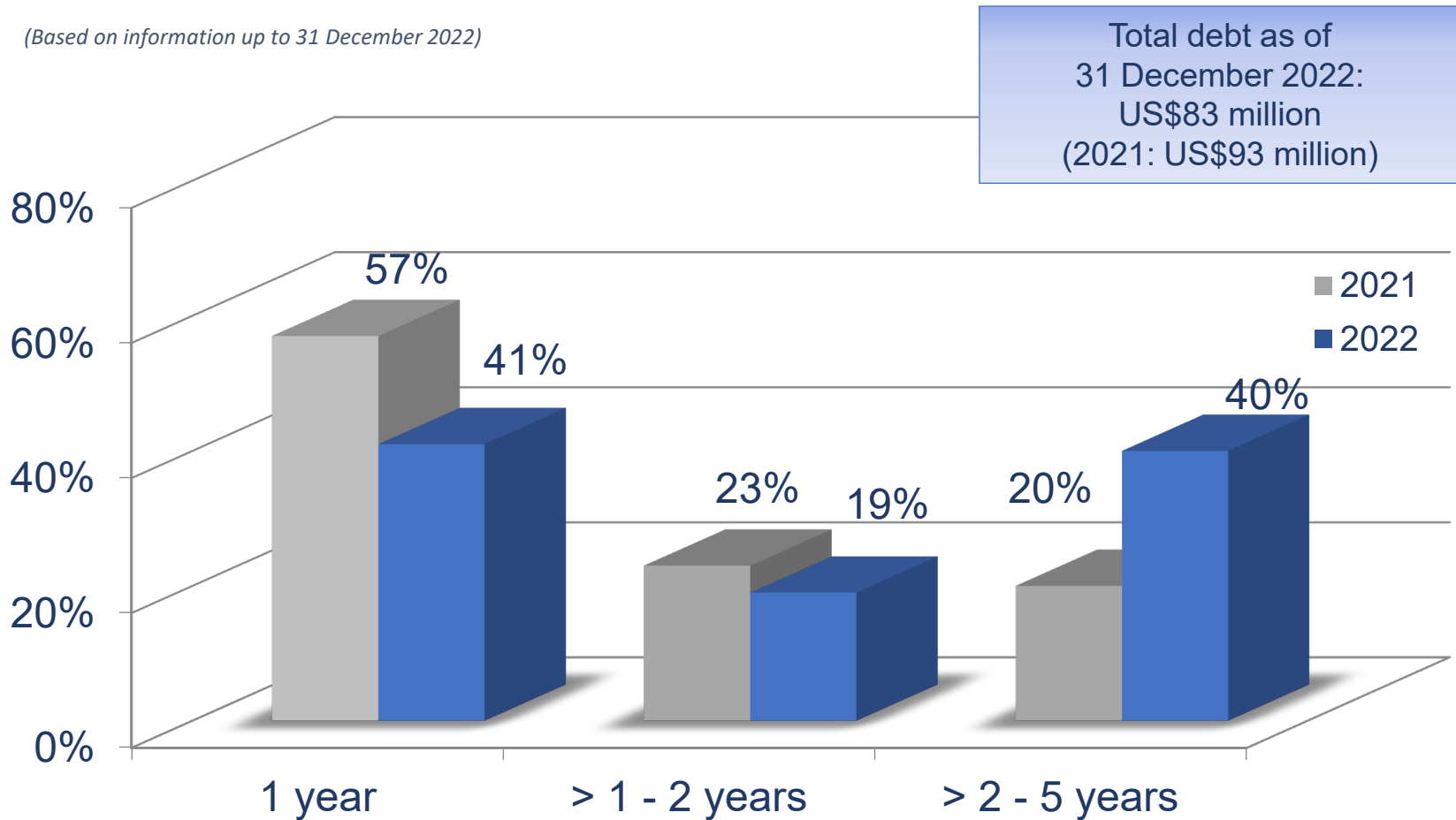
➤ As of 27 February 2023, we are operating 1 chartered-in vessel.

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

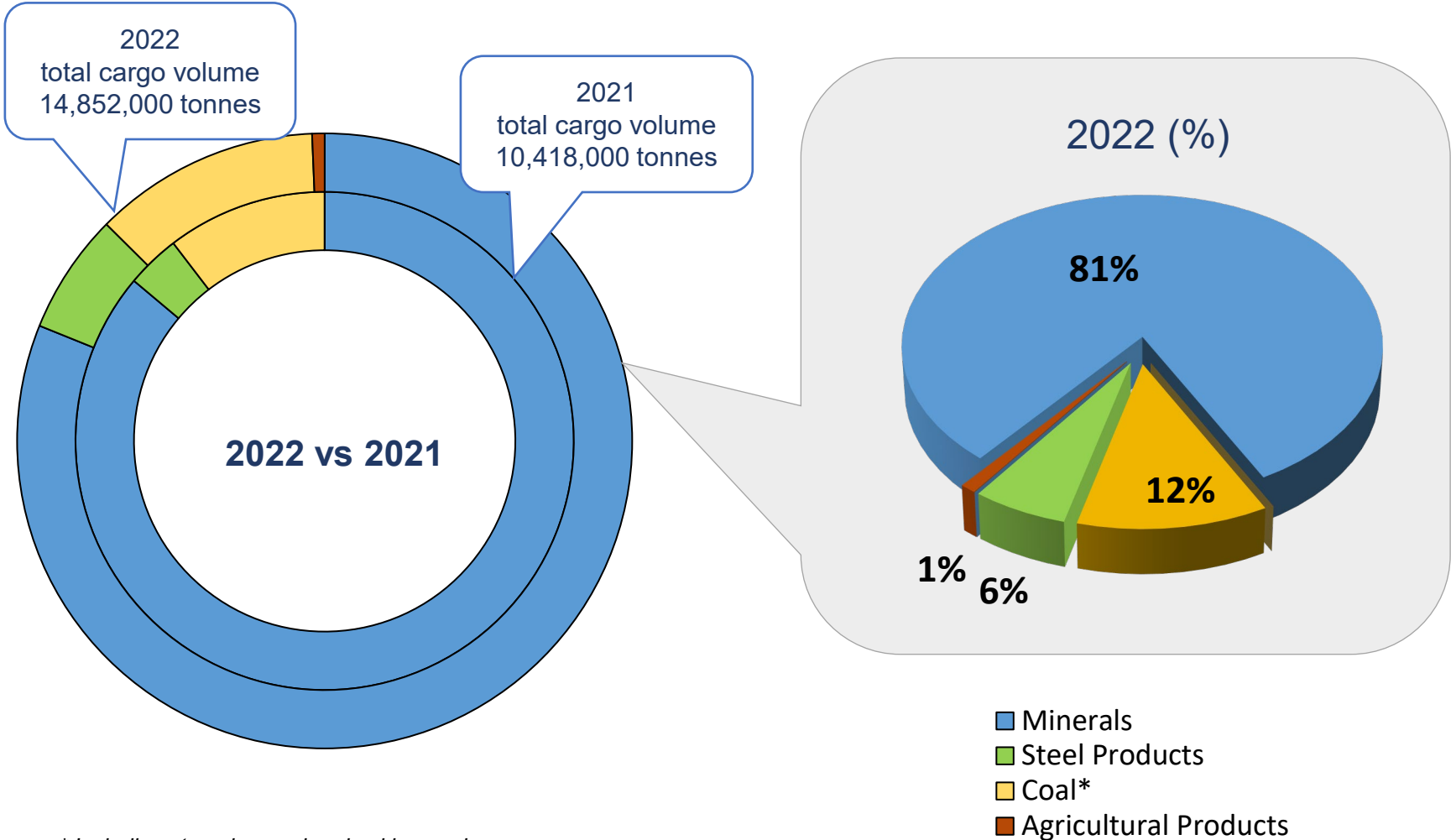
Debt Maturity Profile

(Based on information up to 31 December 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 and financial assets at fair value through profit or loss to secure credit facilities utilized by the Group.

Cargo Mix Analysis 2022

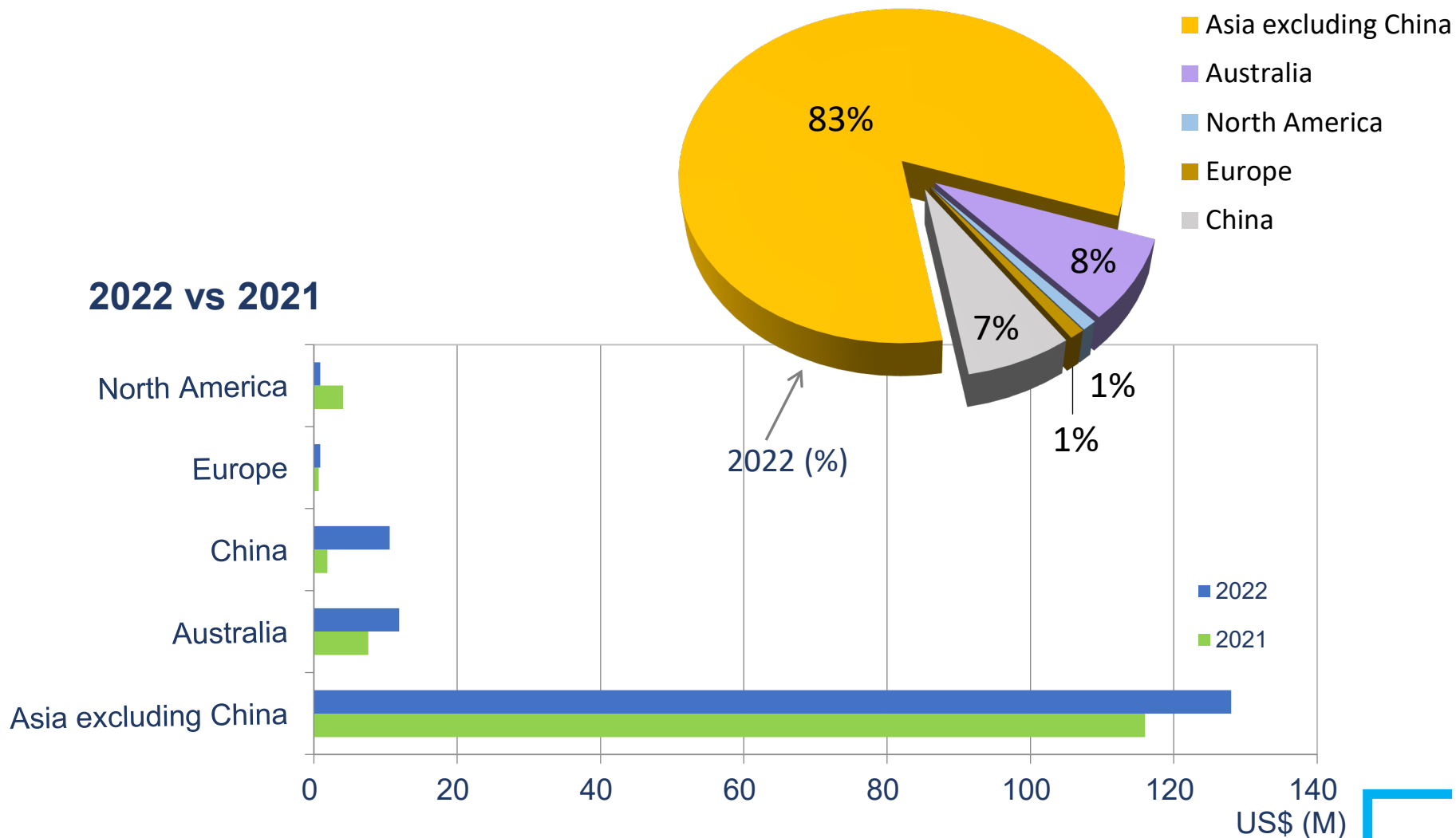


* Including steaming coal and coking coal

Distribution of Cargo

Loading Port Analysis 2022

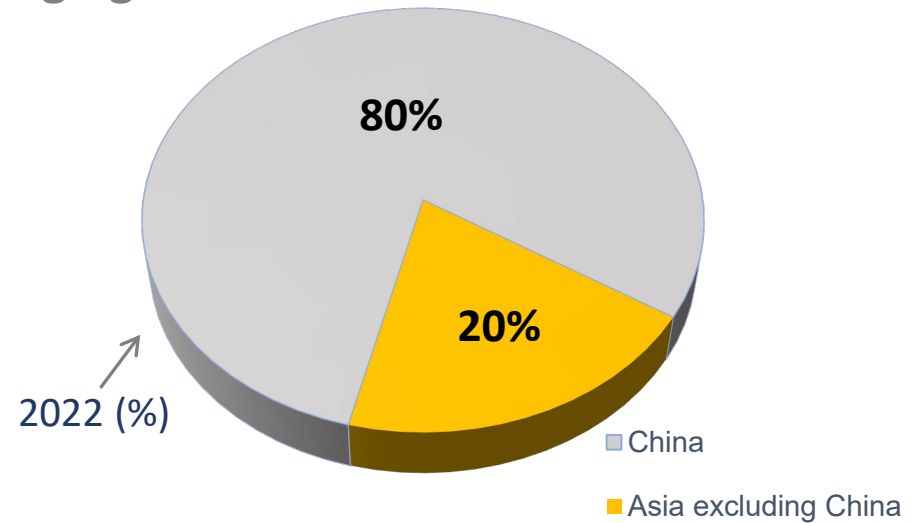
Chartering revenue expressed by Loading Ports



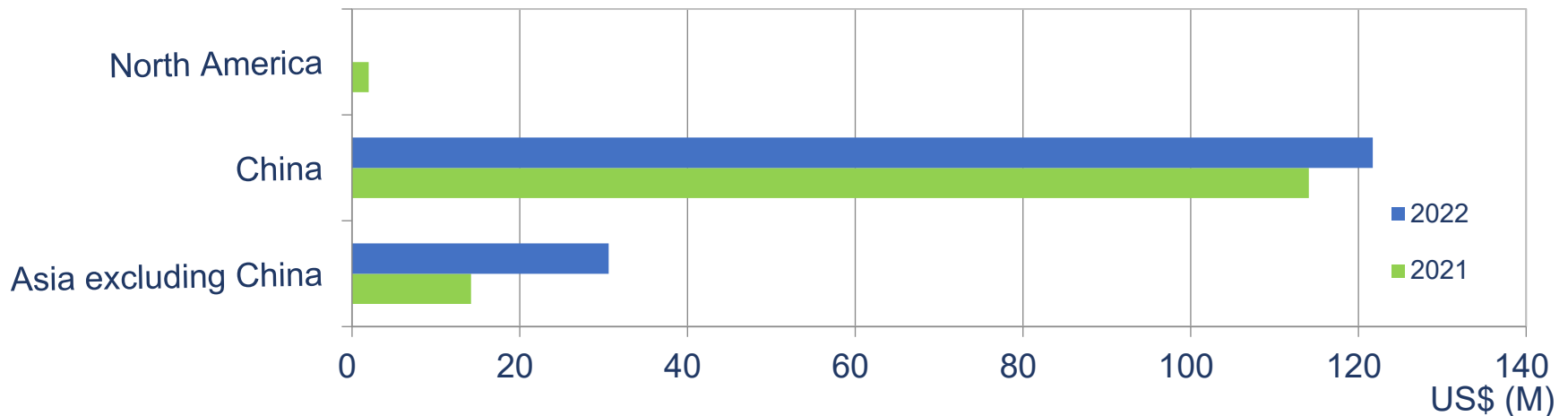
Distribution of Cargo

Discharging Port Analysis 2022

Chartering revenue expressed by Discharging Ports



2022 vs 2021



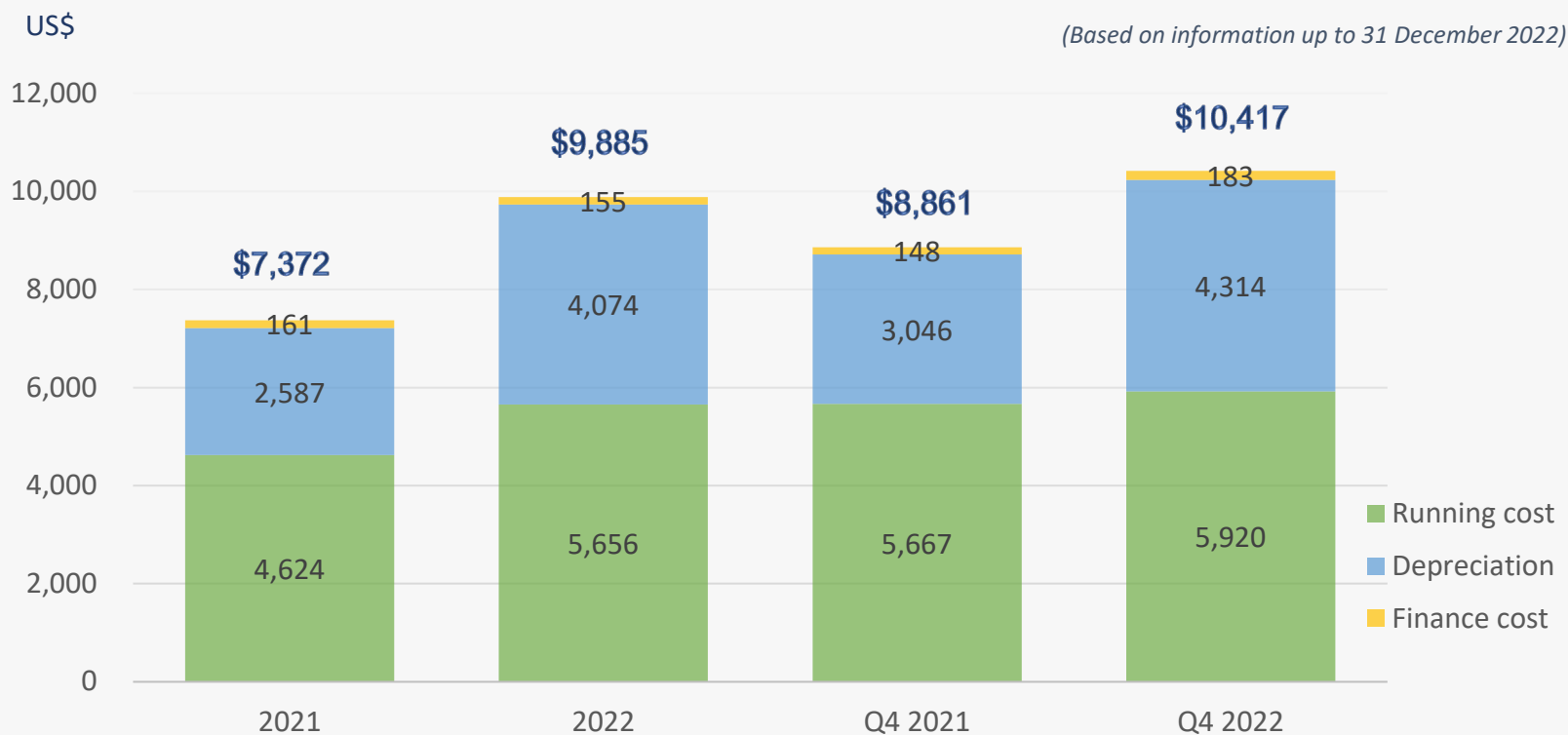
TCE of Jinhui Shipping's Fleet

(Based on information up to 31 December 2022)

Average daily time charter equivalent rate (TCE)	Q4 2022	Q4 2021	2022	2021
	US\$	US\$	US\$	US\$
Post-Panamax / Panamax Fleet	16,168	31,580	20,180	19,116
Supramax Fleet	12,591	21,845	18,681	19,247
In average	12,879	22,808	18,813	19,233

- TCE rate dropped from a peak of US\$22,029 in average for the first half of 2022 to US\$18,813 for the year 2022 mainly attributable to the slow down of dry bulk market as a result of higher inflation and increase in interest rates, the COVID-19 related issues as well as multiple geo-political issues that dampened economic activities globally.

Daily Vessel Running Costs of Owned Vessels



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.

Daily vessel depreciation is calculated as the aggregate of vessels' depreciation divided by ownership days during the period. The increase during the year 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

- Economic stimulus polices;
- Resolving geopolitical conflicts will increase confidence;
- Supply side in check, downside protection;
- Full post COVID-19 recovery yet to show true colors;
- Short term volatility expected;
- Fleet ready to capture long term positive outlook; and
- Continuous fleet renewal when opportunity arise.