



# JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q3 2016 Results Presentation  
30 November 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

## Q3 2016 Financial Highlights

- Revenue for the quarter dropped 21% to US\$19 million
- Net loss for the quarter : US\$29 million  
(included non-cash impairment loss on assets held for sale of US\$25 million)
- EBITDA \*: US\$6.4 million
- Basic loss per share: US\$0.339
- Gearing ratio as at 30 September 2016: 56%

## Q3 2016 Fleet Development

- Two Supramaxes which were contracted to dispose in Q2 2016 was delivered to the purchasers in Q3 2016;
- Contract to dispose 1 Panamax, 2 Supramaxes and 1 Handymax in Q3 2016 with total consideration of US\$44.8m; these vessels were all delivered to the purchasers by end of November 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 nine months ended 30 September 2016

US\$'000	Q3 2016 (Unaudited)	Q3 2015 (Unaudited)	QoQ	9M 2016 (Unaudited)	9M 2015 (Unaudited)	YoY
Revenue	19,000	24,171	-21%	44,023	66,580	34%
EBITDA *	6,435	(17,419)	137%	965	3,816	-75%
Impairment loss on assets held for sale	(25,030)	-	-	(37,582)	-	-
Operating loss **	(27,158)	(31,149)	13%	(63,868)	(36,619)	-74%
Net loss for the quarter / period	(28,507)	(32,389)	12%	(67,651)	(40,314)	-68%
Basic loss per share	US\$(0.339)	US\$(0.385)	12%	US\$(0.805)	US\$(0.480)	-68%

• 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 Q3 and nine-month of 2016 included impairment loss on assets held for sale recognized upon reclassification of vessels for which the Group entered into disposal agreements during the period

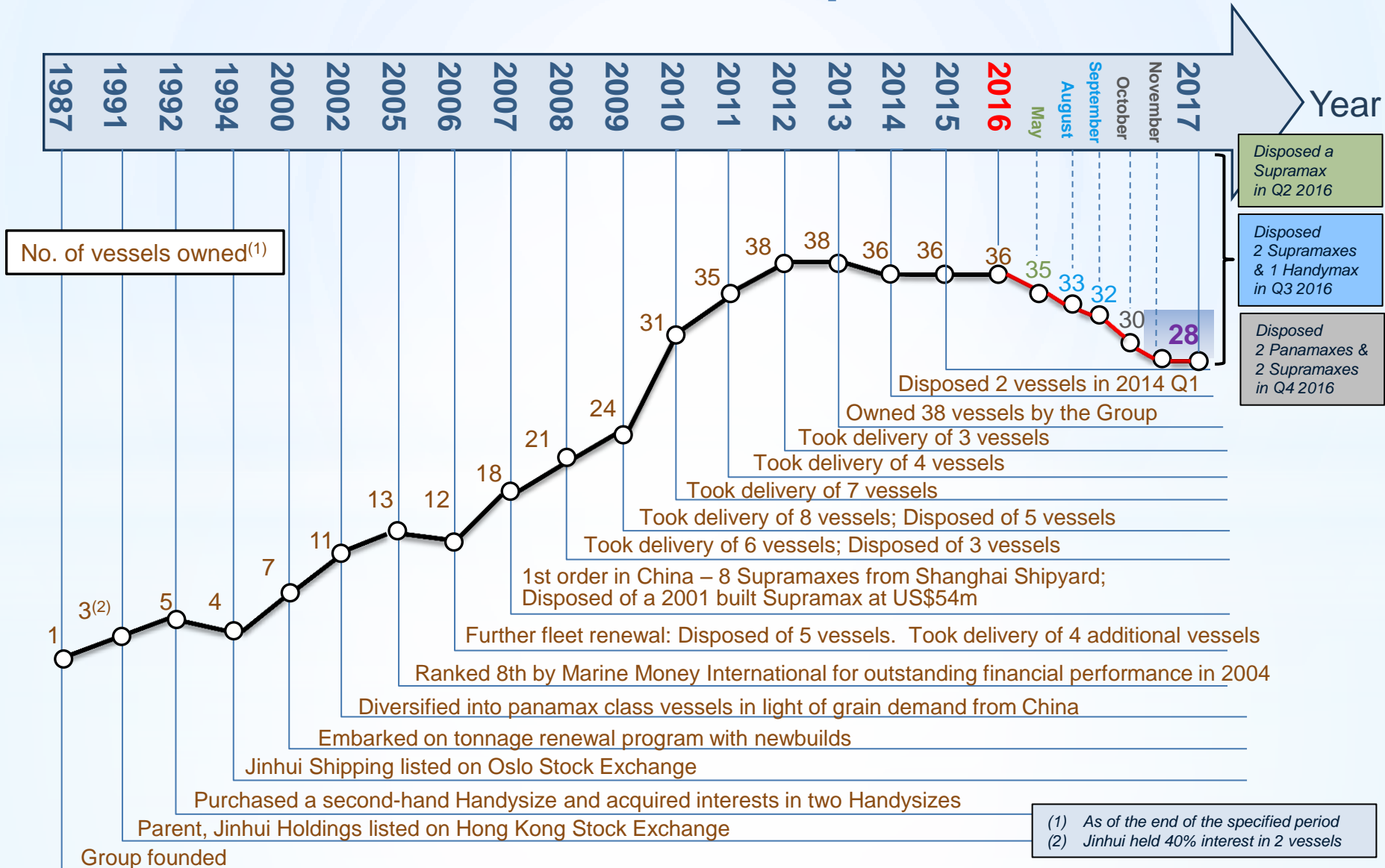
# Key Financial Ratios

## As at 30 September 2016

	Q3 2016 (Unaudited)	Q3 2015 (Unaudited)	2015 (Audited)
Total assets (US\$'000)	634,903	1,133,340	759,404
Total debt borrowings (US\$'000)	264,192	348,863	317,483
Return on equity <sup>1</sup>	-7.92%	-4.22%	-62.83%
Return on total assets <sup>2</sup>	-4.29%	-2.79%	-38.16%
Net gearing <sup>3</sup>	56%	27%	47%
Available liquidity (US\$'000) <sup>4</sup>	70,711	146,753	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



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

# 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 Xiang	Supramax	61,414	2012	Oshima
4 Jin Hong	Supramax	61,414	2011	Oshima
5 Jin Feng	Supramax	57,352	2011	STX (Dalian)
6 Jin Yue	Supramax	56,934	2010	Shanghai Shipyard
7 Jin Ao	Supramax	56,920	2010	Shanghai Shipyard
8 Jin Heng	Supramax	55,091	2010	Nantong Kawasaki
9 Jin Gang	Supramax	56,927	2009	Shanghai Shipyard
10 Jin Ji	Supramax	56,913	2009	Shanghai Shipyard
11 Jin Wan	Supramax	56,897	2009	Shanghai Shipyard
12 Jin Jun	Supramax	56,887	2009	Shanghai Shipyard
13 Jin Mao	Supramax	54,768	2009	Oshima
14 Jin Shun	Supramax	54,768	2009	Oshima
15 Jin Sui	Supramax	56,968	2008	Shanghai Shipyard
16 Jin Tong	Supramax	56,952	2008	Shanghai Shipyard
17 Jin Yuan	Supramax	55,496	2007	Oshima
18 Jin Yi	Supramax	55,496	2007	Oshima
19 Jin Xing	Supramax	55,496	2007	Oshima
20 Jin Sheng	Supramax	52,050	2006	IHI
21 Jin Yao	Supramax	52,050	2004	IHI
22 Jin Cheng	Supramax	52,961	2003	Oshima
23 Jin Quan	Supramax	51,104	2002	Oshima
24 Jin Ping	Supramax	50,777	2002	Oshima
25 Jin Fu	Supramax	50,777	2001	Oshima
26 Jin Li	Supramax	50,777	2001	Oshima
27 Jin Zhou	Supramax	50,209	2001	Mitsui
28 Jin Yu	Handysize	38,462	2012	Naikai Zosen

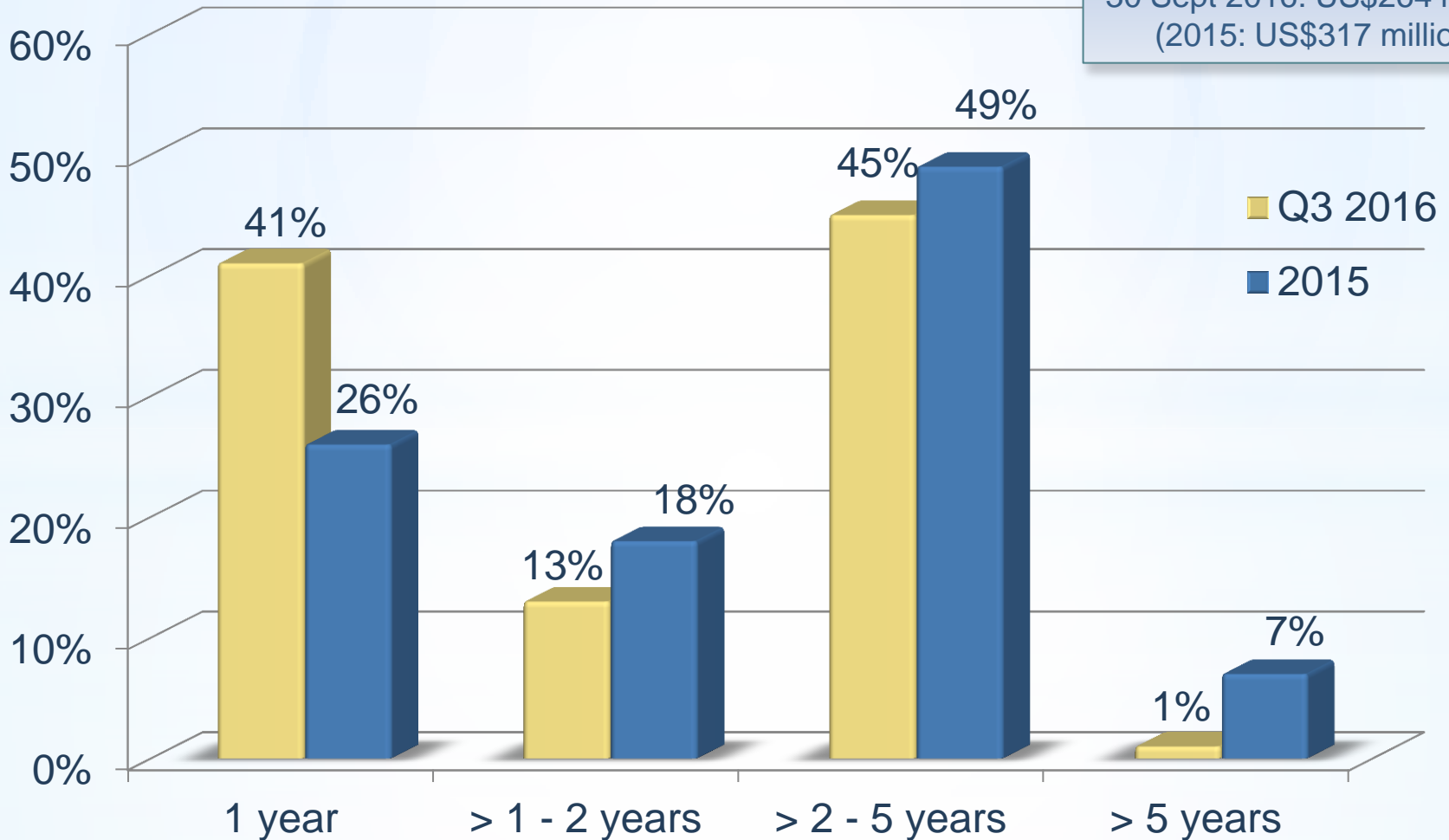
As of 29 November 2016,  
Total capacity : 1,602,343 dwt  
Average age: 9.6 years

- As of 29 November 2016, 8 vessels were disposed at total consideration of US\$65.1m;
- Enhance the liquidity position and reduce the indebtedness of the Group

# Debt Maturity Profile

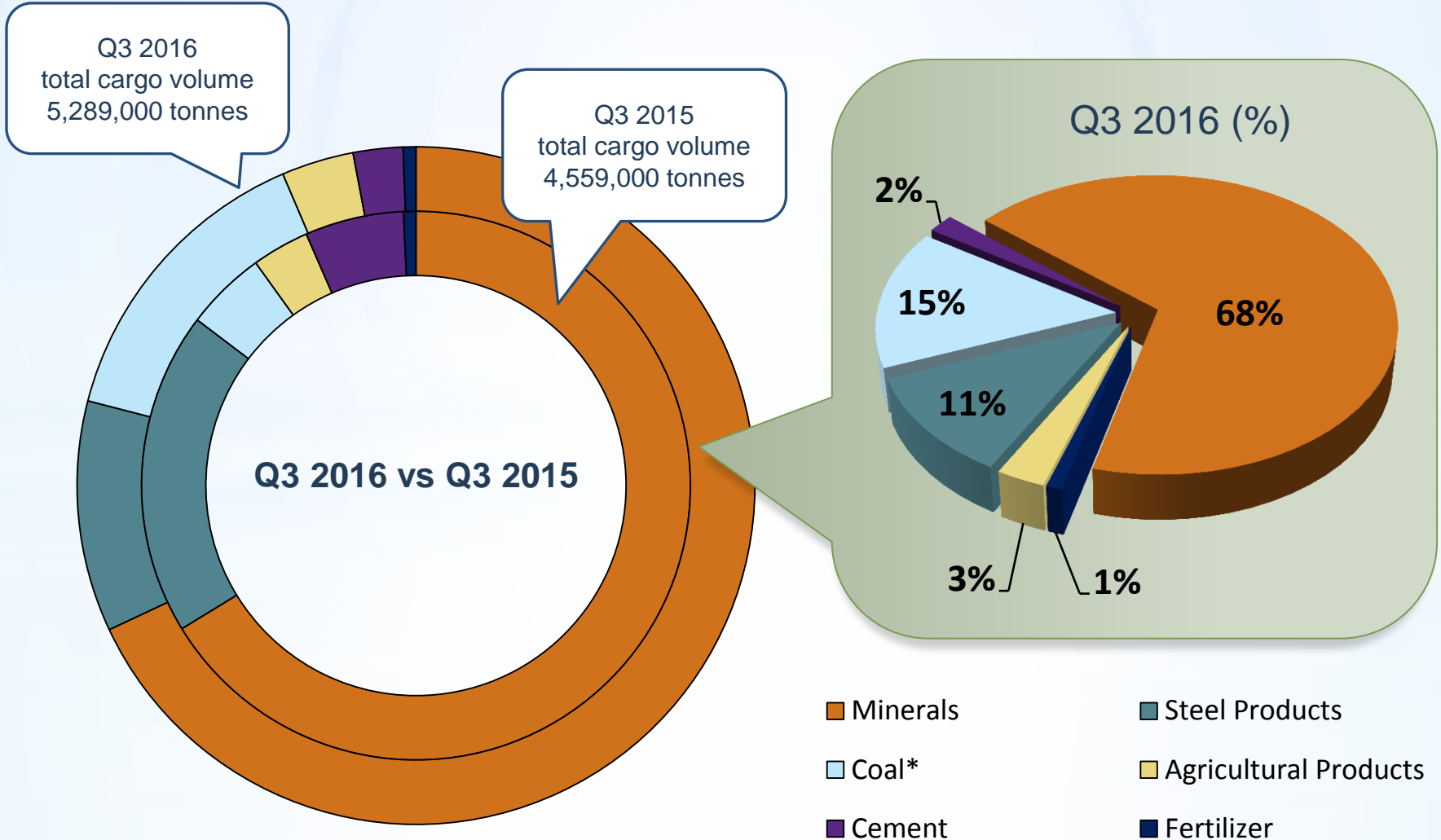
(Based on information up to 30 September 2016)

Total debt as of  
30 Sept 2016: US\$264 million  
(2015: US\$317 million)





# Cargo Volume Analysis Q3 2016



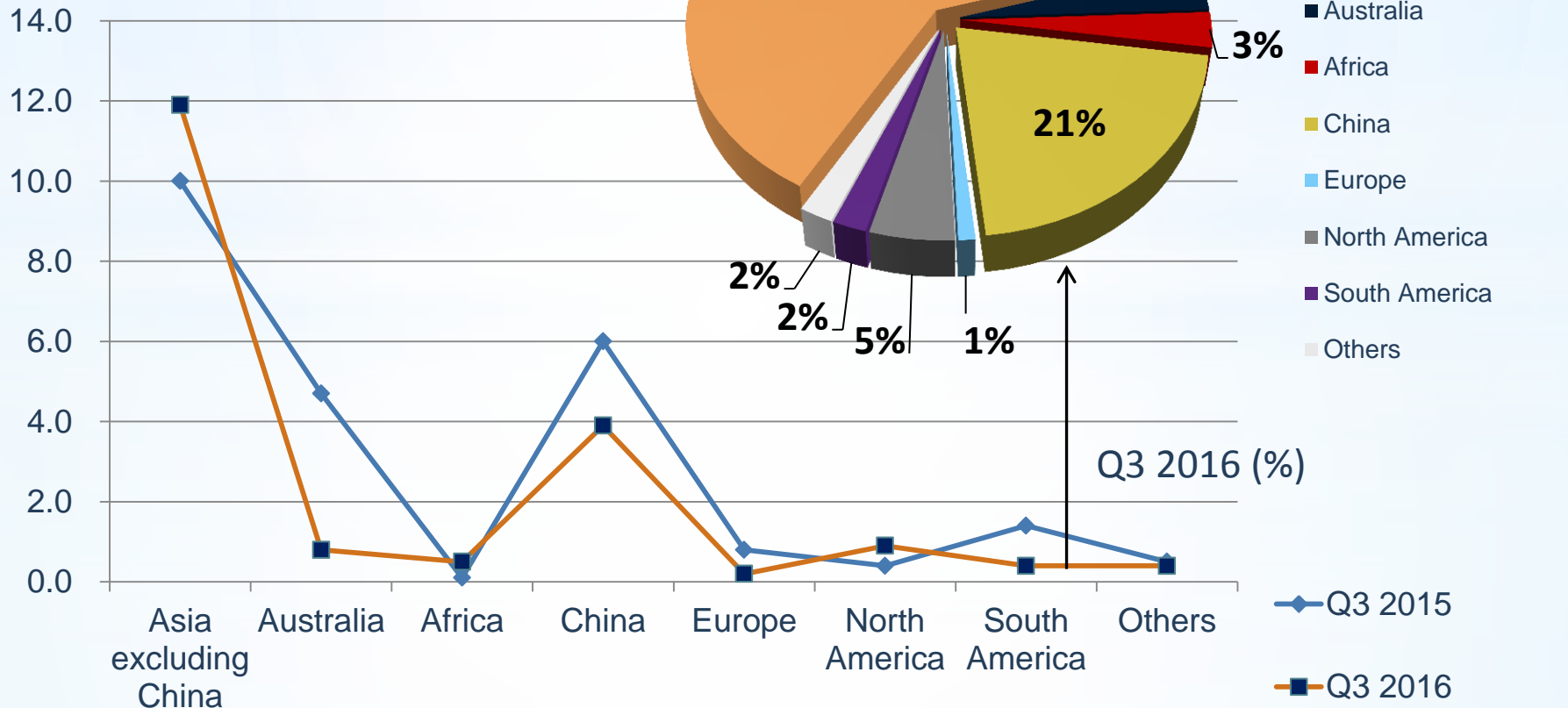
\* Including steaming coal and coking coal

# Loading Port Analysis Q3 2016

## Chartering revenue expressed by loading ports

### Q3 2016 vs Q3 2015

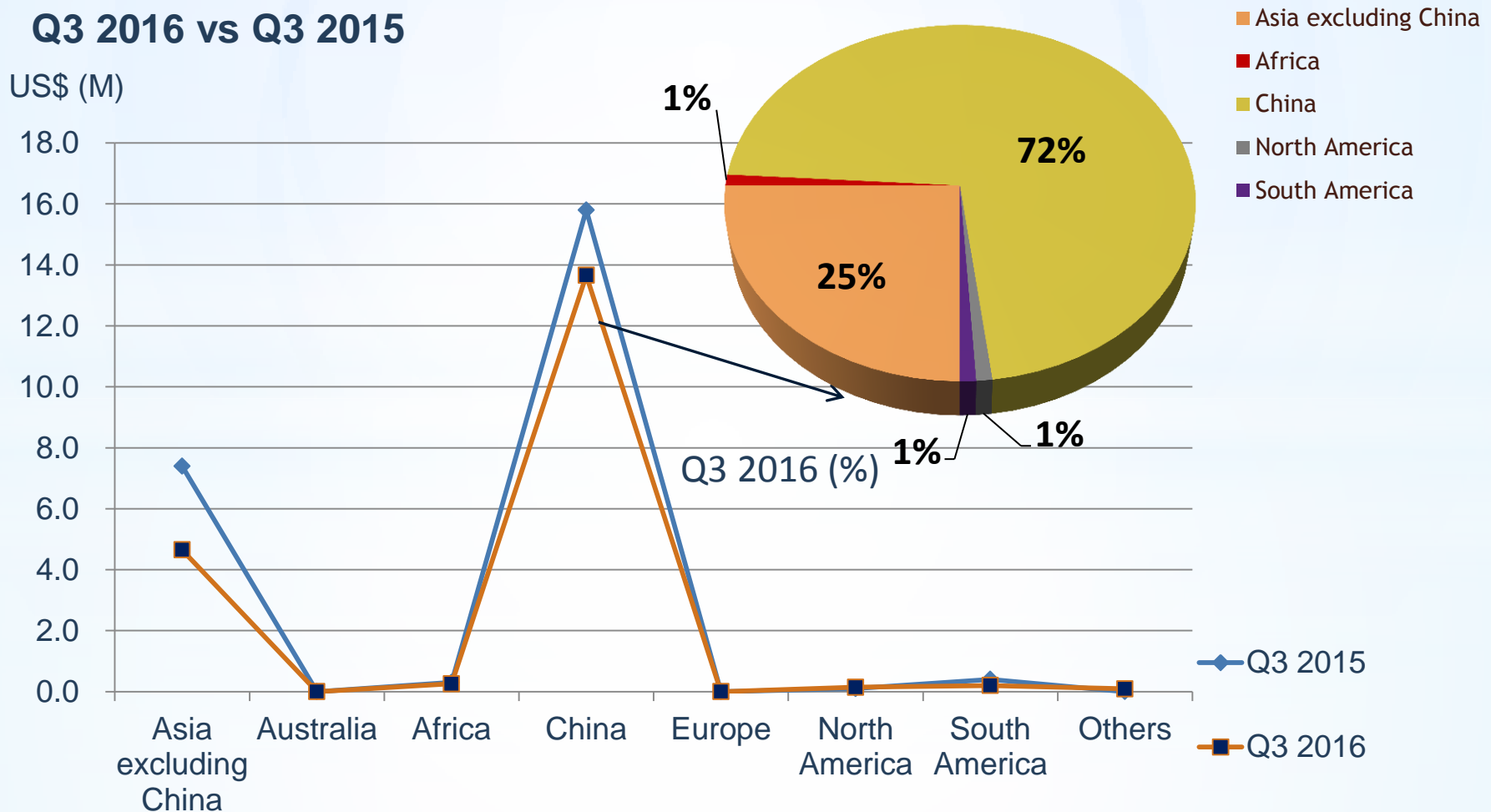
US\$ (M)



# Discharging Port Analysis Q3 2016

## Chartering revenue expressed by discharging ports

### Q3 2016 vs Q3 2015



# TCE of Jinhui Shipping's Fleet

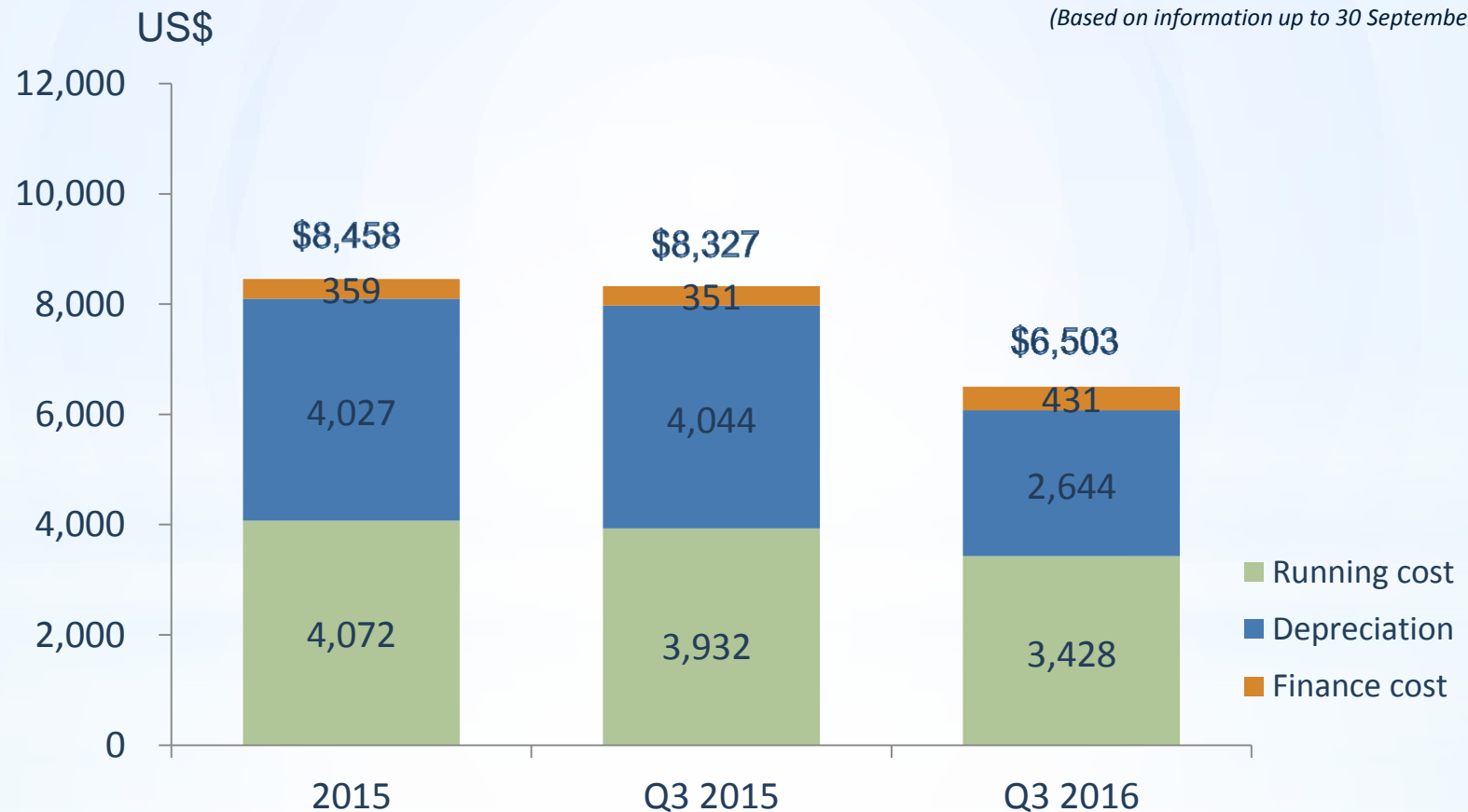
(Based on information up to 30 September 2016)

Average daily time charter equivalent rate (TCE)	2016 Q3	2015 Q3	9M 2016	9M 2015	2015
	US\$	US\$	US\$	US\$	US\$
Post-Panamax / Panamax Fleet	5,285	7,228	4,066	5,457	5,456
Supramax / Handymax / Handysize Fleet	6,319	7,006	4,681	6,797	6,519
In average	<b>6,195</b>	<b>7,027</b>	<b>4,609</b>	<b>6,667</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 September 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\$3,932 for Q3 2015 to US\$3,428 for Q3 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.