



# JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q4 2016 and 2016 Annual  
Results Presentation  
27 February 2017

# 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.

# Financial Highlights

## Q4 2016

- Revenue for the quarter : US\$16 million
- Net loss for the quarter : US\$121 million (included non-cash impairment losses on assets held for sale (disposed vessels) of US\$7.9 million and on owned vessels of US\$113 million)
- Basic loss per share: US\$1.445

## Year 2016

- Revenue for the year : US\$60 million
- Net loss for the year : US\$189 million (included non-cash impairment losses on assets held for sale (disposed vessels) of US\$45 million and on owned vessels of US\$113 million)
- Basic loss per share: US\$2.250
- Gearing ratio as at 31 December 2016: 61%

# Highlights

- 8 vessels (2 Panamaxs, 5 Supramaxes and 1 Handymax) were disposed and delivered during the year at total consideration of US\$65.1m;
- Contract to dispose 4 Supramaxes in Q1 2017 with total consideration of US\$48m; these vessels will be delivered to the purchasers in Q2 2017;
- An intercreditor deed was executed in Q4 2016 between the Company, 25 wholly-owned subsidiaries and 4 major lenders;
- Rescheduling the indebtedness allow the Group to preserve liquidity and financial resources to weather the unprecedented storm in dry bulk shipping market.

# Financial Highlights

For the quarter and year ended 31 December 2016

US\$'000	Q4 2016 (Unaudited)	Q4 2015 (Unaudited)	QoQ	2016 (Unaudited)	2015 (Audited)	YoY
Revenue	15,932	19,723	-19%	59,955	86,303	-31%
Impairment loss on owned vessels	(113,010)	(325,011)	65%	(113,010)	(325,011)	65%
Impairment loss on assets held for sale	(7,880)	-	-	(45,462)	-	-
Operating loss **	(120,108)	(337,278)	64%	(183,976)	(373,897)	51%
Net loss for the quarter / year	(121,440)	(338,429)	64%	(189,091)	(378,743)	50%
Basic loss per share	US\$(1.445)	US\$(4.027)	64%	US\$(2.250)	US\$(4.506)	50%

\*\* Operating loss for Q4 and 2016 included annual test on impairment loss on owned vessels and impairment loss on assets held for sale recognized upon reclassification to assets held for sale of vessels for which the Group entered into disposal agreements during the period/year.

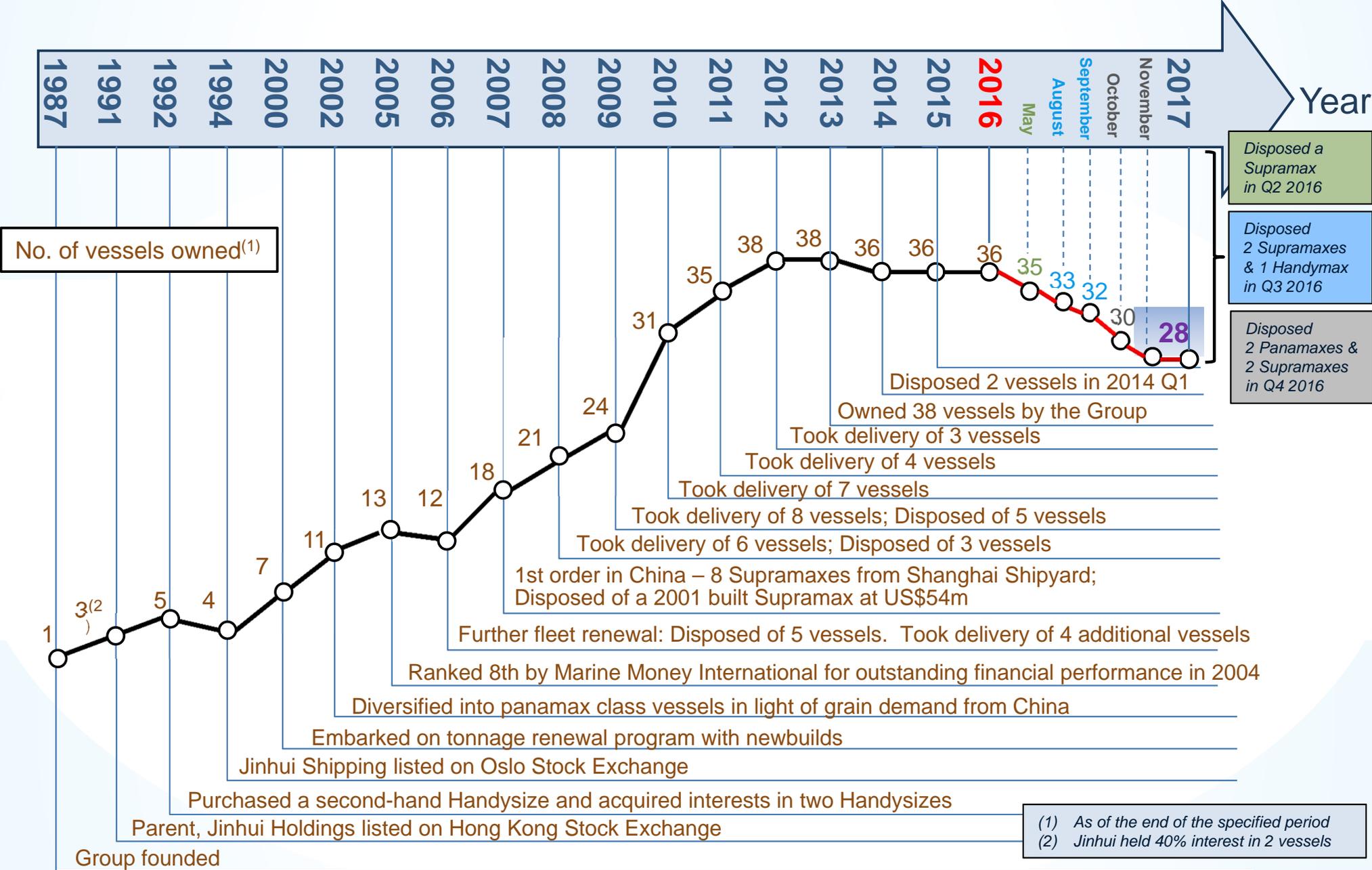
# Key Financial Ratios

## As at 31 December 2016

	2016 (Unaudited)	2015 (Audited)
Total assets (US\$'000)	460,260	759,404
Total debt borrowings (US\$'000)	212,554	317,483
Return on equity <sup>1</sup>	-59.30%	-62.83%
Return on total assets <sup>2</sup>	-31.01%	-38.16%
Net gearing <sup>3</sup>	61%	48%
Available liquidity (US\$'000) <sup>4</sup>	74,722	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



# 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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	Supramax	54,768	2009	Oshima
14 Jin Shun <sup>1</sup>	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

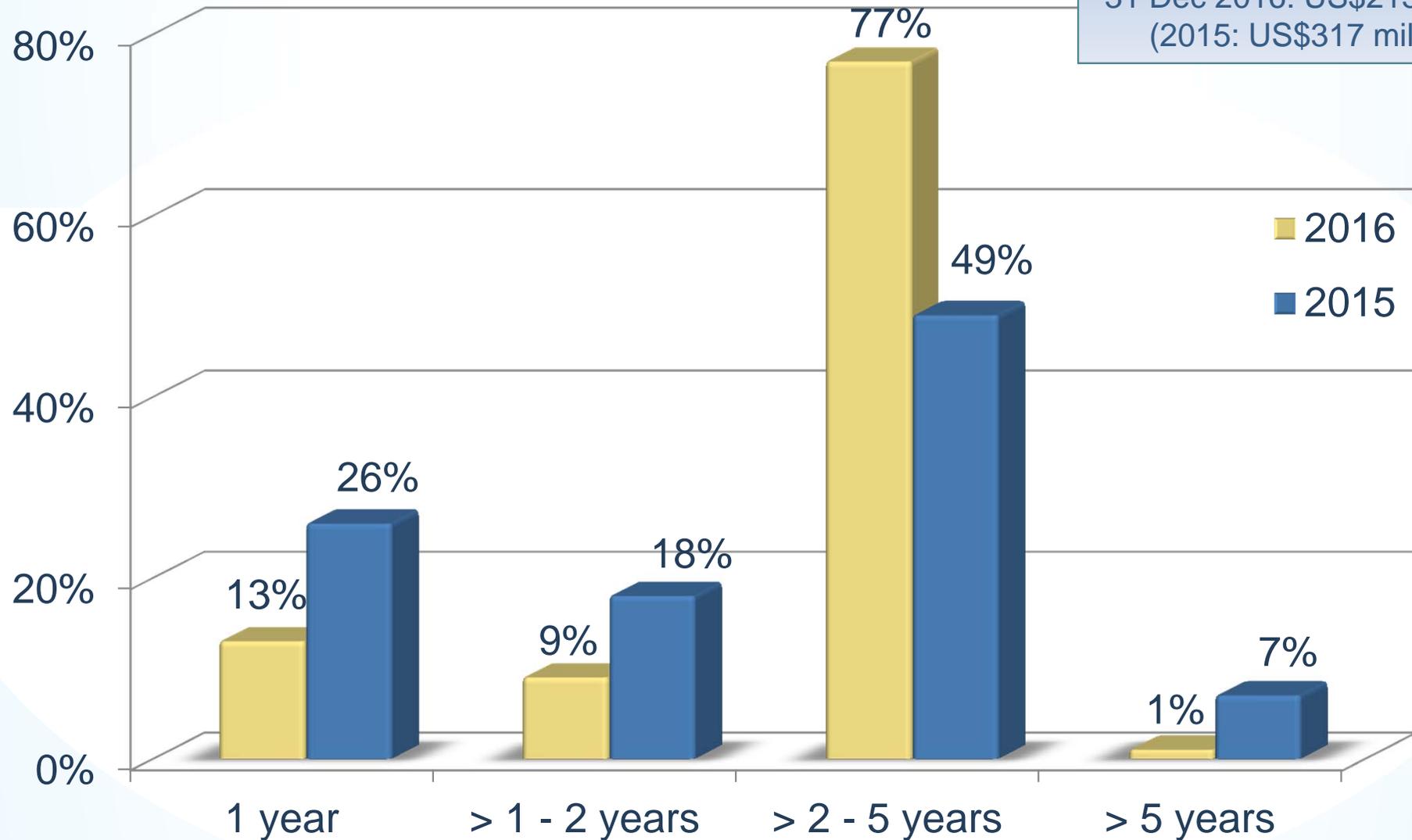
As of 26 February 2017,  
Total capacity : 1,602,343 dwt  
Average age: 9.6 years

<sup>1</sup> As of 26 February 2017 , 4 vessels were contracted to dispose at total consideration of US\$48m in order to enhance the liquidity position and reduce the indebtedness of the Group

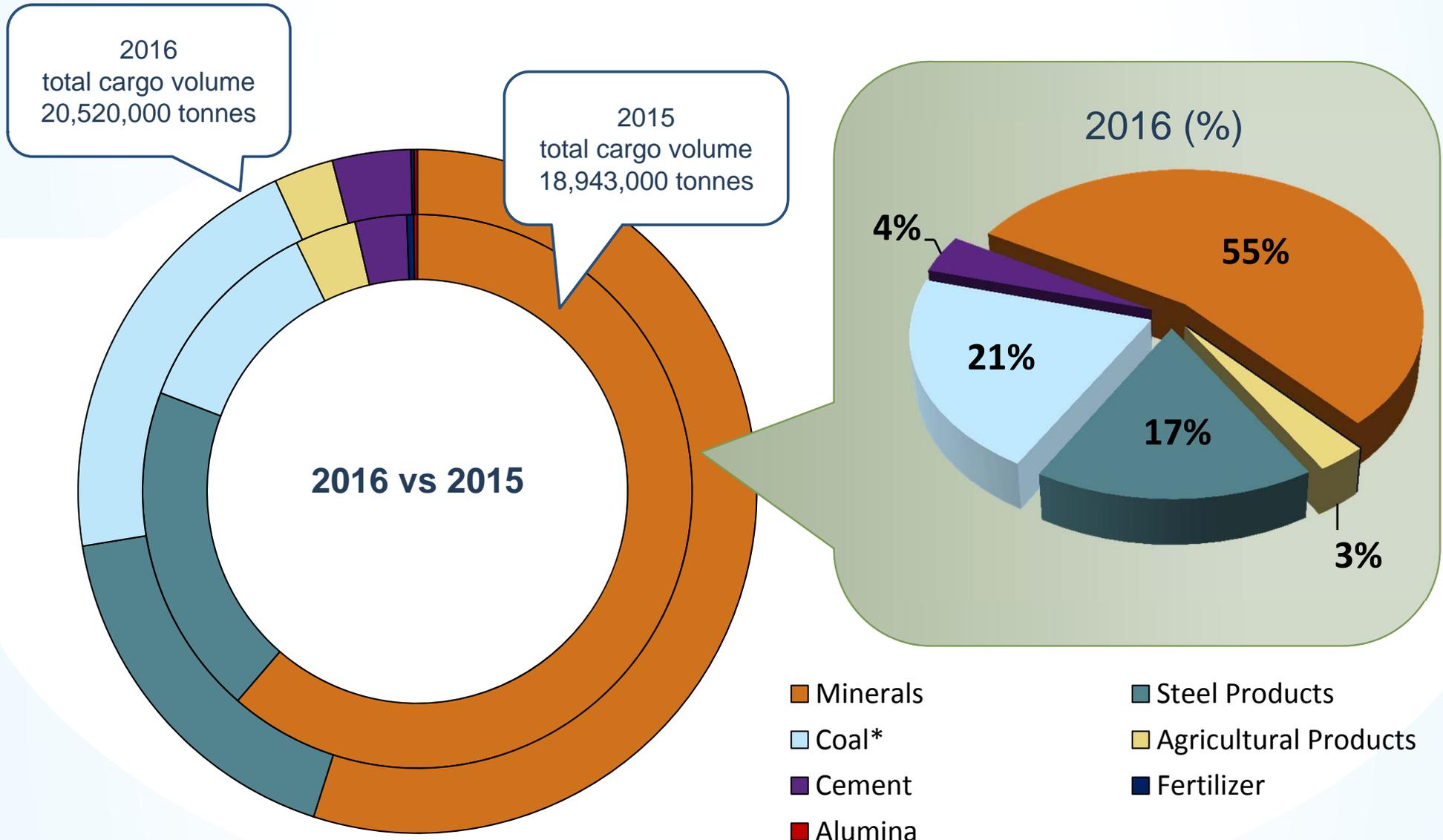
# Debt Maturity Profile

(Based on information up to 31 December 2016)

Total debt as of  
31 Dec 2016: US\$213 million  
(2015: US\$317 million)



# Cargo Volume Analysis 2016



\* Including steaming coal and coking coal

# Loading Port Analysis 2016

## Chartering revenue expressed by loading ports

### 2016 vs 2015

US\$ (M)

40.0

30.0

20.0

10.0

0.0

Asia  
excluding  
China

Australia

Africa

China

Europe

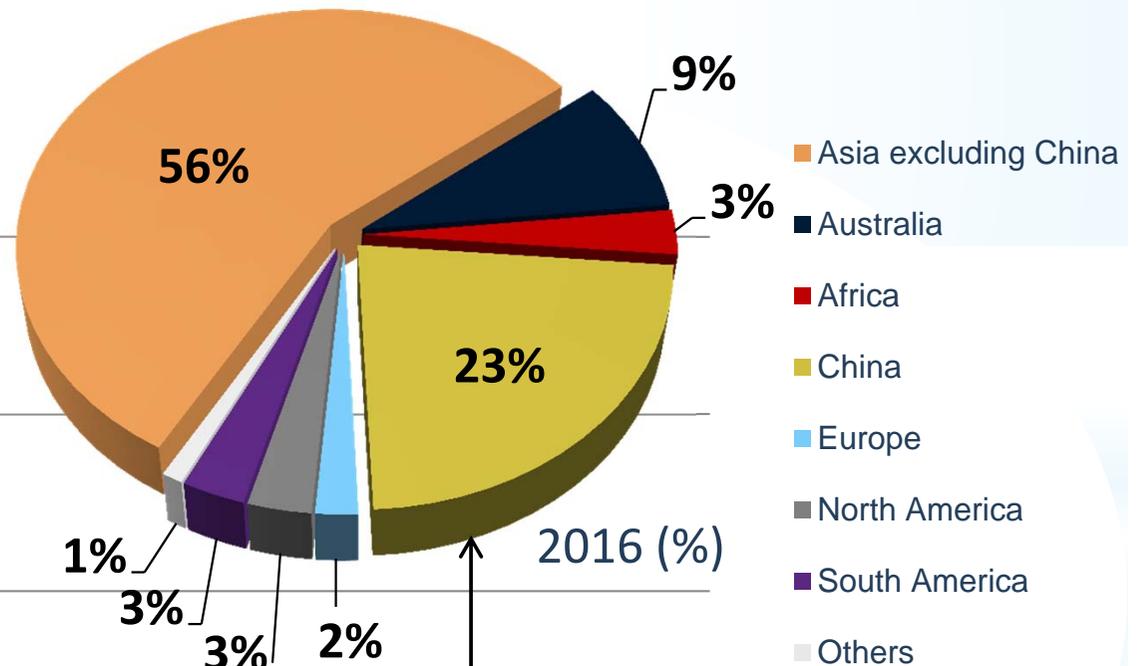
North  
America

South  
America

Others

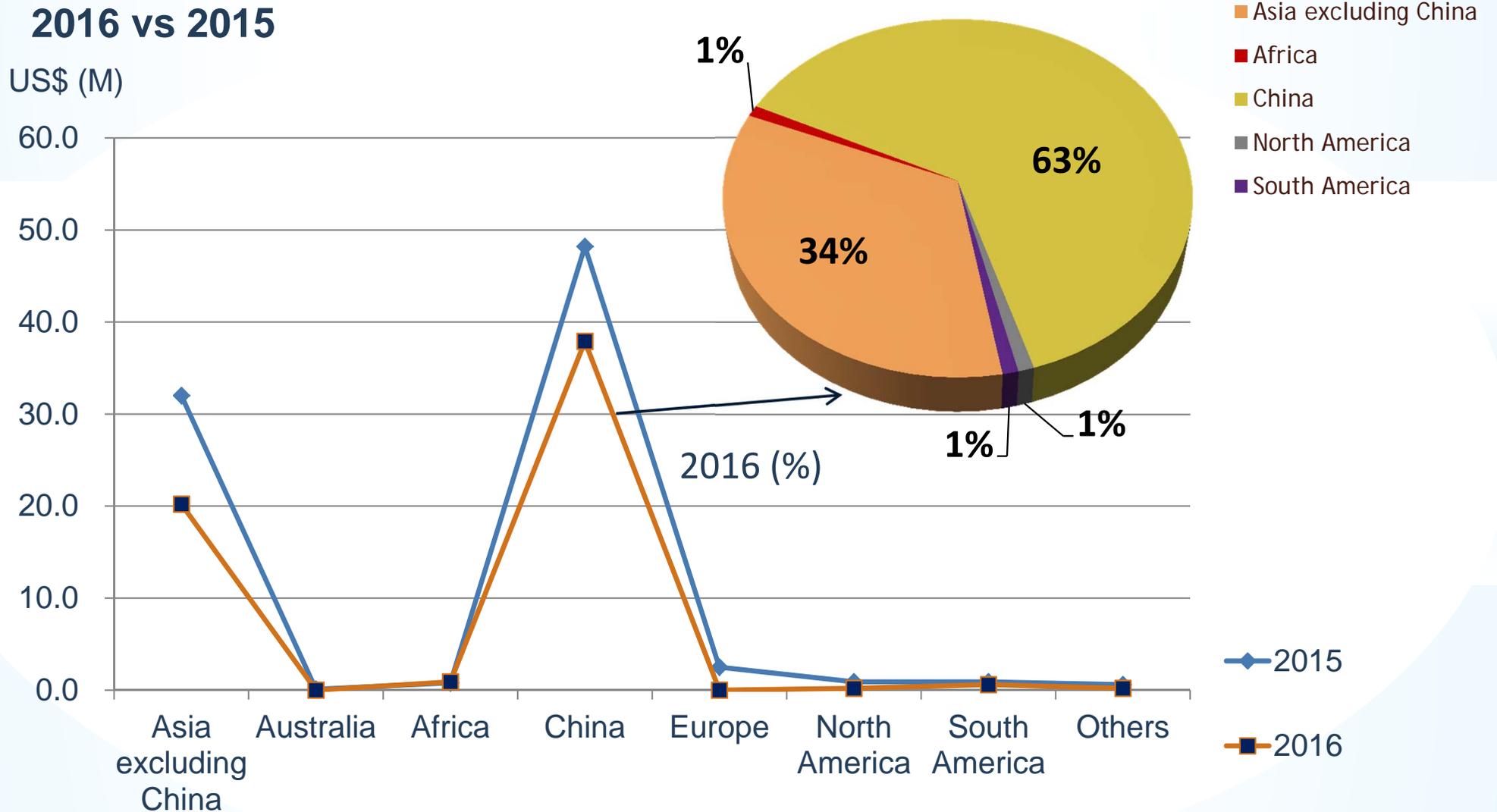
◆ 2015

■ 2016



# Discharging Port Analysis 2016

## Chartering revenue expressed by discharging ports

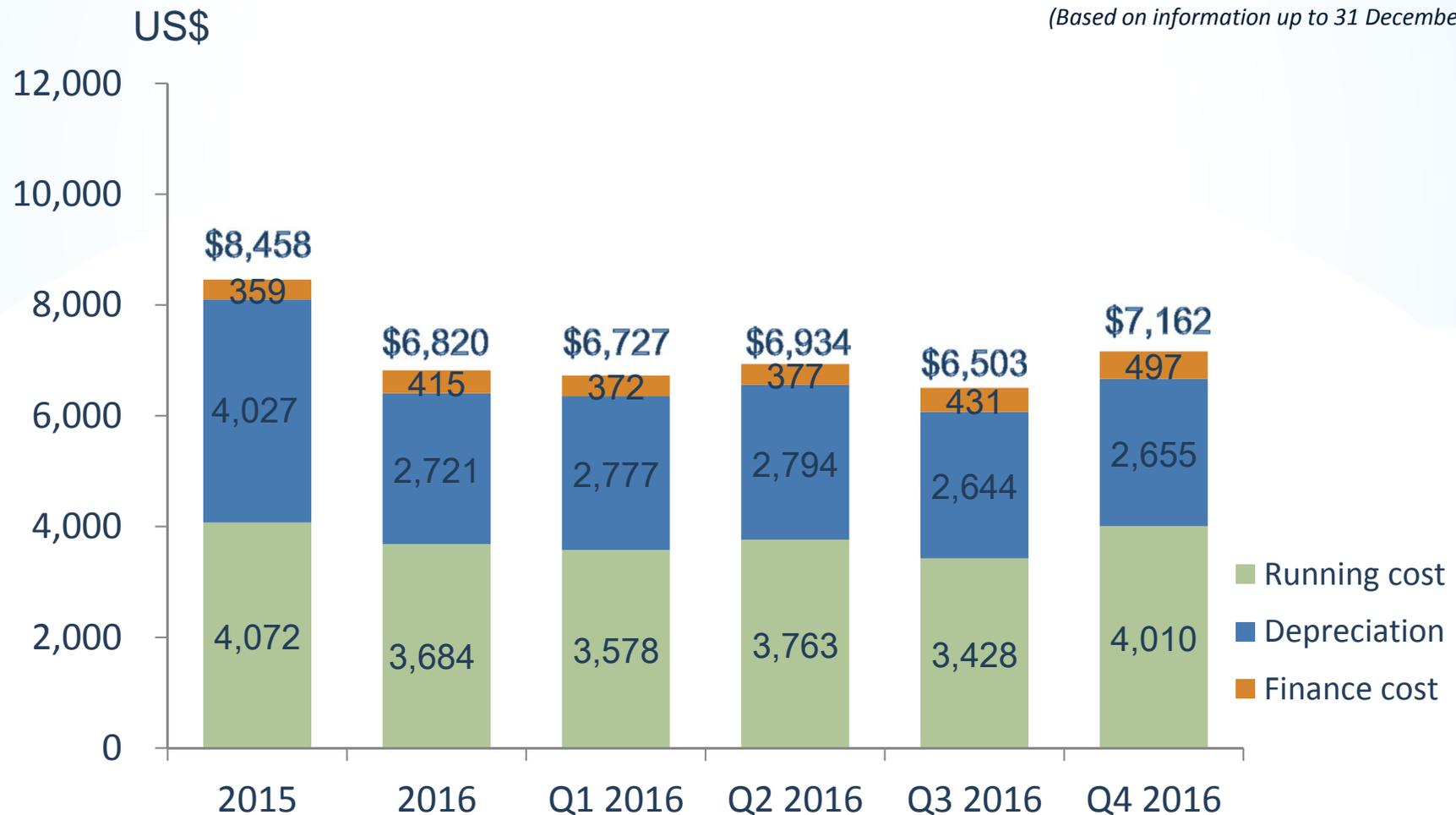


# TCE of Jinhui Shipping's Fleet

*(Based on information up to 31 December 2016)*

Average daily time charter equivalent rate (TCE)	2016 Q4	2015 Q4	2016	2015
	US\$	US\$	US\$	US\$
Post-Panamax / Panamax Fleet	6,173	5,456	4,475	5,456
Supramax / Handymax / Handysize Fleet	5,772	5,654	4,922	6,519
In average	<b>5,812</b>	<b>5,632</b>	<b>4,871</b>	<b>6,412</b>

# Daily Vessel Costs of Owned Vessels



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\$4,072 for 2015 to US\$3,684 for 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.