JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q4 2018 and 2018 Annual Results Presentation

28 February 2019

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

Q4 2018 Financial Highlights

- Revenue for the quarter : US$18 million
- Net loss for the quarter : US$3 million
- EBITDA: US$1.8 million
- Basic loss per share: US$0.028

Year 2018 Financial Highlights

- Revenue for the year : US$76 million
- Net profit for the year : US$8.7 million
- EBITDA: US$29.5 million
- Basic earnings per share: US$0.08
- Gearing ratio as at 31 December 2018: 0.65%
- Proposed final dividend: US$0.023 per share

Highlights

- The Group exited and ended the ICD on 31 Dec 2017; repaid all deferred installments during the forbearance period of US$31.4m to the respective lenders from internal resources on 10 Jan 2018;
- To reduce interest expenses, two vessel mortgage loans of US$19.1m with higher interest margin were fully repaid during the year;
- Disposal of 4 Supramaxes in 2018 for US$32.6m, with net gain of US$5.4m;
- Invest US$10m in a co-investment property project in Shanghai; US$4.8m has been paid with US$5.2m capital expenditure commitments;
- US$8.8m invested in real estate market in 2018;
- Refinancing deal signed in Q4 2018, extending the debt maturity profile;
- Bank borrowings reduced from US$137.8m as at 31 Dec 2017 to US$90.2m as at 31 December 2018;
- Contract to dispose a Supramax in early of Jan 2019 at US$7.4m, with expected net gain of US$1.2m and expected delivery in Q1 2019;

Financial Highlights
For the quarter and year ended
31 December 2018

US$'000	Q4 2018 (Unaudited)	Q4 2017 (Unaudited)	QoQ	2018 (Unaudited)	2017 (Audited)	YoY
Revenue	17,716	21,107	-16%	76,113	73,547	3%
Net gain on disposal of owned vessels	425	-	-	5,437	-	-
Impairment loss on assets held for sale	-	-	-	-	(6,301)	-
Operating profit (loss) **	(2,254)	3,557	-163%	11,874	1,146	936%
Net profit (loss) for the period / year	(3,076)	2,478	-224%	8,713	(4,031)	316%
Basic earnings (loss) per share	US$(0.028)	US$0.023	-222%	US$0.080	US$(0.043)	286%

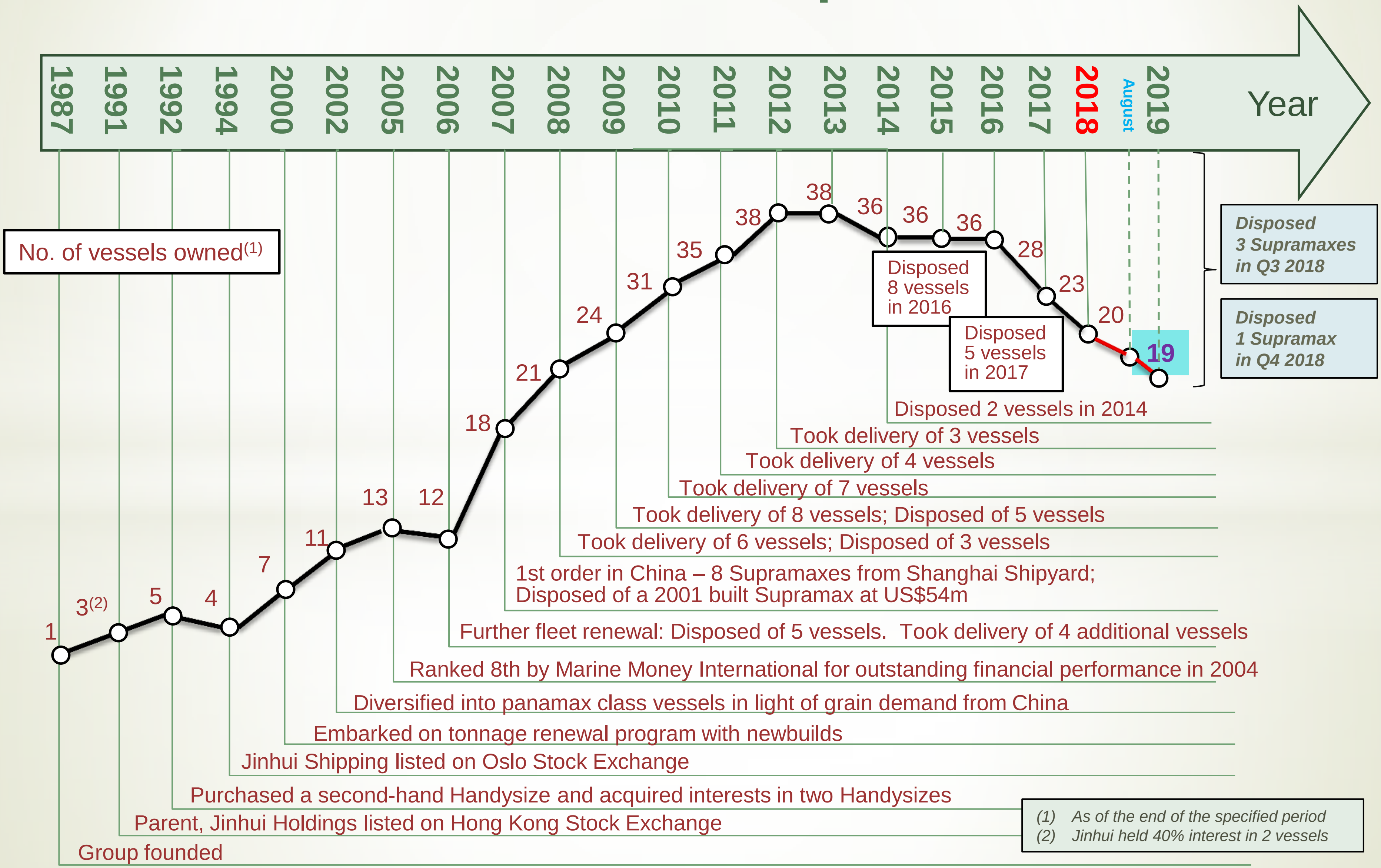
** Operating profit (loss) included impairment loss on assets held for sale recognized upon reclassification to assets held for sale of vessels for which the Group entered into disposal agreements during the quarter/period.

Key Financial Ratios
As at 31 December 2018

	2018 (Unaudited)	2017 (Audited)
Total assets (US$'000)	361,637	405,469
Total debt borrowings (US$'000)	90,183	137,825
Return on equity[1]	3.51%	-1.72%
Return on total assets[2]	2.27%	-0.93%
Current ratio[3]	2.54 : 1	1.50 : 1
Net gearing[4]	0.65%	15%
Working capital (US'000)	69,172	41,967
Available liquidity (US$'000)[5]	88,551	101,920

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. Current ratio is calculated based on current assets divided by current liabilities
4. 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
5. 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

Competitive Fleet with High Cargo Flexibility

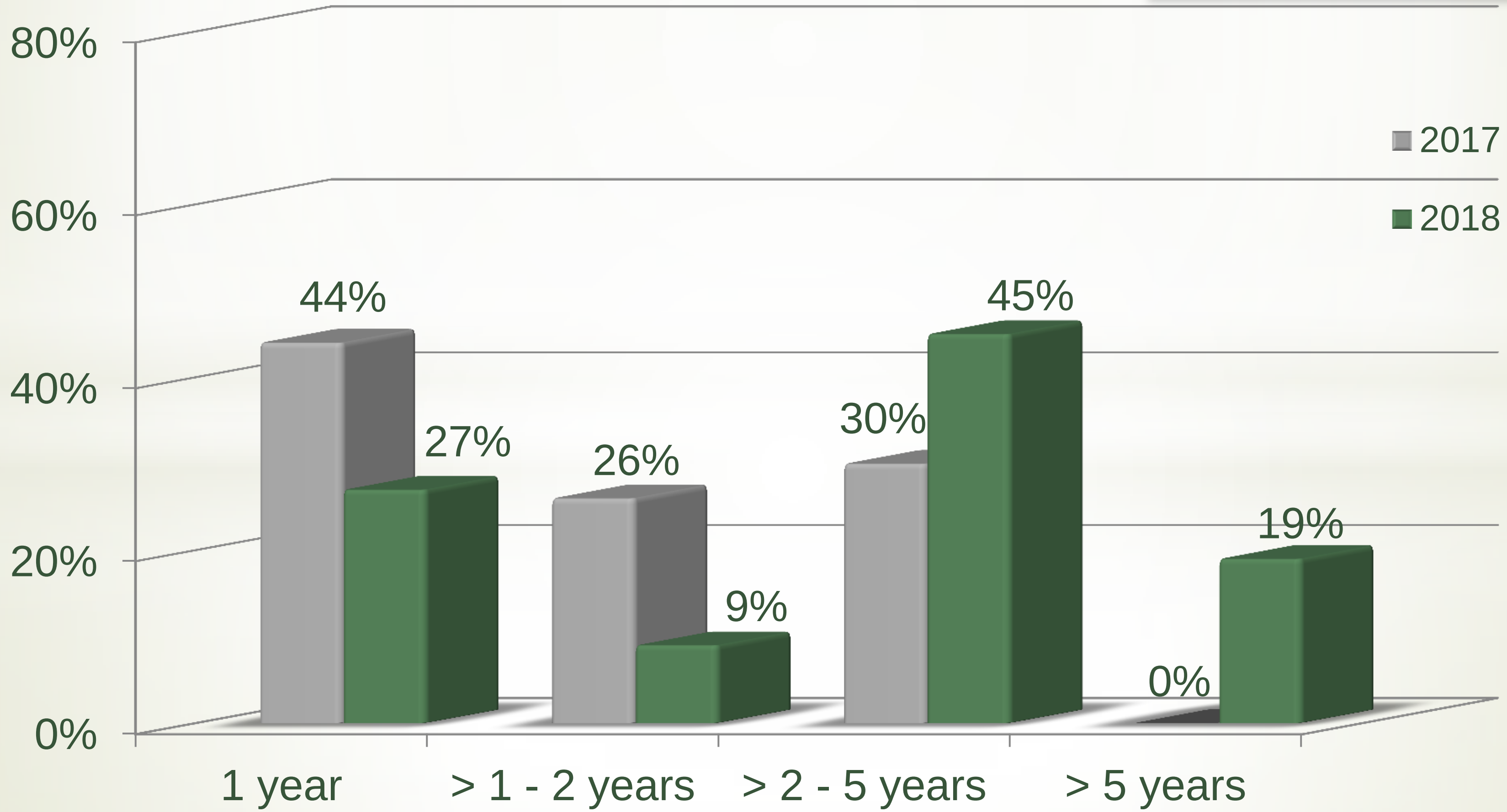
	Fleet	Type	Size (dwt)	Year built	Status	Shipyard
1	Jin Lang	Post-Panamax	93,279	2010	Owned	Jiangsu New Yangzi
2	Jin Mei	Post-Panamax	93,204	2010	Owned	Jiangsu New Yangzi
3	Jin Xiang	Supramax	61,414	2012	Owned	Oshima
4	Jin Hong	Supramax	61,414	2011	Owned	Oshima
5	Jin Yue	Supramax	56,934	2010	Owned	Shanghai Shipyard
6	Jin Ao	Supramax	56,920	2010	Owned	Shanghai Shipyard
7	Jin Gang	Supramax	56,927	2009	Owned	Shanghai Shipyard
8	Jin Ji	Supramax	56,913	2009	Owned	Shanghai Shipyard
9	Jin Wan	Supramax	56,897	2009	Owned	Shanghai Shipyard
10	Jin Jun	Supramax	56,887	2009	Owned	Shanghai Shipyard
11	Jin Sui	Supramax	56,968	2008	Owned	Shanghai Shipyard
12	Jin Tong	Supramax	56,952	2008	Owned	Shanghai Shipyard
13	Jin Yuan	Supramax	55,496	2007	Owned	Oshima
14	Jin Yi	Supramax	55,496	2007	Owned	Oshima
15	Jin Xing	Supramax	55,496	2007	Owned	Oshima
16	Jin Sheng	Supramax	52,050	2006	Owned	IHI
17	Jin Yao	Supramax	52,050	2004	Owned	IHI
18	Jin Ping	Supramax	50,777	2002	Owned	Oshima
19	Jin Zhou *	Supramax	50,209	2001	Owned	Mitsui

As of 27 February 2019, total capacity of owned vessels : 1,136,283 dwt with average age of 10.16 years
* Supramax contracted to dispose at a consideration of US$7.4m with expected delivery at end of March 2019

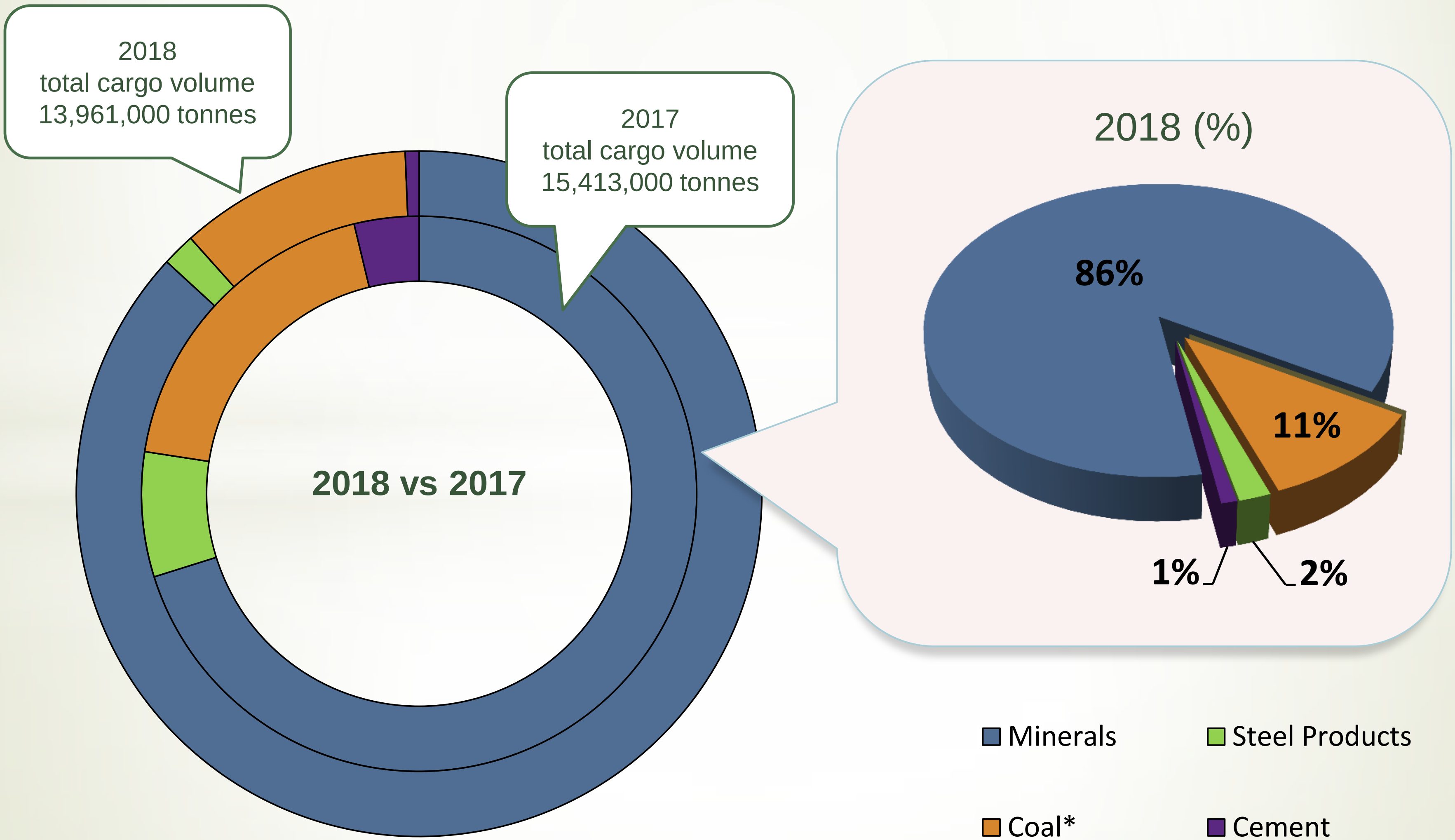
Debt Maturity Profile

Total debt as of
31 December 2018:
US$90 million
(2017: US$138 million)

(Based on information up to 31 December 2018)

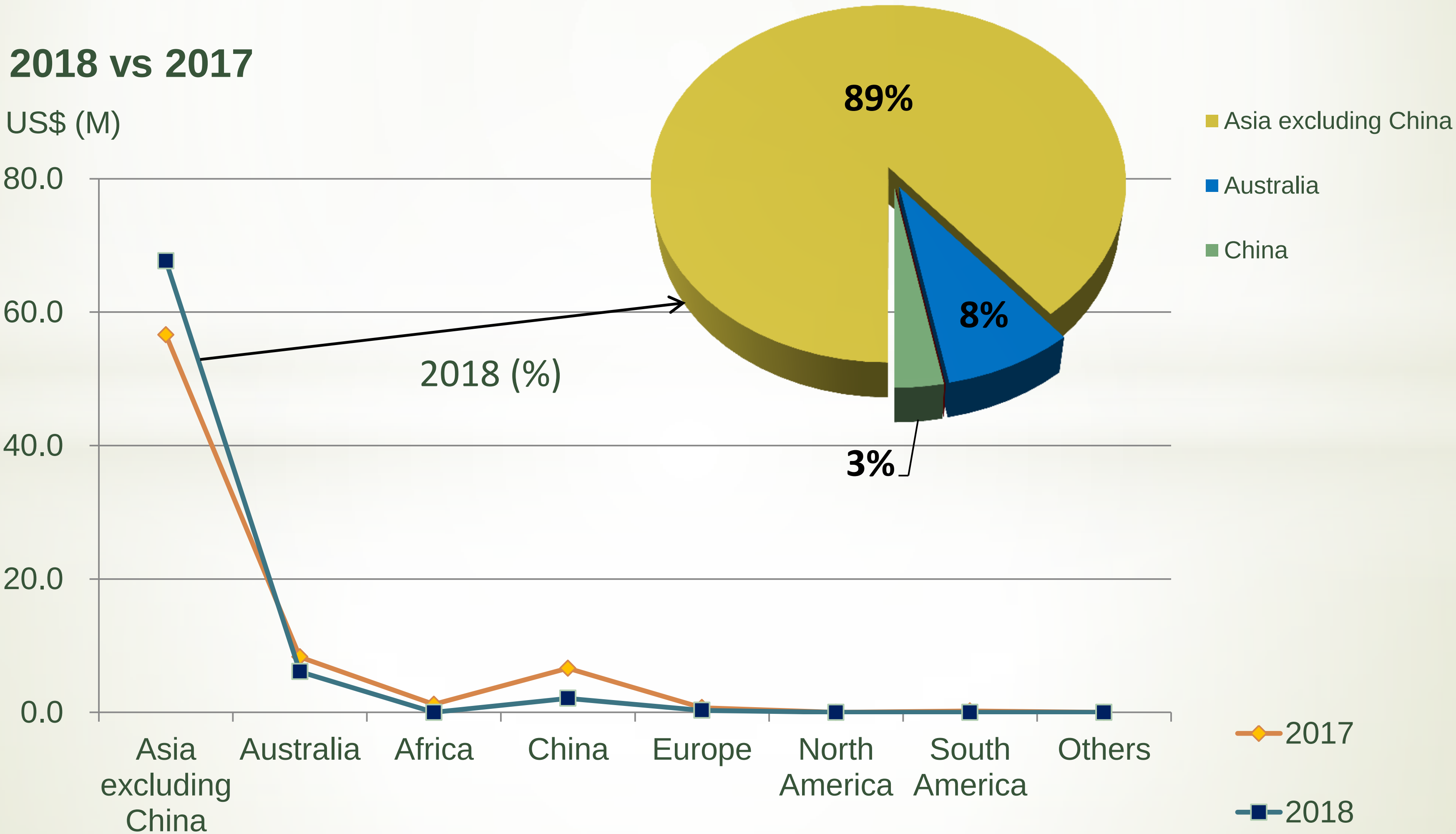


Cargo Volume Analysis 2018

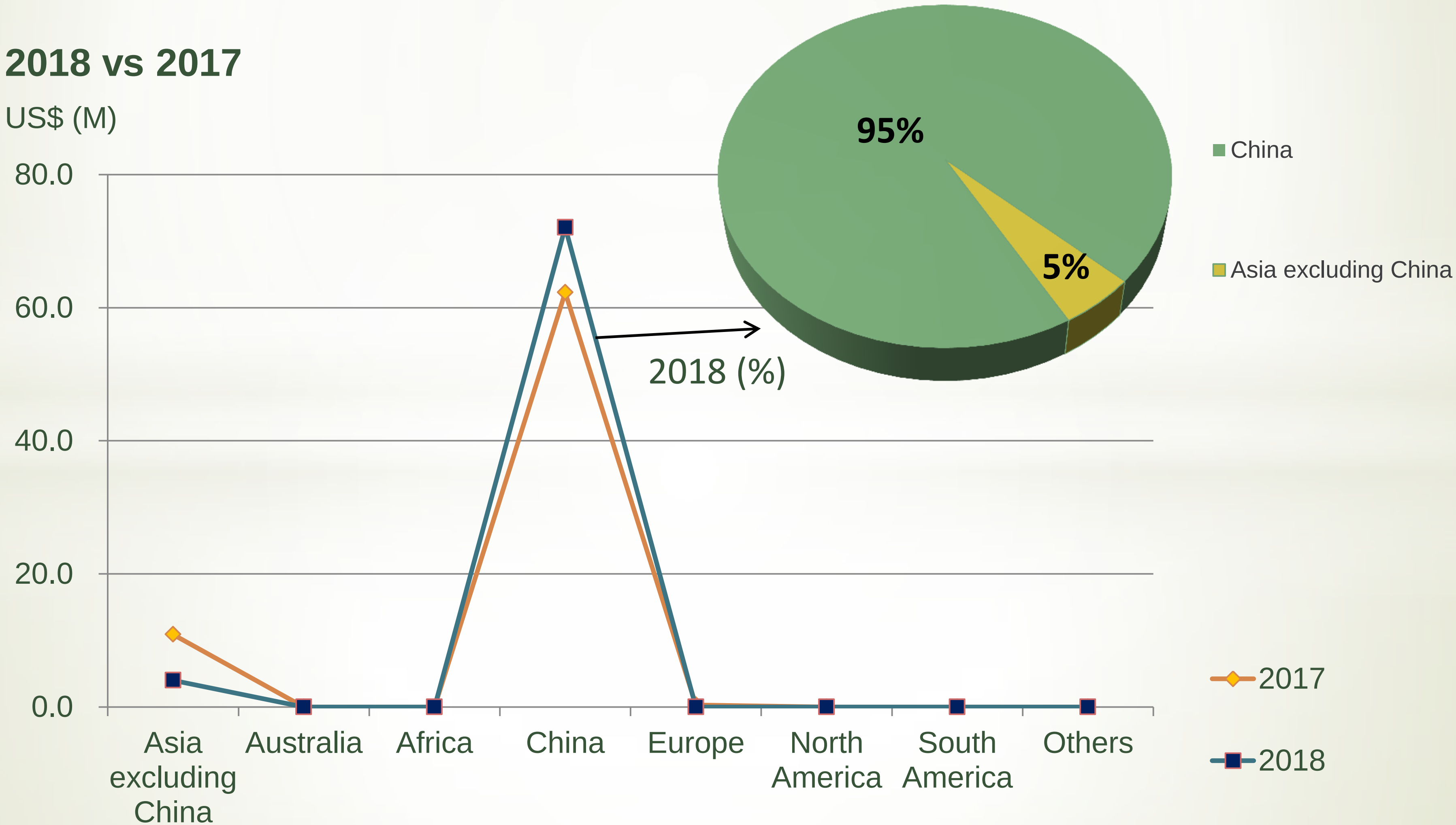


** Including steaming coal and coking coal*

Loading Port Analysis 2018
Chartering revenue expressed by loading ports



Discharging Port Analysis 2018
Chartering revenue expressed by discharging ports



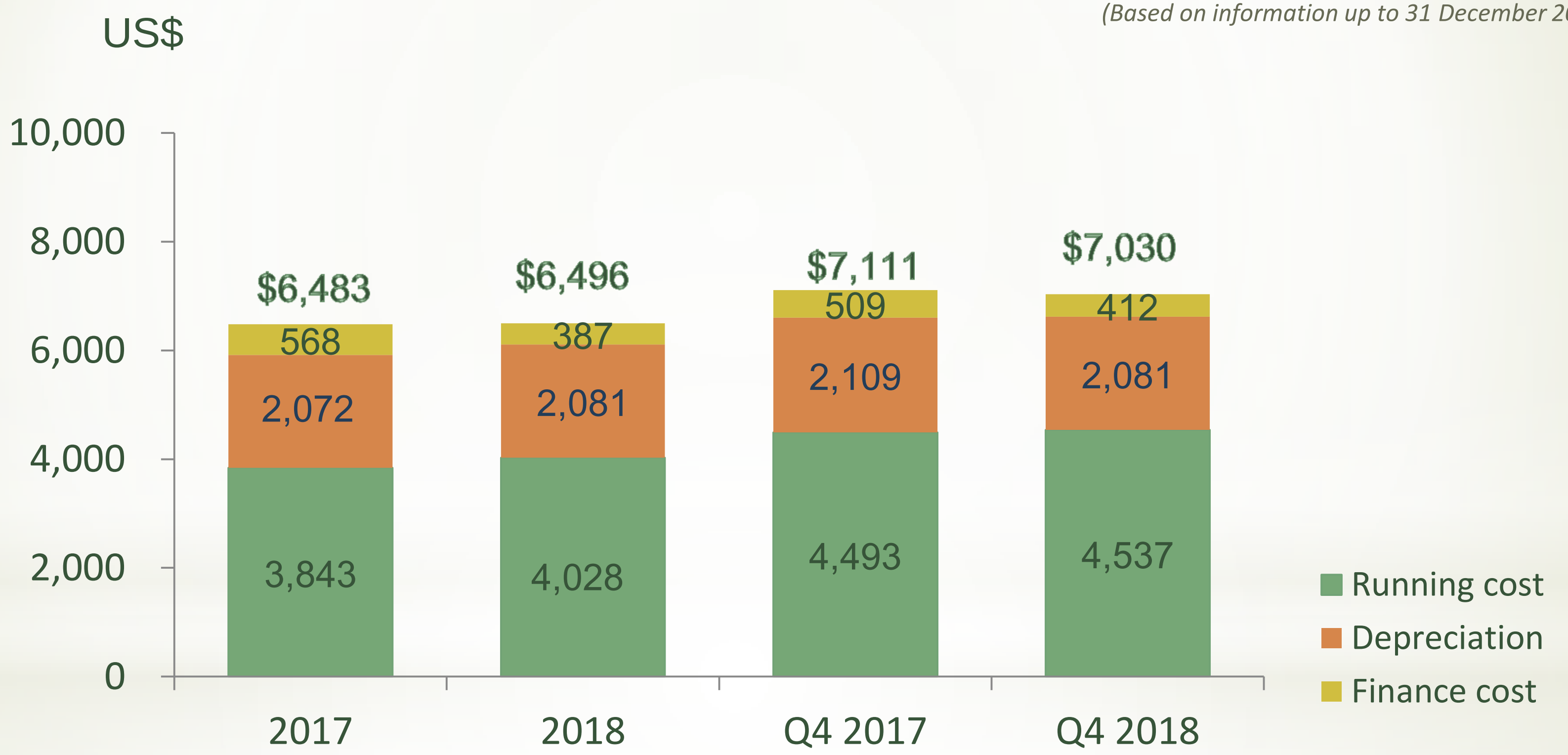
TCE of Jinhui Shipping's Owned Vessels

(Based on information up to 31 December 2018)

Average daily time charter equivalent rate (TCE)	2018 Q4	2017 Q4	2018	2017
	US$	US$	US$	US$
Post-Panamax Fleet	12,072	11,430	11,689	8,645
Supramax / Handysize Fleet	9,559	9,726	9,743	8,063
In average	**9,815**	**9,880**	**9,922**	**8,111**

Daily Vessel Costs of Owned Vessels

(Based on information up to 31 December 2018)



Daily running costs 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.

Drop in finance costs mainly due to reduction in loan principal upon repayment of all deferred installments (US$31.4m) when exit the ICD in early 2018. Also the Group also fully repaid 2 vessel mortgage loans with high interest margin in Q1 2018 (US$19.1m) and repayment of vessel mortgage loans and revolving loans, partially offset by impact of rising LIBOR in 2018.

Market Outlook

- Market sentiment has turned more positive lately with the market expecting US-China trade dispute will resolve soon;
- We expect global economic growth to remain sluggish;
- Economic growth in China has already been affected, recent renewed focus on infrastructure is a positive;
- Growth in trade volume in dry bulk likely to remain stable, changes to long term composition is expected;
- Supply of new vessels continue to be moderate, key factor to a healthy freight market;
- 2020 Sulphur Cap;
- Cautiously optimistic and will remain financially nimble