



# JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q2 2021 Results Presentation  
17 August 2021

JINHUI SHIPPING

# 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, 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.

# Highlights

## Q2 2021 Financial Highlights

- Revenue for the quarter: US\$32 million
- Net profit for the quarter: US\$86 million, included reversal of impairment loss on owned vessels of US\$65.5 million
- EBITDA: US\$90 million
- Basic earnings per share: US\$0.783
- Interim dividend per share: US\$0.03

# Highlights

- Consolidated net profit of US\$86 million for current quarter mainly due to:
  - chartering revenue increase 275% due to remarkable rebound of market freight rates as compared to last corresponding quarter;
  - average daily time charter equivalent rates increase 266% to US\$19,149 for current quarter as compared to US\$5,229 of corresponding quarter in 2020;
  - reversal of impairment loss on owned vessels of US\$65.5 million;
  - fair value gain on investment properties of US\$0.8 million was recognized during the quarter;
  - decrease in shipping related expenses, mainly due to drop in bunker related expenses of US\$2 million in last corresponding quarter to US\$0.3 million in current quarter;
  - net gain of US\$1.6 million on financial assets at fair value through profit or loss;

# Highlights

- During the quarter, the Group repaid US\$17.7 million bank loans;
- Acquired a 2006-built Supramax at consideration of US\$9.3 million and was delivered in Q2 2021;
- Acquired a 2004-built Supramax at consideration of US\$10.8 million in May 2021 and will be delivered in August 2021;
- After reporting date, contract to acquire a 2007-built Supramax at consideration of US\$15.2 million which will be delivered in October 2021.

# Financial Highlights

## For the quarter and six months ended 30 June 2021

US\$'000	Q2 2021 (Unaudited)	Q2 2020 (Unaudited)	1H 2021 (Unaudited)	1H 2020 (Unaudited)	2020 (Audited)
Revenue	31,902	8,510	48,083	17,724	47,118
Reversal of impairment loss on owned vessels	65,521	-	65,521	-	-
Operating profit (loss) before depreciation / amortization and finance costs	89,918	(553)	99,315	(14,157)	3,266
Operating profit (loss)	86,194	(4,422)	91,945	(21,700)	(11,902)
Finance costs	(465)	(863)	(963)	(1,956)	(3,117)
Net profit (loss) for the period / year	85,502	(5,285)	90,755	(23,656)	(15,252)
Basic earnings (loss) per share	US\$0.783	US\$(0.048)	US\$0.831	US\$(0.217)	US\$(0.140)

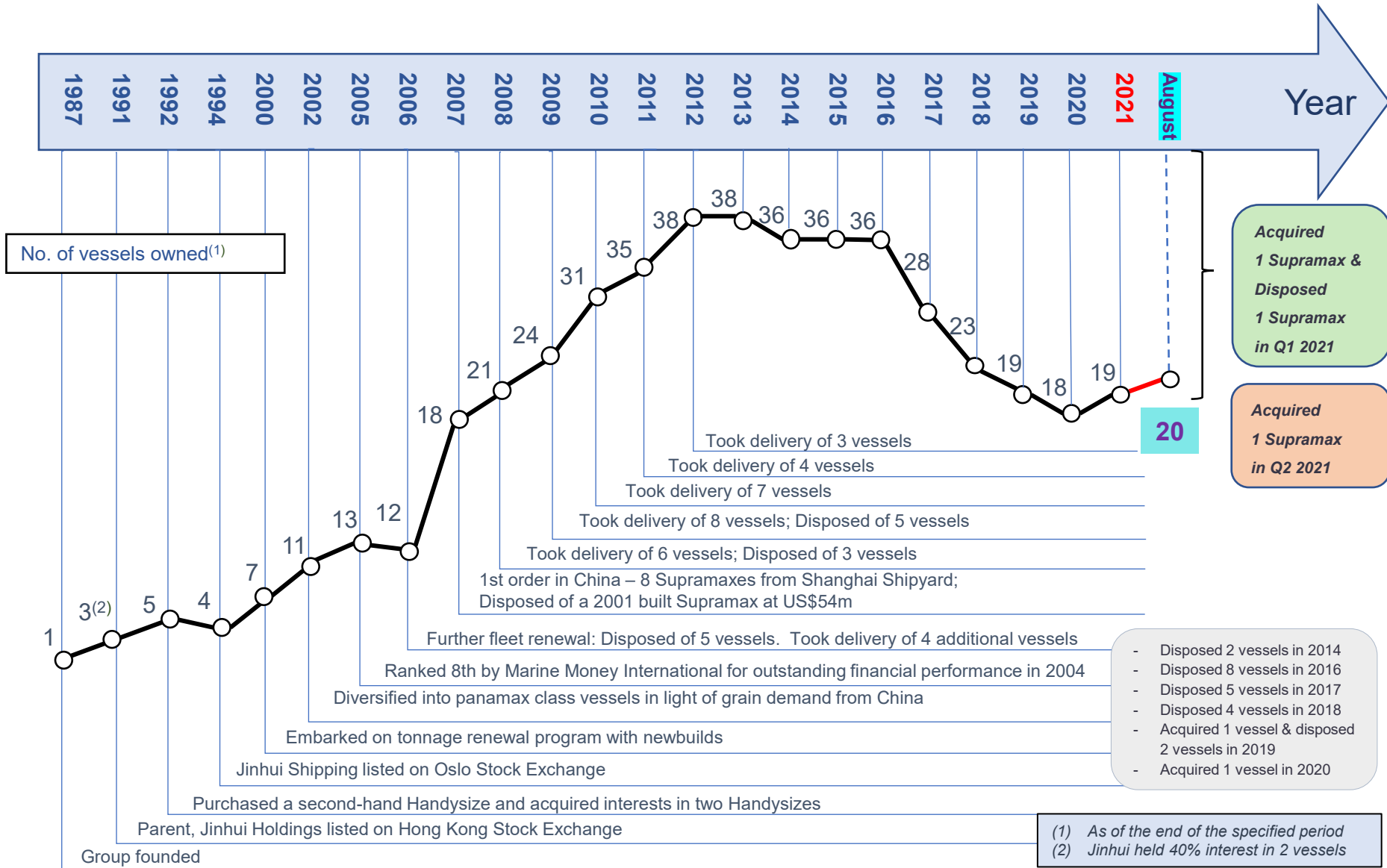
# Key Financial Ratios

## As at 30 June 2021

	Q2 2021 (Unaudited)	Q2 2020 (Unaudited)	2020 (Audited)
Total assets (US\$'000)	452,059	369,085	366,164
Secured bank loans (US\$'000)	100,013	121,609	108,345
Current ratio <sup>1</sup>	1.61 : 1	1.24 : 1	1.38 : 1
Net gearing <sup>2</sup>	N/A	22%	15%
Working Capital (US\$'000)	48,187	18,715	28,503
Available liquidity (US\$'000) <sup>3</sup>	107,819	70,944	73,220
Return on equity <sup>4</sup>	29.73%	-2.28%	-6.20%
Return on total assets <sup>5</sup>	20.53%	-1.40%	-3.95%

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 Q2 2021 is not presented due to the 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.
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.

# Our Fleet Development





# Jinhui Fleet of Vessels

	<u>Fleet</u>	<u>Type</u>	<u>Size (dwt)</u>	<u>Year built</u>	<u>Status</u>	<u>Shipyard</u>
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 QUAN	Supramax	52,525	2006	Owned	Tsuneishi
17	JIN SHENG	Supramax	52,050	2006	Owned	IHI
18	JIN YAO	Supramax	52,050	2004	Owned	IHI
19	JIN CHENG	Supramax	53,806	2004	Owned	New Century
20	ATLANTICA	Supramax	50,259	2001	Owned	Shanghai Shipyard

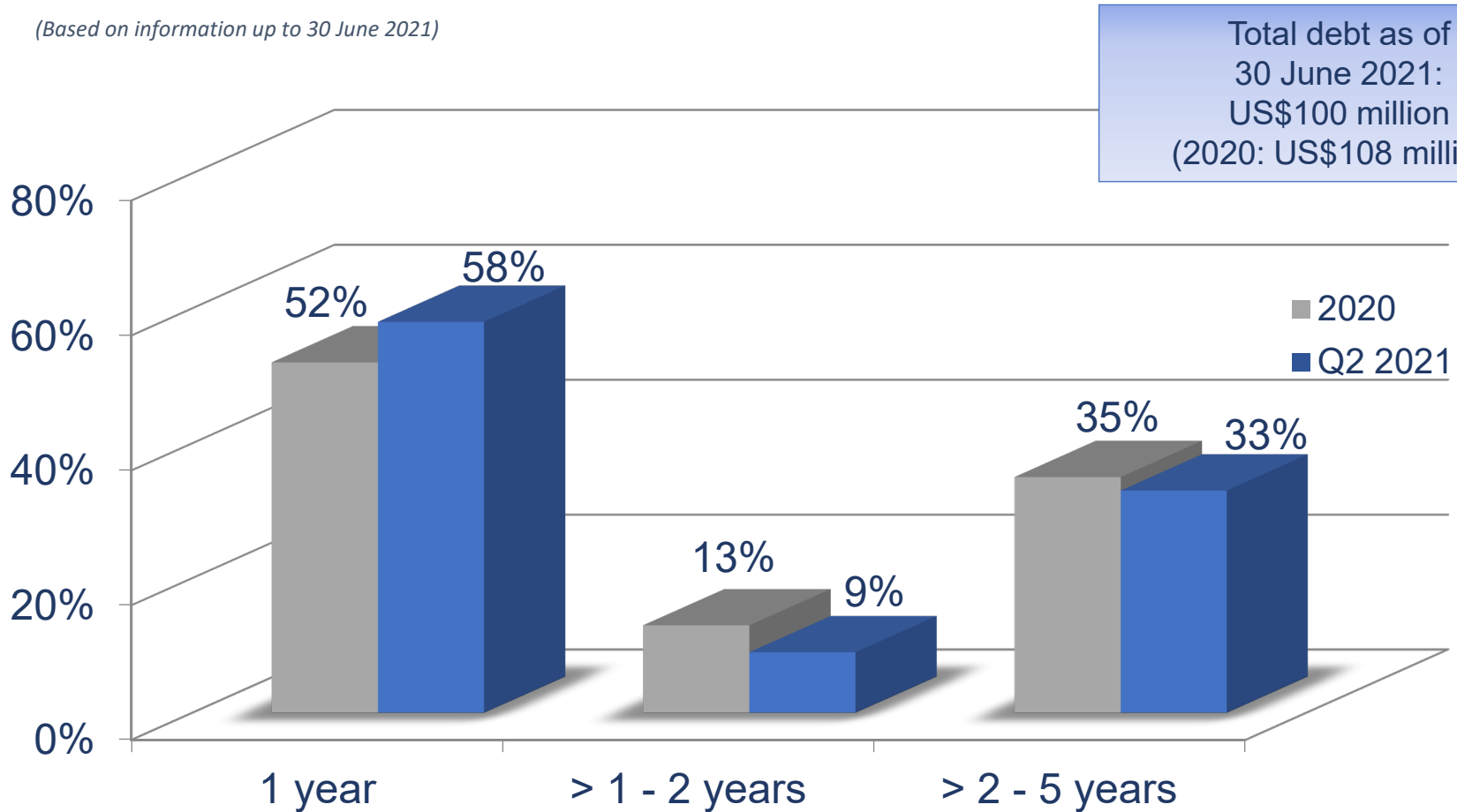
➤ As of 16 August 2021, we operated 20 motor vessels with total capacity of deadweight 1,191,887 metric tons and average age of 12.15 years.

# 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 WAN	Supramax	56,897	2009	Year 2021
2	JIN TONG	Supramax	56,952	2008	Year 2021
3	JIN QUAN	Supramax	52,525	2006	Year 2021
4	JIN CHENG	Supramax	53,806	2004	Year 2021
5	JIN XIANG	Supramax	61,414	2012	Year 2022
6	JIN HONG	Supramax	61,414	2011	Year 2022
7	JIN LANG	Post-Panamax	93,279	2010	Year 2022
8	JIN MEI	Post-Panamax	93,204	2010	Year 2022
9	JIN YUE	Supramax	56,934	2010	Year 2022
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18	ATLANTICA	Supramax	50,259	2001	Year 2022
19	JIN SUI	Supramax	56,968	2008	Year 2023
20	JIN GANG	Supramax	56,927	2009	Year 2024

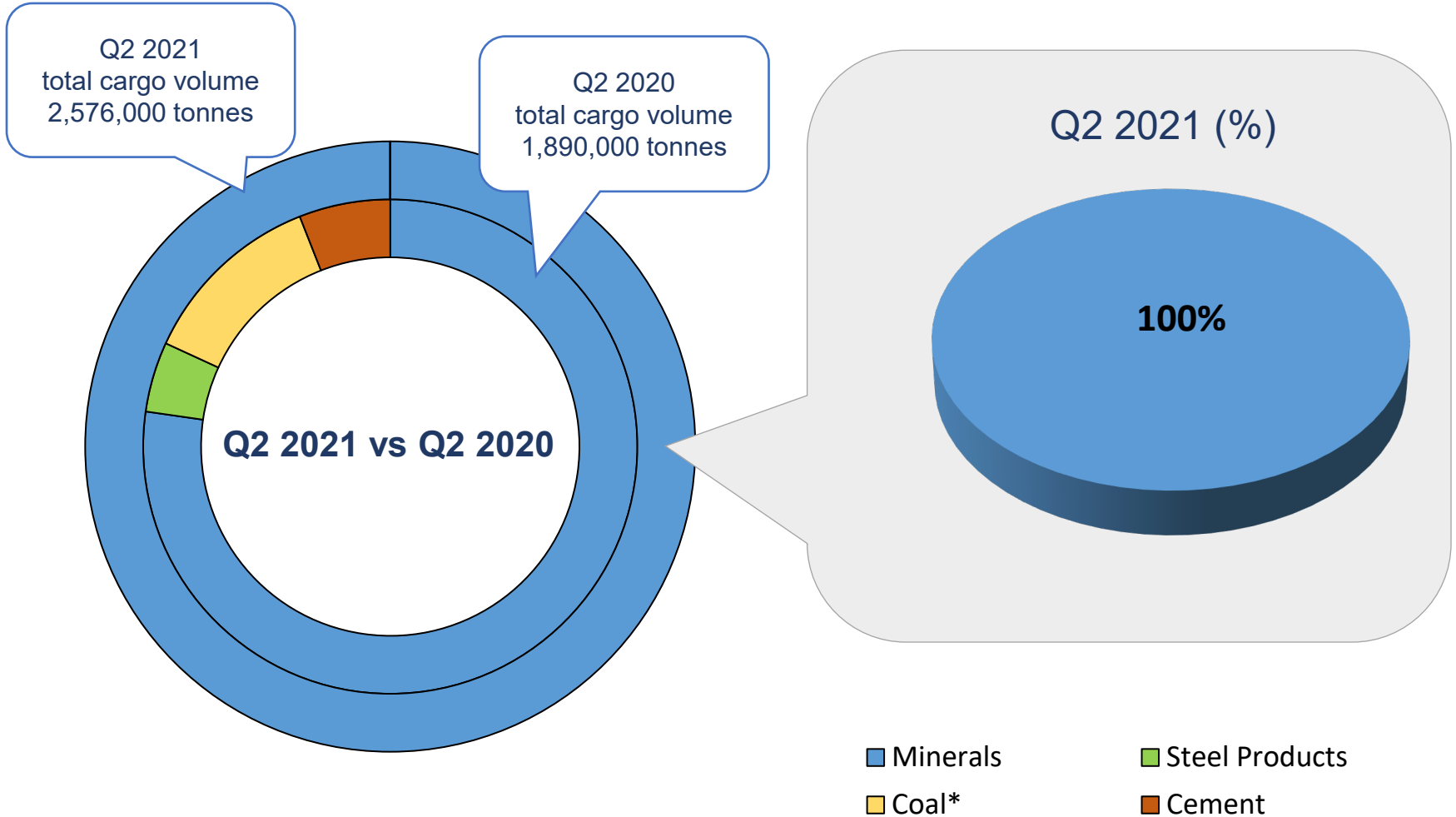
# Debt Maturity Profile

(Based on information up to 30 June 2021)



- 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.

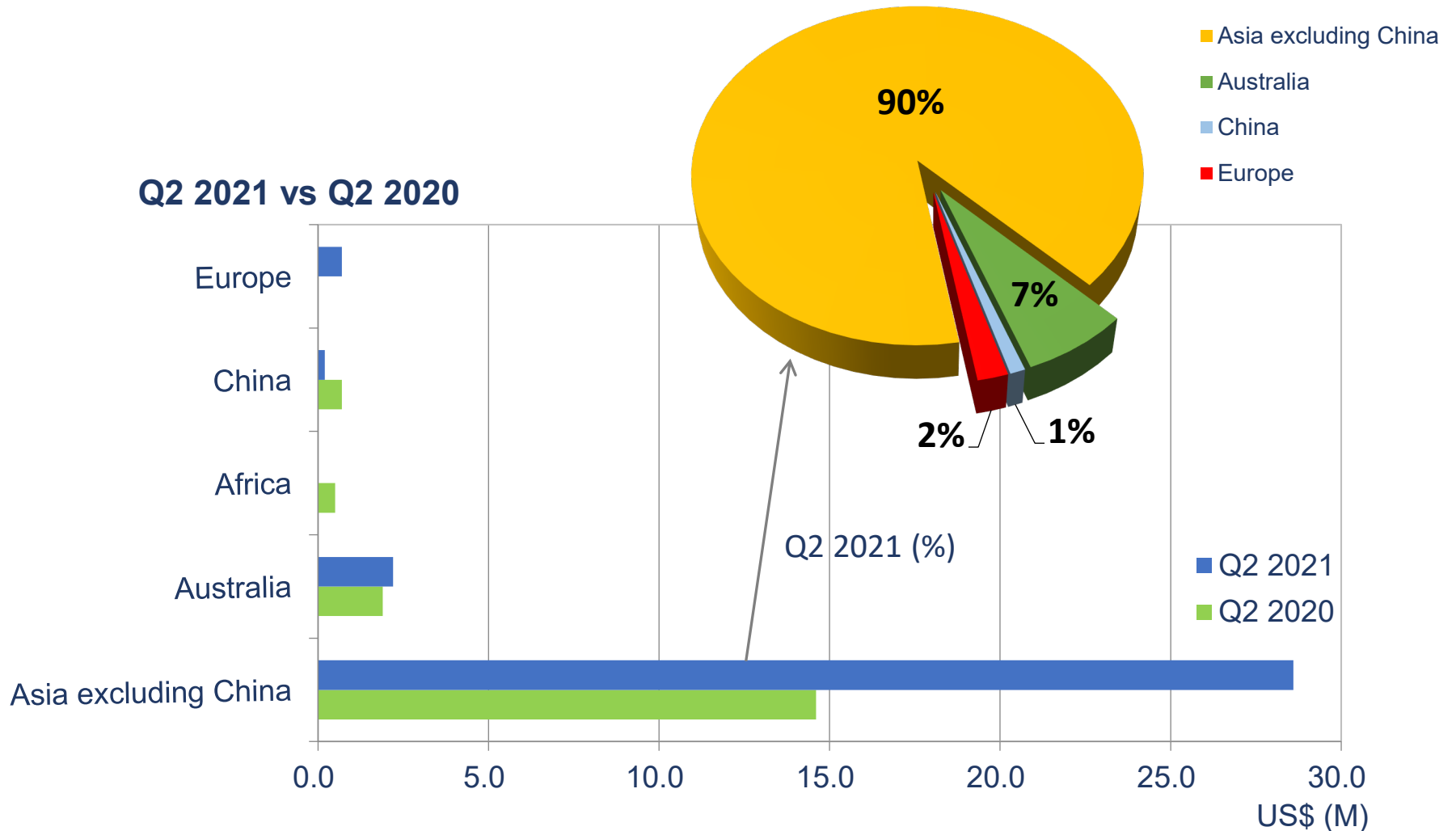
# Cargo Volume Analysis Q2 2021



\* Including steaming coal and coking coal

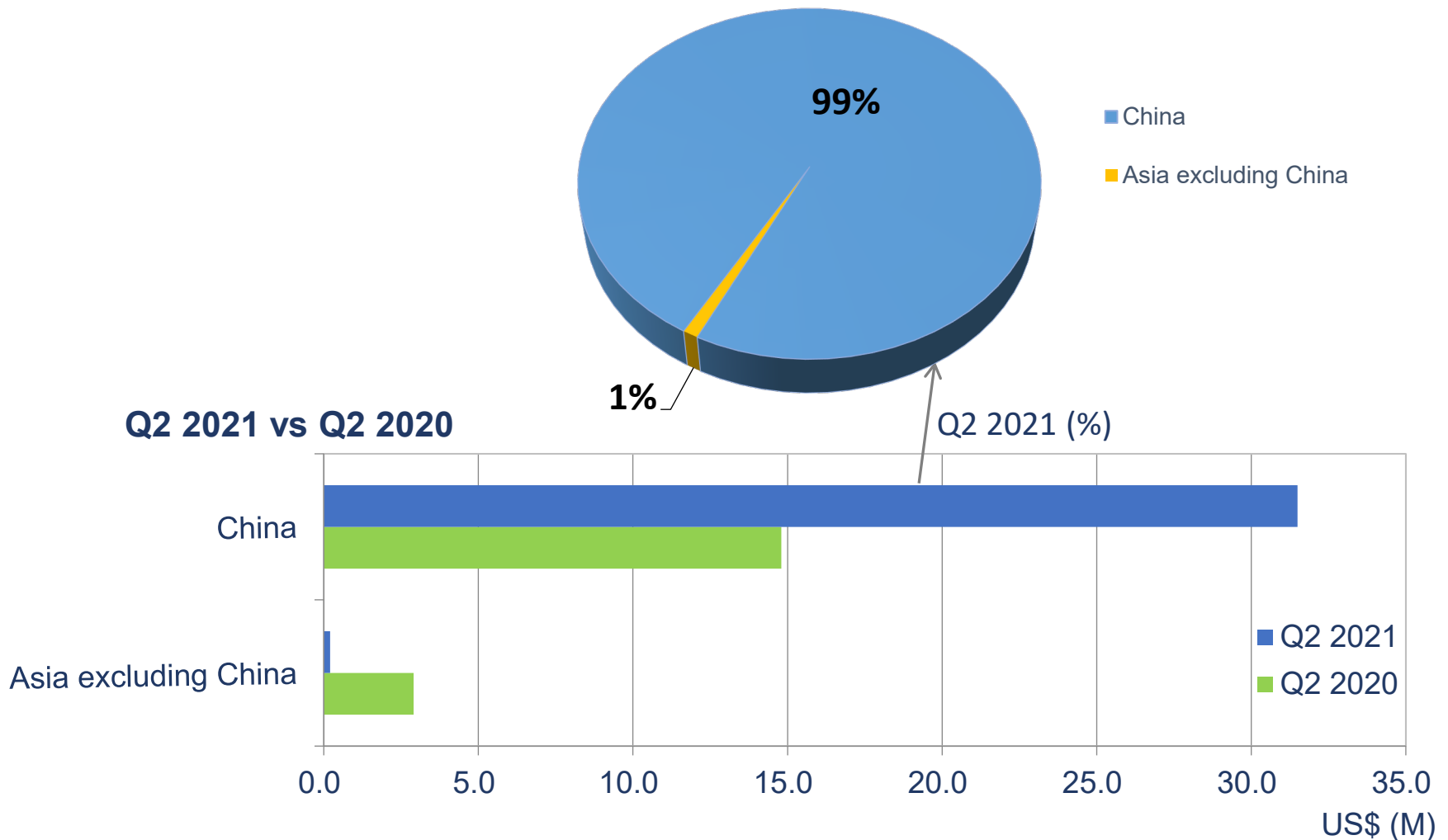
# Loading Port Analysis Q2 2021

## Chartering revenue expressed by loading ports



# Discharging Port Analysis Q2 2021

## Chartering revenue expressed by discharging ports

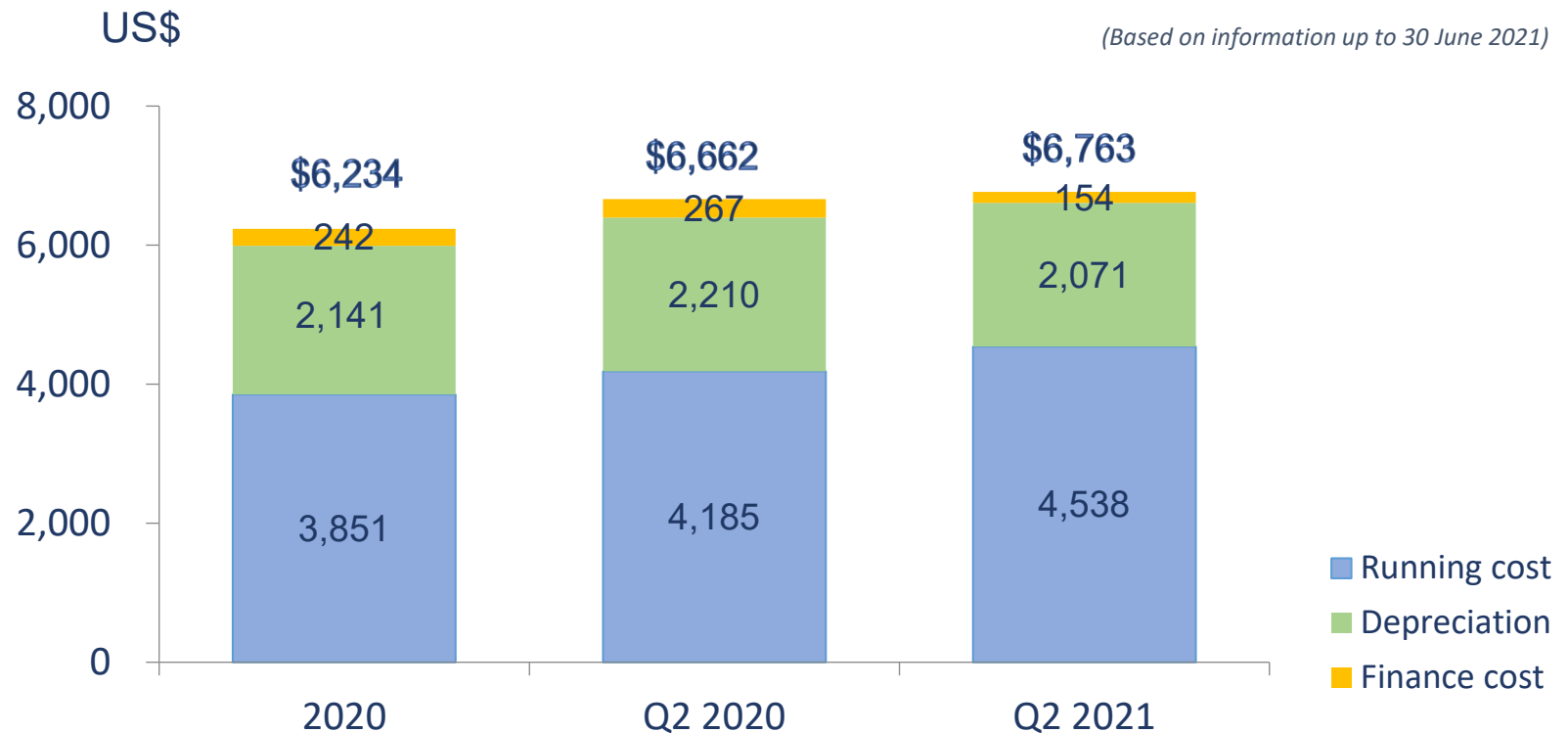


# TCE of Jinhui Shipping's Owned Vessels

*(Based on information up to 30 June 2021)*

Average daily time charter equivalent rate (TCE)	2021 Q2	2020 Q2	2021 1H	2020 1H	2020
	US\$	US\$	US\$	US\$	US\$
Post-Panamax Fleet	12,250	5,750	12,250	7,382	9,929
Supramax Fleet	20,000	5,194	15,182	5,096	6,986
In average	19,149	5,229	14,852	5,293	7,269

# 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.

The increase in running cost in current quarter mainly due to rose in crew wages due to inflation and certain initial running costs and expenses were incurred for the newly-delivered vessel in June 2021.

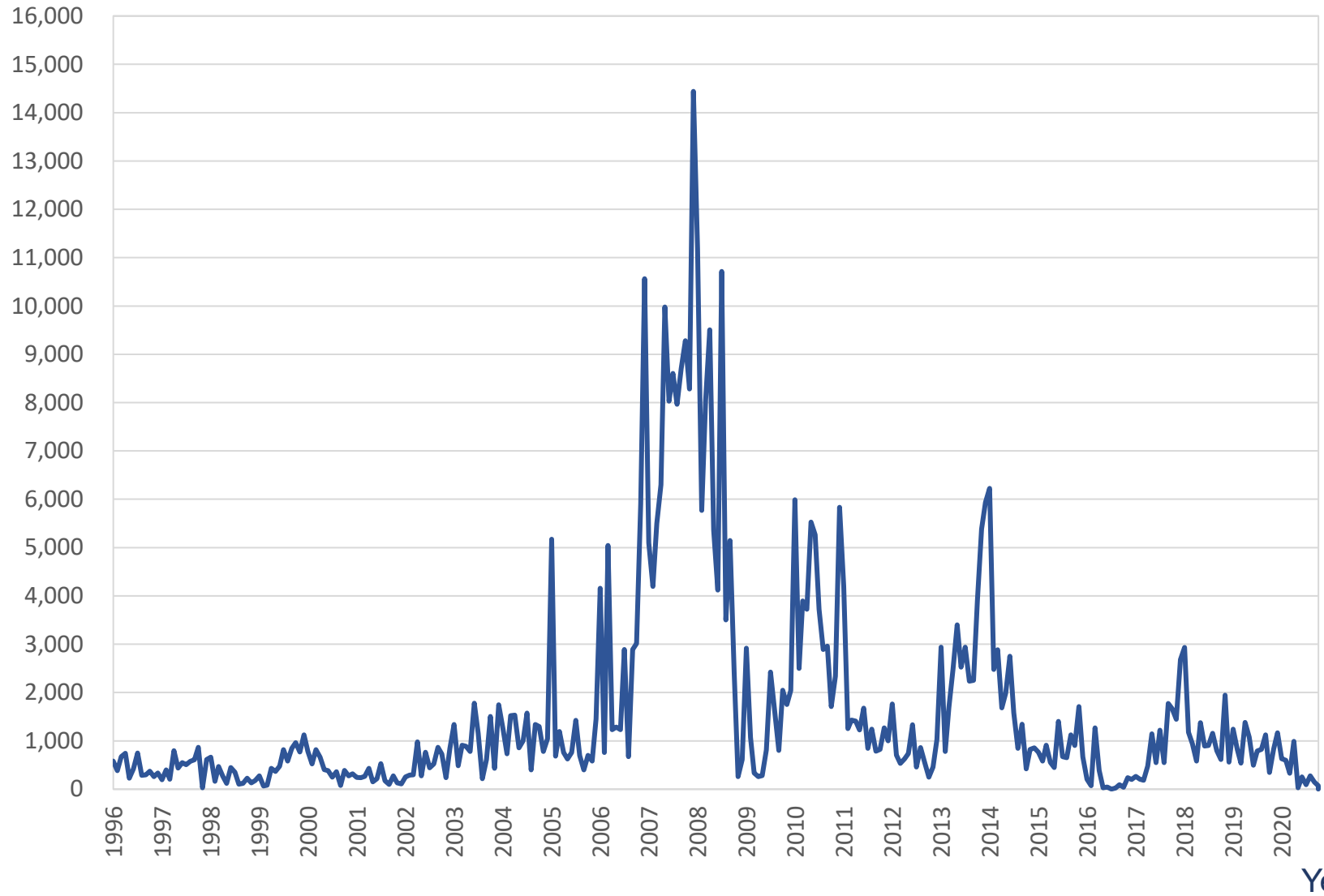
Daily finance cost is calculated as the aggregate of vessels' finance costs divided by ownership days during the period. The decrease was mainly due to the drop in interest rate and repayment of secured bank loan during the period.



# Investment in Dry Bulk Newbuildings

US\$m

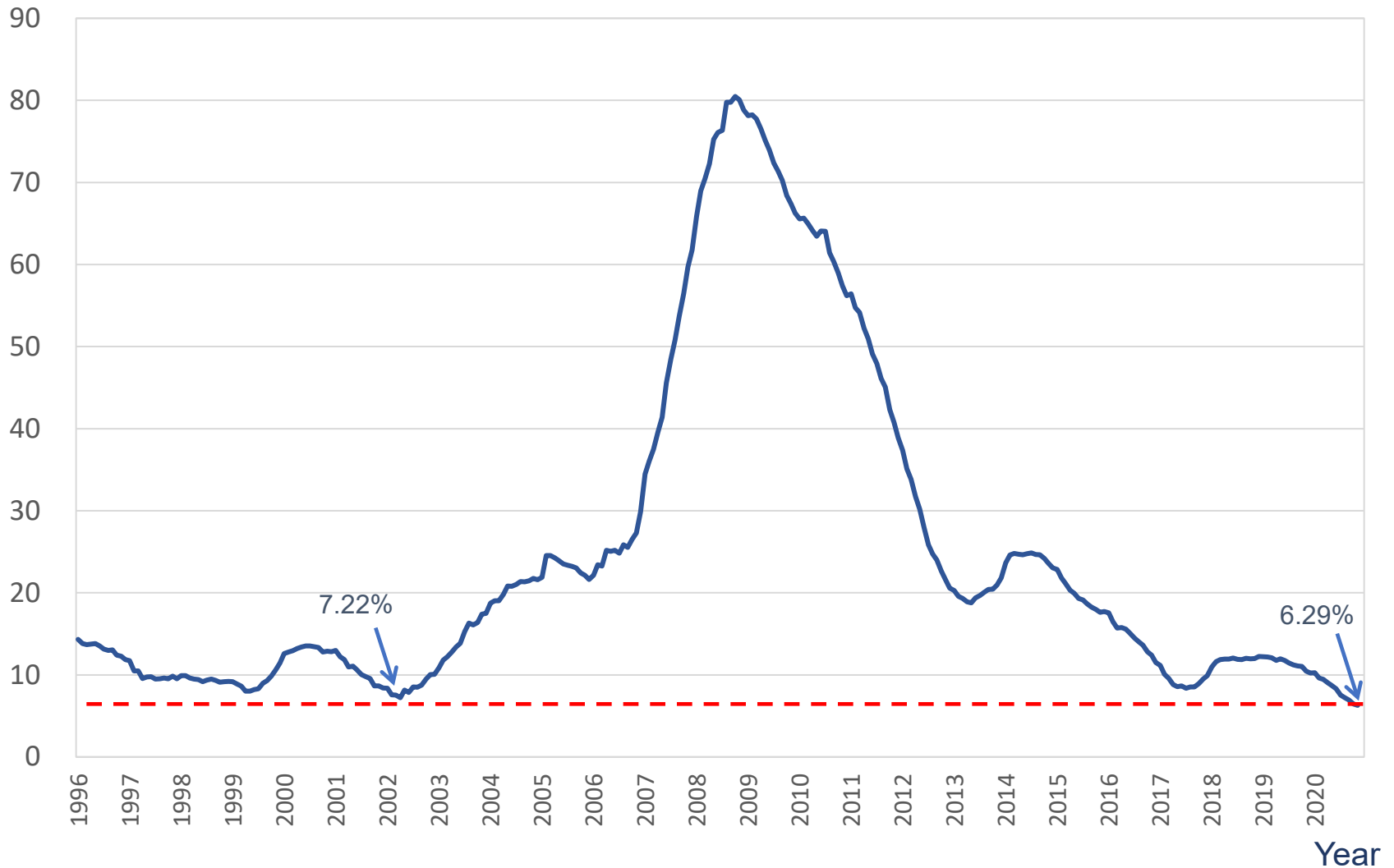
Source: Clarkson Research Services Limited 2020





# Global Dry Bulk Fleet Growth at Historical Low

% of fleet

Source: Clarkson Research Services Limited 2020



# Outlook

- Favourable demand supply balance  Good support for healthy freight rates
- Disruptions in marine logistics due to COVID  Double edge sword
- Economic or geopolitical surprises can be unpredictable
- Prudent with leverage, ad hoc opportunities in management of tonnage