JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q2 2018 Results Presentation

29 August 2018

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

Q2 2018 Financial Highlights

- Revenue for the quarter : US$22 million
- Net profit for the quarter : US$2.8 million
- EBITDA: US$8.1 million
- Basic earnings per share: US$0.026
- Gearing ratio as at 30 June 2018: 11%
- Interim dividend declared: US$0.023 per share

Highlights

- The Group exited and ended the ICD on 31 Dec 2017; and 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;
- New revolving bank loan of US$11m for working capital purposes;
- Bank borrowings dropped from US$137.8m as at 31 Dec 2017 to US$87.6m as at 30 June 2018;
- 3 Supramaxes were disposed of in Q3 2018 with total consideration of US$25.7m;

Financial Highlights
For the quarter and six months ended 30 June 2018

US$'000	Q2 2018 (Unaudited)	Q2 2017 (Unaudited)	QoQ	1H 2018 (Unaudited)	1H 2017 (Unaudited)	YoY	2017 (Audited)
Revenue	22,118	18,995	16%	40,094	34,296	17%	73,547
Impairment loss on assets held for sale	-	-	-	-	(6,301)	100%	(6,301)
Operating profit (loss) **	3,555	956	272%	6,866	(5,725)	220%	1,146
Net profit (loss) for the period / year	2,841	(784)	462%	5,312	(8,755)	161%	(4,031)
Basic earnings (loss) per share	US$0.026	US$(0.009)	389%	US$0.049	US$(0.104)	147%	US$(0.043)

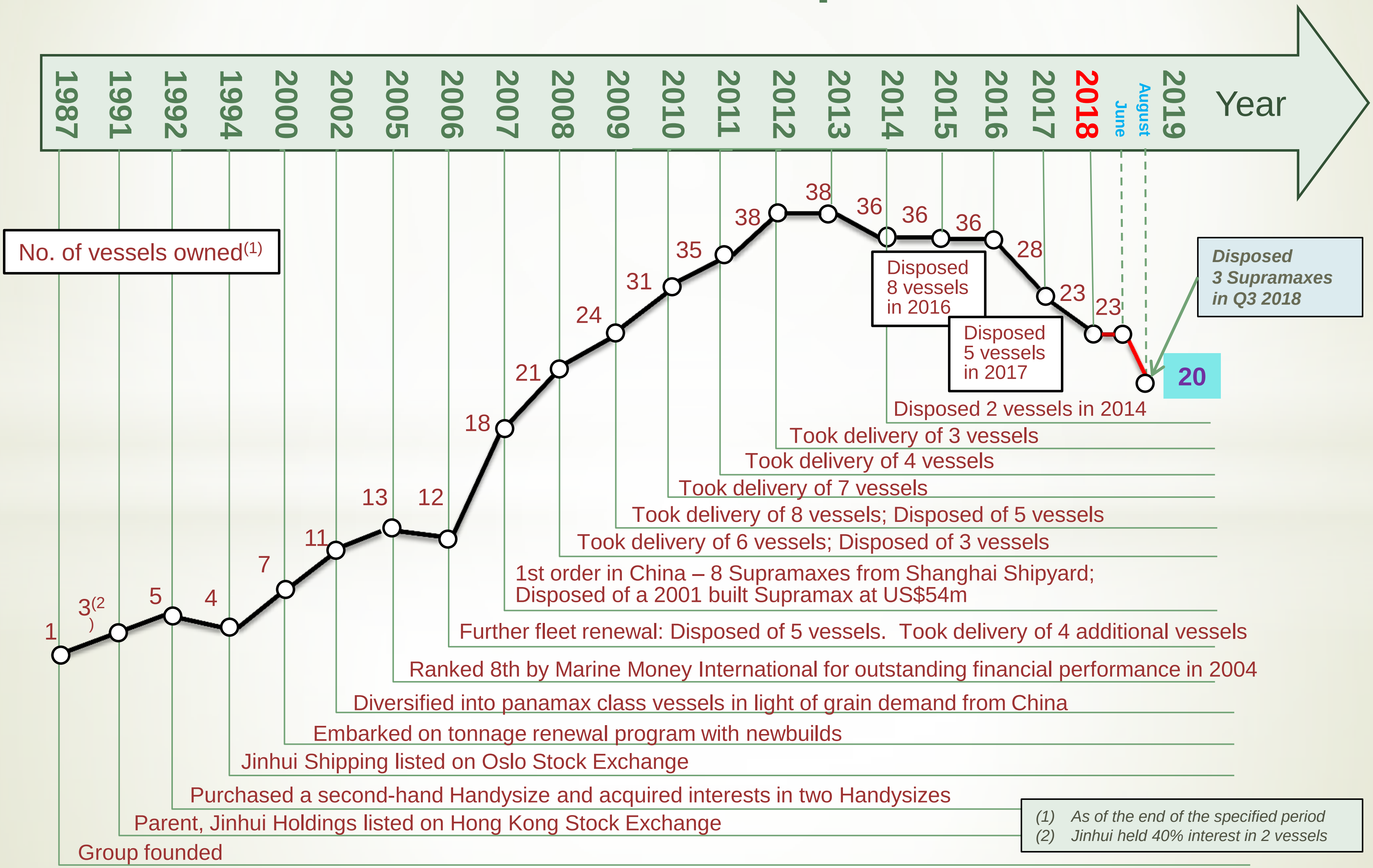
** Operating profit (loss) included impairment loss on assets held for sale recognized upon reclassification to assets held for sale of vessels for which the Group entered into disposal agreements during the quarter/period.

Key Financial Ratios
As at 30 June 2018

	Q2 2018 (Unaudited)	Q2 2017 (Unaudited)	2017 (Audited)
Total assets (US$'000)	357,830	381,380	405,469
Total debt borrowings (US$'000)	87,568	144,794	137,825
Return on equity[1]	1.15%	-0.36%	-1.72%
Return on total assets[2]	0.74%	-0.19%	-0.93%
Current ratio[3]	1.29 : 1	2.91 : 1	1.50 : 1
Net gearing[4]	11%	33%	15%
Available liquidity (US$'000)[5]	59,161	74,354	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

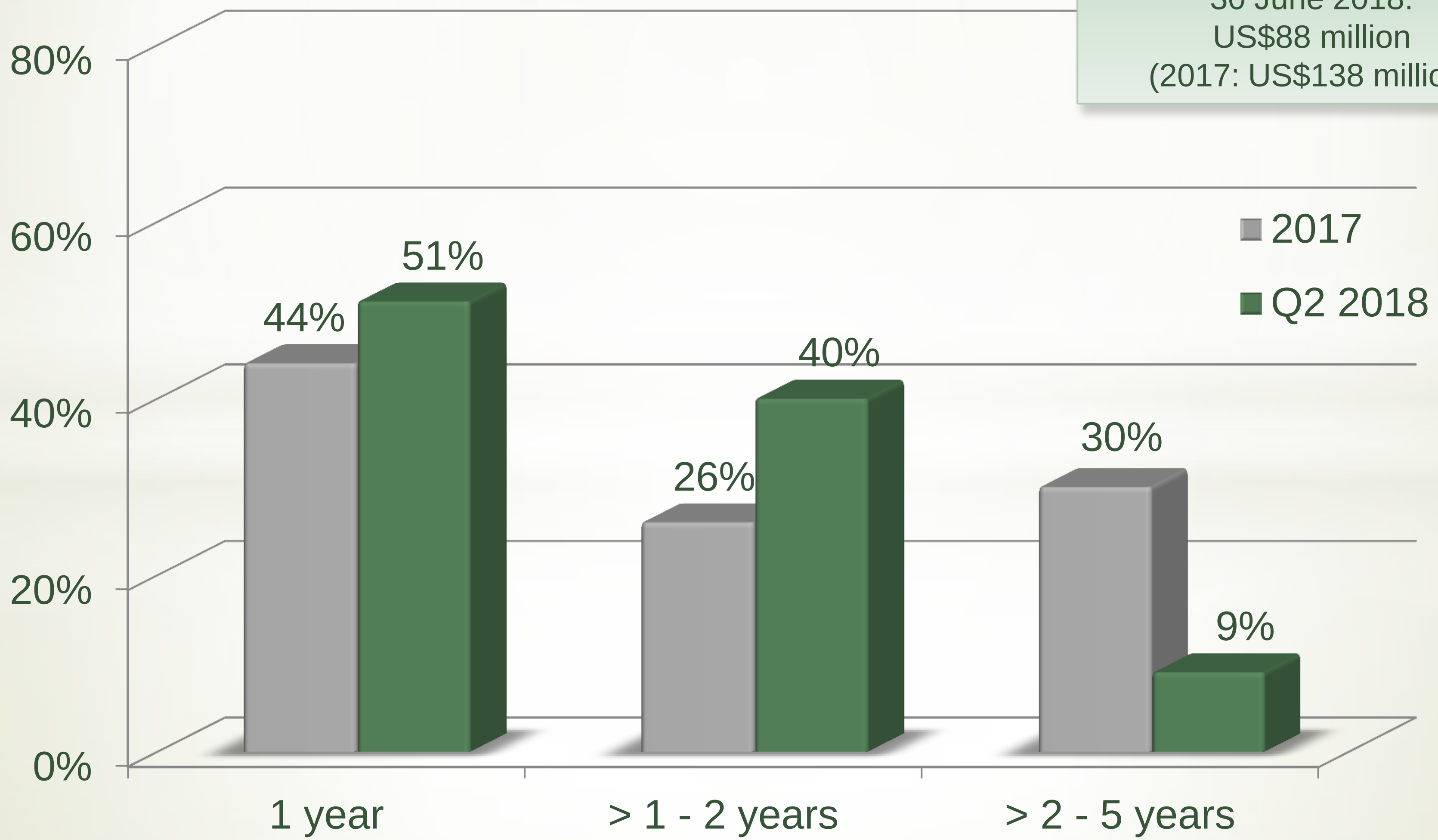
	Fleet	Type	Size (dwt)	Year built	Status	Shipyard
1	Jin Lang	Post-Panamax	93,279	2010	Owned	Jiangsu New Yangzi
2	Jin Mei	Post-Panamax	93,204	2010	Owned	Jiangsu New Yangzi
3	Jin Xiang	Supramax	61,414	2012	Owned	Oshima
4	Jin Hong	Supramax	61,414	2011	Owned	Oshima
5	Jin Yue	Supramax	56,934	2010	Owned	Shanghai 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 Quan	Supramax	51,104	2002	Owned	Oshima
19	Jin Ping	Supramax	50,777	2002	Owned	Oshima
20	Jin Zhou	Supramax	50,209	2001	Owned	Mitsui

As of 28 August 2018, total capacity of owned vessels : 1,187,387 dwt with average age of 10.45 years

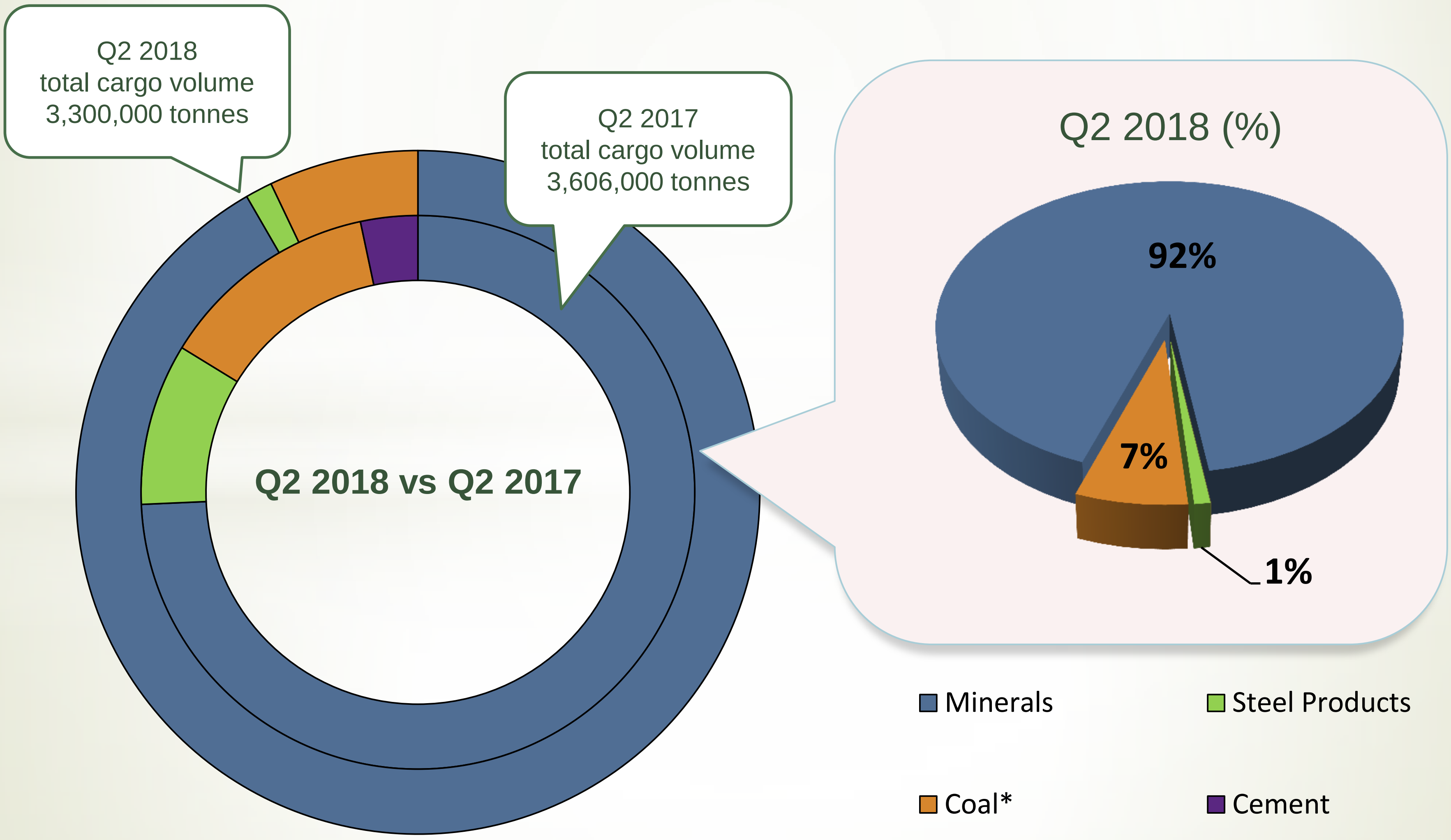
Debt Maturity Profile

(Based on information up to 30 June 2018)

Total debt as of
30 June 2018:
US$88 million
(2017: US$138 million)

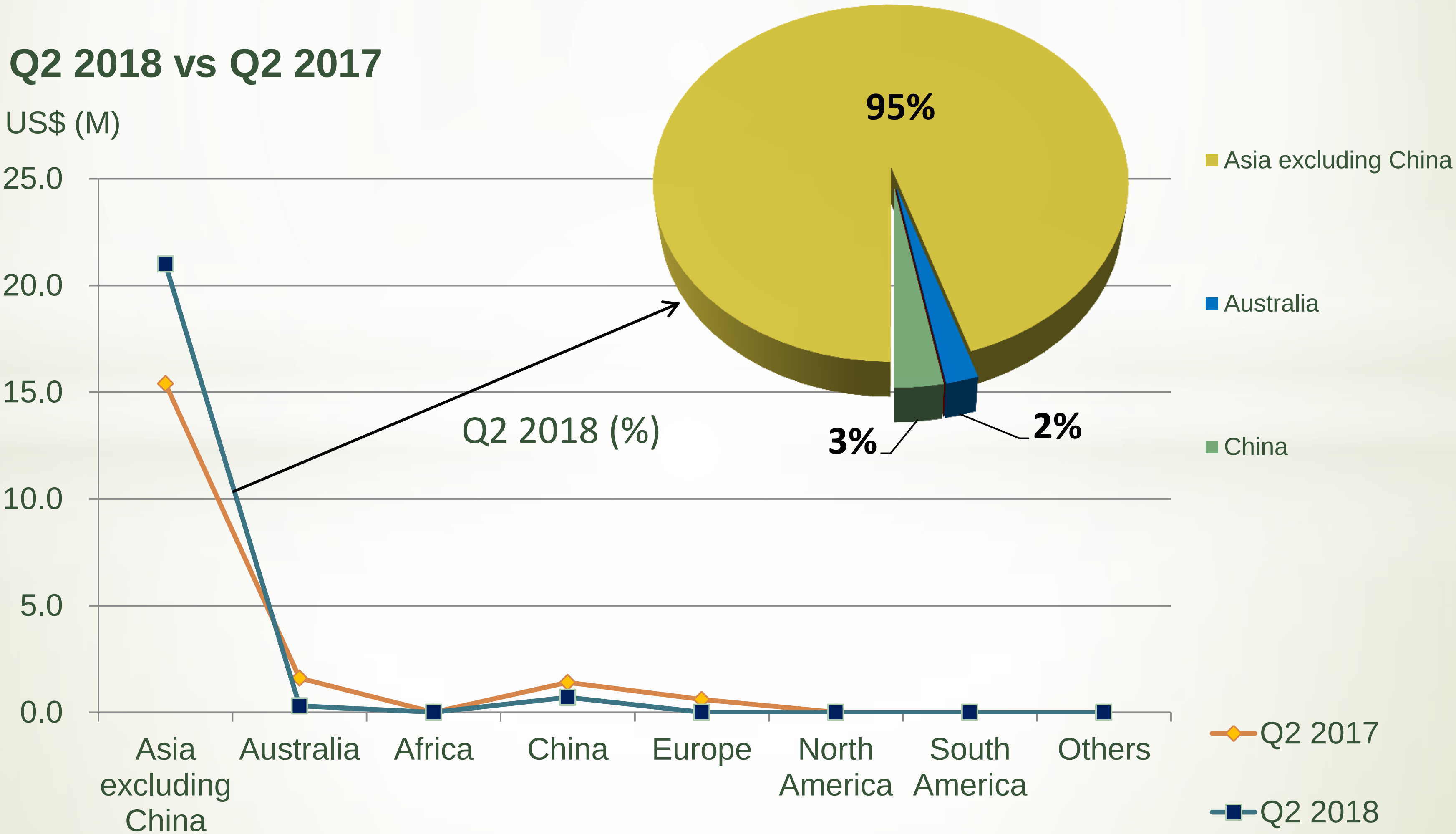


Cargo Volume Analysis Q2 2018

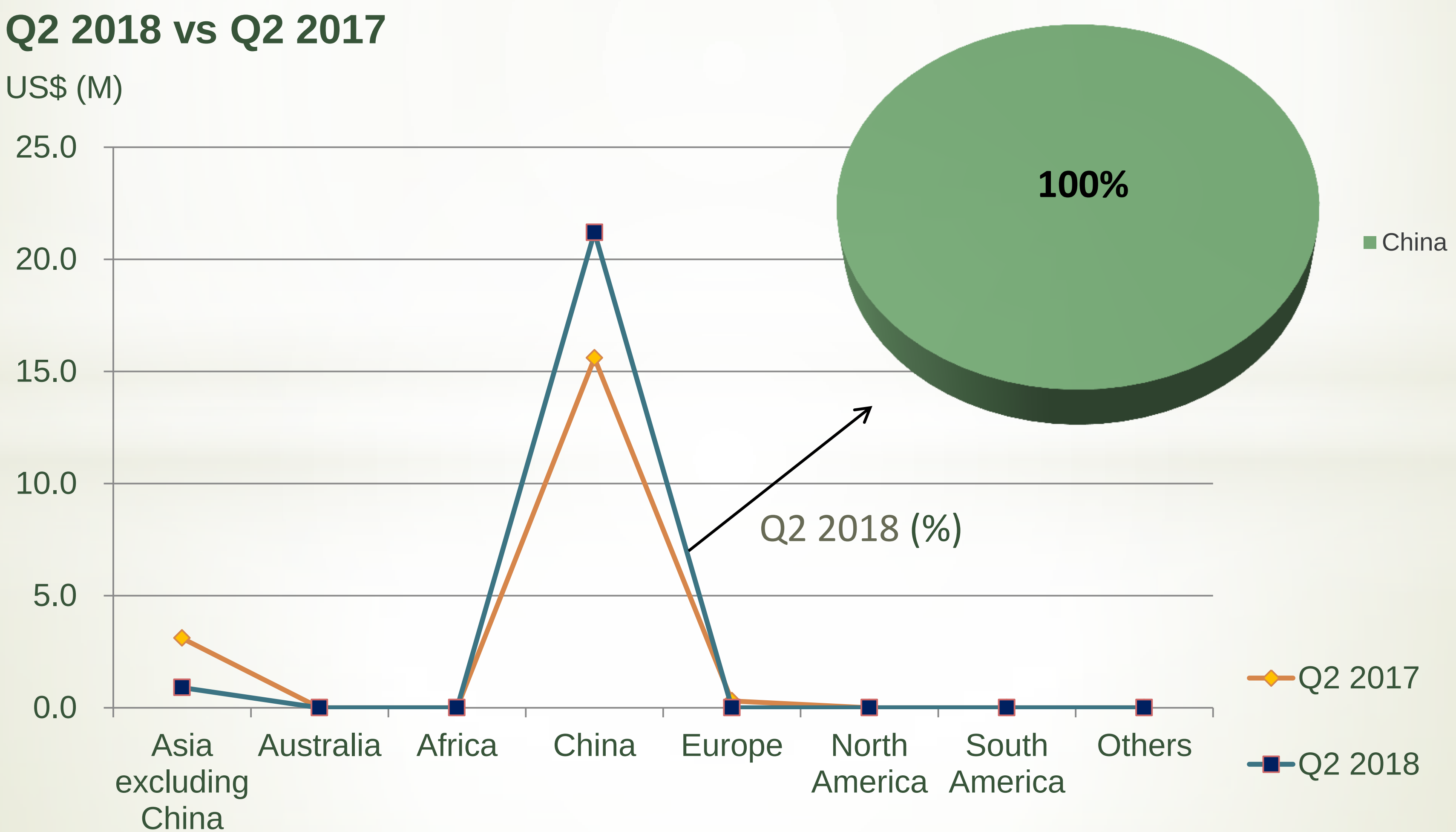


** Including steaming coal and coking coal*

Loading Port Analysis Q2 2018
Chartering revenue expressed by loading ports



Discharging Port Analysis Q2 2018
Chartering revenue expressed by discharging ports



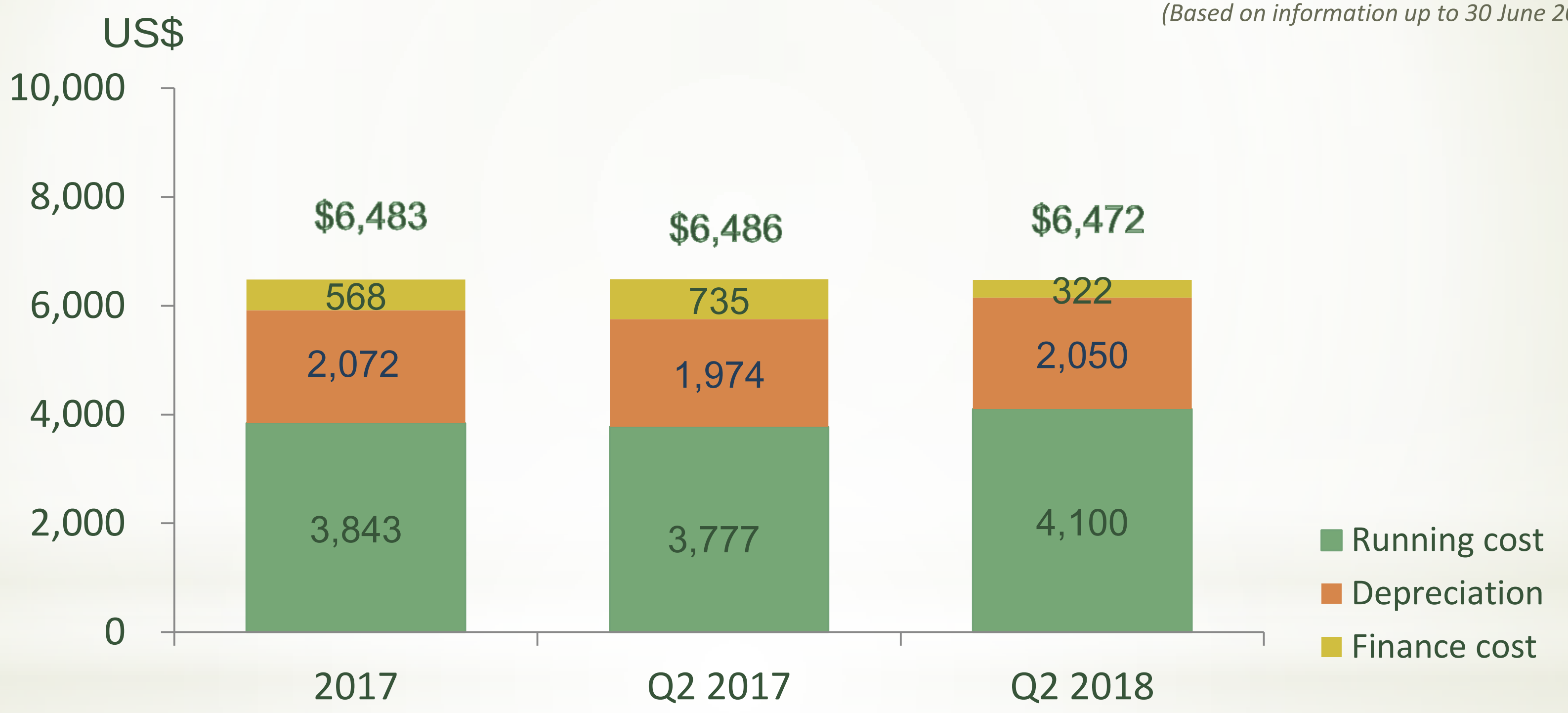
TCE of Jinhui Shipping's Owned Vessels

(Based on information up to 30 June 2018)

Average daily time charter equivalent rate (TCE)	2018 Q2	2017 Q2	2018 1H	2017 1H	2017
	US$	US$	US$	US$	US$
Post-Panamax Fleet	11,992	8,251	11,722	7,399	8,645
Supramax / Handysize Fleet	10,923	8,230	9,725	7,015	8,063
In average	**11,008**	**8,231**	**9,892**	**7,044**	**8,111**

Daily Vessel Costs of Owned Vessels

(Based on information up to 30 June 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 from disposal of 5 vessels in Q2 2017 and also repaid 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).

Increase in running costs due to the inflation and rising repair and maintenance expenses of a few aged vessels.

Market Outlook

- Overall world economic growth continues to be improving;
- Geopolitical risks on the rise given the US-China trade dispute;
- Economic growth in China will somewhat be affected, recent renewed focus on infrastructure is a positive;
- Supply of new vessels continue to be low, supporting the freight market;
- 2020 Sulphur Cap – a key consideration on future vessel design and demand;
- Cautiously optimistic and will remain financially nimble