



# JINHUI SHIPPING AND TRANSPORTATION LIMITED

Q3 2019 Results Presentation  
29 November 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, 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

## Q3 2019 Financial Highlights

- Revenue for the quarter: US\$17 million
- Net loss for the quarter: US\$2.0 million
- EBITDA: US\$2.9 million
- Basic loss per share: US\$0.018
- Gearing ratio as at 30 September 2019: 7%

# Highlights

- Decrease in revenue for current quarter mainly due to reduction in the number of owned vessels after the disposal of three motor vessels in 3<sup>rd</sup> quarter of 2018;
- Recorded net loss of US\$2 million for current quarter due to a net loss of US\$4 million on financial assets at fair value through profit or loss, mainly attributable to unrealized loss on investment portfolio;
- During the quarter, the Group entered into two facility agreements to provide the aggregated amount of US\$10 million loans to two borrowers under terms of three to five years;
- Subsequent to Q3 2019, the Group further entered into four facility agreements to provide the aggregated amount of US\$28 million to four borrowers under terms of five years;
  - stable and recurring interest income
  - value of collateral ships
  - reasonable allocation of capital into income generating assets that is asset-light

# Financial Highlights

## For the quarter and nine months ended 30 September 2019

US\$'000	Q3 2019 (Unaudited)	Q3 2018 (Unaudited)	QoQ	9M 2019 (Unaudited)	9M 2018 (Unaudited)	YoY	2018 (Audited)
Revenue	16,586	18,303	-9%	43,370	58,397	-26%	76,113
Net gain on disposal of owned vessels	-	5,012	-	-	5,012	-	5,437
EBITDA	2,948	11,580	-75%	13,612	27,626	-51%	29,467
Operating profit (loss)	(851)	7,262	-112%	2,054	14,128	-85%	11,874
Net profit (loss) for the period / year	(1,972)	6,477	-130%	(1,154)	11,789	-110%	8,713
Basic earnings (loss) per share	US\$(0.018)	US\$0.059	-130%	US\$(0.011)	US\$0.108	-110%	US\$0.080

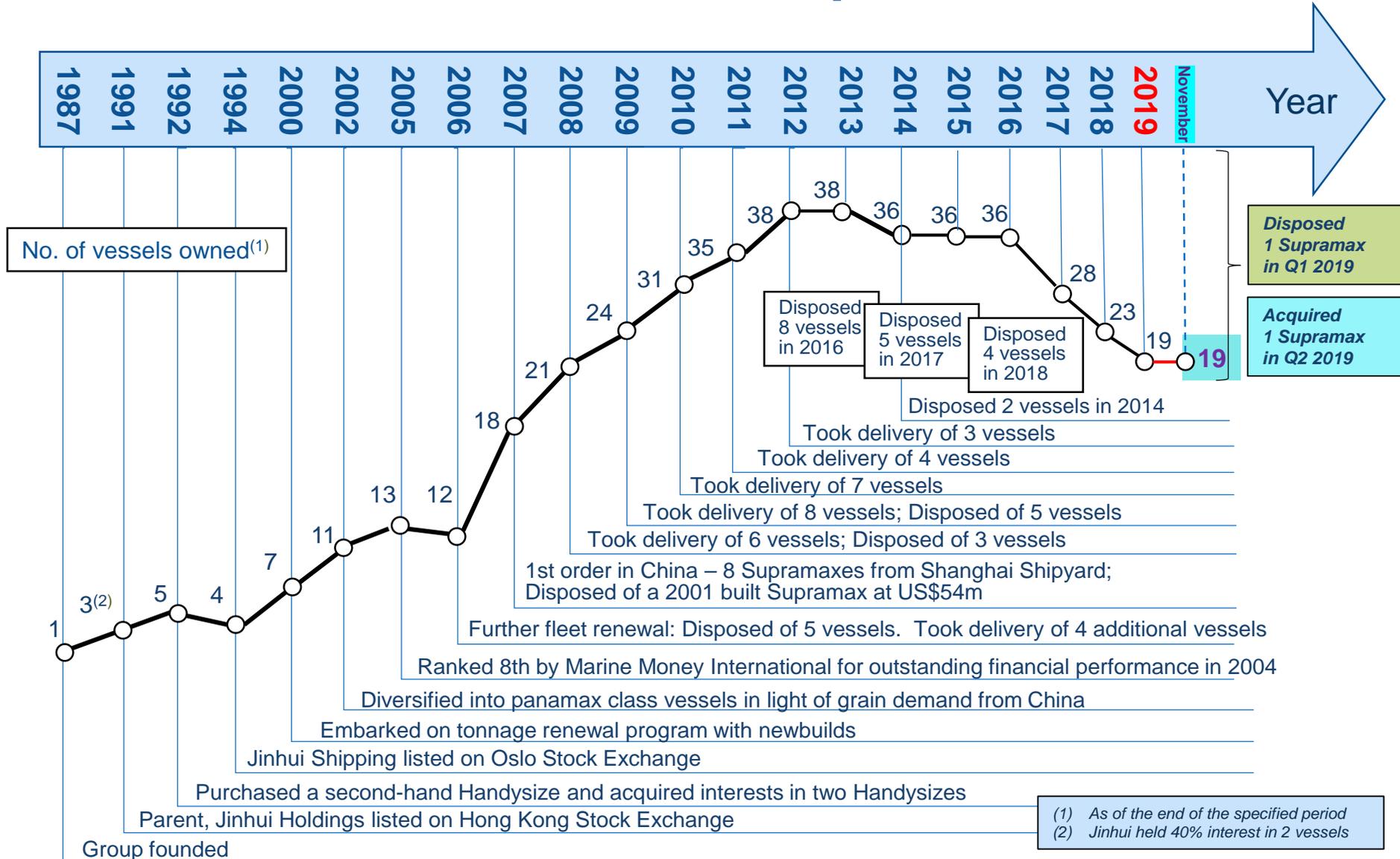
# Key Financial Ratios

## As at 30 September 2019

	Q3 2019 (Unaudited)	Q3 2018 (Unaudited)	2018 (Audited)
Total assets (US\$'000)	389,019	359,876	361,637
Total debt borrowings (US\$'000)	121,043	85,220	90,183
Current ratio <sup>1</sup>	1.54 : 1	1.53 : 1	2.54 : 1
Net gearing <sup>2</sup>	7%	1%	0.65%
Working capital (US\$'000)	44,170	37,298	69,172
Available liquidity (US\$'000) <sup>3</sup>	102,718	82,968	88,551

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.
3. 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

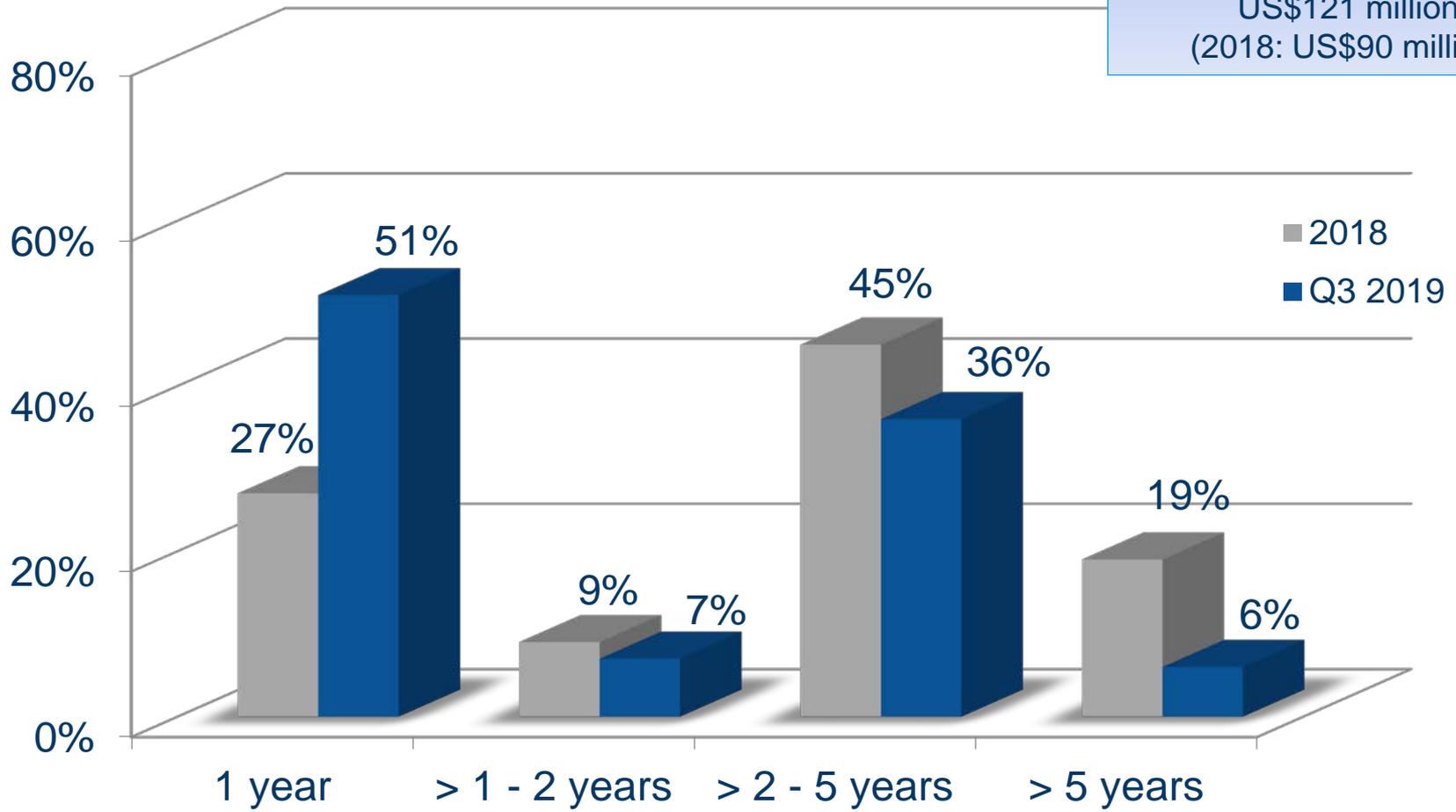
	Fleet	Type	Size (dwt)	Year built	Status	Shipyard	<u>Installation of ballast water treatment systems</u>
1	Jin Lang	Post-Panamax	93,279	2010	Owned	Jiangsu New Yangzi	Year 2020
2	Jin Mei	Post-Panamax	93,204	2010	Owned	Jiangsu New Yangzi	Year 2022
3	Jin Xiang	Supramax	61,414	2012	Owned	Oshima	Year 2020
4	Jin Hong	Supramax	61,414	2011	Owned	Oshima	Year 2020
5	Jin Yue	Supramax	56,934	2010	Owned	Shanghai Shipyard	Year 2021
6	Jin Ao	Supramax	56,920	2010	Owned	Shanghai Shipyard	Year 2022
7	Jin Gang	Supramax	56,927	2009	Owned	Shanghai Shipyard	Year 2024
8	Jin Ji	Supramax	56,913	2009	Owned	Shanghai Shipyard	Year 2021
9	Jin Wan	Supramax	56,897	2009	Owned	Shanghai Shipyard	Year 2021
10	Jin Jun	Supramax	56,887	2009	Owned	Shanghai Shipyard	Year 2021
11	Jin Sui	Supramax	56,968	2008	Owned	Shanghai Shipyard	Year 2023
12	Jin Tong	Supramax	56,952	2008	Owned	Shanghai Shipyard	Year 2021
13	Jin Yuan	Supramax	55,496	2007	Owned	Oshima	Year 2020
14	Jin Yi	Supramax	55,496	2007	Owned	Oshima	Year 2020
15	Jin Xing	Supramax	55,496	2007	Owned	Oshima	Year 2020
16	Jin Sheng	Supramax	52,050	2006	Owned	IHI	Year 2022
17	Jin Yao	Supramax	52,050	2004	Owned	IHI	Year 2021
18	Jin Ping	Supramax	50,777	2002	Owned	Oshima	Year 2022
19	Jin Ming	Supramax	50,230	2001	Owned	Shanghai Shipyard	Year 2022

- As of 28 November 2019, we operated 19 motor vessels with total capacity of deadweight 1,136,304 metric tons and average age of 11.16 years.

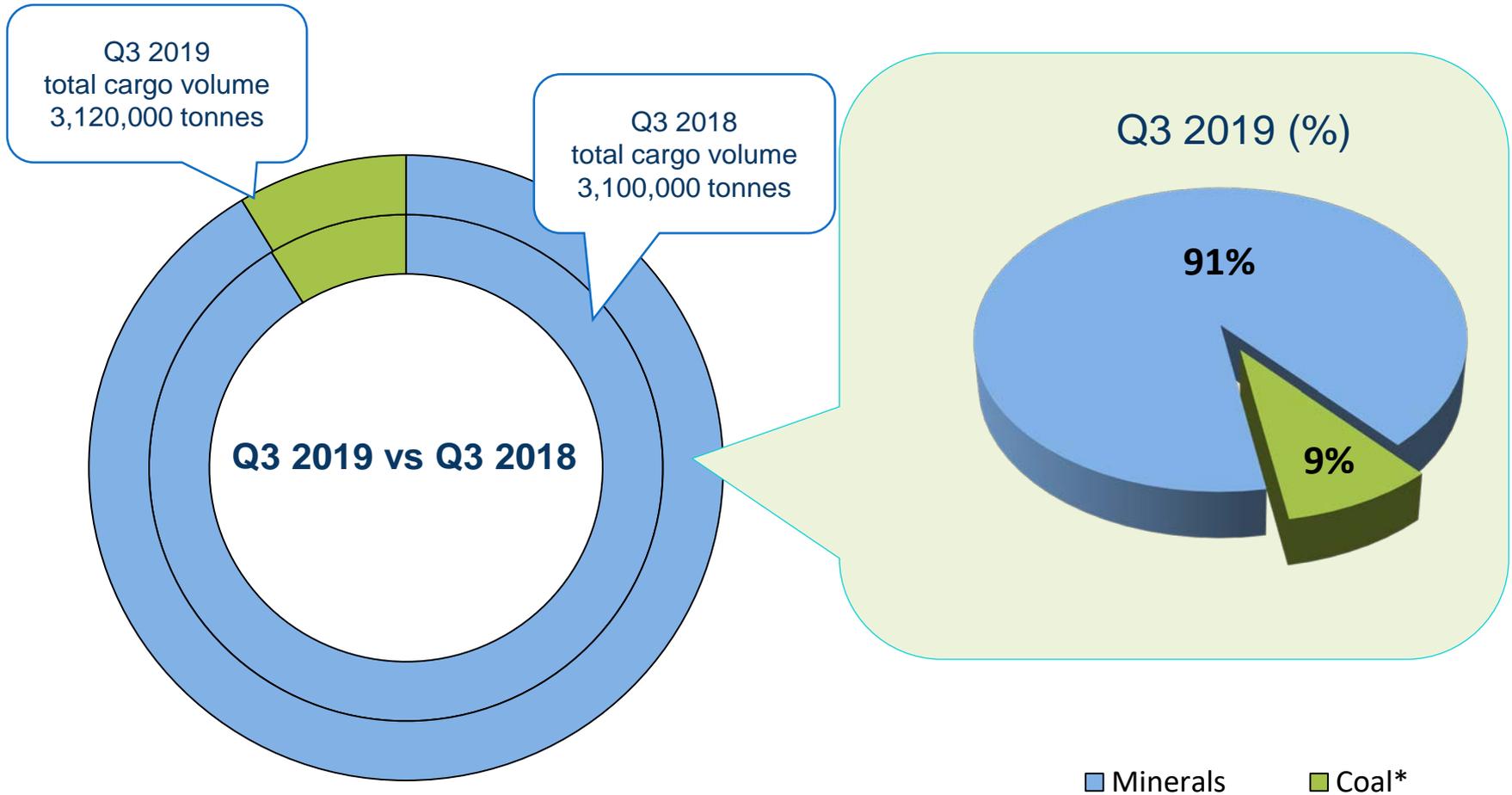
# Debt Maturity Profile

(Based on information up to 30 September 2019)

Total debt as of  
30 September 2019:  
US\$121 million  
(2018: US\$90 million)



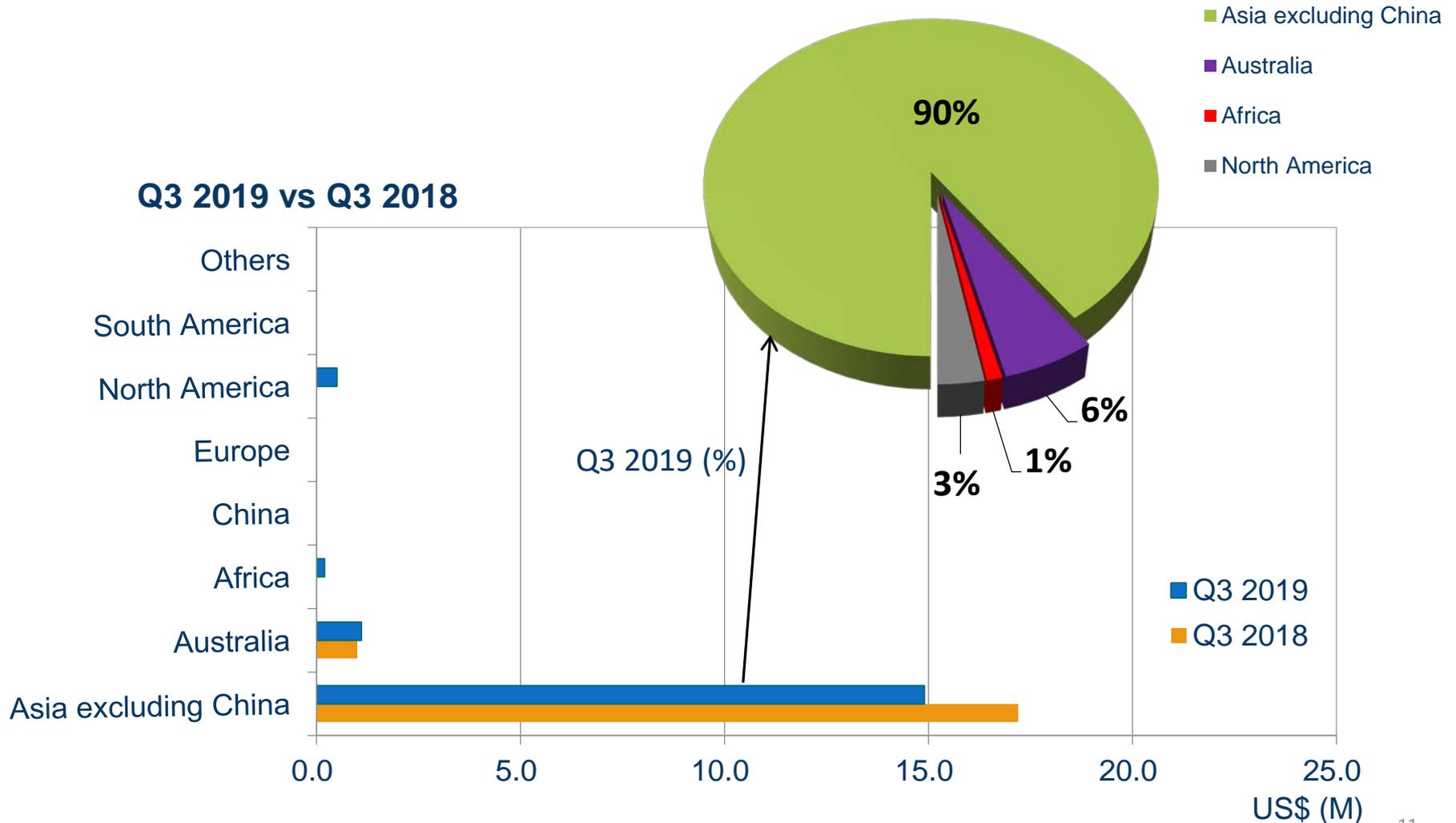
# Cargo Volume Analysis Q3 2019



\* Including steaming coal and coking coal

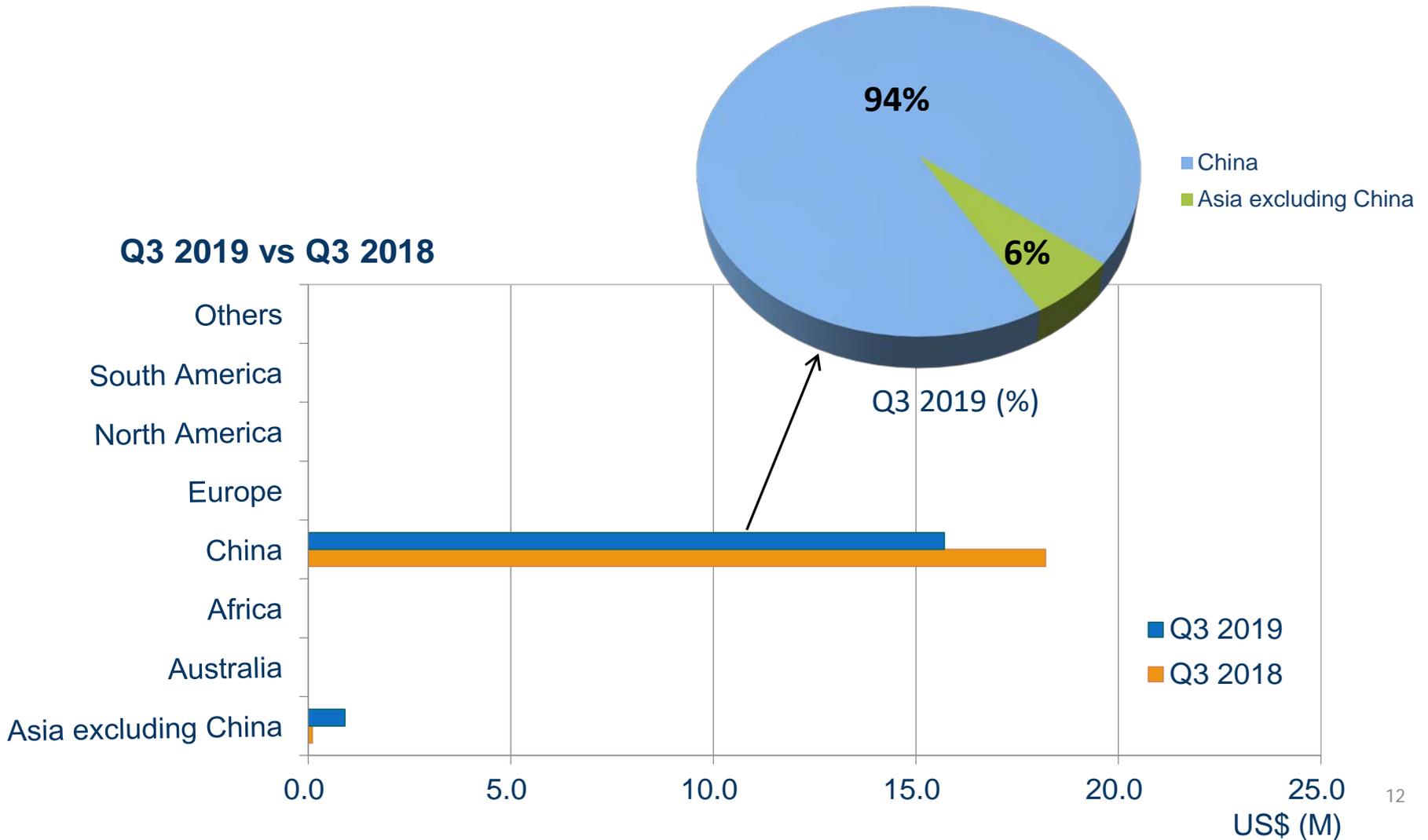
# Loading Port Analysis Q3 2019

## Chartering revenue expressed by loading ports



# Discharging Port Analysis Q3 2019

## Chartering revenue expressed by discharging ports

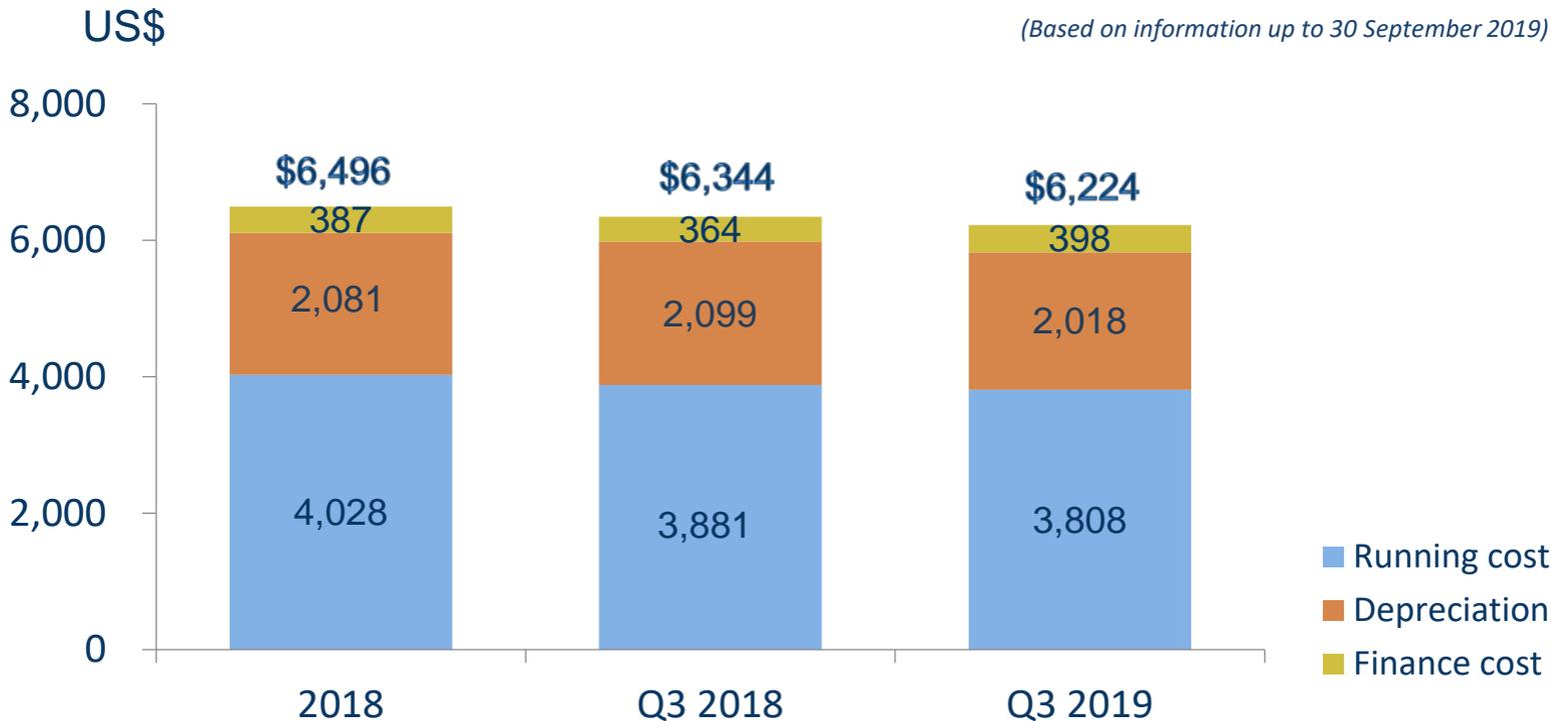


# TCE of Jinhui Shipping's Owned Vessels

*(Based on information up to 30 September 2019)*

Average daily time charter equivalent rate (TCE)	2019 Q3	2018 Q3	9M 2019	9M 2018	2018
	US\$	US\$	US\$	US\$	US\$
Post-Panamax Fleet	11,304	11,245	8,778	11,554	11,689
Supramax Fleet	9,855	9,967	8,876	9,799	9,743
In average	10,016	10,096	8,865	9,955	9,922

# 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' miscellaneous expenses divided by ownership days during the period.

Increase in finance cost in Q3 2019 mainly due to the impact of rising interest rate as the Group's bank borrowings were committed on floating rate basis and increase in new secured bank loans for current quarter.

# Market Outlook

- Seasonal weakness in freight market expected in coming quarter;
- Scrubber retrofitting of bulkers, especially larger size will soften the pressure;
- Current weaker trading environment also amplified by US China trade dispute;
- Temporary banned on nickel ore exports by Indonesia, pending domestic investigation also put pressure on smaller ships;
- Low numbers of newbuildings providing favourable downside protection;
- Demand outlook hinges an global economic growth and how geopolitical events unfold