



新 興 航 運

2021

**Sincere Navigation Corporation
Company Presentation
18th June 2021**

Company Overview

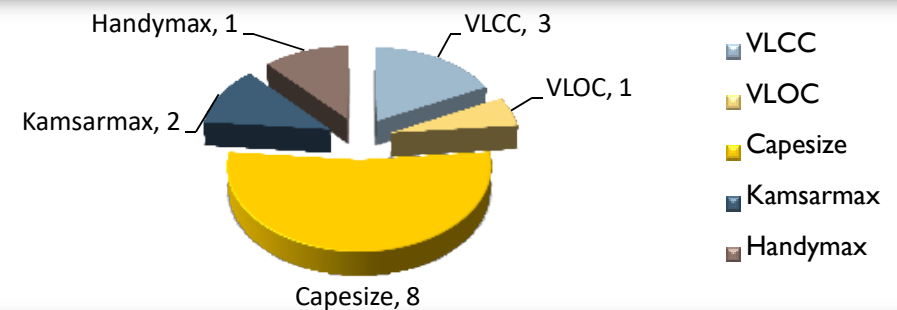
Key Facts

Sincere Navigation ("Sincere"), established in 1968, owns and operates 15 dry bulk and tanker vessels, with an average age of 11 years and almost 3mn dwt.

Key Highlights:

- Anchored by multiple generations of shipping expertise and family heritage, Sincere traces its lineage back to Charles Eddie Hsu and the first "Chou Shan" vessel, launched in 1922.
- Actively engaged with the community and industry associations, the latest generation is represented by Jack Hsu, also has served as the Chairman of the Hong Kong Shipowners Association.
- With Operations in Taipei, Hong Kong, Europe, and Vancouver, Sincere owns and operates a fleet of vessels with a strong focus on asset management and operational excellence.
- Balanced supply / demand dynamics for its core fleet of Capesize dry bulk vessels and incremental recovery of VLCC rates, is driving a recovery in profitability, supported by its moderate leverage and opportunities for asset acquisitions.

Fleet Profile



Total Fleet Tonnage & Mix



Company Overview

2021

Sincere Navigation Fleet Summary

Stable
Diligence
Improving

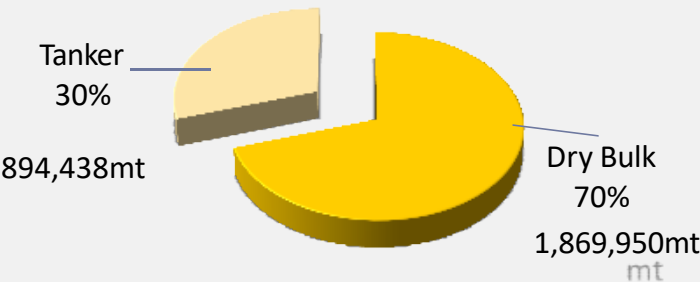


- Placed in Tankers International Pool, to achieve long-term commercial management stability.

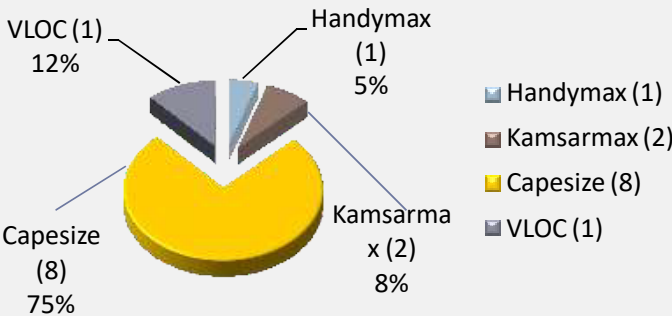


- Carries major commodities, like iron ore, coal.
- Flexible operations between spot and mid and long-term period markets.

Total Fleet Tonnage & Mix



Dry bulk Fleet Mix (by tonnage)

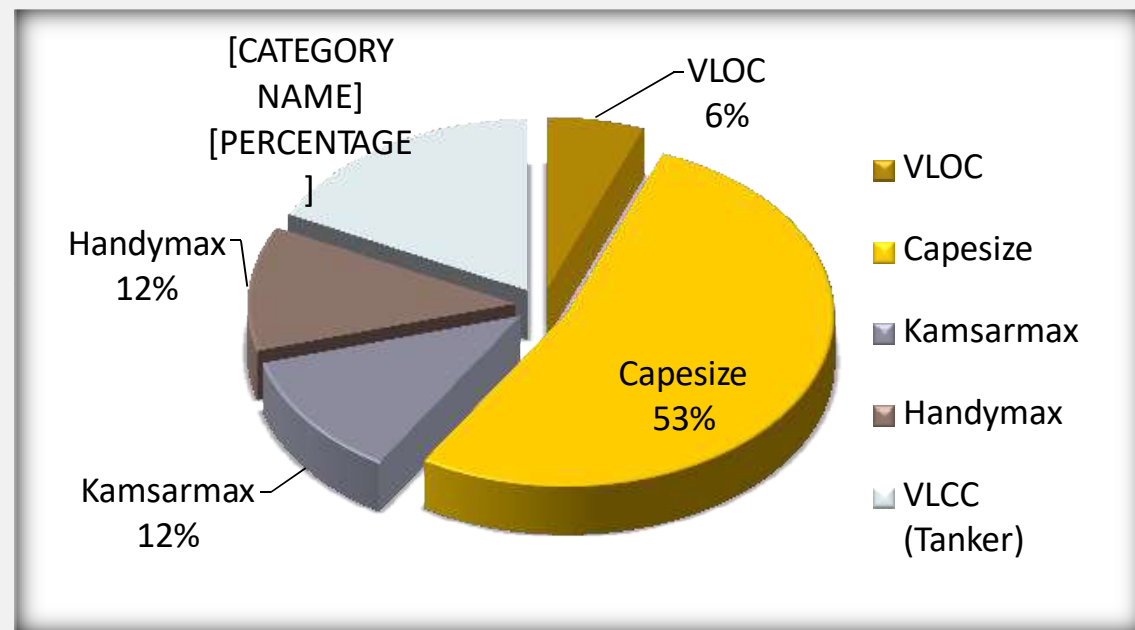


Deadweight
Tonnage

Sincere Navigation Fleet (by # of vessels)

Total Fleet: 15

- VLCC (Tanker): 3
- VLOC: 1
- Capesize: 8
- Kamsarmax: 2
- Handymax: 1



1968

- Established Sincere Navigation in Taiwan, a leading dry bulk owner-operator.
- With more than 50 years of management expertise, transporting goods for various industries such as mining, steel, power and paper companies.

Services

- Crude Oil Transportation
- Dry bulk Transportation
- Ship Owner / Operator

Principles

- Credibility, Decisiveness, Diligence, Discretion, and Improvements.
- Taking advantage of opportunities, while managing the volatility of the business cycle.
- Holding on to a spirit of stable and conservative growth, developing a sustainable marine transportation business.

1968

Sincere Navigation
was established
with one handysize
ship

1987

Acquired Karson Navigation
and Tai Hsing Navigation, and
reorganized with "Sincere
Navigation Corporation" as
the surviving company

2001

Established wholly
owned subsidiary
Heywood Limited

2004

Established Haihu Maritime
Service (Shanghai) Co., Ltd.

2021

A fleet of 15 ships
with about 3 million
deadweight ton

1980

Reformed the
company into
one of the
largest privately
owned Capesize
fleets

1989

Listed in Taiwan
stock exchange
and established
wholly owned
subsidiary Norley
Corporation Inc.

2006

Awarded by Forbes
Magazine as one of
the "Best Under a
Billion" companies
in the Asia region.

Industry Outlook 2021

2021 Tanker Market Positive / Negative Drivers

Positive Drivers

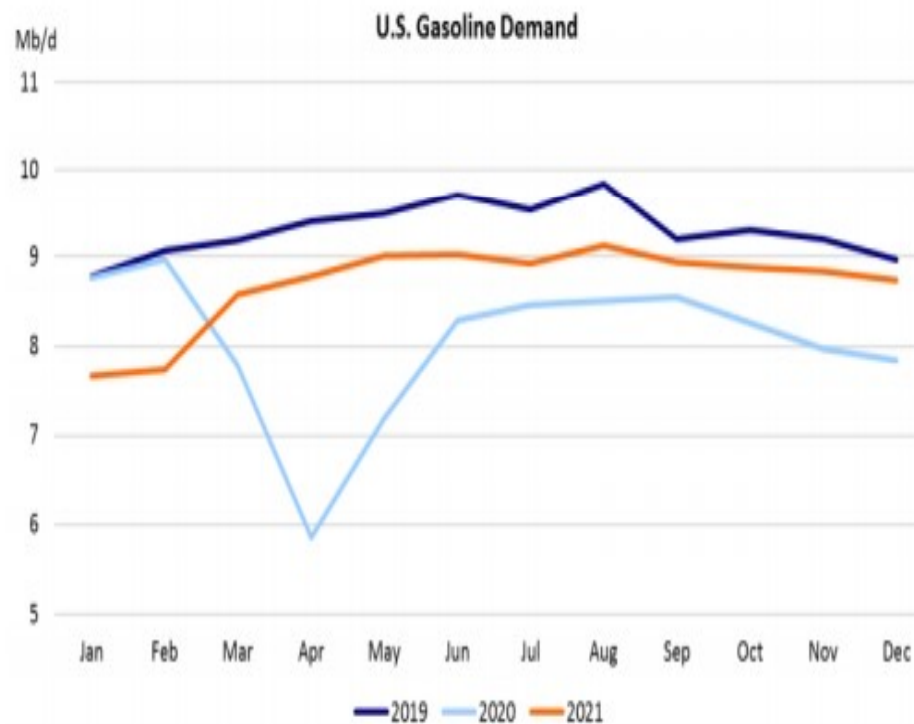
- Covid-19 vaccine successfully developed to reduce the pandemic globally and inspire the airline and traveling economic prosperous.
- Expected slowdown in deliveries, to improve supply/demand balance.

Negative Factors

- Covid-19 pandemic influence
- OPEC+ reduce down the production in order to escalate bunker price
- Sulphur 0 emission in 2025
- Battery/Hybrid car reduce the petroleum requirement.
- VLCC completed the Scrubber installment and enter the tanker market.

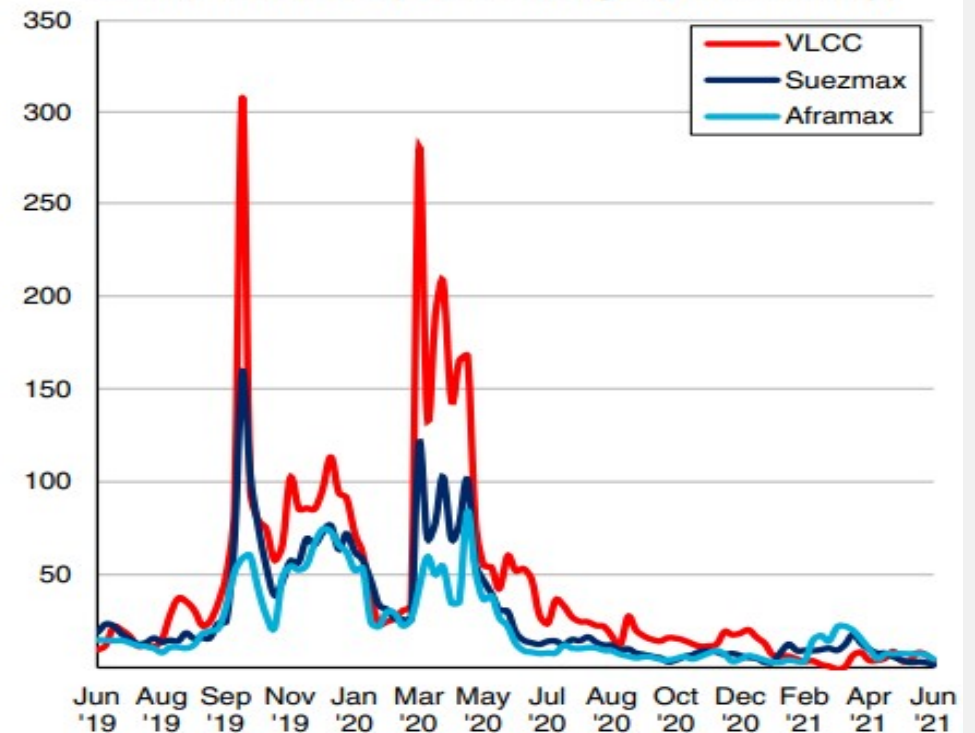
VLCC Market Dynamics

Crude Demand Growth Curve



Tank Spot Earnings

Crude Tanker Spot Earnings (\$,000's/day)



VLCC Spot Earnings

VLCC Single Voyage.....			WS 2021			Average earnings \$/day				VLCC Earnings		
			May 28	Jun 04	2021	2019	2020	2021	May 28	Jun 04	This Week	
23	270,000t	MEG - China*	36	32.5	33	44,625	51,882	1,776	4,554	-628	WEAKER!!	-114%
23	270,000t	MEG - S.Korea*	34	31.5	31	42,854	49,523	2,077	4,105	139	WEAKER!!	-97%
23	270,000t	MEG - WC India*	42.5	43.5	43	50,408	58,043	3,919	3,394	2,908	WEAKER	-14%
23	280,000t	MEG - UKC	22	21	21	28,918	51,089	-699	347	-2,661	WEAKER!!	-867%
23	280,000t	MEG - US Gulf*	20	19	19	35,644	59,528	1,829	3,326	161	WEAKER!!	-95%
23	260,000t	WAF - China*	37	34	35	41,072	48,294	3,851	5,160	589	WEAKER!!	-89%
23	260,000t	WAF - WC India^^	3.00	2.80	2.70	50,391	58,512	15,406	20,560	15,381	WEAKER!!	-25%
23	270,000t	USG - East~*	4.40	4.25	4.39	86,585	93,946	33,730	32,208	28,970	WEAKER	-10%
23	275,000t	Caribs-Singapore^	3.75	3.65	3.64	93,665	97,499	31,076	31,634	28,910	WEAKER	-9%
23	VLCC Avg. Earnings*					41,364	53,145	5,405	7,013	3,445	WEAKER!!	-51%
39	Scrubber Fitted Avg. Earnings*						58,750	10,286	11,733	8,300	WEAKER!!	-29%

VLCC New Building

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Built	Delivered Vessels	Delivered Dwt	Delivered GT	Delivered CGT	Orderbook Vessels	Orderbook Dwt	Orderbook GT
2016	47	14,330,159	7,444,123	2,075,583			
2017	50	15,234,032	7,894,866	2,204,189			
2018	39	12,128,620	6,246,642	1,733,375			
2019	68	21,058,144	10,841,219	3,014,324			
2020	37	11,280,702	5,852,269	1,632,714			
2021	19	5,843,907	3,014,883	839,944	15	4,651,500	2,313,946
2022					41	12,386,638	6,181,325
2023					22	6,683,000	3,314,460

2021 Dry Bulk Market Positive / Negative Drivers

Positive Drivers

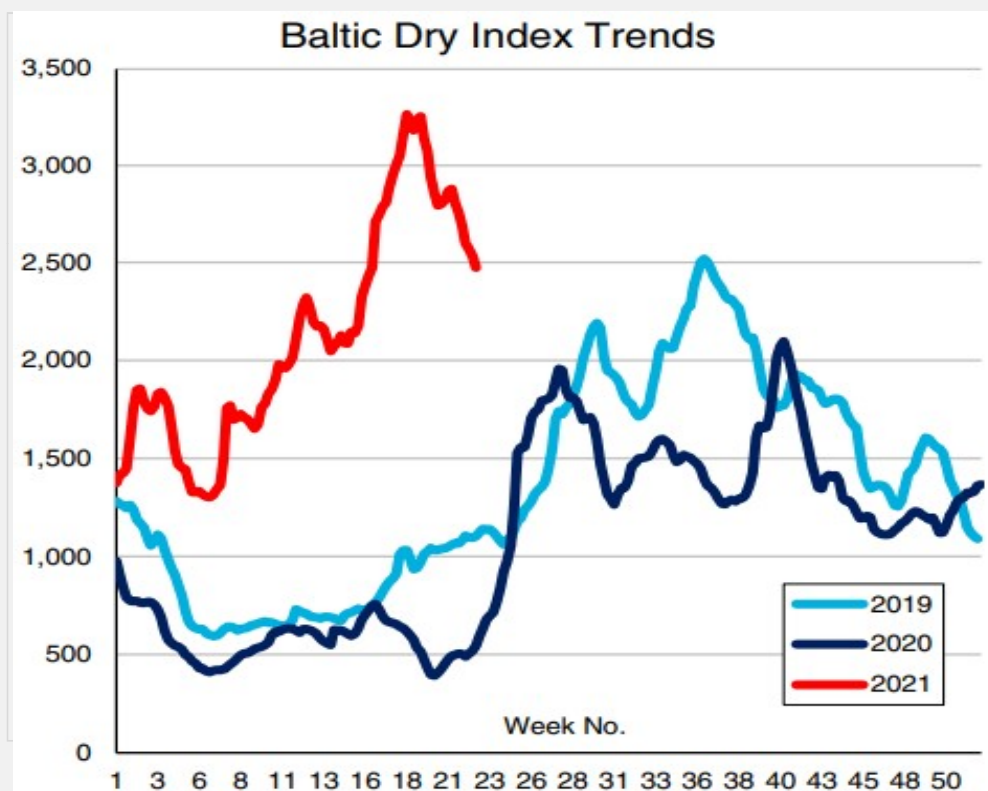
- Covid-19 vaccine successfully developed to reduce the pandemic globally and inspire the economic prosperous.
- USA President Joe Biden's infrastructure of 1.7 trillion.
- Vessel proceeding by economic speed and/or super slow steam to prolong the steaming day and save bunker cost.
- 2020 Sulphur Cap may accelerate scrapping.
- Stronger ton-mile demand forecasted in 2021 supported by improving US-China volumes in grains.

Negative Factors

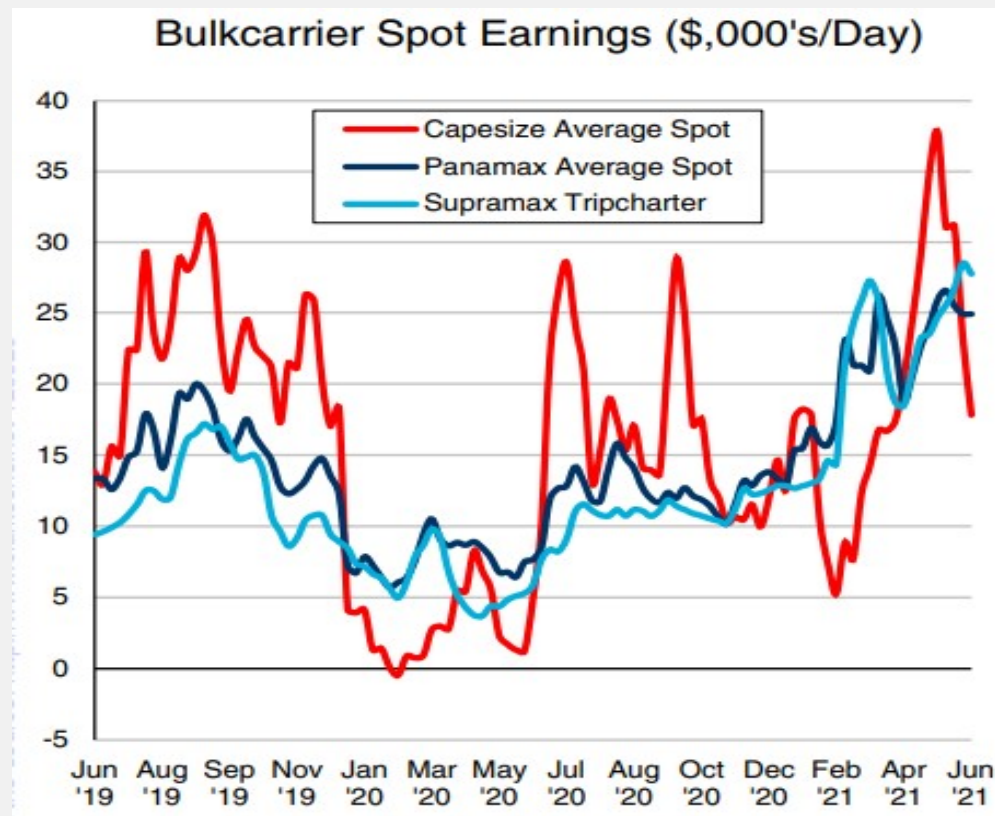
- Covid-19 pandemic influence.
- The politic war between China and Australia (China prohibit to import of coal, barley, wine, lobster from Australia).
- Sulphur 0 emission in 2050.
- Fleet growth continues to outpace "headline" demand growth due to "new" VLOC segments.
- Environmental factors (shift to gas & renewables, air pollution control) driving EU and South Korea to decrease steam coal imports.
- Capesize vessel completed the scrubber installment and re-enter the market.

Bulk Dry Market Freight Index trends and Spot Earning

Baltic Dry Index Trends



Bulkmarket Spot Earnings



Capesize Spot Rates Earning

Capesize Tripcharter...	Average Rate \$/Day (180,000 dwt Capesize)							Capesize Market		
	2019	2020	2021	May 07	May 14	May 21	May 28	Jun 04	This Week	
Cont/Far East	34,260	27,606	39,891	63,000	57,000	50,000	40,000	38,000	SOFTER	-5%
Transpacific R/V	17,005	12,827	22,391	44,500	35,000	38,000	29,000	22,750	WEAKER	-22%
Far East/Cont	2,332	-750	6,898	22,000	19,000	17,000	10,500	5,000	WEAKER!!	-52%
Transatlantic R/V	17,923	13,197	23,109	40,000	36,000	31,000	19,000	15,000	WEAKER	-21%
Average Capesize Earnings	17,880	13,220	23,072	42,375	36,750	34,000	24,625	20,188	WEAKER	-18%

Panamax Spot Earnings & Trip Charter Rates

Panamax Tripcharter...	Average Rate \$/Day (82,000 dwt Kamsarmax)							Panamax Market		
	2019	2020	2021	May 07	May 14	May 21	May 28	Jun 04	This Week	
Cont/Far East	20,788	18,012	29,415	36,750	36,850	34,500	33,250	35,750	FIRM.....	8%
Transpacific R/V	11,133	9,287	21,322	29,000	30,000	29,000	26,500	26,750	STEADY	1%
Far East/Cont	4,826	2,824	9,226	14,250	14,500	14,850	14,500	14,500	STEADY	0%
Transatlantic R/V	12,458	9,656	19,196	22,500	23,000	19,900	18,500	22,500	FIRMER	22%
Average Panamax Earnings	12,301	9,945	19,790	25,625	26,088	24,563	23,188	24,875	FIRM.....	7%

Source: Clarkson SIW, 3 January, 2020

Supramax Trip Charter Rates

Supramax Tripcharter...	Average Rate \$/Day (58,000 dwt Supramax)							Supramax Market		
	2019	2020	2021	May 07	May 14	May 21	May 28	Jun 04	This Week	
Cont/Far East	18,856	19,285	30,348	31,500	32,500	34,000	33,000	31,500	SOFTER	-5%
Transpacific R/V	8,997	6,129	18,554	27,500	28,000	29,000	27,500	26,000	SOFTER	-5%
Far East/WAF"	4,723	2,698	15,385	23,500	26,000	29,500	29,750	26,500	WEAKER	-11%
US Gulf/Cont	14,769	13,210	23,202	18,500	20,000	21,000	29,000	31,000	FIRM.....	7%
ECSA/Cont*	9,147	7,228	17,857	18,850	20,200	22,800	24,400	27,000	FIRMER	11%
Indonesia - China~	10,556	8,686	23,435	34,000	34,000	34,000	33,000	27,000	WEAKER	-18%
Average Supramax Earnings^	10,867	8,813	20,762	24,713	25,550	26,700	28,475	27,750	STEADY	-3%

Average excludes Cont/Far East and Far East/WAF. ~Delivery South China, redelivery South China. *Delivery WAF.

Capesize New Building (100,000 dwt or above)

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Built	Delivered Vessels	Delivered Dwt	Delivered GT	Delivered CGT	Orderbook Vessels	Orderbook Dwt	Orderbook GT
2016	103	19,669,105	10,193,710	3,321,938			
2017	75	15,314,948	7,990,238	2,527,971			
2018	51	14,259,757	7,324,049	2,039,686			
2019	80	19,040,630	9,871,707	2,925,395			
2020	112	24,997,196	13,079,048	3,969,332			
2021	45	9,610,214	5,043,188	1,556,371	40	8,935,400	4,610,605
2022					47	9,645,700	4,977,085
2023					16	3,028,000	1,562,418
2024					4	840,000	433,432

Panamax Vessel New Buidling (65,000-99,999 dwt)

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Built	Delivered Vessels	Delivered Dwt	Delivered GT	Delivered CGT	Orderbook Vessels	Orderbook Dwt	Orderbook GT
2016	114	9,406,805	5,066,165	2,291,575			
2017	109	8,922,846	4,801,308	2,165,747			
2018	68	5,636,547	3,043,191	1,354,385			
2019	138	11,379,975	6,133,157	2,737,186			
2020	146	12,089,408	6,529,004	2,906,579			
2021	49	4,114,806	2,232,388	986,376	65	5,381,451	2,783,706
2022					77	6,472,280	3,352,292
2023					36	3,007,000	1,557,028
2024					2	164,000	84,622

Ultramax New Building (40,000-64,999 dwt)

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Built	Delivered Vessels	Delivered Dwt	Delivered GT	Delivered CGT	Orderbook Vessels	Orderbook Dwt	Orderbook GT
2016	218	13,237,516	7,593,248	3,725,997			
2017	179	10,801,629	6,259,846	3,066,296			
2018	91	5,628,899	3,256,063	1,580,597			
2019	133	8,214,027	4,845,606	2,333,917			
2020	153	9,399,694	5,486,337	2,658,278			
2021	54	3,175,224	1,908,339	928,314	85	4,956,108	2,940,149
2022					127	7,190,872	4,298,354
2023					14	806,480	470,468
2024					1	42,000	24,868

Handysize New Building (10,000-39,999 dwt)

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Built	Delivered Vessels	Delivered Dwt	Delivered GT	Delivered CGT	Orderbook Vessels	Orderbook Dwt	Orderbook GT
2016	130	4,607,704	2,930,219	1,697,665			
2017	100	3,445,723	2,194,556	1,280,689			
2018	91	2,986,775	1,906,292	1,131,666			
2019	92	2,990,648	1,877,006	1,120,572			
2020	78	2,441,279	1,548,088	934,885			
2021	55	1,308,506	838,267	554,505	60	1,687,249	1,054,580
2022					41	1,161,300	713,741
2023					6	178,700	109,147

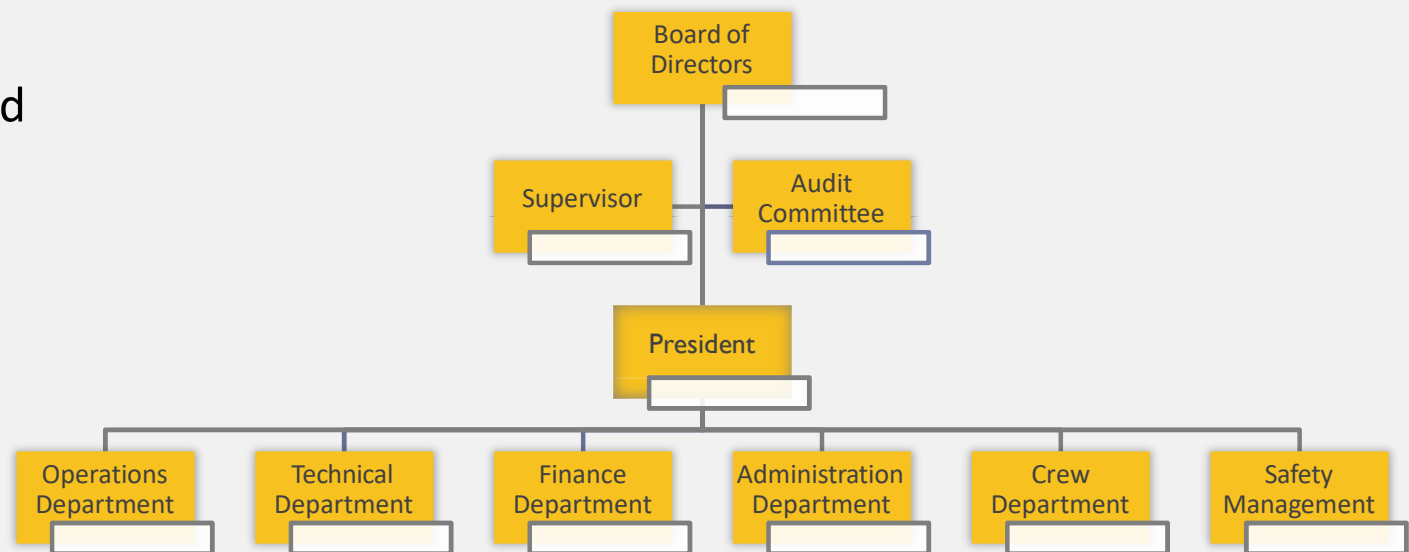
New Building Price

Market	2020	2021	Previ...	Latest
VLCC NB	85	96	95	96
Capesize NB	46.5	57.5	57	57.5
13,000 TEU NB	102	124.5	123	124.5
LNG NB	186	189	189	189

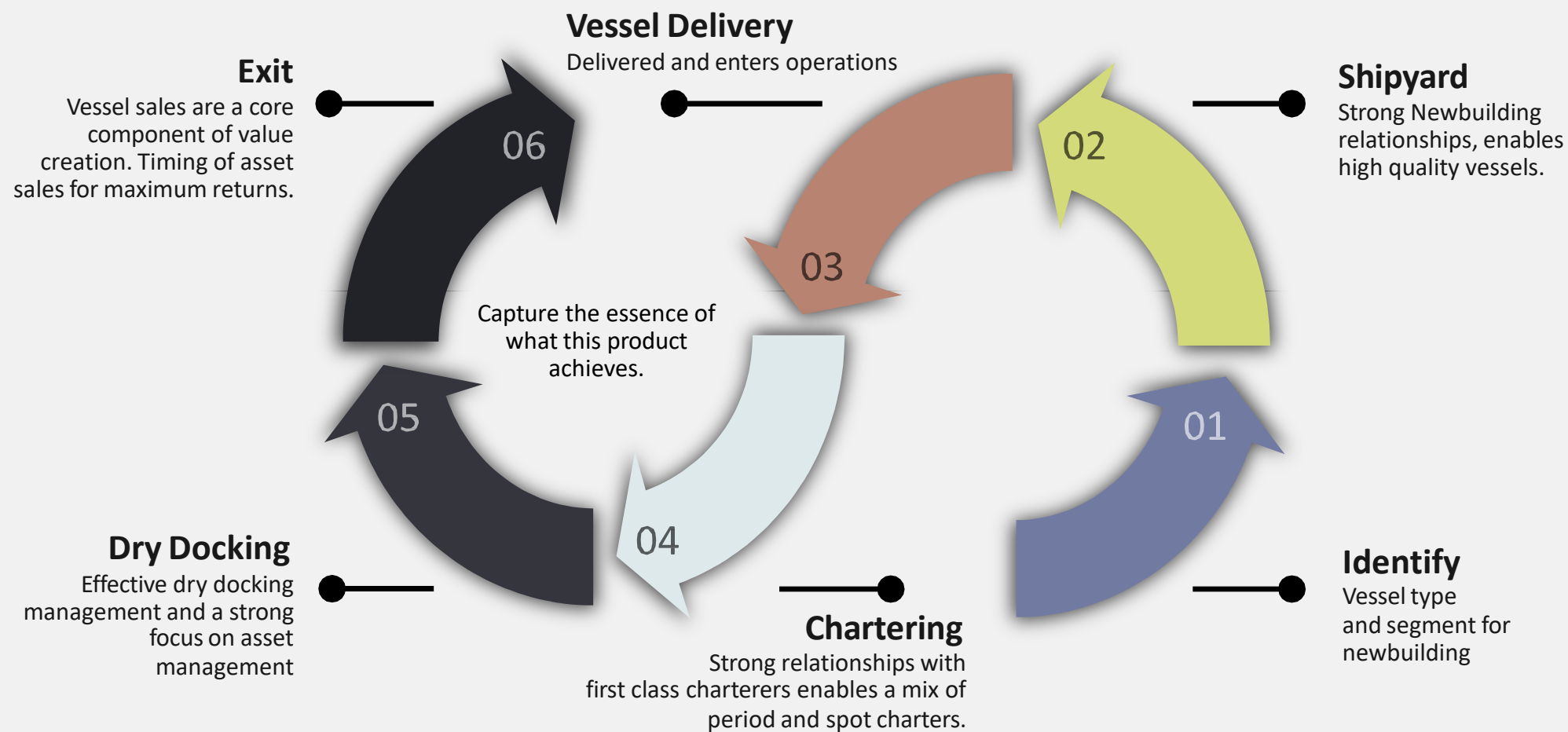
Strategic Outlook 2021

Organizational structure focused on owner-operator management of assets and people

- Strong management team with low turnover, substantial experience, prudent management and care of assets/business, and strict adherence to safety & regulations
- Adding new talent with awareness of global standards & best practices, and innovative ideas and diverse areas of expertise.



Evolution of a shipping asset



Business model focused on prudent asset management and cash flow generation

- Average fleet age for SNC fleet is currently at 11 years, in-line with the 11 years of the total bulk fleet average.
- 7 out of the 15 vessels we own do not have any outstanding loan balances, enabling fire power for future asset acquisitions.
- Prudent, risk management approach to asset replacement is key.
- New sectors continued to be evaluated for future investments.
- Continued commitment to a stable dividend policy and returns to our shareholders.

Sincere Navigation Fleet

VESSEL	船名	SHIP BUILDER	TYPE	DELIVERY	FLAG	SUMMER DWT MT
ELBHOFF	(海福輪)	SWS	VLCC	01/2017	Hong Kong	300,837
KONDOR	(高登輪)	SWS	VLCC	01/2012	Hong Kong	296,714
MAXIM	(美生輪)	SWS	VLCC	06/2011	Hong Kong	296,887
TIEN SHAN	(天山輪)	BEIHAI	VLOC	03/2018	Hong Kong	250,327
BAO SHAN	(寶山輪)	CSBC	Capesize Bulker	09/2006	Panamanian	175,009
CHIN SHAN	(青山輪)	CSBC	Capesize Bulker	11/2004	Panamanian	175,569
CHOU SHAN	(舟山輪)	CSBC	Capesize Bulker	07/2005	Panamanian	175,569
HENG SHAN	(衡山輪)	SWS	Capesize Bulker	01/2007	Panamanian	174,145
HUANG SHAN	(黃山輪)	CSBC	Capesize Bulker	08/2003	Panamanian	175,980
MINERAL OAK	(明和輪)	SWS	Capesize Bulker	03/2010	Hong Kong	177,921
TAI SHAN	(泰山輪)	SWS	Capesize Bulker	08/2011	Hong Kong	176,469
YUE SHAN	(玉山輪)	SWS	Capesize Bulker	09/2009	Hong Kong	177,798
OCEANA	(合盛輪)	SWS	Kamsarmax	09/2014	Hong Kong	81,594
PALONA	(寶隆輪)	SWS	Kamsarmax	11/2014	Hong Kong	81,676
MADONNA III	(麥唐娜)	CHENGXI	Double Hull Handymax Bulker	09/2007	Taiwanese	53,390
Fleet Total: 15 Vessels			Fleet Average Age:	11 Years		2,769,885

Q&A

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新興航運 

Sincere Navigation Corporation

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