



新興航運股份有限公司 Sincere Navigation Corporation 2605.TW

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業務範圍 Our Business



主要業務Main Business Areas

Dry Bulk (11) 散裝

Own and operate 3 Kamsarmax, 7 Capesize, and 1 VLOC.

In June, SNC acquired 1 Kamsarmax and plan to sign MOA and deliver in early Sept 2023.

Tanker(3) 油輪

Own 3 VLCCs and join Tanker International operation pool.

Finance Lease 融資租賃

SNC purchase VLCC US\$62M and lease back to original owner from Aug 2021 to Aug 2028.

1st year daily rental US\$23,500 per day.

2nd year onward rental US\$20,500 per day.

H1FY23 has interest revenue US\$1.93M vs US\$1.96M in FY22

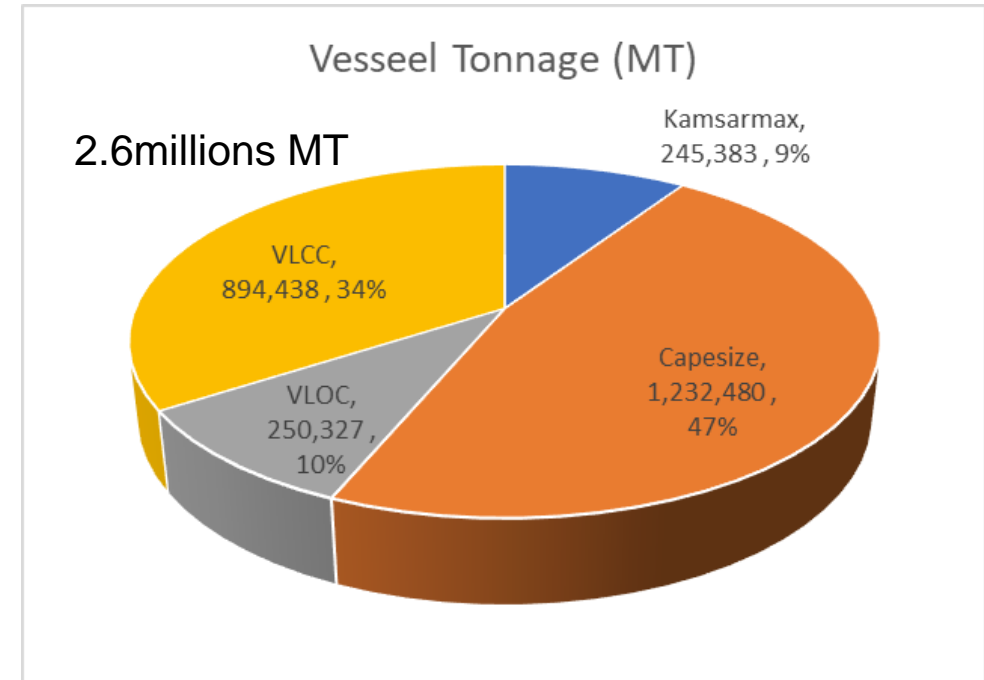
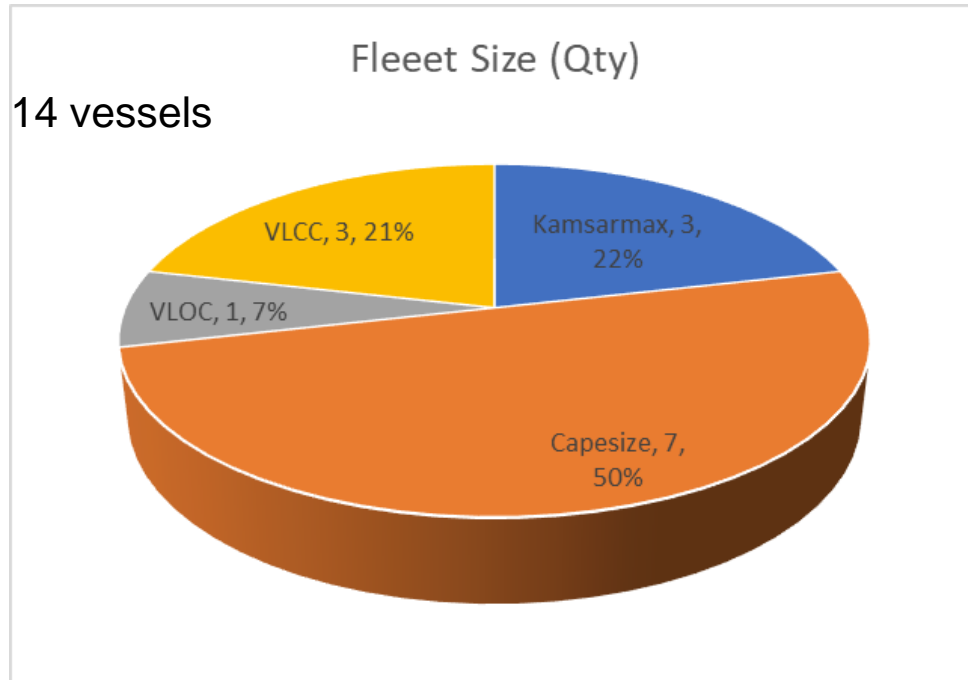
Vessel Management 船舶管理

SNC provide management service to private owners of 3 vessels, including 1 Kamsarmax, 1 Capesize and 1 VLOC.

Total annual revenue US\$0.6M



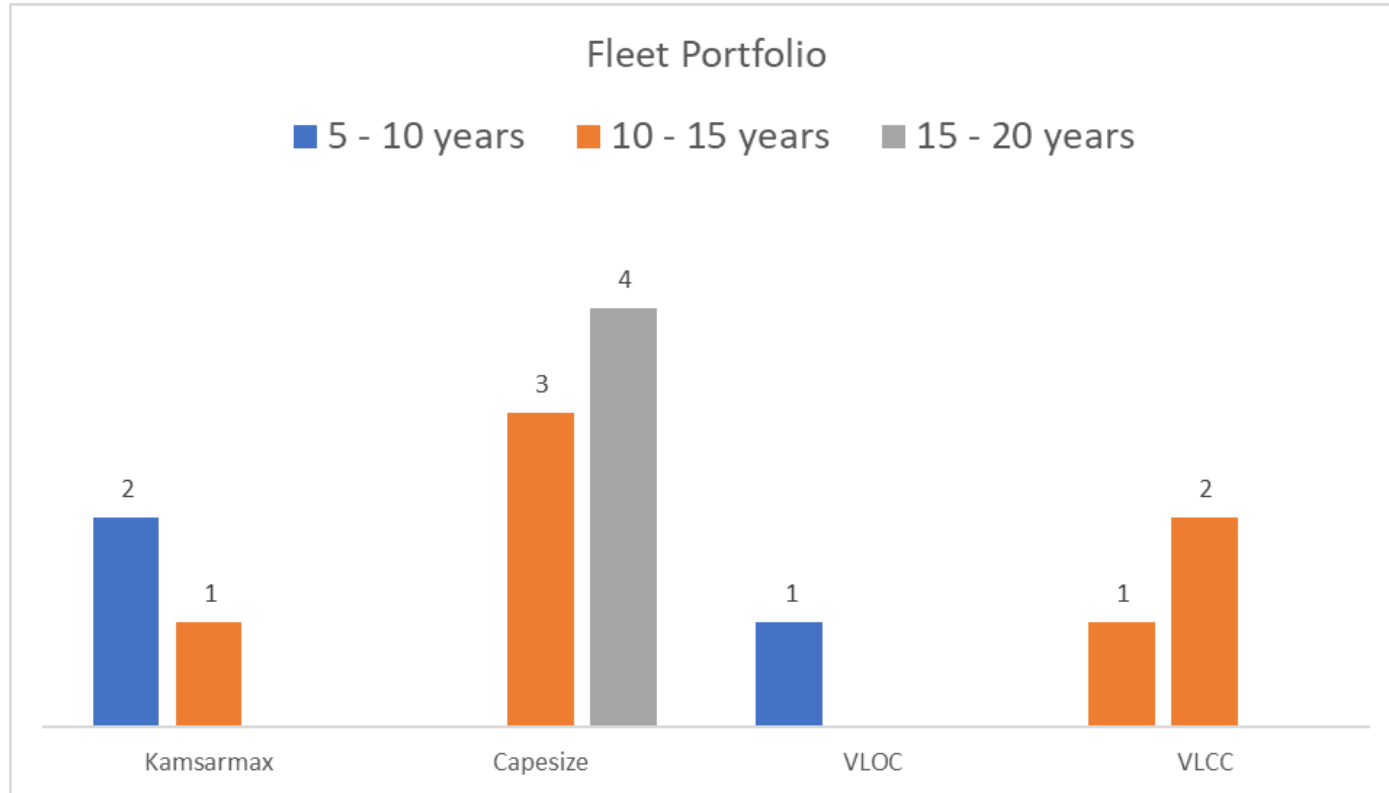
船隊狀態 Fleet Status



- 3 Kamsarmax – mainly carry various kinds of products including Barley (大麥), Sorghum (高粱), Grain(糧食), Soybean, Corn, Coal, Muriate of Potash (氯化鉀) and Woodchips
- 7 Capesize (ownership 6.55 vessels) mainly carry coal / iron ore from Australia, Brazil, and West Africa to China and East Asia
- 1 VLOC (ownership 0.55 vessels) mainly carry iron ore from Australia to China
- 3 VLCC (ownership 2.8 vessels) mainly carry crude oil from US / Middle East to China / Far East Asia



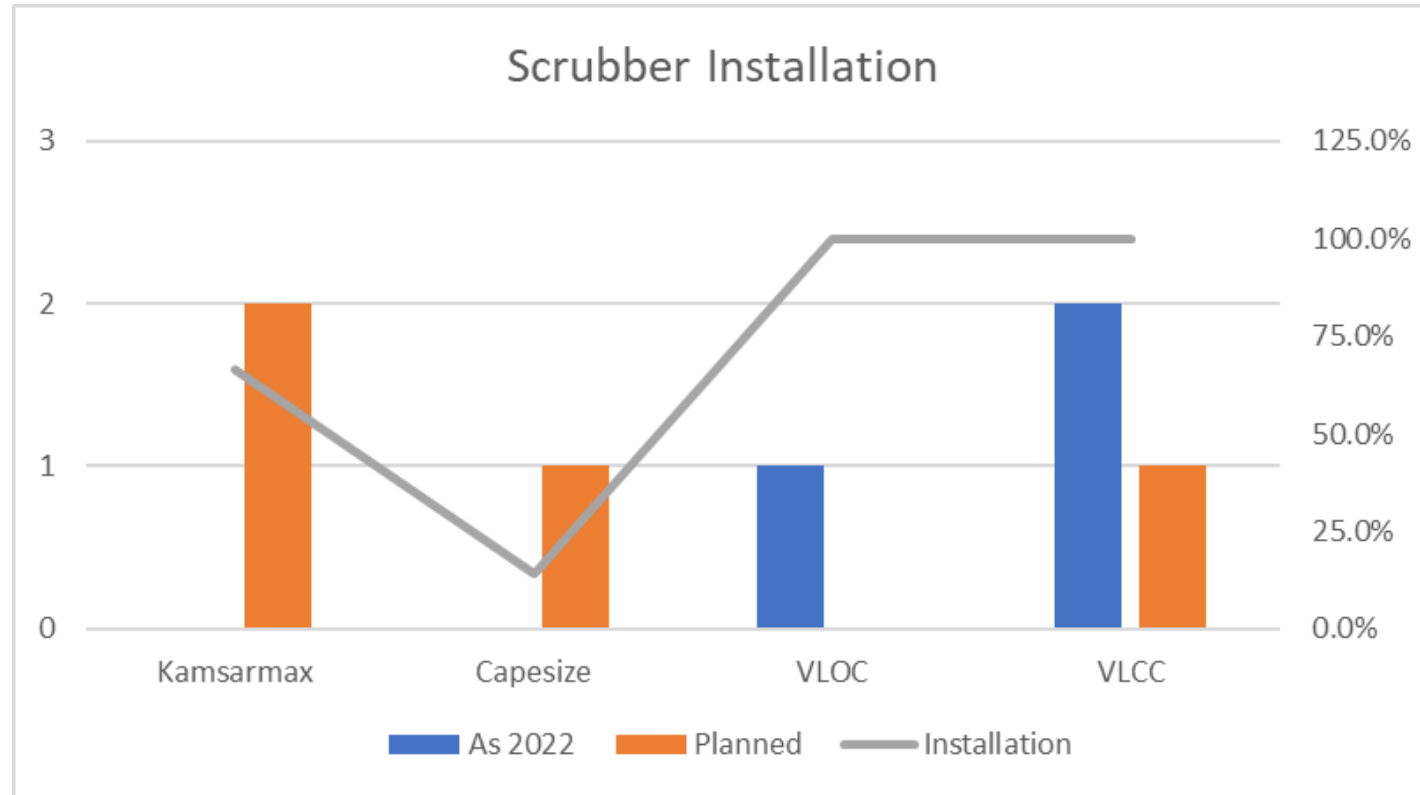
更新船隊組合Renew Fleet Portfolio



- As of June 2023, Average vessel age are 12.4 years.
- There are 4 Capesize older than 15 years and Company is seeking to renew fleet through used vessels or new build when prices are reasonable.



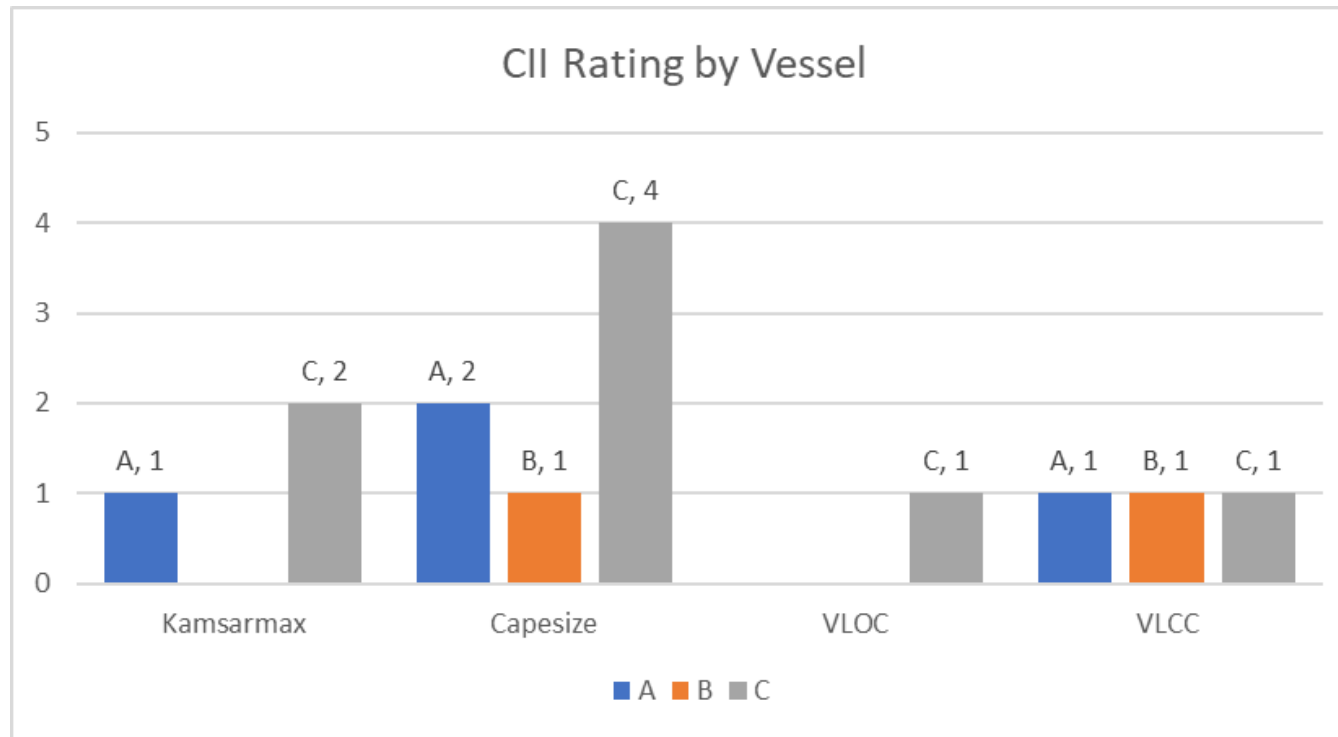
脫硫器安裝情況 Scrubber Installation Status



- As of Dec 2022, there were 3 vessels installed scrubbers, including 1 VLOC and 2 VLCCs.
- In 2023 & 24, SNC plan to install 4 scrubber for 2 Kamsarmax, 1 Capesize and 1 VLCC.
- Hence, SNC would have 7 vessels or 50% of vessels installed scrubber, including 2 Kamsarmax (2/3), 1 Capesize (1/7), 1 VLOC and 3 VLCCs at the end of year 2024.



全部滿足碳強度評級 C 以上 All Meet CII Rating C above



A : major superior

B : minor superior

C : moderate

D : minor inferior

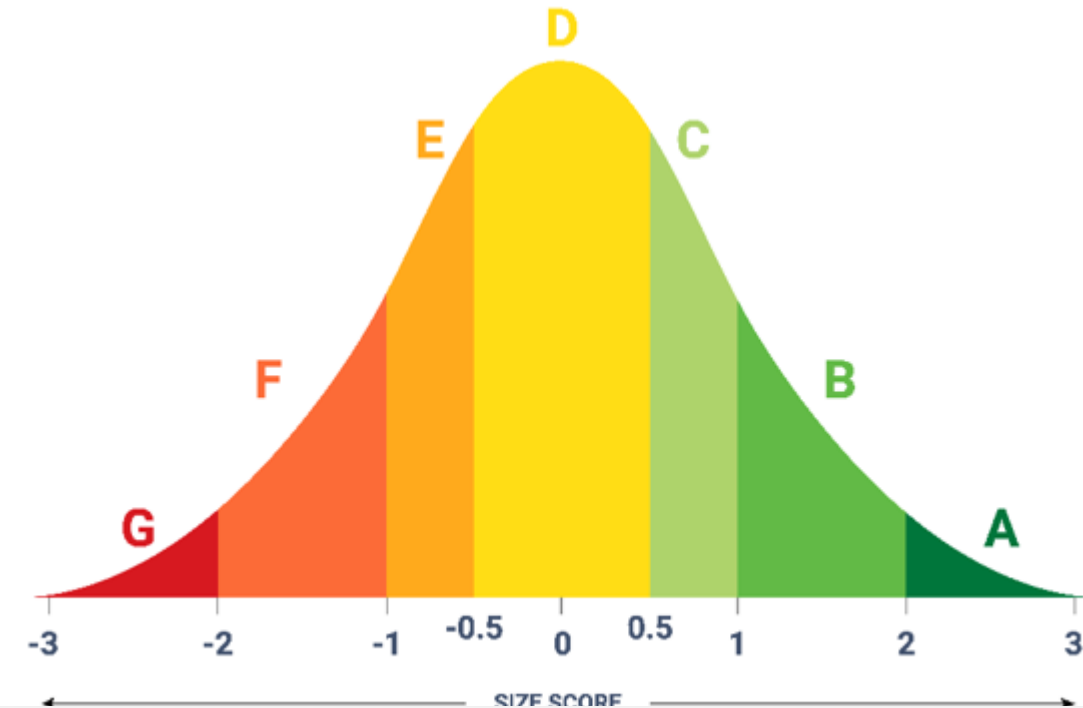
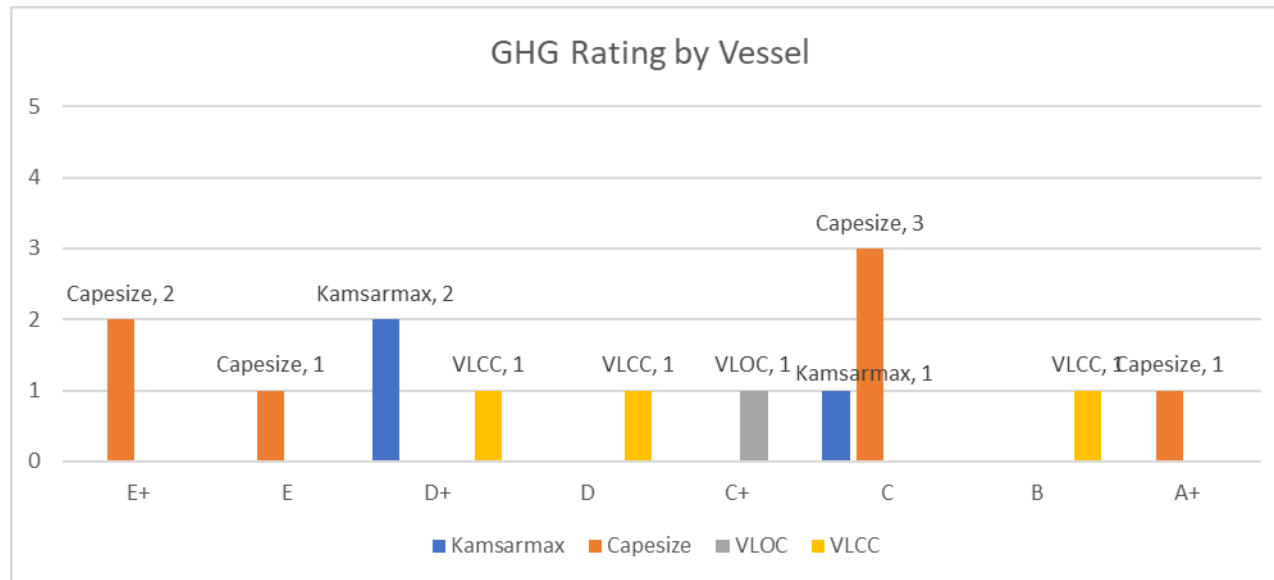
E : inferior performance level

A vessel rated D for three consecutive years

or rated as E, will need to develop a plan of corrective actions.



溫室氣體評級E以上 Our GHG Rating E Above



GHG Rating

Size score

Area under curve

G	F	E	D	C	B	A
≤ -2.0	> -2.0	> -1.0	> -0.5	> 0.5	> 1.0	> 2.0
2.5%	13.5%	16%	36%	16%	13.5%	2.5%





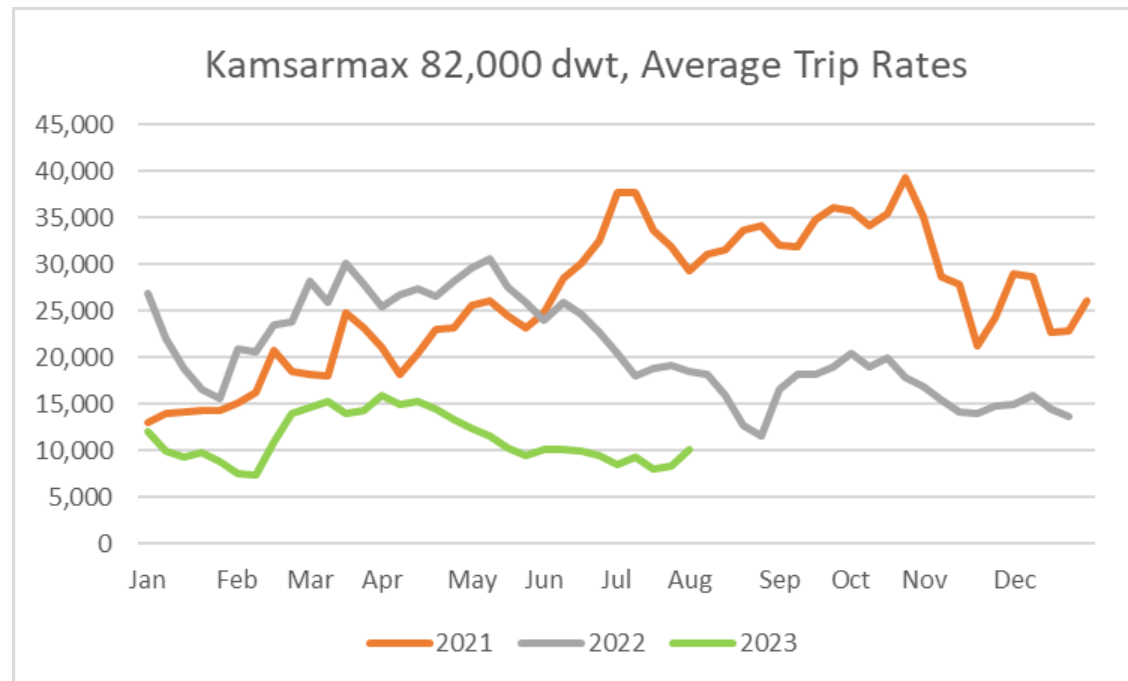
市場及財務資訊

Market and Financial

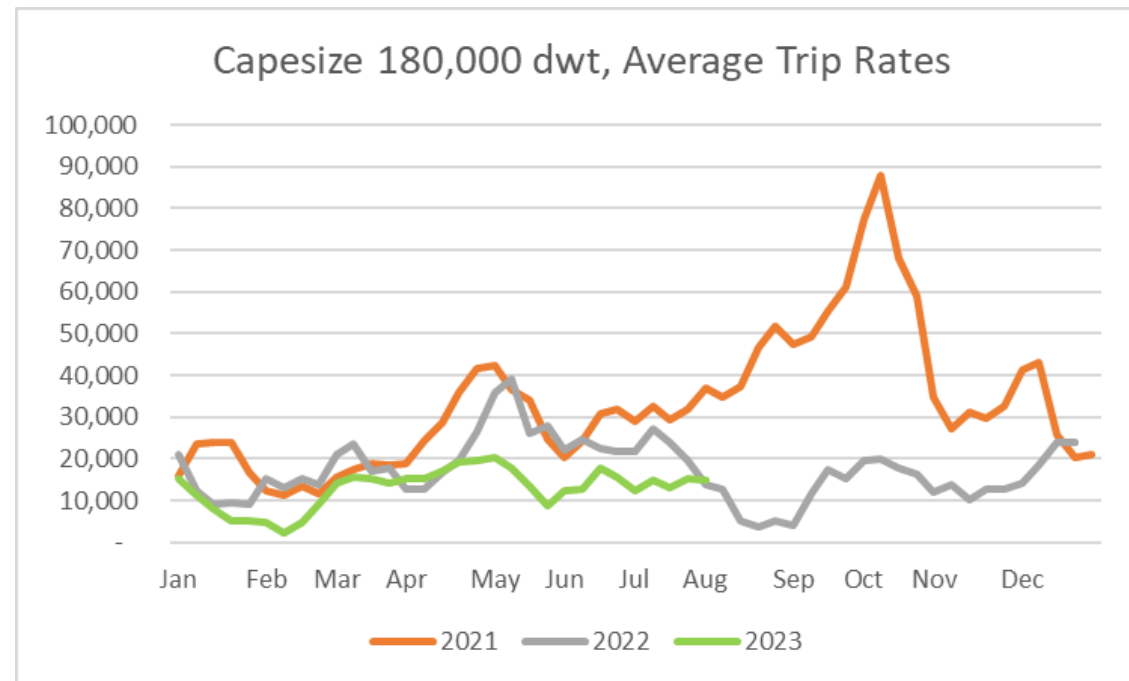


市場散裝運價

Market Kamsarmax and Capesize Rates



Source form Clerksons Shipping Intelligence Weekly

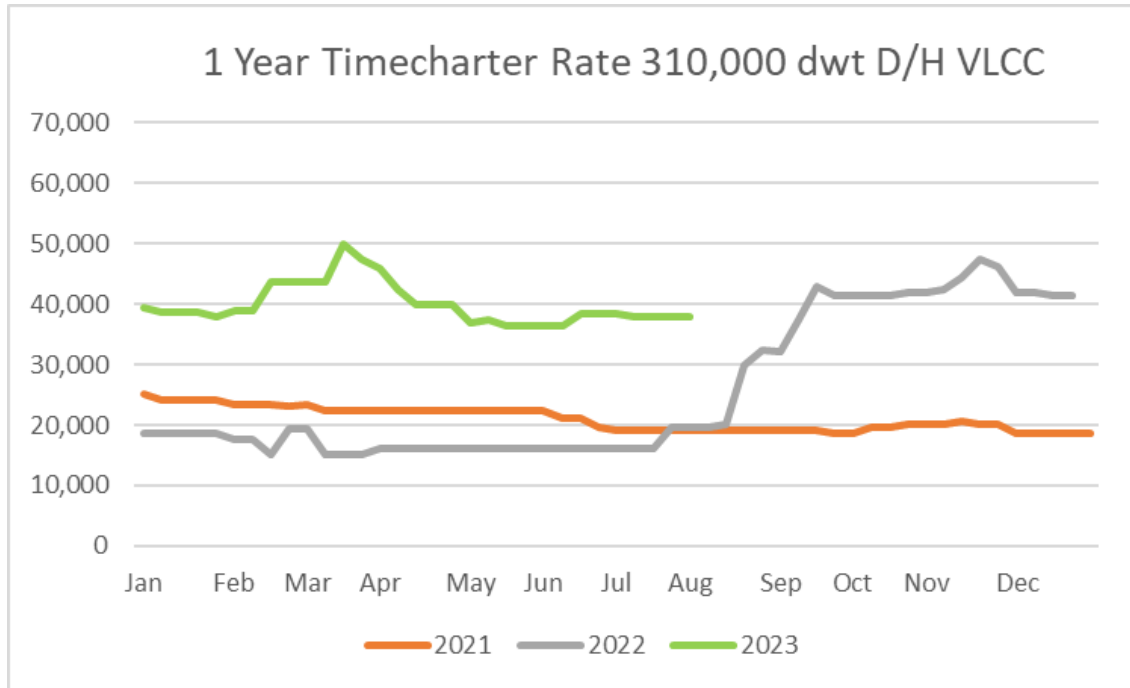


Source form Clerksons Shipping Intelligence Weekly

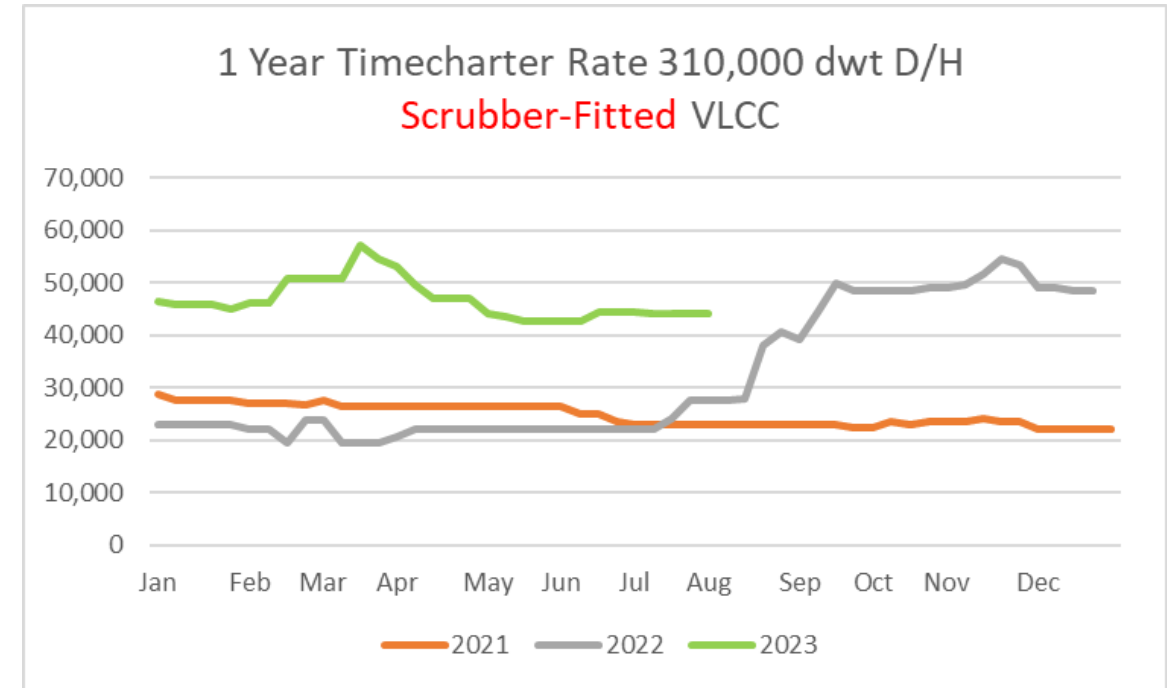
Both Kamsarmax and Capesize TCE rates decreased in H2 2022 during China Covid 19 lockdown and remained soft after Covid 19 unlock.



市場油輪運價Market VLCC Rates



Source form Clerksons Shipping Intelligence Weekly



Source form Clerksons Shipping Intelligence Weekly

VLCC rates increased from Q3 in 2022 and remained at high level in H1 2023. This trend expects to continue in FY23 and 24 due to Russia Ukraine War.



財務表現 Financial Performance YoY

Line Eng	Line Chn	Unit	H1FY23	H1FY22	2023 vs 2022
Revenue	營業收入	(NT\$M)	2,030	1,861	+9.1%
Gross Margin	毛利	(NT\$M)	395	306	+29.1%
Gross Margin %	毛利率		19.4%	16.4%	+3.0%
Profit After Tax	稅後淨利	(NT\$M)	282	110	+157.1%
PAT%	稅後淨利率		13.9%	5.9%	+8.0%
EPS	每股盈餘	(NT\$ per share)	0.39	0.09	+333.3%
Cash on Hand	現金	(NT\$M)	4,584	4,615	-0.7%
ROA %	資產報酬率		1.3%	0.5%	0.8%
ROE%	股東權益報酬率		1.6%	0.7%	0.9%
Liability / Asset	負債佔資產比		23%	22%	+0.9%
Operating Cashflow	營業活動現金流量	(NT\$M)	1,174	523	+124.4%

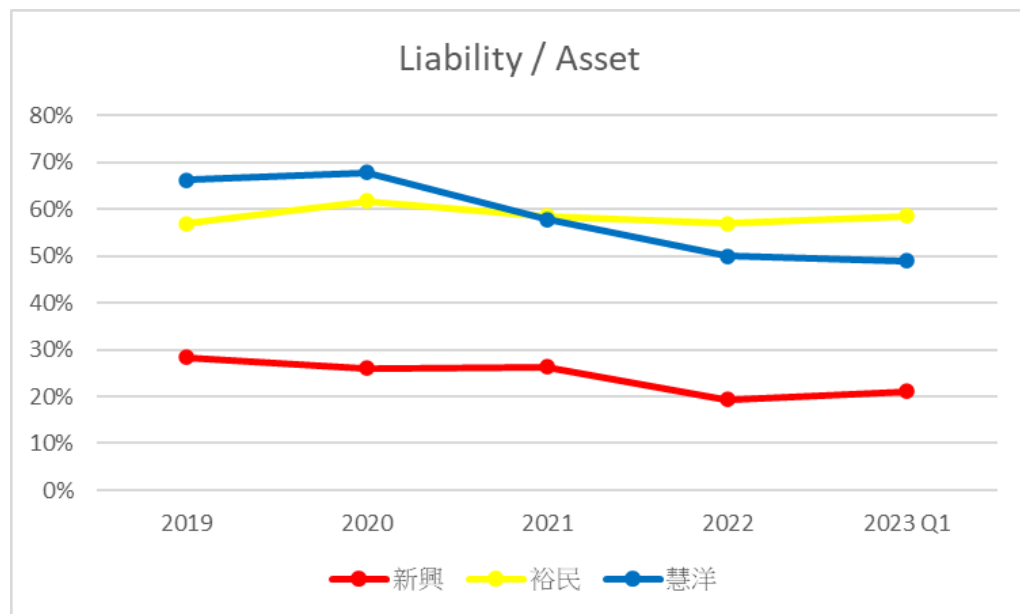


財務表現 Financial Performance QoQ

Line Eng	Line Chn	Unit	Q2FY23	Q1FY23	Q2 vs Q1
Revenue	營業收入	(NT\$M)	1,024	1,007	+1.7%
Gross Margin	毛利	(NT\$M)	297	98	+202.0%
Gross Margin %	毛利率		29.0%	9.8%	+19.2%
Profit After Tax	稅後淨利	(NT\$M)	158	125	+26.4%
PAT%	稅後淨利率		15.4%	12.4%	+3.0%
EPS	每股盈餘	(NT\$ per share)	0.21	0.18	+16.7%
Cash on Hand	現金	(NT\$M)	4,584	4,727	-3.0%
ROA %	資產報酬率		0.7%	0.6%	0.1%
ROE%	股東權益報酬率		0.9%	0.7%	0.2%
Liability / Asset	負債佔資產比		23%	21%	+1.4%
Operating Cashflow	營業活動現金流量	(NT\$M)	553	621	-10.9%



降低負債比 Deleverage



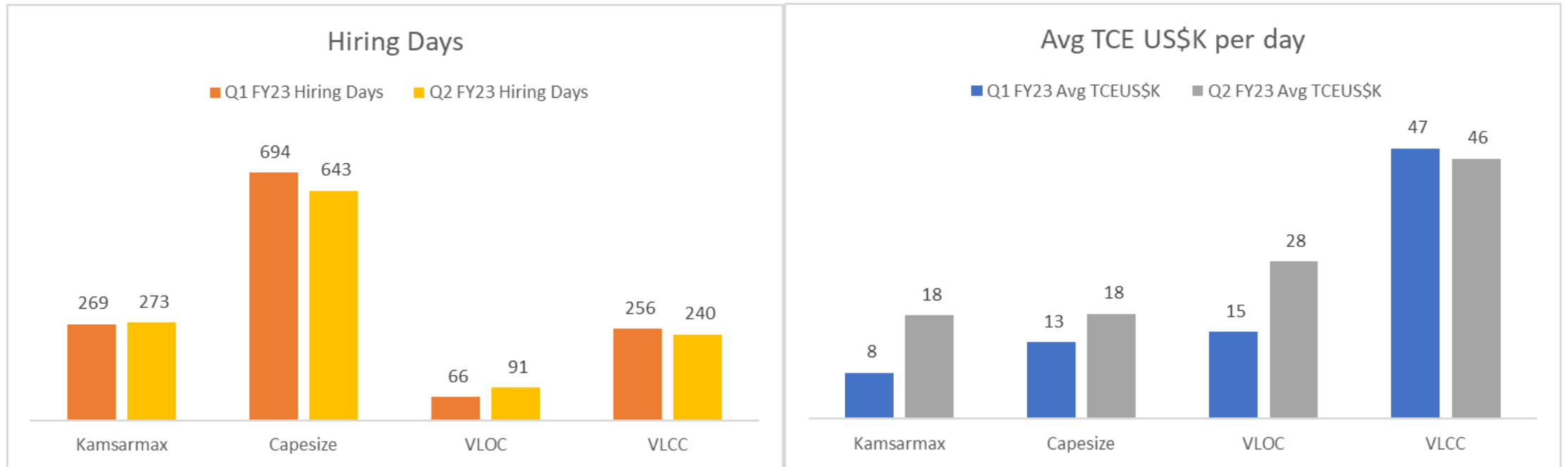
	Amount in US\$M	Avg Interest Rate p.a.
Cash	57	2.2%
Time Deposit	150	5.0%
Sub Total	207	4.2%
USD loan	68	6.7%
NTD loan	76	1.9%
Sub Total	144	4.2%

- As of June 2023, SNC lowered Debt to Asset Ratio to 21% through repayment mortgage loan.
- Through repayment of loan, SNC reduced interest expense pressure and increase revenue during this cycle.



運務天數 vs 平均日租金

Hiring Days vs Avg TCE in Q2 and Q1



- Kamsarmax, Capesize and VLOC's Avg TCE rates improved in Q2 from Q1.
- VLCC's rate slightly decreased in Q2.



H1 FY23 散裝業務財務表現Bulk Financials

US\$K	Bulk			
Acct Description	H1 FY23	H1 FY22	vs FY22	Var %
Hiring Days	2,035	1,922	114	6%
Hiring %	98%	97%	1%	
Avg TCE (US\$K / day)	15.6	21.2	(5.6)	-26%
Revenue	31,788	40,720	(8,933)	-22%
Operating Costs	(29,251)	(24,040)	(5,211)	22%
Gross Margin	2,536	16,680	(14,143)	-85%
Non-Operating	(1,374)	(1,000)	(374)	37%
Contribution Margin	1,163	15,680	(14,517)	-93%

- H1FY23 has 12 vessels, including 3 Kamsarmax, 8 Capesize (disposed 1 in Mar 2023) and 1 VLOC.
- MV Huang Shan disposal gains US\$4.6M in H1 2023.
- MV Yue Shan impairment losses US\$6.0M in H1 2023 vs US\$1.0M in H1 2022.



H1 FY23 油輪業務財務表現 Tanker Financials

US\$K	Tanker			
Acct Description	H1 FY23	H1 FY22	vs FY22	Var %
Hiring Days	496	486	11	2%
Hiring %	91%	89%	2%	
Avg TCE (US\$K / day)	46.4	11.9	34.6	292%
Revenue	23,046	5,760	17,286	300%
Operating Costs	(14,441)	(13,112)	(1,329)	10%
Gross Margin	8,605	(7,352)	15,957	-217%
Non-Operating	325	0	325	0%
Contribution Margin	8,930	(7,352)	16,282	-221%

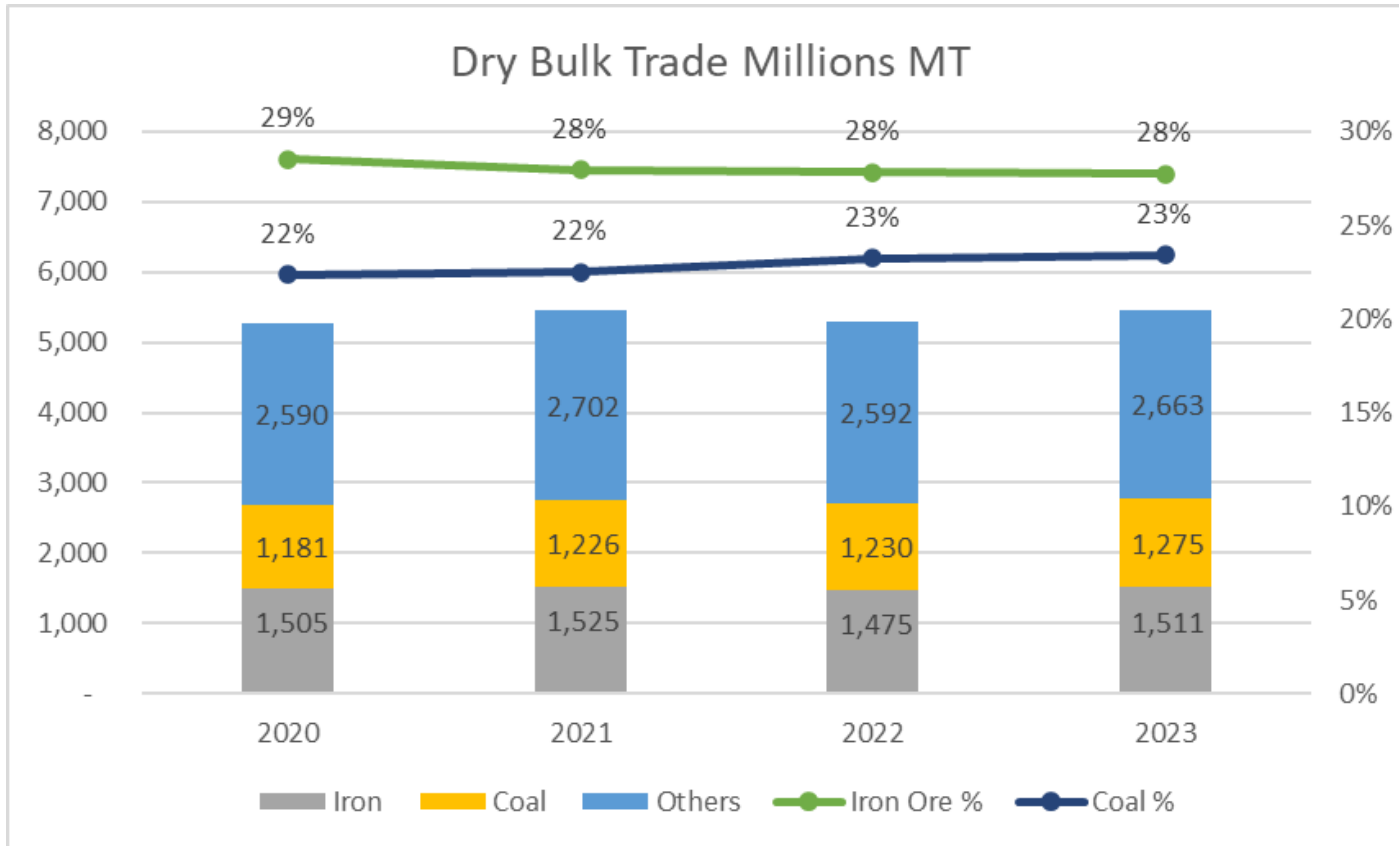
- SNC currently owns 3 tankers operating through Tanker International Pool.
- SeaRiver lawsuit case settled with net impact US\$3.375M in H1 2023.
- MT Maxim reversals of impairment losses US\$3.7M in H1 2023.



市場展望 – 散裝 Market Outlook – Dry Bulk



散裝船需求 Dry Bulk Demand

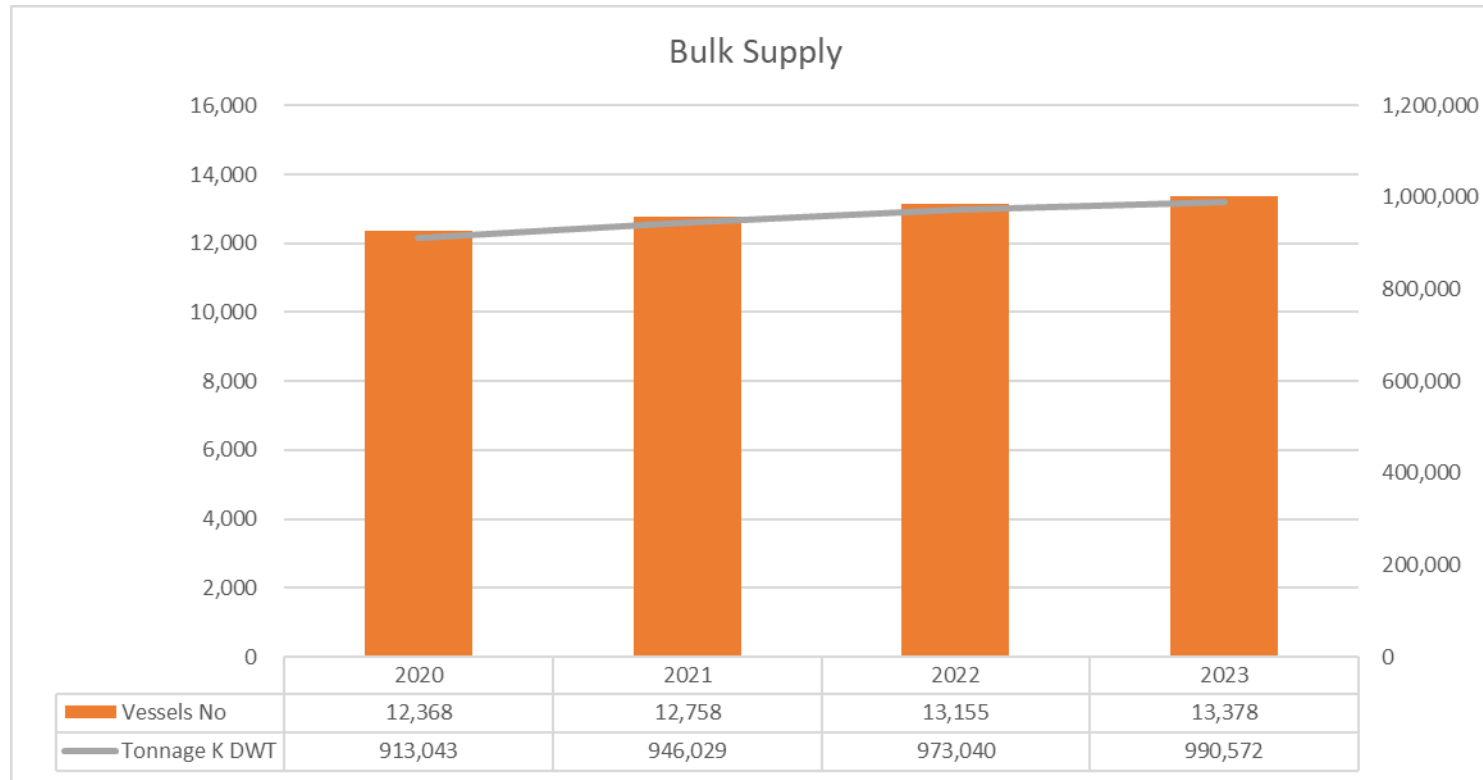


1. Global dry bulk trade forecasted at 5,499 Millions MT in FY23, 2.9% growth from prior year, including 28% Iron Ore, 23% Coal and 49% Others.
2. Importation of Iron Ore (20.5%) and Coal (5.2%) to China account for 25.7% total dry bulk trade volume.
3. Exporters of Iron Ore and Coal of total dry bulk volumes
 - Australia: 22.8% including 16.4% Iron Ore and 6.4% Coal
 - Indonesia: 9.1% Coal
 - Brazil: 6.4% Iron Ore

Source form Clerksions Shipping Intelligence Weekly



船隊供給 Fleet Supply



Year 2023 forecasted 1.7% and 1.8% on bulk fleet size in terms of Vessel quantity and total tonnage.

Source form Clerksons Shipping Intelligence Weekly



影響因素 Influencing Factors

需求方 Demand Side

- China's economy may enter recession post Covid 19 and stipulates on economy.
- India factor on investment on infra structure and higher coal demand.
- World economy outlook uncertainty due to inflation and recession.
- Europe demand on coal due to Russian Ukraine war and Russia's stop gas supply.

供應方 Supply Side

- Fleet supply growth 1.8% in 2023 vs dry bulk demand increase by 2.9%. (supply lower than demand).
- Lower new order.
- Carbon emission requirement led to slowdown of speed (lower supply by 3.9%)

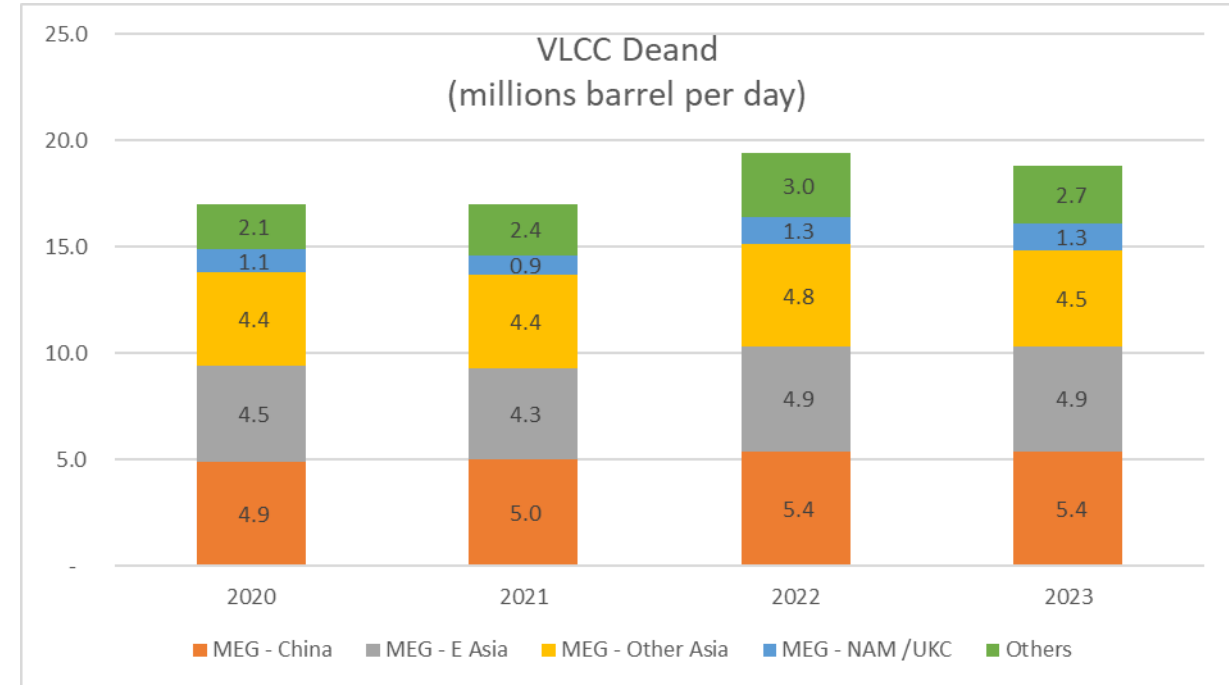
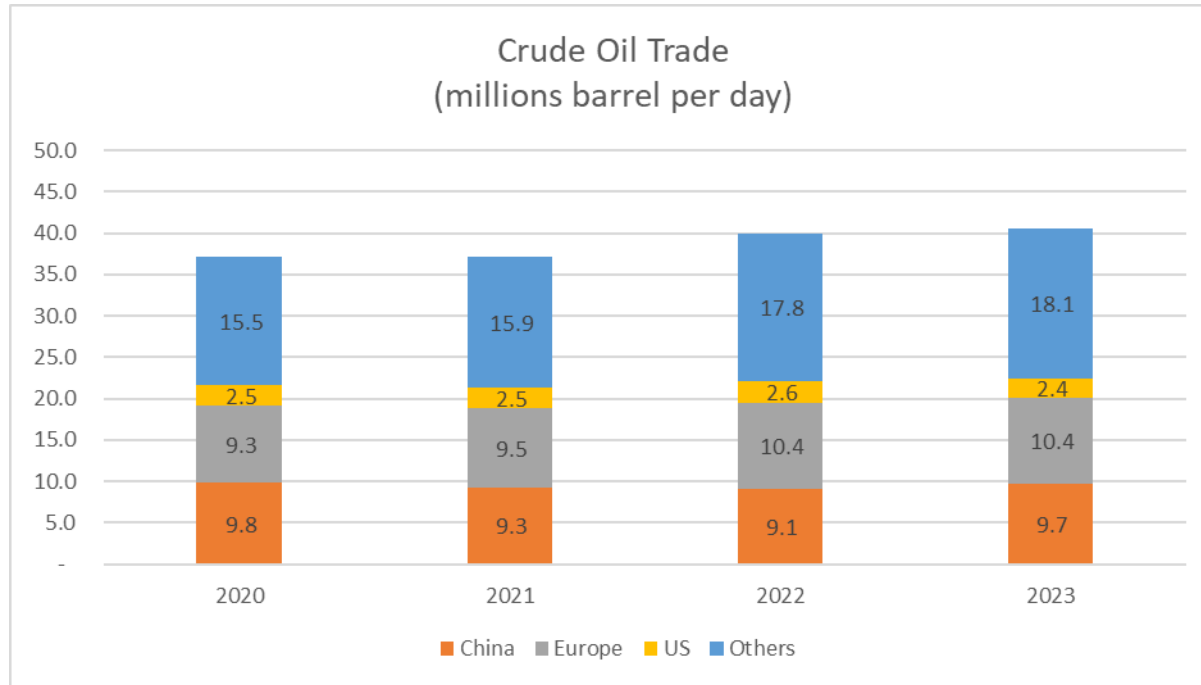


市場展望 – 油輪

Market Outlook – Tankers



油輪需求 Tanker Demand

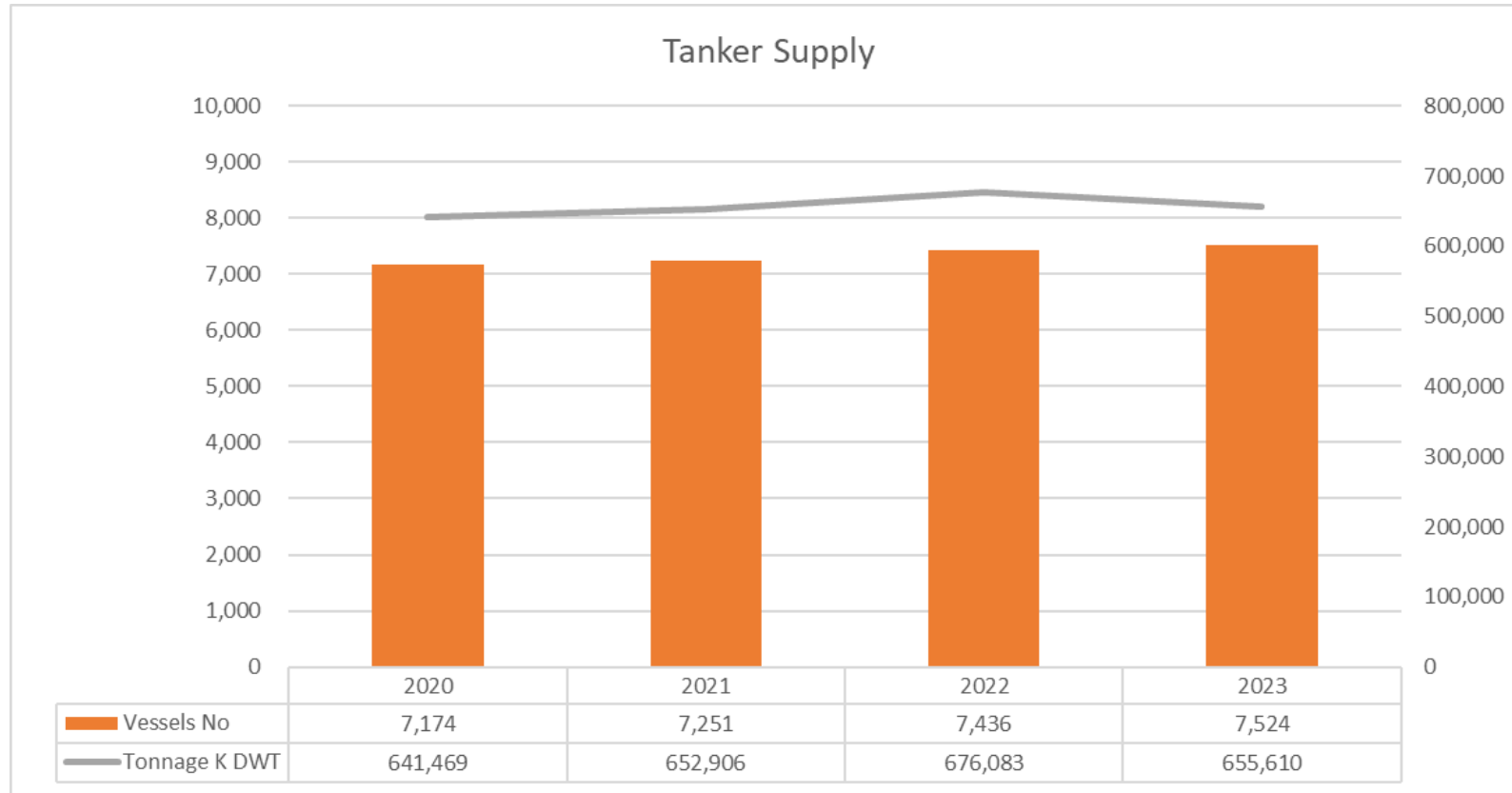


Source form Clerksons Shipping Intelligence Weekly

- FY23 forecasted 2% seaborne crude oil trade increase from FY22.
- VLCCs to China accounted for 13% of total seaborne crude oil trade.



船隊供給Fleet Supply



YTD Aug 11, 2023, Tanker Fleet size decreased by 3% in terms of total tonnage.

Source form Clarksons Shipping Intelligence Weekly



影響因素 Influencing Factors

需求方 Demand Side

- China factor – post covid 19, economy slow down
- Far East demand
- Europe demand due to Russian Ukraine war
- World inflation and recession
- VLCC Demand forecast grow 1% in 2023.

供應方 Supply Side

- Supply decreased by 3.0% in 2023
- Lower new order.
- Carbon emission requirement led to slowdown of speed (lower supply)



策略 Strategy



Provide stable dividends and return to shareholders at lower risks.



Continue deleveraging during interest rate increase cycle or financing lower interest rate loans.



Proactively seek to expand fleet size from new building and 2nd hand vessels.



Comply with IMO and other authorities' requirements and regulations.



Q&A



附件 Appendix



船隊狀態 Fleet Status

No	Ship	Delivery Date	Age	SNC Ownership%	Ship Chinese	Bulk / Tanker	Type	Tonnage	Scrubber	Plan Installation	CII Rating	GHG Rating
1	Oceana	09/2014	8.8	100%	合盛輪(ONA)	Bulk	Kamsarmax	81,594	planned	2024	C	D+
2	Palona	11/2014	8.7	100%	寶隆輪(PNA)	Bulk	Kamsarmax	81,676	planned	2024	C	D+
3	Rebekah	03/2012	11.3	100%	蕾貝卡(RKA)	Bulk	Kamsarmax	82,113			A	C
4	Chin Shan	11/2004	18.6	100%	青山輪(CN)	Bulk	Capesize	175,569			C	C
5	Bao Shan	09/2006	16.8	100%	寶山輪(BS)	Bulk	Capesize	175,009			C	C
6	Chou Shan	07/2005	18.0	100%	舟山輪(CS)	Bulk	Capesize	175,569			C	C
7	Heng Shan	01/2007	16.5	55%	衡山輪(HN)	Bulk	Capesize	174,145			B	E+
8	Tai Shan	08/2011	11.8	100%	泰山輪(TS)	Bulk	Capesize	176,469	planned	Oct-23	A	E
9	Mineral Oak	03/2010	13.3	100%	明和輪(MK)	Bulk	Capesize	177,921			A	A+
10	Yue Shan	09/2009	13.8	100%	玉山輪(YS)	Bulk	Capesize	177,798			C	E+
11	Tien Shan	03/2018	5.3	55%	天山輪(TN)	Bulk	VLOC	250,327	v		C	C+
12	Maxim	06/2011	12.0	80%	美生輪(MM)	Tanker	VLCC	296,887	planned	Sep 23	B	D+
13	Kondor	01/2012	11.5	100%	高登輪(KDR)	Tanker	VLCC	296,714	v		C	D
14	Elbhoff	01/2017	6.5	100%	海福輪(EF)	Tanker	VLCC	300,837	v		A	B

SNC Ownership

- Kamsarmax: 3 + 1
- Capesize: 6.55
- VLOC: 0.55
- VLCC: 2.8

