



新興 航運

2021

**Sincere Navigation Corporation
Company Presentation
September 2021**

Company Overview

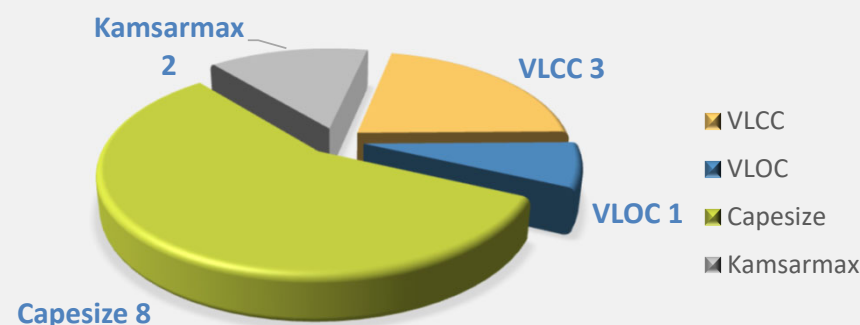
Key Facts

Sincere Navigation ("Sincere"), established in 1968, owns and operates 14 dry bulk and tanker vessels, with an average age of 11 years and about 2.7mn dwt.

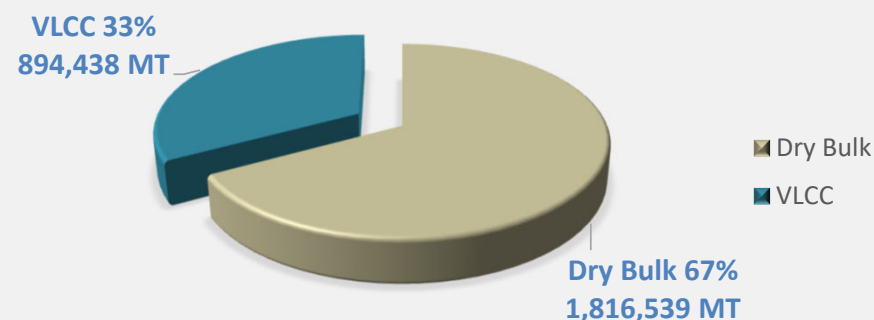
Key Highlights:

- 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 in year 2018 and 2019 .
- 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

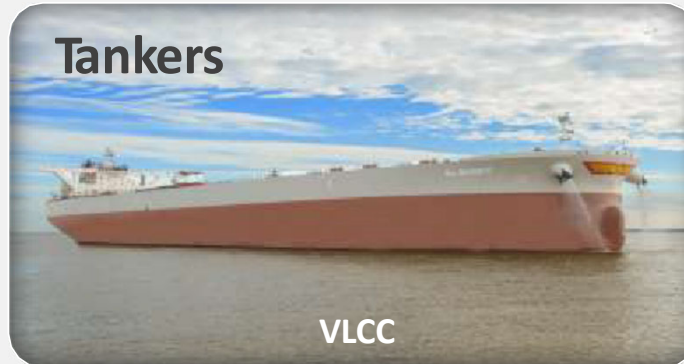


Company Overview

2021

Sincere Navigation Fleet Summary

Stable
Diligence
Improving



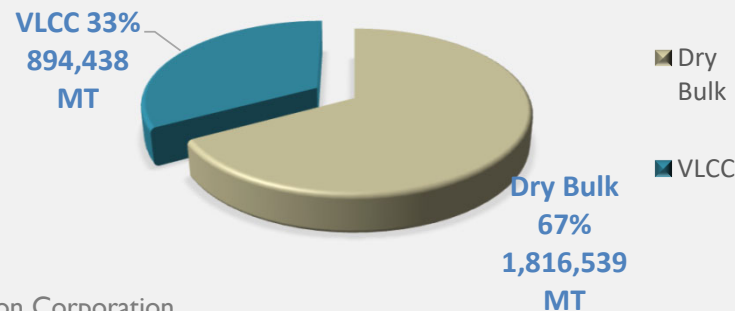
- Placed in Tankers International Pool, to achieve long-term commercial management stability.



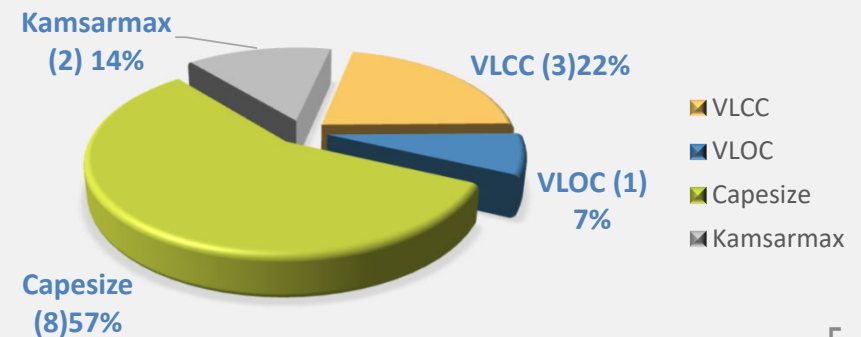
- Carries major commodities, like iron ore, coal.
- Flexible operations between spot and mid and long-term period markets.

Total Fleet Tonnage & Mix

Deadweight
Tonnage



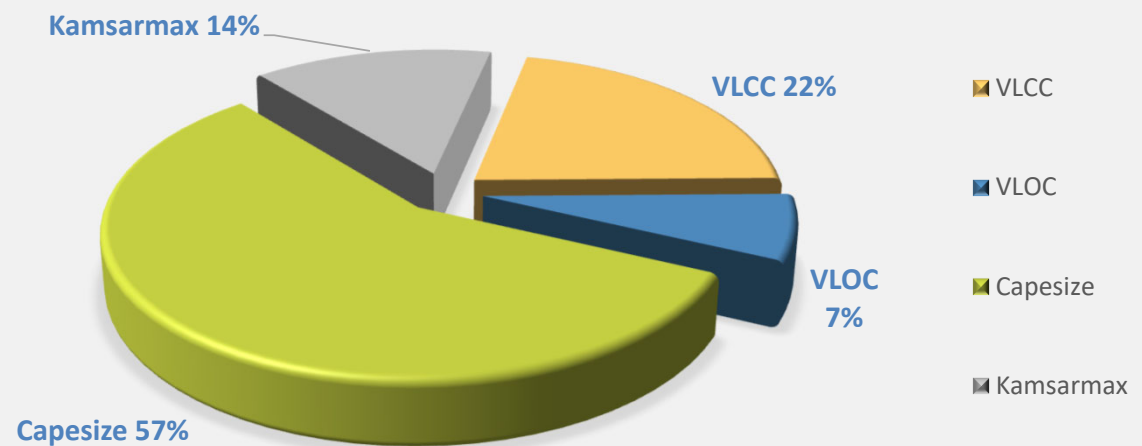
Dry bulk Fleet Mix (by tonnage)



Sincere Navigation Fleet (by # of vessels)

Total Fleet: 14

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



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 14 ships
with about 2.7 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

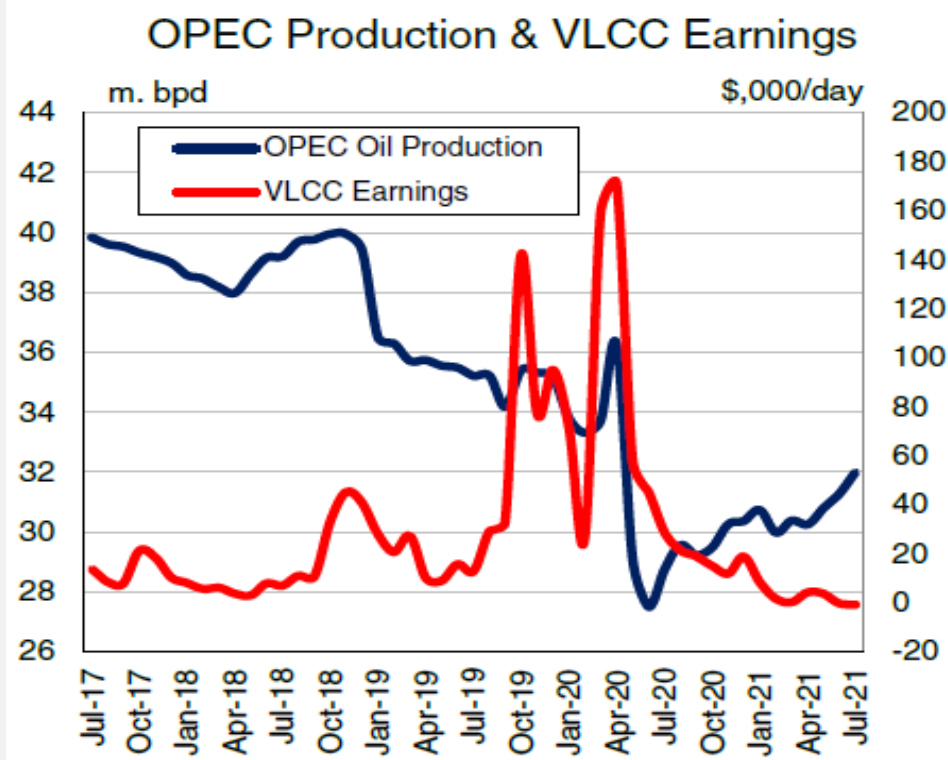
- Covid-19 vaccine successfully developed to reduce the pandemic globally, increasing airline and traveling demand
- Expected slowdown in deliveries, to improve supply/demand balance.
- Gradual crude output recovery from OPEC after 2H 2021

Negative Factors

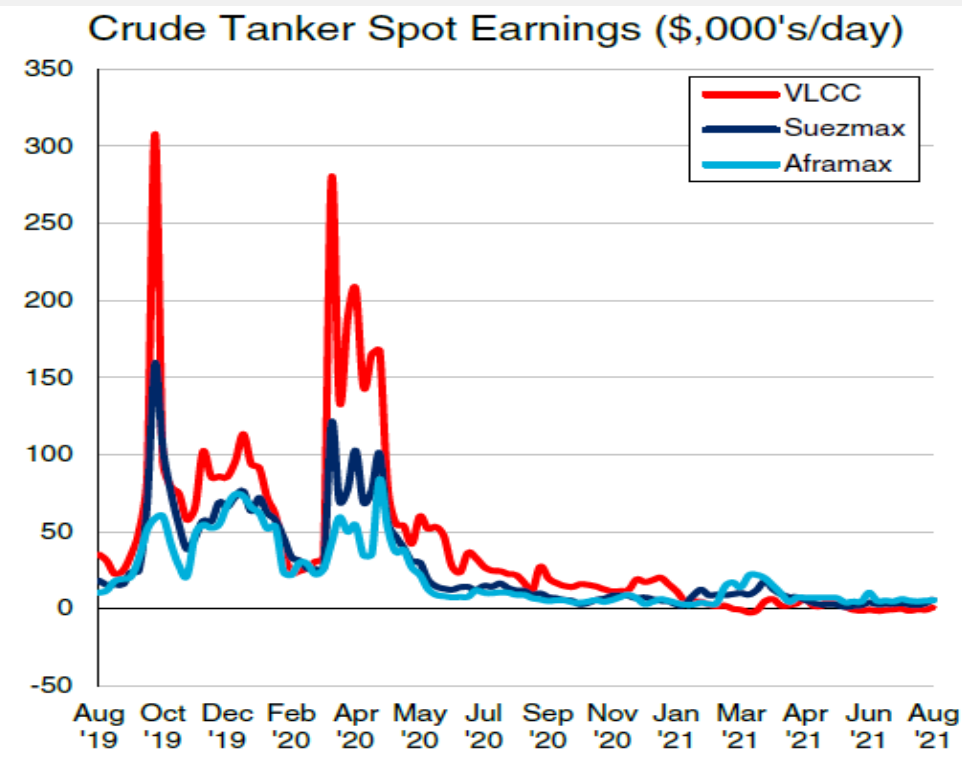
- Covid-19 Delta variant influence
- International conventions on environmental protection requirements
- Battery/Hybrid car reduce the petroleum requirement.
- VLCC completed the docking repairs (Scrubber installment etc) then entering spot tanker market at cut-throat rates

VLCC Market Dynamics

OPEC Production & VLCC Earnings



Tanker Spot Earnings



VLCC Spot Earnings

VLCC Single Voyage.....			WS 2021			Average earnings \$/day				VLCC Earnings		
			Aug 13	Aug 20	2021	2019	2020	2021	Aug 13	Aug 20	This Week	
23	270,000t	MEG - China*	31	31.5	32	44,625	51,882	398	-2,703	-1,013	<i>FIRMER!!</i>	<i>1647%</i>
23	270,000t	MEG - S.Korea*	30	30	31	42,854	49,523	795	-1,936	-803		
23	270,000t	MEG - WC India*	41	42.5	42	50,408	58,043	2,958	178	3,113		
23	280,000t	MEG - UKC	19.5	20	20	28,918	51,089	-2,075	-5,122	-3,054		
23	280,000t	MEG - US Gulf*	17.5	18	18	35,644	59,528	378	-2,915	-696		
23	260,000t	WAF - China*	33	33	35	41,072	48,294	2,221	-1,219	-221	<i>FIRMER!!</i>	<i>52%</i>
23	260,000t	WAF - WC India*	35.5	35.5	35	50,391	58,512	3,900	1,912	2,910		
23	270,000t	USG - East~*	4.10	4.00	4.30	86,585	93,946	31,079	26,750	26,206		
23	275,000t	Caribs-Singapore^	3.25	3.15	3.53	93,665	97,499	28,024	21,810	21,018	<i>SOFTER</i>	<i>-4%</i>
23	VLCC Avg. Earnings*					41,364	53,145	2,535	-387	1,046	<i>FIRMER!!</i>	<i>34%</i>
39	Scrubber Fitted Avg. Earnings*						58,750	7,430	3,900	5,245		

~Basis ballast to Singapore; component of VLCC average earnings basis round voyage.

VLCC New Building

Created 21 August 2021 07:49

Built	Delivered Vessels	Delivered Dwt	Orderbook Vessels	Orderbook Dwt
2016	47	14,330,159		
2017	50	15,234,032		
2018	39	12,128,620		
2019	68	21,058,144		
2020	37	11,280,702		
2021	24	7,391,642	9	2,797,300
2022			43	12,994,456
2023			25	7,586,400

© Clarkson Research Services Limited 2021

2021 Dry Bulk Market Positive / Negative Drivers

Positive Drivers

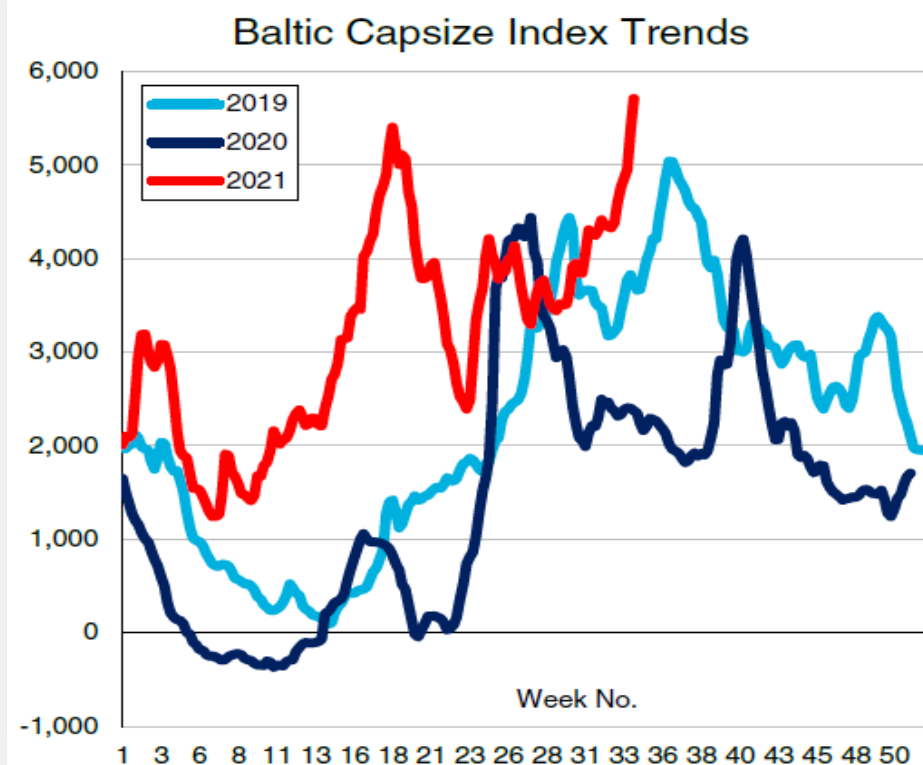
- Covid-19 vaccine successfully developed to reduce the pandemic globally and global economy is gradually recovering.
- U.S. Senate passed a bill of 1.2 trillion infrastructure spending plan.
- Congestion in Chinese and Australian ports.
- Stronger ton-mile demand forecasted in 2021 supported by improving US-China volumes in grains.
- Developing nations increasing coal demand from summer months

Negative Factors

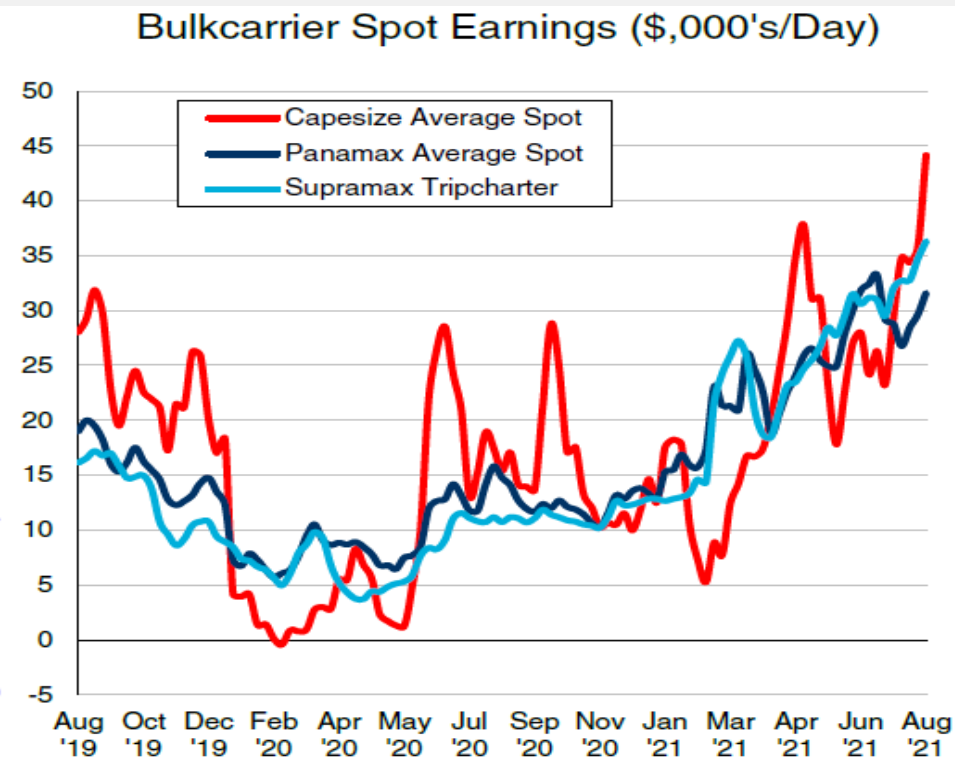
- Covid-19 Delta variant influence.
- The politic war between China and Australia (China prohibit to import of coal, barley, wine, lobster from Australia.)
- International conventions on environmental protection requirements
- Environmental factors (shift to gas & renewables, air pollution control) driving EU and South Korea to decrease steam coal imports.

Bulk Dry Market Freight Index trends and Spot Earning

Baltic Capesize Index Trends



Bulkcarrier Spot Earnings



Capesize Spot Rates Earning

Capesize Tripcharter...	Average Rate \$/Day (180,000 dwt Capesize)							Capesize Market		
	2019	2020	2021	Jul 23	Jul 30	Aug 06	Aug 13	Aug 20	This Week	
Cont/Far East	34,260	27,606	44,574	53,000	54,000	51,000	56,000	73,000	FIRMER	30%
Transpacific R/V	17,005	12,827	26,788	39,450	47,350	44,500	44,250	50,000	FIRMER	13%
Far East/Cont	2,332	-750	7,946	5,000	15,000	14,000	15,000	20,500	FIRMER	37%
Transatlantic R/V	17,923	13,197	26,103	30,000	31,000	29,000	34,000	43,000	FIRMER	26%
Average Capesize Earnings	17,880	13,220	26,353	31,863	36,838	34,625	37,313	46,625	FIRMER	25%

Panamax Spot Earnings & Trip Charter Rates

Panamax Tripcharter...	Average Rate \$/Day (82,000 dwt Kamsarmax)							Panamax Market		
	2019	2020	2021	Jul 23	Jul 30	Aug 06	Aug 13	Aug 20	This Week	
Cont/Far East	20,788	18,012	35,788	50,750	46,000	48,000	48,250	50,500	FIRM.....	5%
Transpacific R/V	11,133	9,287	24,178	28,750	27,500	28,650	29,750	31,250	FIRM.....	5%
Far East/Cont	4,826	2,824	11,659	16,750	16,500	17,250	17,500	18,000	STEADY	3%
Transatlantic R/V	12,458	9,656	24,007	31,500	27,000	30,500	30,750	35,000	FIRMER	14%
Average Panamax Earnings	12,301	9,945	23,908	31,938	29,250	31,100	31,563	33,688	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	Jul 23	Jul 30	Aug 06	Aug 13	Aug 20	This Week	
Cont/Far East	18,856	19,285	34,721	50,000	47,000	47,000	46,000	48,000	FIRM.....	4%
Transpacific R/V	8,997	6,129	22,331	30,000	30,000	30,000	32,000	35,500	FIRMER	11%
Far East/WAF ^h	4,723	2,698	20,032	29,500	29,500	29,500	29,750	31,000	FIRM.....	4%
US Gulf/Cont	14,769	13,210	26,725	35,000	38,000	34,000	36,000	36,000	STEADY	0%
ECSA/Cont*	9,147	7,228	21,894	30,100	30,000	32,000	32,000	32,000	STEADY	0%
Indonesia - China~	10,556	8,686	26,626	33,000	33,000	35,000	38,900	41,900	FIRM.....	8%
Average Supramax Earnings [^]	10,867	8,813	24,394	32,025	32,750	32,750	34,725	36,350	FIRM.....	5%

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

Capesize New Building

Created 21 August 2021 07:51

Built	Delivered Vessels	Delivered Dwt	Orderbook Vessels	Orderbook Dwt
2016	103	19,669,105		
2017	75	15,314,948		
2018	51	14,259,757		
2019	80	19,040,630		
2020	112	24,997,196		
2021	61	13,110,099	30	6,704,400
2022			43	8,750,700
2023			33	6,336,000
2024			12	2,438,000
2025			1	210,000

© Clarkson Research Services Limited 2021

Panamax Vessel New Buidling

Created 21 August 2021 07:52

Built	Delivered Vessels	Delivered Dwt	Orderbook Vessels	Orderbook Dwt
2016	114	9,406,805		
2017	109	8,922,846		
2018	68	5,636,547		
2019	138	11,379,975		
2020	146	12,089,408		
2021	72	6,021,981	41	3,395,493
2022			80	6,704,380
2023			60	4,977,200
2024			5	398,000

© Clarkson Research Services Limited 2021

Handymax New Building

Created 21 August 2021 07:53

Built	Delivered Vessels	Delivered Dwt	Orderbook Vessels	Orderbook Dwt
2016	213	13,021,833		
2017	172	10,506,173		
2018	90	5,585,556		
2019	132	8,172,477		
2020	147	9,154,794		
2021	75	4,547,661	52	3,101,400
2022			114	6,887,372
2023			35	2,117,280
2024			3	192,000

© Clarkson Research Services Limited 2021

Handysize New Building

Created 21 August 2021 07:54

Built	Delivered Vessels	Delivered Dwt	Orderbook Vessels	Orderbook Dwt
2016	135	4,823,387		
2017	107	3,741,179		
2018	92	3,030,118		
2019	93	3,032,198		
2020	84	2,686,179		
2021	86	2,311,770	55	1,542,563
2022			71	2,365,000
2023			25	924,060
2024			3	121,560

© Clarkson Research Services Limited 2021

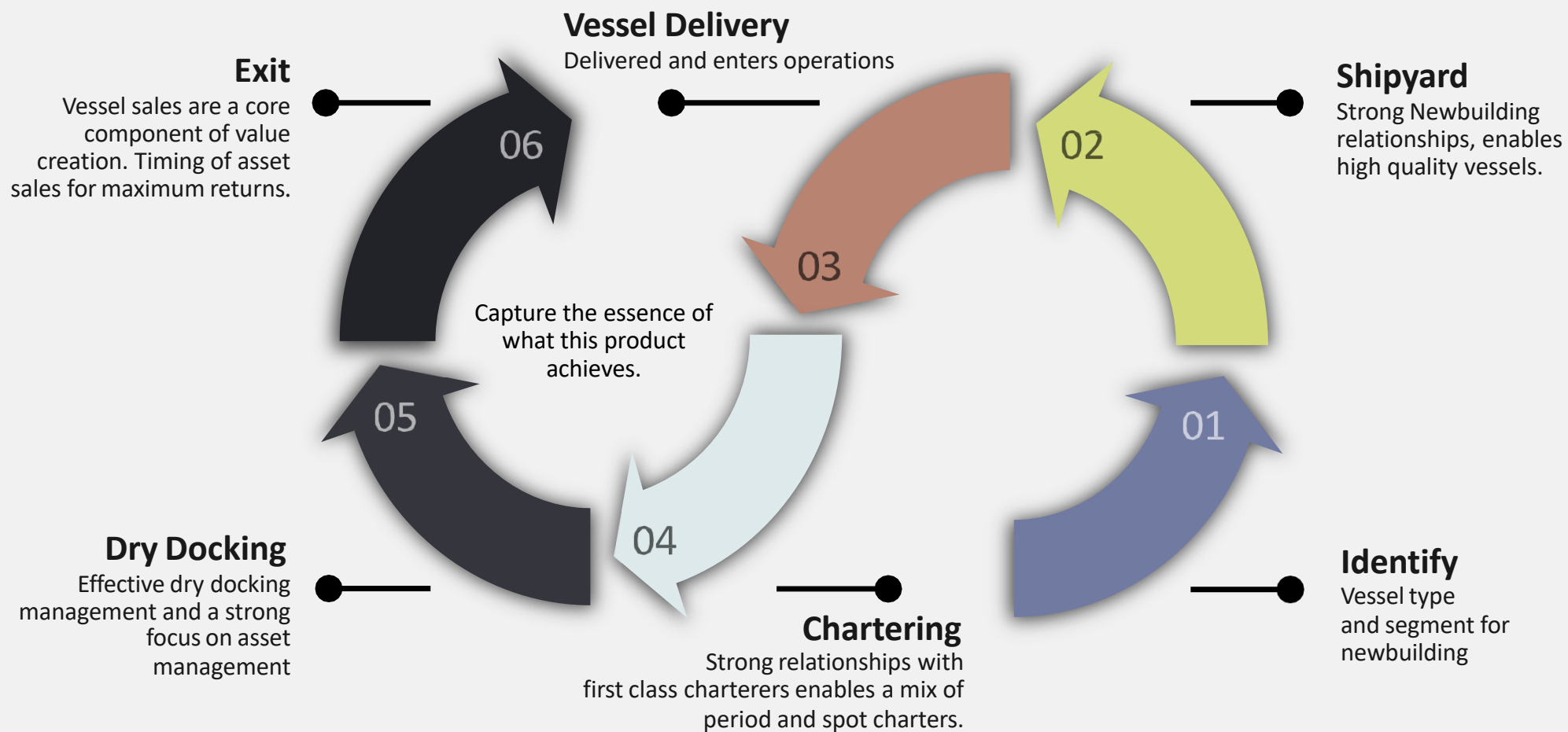
New Building Price

Newbuilding Prices		Year End, \$m.			Three Month		
		2018	2019	2020	Aug	Trend ...	
<i>Tankers</i>							
VLCC	320,000 dwt	92.5	92.0	85.5	102.5	FIRMER....	8.3%
Suezmax	157,000 dwt	60.5	61.5	56.0	70.0	FIRMER....	10.0%
Aframax	115,000 dwt	48.0	48.5	46.5	56.0	FIRMER....	7.6%
'MR' Tanker	51,000 dwt	36.5	35.75	34.0	39.0	FIRMER....	6.8%
<i>Bulk Carriers</i>							
Capesize	180,000 dwt	50.0	49.5	46.5	59.5	FIRMER....	10.6%
Panamax	81,000 dwt	28.0	27.5	26.0	33.5	FIRMER....	11.6%
Handymax	62,000 dwt	26.0	25.5	24.0	31.0	FIRMER....	11.9%
Handysize	38,000 dwt	24.0	23.5	23.0	28.25	FIRMER....	9.6%

Strategic Outlook

2021

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.
- New sectors continued to be evaluated for future investments.
- Prudent risk management is key approach to asset replacement.
- Continued commitment to a stable dividend policy and returns to our shareholders.

Sincere Navigation Fleet

VESSEL		SHIPYARD	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	Marshall Islands	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	Marshall Islands	81,676
Fleet Total: 14 Vessels			Fleet Average Age:	11 Years		2,716,495

Q&A

2605.TW

新興航運 

Sincere Navigation Corporation

Investor Relation Contact

Spokesperson: Ms. Kathy Chen

sncad@snc.com.tw

+886-2-2703-7055