

**SM KOREA LINE**

**KOREA LINE CORPORATION**



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The forecast includes, but is not limited to, projections and figures contained herein and is purely based on KOREA LINE CORPORATION's current market forecast and its own analysis of business surroundings.

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**COMPANY  
STATUS**

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**MANAGEMENT  
STATUS**

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**Appendix**

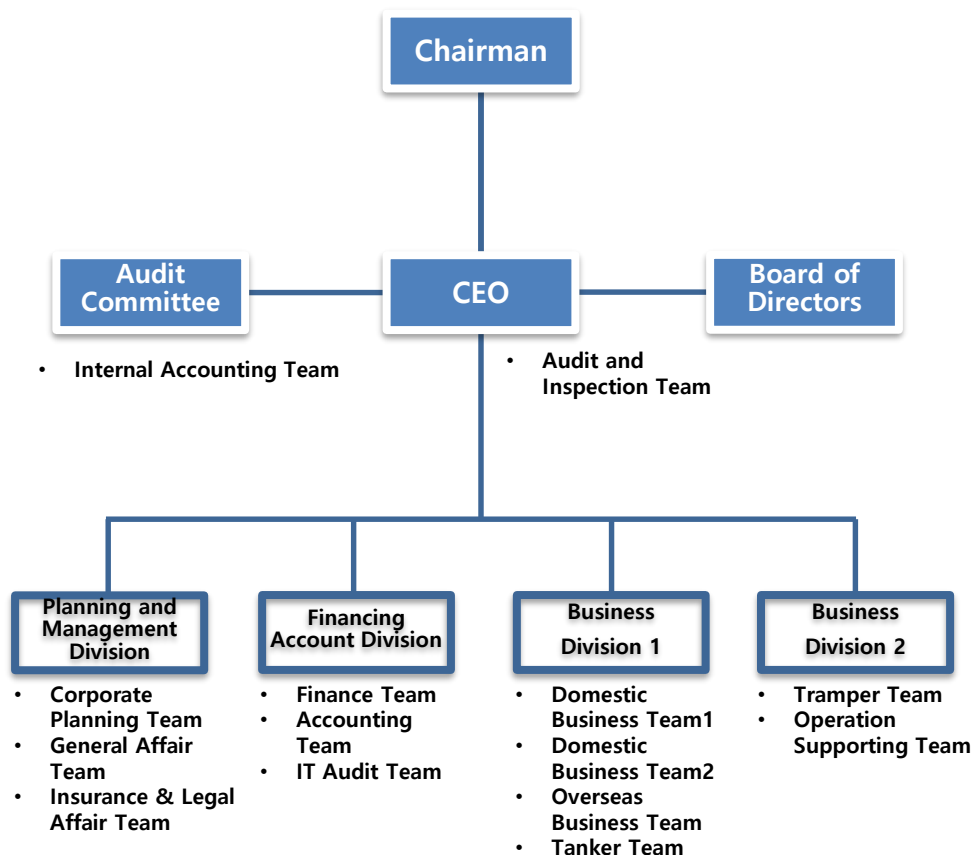
- 1) Dedicated Carrier Service Routes
- 2) Status of the fleet
- 3) Vessels to be delivered

# 1 – 1 ) Corporate Profile

## Overview

Address		SM R&D Center #78 Magok Jungang8-ro, Gangseo-Gu, Seoul 07803, Republic of Korea (Tel) +82-2-3701-0114 (Fax) +82-2-733-1610
Founded		12th Dec. 1968
Services	KLC	Dedicated Carrier Service (Drybulk) Tramper (Drybulk) Tanker Business (Crude Oil & Product Oil)
	KLC LNG	Dedicated Carrier Service (LNG) Bunkering (LNG)
*Assets		KRW 2,279.8bn (as of 30 June 2021) ※ Korea Line LNG : KRW 761.8bn
*Sales		KRW 216.4bn (as of 30 June 2021) ※ Korea Line LNG : KRW 77.4bn
Owned Fleet	KLC	34 Vessels / Total : 5,195,352 DWT (26 Bulkers, 3 Tankers, 4 VLCCs 1 PCTC)
	KLC LNG	12 LNG Carriers / Total : 806,887 DWT
*Sales Distribution		Dedicated Carrier Service 90%, Tramper Service 9%, Etc 1%

## Organization





# SM KOREA LINE

## 1 – 2 ) History

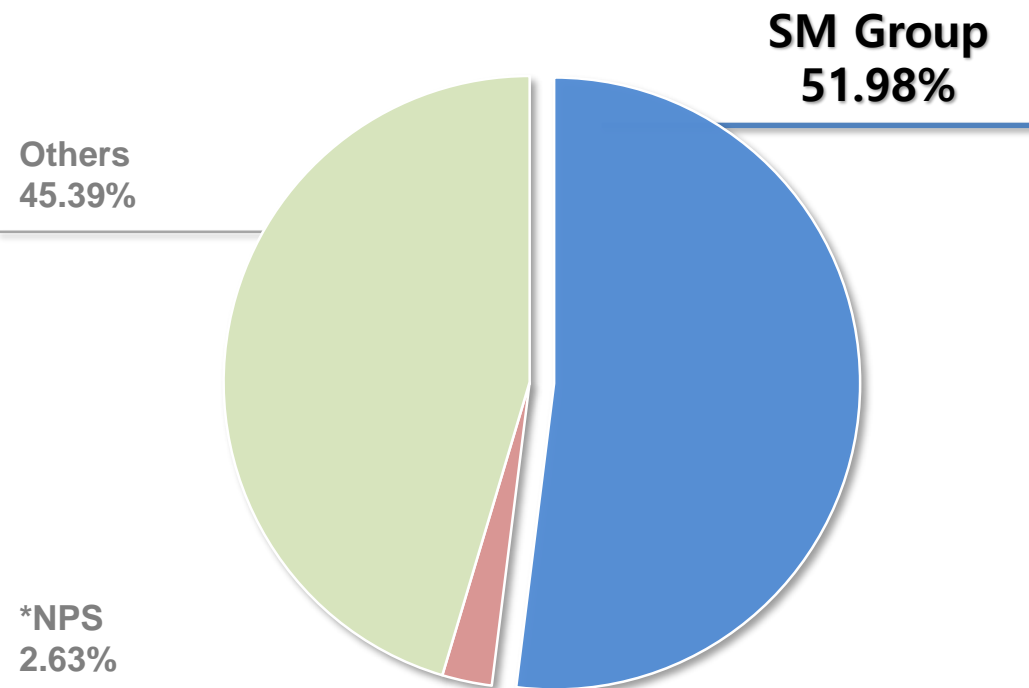
- 1968 Established KOREA LINE CORPORATION
- 1976 Initiated dedicated carrier service in Korea with commencement of POSCO COA
- 1992 Listed on the Korea Stock Exchange
- 1994 Commenced dedicated carrier services for KEPCO
- 2000 Commenced dedicated carrier services for KOGAS
- 2010 Commenced dedicated carrier services for HYUNDAI GLOVIS
- 2013 Joined SM Group
- 2016 Incorporated KOREA SHIPPING CORPORATION  
Commenced dedicated carrier services for SNNC
- 2019 Signed long-term time contract with SHELL  
Commenced CVC for S-OIL, GS CALTEX
- 2020 Korea Line LNG launched by spin-off  
Commenced dedicated carrier services for VALE  
Signed long-term time contract with SHELL
- 2021 \*Signed long-term time contract with LNG bunkering supplier in Asia  
Capital increase by issuing new stocks(KRW 186.5 bn)



# 1 – 3 ) Shareholders

## Main Shareholders

(as of 30 June 2021)



SM Group	
Name	SM
Group CEO	Woo Oh Hyun
Foundation	8th Jan. 1988
Main Business	Shipping industry, Manufacturing, Construction, Media · Service, Leisure
Main Affiliates	1) Shipping industry : KLC, KSC, SM LINE, etc 2) Manufacturing : TK Chemical, BEXEL, Namsun Aluminum, etc 3) Construction : Keangnam enterprises, Woobang, etc 4) Media · Service : SM Hiplus, etc 5) Leisure : Hotel Tops10, Oxfield
Homepage	<a href="http://www.smgroun.co.kr">www.smgroun.co.kr</a>

# 1 – 4 ) Owned Fleet List

**SM KOREA LINE**

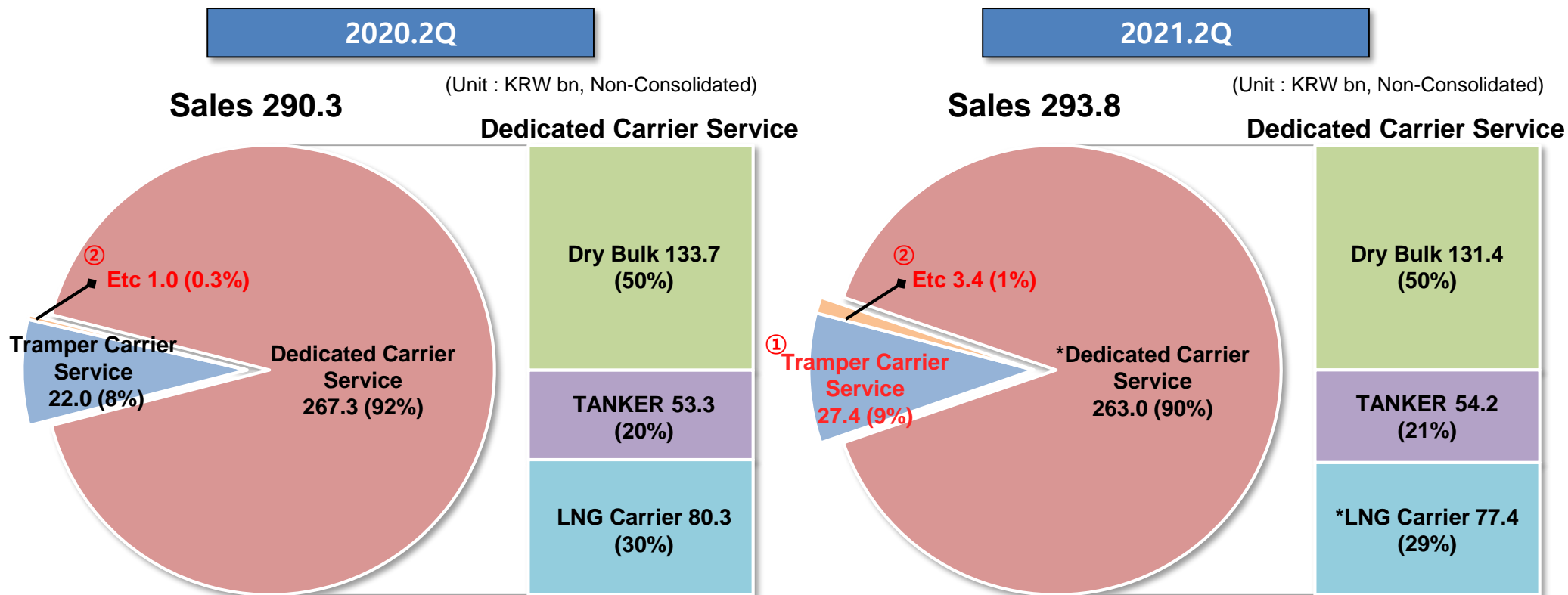
· Total : 46 vessels, 6,002,239 DWT (KLC 34 vessels, 5,195,352 DWT / KLC LNG 12 vessels, 806,887 DWT)

(as of 30 June 2021)

Categories		VESSEL NAME	BUILT	DWT		Categories		VESSEL NAME	BUILT	DWT			
DEDICATED CARRIERS	POSCO (ORE, COAL)	SM PUMA	2016	206,938	1,362,153	TANKER	PRODUCT	SM OSPREY	2017	50,035	150,428		
		SM DRAGON	2016	206,938				SM FALCON	2017	50,017			
		SM LION	2016	206,938				SM NAVIGATOR	2008	50,376			
		SM TIGER	2015	180,784		TRAMPER	DRY BULK	SM HARMONY1	2020	80,895	659,798		
		K. DAPHNE	2009	180,786				ZAMPA BLUE	2011	178,459			
		K. ASTER	2009	207,942				GLOBAL BRAVE	2010	57,317			
		WHITE ROSE	2006	171,827				GLOBAL FRONTIER	2010	57,295			
	KEPCO (COAL)	SM HARMONY2	2020	80,895	GLOBAL GENESIS			2010	57,338				
		ROSEMARY	2010	179,742	GLOBAL HOPE			2010	57,295				
		SM CHALLENGER	2010	93,273	OKRA			1999	171,199				
		SM VISION	2008	176,838	10 Vessels					810,226			
		ADONIS	2006	171,743	Categories		VESSEL NAME	BUILT	DWT				
	GLOVIS (COAL, PCTC)	LAVENDER	2010	179,874	193,182	Korea Line LNG	LNG	SM JEJU LNG2	2020	5,858	806,887		
		K.ASIAN BEAUTY	1994	13,308				SM JEJU LNG1	2019	5,858			
	SNNC (NICKEL)	SM EMERALD	2016	63,800	127,600			SM EAGLE	2017	97,975			
		SM DIAMOND	2016	63,800				SM SEAHAWK	2017	98,064			
	VALE (ORE)	SM GEMINI2	2020	324,972	649,944			K. JASMINE	2008	73,500			
		SM GEMINI1	2020	324,972				K. MUGUNGHWA	2008	87,441			
	GS DEP (COAL)	SM DONGHAE2	2002	72,790	148,848			K. ACACIA	2000	75,768			
		SM DONGHAE	2001	76,058				K. FREESIA	2000	75,768			
	S-OIL (OIL)	SM WHITEWHALE2	2019	300,758	601,516			*H. GREENPIA	1996	71,684			
		SM WHITEWHALE1	2019	300,758				*HL PYEONGTAEK	1995	71,041			
	GS CALTEX (OIL)	SM VENUS2	2020	299,696	599,392			*H. UTOPIA	1994	71,909			
		SM VENUS1	2019	299,696				*YK. SOVEREIGN	1994	72,021			
24 Vessels				4,385,126	12 Vessels					806,887			

\* 4 Consortium Vessels (Share%)

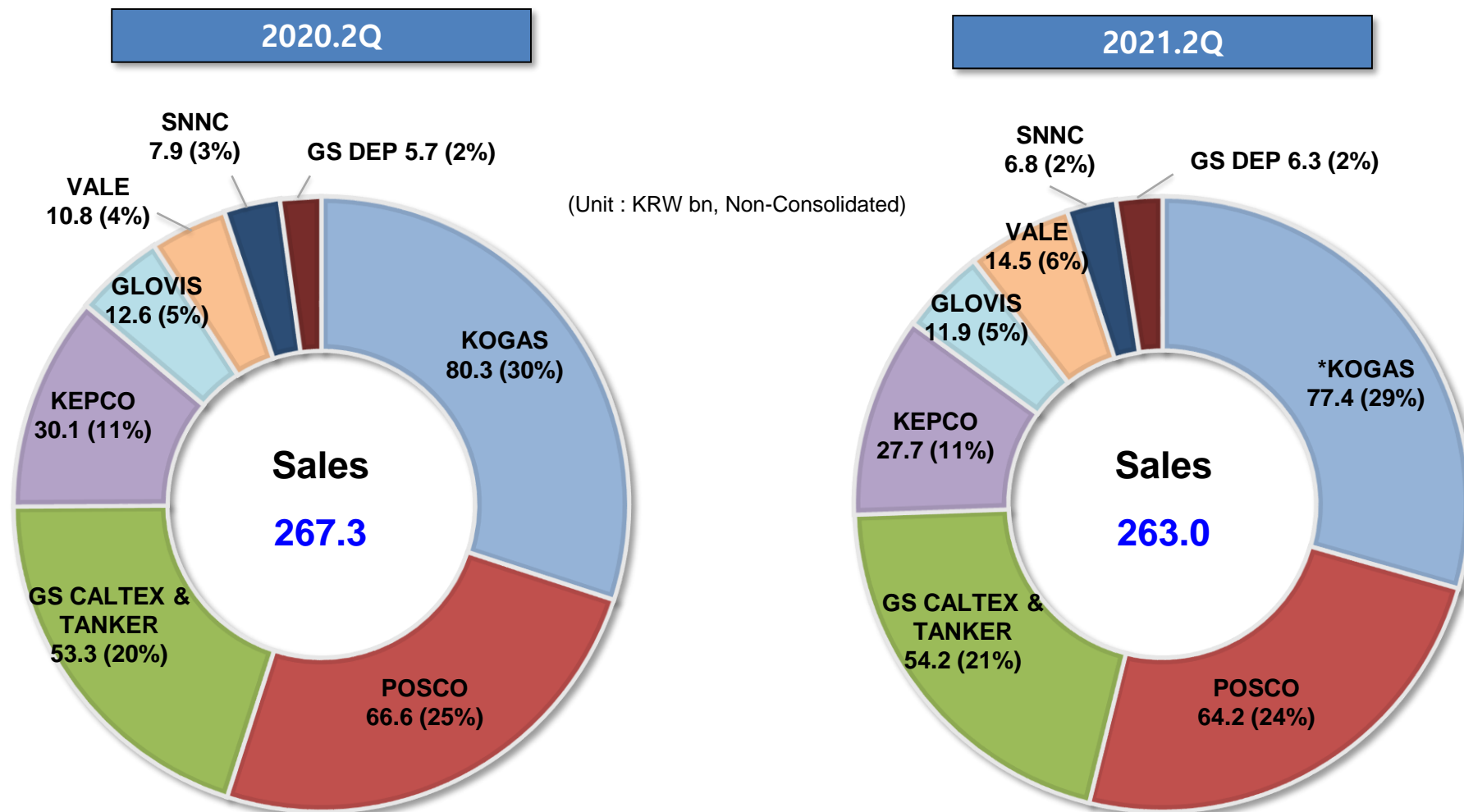
## 2 – 1 ) Business Segment



- ① Increase in sales due to the deployment of two new vessels and strong bulk shipping market condition.  
(The Baltic Dry Index(BDI): 1,400 points (2021.1.1) → 3,383 points (2021.6.30))
- ② Sales from real estate rental business, etc.



## 2 – 2 ) Dedicated Carrier Service Segment

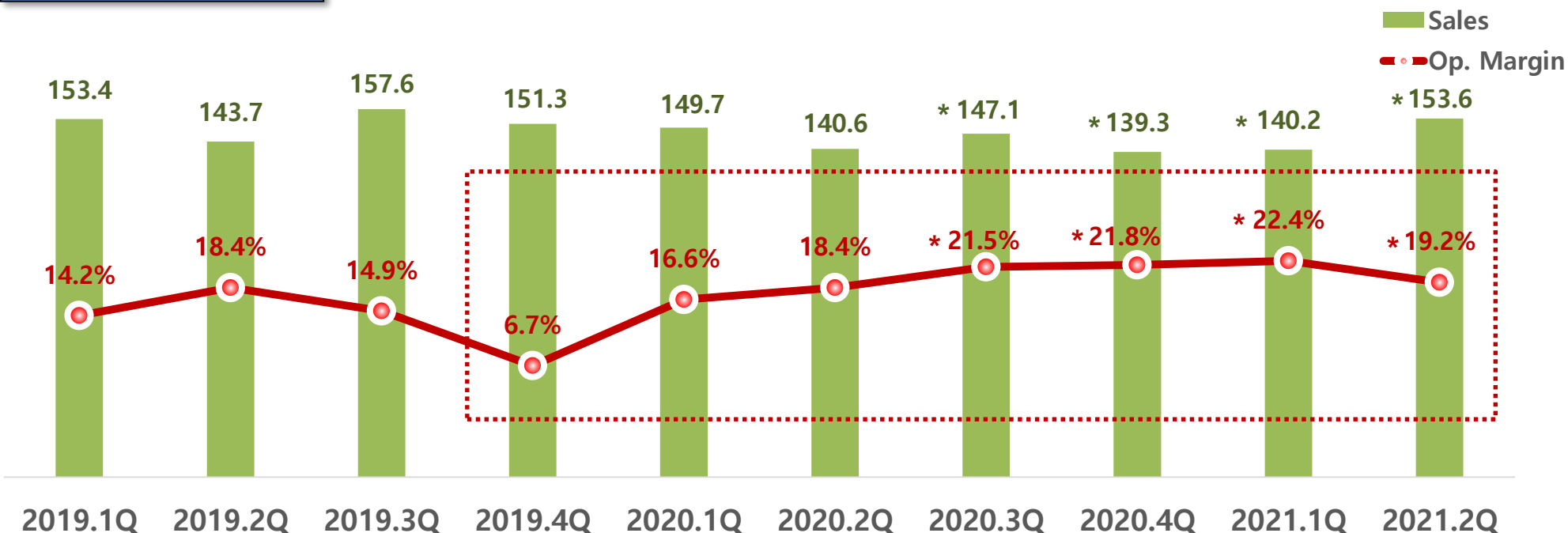


\* Contain Korea Line LNG's sales

## 2 – 3 ) Business Performance

### Operating Margin

(Unit : KRW bn, Non-Consolidated)



- ✓ Sales declined due to the business portfolio reorganization, but the effect of improving profitability continued
- ✓ '19.4Q : Temporary retrospective impact of the change in accounting standards for dedicated carrier transportation contracts (IFRS 16)
- ✓ '21.1Q : Temporary decrease in operating margin due to the ship dry dock repair

# 2 – 4 ) Major Financial Ratio

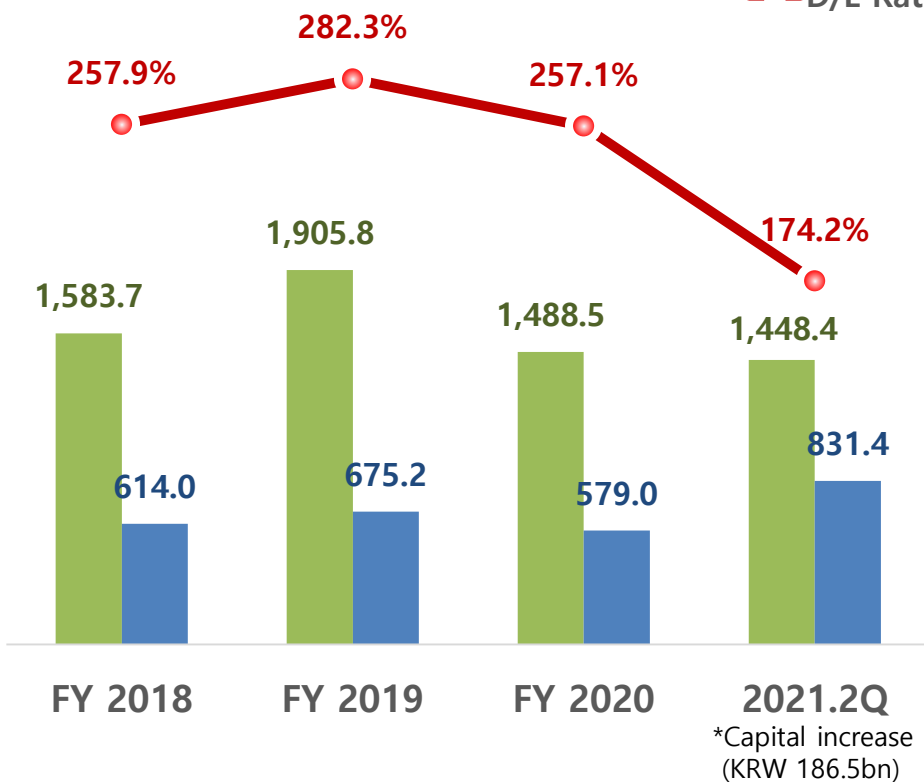
## Debt to Equity Ratio

(Unit : KRW bn, Non-Consolidated)

■ Liabilities

■ Equity

● D/E Ratio



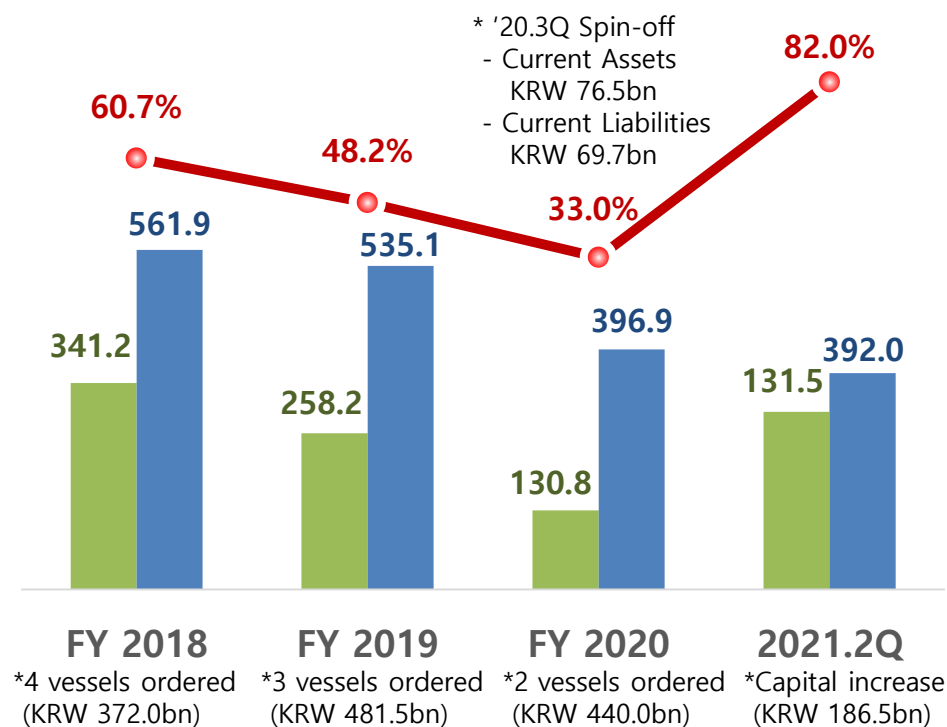
## Current Ratio

(Unit : KRW bn, Non-Consolidated)

■ Current Assets

■ Current Liabilities

● Current Ratio



## 2 – 5 ) Financial Statement Summary

### KLC Financial Statement

(Unit : KRW mil., Non-Consolidated)

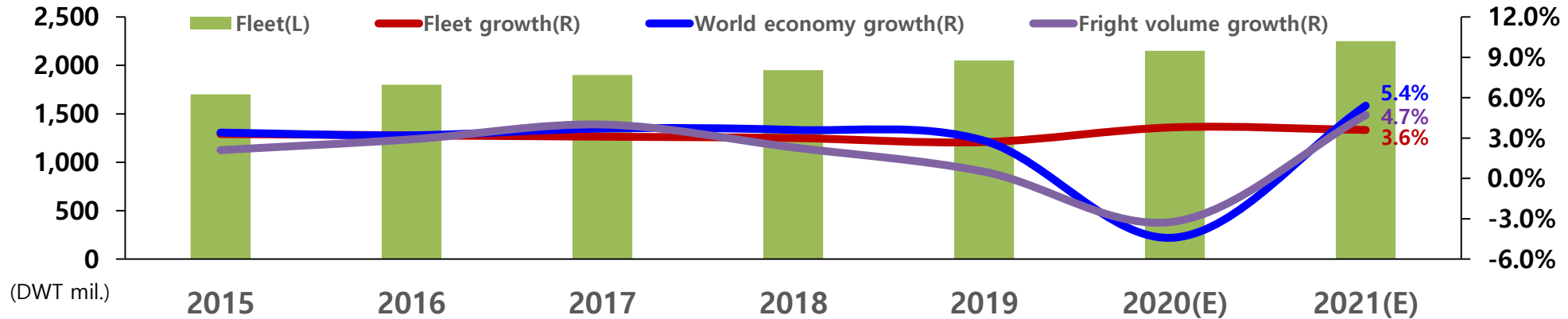
	2021.2Q	2020.2Q	2020	2019
<b>Sales</b>	216,449 (77,418)	290,265	500,046 (76,607)	605,936
<b>Operating Profit</b>	48,196 (12,754)	50,670	95,696 (17,027)	81,887
<b>Net Profit</b>	41,725 (9,186)	-12,867	-41,871 (9,152)	46,486
	2021.2Q	2020.2Q	2020	2019
<b>Assets</b>	2,279,765 (761,834)	2,910,237	2,067,514 (673,035)	2,580,992
<b>Liabilities</b>	1,448,423 (614,162)	2,231,797	1,488,472 (539,795)	1,905,789
<b>Equity</b>	831,342 (147,672)	678,440	579,042 (133,240)	675,203
<b>Issued Capital</b>	159,589 (100,000)	122,136	122,136 (100,000)	122,132
<b>Equity/Assets (%)</b>	36% (19%)	23%	28% (20%)	26%



## 2 – 6 ) FY 2021 Market Forecast and Strategies

**SM KOREA LINE**

### Market Outlook



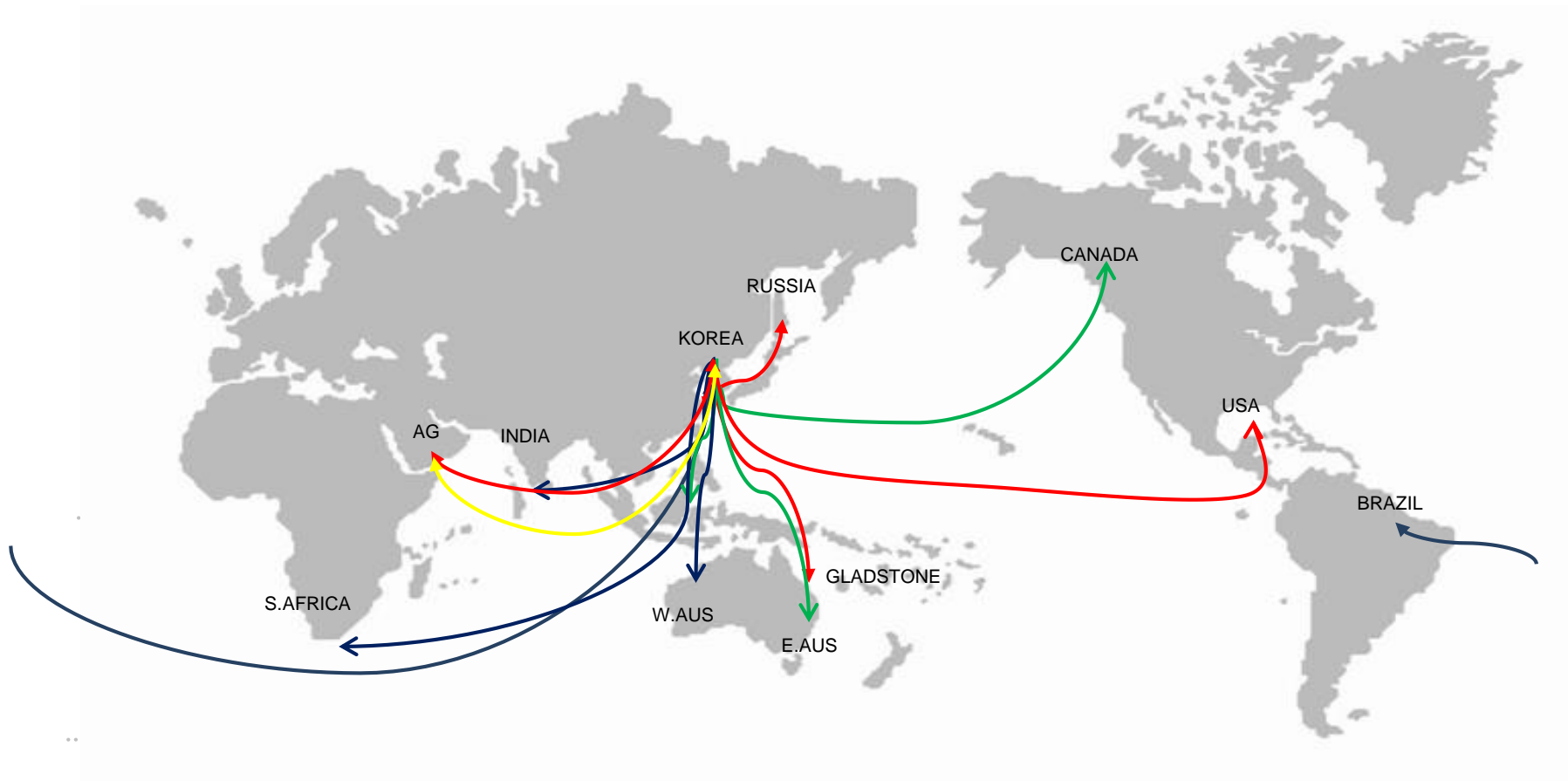
(Source : Clarksons, IMF, KDB Bank)

- ✓ In 2021, Hopes for the economic recovery by stimulus packages and a return to normal after the pandemic (Resuming economic activities and expanding consumption of raw materials in China)
- ✓ Dry Bulk: Improved market conditions due to a demand rebound
- ✓ Tanker: Expected recovery due to increased demand for crude oil and product oil and increased fleet supply

### Strategies

- ✓ Strengthen the financial structure stability by paying off borrowings
- ✓ Secure the cost-competitiveness: Cost reduction through competitive ship refinancing
- ✓ Loss protection  
: Improving ship safety management and winning an appellate trial for an assigned claim for payments

## 3 – 1 ) Dedicated Carrier Service Routes



<b>BLUE ROUTE</b>	<b>ORE</b>
<b>GREEN ROUTE</b>	<b>COAL</b>
<b>RED ROUTE</b>	<b>*LNG</b>
<b>YELLOW ROUTE</b>	<b>OIL</b>

## 3 – 2 ) KLC Dedicated Carriers

□ POSCO

● 7 Vessels / 1,362,153 DWT



SM TIGER(2015)



K.ASTER(2009)

VESSEL NAME	CARGO	DWT	BUILT
SM PUMA	ORE / COAL	206,938	2016
SM DRAGON	ORE / COAL	206,938	2016
SM LION	ORE / COAL	206,938	2016
SM TIGER	ORE / COAL	180,784	2015
K. DAPHNE	ORE / COAL	180,786	2009
K. ASTER	ORE / COAL	207,942	2009
WHITE ROSE	ORE / COAL	171,827	2006

## 3 – 2 ) KLC Dedicated Carriers

### □ KEPCO



ROSEMARY(2010)

- 5 Vessels / 702,491 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM HARMONY2	COAL	80,895	2020
ROSEMARY	COAL	179,742	2010
SM CHALLENGER	COAL	93,273	2010
SM VISION	COAL	176,838	2008
ADONIS	COAL	171,743	2006

### □ HYUNDAI GLOVIS



LAVENDER(2010)

- 2 Vessles / 193,182 DWT

VESSEL NAME	CARGO	DWT	BUILT
LAVENDER	ORE / COAL	179,874	2010
K.ASIAN BEAUTY	CAR / TRUCK	4,300 / CEU	1994



## 3 – 2 ) KLC Dedicated Carriers

### □ SNNC



SM EMERALD (2016)

- 2 Vessels / 127,600 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM EMERALD	NICKEL	63,800	2016
SM DIAMOND	NICKEL	63,800	2016

### □ GS DEP



SM DONGHAE (2001)

- 2 Vessels / 148,848 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM DONGHAE2	COAL	72,790	2002
SM DONGHAE	COAL	76,058	2001

## 3 – 2 ) KLC Dedicated Carriers

### □ GS CALTEX



SM VENUS1(2019)

- 2 Vessels / 599,392 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM VENUS2	OIL	299,696	2020
SM VENUS1	OIL	299,696	2019

### □ S-OIL



SM WHITEWHALE2(2019)

- 2 Vessels / 601,516 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM WHITEWHALE2	OIL	300,758	2019
SM WHITEWHALE1	OIL	300,758	2019

## 3 – 2 ) KLC Dedicated Carriers

### ☐ Vale



SM GEMINI1( 2020)

- 2 Vessels / 649,944 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM GEMINI2	ORE	324,972	2020
SM GEMINI1	ORE	324,972	2020

### ☐ Tanker



SM OSPREY(2017)

- 3 Vessels / 150,428 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM OSPREY	PRODUCT	50,035	2017
SM FALCON	PRODUCT	50,017	2017
SM NAVIGATOR	PRODUCT	50,376	2008

## 3 – 2 ) KLC Trumper Carriers

### □ DRY BULK

● 7 Vessels / 659,798 DWT



*SM HARMONY1(2020)*



*GLOBAL FRONTIER(2010)*

VESSEL NAME	CARGO	DWT	BUILT
SM HARMONY1	COAL	80,895	2020
ZAMPA BLUE	COAL	178,459	2011
GLOBAL BRAVE	STEEL	57,317	2010
GLOBAL FRONTIER	SULPHUR	57,295	2010
GLOBAL GENESIS	METCOKE	57,338	2010
GLOBAL HOPE	STEEL	57,295	2010
OKRA	COAL	171,199	1999



## 3 – 2 ) Korea Line LNG Dedicated Carriers

### □ KOGAS

● 12 Vessels / 1,449,142 CBM



SM JEJU LNG1(2019)



SM EAGLE(2017)

VESSEL NAME	CARGO	CBM	BUILT
SM JEJU LNG2	LNG	7,654	2020
SM JEJU LNG1	LNG	7,654	2019
SM EAGLE	LNG	174,263	2017
SM SEAHAWK	LNG	174,148	2017
K.JASMINE	LNG	145,878	2008
K.MUGUNGWHA	LNG	151,500	2008
K.ACACIA	LNG	138,017	2000
K.FREESIA	LNG	138,015	2000
* H.GREENPIA	LNG	127,137	1996
* HL PYEONGTAEK	LNG	130,636	1995
* H.UTOPIA	LNG	127,102	1994
* YK.SOVEREIGN	LNG	127,138	1994

## 3 – 3 ) Vessels to be delivered (Korea Line LNG)

□ Total : 6 vessels, 732,000 CBM

(as of 30 June 2021)

No	Charterer	Type	CBM	Delivery	Shipyard
1	Shell	*LNG Bunkering Vessel	18,000	'22.1Q	HYUNDAI MIPO DOCKYARD
2		LNG Carrier	174,000	'22.3Q	HYUNDAI HEAVY INDUSTRIES
3			174,000	'22.4Q	HYUNDAI HEAVY INDUSTRIES
4			174,000	'23.3Q	HYUNDAI HEAVY INDUSTRIES
5			174,000	'23.4Q	HYUNDAI HEAVY INDUSTRIES
6	Charterer in Asia	LNG Bunkering Vessel	18,000	'23.1Q	HYUNDAI MIPO DOCKYARD
TOTAL			732,000		