SM KOREA LINE

# KOREA LINE CORPORATION



# 1. Corporate Profile

| Overview | |
|---|---|
| Address | SM R&D Center #78 Magok Jungang8-ro, Gangseo-Gu, Seoul 07803, Republic of Korea<br>(Tel) +82-2-3701-0114 (Fax) +82-2-733-1610 |
| Founded | 12 December 1968 |
| Services | Dedicated Carrier Service (Drybulk)<br>Tramper (Drybulk)<br>Tanker Business (Crude Oil & Product Oil) |
| *Assets | US$ 1,905 million (as of 30 September 2020)<br>※ Korea Line LNG : US$ 637 million |
| *Sales | US$ 330 million (as of 30 September 2020)<br>※ Korea Line LNG : US$ 33 million |
| No. of Employees | 169 (shore: 80, onboard: 89)<br>※ Korea Line LNG : 332 (shore: 9, onboard: 323) |
| Owned Fleet | 34 Vessels / Total : 5,195,352 DWT<br>(26 Bulkers, 3 Tankers, 4 VLCCs, 1 PCTC) |
| *Sales Distribution | Dedicated Carrier Service 90%,<br>Tramper Service 9%, Etc 1% |
| Major Clients | POSCO / KEPCO / HYUNDAI GLOVIS<br>/ GS Caltex / S-Oil etc |

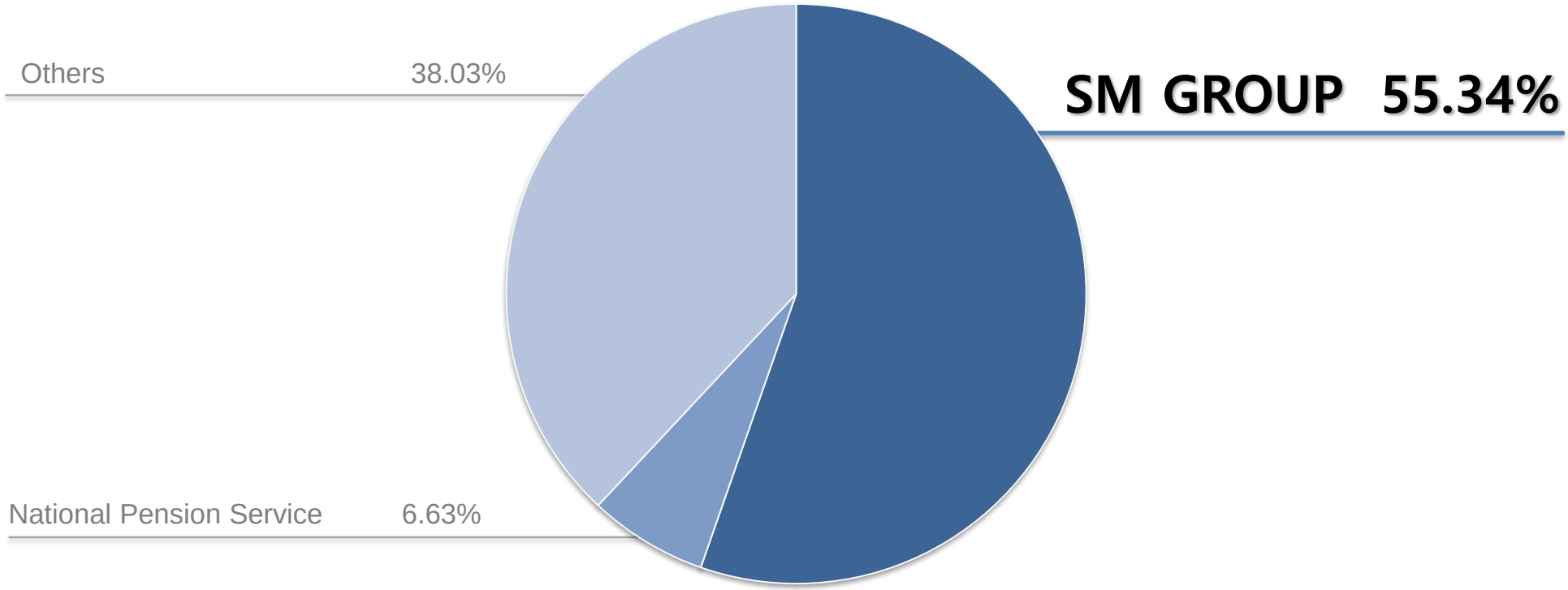
## Brief History

- **1976** Commenced first industrial carrier business by signing a long-term contract with POSCO for the carriage of iron ore
- **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 by M&A
- **2020** Korea Line LNG launched by spin-off

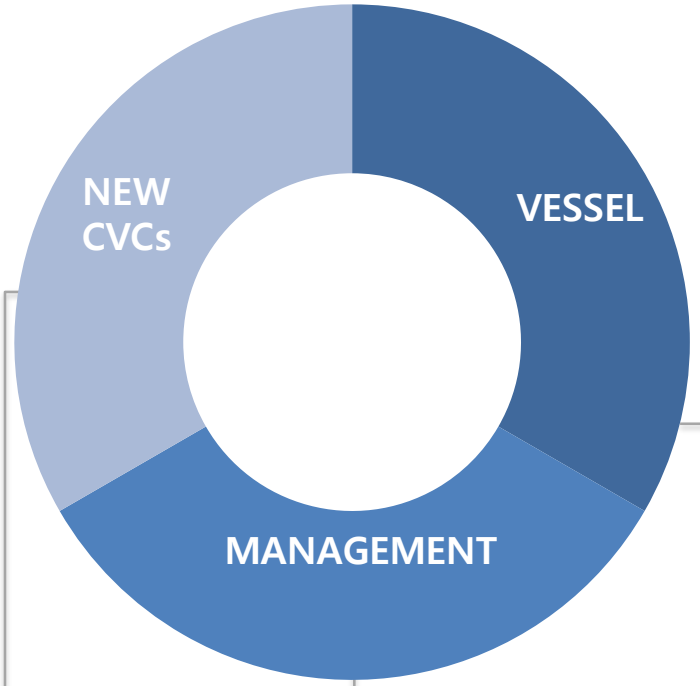
* According to Separate Financial Statements under K-IFRS

# 2. Major Shareholders

**Major Shareholders as of 30 September, 2020**



# 3. Business highlights




**Aug. 2020**
- Signed the long-term time contract with Shell for the carriage of the LNG by 2 x 174,000cbm LNGc

**Dec. 2019**
- Signed the long-term time contract with Shell for the carriage of the LNG by 2 x 174,000cbm LNGc

**Nov. 2019**
- Signed the long-term time contract with Shell by 18,000 CBM LNG Bunkering Vessel

**Mar. 2018**
- Signed the 5-year CVC with S-Oil for the carriage of the crude oil by 2 x VLCC
- Signed the 5-year CVC with GS-Caltex for the carriage of the crude oil by 2 x VLCC

**Feb. 2018**
- Signed the 25-year CVC with Vale for the carriage of the iron ore by 2 x VLOC

※ **CVC**: Consecutive voyage charterparty

**Aug. 2020**
Ordered 2 x 174,000cbm LNGc in HHI

**Dec. 2019**
Ordered 2 x 174,000cbm LNGc in HHI

**Nov. 2019**
Ordered 18,000cbm LNG Bunkering Vessel in HHI

**Mar. 2018**
Ordered 4 x 300K DWT Tankers in HHI & DSME

**Oct. 2017**
Ordered 2 x 325K DWT Bulkers in HHI

**Aug. 2017**
Acquired one of the leading ship-financing funding company in Korea named Korea Marine Finance Corporation (“KOMARF”)

**Dec. 2016**
Acquired one of the Shipping Company in Korea and re-named as Korea Shipping Corporation

# 4. Revenue Portfolio

## Sales Distribution

| | KLC | Korea Line LNG | SUM |
|---|---|---|---|
| **Dedicated Carriers** | **$ 297 Mil** (82%) | **$ 33 Mil** (9%) | **$ 330 Mil** (91%) |
| **Tramper** | **$ 30 Mil** (8%) | - (-) | **$ 30 Mil** (8%) |
| **Etc** | **$ 3 Mil** (1%) | - (-) | **$ 3 Mil** (1%) |
| **SUM** | **$ 330 Mil** (91%) | **$ 33 Mil** (9%) | **$ 363 Mil** (100%) |

## Breakdown of Sales Distribution on Dedicated Carriers

| | KLC | Korea Line LNG | SUM |
|---|---|---|---|
| **KOGAS** | **$ 67 Mil** (20%) | **$ 33 Mil** (10%) | **$ 100 Mil** (30%) |
| **POSCO** | **$ 84 Mil** (25%) | - (-) | **$ 84 Mil** (25%) |
| **GS CALTEX & TANKER etc** | **$ 66 Mil** (20%) | - (-) | **$ 66 Mil** (20%) |
| **KEPCO** | **$ 35 Mil** (11%) | - (-) | **$ 35 Mil** (11%) |
| **HYUNDAI GLOVIS** | **$ 15 Mil** (5%) | - (-) | **$ 15 Mil** (5%) |
| **Vale** | **$ 14 Mil** (4%) | - (-) | **$ 14 Mil** (4%) |
| **SNNC** | **$ 9 Mil** (3%) | - (-) | **$ 9 Mil** (3%) |
| **GS DONGHAE** | **$ 7 Mil** (2%) | - (-) | **$ 7 Mil** (2%) |
| **SUM** | **$ 297 Mil** (90%) | **$ 33 Mil** (10%) | **$ 330 Mil** (100%) |

# 5. Field of Business

## ☐ Dedicated Carrier Service

| | |
|---|---|
| **Outline** | Cost effective and high-quality transportation service for the major cargo owners |
| **Vessel** | BULKERs / *LNGCs / VLCCs |
| **Cargo** | Iron Ore, Coal, *LNG, Crude Oil |
| **Route** | Australia, Brazil, India, South Africa, Canada (Cape) / *USA and Russia (LNG) / Asian Gulf (VLCC) |
| **Client** | POSCO, KEPCO, HYUNDAI GLOVIS, S-OIL, GS-Caltex, GS Donghae Energy Power, SNNC, *KOGAS |

## ☐ Tramper Service

| | |
|---|---|
| **Outline** | Customized transportation services for the specific demand of the cargo owner |
| **Vessel** | Cape / Panamax / Supramax |
| **Cargo** | Steel, Cement, Scrap, Mineral, Iron Ore, Coal, Grain etc. |
| **Route** | Worldwide service among Atlantic - Indian - Pacific Ocean<br>[Australia, Brazil, South Africa, etc (Load), Far East Asia, Europe, etc (Unload)] |
| **Client** | Domestic and international shippers in need of cargo transportation |

* Korea Line LNG's Field of Business

# 6. KLC Dedicated Carriers

## ☐ POSCO



*SM TIGER(2015)*



*K.ASTER(2009)*

- 7 Vessels / 1,362,153 DWT

| 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 |

# 6. KLC Dedicated Carriers - Continued-

## ☐ KEPCO



*ROSEMARY(2010)*

- 4 Vessels / 706,782 DWT

| VESSEL NAME | CARGO | DWT | BUILT |
|---|---|---|---|
| ZAMPA BLUE | COAL | 178,459 | 2011 |
| ROSEMARY | COAL | 179,742 | 2010 |
| SM VISION | COAL | 176,838 | 2008 |
| ADONIS | COAL | 171,743 | 2006 |

## ☐ HYUNDAI GLOVIS



*LAVENDER(2010)*

- 2 Vessels / 193,182 DWT

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

# 6. KLC Dedicated Carriers - Continued-

## ☐ SNNC

- 2 Vessels / 127,600 DWT



*SM EMERALD (2016)*

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

## ☐ GSDEP

- 2 Vessels / 148,848 DWT



*SM DONGHAE (2001)*

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

# 6. KLC Dedicated Carriers - Continued-

## ☐ 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 |

# 6. KLC Dedicated Carriers - Continued-

## ☐ 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 |

# 6. KLC Tramper Carriers - Continued-

## ☐ DRY BULK




*SM HARMONY2(2020)*



*GLOBAL FRONTIER(2010)*

- 8 Vessels / 655,507 DWT

| VESSEL NAME | CARGO | DWT | BUILT |
|---|---|---|---|
| SM HARMONY2 | GRAIN | 80,895 | 2020 |
| SM HARMONY1 | ORE | 80,895 | 2020 |
| GLOBAL BRAVE | PETCOKE | 57,317 | 2010 |
| GLOBAL FRONTIER | COAL | 57,295 | 2010 |
| GLOBAL GENESIS | ORE | 57,338 | 2010 |
| GLOBAL HOPE | ORE | 57,295 | 2010 |
| SM CHALLENGER | COAL | 93,273 | 2010 |
| OKRA | COAL | 171,199 | 1999 |

# 6. Korea Line LNG Dedicated Carriers - Continued-

## ☐ KOGAS



*SM JEJU LNG1(2019)*



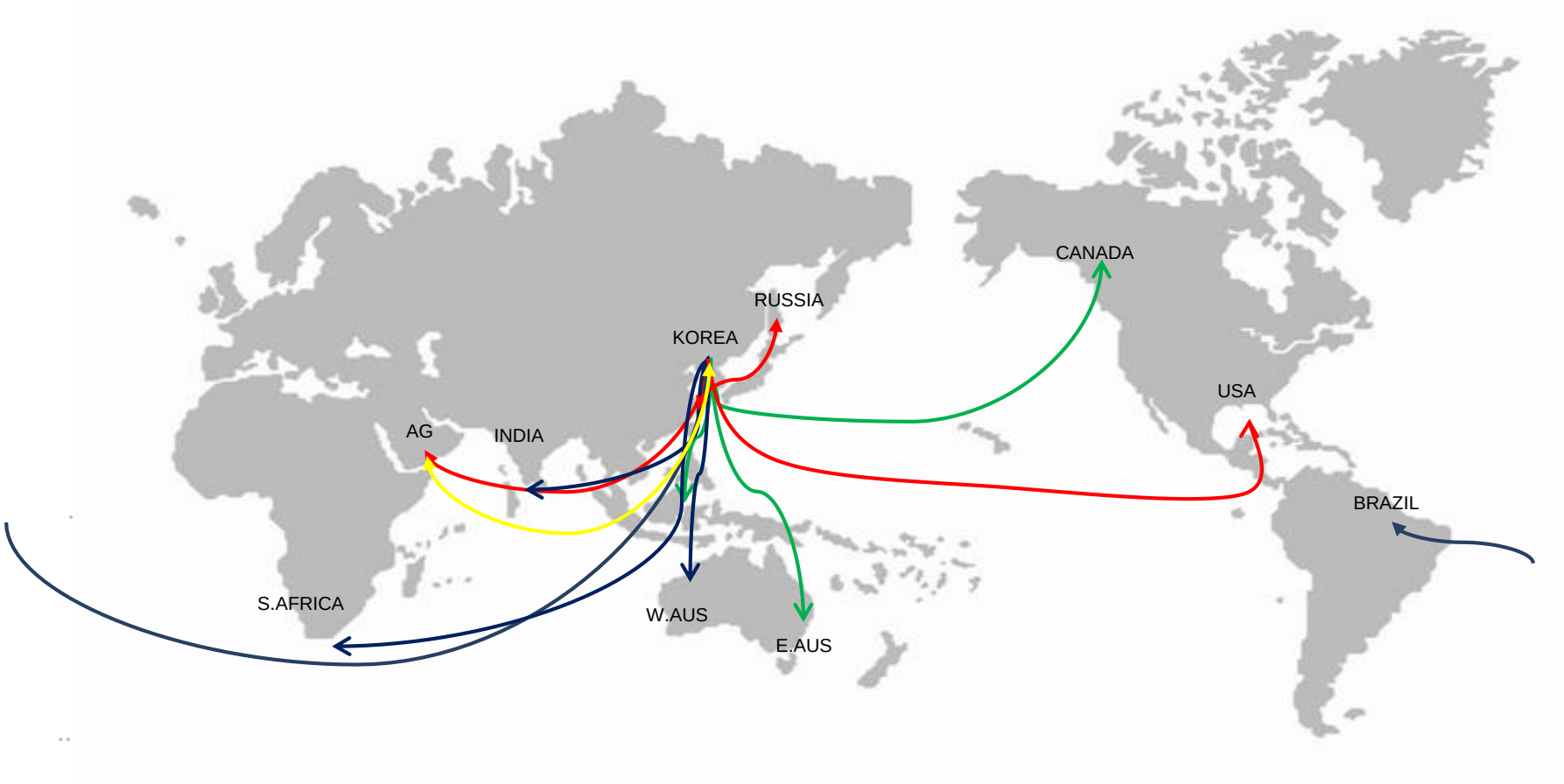
*SM EAGLE(2017)*

- 12 Vessels / 1,449,142 CBM

| 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 |
| * HJ.PYEONGTAEK | LNG | 130,636 | 1995 |
| * H.UTOPIA | LNG | 127,102 | 1994 |
| * YK.SOVEREIGN | LNG | 127,138 | 1994 |

* 4 Consortium Vessels (Share%)

# 7. Dedicated Carrier Service Routes




| | |
|---|---|
| BLUE ROUTE | ORE |
| GREEN ROUTE | COAL |
| RED ROUTE | *LNG |
| YELLOW ROUTE | OIL |

* Korea Line LNG's Dedicated Carrier Service Routes

# 8. Financial Highlights

## KLC Financial Statement

(USD in thousands)

| | 2020.3Q | 2019.3Q | 2019 | 2018 |
|---|---|---|---|---|
| **Sales** | 330,378 (33,046) | 390,100 | 519,408 | 714,414 |
| **Operating Profit** | 60,244 (6,739) | 59,075 | 69,492 | 57,499 |
| **Net Profit** | -17,590 (4,120) | 47,837 | 26,519 | 21,650 |
| | | | | |
| **Financial State** | **2020.3Q** | **2019.3Q** | **2019** | **2018** |
| **Total Assets** | 1,904,692 (637,181) | 2,097,354 | 2,229,221 | 1,965,598 |
| **Total Liabilities** | 1,344,413 (516,656) | 1,500,424 | 1,646,043 | 1,416,441 |
| **Total Capital** | 560,279 (120,525) | 596,930 | 583,178 | 549,157 |
| **Capital Stock** | 112,333 (83,285) | 112,330 | 112,330 | 112,330 |
| **Capital Adequacy Ratio (%)** | 29% (19%) | 29% | 26% | 28% |

* ( ) : Korea Line LNG's Figures

# Appendix 1. SM Group Affiliated Companies

TK Chemical Corporation
Namsun Aluminum
Bexel Corporation
Handuk Iron Mine
SM Industry
SM Heavy Industry
E&H




**Korea Line Corporation**
Korea Line LNG Corporation
Korea Shipping Corporation
SM Line Corporation
KLCSM / KORICO
Korea Marine Financing Company
SM Line Gwangyang Terminal
SM Line Gyeongin Terminal

▶ **Leisure**
Hotel Tops 10
Donggang Resort Cistar
Villa de Aewol
Oxfield C.C
Apple Valley C.C

Samra
Woobang
Woobang Industrial
Dongah Construction Industrial
Keangnam Enterprises
Samwhan Corporation
Taekil Corporation
SM Line Construction Section

SM Hiplus
SM Credit Information
UBC Ulsan Broad Casting

# Appendix 2. Owned Fleet List

(as of 30 September 2020)

| Categories | | VESSEL NAME | BUILT | DWT | |
|---|---|---|---|---|---|
| DEDICATED CARRIERS | POSCO (ORE, COAL) | SM PUMA | 2016 | 206,938 | 1,362,153 |
| | | SM DRAGON | 2016 | 206,938 | |
| | | SM LION | 2016 | 206,938 | |
| | | SM TIGER | 2015 | 180,784 | |
| | | K. DAPHNE | 2009 | 180,786 | |
| | | K. ASTER | 2009 | 207,942 | |
| | | WHITE ROSE | 2006 | 171,827 | |
| | KEPCO (COAL) | ZAMPA BLUE | 2011 | 178,459 | 706,782 |
| | | ROSEMARY | 2010 | 179,742 | |
| | | SM VISION | 2008 | 176,838 | |
| | | ADONIS | 2006 | 171,743 | |
| | GLOVIS (COAL, PCTC) | LAVENDER | 2010 | 179,874 | 193,182 |
| | | K.ASIAN BEAUTY | 1994 | 13,308 | |
| | SNNC (NICKEL) | SM EMERALD | 2016 | 63,800 | 127,600 |
| | | SM DIAMOND | 2016 | 63,800 | |
| | VALE (ORE) | SM GEMINI2 | 2020 | 324,972 | 649,944 |
| | | SM GEMINI1 | 2020 | 324,972 | |
| | GS DEP (COAL) | SM DONGHAE2 | 2002 | 72,790 | 148,848 |
| | | SM DONGHAE | 2001 | 76,058 | |
| | S-OIL (OIL) | SM WHITEWHALE2 | 2019 | 300,758 | 601,516 |
| | | SM WHITEWHALE1 | 2019 | 300,758 | |
| | GS CALTEX (OIL) | SM VENUS2 | 2020 | 299,696 | 599,392 |
| | | SM VENUS1 | 2019 | 299,696 | |
| 23 Vessels | | | | | 4,389,417 |

| Categories | | VESSEL NAME | BUILT | DWT | |
|---|---|---|---|---|---|
| TANKER | PRODUCT | SM OSPREY | 2017 | 50,035 | 150,428 |
| | | SM FALCON | 2017 | 50,017 | |
| | | SM NAVIGATOR | 2008 | 50,376 | |
| TRAMPER | DRY BULK | SM HARMONY2 | 2020 | 80,895 | 655,507 |
| | | SM HARMONY1 | 2020 | 80,895 | |
| | | GLOBAL BRAVE | 2010 | 57,317 | |
| | | GLOBAL FRONTIER | 2010 | 57,295 | |
| | | GLOBAL GENESIS | 2010 | 57,338 | |
| | | GLOBAL HOPE | 2010 | 57,295 | |
| | | SM CHALLENGER | 2010 | 93,273 | |
| | | OKRA | 1999 | 171,199 | |
| 11 Vessels | | | | | 805,935 |

| Categories | | VESSEL NAME | BUILT | DWT | |
|---|---|---|---|---|---|
| Korea Line LNG | LNG | SM JEJU LNG2 | 2020 | 5,858 | 806,887 |
| | | SM JEJU LNG1 | 2019 | 5,858 | |
| | | SM EAGLE | 2017 | 97,975 | |
| | | SM SEAHAWK | 2017 | 98,064 | |
| | | K. JASMINE | 2008 | 73,500 | |
| | | K. MUGUNGHWA | 2008 | 87,441 | |
| | | K. ACACIA | 2000 | 75,768 | |
| | | K. FREESIA | 2000 | 75,768 | |
| | | *H. GREENPIA | 1996 | 71,684 | |
| | | *HJ. PYEONGTAEK | 1995 | 71,041 | |
| | | *H. UTOPIA | 1994 | 71,909 | |
| | | *YK. SOVEREIGN | 1994 | 72,021 | |
| 12 Vessels | | | | | 806,887 |

* 4 Consortium Vessels (Share%)