JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

OVERSEAS REGULATORY ANNOUNCEMENT

THIRD QUARTER AND NINE MONTHS REPORT
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017
OF
JINHUI SHIPPING AND TRANSPORTATION LIMITED

This overseas regulatory announcement is made by Jinhui Holdings Company Limited (the "Company") in compliance with Rule 13.09 and 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Please refer to the attached announcement released on 27 November 2017 through the Oslo Stock Exchange by Jinhui Shipping and Transportation Limited ("Jinhui Shipping"), an approximately 55.69% owned subsidiary of the Company, in accordance with the regulations of the Oslo Stock Exchange.

The principal accounting policies and methods of computation used in the preparation of the attached unaudited consolidated results of Jinhui Shipping and its subsidiaries are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Jinhui Holdings Company Limited
Ng Siu Fai
Chairman

Hong Kong, 27 November 2017

As at date of this announcement, the Executive Directors of Jinhui Holdings Company Limited are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin; and the Independent Non-executive Directors of Jinhui Holdings Company Limited are Cui Jianhua, Tsui Che Yin Frank and William Yau.

JINHUI SHIPPING
AND TRANSPORTATION LIMITED

Third Quarter and Nine Months Report 2017

HIGHLIGHTS

For the Nine Months Ended 30 September 2017

- Revenue for the period : US$52 million
- Net loss for the period: US$7 million included non-cash impairment loss on assets held for sale (disposed vessels) of US$6 million
- Basic loss per share: US$0.073
- Gearing ratio as at 30 September 2017: 16%

For the Third Quarter of 2017

- Revenue for the quarter : US$18 million
- Net profit for the quarter: US$2 million
- Basic earnings per share: US$0.022

The Board of **Jinhui Shipping and Transportation Limited** (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the quarter and nine months ended 30 September 2017.

THIRD QUARTER AND NINE-MONTH RESULTS

Revenue for the third quarter of 2017 declined 5% to US$18,144,000, comparing to US$19,000,000 for the corresponding quarter in 2016. The Company recorded a consolidated net profit of US$2,246,000 for current quarter as compared to a consolidated net loss of US$28,507,000 for the corresponding quarter in 2016. Basic earnings per share was US$0.022 for the third quarter of 2017 while basic loss per share was US$0.338 (restated) for the corresponding quarter in 2016.

Revenue for the first nine months of 2017 increased 19% to US$52,440,000, comparing to US$44,023,000 for the same period in 2016. The Company recorded a consolidated net loss of US$6,509,000 for the first nine months of 2017 while a consolidated net loss of US$67,651,000 was reported in the first nine months of 2016. The consolidated net loss for the first nine months of 2017 was attributable to the impairment loss on assets held for sale (disposed vessels) of US$6,301,000 recognized in the first nine months of 2017 whereas US$37,582,000 was recognized in the same period in 2016. The impairment loss on assets held for sale (disposed vessels) is non-cash in nature and does not have impact on the operating cash flows of the Group. Basic loss per share for the period was US$0.073 as compared to basic loss per share of US$0.803 (restated) for the first nine months of 2016.

During the first nine months of 2017, the Group took the opportunity to enter into five memorandums of agreement to dispose four Supramaxes and one Handysize at a total consideration of US$63,000,000. By using the net sale proceeds arisen from the disposals for the repayment of the vessel mortgage loans, the Group's overall indebtedness had been reduced by approximately US$52.3 million. The disposal of these five vessels would enable the Group to further enhance its working capital position and to strengthen its liquidity, and optimize the fleet profile through this ongoing management of asset portfolio. For financial reporting purposes, these five disposed vessels were reclassified to "Assets held for sale" in accordance with IFRS 5 and HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", with a total impairment loss on assets held for sale (disposed vessels) of US$6,301,000 was recognized in the first nine months of 2017 upon reclassification to assets held for sale. Two vessels were delivered to the respective buyers in April 2017 while the three remaining vessels were delivered to the respective buyers in June 2017. Given the unpredictable and often high earnings volatility in our industry, the disposal of the vessels can further reduce our debt service pressure from both principal repayments and interest payments in an expected rising interest rate environment. The Directors continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2017.

REVIEW OF OPERATIONS

Third Quarter of 2017. Dry bulk shipping market maintained positive momentum in the third quarter due to the noticeable increase in dry seaborne trade volumes and importing of iron ore and coal in China. Baltic Dry Index opened at 901 points at the beginning of July and continued to climb to the peak of the quarter at 1,503 points and closed at 1,356 points by the end of September. The average of Baltic Dry Index of the third quarter of 2017 was 1,137 points, which compares to 736 points in the same quarter in 2016.

Revenue for the third quarter of 2017 was US$18,144,000, representing a decrease of 5% as compared to US$19,000,000 for the same quarter in 2016. The average daily time charter equivalent rates ("TCE") earned by the Group's owned vessels improved 43% to US$8,852 for the third quarter of 2017 as compared to US$6,195 for the corresponding quarter in 2016.

Average daily TCE of owned vessels	**2017 Q3** ***US$***	2016 Q3 *US$*	**2017 1st nine months** ***US$***	2016 1st nine months *US$*	2016 *US$*
Post-Panamax / Panamax fleet	**8,311**	5,285	**7,706**	4,066	4,475
Supramax / Handymax / Handysize fleet	**8,906**	6,319	**7,569**	4,681	4,922
In average	**8,852**	6,195	**7,580**	4,609	4,871

Shipping related expenses dropped from US$12,495,000 for the third quarter in 2016 to US$10,351,000 for the current quarter. The decrease was mainly attributable to the reduced number of owned vessels from thirty two in the third quarter of 2016 to twenty three at end of the current quarter and the continued efforts in reducing vessels' running costs under the Group's cost reduction strategy in order to remain competitive in the current tough market environment.

Due to reduced numbers of owned vessels and the recognition of substantial impairment loss on owned vessels by end of 2016, the Group's depreciation and amortization dropped by 43% to US$4,843,000 for the third quarter of 2017.

Finance costs decreased by 21% from US$1,349,000 in third quarter of 2016 to US$1,068,000 in third quarter of 2017. The decrease was mainly attributable to the reduction in outstanding loan principal upon disposal of five vessels in 2017.

The Company announced on 3 July 2017 to carry out a rights issue raising up to NOK 201,708,816 in gross proceeds through the issuance of up to 25,213,602 new shares at a subscription price of NOK 8.00 per share where the shareholders in the Company as per the end of 4 July 2017 and registered with the Verdipapirsentralen (the "VPS"), the Norwegian Central Securities Depository on 6 July 2017 shall have preferential rights to subscribe for the new shares (the "Rights Issue"). The gross proceeds from the Rights Issue, amount to a total of NOK 201,708,816, will be used to further reduce the overall indebtedness, putting the Company on an even sounder and stronger financing footing to operate in an expected slowly recovering market going forward. The Board had approved the final allocation of the shares subscribed for in the Rights Issue based on the allocation criteria set out in the prospectus dated 6 July 2017. The issuance of the new shares pursuant to the consummation of the Rights Issue had been registered in the Company's register of members and delivered to each subscriber’s VPS account on 2 August 2017 and become tradable on the Oslo Stock Exchange on 2 August 2017. The Rights Issue had been completed on 2 August 2017 and the Company's new total issued share capital is US$5,462,947.15 divided into 109,258,943 shares, each with a nominal value of US$0.05 and each giving one vote at the Company's general meeting.

FINANCIAL REVIEW

As at 30 September 2017, the Company maintained positive working capital position of US$88,393,000 (31/12/2016: US$47,767,000) and the total of the Group’s equity and debt securities, bank balances and cash increased to US$100,243,000 (31/12/2016: US$74,722,000). During the first nine months of 2017, net cash generated from operating activities amounted to US$38,176,000 (30/9/2016: US$32,623,000).

As at 30 September 2017, the Group’s bank borrowings decreased to US$140,244,000 (31/12/2016: US$212,554,000), of which 9%, 56% and 35% are repayable respectively within one year, one to two years and two to five years. All bank borrowings were denominated in United States Dollars and were committed on floating rate basis.

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, decreased to 16% (31/12/2016: 61%) as at 30 September 2017. With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 30 September 2017, the Group is able to service its debt obligations, including principal and interest payments.

During the nine months ended 30 September 2017, capital expenditure on additions of property, plant and equipment was US$3,339,000 (30/9/2016: US$3,393,000). As at 30 September 2017 and 31 December 2016, there was no capital expenditure commitments contracted by the Group but not provided for.

FLEET

Owned Vessels

As at 30 September 2017, the Group had twenty three owned vessels and operated a chartered-in Capesize which was subsequently redelivered to the owner in November 2017.

As at 26 November 2017, the Group had twenty three owned vessels as follows:

	Number of owned vessels
Post-Panamax fleet	2
Supramax fleet	21
Total fleet	**23**

During the first nine months of 2017, the Group had entered into five memorandums of agreement to dispose four Supramaxes and one Handysize, at a total consideration of US$63 million. Following the disposal of five vessels, the Group's total carrying capacity had been reduced from deadweight 1,602,343 metric tons to 1,341,902 metric tons. Five vessels had been delivered to the respective buyers during the first nine months of 2017.

SIGNIFICANT LITIGATION UPDATE

Galsworthy Limited ("Galsworthy"), a wholly owned subsidiary of the Group, was the disponent owners of the vessel "CANTON TRADER" which was later renamed "JIN KANG". On 17 June 2008, Galsworthy entered into a time charter with Parakou Shipping Pte Limited ("Parakou Shipping") for a period of approximately five years, with delivery not due until March 2009. On or about 13 March 2009, Parakou Shipping wrongfully refused to take delivery of the vessel and Galsworthy accepted their conduct as a repudiation of the charter, bringing it to an end.

The dispute was the subject of various proceedings, but principally in London arbitration. By Arbitration Awards dated 31 August 2010 and 13 May 2011, the London arbitrators upheld Galsworthy's claims and awarded damages of approximately US$41.25 million plus interest and costs. Since then Galsworthy has been trying to enforce those awards against Parakou Shipping and its former directors. The present amount outstanding is in excess of US$60 million.

In one action Galsworthy has been funding Singapore proceedings commenced by the liquidator of Parakou Shipping against four of Parakou Shipping's former directors and related corporate entities, seeking to claw back assets into Parakou Shipping for distribution amongst the creditors. Judgment was obtained in February 2017 in the sum of SGD17 million against the Defendants but the Defendants have now appealed the same. The Liquidator has cross appealed to increase the judgment amount. Galsworthy has also submitted a proof of debt in the Parakou Shipping's liquidation in respect of its claim under the Arbitration Awards.

(For more information with regards to the February 2017 judgment issued by Singapore High Court, please visit website of Supreme Court of Singapore or click this link: Parakou Shipping Pte Ltd (in liquidation) v Liu Cheng Chan and others which is publicly available.)

Separately in South Africa enforcement action in respect of the two awards has been taken against the vessel "PRETTY SCENE" in Durban. She was arrested in June 2016 and remains under arrest there whilst the enforcement is challenged by Parakou Tankers Inc. a company controlled by Mr. Por Liu, one of the former directors of Parakou Shipping. An application for leave to appeal against the dismissal order in respect of the first arrest on the vessel is presently before the Supreme Court of South Africa. The vessel remains under a second arrest which was prepared when the technical defense raised by Parakou Tankers Inc. in respect of the first arrest was discovered. Judgment is awaited. There was an application for wrongful arrest and damages claim brought by Parakou Tankers Inc. in respect of the second arrest but leading counsel in South Africa has advised that the same has minimal prospects of success.

Recently, following the factual findings in the Singapore judgment, an action has been commenced in Hong Kong against three of the former directors of Parakou Shipping for unlawful conspiracy. An injunction freezing assets belonging to the directors of Parakou Shipping has been obtained. The substantive action is at an early stage.

RISK FACTORS

This report may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including the Company's management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or targets.

Key risk factors that could cause actual results to differ materially from those discussed in this report will include but not limited to the way world economies, currencies and interest rate environment may evolve going forward, general market conditions including fluctuations in charter rates and vessel values, counterparty risk, changes in demand in the dry bulk market, changes in operating expenses including bunker prices, crewing costs, drydocking and insurance costs, availability of financing and refinancing, inability to obtain restructuring or rescheduling of indebtedness from lenders in liquidity trough, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, piracy or political events, and other important factors described from time to time in the reports filed by the Company.

OUTLOOK

2017 has so far turned out to be an encouraging market for dry bulk shipping, with much better activity in the freight market as well as a recovery in asset prices. Both the freight market and asset prices have since rebounded from its trough to better levels. During the 3rd quarter, the market remains to be healthy but we remain cautious nevertheless and hold the view that the path to a meaningful recovery and demand supply equilibrium will not be without challenges.

A number of factors will continue to determine the pace of dry bulk market recovery: (1) continued positive demand growth in key dry bulk commodities importing activities from China; (2) a continual recovery or stabilization of dry commodity prices; and most importantly in our view (3) the reduction in shipbuilding capacity where irrational order, and hence oversupply will be discouraged; and (4) Geopolitical risks that affects the world trading pattern. Seasonality in our industry will occur where activities are expected to slow towards the end of the year.

We continue to see supply and demand trending towards a balance for the time being, with shipyards, buyers and financiers all adopting a cautious stance towards new businesses. Asset based financing, in particular with respect to maritime assets continue to be hard and expensive to come by. A more stable operating environment will be reached if this continues, time will tell and we remain patient to witness a healthier market ahead of us.

Our mindset remains to be prudent and continue to watch out for uncertainties in the global markets, in particularly the freight market, as well as the financial, commodity and currency markets. Unexpected events will occur as they always do, and these will inevitably introduce volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We will continue to refrain from using freight, bunker, currencies or interest rate derivatives to minimize any unnecessary business risks.

We are in a relatively fortunate position where we have no capital expenditure commitment in relation to newbuilding contracts. Looking ahead, we will continue to focus on taking sensible and decisive actions to maintain a strong financial position, maintaining a young and modern fleet, and focus on the further reduction of debt to ensure we sail through stormy waters.

We will intimately monitor cargo flows in order to deploy our vessels efficiently to optimize revenue, secure and maximize income including potential recoveries from outstanding charter disputes, ensuring the maintenance of a high quality, safe fleet of vessels, and keeping costs in check to enhance our margins in order to remain competitive.

Over the longer term, we will continue to operate with a conservative yet nimble mindset, and be ready to act in the best interest of our shareholders under different kinds of scenarios. We will exercise our best efforts to be one of the survivors, a trustworthy partner to those who support us, and be a long term preferred vessel provider to our customers.

PUBLICATION OF FINANCIAL INFORMATION

This report is available on the website of the Company at www.jinhuiship.com and the NewsWeb of the Oslo Stock Exchange at www.newsweb.no.

By Order of the Board

Ng Siu Fai
Chairman

27 November 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**3 months ended 30/9/2017 (Unaudited) *US$'000***	3 months ended 30/9/2016 (Unaudited) *US$'000*	**9 months ended 30/9/2017 (Unaudited) *US$'000***	9 months ended 30/9/2016 (Unaudited) *US$'000*	Year ended 31/12/2016 (Audited) *US$'000*
Revenue	2	**18,144**	19,000	**52,440**	44,023	59,955
Other operating income		**3,450**	3,217	**7,974**	9,877	20,535
Interest income		**405**	479	**1,335**	1,651	2,121
Shipping related expenses		**(10,351)**	(12,495)	**(31,553)**	(41,512)	(54,465)
Staff costs		**(1,826)**	(1,844)	**(5,497)**	(7,133)	(9,334)
Impairment loss on owned vessels		**-**	-	**-**	-	(113,010)
Impairment loss on assets held for sale	4	**-**	(25,030)	**(6,301)**	(37,582)	(45,462)
Other operating expenses		**(1,665)**	(1,922)	**(5,526)**	(5,941)	(9,664)
Operating profit (loss) before depreciation and amortization		**8,157**	(18,595)	**12,872**	(36,617)	(149,324)
Depreciation and amortization		**(4,843)**	(8,563)	**(15,283)**	(27,251)	(34,652)
Operating profit (loss)		**3,314**	(27,158)	**(2,411)**	(63,868)	(183,976)
Finance costs		**(1,068)**	(1,349)	**(4,098)**	(3,783)	(5,115)
Profit (Loss) before taxation		**2,246**	(28,507)	**(6,509)**	(67,651)	(189,091)
Taxation	6	**-**	-	**-**	-	-
Net profit (loss) for the period / year		**2,246**	(28,507)	**(6,509)**	(67,651)	(189,091)
Other comprehensive loss						
Items that may be reclassified subsequently to profit or loss:						
Change in fair value of available-for-sale financial assets		**-**	-	**-**	(17)	(23)
Total comprehensive profit (loss) for the period / year attributable to shareholders of the Company		**2,246**	(28,507)	**(6,509)**	(67,668)	(189,114)
Earnings (Loss) per share	7					
- Basic and diluted (restated)		**US$0.022**	US$(0.338)	**US$(0.073)**	US$(0.803)	US$(2.244)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30/9/2017 (Unaudited) *US$'000***	30/9/2016 (Unaudited) *US$'000*	31/12/2016 (Audited) *US$'000*
ASSETS				
Non-current assets				
Property, plant and equipment		**267,062**	483,612	346,638
Investment properties	*9*	**14,545**	10,252	14,984
Available-for-sale financial assets	*10*	**363**	369	363
		281,970	494,233	361,985
Current assets				
Inventories		**523**	201	235
Trade and other receivables		**15,665**	18,042	16,823
Financial assets at fair value through profit or loss	*11*	**20,466**	46,997	46,168
Pledged deposits		**6,505**	11,385	6,495
Bank balances and cash		**79,777**	23,714	28,554
		122,936	100,339	98,275
Assets held for sale		**-**	40,331	-
		122,936	140,670	98,275
Total assets		**404,906**	634,903	460,260
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	*12*	**5,463**	4,202	4,202
Reserves		**237,080**	341,537	220,091
Total equity		**242,543**	345,739	224,293
Non-current liabilities				
Secured bank loans		**127,820**	156,161	185,459
Current liabilities				
Trade and other payables		**22,074**	24,938	23,343
Amount due to holding company		**45**	34	70
Secured bank loans		**12,424**	108,031	27,095
		34,543	133,003	50,508
Total equity and liabilities		**404,906**	634,903	460,260

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Capital redemption reserve	Contributed surplus	Employee share-based compensation reserve	Reserve for available-for-sale financial assets	Retained profits	Total equity
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2016	4,202	72,087	719	16,297	4,758	48	315,296	413,407
Net loss for the period	-	-	-	-	-	-	(67,651)	(67,651)
Other comprehensive loss for the period	-	-	-	-	-	(17)	-	(17)
Total comprehensive loss for the period	-	-	-	-	-	(17)	(67,651)	(67,668)
At 30 September 2016	4,202	72,087	719	16,297	4,758	31	247,645	345,739
At 1 January 2017	4,202	72,087	719	16,297	-	25	130,963	224,293
Net loss and total comprehensive loss for the period	-	-	-	-	-	-	(6,509)	(6,509)
Issue of new shares upon rights issue	1,261	23,498	-	-	-	-	-	24,759
At 30 September 2017	**5,463**	**95,585**	**719**	**16,297**	**-**	**25**	**124,454**	**242,543**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**9 months ended 30/9/2017 (Unaudited) *US$'000***	9 months ended 30/9/2016 (Unaudited) *US$'000*	Year ended 31/12/2016 (Audited) *US$'000*
OPERATING ACTIVITIES				
Cash generated from operations		**42,419**	36,355	39,793
Interest paid		**(4,243)**	(3,732)	(5,124)
Net cash from operating activities		**38,176**	32,623	34,669
INVESTING ACTIVITIES				
Interest received		**1,645**	2,216	2,444
Increase in bank deposits with more than three months to maturity when placed		**(13,400)**	-	-
Dividend income received		**220**	441	721
Purchase of property, plant and equipment		**(3,339)**	(3,393)	(4,990)
Purchase of investment properties		**-**	(855)	(855)
Proceeds from disposal of property, plant and equipment		**-**	68	68
Proceeds from disposal of investment properties, net		**442**	-	-
Proceeds from disposal of assets held for sale, net		**61,640**	12,796	63,427
Net cash from investing activities		**47,208**	11,273	60,815
FINANCING ACTIVITIES				
Repayment of secured bank loans		**(72,310)**	(53,291)	(104,929)
(Increase) Decrease in pledged deposits		**(10)**	(1,009)	3,881
Proceeds from issue of share capital upon rights issue, net		**24,759**	-	-
Net cash used in financing activities		**(47,561)**	(54,300)	(101,048)
Net increase (decrease) in cash and cash equivalents		**37,823**	(10,404)	(5,564)
Cash and cash equivalents at beginning of the period / year		**28,554**	34,118	34,118
Cash and cash equivalents at end of the period / year	*13*	**66,377**	23,714	28,554

NOTES:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and have not been reviewed by our auditor, Grant Thornton Hong Kong Limited. The accounting policies and basis of preparation adopted in these interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2016. Amendments to International Financial Reporting Standards ("IFRS") and Hong Kong Financial Reporting Standards ("HKFRS") effective for the financial year ending 31 December 2017 do not have any material impact on the interim financial statements of the Group.

2. Revenue

The Group is principally engaged in the businesses of ship chartering and ship owning which are carried out internationally. Revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels. Revenue recognized during the periods / year are as follows:

	3 months ended 30/9/2017	3 months ended 30/9/2016	**9 months ended 30/9/2017**	9 months ended 30/9/2016	Year ended 31/12/2016
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Chartering freight and hire income:					
Hire income under time charters	**17,781**	19,000	**50,449**	42,723	57,412
Freight income under voyage charters	**363**	-	**1,991**	1,300	2,543
	18,144	19,000	**52,440**	44,023	59,955

3. Other operating income

Other operating income for the first nine months of 2017 mainly included net gain of US$3,536,000 on financial assets at fair value through profit or loss and settlement income of US$1,064,000 from a charterer in relation to repudiation claims.

Other operating income for the first nine months of 2016 mainly included settlement income of US$4,393,000 from charterers in relation to repudiation claims.

Other operating income for the year 2016 mainly included change in fair value of investment properties of US$4,732,000 and settlement income of US$5,621,000 from charterers in relation to repudiation claims.

4. Impairment loss on assets held for sale

During the first nine months of 2017, the Group took the opportunity to enter into five memorandums of agreement to dispose four Supramaxes and one Handysize at a total consideration of US$63,000,000. Five vessels were delivered to the respective buyers and the disposals were completed in April and June 2017. The disposal of these five vessels would enable the Group to further enhance its working capital position and to strengthen its liquidity, and optimize the fleet profile through this ongoing management of asset portfolio. Given the unpredictable and often high earnings volatility in our industry, the disposal of the vessels can further reduce our debt service pressure from both principal repayments and interest payments in an expected rising interest rate environment. For financial reporting purposes, these five disposed vessels were reclassified to "Assets held for sale" in accordance with IFRS 5 and HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", with a total impairment loss on assets held for sale (disposed vessels) of US$6,301,000 was recognized in the first nine months of 2017 upon reclassification to assets held for sale.

For the year 2016, the Group entered into eight memorandums of agreement to dispose two Panamaxes, five Supramaxes and one Handymax at a total consideration of US$65,100,000. For financial reporting purposes, these eight disposed vessels were reclassified to "Assets held for sale" in accordance with IFRS 5 and HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", with a total impairment loss on assets held for sale (disposed vessels) of US$45,462,000 was recognized in 2016 upon reclassification to assets held for sale.

5. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 30/9/2017	3 months ended 30/9/2016	**9 months ended 30/9/2017**	9 months ended 30/9/2016	Year ended 31/12/2016
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Realized loss (gain) on financial assets at fair value through profit or loss	**(708)**	(5)	**(1,086)**	1,710	1,719
Unrealized loss (gain) on financial assets at fair value through profit or loss	**(1,380)**	(1,091)	**(2,450)**	(478)	367
Net loss (gain) on financial assets at fair value through profit or loss	**(2,088)**	(1,096)	**(3,536)**	1,232	2,086
Reversal of impairment loss on trade receivables	**(5)**	(23)	**(8)**	(50)	(50)
Dividend income	**(157)**	(189)	**(264)**	(461)	(756)

6. Taxation

Taxation has not been provided as the Group has no assessable profit for all relevant periods / year.

7. Earnings (Loss) per share

	3 months ended 30/9/2017	3 months ended 30/9/2016	**9 months ended 30/9/2017**	9 months ended 30/9/2016	Year ended 31/12/2016
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
Weighted average number of ordinary shares in issue as disclosed in previous announcement	**N/A**	84,045,341	**N/A**	84,045,341	84,045,341
Weighted average number of ordinary shares in issue (restated)	**100,561,623**	84,254,149	**89,749,708**	84,254,149	84,254,149
Net profit (loss) attributable to shareholders of the Company (US$'000)	**2,246**	(28,507)	**(6,509)**	(67,651)	(189,091)
Basic and diluted earnings (loss) per share (restated)	**US$0.022**	US$(0.338)	**US$(0.073)**	US$(0.803)	US$(2.244)

The weighted average numbers of ordinary shares for the calculation of the basic and diluted earnings (loss) per share for the third quarter of 2016, first nine months of 2016 and year of 2016 have been adjusted to reflect the impact of the rights issue following the completion rights issue in August 2017.

8. Interim dividend

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2017 (30/9/2016: nil).

9. Investment properties

	30/9/2017	30/9/2016	31/12/2016
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
At 1 January	**14,984**	9,397	9,397
Additions	**-**	855	855
Disposals	**(439)**	-	-
Change in fair value	**-**	-	4,732
	14,545	10,252	14,984

The Group's investment properties were stated at fair value and comprised of premises and car parks held under operating leases to earn rentals or held for capital appreciation, or both. These premises and car parks are held under long term leases.

The investment properties of the Group were not revalued at 30 September 2017 by independent valuers. The management was aware of the possible change in the conditions of the property market and considered that the carrying amount of the Group's investment properties did not differ significantly from that which had been determined using fair values at 31 December 2016. Consequently, no increase or decrease in fair value of investment properties has been recognized in the current period.

10. Available-for-sale financial assets

	30/9/2017	30/9/2016	31/12/2016
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Unlisted club membership, at fair value	**193**	199	193
Unlisted club membership, at cost	**170**	170	170
	363	369	363

Unlisted club membership stated at fair value represented investment in club membership which its fair value can be determined directly by reference to published price quotation in active market. At the reporting date, the fair value measurement of this unlisted club membership was categorized as Level 1 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the periods / year.

For the unlisted club membership stated at cost, as there is no quoted market price in active market, the range of reasonable fair value estimates can be varied significantly that its fair value cannot be measured reliably.

11. Financial assets at fair value through profit or loss

	30/9/2017	30/9/2016	31/12/2016
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Held for trading			
Listed equity securities	**18,035**	15,792	15,229
Listed debt securities	**2,431**	31,205	30,939
	20,466	46,997	46,168

At the reporting date, the fair value measurements of listed equity securities and listed debt securities were determined by reference to their quoted bid prices in active markets and were categorized as Level 1 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the periods / year.

12. Share Capital

	30/9/2017		30/9/2016		31/12/2016	
	Number of ordinary shares of US$0.05 each	**Amount (Unaudited)**	Number of ordinary shares of US$0.05 each	Amount (Unaudited)	Number of ordinary shares of US$0.05 each	Amount (Audited)
		US$'000		*US$'000*		*US$'000*
Issued and fully paid:						
At 1 January	**84,045,341**	**4,202**	84,045,341	4,202	84,045,341	4,202
Issue of new shares upon rights issue	**25,213,602**	**1,261**	-	-	-	-
	109,258,943	**5,463**	84,045,341	4,202	84,045,341	4,202

The Company announced on 3 July 2017 to carry out a rights issue raising up to NOK 201,708,816 in gross proceeds through the issuance of up to 25,213,602 new shares at a subscription price of NOK 8.00 per share where the shareholders in the Company as per the end of 4 July 2017 and registered with the VPS, the Norwegian Central Securities Depository on 6 July 2017 shall have preferential rights to subscribe for the new shares (the "Rights Issue"). The Rights Issue had been completed on 2 August 2017 and the Company's new total issued share capital is US$5,462,947.15 divided into 109,258,943 shares, each with a nominal value of US$0.05.

13. Bank balances and cash

	30/9/2017	30/9/2016	31/12/2016
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**66,377**	23,714	28,554
Bank deposits with more than three months to maturity when placed	**13,400**	-	-
	79,777	23,714	28,554

14. Capital expenditures and commitments

During the nine months ended 30 September 2017, capital expenditure on additions of property, plant and equipment was US$3,339,000 (30/9/2016: US$3,393,000). As at 30 September 2017 and 31 December 2016, there was no capital expenditure commitments contracted by the Group but not provided for.

15. Related party transactions

During the periods / year, the Group had related party transactions in relation to compensation of key management personnel as follows:

	3 months ended 30/9/2017	3 months ended 30/9/2016	**9 months ended 30/9/2017**	9 months ended 30/9/2016	Year ended 31/12/2016
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Salaries and other benefits	**970**	998	**2,919**	4,270	5,577
Contributions to retirement benefits schemes	**50**	50	**149**	232	281
	1,020	1,048	**3,068**	4,502	5,858

16. Comparative information

Certain comparative information has been restated due to the completion of the Rights Issue in August 2017. The weighted average number of ordinary shares used in the calculation of earnings per share has been adjusted for the Rights Issue and the comparative of basic and diluted earnings (loss) per share for prior period / year has been restated to reflect such effect.

Jinhui Shipping and Transportation Limited

JINHUI

Registered office:

Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Correspondence address:

26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong SAR, PRC

Tel: (852) 2545 0951 E-mail: info@jinhuiship.com

Fax: (852) 2541 9794 Website: www.jinhuiship.com