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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 2021 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 15 November 2021 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, 15 November 2021

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
2021**

HIGHLIGHTS

For the Nine Months Ended 30 September 2021

➤ Revenue for the period: US\$88 million

➤ Net profit for the period: US\$110 million included reversal of impairment loss on owned vessels of US\$65.5 million

➤ Basic earnings per share: US\$1.008

For the Third Quarter of 2021

➤ Revenue for the quarter: US\$40 million

➤ Net profit for the quarter: US\$19 million

➤ Basic earnings per share: US\$0.177

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 2021.

THIRD QUARTER AND NINE-MONTH RESULTS

The Group reported a revenue for the third quarter of 2021 of US\$40,405,000, representing an increase of 183% as compared to US\$14,257,000 for the same quarter in 2020. The consolidated net profit for the quarter was US\$19,384,000 as compared to a consolidated net profit of US\$854,000 was reported in the third quarter of 2020. Basic earnings per share was US\$0.177 for the third quarter of 2021 as compared to basic earnings per share of US\$0.008 for the corresponding quarter in 2020. The improved operating result for the quarter was primarily due to the strong rebound of market freight rates in dry bulk shipping sector in 2021 and the increase in number of owned vessels that leads to a significant increase in the chartering freight and hire revenue for the third quarter of 2021.

Revenue for the first nine months of 2021 increased 177% to US\$88,488,000, comparing to US\$31,981,000 for the same period in 2020. The Company recorded a consolidated net profit of US\$110,139,000 for the first nine months of 2021 while a consolidated net loss of US\$22,802,000 was reported in the first nine months of 2020. The consolidated net profit for the period was mainly attributable to the remarkable rebound in dry bulk shipping market as seaborne trade activities gradually recovered since late 2020 and the increase in number of owned vessels that led to a significant increase in the chartering freight and hire revenue for the first nine months of 2021 and the recognition of reversal of impairment loss on owned vessels of US\$65,521,000 in June 2021. Basic earnings per share for the period was US\$1.008 as compared to basic loss per share of US\$0.209 for the first nine months of 2020.

Given the remarkable rebound in dry bulk shipping market, the management reviewed the Group’s fleet and considered acquiring additional vessels could generate steady stream of income for the Group. During the first nine months period, the Group entered into agreements to acquire five vessels and took delivery of three vessels. Revenue for the first nine months of 2021 increased 177% to US\$88,488,000, comparing to US\$31,981,000 for the first nine months of 2020 due to the increase in number of owned vessels and the improved revenue earned from the average daily TCE earned by the Group’s owned vessels, improving 175% to US\$17,881 for the first nine months of 2021 as compared to US\$6,499 for the corresponding period in 2020.

Dry bulk shipping market had rebounded remarkably in the first half of 2021, a reversal of impairment loss of US\$65,521,000 on owned vessels classified in property, plant and equipment was recognized as at 30 June 2021 to reflect our change in the expectation on the long term global economic and the dry bulk shipping industry outlook which affect the assumptions applied in estimation of the value in use of our owned vessels. No further impairment loss or reversal of impairment loss on owned vessels was recognized as at 30 September 2021. We remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2021.

REVIEW OF OPERATIONS

Third Quarter of 2021. Dry bulk shipping market showed strong sign of rebound amid global economic recovery and the market is supported by strong cargo flow that outpaced vessel supply throughout the quarter. The market is characterized by robust freight rates driven by a general increase in demand for commodities worldwide with the surge of global seaborne trade of steel and iron ores, grain, soybean and other agricultural commodities. Baltic Dry Index (“BDI”) opened at 3,383 points at the beginning of July and rose to the peak of the quarter at 5,197 points and closed at 5,167 points by the end of September 2021. The average of BDI of the third quarter of 2021 was 3,732 points, which compares to 1,522 points in the same quarter in 2020.

Revenue for the third quarter of 2021 was US\$40,405,000 representing an increase of 183% as compared to US\$14,257,000 for the same quarter in 2020. The Group benefited from the strong rebound of market freight rates and the average daily time charter equivalent rates (“TCE”) earned by the Group’s owned vessels increased 171% to US\$23,592 for the third quarter of 2021 as compared to US\$8,713 for the corresponding quarter in 2020. The fleet utilization rate of the Group’s owned vessels slightly dropped from 99% in the third quarter of 2020 to 97% in the third quarter of 2021.

	2021 Q3 US\$	2020 Q3 US\$	2021 1st nine months US\$	2020 1st nine months US\$	2020 US\$
Average daily TCE of owned vessels					
Post-Panamax fleet	20,248	11,805	14,806	9,050	9,929
Supramax fleet	23,963	8,386	18,254	6,248	6,986
In average	23,592	8,713	17,881	6,499	7,269

Shipping related expenses increased from US\$6,729,000 for the third quarter of 2020 to US\$11,732,000 for the current quarter, mainly due to the increase in commission payment in proportional to the increase in hire income, as well as the increase in number of owned vessels that led to an increase in shipping related expenses for the quarter. The Group’s daily vessel running cost increased to US\$4,992 for the third quarter of 2021 as compared to US\$3,486 for the third quarter of 2020 as crew wages rose due to inflation and certain initial running costs and expenses were incurred for newly-delivered vessels. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

Other operating expenses increased from US\$2,688,000 for the third quarter of 2020 to US\$4,053,000 for the current quarter due to the Group recorded net loss of US\$2,925,000 on financial assets at fair value through profit or loss for the third quarter of 2021 as compared to net loss of US\$1,681,000 on financial assets at fair value through profit or loss for the third quarter of 2020.

Finance costs dropped from US\$620,000 for the third quarter of 2020 to US\$400,000 for the third quarter of 2021. The decrease was mainly attributable to the decrease in interest rate and the constant repayment of vessel mortgage loans as compared with that of the corresponding quarter in 2020.

FINANCIAL REVIEW

During the nine months ended 30 September 2021, capital expenditure on additions of property, plant and equipment was US\$29,560,000 (30/9/2020: US\$7,971,000).

On 20 April 2018, a wholly owned subsidiary of the Company (the “Co-Investor”) entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing’an Central Business District, Shanghai, the PRC (the “Tower A” or previously named as “T3 Property”), pursuant to which the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss Limited (“Dual Bliss”) of US\$10,000,000. Dual Bliss is one of the investors of the co-investment in Tower A. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2020: US\$372,000).

On 2 March 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 53,806 metric tons at a purchase price of US\$7,275,000, which was delivered to the Group in March 2021.

On 27 April 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 52,525 metric tons at a purchase price of US\$9,300,000, which was delivered to the Group in June 2021.

On 20 May 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 52,686 metric tons at a purchase price of US\$10,813,000, which was delivered to the Group in August 2021.

On 9 July 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 55,866 metric tons at a purchase price of US\$15,180,000, which was delivered to the Group in October 2021.

On 20 August 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 58,729 metric tons at a purchase price of US\$17,000,000, which was delivered to the Group in early November 2021. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$14,450,000 (31/12/2020: nil).

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$14,822,000 (31/12/2020: US\$372,000). Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at the reporting date.

Subsequent to the reporting date, the Group entered into an agreement on 5 October 2021 in respect of the acquisition of a Supramax of deadweight 53,350 metric tons at a purchase price of US\$15,750,000, which will be delivered to the Group in the fourth quarter of 2021.

We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal or acquisition of vessels and will make such decisions on an ad hoc basis to maintain a high financial flexibility and operational competitiveness.

The Group's total secured bank loans decreased from US\$108,345,000 as of 31 December 2020 to US\$95,829,000 as at 30 September 2021, of which 59%, 9% and 32% are repayable respectively within one year, one to two years and two to five years. During the first nine months of 2021, the Group had drawn new revolving loans and term loan of US\$12,556,000 (30/9/2020: US\$19,113,000) and repaid US\$25,072,000 (30/9/2020: US\$34,437,000). The bank borrowings represented vessel mortgage loans that were denominated in United States Dollars, revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars and United States Dollars. All bank borrowings were committed on floating rate basis.

During the first nine months of 2021, cash generated from operations before changes in working capital was US\$53,589,000 (30/9/2020: cash used in operations before changes in working capital was US\$13,572,000) and the net cash generated from operating activities after working capital changes was US\$65,464,000 (30/9/2020: US\$16,187,000). The changes in working capital are mainly attributable to the decrease in loan receivables due to certain borrowers chose to early repay respective loans, partially offset by the increase in equity and debt securities. During the first nine months of 2021, the Group's net loss on financial assets at fair value through profit or loss was US\$1,103,000 (30/9/2020: US\$9,164,000). The net loss of US\$1,103,000 on financial assets at fair value through profit or loss comprised of a realized gain of US\$2,560,000 upon disposal of certain equity and debt securities during the first nine months of 2021, and an unrealized fair value loss of US\$3,663,000 on financial assets at fair value through profit or loss for the period. The aggregate interest income and dividend income from financial assets was US\$4,043,000 (30/9/2020: US\$4,784,000).

As at 30 September 2021, the Group maintained positive working capital position of US\$43,033,000 (31/12/2020: US\$28,503,000) and the total of the Group's equity and debt securities, bank balances and cash increased to US\$96,314,000 (31/12/2020: US\$73,220,000).

As at 30 September 2021, 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, is not presented due to the increase in liquid assets that led to our net debts dropped below zero (31/12/2020: 15%). 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 2021, the Group is able to service its debt obligations, including principal and interest payments.

FLEET

Owned Vessels

As at 30 September 2021, the Group had twenty one owned vessels as follows:

	Number of owned vessels
Post-Panamax fleet	2
Supramax fleet	19
Total fleet	21

On 2 March 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 53,806 metric tons at a purchase price of US\$7,275,000, which was delivered to the Group in March 2021.

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Subsequent to the reporting date, the Group entered into an agreement on 5 October 2021 in respect of the acquisition of a Supramax of deadweight 53,350 metric tons at a purchase price of US\$15,750,000, which will be delivered to the Group in the fourth quarter of 2021.

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, financial market conditions including fluctuations in marketable securities value, 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

2021 has been encouraging for our market, with robust freight rates driven by a general increase in demand for commodities worldwide. There have been some corrections in the freight market in recent weeks, affected by multiples issues from power shortages, volatility in commodity prices, to disruptions in global supply chain which in turn affected industries from commodities all the way through to the export of manufactured goods. In addition, the sentiment has turned nervous with regards to the expected global economic outlook due to potential changes in monetary policies, and continuous geo-political issues between the major economic bodies. Such volatility should not be unexpected.

When we look at the industry fundamentals, the supply of new vessels remains low, the industry outlook continues to point towards a relatively healthy freight market for our business operations. As the Northern Hemisphere enter the winter period, COVID variants have emerged sporadically in a number of geographical locations. Measures to combat against the spread of virus differ from country to country, and can be relaxed or reinforced with little notice. Logistics of the transportation of goods and commodities has been affected throughout the year and disruptions are likely to continue to be present in the foreseeable future.

With the expected global dry bulk fleet growth at historical lows, and with no consensus in the shipping with regards to the next generation engine design to reduce carbon emission, new vessel orders are expected to be few. Looking ahead, this potentially highly favorable demand and supply dynamics is expected to continue, where our fleet is well positioned to benefit.

We remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We currently have no capital expenditure commitment in relation to newbuilding contracts, and will continue to focus on taking sensible and decisive actions to maintain a strong financial position.

On behalf of the Board of Directors of the Company, I would like to first express our heartfelt appreciation to our seafarers who have continued to remain professional under an extremely challenging environment, as well as all customers and stakeholders for their ongoing support.

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

A handwritten signature in blue ink, appearing to be "Ng Siu Fai", written over a horizontal line.

Ng Siu Fai
Chairman

15 November 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		3 months ended 30/9/2021 (Unaudited) US\$'000	3 months ended 30/9/2020 (Unaudited) US\$'000	9 months ended 30/9/2021 (Unaudited) US\$'000	9 months ended 30/9/2020 (Unaudited) US\$'000	Year ended 31/12/2020 (Audited) US\$'000
	Note					
Revenue	2	40,405	14,257	88,488	31,981	47,118
Other operating income	3	3,019	2,089	9,055	4,034	6,753
Interest income	4	376	1,260	2,724	3,884	4,957
Reversal of impairment loss on owned vessels	5	-	-	65,521	-	-
Shipping related expenses		(11,732)	(6,729)	(28,276)	(27,578)	(34,493)
Staff costs		(2,945)	(2,940)	(8,879)	(8,802)	(12,032)
Other operating expenses		(4,053)	(2,688)	(4,248)	(12,427)	(9,037)
Operating profit (loss) before depreciation and amortization		25,070	5,249	124,385	(8,908)	3,266
Depreciation and amortization		(5,286)	(3,775)	(12,656)	(11,318)	(15,168)
Operating profit (loss)		19,784	1,474	111,729	(20,226)	(11,902)
Finance costs		(400)	(620)	(1,363)	(2,576)	(3,117)
Profit (Loss) before taxation		19,384	854	110,366	(22,802)	(15,019)
Taxation	7	-	-	(227)	-	(233)
Net profit (loss) for the period / year		19,384	854	110,139	(22,802)	(15,252)
Other comprehensive income (loss)						
Items that will not be reclassified to profit or loss:						
Change in fair value of financial assets at fair value through OCI (non-recycling)		-	(88)	766	(381)	1,705
Items that may be reclassified subsequently to profit or loss:						
Change in fair value of financial assets at fair value through OCI (recycling)		-	-	38	-	5
Total comprehensive income (loss) for the period / year attributable to shareholders of the Company		19,384	766	110,943	(23,183)	(13,542)
Earnings (Loss) per share	8					
- Basic and diluted		US\$0.177	US\$0.008	US\$1.008	US\$(0.209)	US\$(0.140)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30/9/2021	30/9/2020	31/12/2020
		(Unaudited)	(Unaudited)	(Audited)
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
ASSETS				
Non-current assets				
Property, plant and equipment		275,919	202,674	194,093
Investment properties	10	30,321	30,138	29,479
Financial assets at fair value through OCI	11	11,547	7,949	10,743
Loan receivables	12	7,854	29,468	28,131
Deposit paid for the acquisition of owned vessels		17,730	-	-
		343,371	270,229	262,446
Current assets				
Inventories		1,731	1,497	780
Loan receivables	12	1,569	5,110	5,227
Trade and other receivables		16,907	10,245	12,919
Financial assets at fair value through profit or loss	13	49,452	40,543	40,033
Pledged deposits		5,324	7,521	5,941
Bank balances and cash		47,151	31,255	33,438
Assets held for sale		-	-	5,380
		122,134	96,171	103,718
Total assets		465,505	366,400	366,164
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital		5,463	5,463	5,463
Reserves		341,362	224,056	233,697
Total equity		346,825	229,519	239,160
Non-current liabilities				
Secured bank loans	14	39,579	57,638	51,789
Current liabilities				
Trade and other payables		22,728	18,198	18,510
Amount due to holding company		123	92	149
Secured bank loans	14	56,250	60,953	56,556
		79,101	79,243	75,215
Total equity and liabilities		465,505	366,400	366,164

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital (Unaudited) US\$'000	Share premium (Unaudited) US\$'000	Capital redemption reserve (Unaudited) US\$'000	Contributed surplus (Unaudited) US\$'000	Revaluation reserve (Unaudited) US\$'000	Reserve for financial assets at fair value through OCI (Unaudited) US\$'000	Retained profits (Unaudited) US\$'000	Total equity (Unaudited) US\$'000
At 1 January 2020	5,463	95,585	719	16,297	476	(952)	135,114	252,702
Comprehensive loss								
Net loss for the period	-	-	-	-	-	-	(22,802)	(22,802)
Other comprehensive loss								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(381)	-	(381)
Total comprehensive loss for the period	-	-	-	-	-	(381)	(22,802)	(23,183)
At 30 September 2020	5,463	95,585	719	16,297	476	(1,333)	112,312	229,519
At 1 January 2021	5,463	95,585	719	16,297	476	758	119,862	239,160
Comprehensive income								
Net profit for the period	-	-	-	-	-	-	110,139	110,139
Other comprehensive income								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	804	-	804
Total comprehensive income for the period	-	-	-	-	-	804	110,139	110,943
2021 interim dividend paid	-	-	-	-	-	-	(3,278)	(3,278)
At 30 September 2021	5,463	95,585	719	16,297	476	1,562	226,723	346,825

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30/9/2021 (Unaudited) US\$'000	9 months ended 30/9/2020 (Unaudited) US\$'000	Year ended 31/12/2020 (Audited) US\$'000
OPERATING ACTIVITIES			
Cash generated from (used in) operations before changes in working capital	53,589	(13,572)	(3,223)
Decrease in working capital	13,272	32,487	33,812
Cash generated from operations	66,861	18,915	30,589
Interest paid	(1,397)	(2,728)	(3,299)
Net cash from operating activities	65,464	16,187	27,290
INVESTING ACTIVITIES			
Interest received	3,168	4,422	5,466
Dividend income received	1,293	854	1,178
Purchase of property, plant and equipment	(29,560)	(7,971)	(8,890)
Proceeds from disposal of property, plant and equipment, net	875	-	-
Payment of unlisted equity investments	-	(1,420)	(2,123)
Deposit paid for the acquisition of owned vessels	(17,730)	-	-
Proceeds from disposal of assets held for sale, net	5,380	-	-
Net cash used in investing activities	(36,574)	(4,115)	(4,369)
FINANCING ACTIVITIES			
New secured bank loans	12,556	19,113	19,113
Repayment of secured bank loans	(25,072)	(34,437)	(44,683)
Decrease in pledged deposits	617	916	2,496
Interim dividend paid to shareholders of the Company	(3,278)	-	-
Net cash used in financing activities	(15,177)	(14,408)	(23,074)
Net increase (decrease) in cash and cash equivalents	13,713	(2,336)	(153)
Cash and cash equivalents at beginning of the period / year	33,438	33,591	33,591
Cash and cash equivalents at end of the period / year	47,151	31,255	33,438

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 2020, except for the Group has adopted the amended International Financial Reporting Standards (“IFRS”) and Hong Kong Financial Reporting Standards (“HKFRS”), which are effective for the annual period beginning on 1 January 2021. The adoption of the amended IFRSs and HKFRSs does not have material impact on the Group’s financial performance and financial position for the current and prior periods have been prepared and presented.

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 vessels. Revenue recognized during the periods / year are as follows:

	3 months ended 30/9/2021 (Unaudited) US\$'000	3 months ended 30/9/2020 (Unaudited) US\$'000	9 months ended 30/9/2021 (Unaudited) US\$'000	9 months ended 30/9/2020 (Unaudited) US\$'000	Year ended 31/12/2020 (Audited) US\$'000
Chartering freight and hire income:					
Hire income under time charters ¹	40,405	14,257	88,488	29,893	45,030
Freight income under voyage charters ²	-	-	-	2,088	2,088
	40,405	14,257	88,488	31,981	47,118

Notes:

- Hire income under time charter is accounted for as operating lease and is recognized on a straight-line basis over the period of each time charter contract.
- Freight income under voyage charter is accrued over the period from the date of loading of charterer’s cargo to the date of discharging the cargo and is recognized on percentage of completion basis measured by time proportion of each voyage charter contract.

3. Other operating income

	3 months ended 30/9/2021	3 months ended 30/9/2020	9 months ended 30/9/2021	9 months ended 30/9/2020	Year ended 31/12/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net gain on bunker arising from shipping operations	931	627	2,824	-	-
Other shipping operating income	1,003	777	2,719	2,226	2,663
Gross rental income from operating leases on investment properties	92	139	340	420	556
Dividend income	833	190	1,319	900	1,249
Change in fair value of investment properties	-	-	842	-	-
Net gain on disposal of property, plant and equipment	-	-	278	-	-
Reversal of impairment loss on trade and other receivables, net	-	-	114	-	1,351
Settlement income in relation to repudiation claims	-	-	-	-	205
COVID-19 related government subsidies	-	-	-	-	454
Sundry income	160	356	619	488	275
	3,019	2,089	9,055	4,034	6,753

4. Interest income

	3 months ended 30/9/2021	3 months ended 30/9/2020	9 months ended 30/9/2021	9 months ended 30/9/2020	Year ended 31/12/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Interest income in respect of:					
Financial assets at fair value through profit or loss	89	382	1,048	977	1,287
Deposits with banks and other financial institutions	7	18	19	159	173
Loan receivables	280	860	1,657	2,748	3,497
	376	1,260	2,724	3,884	4,957

5. Reversal of impairment loss on owned vessels

Dry bulk shipping market had rebounded remarkably in the first half of 2021 reflected in the upsurge of market freight rates and significant increase in the market value of dry bulk vessels as at 30 June 2021. Accordingly, a reversal of impairment loss of US\$65,521,000 on owned vessels classified in property, plant and equipment was recognized as at 30 June 2021 to reflect our change in the expectation on the long term global economic and the dry bulk shipping industry outlook which affect the assumptions applied in estimation of the value in use of our owned vessels. No further impairment loss or reversal of impairment loss on owned vessels was recognized as at 30 September 2021.

6. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 30/9/2021 (Unaudited) US\$'000	3 months ended 30/9/2020 (Unaudited) US\$'000	9 months ended 30/9/2021 (Unaudited) US\$'000	9 months ended 30/9/2020 (Unaudited) US\$'000	Year ended 31/12/2020 (Audited) US\$'000
Realized gain on financial assets at fair value through profit or loss	(615)	(351)	(2,560)	(683)	(1,159)
Unrealized loss on financial assets at fair value through profit or loss	3,540	2,032	3,663	9,847	5,059
Net loss on financial assets at fair value through profit or loss	2,925	1,681	1,103	9,164	3,900
Change in fair value of investment properties	-	-	(842)	-	659
Reversal of impairment loss on owned vessels	-	-	(65,521)	-	-
Reversal of impairment loss on trade and other receivables, net	-	-	(114)	-	(1,351)
Net gain on disposal of property, plant and equipment	-	-	(278)	-	-
Impairment loss on assets held for sale	-	-	-	-	270

7. Taxation

Taxation has been provided on the estimated assessable profits arising in Hong Kong from a wholly owned subsidiary of the Company which is a qualifying corporation in accordance with the two-tiered profits tax rates regime in Hong Kong. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 (approximately US\$256,000) of assessable profits of the qualifying corporation are taxed at 8.25%, and the assessable profits above HK\$2,000,000 (approximately US\$256,000) are taxed at 16.5%. Apart from the estimated assessable profits arising in Hong Kong from that subsidiary, in the opinion of the Directors, the Group is not subject to taxation in any other jurisdictions in which the Group operates.

There was no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company for the periods / year.

The Company has received from the Minister of Finance of Bermuda under The Exempted Undertakings Tax Protection Act 1966, as amended, an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset gain or appreciation or any tax in the nature of estate duty or inheritance tax, the imposition of such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations, or to the shares, debentures or other obligations of the Company.

The amount of taxation charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	3 months ended 30/9/2021 (Unaudited) US\$'000	3 months ended 30/9/2020 (Unaudited) US\$'000	9 months ended 30/9/2021 (Unaudited) US\$'000	9 months ended 30/9/2020 (Unaudited) US\$'000	Year ended 31/12/2020 (Audited) US\$'000
Hong Kong Profits Tax	-	-	227	-	233

8. Earnings (Loss) per share

	3 months ended 30/9/2021 (Unaudited)	3 months ended 30/9/2020 (Unaudited)	9 months ended 30/9/2021 (Unaudited)	9 months ended 30/9/2020 (Unaudited)	Year ended 31/12/2020 (Audited)
Weighted average number of ordinary shares in issue	109,258,943	109,258,943	109,258,943	109,258,943	109,258,943
Net profit (loss) attributable to shareholders of the Company (US\$'000)	19,384	854	110,139	(22,802)	(15,252)
Basic and diluted earnings (loss) per share	US\$0.177	US\$0.008	US\$1.008	US\$(0.209)	US\$(0.140)

Diluted earnings (loss) per share were the same as basic earnings (loss) per share as there was no potentially dilutive ordinary shares in existence for the relevant periods / year presented.

9. Interim dividend

Dividend recognized and paid during the periods / year:

	3 months ended 30/9/2021 (Unaudited) US\$'000	3 months ended 30/9/2020 (Unaudited) US\$'000	9 months ended 30/9/2021 (Unaudited) US\$'000	9 months ended 30/9/2020 (Unaudited) US\$'000	Year ended 31/12/2020 (Audited) US\$'000
2021 interim dividend of US\$0.03 per share	3,278	-	3,278	-	-

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2021.

10. Investment properties

	30/9/2021 (Unaudited) US\$'000	30/9/2020 (Unaudited) US\$'000	31/12/2020 (Audited) US\$'000
At 1 January	29,479	30,138	30,138
Change in fair value	842	-	(659)
	30,321	30,138	29,479

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.

As at 30 June 2021, the fair values of the Group's investment properties were determined by Centaline Surveyors Limited and CBRE Limited, independent qualified professional valuers, on direct comparison approach with reference to comparable transactions available in the relevant locality and change in fair value of investment properties of US\$842,000 had been recognized as of 30 June 2021.

The investment properties of the Group were not revalued at 30 September 2021 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 30 June 2021. Consequently, no further increase or decrease in fair value of investment properties has been recognized in the third quarter of 2021.

The fair value measurement of these investment properties was categorized as Level 3 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 period.

11. Financial assets at fair value through OCI

	30/9/2021	30/9/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
Unlisted equity investments			
Co-investment in a property project			
At 1 January	10,373	6,545	6,545
Additions	-	1,420	2,123
Addition of investment under Special Capital Call ³	-	4,277	4,277
Disposal of investment under share repurchase scheme ⁴	-	(4,277)	(4,277)
Change in fair value ¹	766	(381)	1,705
	11,139	7,584	10,373
Unlisted club membership			
At 1 January	370	365	365
Change in fair value ²	38	-	5
	408	365	370
	11,547	7,949	10,743

Notes:

- Items that will not be reclassified to profit or loss.
- Items that may be reclassified subsequently to profit or loss.
- In early February 2020, a wholly owned subsidiary of the Company (the "Co-Investor") provided additional US\$4,276,915 as co-investment supplemental capital call pursuant to a supplemental memorandum (the "Memorandum") signed on 31 January 2020 for acquiring 4,276,915 issued non-voting participating class A shares of Dual Bliss Limited (the "Co-Investment Supplemental Capital Call"). This Co-Investment Supplemental Capital Call was required for all shareholders of Dual Bliss Limited ("Dual Bliss") and all other investors of the co-investment in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Tower A" or previously named as "T3 Property") on a pro rata basis for the purpose of temporarily funding the unwinding of intercompany loan receivable/payable of the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the co-investment vehicle by the special funding (the "Special Fund") from this Co-Investment Supplemental Capital Call in order to obtain banking facilities under PRC regulations for the co-investment. The unwinding exercise was a condition precedent for the bank loan drawdown.

Subject to all applicable PRC governmental and regulatory approvals, the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the co-investment vehicle used the Special Fund to unwind the intercompany loan receivable/payable and upon the fulfilment of the condition precedent for successful drawdown of the bank loan facilities, the Special Fund had remitted back to respective shareholders in proportion to the shareholdings under the share repurchase scheme mechanism under the Memorandum.

4. In March 2020, the Co-Investor received a total of US\$4,276,915 under the share repurchase scheme and those 4,276,915 issued non-voting participating class A shares of Dual Bliss under the Co-Investment Supplemental Capital Call had been repurchased and cancelled.
5. In March 2021, the Co-Investor together with other co-investors signed an unsecured subordinated shareholder loan agreement with Triple Smart Limited, a special purpose vehicle invested by Dual Bliss, for the purposes of funding the operating expenditure of Tower A and the Co-Investor agreed to provide a maximum amount of advance up to US\$1,577,000. As of 30 September 2021, advance of US\$249,000 was drawdown and the amount was included in loan receivables.

Pursuant to the co-investment documents, the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss of US\$10,000,000. Dual Bliss is one of the investors of the co-investment in Tower A. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2020: US\$372,000).

There is no quoted market price in active market for unlisted equity investments. Transactions in such investments do not occur on a regular basis. The Group uses its net asset value (representing the fair value of the equity instruments reported by Phoenix Property Investors Limited, the Investment Manager) to determine its fair value as the Group determined that this is the fair price at which shareholders subscribe and redeem the investments or determined its fair value with generally accepted pricing models. The fair value measurement of unlisted equity investments was categorized as Level 3 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.

Unlisted club membership stated at fair value represented investment in club membership which their fair values can be determined directly by reference to published price quotation in active market and were 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.

12. Loan receivables

	30/9/2021	30/9/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
At 1 January	33,358	44,935	44,935
Gross new loan originated	249	-	-
Repayment	(24,184)	(10,357)	(11,577)
Provision of individual impairment	-	-	-
Loan receivables, net of provision	9,423	34,578	33,358
Less: Amount receivable within one year	(1,569)	(5,110)	(5,227)
Amount receivable after one year	7,854	29,468	28,131

At the reporting date, the Group's loan receivables of US\$9,174,000 which arise from asset-based financing, are denominated in United States Dollars and are secured by collaterals provided by the borrowers, and are repayable with fixed terms agreed with the borrowers; and loan receivables of US\$249,000 which arise from co-investment (as mentioned in note 11), are unsecured and denominated in United States Dollars and has no fixed repayment terms. During the first nine months of 2021, certain borrowers chose to early repay respective loans and such repayments led to a decrease in loan receivables as at the reporting date.

At the reporting date, these receivables have been reviewed by management to assess impairment allowances which are based on the evaluation of current creditworthiness and the collection statistics, and are not considered as impaired. The carrying amount of these loan receivables are considered to be a reasonable approximation of their fair values.

13. Financial assets at fair value through profit or loss

	30/9/2021	30/9/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
<i>Held for trading</i>			
Listed equity securities	46,243	32,626	34,041
Listed debt securities	2,920	7,678	5,741
	49,163	40,304	39,782
<i>Designated as such upon initial recognition</i>			
Investment funds	289	239	251
	49,452	40,543	40,033

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 and the fair value measurements of investment funds represented the quoted market prices on the underlying investments provided by financial institutions and were categorized as Level 2 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.

14. Secured bank loans

The maturity of secured bank loans at the reporting date is as follows:

	30/9/2021	30/9/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
Within one year	56,250	60,953	56,556
In the second year	8,443	14,935	14,320
In the third to fifth year	31,136	42,703	37,469
Wholly repayable within five years	95,829	118,591	108,345
After the fifth year	-	-	-
Total secured bank loans	95,829	118,591	108,345
Less: Amount repayable within one year	(56,250)	(60,953)	(56,556)
Amount repayable after one year	39,579	57,638	51,789

During the nine months ended 30 September 2021, the Group had drawn new revolving loans and term loan of US\$12,556,000 (30/9/2020: US\$19,113,000) and repaid US\$25,072,000 (30/9/2020: US\$34,437,000).

15. Capital expenditures and commitments

During the nine months ended 30 September 2021, capital expenditure on additions of property, plant and equipment was US\$29,560,000 (30/9/2020: US\$7,971,000).

Pursuant to the co-investment documents, the Co-investor committed to acquire non-voting participating class A shares of Dual Bliss of US\$10,000,000. Dual Bliss is one of the investors of the co-investment in Tower A. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2020: US\$372,000).

On 20 August 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 58,729 metric tons at a purchase price of US\$17,000,000, which was delivered to the Group in early November 2021. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$14,450,000 (31/12/2020: nil).

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$14,822,000 (31/12/2020: US\$372,000). Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at the reporting date.

16. 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 30/9/2021 (Unaudited) US\$'000	3 months ended 30/9/2020 (Unaudited) US\$'000	9 months ended 30/9/2021 (Unaudited) US\$'000	9 months ended 30/9/2020 (Unaudited) US\$'000	Year ended 31/12/2020 (Audited) US\$'000
Salaries and other benefits	1,941	1,942	5,835	5,825	7,781
Contributions to retirement benefits schemes	110	110	332	332	443
	2,051	2,052	6,167	6,157	8,224

17. Events after the reporting date

Subsequent to the reporting date, the Group entered into an agreement on 5 October 2021 in respect of the acquisition of a Supramax of deadweight 53,350 metric tons at a purchase price of US\$15,750,000, which will be delivered to the Group in the fourth quarter of 2021.



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