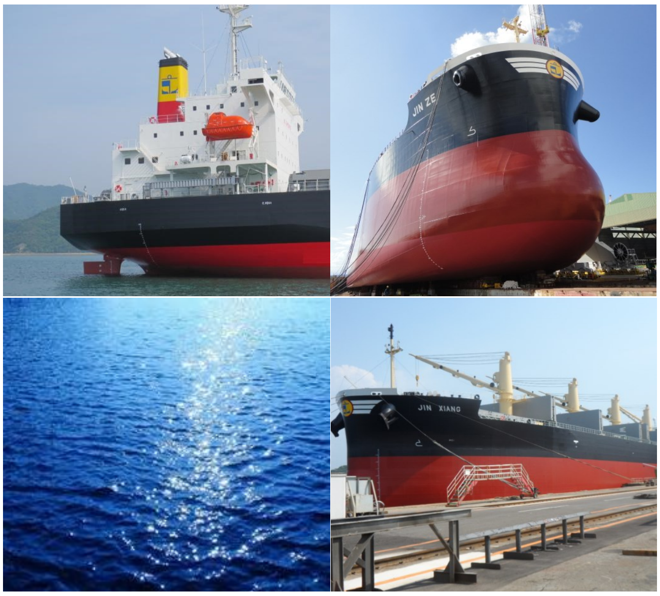
JINHUI

JINHUI SHIPPING

AND TRANSPORTATION LIMITED



Third Quarter and Nine Months Report 2013

HIGHLIGHTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

- Revenue for the period declined 10% to US$161 million
- Net profit for the period: US$28 million
- Basic earnings per share: US$0.337
- Gearing ratio as at 30 September 2013: 36%

FOR THE THIRD QUARTER OF 2013

- Revenue for the quarter declined 12% to US$53 million
- Net profit for the quarter increased from US$12 million to US$24 million
- Basic earnings per share: US$0.290

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 2013.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	**3 months ended 30/9/2013 (Unaudited)**	3 months ended 30/9/2012 (Unaudited)	**9 months ended 30/9/2013 (Unaudited)**	9 months ended 30/9/2012 (Unaudited)	Year ended 31/12/2012 (Audited)
		US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Revenue	*2*	**52,644**	59,768	**161,128**	179,035	234,035
Other operating income	*3*	**22,895**	4,366	**22,167**	21,800	28,463
Interest income		**886**	1,209	**2,592**	3,626	4,651
Shipping related expenses	*4*	**(29,062)**	(32,650)	**(93,735)**	(116,146)	(146,984)
Staff costs		**(1,849)**	(1,665)	**(5,568)**	(4,938)	(11,653)
Other operating expenses		**(4,521)**	(2,231)	**(8,408)**	(5,933)	(7,454)
Operating profit before depreciation and amortization		**40,993**	28,797	**78,176**	77,444	101,058
Depreciation and amortization		**(14,923)**	(14,682)	**(44,586)**	(42,084)	(56,757)
Operating profit		**26,070**	14,115	**33,590**	35,360	44,301
Finance costs		**(1,703)**	(2,305)	**(5,309)**	(6,645)	(8,720)
Profit before taxation		**24,367**	11,810	**28,281**	28,715	35,581
Taxation	*6*	**-**	-	**-**	-	-
Net profit and total comprehensive income for the period / year attributable to shareholders of the Company		**24,367**	11,810	**28,281**	28,715	35,581
Earnings per share	*7*					
- Basic and diluted		**US$0.290**	US$0.141	**US$0.337**	US$0.342	US$0.423

Condensed Consolidated Statement of Financial Position

	Note	30/9/2013 (Unaudited) US$'000	30/9/2012 (Unaudited) US$'000	31/12/2012 (Audited) US$'000
ASSETS				
Non-current assets				
Property, plant and equipment		**1,146,342**	1,207,549	1,203,538
Investment properties		**3,333**	4,015	3,333
Available-for-sale financial assets	*9*	**373**	395	395
		1,150,048	1,211,959	1,207,266
Current assets				
Inventories		**3,863**	3,727	7,242
Trade and other receivables		**52,721**	57,956	48,804
Financial assets at fair value through profit or loss	*10*	**93,873**	69,909	76,020
Pledged deposits		**23,454**	36,359	19,776
Bank balances and cash	*11*	**100,421**	143,411	126,770
		274,332	311,362	278,612
Total assets		**1,424,380**	1,523,321	1,485,878
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital		**4,202**	4,202	4,202
Reserves		**877,578**	842,431	849,297
Total equity		**881,780**	846,633	853,499
Non-current liabilities				
Secured bank loans		**445,145**	512,064	492,936
Current liabilities				
Trade and other payables		**33,019**	60,259	61,410
Provisions	*12*	**306**	13,516	8,660
Amount due to holding company		**56**	36	73
Secured bank loans		**64,074**	90,813	69,300
		97,455	164,624	139,443
Total equity and liabilities		**1,424,380**	1,523,321	1,485,878

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 2012	4,202	72,087	719	16,297	4,758	48	719,807	817,918
Net profit and total comprehensive income for the period	-	-	-	-	-	-	28,715	28,715
At 30 September 2012	4,202	72,087	719	16,297	4,758	48	748,522	846,633
At 1 January 2013	4,202	72,087	719	16,297	4,758	48	755,388	853,499
Net profit and total comprehensive income for the period	-	-	-	-	-	-	28,281	28,281
At 30 September 2013	**4,202**	**72,087**	**719**	**16,297**	**4,758**	**48**	**783,669**	**881,780**

Condensed Consolidated Statement of Cash Flows

	Note	**9 months ended 30/9/2013 (Unaudited)**	9 months ended 30/9/2012 (Unaudited)	Year ended 31/12/2012 (Audited)
		US$'000	*US$'000*	*US$'000*
OPERATING ACTIVITIES				
Cash generated from operations		**36,836**	52,746	70,989
Interest paid		**(5,418)**	(6,514)	(8,720)
Net cash from operating activities		**31,418**	46,232	62,269
INVESTING ACTIVITIES				
Interest received		**2,490**	3,042	4,506
Decrease (Increase) in bank deposits with more than three months to maturity when placed		**(24)**	1,595	11,595
Dividend income received		**791**	456	635
Purchase of property, plant and equipment		**(4,695)**	(101,638)	(112,300)
Proceeds from disposal of property, plant and equipment		**38**	-	-
Proceeds from termination of unlisted investments		**474**	-	-
Purchase of available-for-sale financial assets		**(170)**	-	-
Purchase of investment properties		**-**	(4,015)	(4,015)
Net cash used in investing activities		**(1,096)**	(100,560)	(99,579)
FINANCING ACTIVITIES				
New secured bank loans		**2,152**	94,058	94,058
Repayment of secured bank loans		**(55,169)**	(71,380)	(111,622)
Increase in pledged deposits		**(3,678)**	(28,465)	(11,882)
Net cash used in financing activities		**(56,695)**	(5,787)	(29,446)
Net decrease in cash and cash equivalents		**(26,373)**	(60,115)	(66,756)
Cash and cash equivalents at beginning of the period / year		**111,687**	178,443	178,443
Cash and cash equivalents at end of the period / year	*11*	**85,314**	118,328	111,687

NOTES:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have not been reviewed by our auditor.

Certain new or amended International Financial Reporting Standards ("IFRS") and Hong Kong Financial Reporting Standards ("HKFRS") are effective for the accounting period beginning on 1 January 2013. The Group has applied for the first time, all new standards, amendments and interpretations issued by IASB and the HKICPA, which are relevant to and effective for the Group's financial statements for the current accounting period.

The management has assessed and considered that the adoption of these new standards or amendments has had no material impact on the Group's financial statements for the current and prior periods that have been presented, except for the change in terminology from statement of comprehensive income to statement of profit or loss and other comprehensive income in accordance with the amendments to IAS 1 and HKAS 1 "Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income", and additional disclosures related to the fair value of financial assets as a result of consequential amendments to IAS 34 and HKAS 34 "Interim Financial Reporting", following the effective of IFRS 13 and HKFRS 13 "Fair Value Measurement", details of which have been disclosed in note 9 and note 10 to interim financial statements.

Apart from the above, 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 2012.

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.

3. Other operating income

Other operating income for the quarter and nine months ended 30 September 2013 included an income of US$8,733,000 relating to the elimination of impairment loss, previously recognized on a vessel under construction, upon the cancellation of a newbuilding contract in September 2013. Details of the cancellation were set out in note 15.

For the nine months ended 30 September 2012, the amount included settlement income of US$15,812,000 in relation to the full settlement income from a charterer for early termination of time-charter contract, and the partial settlement of claim for damages and losses against Korea Line Corporation ("KLC") by receiving shares of KLC. These shares had been accounted for as financial assets at fair value through profit or loss as at 30 September 2012.

4. Shipping related expenses

Shipping related expenses mainly include hire payments and commission payments, vessels operating expenses and provision for loss on charter hire. Vessels operating expenses primarily comprise of crew expenses, insurances, spare parts and consumables, repairs and maintenance, and other operating expenses.

5. Operating profit before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 30/9/2013 (Unaudited) *US$'000*	3 months ended 30/9/2012 (Unaudited) *US$'000*	**9 months ended 30/9/2013 (Unaudited) *US$'000***	9 months ended 30/9/2012 (Unaudited) *US$'000*	Year ended 31/12/2012 (Audited) *US$'000*
Impairment loss (Reversal of impairment loss) on trade receivables	**414**	49	**701**	(10)	(253)
Dividend income	**(464)**	(312)	**(851)**	(456)	(635)
Net loss (gain) on financial assets at fair value through profit or loss	**(8,217)**	(2,592)	**(2,442)**	719	(3,118)

6. Taxation

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

7. Earnings per share

Basic and diluted earnings per share for the quarter ended 30 September 2013 were calculated on the net profit for the quarter of US$24,367,000 (30/9/2012: US$11,810,000) and the weighted average number of 84,045,341 (30/9/2012: 84,045,341) ordinary shares in issue during the quarter.

Basic and diluted earnings per share for the nine months ended 30 September 2013 were calculated on the net profit for the period of US$28,281,000 (30/9/2012: US$28,715,000) and the weighted average number of 84,045,341 (30/9/2012: 84,045,341) ordinary shares in issue during the period.

Basic and diluted earnings per share for the year ended 31 December 2012 were calculated on the net profit for the year of US$35,581,000 and the weighted average number of 84,045,341 ordinary shares in issue during the year.

8. Interim dividend

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2013 (30/9/2012: nil).

9. Available-for-sale financial assets

	30/9/2013 (Unaudited) ***US$'000***	30/9/2012 (Unaudited) *US$'000*	31/12/2012 (Audited) *US$'000*
Unlisted club membership, at fair value	**203**	203	203
Unlisted club membership, at cost	**170**	-	-
Unlisted investments, at cost less impairment loss	**-**	192	192
	373	395	395

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 7 and HKFRS 7.

For those unlisted club membership stated at cost and unlisted investments stated at cost less impairment loss, as there are no quoted market prices in active markets, the range of reasonable fair value estimates can be varied significantly that their fair values cannot be measured reliably.

10. Financial assets at fair value through profit or loss

	30/9/2013 (Unaudited) ***US$'000***	30/9/2012 (Unaudited) *US$'000*	31/12/2012 (Audited) *US$'000*
Held for trading or not qualifying as hedges			
Equity securities			
Listed equity securities	**38,821**	23,049	29,887
Debt securities			
Listed debt securities	**42,387**	15,875	25,396
Unlisted debt securities	**12,665**	30,985	20,737
	55,052	46,860	46,133
	93,873	69,909	76,020

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 7 and HKFRS 7. For unlisted debt securities, the fair value measurements were determined by reference to price quotations for equivalent financial instruments in active markets provided by financial institutions and were categorized as Level 2 of the three-level fair value hierarchy as defined under IFRS 7 and HKFRS 7.

11. Bank balances and cash

	30/9/2013 (Unaudited) *US$'000*	30/9/2012 (Unaudited) *US$'000*	31/12/2012 (Audited) *US$'000*
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**85,314**	118,328	111,687
Bank deposits with more than three months to maturity when placed	**15,107**	25,083	15,083
	100,421	143,411	126,770

12. Provisions

At the reporting date, provisions represented provision for loss on charter hire. The movements for provision for loss on charter hire during the periods / year are as follows:

	30/9/2013 (Unaudited) *US$'000*	30/9/2012 (Unaudited) *US$'000*	31/12/2012 (Audited) *US$'000*
At beginning of the period / year	**8,660**	7,087	7,087
Provision recognized	**-**	22,392	22,392
Provision utilized	**(8,354)**	(15,963)	(20,819)
At end of the period / year	**306**	13,516	8,660

13. Capital expenditures and commitments

During the nine months ended 30 September 2013, capital expenditure on additions of owned vessels and vessels under construction was US$4,566,000 (30/9/2012: US$101,175,000), and on other property, plant and equipment was US$129,000 (30/9/2012: US$463,000). As at 30 September 2013, there was no capital expenditure commitments contracted by the Group but not provided for.

14. 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 30/9/2013 (Unaudited) *US$'000*	3 months ended 30/9/2012 (Unaudited) *US$'000*	9 months ended 30/9/2013 (Unaudited) *US$'000*	9 months ended 30/9/2012 (Unaudited) *US$'000*	Year ended 31/12/2012 (Audited) *US$'000*
Salaries and other benefits	**760**	641	**2,280**	1,922	7,747
Contributions to retirement benefits schemes	**41**	34	**122**	101	135
	801	675	**2,402**	2,023	7,882

15. Critical accounting estimates and judgements

Cancellation of a newbuilding contract in September 2013

Jinqing Marine Inc. ("Jinqing"), a wholly-owned subsidiary of the Company, had entered into a contract (the "Contract") with Mitsubishi Corporation (the "Vendor") on 14 December 2007 for the acquisition of a deadweight 58,100 metric tons type bulk carrier (the "Vessel") at a purchase price of JPY4,500,000,000.

As mentioned in our announcement dated 19 September 2013, Jinqing had exercised its right to cancel the Contract in September 2013, where the Vendor had failed to procure the builder to construct the Vessel in compliance with the contractual terms and specifications within the contractual time frame of the Contract. In such circumstances, it is the Company's position and belief that the Vendor is obliged under the Contract to refund to Jinqing, inter alia, pre-delivery installments of JPY2,250,000,000 (approximately US$23 million at exchange rate of US$1 = JPY98.41 on 30 September 2013) made by Jinqing prior to delivery, along with the value of items supplied by Jinqing, together with interest at a rate of 4% per annum and damages within the time frame stipulated under the Contract.

Prior to the cancellation of the Contract, the carrying amount of vessel under construction recorded in the financial statements of Jinqing was approximately US$17.3 million, being the prevailing direct costs of approximately US$26 million capitalized, net of an impairment loss of approximately US$8.7 million. Upon the cancellation, an income of US$8,733,000 relating to the elimination of impairment loss previously recognized on that vessel under construction was included in other operating income for the current quarter. The pre-delivery installments and relevant costs capitalized in "Vessel under construction" were reclassified as short term receivables at the reporting date. The Directors expect that the recorded receivables would be recoverable on the grounds that the Vendor is obliged under the Contract to refund those amounts and damages within the time frame stipulated under the Contract.

16. Comparative figures

Certain comparative figures have been included in order to conform to the current period's presentation.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2013.

REVIEW OF OPERATIONS

Third Quarter of 2013. Dry bulk shipping market has been reenergized since mid-June of 2013 on the back of rising dry seaborne trade volumes. For the third quarter of 2013, dry seaborne activities were further stimulated by falling commodity prices of iron ore, steel and coal and the enduring agricultural products trading activities across Asia-Pacific region. There was noticeable improvement in market freight rates of all types of dry bulk vessels in the third quarter. Baltic Dry Index ("BDI") opened at 1,171 points at beginning of the quarter, continued to climb to its peak at 2,127 points in late September and closed at 2,003 points at end of the quarter.

Revenue for the third quarter of 2013 dropped to US$52,644,000, comparing to US$59,768,000 for the last corresponding quarter in 2012. The Group's net profit for the third quarter has doubled from US$11,810,000 in 2012 to US$24,367,000 for the same quarter in 2013. Basic earnings per share for the third quarter was US$0.290 as compared to US$0.141 for the last corresponding quarter in 2012.

The significant increase in net profit for the quarter was attributed to a remarkable net gain on financial assets at fair value through profit or loss of US$8,217,000 recognized in current quarter, whereas net gain of US$2,592,000 was recognized in the third quarter of 2012. Hong Kong stock market rebounded in September and the Group took the opportunity to realize profit on certain outperforming equity securities and recorded considerable realized trading gain, as well as fair value gain, on financial assets at fair value through profit or loss in current quarter. In addition, there was an exceptional income arisen from the cancellation of a newbuilding contract in September 2013. As mentioned in our announcement dated 19 September 2013, one of the Group's subsidiaries had exercised its right to cancel a newbuilding contract in September 2013, where the vendor had failed to procure the builder to construct the vessel in compliance with the contractual terms and specifications within the contractual time frame of the newbuilding contract. Upon the cancellation, an income of US$8,733,000 relating to the elimination of impairment loss previously recognized on that vessel under construction was included in other operating income for the quarter.

Revenue for the third quarter of 2013 was US$52,644,000, representing a decrease of 12% as compared to the last corresponding quarter in 2012. The drop in revenue for the third quarter of 2013 was mainly due to the fall in chartering freight and hire income arising from the Group's owned and chartered-in vessels when certain charter contracts were entered into with charterers at relatively low freight rates, and less revenue was contributed from chartered-in vessels as two chartered-in vessels were redelivered to owners in August 2012 and January 2013.

The average daily time charter equivalent rates ("TCE") of the Group's fleet were as follows:

	2013 Q3	2012 Q3	**2013 1st nine months**	2012 1st nine months	2012
	US$	*US$*	***US$***	*US$*	*US$*
Capesize Fleet	**13,400**	12,118	**13,141**	11,545	11,709
Post-Panamax / Panamax Fleet	**15,378**	15,203	**15,126**	15,242	15,238
Supramax / Handymax / Handysize Fleet	**13,156**	14,915	**13,340**	15,969	15,512
In average	**13,389**	14,803	**13,508**	15,670	15,292

Shipping related expenses for the third quarter of 2013 dropped by 11% to US$29,062,000 as compared to US$32,650,000 for the last corresponding quarter in 2012. The decrease was mainly due to the reduction in hire payments of approximately US$4 million for chartered-in vessels in current quarter as compared to the last corresponding quarter in 2012 as two chartered-in vessels were redelivered to owners in August 2012 and January 2013.

Finance costs for the third quarter of 2013 decreased by 26% from US$2,305,000 in 2012 to US$1,703,000 in 2013. The decrease was mainly attributable to the reduction in average outstanding loan principal under aggressive loan repayment schedules.

FINANCIAL REVIEW

As at 30 September 2013, the total of the Group's equity and debt securities, bank balances and cash decreased to US$194,294,000 (31/12/2012: US$202,790,000) and bank borrowings decreased to US$509,219,000 (31/12/2012: US$562,236,000). 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, dropped to 36% as at 30 September 2013 (31/12/2012: 42%). 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 2013, there was no capital expenditure commitments contracted by the Group but not provided for. During the nine months ended 30 September 2013, capital expenditure on additions of property, plant and equipment was US$4,695,000 (30/9/2012: US$101,638,000).

FLEET

The Group's strategy is to maintain a young and modern fleet to serve the growing needs of our customers. As at 30 September 2013, the Group had thirty eight owned vessels and operated a chartered-in Capesize.

Fleet Details

Fleet details of owned vessels and chartered-in vessel in operation as at 30 September 2013 and up to 27 November 2013 are as follows:

	Number of vessels in operation		
	Owned	Chartered-in	Total
Capesize Fleet	-	1	1
Post-Panamax Fleet	2	-	2
Panamax Fleet	2	-	2
Supramax / Handymax Fleet	33	-	33
Handysize Fleet	1	-	1
Total Fleet	**38**	**1**	**39**

Fleet Activity

According to the Company's best estimation, the activity of the Group's fleet as at 27 November 2013 was as follows:

Owned and Chartered-in Fleet - revenue covered:

		Unit	2013	2014
Capesize Fleet	Coverage	*%*	100	-
	Operating days covered	*Days*	395	-
	Daily TCE	*US$*	13,218	-
Post-Panamax / Panamax Fleet	Coverage	*%*	89	6
	Operating days covered	*Days*	1,238	83
	Daily TCE	*US$*	17,391	38,200
Supramax / Handymax /	Coverage	*%*	91	3
Handysize Fleet	Operating days covered	*Days*	11,381	380
	Daily TCE	*US$*	14,250	20,962

Chartered-in Fleet - TCE cost:

		Unit	2013	2014
Capesize Fleet	Operating days	*Days*	395	41
	Daily TCE cost	*US$*	43,506	44,000
Supramax Fleet	Operating days	*Days*	270	N/A
	Daily TCE cost	*US$*	36,000	N/A

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, 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

Since the second quarter of 2013, the global economy has shown a few promising signs of improvement. U.S. and European countries are showing improving employment figures, and more encouraging statistics in relation to growth. In China, the Government Leaders have focused on measures to reduce excessive price fluctuations of fixed asset investments and asset prices, while introducing some policies to generate stronger domestic consumption. China, the country that has been driving the most demand growth in dry bulk commodities has slowed down their import requirements until recently due to reduced stockpiles.

However, while the demand picture is getting better, we also see contradictory signs on the macro side. A short while ago, the U.S. Federal Reserve under Ben Bernanke's leadership has indicated that "large scale asset purchases" will be tapered soon, suggesting that the imminent end of an extraordinary period of quantitative easing ("QE") is approaching. However, the next Federal Reserve chairperson, Janet Yellen recently announced that quantitative easing will carry on.

Froth can be seen flourishing globally in all markets across various assets because of the QE. QE generate excessive liquidity that would otherwise not be available under standard monetary rules, at the same time weaken the dollar, lower the bond yields and chase investors relentlessly into higher risks assets.

In dry bulk shipping market, we noticed that funding has also become more accessible in recent months despite at higher costs, supporting another round of newbuildings order frenzy as well as asset purchases, potentially boosting this oversupply in tonnages for a longer period of time.

While we see the overall demand volume of dry seaborne trade is rising, further oversupply in tonnages and excess shipbuilding capacity mean risks in maintaining a healthy freight rate environment.

Restoration of balance in shipping capacity versus demand in dry seaborne trade can only happen when non-competitive and non-profitable industry participants with lesser industry expertise, commitment and financial strength are forced to exit the market in time.

We aspire to grow our business over the longer term, and will patiently and selectively look at suitable opportunities as they arise.

For the remaining of the year, we will continue to focus on the basics: maintain a strong financial position and a healthy gearing level, monitor cargo flows in order to deploy our vessels efficiently to optimize revenue, ensuring the maintenance of a high quality, safe fleet of vessels, and keeping costs in check to enhance our margins. 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.

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

28 November 2013

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