JINHUI SHIPPING

AND TRANSPORTATION LIMITED

Third Quarter and Nine Months Report 2014

HIGHLIGHTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

- Revenue for the period declined 37% to US$102 million
- Net loss for the period: US$18.3 million
- Basic loss per share: US$0.218
- Gearing ratio as at 30 September 2014: 23%

FOR THE THIRD QUARTER OF 2014

- Revenue for the quarter declined 49% to US$27 million
- Net loss for the quarter: US$15.7 million
- Basic loss per share: US$0.187

The Board of **Jinhui Shipping and Transportation Limited** (the "Company" or "Jinhui Shipping") 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 2014.

THIRD QUARTER AND NINE-MONTH RESULTS

Revenue for the third quarter of 2014 declined 49% to US$27,036,000, comparing to US$52,644,000 for the last corresponding quarter in 2013. The Company recorded a consolidated net loss of US$15,734,000 for current quarter as compared to a consolidated net profit of US$24,367,000 for the last corresponding quarter in 2013. Basic loss per share was US$0.187 for the third quarter of 2014 while basic earnings per share was US$0.290 for the last corresponding quarter in 2013.

Revenue for the first nine months of 2014 declined 37% to US$102,095,000, comparing to US$161,128,000 for the same period in 2013. The Company recorded a consolidated net loss of US$18,321,000 for the first nine months of 2014 while a consolidated net profit of US$28,281,000 was reported in the same period of 2013. Basic loss per share for the period was US$0.218 as compared to basic earnings per share of US$0.337 for the first nine months of 2013. The considerable consolidated net loss for both the third quarter and the first nine months of 2014 were primarily attributable to the reduced hire and freight revenue due to substantial exposure to spot freight market, coupled with unrealized loss on equity securities as most Asian stock markets fell at end of September 2014.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2014.

REVIEW OF OPERATIONS

Third Quarter of 2014. Dry bulk shipping market remains challenged for the third quarter of 2014 in times of geopolitical turbulences in different regions. Economic growth momentum in China has shown a notable deceleration in past few months and caused ripple effect on dry bulk commodities demand. The expected recovery of dry bulk shipping market has not yet materialized. Ample availability of shipping finance in the past months encouraged an unanticipated increase in supply of dry bulk vessels in the market.

Amid weaker-than-expected dry bulk shipping market in the first half of 2014, dry bulk freight rates were under continued downward pressures in the third quarter of 2014. Revenue for the quarter was US$27,036,000, representing a decrease of 49% as compared to US$52,644,000 for the third quarter in 2013. The drop in revenue was mainly due to the large exposure to spot freight market while freight rates kept declining with the unexpected incongruity between demand and supply of tonnages, coupled with the expiration of certain high earning charter contracts in earlier months. The average daily time charter equivalent rates ("TCE") earned by the Group's fleet dropped to US$7,706 for the third quarter of 2014 as compared to US$13,389 for the last corresponding quarter in 2013 when certain charter contracts were recently entered into with charterers at relatively low freight rates.

Average daily TCE	**2014 Q3**	2013 Q3	**2014 1st nine months**	2013 1st nine months	2013
	US$	*US$*	***US$***	*US$*	*US$*
Capesize fleet	**-**	13,400	**13,477**	13,141	13,202
Post-Panamax / Panamax fleet	**7,320**	15,378	**9,442**	15,126	15,817
Supramax / Handymax / Handysize fleet	**7,750**	13,156	**9,540**	13,340	13,424
In average	**7,706**	13,389	**9,541**	13,508	13,653

The decrease in revenue also attributed to the drop in vessels' operating days in current quarter as the number of fleet in operation reduced from forty vessels in operation in the third quarter of 2013 to thirty six vessels in current quarter. The Group had no chartered-in fleet in operation during the quarter as the only chartered-in Capesize was redelivered to its owner in January 2014 whereas two chartered-in vessels were in operation in the third quarter in 2013.

Other operating income dropped from US$22,895,000 for the third quarter of 2013 to US$2,498,000 for the current quarter. In the third quarter of 2013, there was an income of US$8,733,000 relating to the elimination of impairment loss, previously recognized on a vessel under construction, upon termination of a newbuilding contract; and a net gain on financial assets at fair value through profit or loss of US$8,217,000 being included in other operating income. Other operating income declined vigorously in the third quarter of 2014 as there was no significant reversal of impairment loss and net gain on financial assets at fair value through profit or loss in current quarter.

Shipping related expenses dropped from US$29,062,000 for the third quarter in 2013 to US$22,972,000 for the current quarter as there was no hire payments in relation to chartered-in fleet incurred in current quarter. The decrease was partially offset by higher vessels' running costs in current quarter.

Most Asian stock market fell at end of September 2014 under the increasing concerns about the global economic outlook, accordingly, the Group recorded fair value loss of US$3,914,000 on investment portfolio of equity and debt securities for the third quarter of 2014, which was included in other operating expenses. Hence, other operating expenses increased from US$4,521,000 for the third quarter of 2013 to US$5,695,000 in current quarter.

Finance costs dropped 23% from US$1,703,000 for the third quarter of 2013 to US$1,318,000 for the current quarter. The decrease was attributable to the decrease in average outstanding loan principal under aggressive loan repayment schedules and full repayment of vessel mortgage loans for two disposed owned vessels in early 2014.

FINANCIAL REVIEW

As at 30 September 2014, the total of the Group's equity and debt securities, bank balances and cash increased to US$215,502,000 (31/12/2013: US$209,646,000) and bank borrowings decreased to US$417,617,000 (31/12/2013: US$492,936,000). 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 23% (31/12/2013: 32%) as at 30 September 2014. 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 2014, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US$26,190,000 (31/12/2013: nil), representing the Group's outstanding capital expenditure commitments to acquire one (31/12/2013: nil) newbuilding at contract price of US$29,100,000 (31/12/2013: nil). During the nine months ended 30 September 2014, capital expenditure on additions of owned vessels and vessels under construction was US$9,270,000 (30/9/2013: US$4,566,000), on other property, plant and equipment was US$80,000 (30/9/2013: US$129,000) and on investment properties was US$5,052,000 (30/9/2013: nil).

UPDATE ON COMMERCIAL DISPUTES

Commercial disputes with Grand China Logistics Holding (Group) Company Limited

Two of Jinhui Shipping's wholly-owned subsidiaries have ongoing commercial disputes with Grand China Logistics Holding (Group) Company Limited ("GCL"), a group company of the HNA Group Company Limited ("HNA Group"). To date, GCL has refused to respect arbitration awards and the spirit of contracts.

In November 2013, these two Jinhui Shipping's wholly-owned subsidiaries were awarded US$11 million and US$18 million under two London Arbitration Awards in respect of two vessels which were chartered to GCL a number of years back, with GCL failing to perform its contractual obligations according to the legally binding contracts.

Permission to appeal one of these awards was subsequently denied by the English Courts in July 2014, and GCL did not challenge the other remaining London Arbitration Award. The vast majority of sums awards under the two final London Arbitration Awards, including interest and costs, remains unpaid despite repeated requests for payment.

Jinhui Shipping has been exercising high degree of patience and tolerance towards this commercial dispute. Unfortunately, Jinhui Shipping has been extremely disappointed with GCL repeatedly failing or extensively delaying to honour its promises to pay under the charters and awards using various reasons and excuses, despite a HNA senior official having vowed that the HNA Group respects the law and will abide by Court decisions when it comes to commercial disputes (reported in Tradewinds in May 2013).

Jinhui Shipping's subsidiaries have attached certain assets of GCL as security from the appropriate European Court in respect of their claims and enforcement action is underway. Jinhui Shipping will continue to exercise its best efforts to cause GCL to fulfil its obligation under the charters and arbitration awards, a financial obligation and legal responsibility which GCL has been evading for a number of years.

Background of GCL

GCL is a company incorporated and registered in Shanghai, China and was a shipping company within complex HNA Group. GCL was one of the three pillar industries of HNA Group.

HNA Group is now a leading China based conglomerate with substantial interests in tourism, transportation, financial services, real estate, infrastructure and logistics. Based in Haikou and Beijing, China with Mr. Chen Feng being the HNA Group's legal representative. HNA Group has a diverse range of investments and assets, as well as the enterprises under the controlling or participating shares including Oceanus International Investment AS, Hainan Airlines, Hong Kong Airlines, Hong Kong Express Airways, and Hong Kong Aviation Capital.

According to HNA Group's official website, HNA Group's vision is to create a world-class enterprise and brand, and the group's philosophy is apparently integrity, performance and innovation.

Commercial dispute with Parakou Shipping Pte Limited

Since the collapse of shipping markets in Q4 2008, one of Jinhui Shipping's wholly-owned subsidiaries was involved in a protracted and well publicised dispute with Parakou Shipping Pte Limited ("Parakou") – a Singapore based company which, at the time when a charterparty was consummated into in mid-2008 prior to the collapse of the shipping markets, was controlled by Hong Kong based shipowner Mr. Liu Cheng Chan (also known as Mr. C.C. Liu).

The dispute arose when Parakou refused to take delivery of the relevant Jinhui Shipping's vessel in early 2009. Not long after, a subsidiary of Jinhui Shipping arrested a vessel in the fleet of Hong Kong based Parakou Shipping Limited led by Mr. C.C. Liu in South Africa. The Owner of that vessel and Parakou gave evidence in the South African Court that it had "restructured" in late 2008 by selling all its assets and passing control of the company from Mr. C.C. Liu to his son Mr. Por Liu, as a result of which the arrest was set aside.

Jinhui Shipping's subsidiary obtained substantial London Arbitration Awards in its favour against Parakou – totalling in excess of US$40 million – which remain unpaid. Parakou then went into voluntary liquidation. The liquidators of Parakou have commenced proceedings this year against Mr. C.C. Liu, Mr. Por Liu and other related Parakou's entities for breaches of fiduciary duty and for the recovery of losses caused to Parakou. The Liquidators' application for Mareva injunction was granted by the Court of Singapore on 21 November 2014. The Defendants have sought for a variation of the Court's order on the same day. The Court has granted a partial stay of the order, pending a formal application for variation from the Defendants.

Jinhui Shipping will continue to seek all legal means to recover the amount under the London Arbitration Awards and keep our shareholders informed should there be any further developments in due course.

FLEET

Owned Vessels

The Group's strategy is to maintain a young and modern fleet to serve the growing needs of our customers. As at 30 September 2014, the Group had thirty six owned vessels as follows:

	Number of owned vessels
Post-Panamax fleet	2
Panamax fleet	2
Supramax / Handymax fleet	31
Handysize fleet	1
Total fleet	**36**

Ordered Vessel

On 10 April 2014, the Group entered into a construction and sale contract to acquire a Supramax newbuilding at a contract price of US$29,100,000 with expected date of delivery on or before 31 March 2016.

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

Shipping is tightly tied to the overall global economic health and is sensitive to intricate changes of the trade patterns, geopolitical situation, as well as the balance of demand and supply in shipping capacity.

The U.S. and European economies have been showing further encouraging signs. However, the key driver of the dry bulk market, China has caught a cold with economic activity, due to Government measures to limit credit growth, curb fixed asset investments and asset prices. As a result, the country that has been driving the most demand growth in dry bulk commodities has slowed down their import requirements recently.

The decline in key dry bulk commodities importing activities in China in early this year is one of the main reasons that hinder the long-expected dry bulk market recovery. With increasing environmental concerns, China is changing its coal import patterns by imposing a stricter coal import requirements on sulphur and ash content. As a result of such new policies to promote a less polluted environment in China, we expect a geographical shift in coal trading across different regions. Growing geopolitical tension has also negatively affected business sentiment in a lot of regions resulting in fewer dry seaborne activities. Together with a sharp reduction in certain minor bulk trades, the operating environment so far in 2014 has been a lot more challenging than anticipated.

At present, we remain positive with the longer term market given the long term import requirement from China and Asian countries are growing. The recent sudden interest rate cut by China's central bank may be another signal to the market that China intends to loosen its lending restrictions to support its slowing economic growth which may in turn benefits the dry bulk shipping market. This growth should be further strengthen, if the recovery of U.S. and European economies proved to be sustainable. Of course, this would only be possible if supply is in check where less or no more irrational ordering of newbuildings by parties with no intention of long term commitment in shipping take place. The good news is, this newbuilding frenzy has significantly slowdown recently as potential buyers are discouraged by this unanticipated weak demand for vessels, shipping financiers have become more cautious, as well as the U.S. Federal Reserve communicating clearly to the market, an eventual end of the quantitative easing program should be expected soon.

With slowing supply growth, healthy demand growth expectation and increasing scrapping activities, we expect the rebalance on seaborne tonnages will be materialized in next couple of years and 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 keep a close watch on the market and assess factors that may change our long term outlook of dry bulk market, and consider the need of asset impairment review if necessary. At the same time, 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, lock in longer term charters to enhance the stability of income at the right time, 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 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**3 months ended 30/9/2014 (Unaudited) *US$'000***	3 months ended 30/9/2013 (Unaudited) *US$'000*	**9 months ended 30/9/2014 (Unaudited) *US$'000***	9 months ended 30/9/2013 (Unaudited) *US$'000*	Year ended 31/12/2013 (Audited) *US$'000*
Revenue	*2*	**27,036**	52,644	**102,095**	161,128	217,502
Other operating income		**2,498**	22,895	**17,535**	22,167	34,355
Interest income		**1,388**	886	**4,362**	2,592	3,913
Shipping related expenses		**(22,972)**	(29,062)	**(79,054)**	(93,735)	(127,089)
Staff costs		**(2,245)**	(1,849)	**(6,764)**	(5,568)	(11,613)
Impairment loss on assets held for sale		**-**	-	**-**	-	(12,844)
Other operating expenses		**(5,695)**	(4,521)	**(9,387)**	(8,408)	(12,482)
Operating profit before depreciation and amortization		**10**	40,993	**28,787**	78,176	91,742
Depreciation and amortization		**(14,426)**	(14,923)	**(42,949)**	(44,586)	(59,412)
Operating profit (loss)		**(14,416)**	26,070	**(14,162)**	33,590	32,330
Finance costs		**(1,318)**	(1,703)	**(4,159)**	(5,309)	(6,931)
Profit (Loss) before taxation		**(15,734)**	24,367	**(18,321)**	28,281	25,399
Taxation	*6*	**-**	-	**-**	-	-
Net profit (loss) and total comprehensive income (loss) for the period / year attributable to shareholders of the Company		**(15,734)**	24,367	**(18,321)**	28,281	25,399
Earnings (Loss) per share	*7*					
- Basic and diluted		**US$(0.187)**	US$0.290	**US$(0.218)**	US$0.337	US$0.302

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30/9/2014 (Unaudited) US$'000**	30/9/2013 (Unaudited) US$'000	31/12/2013 (Audited) US$'000
ASSETS				
Non-current assets				
Property, plant and equipment		**1,030,664**	1,146,342	1,064,266
Investment properties	9	**8,565**	3,333	3,513
Available-for-sale financial assets	10	**373**	373	373
		1,039,602	1,150,048	1,068,152
Current assets				
Inventories		**666**	3,863	4,509
Trade and other receivables		**28,108**	52,721	50,935
Financial assets at fair value through profit or loss	12	**146,150**	93,873	130,975
Pledged deposits		**25,739**	23,454	23,577
Bank balances and cash	13	**69,352**	100,421	78,671
		270,015	274,332	288,667
Assets held for sale		**-**	-	55,440
		270,015	274,332	344,107
Total assets		**1,309,617**	1,424,380	1,412,259
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital		**4,202**	4,202	4,202
Reserves		**856,375**	877,578	874,696
Total equity		**860,577**	881,780	878,898
Non-current liabilities				
Secured bank loans		**353,404**	445,145	402,498
Current liabilities				
Trade and other payables		**31,380**	33,019	40,367
Provisions		**-**	306	-
Amount due to holding company		**43**	56	58
Secured bank loans		**64,213**	64,074	90,438
		95,636	97,455	130,863
Total equity and liabilities		**1,309,617**	1,424,380	1,412,259

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 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
At 1 January 2014	4,202	72,087	719	16,297	4,758	48	780,787	878,898
Net loss and total comprehensive loss for the period	-	-	-	-	-	-	(18,321)	(18,321)
At 30 September 2014	**4,202**	**72,087**	**719**	**16,297**	**4,758**	**48**	**762,466**	**860,577**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**9 months ended 30/9/2014 (Unaudited)**	9 months ended 30/9/2013 (Unaudited)	Year ended 31/12/2013 (Audited)
		US$'000	*US$'000*	*US$'000*
OPERATING ACTIVITIES				
Cash generated from operations		**24,946**	36,836	32,997
Interest paid		**(4,268)**	(5,418)	(7,048)
Net cash from operating activities		**20,678**	31,418	25,949
INVESTING ACTIVITIES				
Interest received		**4,506**	2,490	3,358
Decrease (Increase) in bank deposits with more than three months to maturity when placed		**-**	(24)	15,083
Dividend income received		**1,380**	791	1,082
Purchase of property, plant and equipment		**(9,350)**	(4,695)	(5,729)
Purchase of investment properties		**(5,052)**	-	-
Proceeds from disposal of assets held for sale		**56,000**	-	-
Proceeds from disposal of property, plant and equipment		**-**	38	38
Proceeds from termination of unlisted investments		**-**	474	474
Purchase of available-for-sale financial assets		**-**	(170)	(170)
Net cash from (used in) investing activities		**47,484**	(1,096)	14,136
FINANCING ACTIVITIES				
New secured bank loans		**2,765**	2,152	2,620
Repayment of secured bank loans		**(78,084)**	(55,169)	(71,920)
Increase in pledged deposits		**(2,162)**	(3,678)	(3,801)
Net cash used in financing activities		**(77,481)**	(56,695)	(73,101)
Net decrease in cash and cash equivalents		**(9,319)**	(26,373)	(33,016)
Cash and cash equivalents at beginning of the period / year		**78,671**	111,687	111,687
Cash and cash equivalents at end of the period / year	*13*	**69,352**	85,314	78,671

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 2013.

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 30/9/2014	3 months ended 30/9/2013	**9 months ended 30/9/2014**	9 months ended 30/9/2013	Year ended 31/12/2013
	(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	**22,025**	44,702	**73,038**	134,005	178,147
Freight income under voyage charters	**5,011**	7,942	**29,057**	27,123	39,355
	27,036	52,644	**102,095**	161,128	217,502

3. Other operating income

Other operating income for the nine months ended 30 September 2014 mainly included ballast bonus income received from particular charterers for certain charter contracts, gain on disposal of assets held for sale of US$560,000, and settlement income of approximately US$5.2 million which comprised of partial settlement on an arbitration award granted in relation to a repudiation claim against a charterer; and settlement income received from a charterer for early redelivery of an owned vessel to the Group. There was no settlement income being recognized for the nine months ended 30 September 2013.

4. Shipping related expenses

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

5. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 30/9/2014	3 months ended 30/9/2013	**9 months ended 30/9/2014**	9 months ended 30/9/2013	Year ended 31/12/2013
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Impairment loss (Reversal of impairment loss) on trade receivables	**197**	414	**(252)**	701	519
Dividend income	**(881)**	(464)	**(1,502)**	(851)	(1,143)
Net loss (gain) on financial assets at fair value through profit or loss	**3,789**	(8,217)	**3,629**	(2,442)	(3,230)

6. Taxation

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

7. Earnings (Loss) per share

Basic and diluted loss per share for the quarter and nine months ended 30 September 2014 were calculated on the respective net loss of US$15,734,000 for the quarter and US$18,321,000 for the nine months period and the weighted average number of 84,045,341 ordinary shares in issue during the quarter / period.

Basic and diluted earnings per share for the quarter and nine months ended 30 September 2013 were calculated on the respective net profit of US$24,367,000 for the quarter and US$28,281,000 for the nine months period and the weighted average number of 84,045,341 ordinary shares in issue during the quarter / period.

Basic and diluted earnings per share for the year ended 31 December 2013 were calculated on the net profit of US$25,399,000 for year 2013 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 2014 (30/9/2013: nil).

9. Investment properties

	30/9/2014	30/9/2013	31/12/2013
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
At 1 January	**3,513**	3,333	3,333
Additions	**5,052**	-	-
Change in fair value	**-**	-	180
At 30 September / 31 December	**8,565**	3,333	3,513

The Group's investment properties 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 and located in Hong Kong.

10. Available-for-sale financial assets

	30/9/2014	30/9/2013	31/12/2013
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Unlisted club membership, at fair value	**203**	203	203
Unlisted club membership, at cost	**170**	170	170
	373	373	373

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. Trade and other receivables

As at 31 December 2013, trade and other receivables included a short term receivable of approximately US$24 million in relation to the termination of a newbuilding contract. In March 2014, the vendor refunded the amount to the Group and hence trade and other receivables reduced significantly as at 30 September 2014.

12. Financial assets at fair value through profit or loss

	30/9/2014	30/9/2013	31/12/2013
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Held for trading or not qualifying as hedges			
Equity securities			
Listed equity securities	**72,670**	38,821	55,426
Debt securities			
Listed debt securities	**73,480**	42,387	75,549
Unlisted debt securities	**-**	12,665	-
	73,480	55,052	75,549
	146,150	93,873	130,975

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. The fair value measurements of unlisted debt securities 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 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the periods / year.

13. Bank balances and cash

	30/9/2014	30/9/2013	31/12/2013
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**69,352**	85,314	78,671
Bank deposits with more than three months to maturity when placed	**-**	15,107	-
	69,352	100,421	78,671

14. Assets held for sale

As at 31 December 2013, assets held for sale represented two owned vessels which were ready for sale with recoverable amount of US$55.4 million, which were measured at the lower of the net book value of US$68.3 million or estimated fair value less costs to sell of US$55.4 million. As a result, impairment loss of US$12.9 million for these two vessels was recognized for the year 2013.

In February 2014, the Group entered into agreements to dispose these two vessels at a total consideration of US$56 million to a purchaser. Both vessels were delivered to the purchaser in March 2014 as scheduled.

15. Capital expenditures and commitments

During the nine months ended 30 September 2014, capital expenditure on additions of owned vessels and vessels under construction was US$9,270,000 (30/9/2013: US$4,566,000), on other property, plant and equipment was US$80,000 (30/9/2013: US$129,000) and on investment properties was US$5,052,000 (30/9/2013: nil).

As at 30 September 2014, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US$26,190,000 (31/12/2013: nil), representing the Group's outstanding capital expenditure commitments to acquire one (31/12/2013: nil) newbuilding at contract price of US$29,100,000 (31/12/2013: nil).

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 30/9/2014	3 months ended 30/9/2013	**9 months ended 30/9/2014**	9 months ended 30/9/2013	Year ended 31/12/2013
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Salaries and other benefits	**1,133**	760	**3,435**	2,280	7,482
Contributions to retirement benefits schemes	**63**	41	**191**	122	163
	1,196	801	**3,626**	2,402	7,645

17. Comparative figures

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

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