JINHUI

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

FIRST QUARTER REPORT
FOR THE QUARTER ENDED 31 MARCH 2019
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 31 May 2019 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, 31 May 2019

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

First Quarter Report
For the quarter ended 31 March 2019

HIGHLIGHTS

For the First Quarter of 2019

- Revenue for the quarter: US$13 million

- Net profit for the quarter: US$2 million

- Basic earnings per share: US$0.018

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 ended 31 March 2019.

FIRST QUARTER RESULTS

Revenue for the first quarter of 2019 decreased 29% to US$12,765,000, comparing to US$17,976,000 for the corresponding quarter in 2018. The Company recorded a consolidated net profit of US$1,965,000 for current quarter as compared to a consolidated net profit of US$2,471,000 for the corresponding quarter in 2018. Basic earnings per share was US$0.018 for the first quarter of 2019 while basic earnings per share was US$0.023 for the corresponding quarter in 2018.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 31 March 2019.

REVIEW OF OPERATIONS

First Quarter of 2019. In the beginning of 2019, the unfortunate collapse of mining dam in Brazil had caused a slump of demand for dry bulk carriers for long-haul iron ore exporting activities. Market freight rates declined sharply in particular to the Capesize and dry bulk shipping market remained weak in the first quarter. Baltic Dry Index ("BDI") opened at 1,271 points at the beginning of January and closed at 689 points by the end of March. The average of BDI of the first quarter of 2019 was 798 points, which compares to 1,175 points in the same quarter in 2018. Although the Group did not expose to any Capesize vessel, the decline in market freight rates has resulted in lower revenue for the quarter.

Revenue for the first quarter of 2019 was US$12,765,000 representing a decrease of 29% as compared to US$17,976,000 for the same quarter in 2018. The drop in revenue for the quarter was mainly due to the decline in market freight rates and the reduction in the number of Group's owned vessels after the disposal of four motor vessels in the second half of 2018. The average daily time charter equivalent rates ("TCE") earned by the Group's owned vessels decrease 13% to US$7,658 for the first quarter of 2019 as compared to US$8,795 for the corresponding quarter in 2018.

Average daily TCE of owned vessels	**Q1 2019** ***US$***	Q1 2018 *US$*	2018 *US$*
Post-Panamax fleet	**6,262**	11,480	11,689
Supramax fleet	**7,827**	8,537	9,743
In average	**7,658**	8,795	9,922

Other operating income increased from US$2,557,000 for the first quarter of 2018 to US$5,161,000 for the first quarter of 2019 mainly included net gain of US$608,000 on disposal of assets held for sale (disposed vessel), net gain of US$2,750,000 on financial assets at fair value through profit or loss and settlement income of US$614,000 from a charterer in relation to repudiation claims.

Shipping related expenses dropped from US$9,022,000 for the first quarter of 2018 to US$7,678,000 for the current quarter. The decrease was attributable to the reduction in the number of vessels as the Group had disposed of four motor vessels in the second half of 2018. Daily vessel running cost decreased from US$3,641 for the first quarter of 2018 to US$3,459 for the first quarter of 2019. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

Due to reduced number of owned vessels, the Group's depreciation and amortization dropped by 16% from US$4,615,000 for the first quarter of 2018 to US$3,896,000 for the first quarter of 2019.

Finance costs increased by 16% from US$840,000 for the first quarter of 2018 to US$978,000 for the first quarter of 2019. The increase was mainly attributable to the rising LIBOR that increased our borrowing cost for loans committed on floating rate and the increase in new secured bank loans for the quarter.

During the quarter, the Group entered into an agreement on 2 January 2019 to dispose a Supramax of deadweight 50,209 metric tons at a consideration of US$7,381,000, which was delivered to the purchaser in March 2019. For financial reporting purposes, the vessel with the net book value of US$6,763,000 was reclassified to "Assets held for sale" in accordance with IFRS 5 and HKFRS 5 at 31 December 2018 and the net gain of US$608,000 on disposal of assets held for sale (disposed vessel) was included in other operating income for the quarter.

Subsequent to the reporting date, the Group entered into respective agreements on 23 April 2019 in respect of the acquisition of two Supramaxes at a total consideration of US$12,000,000. The Directors and senior management have been reviewing the individual specification, maintenance quality and conditions of each of the vessels and consider the purchase prices of these two vessels are highly attractive. The acquisition of two vessels will enable the Group to further expand the Group's overall cargo carrying capacity while minimizing risks of over allocation of capital to additional tonnages due to changes in maritime regulations going forward.

FINANCIAL REVIEW

During the quarter, capital expenditure on additions of property, plant and equipment was US$333,000 (31/3/2018: US$308,000) and on investment properties was US$4,330,000 (31/3/2018: nil).

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 3 of Shanghai Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Co-Investor committed to acquire non-voting participating class A shares of the holding company of the co-investment vehicle of US$10,000,000. During the quarter, the Co-Investor paid US$68,000 (31/3/2018: nil) in accordance with the terms and conditions of the co-investment documents and as at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US$5,105,000 (31/12/2018: US$5,173,000).

The Group's total secured bank loans increased from US$90,183,000 as of 31 December 2018 to US$116,627,000 as at 31 March 2019, of which 46%, 7%, 36% and 11% are repayable respectively within one year, one to two years, two to five years and over five years. During the quarter, the Group had drawn new revolving loans of US$33,235,000 for working capital purpose. The bank borrowings represented vessel mortgage loans that were denominated in United States Dollars, revolving loans and property mortgage loans that were denominated in Hong Kong Dollars. All bank borrowings were committed on floating rate basis.

During the quarter, cash generated from operations before changes in working capital was US$5,342,000 (31/3/2018: US$7,647,000) and the net cash used in operating activities after working capital changes was US$32,249,000 (31/3/2018: net cash from operating activities after working capital changes was US$414,000). The changes in working capital are mainly attributable to the increase in equity and debt securities which generally contribute a higher yield than bank deposits. During the quarter, the Group's net gain on financial assets at fair value through profit or loss was US$2,750,000 (31/3/2018: US$1,017,000) and the aggregate interest income and dividend income from financial assets was US$887,000 (31/3/2018: US$380,000). As at 31 March 2019, the Company maintained positive working capital position of US$65,232,000 (31/12/2018: US$69,172,000) and the total of the Group's equity and debt securities, bank balances and cash increased to US$118,992,000 (31/12/2018: US$88,551,000).

As at 31 March 2019, 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 (31/12/2018: 0.65%). 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 31 March 2019, the Group is able to service its debt obligations, including principal and interest payments.

FLEET

Owned Vessels

As at 31 March 2019, the Group had eighteen owned vessels as follows:

	Number of owned vessels
Post-Panamax fleet	2
Supramax fleet	16
Total fleet	**18**

During the quarter, the Group had entered into an agreement on 2 January 2019 to dispose a Supramax of deadweight 50,209 metric tons at a consideration of US$7,381,000, which was delivered to the purchaser in March 2019. Following the disposal of the vessel, the Group's total carrying capacity had been reduced to deadweight 1,086,074 metric tons as at 31 March 2019.

Subsequent to the reporting date, the Group entered into respective agreements on 23 April 2019 in respect of the acquisition of two Supramaxes at a total consideration of US$12,000,000. One of the vessels has been delivered to the Group on 23 May 2019. The Group currently owns nineteen dry bulk vessels which include two Post-Panamaxes and seventeen grabs fitted Supramaxes.

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

The freight market in 2019 continued the trend of the final months of 2018, where demand and sentiment were hit by a combination of negative factors — US-China trade conflict, slowing world GDP growth rates, Chinese New Year slowdown, accidents at iron ore suppliers in Brazil and Australia, and Chinese restrictions on coal imports. The freight environment has remained weak in the first quarter with larger vessels suffering more given their relative low cargo carrying flexibility.

The dry bulk industry specific fundamentals offer more encouraging signs. With a low net new supply of approximately 3% of the overall dry bulk fleet for 2019 and 2020, the supply of new vessels remained to be the lowest since the year 2000. The age profile of the global bulker fleet offers further visibility counting over 40 million tonnes as over 20 years of age. With China ending the import of international flagged tonnage due to new environmental policies last year, the IMO 2020 deadline, the oldest tonnages with subpar regular maintenance are likely to head towards the scrap yard rather than continue trading, given the expensive maintenance costs plus hurdles to maintain valid certificates for international trading. The incentive to order newbuildings has been and remains at a historical low, given the uncertainty on how future regulations will evolve, financing costs on the rise, financial institution adopting a cautious approach towards asset base lending, and ongoing deleveraging exercise and prevention of capital outflow in China. Should the underlying long term demand remain relatively robust, we believe the freight rate will normalize in the positive direction in 2019, especially if US and China manages to resolve their differences.

Changes in technology as well as environmental policies causing changes in global energy mix will have material global implications and as a consequence, will impact the Company's business. One of the most widely debated topics in our industry is the installation of scrubbers to meet the IMO 2020 sulphur cap emission regulation. We currently have no plans on the installation of scrubbers given the long term technical and commercial viability of scrubbers on smaller size commercial vessels remains unproved. Some countries have already banned the use of open looped scrubbers for example, demonstrating the lack of consensus on the best way to meet the 2020 sulphur cap. At this juncture, we continue to believe the use of low sulphur fuel is the most efficient way to protect our planet. We expect the availability of such product will become abundant at reasonable costs with time, given the likelihood of a ramp up in demand from 2020 onwards.

Looking ahead, we see increasing uncertainty with the macro environment, mainly driven by political events. Further unexpected geopolitical or economic events may occur which can introduce volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We will continue to refrain from using freight, bunker, currencies or interest rate derivatives to minimize any unnecessary business risks. In 2018, we have invested a small amount of capital into real estate assets in order to build a steady recurring income as well as potential long term capital appreciation to counter the highly volatile and cyclical nature of our core business.

We are in a relatively fortunate position where we have no capital expenditure commitment in relation to newbuilding contracts, as well as no charter-in contracts at this juncture. We have purchased two high quality vessels lately at very attractive prices which we expect will generate positive financial contribution while maintaining a healthy financial position. Looking ahead, we will continue to focus on taking sensible and decisive actions to maintain a strong financial position, to ensure safe navigation through any stormy waters that may lie ahead.

On behalf of the Board of Directors of the Company, I would like to express our heartfelt appreciation to all customers and stakeholders for their ongoing support. Going forward, we will continue to operate with a conservative yet nimble mindset, and be ready to act in the best interest of our shareholders under all 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

31 May 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**3 months ended 31/3/2019 (Unaudited) US$'000**	3 months ended 31/3/2018 (Unaudited) US$'000	Year ended 31/12/2018 (Audited) US$'000
Revenue	2	**12,765**	17,976	76,113
Net gain on disposal of owned vessels		**-**	-	5,437
Other operating income		**5,161**	2,557	6,182
Interest income		**665**	332	1,230
Shipping related expenses		**(7,678)**	(9,022)	(37,877)
Staff costs		**(2,905)**	(2,603)	(11,237)
Other operating expenses		**(1,169)**	(1,314)	(10,381)
Operating profit before depreciation and amortization		**6,839**	7,926	29,467
Depreciation and amortization		**(3,896)**	(4,615)	(17,593)
Operating profit		**2,943**	3,311	11,874
Finance costs		**(978)**	(840)	(3,161)
Profit before taxation		**1,965**	2,471	8,713
Taxation	5	**-**	-	-
Net profit for the period / year		**1,965**	2,471	8,713
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)		**2**	-	(295)
Items that may be reclassified subsequently to profit or loss:				
Change in fair value of financial assets at fair value through OCI (recycling)		**-**	(26)	14
Total comprehensive income for the period / year attributable to shareholders of the Company		**1,967**	2,445	8,432
Earnings per share	6			
- Basic and diluted		**US$0.018**	US$0.023	US$0.080

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**31/3/2019 (Unaudited) *US$'000***	31/3/2018 (Unaudited) *US$'000*	31/12/2018 (Audited) *US$'000*
ASSETS				
Non-current assets				
Property, plant and equipment		**214,621**	259,652	218,184
Investment properties	*8*	**28,663**	15,632	24,333
Financial assets at fair value through OCI	*9*	**5,011**	350	4,941
Loan receivables		**2,921**	-	-
		251,216	275,634	247,458
Current assets				
Inventories		**454**	1,149	350
Trade and other receivables		**14,895**	16,858	14,529
Financial assets at fair value through profit or loss	*10*	**78,051**	27,052	39,843
Pledged deposits		**4,296**	6,507	3,426
Bank balances and cash	*11*	**41,575**	29,018	49,268
		139,271	80,584	107,416
Assets held for sale		**-**	-	6,763
		139,271	80,584	114,179
Total assets		**390,487**	356,218	361,637
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital		**5,463**	5,463	5,463
Reserves		**247,457**	242,016	245,490
Total equity		**252,920**	247,479	250,953
Non-current liabilities				
Secured bank loans	*12*	**63,528**	51,685	65,677
Current liabilities				
Trade and other payables		**20,856**	20,424	20,411
Amount due to holding company		**84**	67	90
Secured bank loans	*12*	**53,099**	36,563	24,506
		74,039	57,054	45,007
Total equity and liabilities		**390,487**	356,218	361,637

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Capital redemption reserve	Contributed surplus	Reserve for available-for-sale financial assets	Reserve for financial assets at fair value through OCI	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 2018	5,463	95,585	719	16,297	38	-	126,932	245,034
Reclassification upon the adoption of IFRS 9 and HKFRS 9	-	-	-	-	(38)	38	-	-
At 1 January 2018 (adjusted)	5,463	95,585	719	16,297	-	38	126,932	245,034
Comprehensive income								
Net profit for the period	-	-	-	-	-	-	2,471	2,471
Other comprehensive loss								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(26)	-	(26)
Total comprehensive income for the period	-	-	-	-	-	(26)	2,471	2,445
At 31 March 2018	5,463	95,585	719	16,297	-	12	129,403	247,479
At 1 January 2019	5,463	95,585	719	16,297	-	(243)	133,132	250,953
Comprehensive income								
Net profit for the period	-	-	-	-	-	-	1,965	1,965
Other comprehensive income								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	2	-	2
Total comprehensive income for the period	-	-	-	-	-	2	1,965	1,967
At 31 March 2019	**5,463**	**95,585**	**719**	**16,297**	**-**	**(241)**	**135,097**	**252,920**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**3 months ended 31/3/2019 (Unaudited) *US$'000***	3 months ended 31/3/2018 (Unaudited) *US$'000*	Year ended 31/12/2018 (Audited) *US$'000*
OPERATING ACTIVITIES				
Cash generated from operations before changes in working capital		**5,342**	7,647	22,127
Increase in working capital		**(36,645)**	(6,320)	(16,305)
Cash generated from (used in) operations		**(31,303)**	1,327	5,822
Interest paid		**(946)**	(913)	(3,028)
Net cash from (used in) operating activities		**(32,249)**	414	2,794
INVESTING ACTIVITIES				
Interest received		**501**	285	1,436
Decrease in bank deposits with more than three months to maturity when placed		**-**	-	13,400
Dividend income received		**222**	48	720
Purchase of property, plant and equipment		**(333)**	(308)	(5,218)
Purchase of investment properties		**(4,330)**	-	(8,774)
Payment of unlisted equity investments		**(68)**	-	(4,846)
Proceeds from disposal of property, plant and equipment, net		**-**	-	32,074
Proceeds from disposal of assets held for sale, net		**2,990**	-	-
Net cash from (used in) investing activities		**(1,018)**	25	28,792
FINANCING ACTIVITIES				
New secured bank loans		**33,235**	5,769	41,384
Repayment of secured bank loans		**(6,791)**	(55,346)	(89,026)
Decrease (Increase) in pledged deposits		**(870)**	14	3,095
Interim dividend paid to shareholders of the Company		**-**	-	(2,513)
Net cash from (used in) financing activities		**25,574**	(49,563)	(47,060)
Net decrease in cash and cash equivalents		**(7,693)**	(49,124)	(15,474)
Cash and cash equivalents at beginning of the period / year		**49,268**	64,742	64,742
Cash and cash equivalents at end of the period / year	*11*	**41,575**	15,618	49,268

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 2018, except for the Group has adopted the newly issued and amended International Financial Reporting Standards (“IFRS”) and Hong Kong Financial Reporting Standards (“HKFRS”), which are effective for the annual period beginning on 1 January 2019.

IFRS 16 and HKFRS 16 Leases

IFRS 16 and HKFRS 16 replace IAS 17 and HKAS 17 “Leases” upon the effective date on 1 January 2019 and the new IFRS 16 and HKFRS 16 require a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognize depreciation of the right-to-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. In respect of lessor accounting, IFRS 16 and HKFRS 16 substantially carry forward the lessor accounting requirements in IAS 17 and HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. As ship owners and lessors, the Group continues to classify its time charter contracts as operating lease as it contains a lease component, and for hire income under time charter, hire income is recognized on a straight-line basis over the period of each time charter contract. The changes in accounting policies as described above have no impact on the Group’s results and financial position in the first year of application as the Group has no underlying leased asset with a term of more than twelve months under lessee accounting model for current period and previous year. The Group has applied modified retrospective approach and therefore the comparative information for 2018 has not been restated.

Other than the adoption of IFRS 16 and HKFRS 16 as stated above, the adoption of other new and amended IFRSs and HKFRSs does not have material impact on the Group’s financial performance and financial position.

2. Revenue

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

	3 months ended 31/3/2019	3 months ended 31/3/2018	Year ended 31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Chartering hire income:			
Hire income under time charters[1]	**12,765**	17,976	76,113

Note:

1. 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.

3. Other operating income

Other operating income for the first quarter of 2019 mainly included net gain of US$608,000 (31/3/2018: nil) on disposal of assets held for sale (disposed vessel), net gain of US$2,750,000 (31/3/2018: US$1,017,000) on financial assets at fair value through profit or loss and settlement income of US$614,000 (31/3/2018: US$450,000) from a charterer in relation to repudiation claims.

Other operating income for the year 2018 mainly included net gain on bunker of US$1,813,000 arising from shipping operations, dividend income of US$747,000 and settlement income of US$450,000 from a charterer in relation to repudiation claims.

4. Operating profit before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 31/3/2019	3 months ended 31/3/2018	Year ended 31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Realized gain on financial assets at fair value through profit or loss	**(1,010)**	(1,099)	(383)
Unrealized loss (gain) on financial assets at fair value through profit or loss	**(1,740)**	82	4,303
Net loss (gain) on financial assets at fair value through profit or loss	**(2,750)**	(1,017)	3,920
(Reversal of impairment loss) Impairment loss on trade and other receivables	**(2)**	101	(36)
Dividend income	**(222)**	(48)	(747)

5. Taxation

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

6. Earnings per share

	3 months ended 31/3/2019	3 months ended 31/3/2018	Year ended 31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
Weighted average number of ordinary shares in issue	**109,258,943**	109,258,943	109,258,943
Net profit attributable to shareholders of the Company (US$'000)	**1,965**	2,471	8,713
Basic and diluted earnings per share	**US$0.018**	US$0.023	US$0.080

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

7. Dividends

	3 months ended 31/3/2019	3 months ended 31/3/2018	Year ended 31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
2018 interim dividend, declared of US$0.023 per share	**-**	-	2,513
2018 final dividend, declared of US$0.023 per share	**-**	-	2,513
	-	-	5,026

The final dividend for year 2018 was approved by the Company's shareholders on the annual general meeting held on 15 May 2019. Such dividend will be paid to the shareholders of the Company in early June 2019.

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 31 March 2019.

8. Investment properties

	31/3/2019	31/3/2018	31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
At 1 January	**24,333**	15,632	15,632
Additions	**4,330**	-	8,774
Change in fair value	**-**	-	(73)
	28,663	15,632	24,333

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

The Group entered into a provisional agreement for sale and purchase with the vendor in respect of the acquisition of an investment property at a consideration of HK$30,993,000 (approximately US$3,973,000) in November 2018. The investment property is a Grade A office asset located in one of the most sought after central business district of Hong Kong and is expected to generate steady and recurring stream of income for the Group. The completion date of the acquisition of the investment property was 31 January 2019 and the total costs capitalized was HK$33,773,000 (approximately US$4,330,000).

The investment properties of the Group were not revalued at 31 March 2019 by independent valuers. The management was aware of the possible change in the conditions of the property market and considered that the carrying amount of the Group's investment properties did not differ significantly from that which had been determined using fair values at 31 December 2018. Consequently, no increase or decrease in fair value of investment properties has been recognized in the current period.

9. Financial assets at fair value through OCI

	31/3/2019	31/3/2018	31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Unlisted equity investments			
Co-investment in a property project			
At 1 January	**4,551**	-	-
Additions	**68**	-	4,846
Change in fair value[1]	**2**	-	(295)
	4,621	-	4,551
Unlisted club membership			
At 1 January	**390**	376	376
Change in fair value[2]	**-**	(26)	14
	390	350	390
	5,011	350	4,941

Notes:

1. Items that will not be reclassified to profit or loss.

2. Items that may be reclassified subsequently to profit or loss.

Pursuant to the co-investment documents, a wholly owned subsidiary of the Company (the "Co-Investor") committed to acquire non-voting participating class A shares of the holding company of the co-investment vehicle of US$10,000,000. During the quarter, the Co-Investor paid US$68,000 (31/3/2018: nil) in accordance with the terms and conditions of the co-investment documents.

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 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.

10. Financial assets at fair value through profit or loss

	31/3/2019	31/3/2018	31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Held for trading			
Listed equity securities	**55,998**	20,565	34,928
Listed debt securities	**21,419**	4,380	4,355
	77,417	24,945	39,283
Designated as such upon initial recognition:			
Equity linked notes	**634**	2,107	560
	78,051	27,052	39,843

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 equity linked notes represented the quoted market prices on the underlying investments provided by financial institution 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.

11. Bank balances and cash

	31/3/2019	31/3/2018	31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**41,575**	15,618	49,268
Bank deposits with more than three months to maturity when placed	**-**	13,400	-
	41,575	29,018	49,268

12. Secured bank loans

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

	31/3/2019 (Unaudited)	31/3/2018 (Unaudited)	31/12/2018 (Audited)
	US$'000	*US$'000*	*US$'000*
Within one year	**53,099**	36,563	24,506
In the second year	**8,443**	38,053	8,434
In the third to fifth year	**41,736**	13,632	40,691
Wholly repayable within five years	**103,278**	88,248	73,631
After the fifth year	**13,349**	-	16,552
Total secured bank loans	**116,627**	88,248	90,183
Less: Amount repayable within one year	**(53,099)**	(36,563)	(24,506)
Amount repayable after one year	**63,528**	51,685	65,677

During the quarter, the Group had drawn new revolving loans of US$33,235,000 (31/3/2018: US$5,769,000) for working capital purpose.

13. Capital expenditures and commitments

During the quarter, capital expenditure on additions of property, plant and equipment was US$333,000 (31/3/2018: US$308,000) and on investment properties was US$4,330,000 (31/3/2018: nil).

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 3 of Shanghai Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Co-Investor committed to acquire non-voting participating class A shares of the holding company of the co-investment vehicle of US$10,000,000. During the quarter, the Co-Investor paid US$68,000 (31/3/2018: nil) in accordance with the terms and conditions of the co-investment documents and as at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US$5,105,000 (31/12/2018: US$5,173,000).

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 31/3/2019	3 months ended 31/3/2018	Year ended 31/12/2018
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Salaries and other benefits	**1,949**	1,680	7,246
Contributions to retirement benefits schemes	**111**	90	360
	2,060	1,770	7,606

15. Events after the reporting date

Subsequent to the reporting date, the Group entered into respective agreements on 23 April 2019 in respect of the acquisition of two Supramaxes at a total consideration of US$12,000,000. One of the vessels has been delivered to the Group on 23 May 2019.

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JINHUI

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