JINHUI SHIPPING AND TRANSPORTATION LIMITED

Second Quarter and Half Yearly Report 2021

Contents

HIGHLIGHTS

For the First Half of 2021

- Revenue for the period: US$48 million
- Net profit for the period: US$91million included reversal of impairment loss on owned vessels of US$65.5 million
- Basic earnings per share: US$0.831

For the Second Quarter of 2021

- Revenue for the quarter: US$32 million
- Net profit for the quarter: US$86 million included reversal of impairment loss on owned vessels of US$65.5 million
- Basic earnings per share: US$0.783
- Interim dividend per share: US$0.03

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 six months ended 30 June 2021.

SECOND QUARTER RESULTS

The Group reported a revenue for the second quarter of 2021 of US$31,902,000, representing an increase of 275% as compared to US$8,510,000 for the same quarter in 2020. The consolidated net profit for the quarter was US$85,502,000 as compared to a consolidated net loss of US$5,285,000 was reported in the second quarter of 2020. Basic earnings per share was US$0.783 for the second quarter of 2021 as compared to basic loss per share of US$0.048 for the corresponding quarter in 2020. The improved operating result for the quarter was primarily due to the strong rebound of market freight rates in dry bulk shipping sector in 2021 that leads to a significant increase in the chartering freight and hire revenue to US$31,902,000 for the second quarter of 2021 and the recognition of reversal of impairment loss on owned vessels of US$65,521,000 as at 30 June 2021.

HALF YEARLY RESULTS

Revenue for the first half of 2021 increased 171% to US$48,083,000, comparing to US$17,724,000 for the same period in 2020. The Company recorded a consolidated net profit of US$90,755,000 for the first half of 2021 while a consolidated net loss of US$23,656,000 was reported in the first half of 2020. The consolidated net profit is mainly attributable to the remarkable rebound in dry bulk shipping market as seaborne trade activities gradually recovered since late 2020 that leads to a significant increase in the chartering freight and hire revenue to US$48,083,000 for the six months period ended 30 June 2021 and the recognition of reversal of impairment loss on owned vessels of US$65,521,000 as at 30 June 2021. Basic earnings per share for the period was US$0.831 as compared to basic loss per share of US$0.217 for the first half of 2020.

INTERIM DIVIDEND

On 17 August 2021, the Board has resolved to declare the payment of an interim dividend of US$0.03 per share for the quarter ended 30 June 2021 and such dividend will be paid to the beneficial owners of the shares of the Company whose names are registered in the Norwegian Verdipapirsentralen (the Norwegian Registry of Securities) at the close of business on 31 August 2021. The Company's shares listed on the Oslo Stock Exchange will be traded including dividend up until and including 27 August 2021. The ex dividend date is 30 August 2021 and the dividend will be paid on or about 17 September 2021.

REVIEW OF OPERATIONS

Second Quarter of 2021. In the second quarter of 2021, the dry bulk shipping market further continued to trend upward due to strong vessels demands driven by the surge of global seaborne trade of steel and iron ores, grain, soybean and other agricultural commodities. Baltic Dry Index ("BDI") opened at 2,046 points at the beginning of April and rose to the peak of the quarter at 3,418 points and closed at 3,383 points by the end of June 2021. The average of BDI of the second quarter of 2021 was 2,793 points, which compares to 783 points in the same quarter in 2020.

Revenue for the second quarter of 2021 was US$31,902,000 representing an increase of 275% as compared to US$8,510,000 for the same quarter in 2020. The Group benefited from the strong rebound of market freight rates and the average daily time charter equivalent rates ("TCE") earned by the Group's owned vessels increased 266% to US$19,149 for the second quarter of 2021 as compared to US$5,229 for the corresponding quarter in 2020. The fleet utilization rate of the Group's owned vessels slightly dropped from 98% in the second quarter of 2020 to 97% in the second quarter of 2021.

Average daily TCE of owned vessels	**2021 Q2 *US$***	2020 Q2 *US$*	**2021 1st half *US$***	2020 1st half *US$*	2020 *US$*
Post-Panamax fleet	**12,250**	5,750	**12,250**	7,382	9,929
Supramax fleet	**20,000**	5,194	**15,182**	5,096	6,986
In average	**19,149**	5,229	**14,852**	5,293	7,269

Other operating income increased from US$3,891,000 for the second quarter of 2020 to US$5,258,000 for the second quarter of 2021 due to the Group recognized a fair value gain on investment properties of US$842,000 and net gain on bunker of US$502,000 arising from shipping operations in current quarter. Other operating income for the quarter also included net gain of US$1,635,000 on financial assets at fair value through profit or loss as comparing to US$2,259,000 for the corresponding quarter in 2020.

Shipping related expenses slightly decreased from US$10,113,000 for the second quarter of 2020 to US$9,632,000 for the current quarter as the bunker related expenses dropped from approximately US$2 million in the second quarter of 2020 to US$304,000 in the current quarter. The decrease in bunker related expenses was partially offset by the increase in crew wages due to inflation. The Group's daily vessel running cost increased to US$4,538 for the second quarter of 2021 as compared to US$4,185 for the second quarter of 2020 as crew wages rose due to inflation and certain initial running costs and expenses were incurred for a newly-delivered vessel in June 2021. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

Finance costs dropped from US$863,000 for the second quarter of 2020 to US$465,000 for the second quarter of 2021. The decrease was mainly attributable to the decrease in interest rate and the constant repayment of vessel mortgage loans as compared with that of the corresponding quarter in 2020.

First Half of 2021. Despite the COVID-19 pandemic has had a devastating economic impact to global economies, many countries launched effective track and trace systems, deployed coronavirus vaccination program, and rolled out of substantial economic stimulus measures. There are notable global economic rebounds in early 2021 and major financial markets soared, reflecting better corporate earnings and market conditions. Dry bulk shipping market showed strong sign of rebound amid global economic recovery. The market is supported by strong cargo flow that outpaced vessel supply. The surge of global seaborne trade of steel and iron ores, grain, soybean and other agricultural commodities, have driven market freight rates in an upward trend in 2021. The average of BDI for the first half of 2021 was 2,257 points, which compares to 685 points in the same period in 2020.

Revenue for the first half of 2021 increased 171% to US$48,083,000, comparing to US$17,724,000 for the first half of 2020 reflected in the average daily TCE earned by the Group's owned vessels, improving 181% to US$14,852 for the first half of 2021 as compared to US$5,293 for the corresponding period in 2020. Basic earnings per share for the period was US$0.831 as compared to basic loss per share of US$0.217 for the first half of 2020.

Other operating income increased from US$2,641,000 for the first half of 2020 to US$7,855,000 for the first half of 2021 due to the Group recognized a fair value gain on investment properties of US$842,000, net gain on bunker of US$1,893,000 arising from shipping operations in current period. Other operating income for the first half of 2021 also included net gain of US$1,822,000 on financial assets at fair value through profit or loss which comprised of a realized gain of US$1,945,000 upon disposal of certain equity and debt securities during the first half of 2021, and an unrealized fair value loss of US$123,000 on financial assets at fair value through profit or loss for the period as Asian financial markets rebounded moderately in late 2020 and 2021. We remain cautious with the increased volatility due to the geopolitical uncertainty, as well as the fluid outlook of interest rates.

For the first half of 2021, dry bulk shipping market had rebounded remarkedly reflected in the upsurge of market freight rates and significant increase in the market value of dry bulk vessels. The management considered that reversal of impairment indication of the Group's fleet existed as at 30 June 2021. With due considerations of factors affecting the long term intrinsic values of owned dry bulk vessels in the reversal of impairment review, the Group's owned vessels' recoverable amounts which are determined based on the value in use are significantly higher than their respective carrying amounts as at 30 June 2021. Accordingly, a reversal of impairment loss of US$65,521,000 on owned vessels classified in property, plant and equipment was recognized as at 30 June 2021 to reflect our change in the expectation on the long term global economic and the dry bulk shipping industry outlook which affect the assumptions applied in estimation of the value in use of our owned vessels.

Shipping related expenses decreased from US$21,476,000 for the first half of 2020 to US$16,544,000 for the first half of 2021. In the first half of 2020, there was bunker related expenses of US$7 million as a result of both price loss on bunker fuel on-board of the Group's owned vessels and an increase in bunker consumption due to positioning of owned vessels in between time charter contracts of vessels, whereas, in current period, there was bunker price gain on bunker fuel which was included in other operating income and the Group's bunker related expenses was only US$454,000. The decrease in bunker related expenses was partially offset by the increase in crew wages due to inflation. Daily vessel running cost slightly increased from US$3,823 for the first half of 2020 to US$4,152 for the first half of 2021 as crew wages rose due to inflation, coupled with certain initial running costs and expenses were incurred for two newly-delivered vessels in the first half of 2021. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

Other operating expenses decreased from US$9,808,000 for the first half of 2020 to US$2,014,000 for the first half of 2021 due to the Group recorded net loss of US$7,483,000 on financial assets at fair value through profit or loss for the first half of 2020. On the contrary, there was a net gain of US$1,822,000 on financial assets at fair value through profit or loss for the first half of 2021, which was included in other operating income.

FINANCIAL REVIEW

During the first half of 2021, capital expenditure on additions of property, plant and equipment was US$16,622,000 (30/6/2020: US$3,521,000).

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

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

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

On 20 May 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 52,686 metric tons at a purchase price of US$10,813,000, which will be delivered to the Group in August 2021. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US$8,650,000 (31/12/2020: nil).

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for was US$9,022,000 (31/12/2020: US$372,000). Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at the reporting date.

Subsequent to the reporting date, the Group entered into an agreement on 9 July 2021 in respect of the acquisition of a Supramax of deadweight 55,866 metric tons at a purchase price of US$15,180,000, which will be delivered to the Group on or before 20 October 2021.

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

The Group's total secured bank loans decreased from US$108,345,000 as of 31 December 2020 to US$100,013,000 as at 30 June 2021, of which 58%, 9% and 33% are repayable respectively within one year, one to two years and two to five years. During the first half of 2021, the Group had drawn new revolving loans and term loan of US$12,556,000 (30/6/2020: US$19,113,000) and repaid US$20,888,000 (30/6/2020: US$31,419,000). The bank borrowings represented vessel mortgage loans that were denominated in United States Dollars, revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars and United States Dollars. All bank borrowings were committed on floating rate basis.

During the first half of 2021, cash generated from operations before changes in working capital was US$29,728,000 (30/6/2020: cash used in operations before changes in working capital was US$17,491,000) and the net cash generated from operating activities after working capital changes was US$35,309,000 (30/6/2020: US$9,331,000). The changes in working capital are mainly attributable to the decrease in loan receivables due to certain borrowers chose to early repay respective loans, partially offset by the increase in equity and debt securities. During the first half of 2021, the Group's net gain on financial assets at fair value through profit or loss was US$1,822,000 (30/6/2020: net loss of US$7,483,000 on financial assets at fair value through profit or loss). The net gain of US$1,822,000 on financial assets at fair value through profit or loss comprised of a realized gain of US$1,945,000 upon disposal of certain equity and debt securities during the first half of 2021, and an unrealized fair value loss of US$123,000 on financial assets at fair value through profit or loss for the period. The aggregate interest income and dividend income from financial assets was US$2,834,000 (30/6/2020: US$3,334,000).

As at 30 June 2021, the Group maintained positive working capital position of US$48,187,000 (31/12/2020: US$28,503,000) and the total of the Group's equity and debt securities, bank balances and cash increased to US$107,819,000 (31/12/2020: US$73,220,000).

As at 30 June 2021, the gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, is not presented due to the increase in liquid assets that led to our net debts dropped below zero (31/12/2020: 15%). With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 30 June 2021, the Group is able to service its debt obligations, including principal and interest payments.

FLEET

Owned Vessels

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

	Number of owned vessels
Post-Panamax fleet	2
Supramax fleet	18
Total fleet	**20**

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

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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

So far, 2021 has been encouraging for our market, with robust freight rates driven by a general increase in demand for commodities worldwide.

While the outlook is positive and we see economic activity to further stabilize in 2021, we believe the road to a full reversion to normality will be fluid. As expected, COVID-19 variants do emerge sporadically, so measures to combat against the spread of virus can be introduced globally with little notice. As a result, logistics of the transportation of goods and commodities could be affected, causing disruptions to our operations.

Our two Post-Panamax vessels, after months of waiting to discharge of coal cargo at Chinese ports, have recently discharged their cargoes. Upon completion of docking and bottom cleaning, both vessels will soon be deployed back into the market at prevailing freight rates, which will mean further pick up in revenue and earnings.

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

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

With the Company operating against an encouraging operating environment and robust financial health, the Company has reinitiated the distribution of dividends this quarter. The Board of the Company will continuously review the dividend policy going forward, with the aim of returning steady capital to shareholders should the Company's financial position and future strategy allow.

On behalf of the Board of Directors of the Company, I would like to first express our heartfelt appreciation to the 400 seafarers who have continued to remain professional under an extremely challenging environment, as well as all customers and stakeholders for their ongoing support.

PUBLICATION OF FINANCIAL INFORMATION

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

By Order of the Board

Ng Siu Fai
Chairman

17 August 2021

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the half yearly report for the period from 1 January to 30 June 2021 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position and results of operations of the Group and that the half yearly report includes a fair review of the development and performance of the business and the position of the Group together with a description of the key principal risks and uncertainty factors that the Group faces.

17 August 2021

Ng Siu Fai
Chairman

Ng Kam Wah Thomas
Managing Director and Deputy Chairman

Ng Ki Hung Frankie
Executive Director

Ho Suk Lin Cathy
Executive Director

Tsui Che Yin Frank
Non-executive Director

William Yau
Non-executive Director

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**3 months ended 30/6/2021 (Unaudited) *US$'000***	3 months ended 30/6/2020 (Unaudited) *US$'000*	**6 months ended 30/6/2021 (Unaudited) *US$'000***	6 months ended 30/6/2020 (Unaudited) *US$'000*	Year ended 31/12/2020 (Audited) *US$'000*
Revenue	*2*	**31,902**	8,510	**48,083**	17,724	47,118
Other operating income	*3*	**5,258**	3,891	**7,855**	2,641	6,753
Interest income	*4*	**816**	1,195	**2,348**	2,624	4,957
Reversal of impairment loss on owned vessels	*5*	**65,521**	-	**65,521**	-	-
Shipping related expenses		**(9,632)**	(10,113)	**(16,544)**	(21,476)	(34,493)
Staff costs		**(2,952)**	(2,948)	**(5,934)**	(5,862)	(12,032)
Other operating expenses		**(995)**	(1,088)	**(2,014)**	(9,808)	(9,037)
Operating profit (loss) before depreciation and amortization		**89,918**	(553)	**99,315**	(14,157)	3,266
Depreciation and amortization		**(3,724)**	(3,869)	**(7,370)**	(7,543)	(15,168)
Operating profit (loss)		**86,194**	(4,422)	**91,945**	(21,700)	(11,902)
Finance costs		**(465)**	(863)	**(963)**	(1,956)	(3,117)
Profit (Loss) before taxation		**85,729**	(5,285)	**90,982**	(23,656)	(15,019)
Taxation	*7*	**(227)**	-	**(227)**	-	(233)
Net profit (loss) for the period / year		**85,502**	(5,285)	**90,755**	(23,656)	(15,252)
Other comprehensive income (loss)						
Items that will not be reclassified to profit or loss:						
Change in fair value of financial assets at fair value through OCI (non-recycling)		**766**	(419)	**766**	(293)	1,705
Items that may be reclassified subsequently to profit or loss:						
Change in fair value of financial assets at fair value through OCI (recycling)		**38**	-	**38**	-	5
Total comprehensive income (loss) for the period / year attributable to shareholders of the Company		**86,306**	(5,704)	**91,559**	(23,949)	(13,542)
Earnings (Loss) per share	*8*					
- Basic and diluted		**US$0.783**	US$(0.048)	**US$0.831**	US$(0.217)	US$(0.140)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30/6/2021 (Unaudited) *US$'000***	30/6/2020 (Unaudited) *US$'000*	31/12/2020 (Audited) *US$'000*
ASSETS				
Non-current assets				
Property, plant and equipment		**268,267**	201,999	194,093
Investment properties	*10*	**30,321**	30,138	29,479
Financial assets at fair value through OCI	*11*	**11,547**	8,037	10,743
Loan receivables	*12*	**11,997**	30,684	28,131
Deposit paid for the acquisition of owned vessel		**2,163**	-	-
		324,295	270,858	262,446
Current assets				
Inventories		**875**	1,619	780
Loan receivables	*12*	**2,243**	11,843	5,227
Trade and other receivables		**11,711**	8,413	12,919
Financial assets at fair value through profit or loss	*13*	**56,058**	38,572	40,033
Pledged deposits		**4,844**	5,177	5,941
Bank balances and cash		**52,033**	32,603	33,438
Assets held for sale		**-**	-	5,380
		127,764	98,227	103,718
Total assets		**452,059**	369,085	366,164
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital		**5,463**	5,463	5,463
Reserves		**325,256**	223,290	233,697
Total equity		**330,719**	228,753	239,160
Non-current liabilities				
Secured bank loans	*14*	**41,763**	60,820	51,789
Current liabilities				
Trade and other payables		**21,197**	18,616	18,510
Amount due to holding company		**130**	107	149
Secured bank loans	*14*	**58,250**	60,789	56,556
		79,577	79,512	75,215
Total equity and liabilities		**452,059**	369,085	366,164

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Capital redemption reserve	Contributed surplus	Revaluation reserve	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 2020	5,463	95,585	719	16,297	476	(952)	135,114	252,702
Comprehensive loss								
Net loss for the period	-	-	-	-	-	-	(23,656)	(23,656)
Other comprehensive loss								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(293)	-	(293)
Total comprehensive loss for the period	-	-	-	-	-	(293)	(23,656)	(23,949)
At 30 June 2020	5,463	95,585	719	16,297	476	(1,245)	111,458	228,753
At 1 January 2021	5,463	95,585	719	16,297	476	758	119,862	239,160
Comprehensive income								
Net profit for the period	-	-	-	-	-	-	90,755	90,755
Other comprehensive income								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	804	-	804
Total comprehensive income for the period	-	-	-	-	-	804	90,755	91,559
At 30 June 2021	**5,463**	**95,585**	**719**	**16,297**	**476**	**1,562**	**210,617**	**330,719**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30/6/2021 (Unaudited)	6 months ended 30/6/2020 (Unaudited)	Year ended 31/12/2020 (Audited)
	US$'000	*US$'000*	*US$'000*
OPERATING ACTIVITIES			
Cash generated from (used in) operations before changes in working capital	**29,728**	(17,491)	(3,223)
Decrease in working capital	**6,568**	28,874	33,812
Cash generated from operations	**36,296**	11,383	30,589
Interest paid	**(987)**	(2,052)	(3,299)
Net cash from operating activities	**35,309**	9,331	27,290
INVESTING ACTIVITIES			
Interest received	**2,565**	3,004	5,466
Dividend income received	**486**	664	1,178
Purchase of property, plant and equipment	**(16,622)**	(3,521)	(8,890)
Proceeds from disposal of property, plant and equipment, net	**875**	-	-
Payment of unlisted equity investments	**-**	(1,420)	(2,123)
Deposit paid for the acquisition of owned vessel	**(2,163)**	-	-
Proceeds from disposal of assets held for sale, net	**5,380**	-	-
Net cash used in investing activities	**(9,479)**	(1,273)	(4,369)
FINANCING ACTIVITIES			
New secured bank loans	**12,556**	19,113	19,113
Repayment of secured bank loans	**(20,888)**	(31,419)	(44,683)
Decrease in pledged deposits	**1,097**	3,260	2,496
Net cash used in financing activities	**(7,235)**	(9,046)	(23,074)
Net increase (decrease) in cash and cash equivalents	**18,595**	(988)	(153)
Cash and cash equivalents at beginning of the period / year	**33,438**	33,591	33,591
Cash and cash equivalents at end of the period / year	**52,033**	32,603	33,438

NOTES :

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and have been reviewed by our auditor, Grant Thornton Hong Kong Limited. The accounting policies and basis of preparation adopted in these interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2020, except for the Group has adopted the amended International Financial Reporting Standards ("IFRS") and Hong Kong Financial Reporting Standards ("HKFRS"), which are effective for the annual period beginning on 1 January 2021. The adoption of the amended IFRSs and HKFRSs does not have material impact on the Group's financial performance and financial position for the current and prior periods have been prepared and presented.

2. Revenue

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

	3 months ended 30/6/2021	3 months ended 30/6/2020	**6 months ended 30/6/2021**	6 months ended 30/6/2020	Year ended 31/12/2020
	(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[1]	**31,902**	7,126	**48,083**	15,636	45,030
Freight income under voyage charters[2]	**-**	1,384	**-**	2,088	2,088
	31,902	8,510	**48,083**	17,724	47,118

Notes:

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.

2. Freight income under voyage charter is accrued over the period from the date of loading of charterer's cargo to the date of discharging the cargo and is recognized on percentage of completion basis measured by time proportion of each voyage charter contract.

3. Other operating income

	3 months ended 30/6/2021 (Unaudited) *US$'000*	3 months ended 30/6/2020 (Unaudited) *US$'000*	6 months ended 30/6/2021 (Unaudited) *US$'000*	6 months ended 30/6/2020 (Unaudited) *US$'000*	Year ended 31/12/2020 (Audited) *US$'000*
Net gain on bunker arising from shipping operations	**502**	-	**1,893**	-	-
Other shipping operating income	**1,046**	629	**1,716**	1,449	2,663
Gross rental income from operating leases on investment properties	**111**	142	**248**	281	556
Net gain on financial assets at fair value through profit or loss	**1,635**	2,259	**1,822**	-	-
Dividend income	**449**	663	**486**	710	1,249
Change in fair value of investment properties	**842**	-	**842**	-	-
Net gain on disposal of property, plant and equipment	**278**	-	**278**	-	-
Reversal of impairment loss on trade and other receivables, net	**-**	-	**114**	-	1,351
Settlement income in relation to repudiation claims	**-**	-	**-**	-	205
COVID-19 related government subsidies	**-**	-	**-**	-	454
Sundry income	**395**	198	**456**	201	275
	5,258	3,891	**7,855**	2,641	6,753

4. Interest income

	3 months ended 30/6/2021 (Unaudited) *US$'000*	3 months ended 30/6/2020 (Unaudited) *US$'000*	6 months ended 30/6/2021 (Unaudited) *US$'000*	6 months ended 30/6/2020 (Unaudited) *US$'000*	Year ended 31/12/2020 (Audited) *US$'000*
Interest income in respect of:					
Financial assets at fair value through profit or loss	**156**	210	**959**	595	1,287
Deposits with banks and other financial institutions	**4**	51	**12**	141	173
Loan receivables	**656**	934	**1,377**	1,888	3,497
	816	1,195	**2,348**	2,624	4,957

5. Reversal of impairment loss on owned vessels

For the first half of 2021, dry bulk shipping market had rebounded remarkedly reflected in the upsurge of market freight rates and significant increase in the market value of dry bulk vessels. The management considered that reversal of impairment indication of the Group's fleet existed as at 30 June 2021. With due considerations of factors affecting the long term intrinsic values of owned dry bulk vessels in the reversal of impairment review, the Group's owned vessels' recoverable amounts which are determined based on the value in use are significantly higher than their respective carrying amounts as at 30 June 2021. The value in use of owned vessels is estimated based on estimated future cash flows projections from the continuous use of such vessels. Key assumptions applied in value in use calculation mainly included discount rate and hire rates earned by each vessel as the value in use is most sensitive to the changes in these two factors. The net cash flow also reflected the estimated drydocking and special surveys costs and vessels operating expenses. Key assumptions applied to the first five-year period in the estimated future cash flows projections from the continuous use of such vessels and cash flows beyond the five-year period are extrapolated using the zero growth rate.

The hire rates applied in the reversal of impairment test on owned vessels were based on management's best estimation, taking into consideration of historical performances, market research data and market expectation. The hire rates would have a 2% growth for the first five-year period and cash flows beyond the five-year period are extrapolated using the zero growth rate.

The discount rate applied to the value in use calculation on owned vessels was 8.5%, which was a pre-tax rate that reflected current market assessments of time value of money and the risks specific to the assets.

Accordingly, a reversal of impairment loss of US$65,521,000 on owned vessels classified in property, plant and equipment was recognized as at 30 June 2021 to reflect our change in the expectation on the long term global economic and the dry bulk shipping industry outlook which affect the assumptions applied in estimation of the value in use of our owned vessels.

6. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 30/6/2021	3 months ended 30/6/2020	**6 months ended 30/6/2021**	6 months ended 30/6/2020	Year ended 31/12/2020
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Realized gain on financial assets at fair value through profit or loss	**(303)**	(23)	**(1,945)**	(332)	(1,159)
Unrealized loss (gain) on financial assets at fair value through profit or loss	**(1,332)**	(2,236)	**123**	7,815	5,059
Net loss (gain) on financial assets at fair value through profit or loss	**(1,635)**	(2,259)	**(1,822)**	7,483	3,900
Change in fair value of investment properties	**(842)**	-	**(842)**	-	659
Reversal of impairment loss on owned vessels	**(65,521)**	-	**(65,521)**	-	-
Reversal of impairment loss on trade and other receivables, net	**-**	-	**(114)**	-	(1,351)
Net gain on disposal of property, plant and equipment	**(278)**	-	**(278)**	-	-
Impairment loss on assets held for sale	**-**	-	**-**	-	270

7. Taxation

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

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

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

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

	3 months ended 30/6/2021	3 months ended 30/6/2020	**6 months ended 30/6/2021**	6 months ended 30/6/2020	Year ended 31/12/2020
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Hong Kong Profits Tax	**227**	-	**227**	-	233

8. Earnings (Loss) per share

	3 months ended 30/6/2021	3 months ended 30/6/2020	**6 months ended 30/6/2021**	6 months ended 30/6/2020	Year ended 31/12/2020
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
Weighted average number of ordinary shares in issue	**109,258,943**	109,258,943	**109,258,943**	109,258,943	109,258,943
Net profit (loss) attributable to shareholders of the Company (US$'000)	**85,502**	(5,285)	**90,755**	(23,656)	(15,252)
Basic and diluted earnings (loss) per share	**US$0.783**	US$(0.048)	**US$0.831**	US$(0.217)	US$(0.140)

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

9. Interim dividend

On 17 August 2021, the Board has resolved to declare the payment of an interim dividend of US$0.03 per share for the quarter ended 30 June 2021 and such dividend will be paid to the beneficial owners of the shares of the Company whose names are registered in the Norwegian Verdipapirsentralen (the Norwegian Registry of Securities) at the close of business on 31 August 2021. The Company's shares listed on the Oslo Stock Exchange will be traded including dividend up until and including 27 August 2021. The ex dividend date is 30 August 2021 and the dividend will be paid on or about 17 September 2021. The declare of interim dividend for the quarter ended 30 June 2021 has not been recognized as a liability at the end of the reporting period and will be payable in cash.

10. Investment properties

	30/6/2021	30/6/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
At 1 January	**29,479**	30,138	30,138
Change in fair value	**842**	-	(659)
	30,321	30,138	29,479

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

At the reporting date, the fair values of the Group's investment properties were determined by Centaline Surveyors Limited and CBRE Limited, independent qualified professional valuers, on direct comparison approach with reference to comparable transactions available in the relevant locality. The fair value measurement of these investment properties was categorized as Level 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period.

11. Financial assets at fair value through OCI

	30/6/2021	30/6/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Unlisted equity investments			
Co-investment in a property project			
At 1 January	**10,373**	6,545	6,545
Additions	**-**	1,420	2,123
Addition of investment under Special Capital Call[3]	**-**	4,277	4,277
Disposal of investment under share repurchase scheme[4]	**-**	(4,277)	(4,277)
Change in fair value[1]	**766**	(293)	1,705
	11,139	7,672	10,373
Unlisted club membership			
At 1 January	**370**	365	365
Change in fair value[2]	**38**	-	5
	408	365	370
	11,547	8,037	10,743

Notes:

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

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

3. In early February 2020, a wholly owned subsidiary of the Company (the "Co-Investor") provided additional US$4,276,915 as co-investment supplemental capital call pursuant to a supplemental memorandum (the "Memorandum") signed on 31 January 2020 for acquiring 4,276,915 issued non-voting participating class A shares of Dual Bliss Limited (the "Co-Investment Supplemental Capital Call"). This Co-Investment Supplemental Capital Call was required for all shareholders of Dual Bliss Limited ("Dual Bliss") and all other investors of the co-investment in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Tower A" or previously named as "T3 Property") on a pro rata basis for the purpose of temporarily funding the unwinding of intercompany loan receivable/payable of the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the co-investment vehicle by the special funding (the "Special Fund") from this Co-Investment Supplemental Capital Call in order to obtain banking facilities under PRC regulations for the co-investment. The unwinding exercise was a condition precedent for the bank loan drawdown.

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

4. In March 2020, the Co-Investor received a total of US$4,276,915 under the share repurchase scheme and those 4,276,915 issued non-voting participating class A shares of Dual Bliss under the Co-Investment Supplemental Capital Call had been repurchased and cancelled.

5. In March 2021, the Co-Investor together with other co-investors signed an unsecured subordinated shareholder loan agreement with Triple Smart Limited, a special purpose vehicle invested by Dual Bliss, for the purposes of funding the operating expenditure of Tower A and the Co-Investor agreed to provide a maximum amount of advance up to US$1,577,000. As of 30 June 2021, no amount of advance was drawdown.

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

There is no quoted market price in active market for unlisted equity investments. Transactions in such investments do not occur on a regular basis. The Group uses its net asset value (representing the fair value of the equity instruments reported by Phoenix Property Investors Limited, the Investment Manager) to determine its fair value as the Group determined that this is the fair price at which shareholders subscribe and redeem the investments or determined its fair value with generally accepted pricing models. The fair value measurement of unlisted equity investments was categorized as Level 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the periods / year.

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

12. Loan receivables

	30/6/2021	30/6/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
At 1 January	**33,358**	44,935	44,935
Repayment	**(19,118)**	(2,408)	(11,577)
Provision of individual impairment	**-**	-	-
Loan receivables, net of provision	**14,240**	42,527	33,358
Less: Amount receivable within one year	**(2,243)**	(11,843)	(5,227)
Amount receivable after one year	**11,997**	30,684	28,131

The Group's loan receivables, which arise from asset-based financing, are denominated in United States Dollars and are secured by collaterals provided by the borrowers, and are repayable with fixed terms agreed with the borrowers. The Group generally grants loans with a loan-to-value ratio of no more than 70% of the value in the valuation report of the vessels held as collateral. The directors consider that the credit risk arising from loan receivables is significantly mitigated by the vessels held as collateral, with reference to the market values of the vessels which were appraised by independent qualified appraisal firms. During the first half of 2021, certain borrowers chose to early repay respective loans and such repayments led to a decrease in loan receivables as at the reporting date.

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

13. Financial assets at fair value through profit or loss

	30/6/2021	30/6/2020	31/12/2020
	(Unaudited)	(Unaudited)	(Audited)
	US$'000	*US$'000*	*US$'000*
Held for trading			
Listed equity securities	**50,173**	29,309	34,041
Listed debt securities	**4,653**	9,032	5,741
Unlisted debt securities	**960**	-	-
	55,786	38,341	39,782
Designated as such upon initial recognition			
Investment funds	**272**	231	251
	56,058	38,572	40,033

At the reporting date, the fair value measurements of listed equity securities and listed debt securities were determined by reference to their quoted bid prices in active markets and were categorized as Level 1 and the fair value measurements of unlisted debt securities and investment funds represented the quoted market prices on the underlying investments provided by financial institutions and were categorized as Level 2 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the periods / year.

14. Secured bank loans

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

	30/6/2021 (Unaudited)	30/6/2020 (Unaudited)	31/12/2020 (Audited)
	US$'000	*US$'000*	*US$'000*
Within one year	**58,250**	60,789	56,556
In the second year	**8,516**	15,282	14,320
In the third to fifth year	**33,247**	45,538	37,469
Wholly repayable within five years	**100,013**	121,609	108,345
After the fifth year	**-**	-	-
Total secured bank loans	**100,013**	121,609	108,345
Less: Amount repayable within one year	**(58,250)**	(60,789)	(56,556)
Amount repayable after one year	**41,763**	60,820	51,789

During the six months ended 30 June 2021, the Group had drawn new revolving loans and term loan of US$12,556,000 (30/6/2020: US$19,113,000) and repaid US$20,888,000 (30/6/2020: US$31,419,000).

15. Capital expenditures and commitments

During the first half of 2021, capital expenditure on additions of property, plant and equipment was US$16,622,000 (30/6/2020: US$3,521,000).

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

On 20 May 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 52,686 metric tons at a purchase price of US$10,813,000, which will be delivered to the Group in August 2021. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US$8,650,000 (31/12/2020: nil).

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for was US$9,022,000 (31/12/2020: US$372,000). Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at the reporting date.

16. Related party transactions

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

	3 months ended 30/6/2021	3 months ended 30/6/2020	**6 months ended 30/6/2021**	6 months ended 30/6/2020	Year ended 31/12/2020
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	(Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Salaries and other benefits	**1,941**	1,941	**3,894**	3,883	7,781
Contributions to retirement benefits schemes	**111**	111	**222**	222	443
	2,052	2,052	**4,116**	4,105	8,224

17. Events after the reporting date

Subsequent to the reporting date, the Group entered into an agreement on 9 July 2021 in respect of the acquisition of a Supramax of deadweight 55,866 metric tons at a purchase price of US$15,180,000, which will be delivered to the Group on or before 20 October 2021.

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Independent auditor's report on review of condensed consolidated interim financial information
To the Board of Directors of Jinhui Shipping and Transportation Limited
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated interim financial statements of Jinhui Shipping and Transportation Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 11 to 26, which comprise the condensed consolidated statement of financial position as at 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" and International Accounting Standard 34 "Interim Financial Reporting".

Grant Thornton Hong Kong Limited
Certified Public Accountants
Level 12
28 Hennessy Road, Wanchai
Hong Kong

17 August 2021

Kwong Kam Wing Kelvin
Practising Certificate No.: P05373

Jinhui Shipping and Transportation Limited

Registered office:

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

Correspondence address:

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

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

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