JINHUI

JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is made by Jinhui Holdings Company Limited in compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

The information set out below is an announcement released on 20 November 2006 through Oslo Stock Exchange by Jinhui Shipping and Transportation Limited ("Jinhui Shipping" or defined as the "Company" below), an approximately 50.21% owned subsidiary of Jinhui Holdings Company Limited, in accordance with the regulations of the Oslo Stock Exchange.

"JINHUI SHIPPING AND TRANSPORTATION LIMITED –
INTERIM RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2006

HIGHLIGHTS FOR THE THIRD QUARTER OF 2006:

- Turnover decreased 24% to US$36.9 million
- Net profit amounted to US$3.2 million
- Basic earnings per share: US$0.0382
- Gearing ratio as at 30 September 2006: 42%

The Board of Directors of **Jinhui Shipping and Transportation Limited (the "Company")** is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the quarter and nine months ended 30 September 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended 30/9/2006 (Unaudited) *US$'000*	3 months ended 30/9/2005 (Unaudited) *US$'000*	**9 months ended 30/9/2006 (Unaudited) *US$'000***	9 months ended 30/9/2005 (Unaudited) *US$'000*	Year ended 31/12/2005 (Audited) *US$'000*
Turnover	**36,866**	48,391	**107,920**	166,265	214,460
Gain on disposal of motor vessels	**2,026**	–	**26,294**	–	–
Cancellation fee income	**–**	–	**–**	20,000	20,000
Other operating income	**586**	1,597	**2,680**	6,358	10,932
Shipping related expenses	**(26,408)**	(29,696)	**(73,387)**	(87,880)	(121,661)
Depreciation and amortization	**(2,742)**	(3,322)	**(9,668)**	(8,414)	(11,634)
Staff costs	**(753)**	(1,227)	**(4,638)**	(3,734)	(5,562)
Other operating expenses	**(4,720)**	(1,693)	**(9,432)**	(4,350)	(7,141)
Profit from operations	**4,855**	14,050	**39,769**	88,245	99,394
Interest income	**317**	244	**659**	1,059	1,283
Interest expenses	**(1,958)**	(1,461)	**(6,307)**	(3,049)	(4,877)
Profit before taxation	**3,214**	12,833	**34,121**	86,255	95,800
Taxation	**–**	–	**–**	–	–
Net profit for the period/ year attributable to shareholders of the Company	**3,214**	12,833	**34,121**	86,255	95,800
Dividends	**–**	840	**–**	22,692	28,744
Basic earnings per share *(US$)*	**0.0382**	0.1527	**0.4060**	1.0263	1.1399

CONDENSED CONSOLIDATED BALANCE SHEET

	30/9/2006 (Unaudited) *US$'000*	30/9/2005 (Unaudited) *US$'000*	31/12/2005 (Audited) *US$'000*
Property, plant and equipment	**291,316**	266,416	290,031
Available-for-sale financial assets	**3,570**	3,327	3,570
Other non-current assets	**1,383**	1,020	853
Current assets	**82,159**	65,769	49,901
Total assets	**378,428**	336,532	344,355
Capital and reserves	**211,777**	171,964	181,216
Non-current liabilities	**129,098**	108,275	128,552
Current liabilities	**37,553**	56,293	34,587
Total equity and liabilities	**378,428**	336,532	344,355

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2006.

REVIEW OF OPERATIONS

The freight rates continued to rise during the quarter. The main reason for the strong market is the continued increase in Chinese steel production and iron ore trades in China and Europe. The Baltic Dry Index increased 980 points to close at 3,944 by the end of September 2006.

The Group's turnover for the quarter decreased by 24% over last corresponding quarter to US$36,866,000. The Group managed to report a net profit of US$3,214,000 for the quarter as compared to the net profit of US$12,833,000 for last corresponding quarter; representing a decrease of 75% over last corresponding quarter. Basic earnings per share for the quarter was US$0.0382 as compared to basic earnings per share of US$0.1527 for last corresponding quarter.

The Group's profit for the quarter was partly attributed to the gain of US$2,026,000 on the completion of the disposal of the motor vessel "Jin Bi". However, it was partly offset by the operating loss of two Capesize vessels chartered-in by the Group since mid 2005 at comparatively high costs at the then prevailing market condition and the unrealized loss on fair value adjustments of the outstanding forward foreign exchange contracts and options.

The Group has committed certain time charter parties previously to charter out its vessels at later time but at the then prevailing market rates when the freight rates were at a much lower level as compared to the current spot market. Though the freight rates rose over the past few months, the overall shipping revenue of the Group for the quarter still lagged behind the spot market. The Board expects that this situation will be improved gradually by the forthcoming quarter.

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

	2006 3rd quarter *US$*	2005 3rd quarter *US$*	**2006 1st nine months *US$***	2005 1st nine months *US$*	2005 *US$*
Capesize	**38,350**	31,043	**35,769**	47,703	44,806
Panamax	**19,418**	23,341	**19,413**	30,622	28,400
Handymax	**20,094**	23,014	**18,917**	25,181	24,174
Handysize	**11,220**	10,259	**10,514**	15,685	14,811
In average	**21,220**	22,773	**20,030**	27,862	26,375

In addition, the Group's other operating expenses increased by US$3,027,000 as compared to last corresponding quarter mainly due to the unrealized loss on fair value adjustments of the outstanding forward foreign exchange contracts and options as at the quarter ended 30 September 2006. The Group has entered into forward foreign exchange contracts and options in relation to Japanese Yen during year 2006 so as to mitigate the Group's exposure in Japanese Yen in connection with the acquisition of newbuilding vessels.

As an ongoing effort to maintain a young modern fleet and putting its focus on the ownership of a sizeable Handymax fleet, the Group entered into agreements during the quarter to acquire two Handymax newbuildings and three second hand Handymax vessels for a total consideration of US$172,200,000.

On 15 September 2006, a newly built Handymax vessel "Jin Sheng" was delivered to the Group as scheduled.

The Company agreed to guarantee in favour of Best Shipping Ltd. the performance of the obligations of Bocimar Hong Kong Limited under an agreement dated 15 September 2006 regarding the sale of a vessel from Best Shipping Ltd. to Bocimar Hong Kong Limited for a consideration of US$33,300,000. The negotiations for the acquisition of the said vessel were initially undertaken by the Company on behalf of Bocimar Hong Kong Limited and to avoid undue delays in finalizing the transaction if the Company were not to be included as a party to the agreement, the Company agreed to act as guarantor with the support of a counter guarantee provided by Bocimar International NV, the holding company of Bocimar Hong Kong Limited, in favour of the Company and in view of the possible co-operation with Bocimar International NV and the potential business opportunities that may be available to the Group from such co-operation. The Group intends to co-operate with Bocimar International NV to jointly expand their presence in dry bulk shipping business with a focus in Handymax tonnage and with a view to generate additional operating income for the Group. The Company and Bocimar International NV are currently in talks on the manner of the co-operation but no concrete details have been concluded.

FINANCIAL REVIEW

During the nine months ended 30 September 2006, upon receiving the net sale proceeds on completion of the disposal of five motor vessels and offset by cash used to partially finance the delivery of two additional vessels, the total of the Group's equity securities, equity linked investments, bank deposits with embedded derivatives, bank balances and cash increased to US$54,293,000 (31 December 2005: US$28,800,000) and bank borrowings increased to US$142,988,000 (31 December 2005: US$142,006,000) as at 30 September 2006. The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, equity linked investments, bank deposits with embedded derivatives, cash and cash equivalents) over total equity, was 42% as at 30 September 2006 (31 December 2005: 62%).

Out of the Group's capital expenditures totalling US$82,612,000 for the period ended 30 September 2006 (year ended 31 December 2005: US$150,408,000), approximately US$82,099,000 (year ended 31 December 2005: US$150,239,000) was spent on the construction of the Group's vessels.

As at 30 September 2006, the total amount of capital commitments contracted by the Group but not provided for, net of deposits paid, was US$207,835,000 and JPY12,276,000,000, representing the Group's outstanding commitments to acquire seven newbuildings and four second hand vessels.

OUTLOOK

Subsequent to the period ended 30 September 2006, the Group further entered into agreements to acquire three Handymax newbuildings for a total consideration of US$32,640,000 and JPY6,840,000,000. The total capacity of the Group's fleet is now around deadweight 1.4 million metric tons comprising ten owned vessels and ten chartered-in vessels, and approximately 99% of the Group's revenue days in 2006 have been covered. In addition, the Group will have additional ten newly built vessels and four second hand vessels for delivery going forward, where two of which will be delivered in 2006, four in 2007, three in 2008, two in 2009, and three in 2010.

Subsequent to the period ended 30 September 2006, the freight rates continue to rise. The Baltic Dry Index further increased to around 4,100 during mid November 2006. Given that majority of the outstanding time charter parties for chartering out its vessels which have been committed by the Group previously will be unwound in the forthcoming quarter, the Board believes that the shipping revenue and the overall performance of the Group for the coming months will be gradually improved as compared to the previous quarters in 2006.

The freight rates should continue at firm level in the near future. The Group will continue to focus on improving efficiency, reducing operating costs and remain conscious to the changing market conditions in mapping out its business and investment strategies."

The principal accounting policies and methods of computation used in the preparation of the above unaudited consolidated results of Jinhui Shipping and its subsidiaries are in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

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.

By Order of the Board
Jinhui Holdings Company Limited
Ng Siu Fai
Chairman

Hong Kong, 20 November 2006

Please also refer to the published version of this announcement in China Daily.