JINHUI

JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

2007 RESULTS ANNOUNCEMENT

HIGHLIGHTS FOR YEAR 2007:

- Turnover increased 66% to HK$2,575.8 million
- Net profit attributable to shareholders increased 65% to HK$367.7 million
- Basic earnings per share: HK$0.704
- Proposed final dividend per share: HK$0.06

The board of directors (the "Board" or the "Directors") of **Jinhui Holdings Company Limited (the "Company")** is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 together with comparative figures in 2006 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Note	2007	2006
		HK$'000	*HK$'000*
Turnover	*2*	**2,575,790**	1,550,763
Gain on disposal of motor vessel(s)	*3*	**158,004**	209,673
Other operating income		**91,250**	61,733
Shipping related expenses		**(1,065,290)**	(782,717)
Cost of trading goods sold		**(243,405)**	(297,149)
Depreciation and amortization		**(173,854)**	(111,298)
Staff costs		**(80,728)**	(83,833)
Net loss on financial assets and financial liabilities at fair value through profit or loss	*4*	**(363,850)**	-
Other operating expenses		**(86,871)**	(70,095)
Profit from operations	*2*	**811,046**	477,077
Interest income		**28,761**	20,067
Interest expenses		**(165,961)**	(76,052)
Profit before taxation		**673,846**	421,092
Taxation	*5*	**(2,154)**	(2,796)
Net profit for the year		**671,692**	418,296
Attributable to:			
Shareholders of the Company		**367,724**	223,192
Minority interest		**303,968**	195,104
		671,692	418,296
Dividends	*6*	**31,198**	-
Earnings per share for net profit attributable to shareholders of the Company			
- Basic	*7*	**HK$0.704**	HK$0.421
- Diluted	*7*	**HK$0.641**	HK$0.418

CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Note	2007 HK$'000	2006 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**5,748,017**	2,984,636
Investment properties		**30,010**	32,314
Goodwill		**39,040**	39,040
Available-for-sale financial assets		**12,975**	37,763
Intangible assets		**2,590**	1,555
Other non-current asset		**-**	11,695
		5,832,632	3,107,003
Current assets			
Inventories		**16,590**	13,591
Trade and other receivables	*8*	**211,452**	250,160
Financial assets at fair value through profit or loss		**70,812**	182,694
Pledged deposits		**55,938**	70,273
Bank balances and cash		**572,756**	368,050
		927,548	884,768
Current liabilities			
Trade and other payables	*9*	**306,328**	189,307
Financial liabilities at fair value through profit or loss		**35,444**	33,379
Taxation		**950**	2,432
Secured bank loans		**720,405**	175,951
		1,063,127	401,069
Net current (liabilities) assets		**(135,579)**	483,699
Total assets less current liabilities		**5,697,053**	3,590,702
Non-current liabilities			
Secured bank loans		**2,965,787**	1,430,965
Net assets		**2,731,266**	2,159,737
EQUITY			
Equity attributable to shareholders of the Company			
Share capital		**51,996**	52,538
Reserves		**1,549,486**	1,248,579
		1,601,482	1,301,117
Minority interest		**1,129,784**	858,620
Total equity		**2,731,266**	2,159,737

Notes:

1. Basis of preparation and accounting policies

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies adopted in the current year are consistent with those of the last year except that the Group has adopted the HKFRS 7, Financial Instruments: Disclosures and the amendment to HKAS 1, Presentation of Financial Statements: Capital Disclosures that are effective for accounting periods beginning on or after 1 January 2007. Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognized in the Group's financial statements.

The financial statements have been prepared on a going concern basis notwithstanding the net current liabilities as of 31 December 2007. Taking into due consideration of the existing and available long term credit facilities, cash, and marketable equity and debt securities as well as continuing revenue from profitable operation, the directors are satisfied that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

2. Segment information

An analysis of the Group's turnover and profit (loss) from operations by principal activities is as follows:

	Turnover		**Profit (Loss) from operations**	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Chartering freight and hire	**2,311,026**	1,218,001	**1,184,648**	468,369
Trading	**264,764**	332,762	**4,708**	16,241
Other operations	**-**	-	**(378,310)**	(7,533)
	2,575,790	1,550,763	**811,046**	477,077

The Group's chartering freight and hire business is carried out internationally and cannot be attributable to any particular geographical location. During the year, about 73% (2006: 83%) and 25% (2006: 11%) of the Group's trading business was carried out in Hong Kong and China respectively. The Group's other operations comprised investment holding, property investments, equity and debt securities, equity linked investments and foreign currency transactions which were mainly carried out in Hong Kong in both years.

3. Gain on disposal of motor vessel(s)

The amount for the year represented the gain on completion of the disposal of one (2006: five) motor vessel(s).

4. Net loss on financial assets and financial liabilities at fair value through profit or loss

The amount for the year represented the net loss on financial assets and financial liabilities at fair value through profit or loss mainly due to the loss on forward foreign exchange contracts and options against Japanese Yen during the year ended 31 December 2007.

5. Taxation

	2007	2006
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
Current year	**(2,133)**	(2,796)
Under provision in prior years	**(21)**	-
	(2,154)	(2,796)

Hong Kong Profits Tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the year. In the opinion of the Directors, a substantial portion of the Group's income neither arose in nor was derived from Hong Kong and therefore was not subject to Hong Kong Profits Tax. The Group is also not subject to taxation in any other jurisdictions in which the Group operates.

6. Dividends

The Board has resolved to recommend the payment of a final dividend of HK$0.06 (2006: nil) per share for the year ended 31 December 2007 after the balance sheet date. The proposed final dividend for 2007 will be accounted for as an appropriation of retained profits in the year ending 31 December 2008 if it is approved at the forthcoming annual general meeting of the Company. There was no interim dividend declared in the year (2006: nil).

7. Earnings per share

The calculation of basic earnings per share for the year is based on the net profit attributable to shareholders of the Company for the year of HK$367,724,000 (2006: HK$223,192,000) and the weighted average number of 522,618,116 (2006: 529,673,508) ordinary shares in issue during the year.

The calculation of diluted earnings per share for the year is based on the net profit attributable to shareholders of the Company for the year of HK$367,724,000 (2006: HK$223,192,000). The weighted average number of ordinary shares used in the calculation is 522,618,116 (2006: 529,673,508) ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average of 51,195,651 (2006: 4,208,112) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the year.

8. Trade and other receivables

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**79,328**	84,610
Prepayments, deposits and other receivables	**132,124**	165,550
	211,452	250,160

The aging analysis of trade receivables (net of provision for doubtful debts) is as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 3 months	**64,579**	58,362
Over 3 months but within 6 months	**13,084**	22,873
Over 6 months but within 12 months	**890**	1,568
Over 12 months	**775**	1,807
	79,328	84,610

Management has a credit policy in place for approving the credit limits and the exposures to credit risk are monitored such that any outstanding debtors are reviewed and followed up on an ongoing basis.

The credit terms given to charterers vary from 15 to 60 days according to the types of vessels' employment. The credit terms given to trading customers vary based on the financial assessments and payment track records. General credit terms for trading customers are payments by the end of 60 to 120 days following the month in which sales took place.

9. Trade and other payables

	2007	2006
	HK$'000	*HK$'000*
Trade payables	**17,433**	33,118
Accrued charges and other payables	**288,895**	156,189
	306,328	189,307

The aging analysis of trade payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 3 months	**7,284**	22,192
Over 3 months but within 6 months	**4**	167
Over 6 months but within 12 months	**187**	1,124
Over 12 months	**9,958**	9,635
	17,433	33,118

10. Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation.

DIVIDENDS

The Board has resolved to recommend the payment of a final dividend of HK$0.06 (2006: nil) per share in cash for the year ended 31 December 2007 and such dividend, if approved by shareholders at the forthcoming annual general meeting of the Company, will be paid on or about Monday, 26 May 2008 to shareholders whose names appear on the register of members of the Company on Thursday, 15 May 2008.

There was no interim dividend declared in the year (2006: nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 May 2008 to Thursday, 15 May 2008, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not later than 4:00 p.m. on Friday, 9 May 2008. Subject to the shareholders’ approval of the proposed final dividend at the annual general meeting to be held on Thursday, 15 May 2008, dividend warrants will be despatched on or about Monday, 26 May 2008.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Thursday, 15 May 2008 and the Notice of Annual General Meeting will be published on the websites of Hong Kong Exchanges and Clearing Limited (HKEx) at www.hkexnews.hk and the Company at www.jinhuiship.com, and despatched to sharesholders of the Company in due course.

RESULTS

The Group is principally engaged in the businesses of ship chartering, ship owning and trading. The consolidated turnover of the Group for the year was HK$2,575,790,000, representing an increase of 66% as compared to that of last year. The Group’s net profit attributable to shareholders of the Company for the year amounted to HK$367,724,000, representing an increase of 65% over net profit of HK$223,192,000 for year 2006. Basic earnings per share for the year was HK$0.704 as compared to basic earnings per share of HK$0.421 of last year.

The Group has achieved a satisfactory results in year 2007. The increase in charter rates during the year has a positive impact on the Group's businesses but the Group's overall performance was partly offset by the loss on forward foreign exchange contracts and options against Japanese Yen during the year. In addition, the net profit for the year was partly attributable to the gain of HK$158,004,000 on completion of the disposal of a motor vessel.

Year 2007 was another milestone for the Group. During the year, the Group has altogether committed to purchase one Panamax newbuilding, sixteen Supramax newbuildings and one second hand Supramax for delivery during the years from 2007 to 2013 at a total consideration of approximately HK$6,148 million. The Group has also committed to acquire two Very Large Ore Carriers (“VLOCs”) during the year, which were subsequently cancelled by the Group on 31 January 2008 in order to reduce any unwanted future business risk as a result of persistent negative sentiment clouding the global financial markets.

As scheduled, one Capesize and six Supramaxes were delivered to the Group in 2007. As an ongoing effort to maintain a young modern fleet and putting its focus on the ownership of a sizeable fleet, the Group disposed one Supramax in 2007 for a consideration of US$53,725,000 (approximately HK$419,055,000) and realized a gain of HK$158,004,000.

According to the Group's accounting policies, all the Group's owned vessels were stated at cost less accumulated depreciation and impairment losses at each balance sheet date. Given the immense rises in market values of dry bulk carriers, the net book values of the Group's owned vessels vis-a-vis the Group's net asset value as at 31 December 2007 were greatly stated below their current market values. Based on the best estimation made by the Group, the total market value of the Group's eighteen owned vessels as at 31 December 2007 was HK$11,550 million as compared to their total net book value of HK$4,320 million; and the total market value of the Group's twenty two newbuildings under construction, one second hand vessel to be delivered and one chartered-in vessel with purchase option was HK$11,464 million as compared to their total contract price of approximately HK$7,189 million.

BUSINESS REVIEW

Chartering freight and hire. The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited ("Jinhui Shipping"), whose shares are listed on the Oslo Stock Exchange. During the year, the Company had further increased its shareholdings in Jinhui Shipping from 52.99% to 54.77% by acquiring additional 1,502,300 shares of Jinhui Shipping for approximately HK$66,162,000 at the open market in the Oslo Stock Exchange. Accordingly, the minority interest in relation to Jinhui Shipping was decreased by HK$32,804,000 from 47.01% to 45.23% and the difference of HK$33,358,000 has been charged directly to retained profits with no impact on the consolidated income statement for the year.

Over the past few years, the industrialization of China and its ever-sustained demand for raw materials which overwhelmed the capacity of the dry cargo fleet, as well as a number of the infrastructure systems which are integral to the shipment of industrial raw materials. The charter rates continue to appreciate throughout the year up to mid November 2007 where an all time high was reached. The mechanics underlying the market rise had much in common with a whole range of other commodities which also saw unprecedented price rises in 2007. The charter rates softened in December 2007 in response to infrastructure bottlenecks at cargo supplying countries, reduction in iron ore shipment before the conclusion of 2008 iron ore price, as well as the persistent negative sentiment clouding the global financial markets due to the subprime mortgage financial crisis. The Baltic Dry Index opened at 4,397 in 2007, rose steadily and reached its new record high at 11,039 in mid November 2007 and closed at 9,143 by end of 2007.

The Group's shipping turnover for the year amounted to HK$2,311,026,000, representing an increase of 90% as compared to year 2006. The Group's shipping business recorded an operating profit of HK$1,184,648,000 for the year, representing an increase of 153% as compared to the operating profit of HK$468,369,000 for year 2006. The increase in turnover and overall net profit of shipping business was mainly due to the overall increase in charter rates during the year while the profit for year 2006 was partly offset by the operating loss of the Capesize vessels chartered-in by the Group since mid 2005 at comparatively high costs at the then prevailing market condition. The average daily time charter equivalent rate ("TCE") of our fleet increased by 52% to US$32,778 for the year. The operating profit for the year was also partly attributable to the gain of HK$158,004,000 on completion of the disposal of a motor vessel while the operating profit for last year was partly attributable to the gain of HK$209,673,000 on completion of the disposal of five motor vessels.

The average daily TCE of the Group's fleet were as follows:

	2007	2006
	US$	*US$*
Capesize	**67,653**	39,389
Panamax	**39,095**	20,299
Supramax/Handymax	**25,200**	20,123
Handysize	**-**	10,514
In average	**32,778**	21,555

Trading and other operations. The Group operates its trading of chemical and industrial raw materials through Yee Lee Technology Company Limited, a 75% owned subsidiary of the Company. The turnover for the Group's trading business was HK$264,764,000, representing a decrease of 20% as compared to that of last year. The Group's trading business recorded an operating profit of HK$4,708,000, representing a decrease of 71% as compared to that of last year. The overall decrease in both turnover and operating profit was mainly due to severe price competition among China local suppliers in industrial raw material market and slowing down of the sales orders in the second half of the year when the subprime mortgage financial crisis surfaced.

The Group's other operations recorded an operating loss of HK$378,310,000 as compared to an operating loss of HK$7,533,000 for last year. The operating loss for the year was primarily due to the net loss of HK$363,850,000 on financial assets and financial liabilities at fair value through profit or loss. The Group has entered into certain long term forward foreign exchange contracts and options for the purposes of capital expenditure requirements with regards to payment for the newbuildings contracted with Japanese shipyards, and liquidity management. With the unexpected appreciation of Japanese Yen against United States Dollar during the year due to unwinding of Japanese Yen carry trades in the financial markets, the Group suffered from the loss on those long term forward foreign exchange contracts and options. The Group has terminated majority of these long term forward foreign exchange contracts and options during the year. The Group had made every effort in minimizing the loss on the foreign currency exposure during the year with the objective to safeguard the Group's long term profitability going forward.

In addition, given the significant drop in investment income in 2007 and uncertainty over the future return, the Group had provided an impairment loss of HK26,348,000 in 2007 for the investment in Shanxi Jinyao Coke & Chemicals Ltd. which produces battery type of metallurgical coke in Shanxi Province of China.

FINANCIAL REVIEW

Liquidity, financial resources and capital structure. During the year, upon financing of various ship mortgage loans and receiving the net sale proceeds on completion of the disposal of a motor vessel, and offset by cash used to partially finance the delivery of seven additional vessels, installments paid for the newbuildings and the settlement upon unwinding of various long term forward foreign exchange contracts and options, the total of the Group's equity and debt securities, equity linked investments, bank deposits with embedded derivatives, bank balances and cash increased to HK$637,070,000 as at 31 December 2007 (2006: HK$539,196,000). The Group's bank borrowings increased to HK$3,686,192,000 as at 31 December 2007 (2006: HK$1,606,916,000), of which 20%, 10%, 24% and 46% are repayable respectively within one year, one to two years, two to five years and over five years. 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 112% as at 31 December 2007 (2006: 49%). All the bank borrowings were committed on floating rate basis and were denominated mainly in United States Dollars. Certain interest rate swap arrangements have been in place in order to mitigate the risk associated with the increase in interest rates. With cash, marketable equity and debt securities, and equity linked investments in hand as well as available long term credit facilities, the Group’s liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Pledge of assets. As at 31 December 2007, the Group’s property, plant and equipment and investment property with an aggregate net book value of HK$4,404,517,000 (2006: HK$2,681,507,000), financial assets at fair value through profit or loss with market value of HK$59,733,000 (2006: HK$41,302,000), and deposits of HK$55,938,000 (2006: HK$70,273,000) placed with banks and other institution were pledged together with the assignment of eighteen (2006: twelve) ship owning companies' chartering income to secure credit facilities utilized by the Group. In addition, shares of twenty (2006: ten) ship owning companies were charged to banks for vessel mortgage loans.

Capital expenditures and commitments. During the year, capital expenditure on additions of the owned vessels and vessels under construction was HK$3,096,916,000 (2006: HK$1,319,690,000) and on other property, plant and equipment was HK$1,039,000 (2006: HK$4,824,000).

As at 31 December 2007, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately HK$8,095,580,000 (2006: HK$3,025,123,000), representing the Group's outstanding capital expenditure commitments to acquire twenty six (2006: eleven) newbuildings and one (2006: three) second hand vessel(s) at a total purchase price of approximately HK$9,459,897,000 (2006: HK$3,353,623,000).

The above capital expenditure commitments included (i) two Supramax newbuildings at a total original cost of US$33,820,000 and JPY3,590,500,000 (approximately HK$514 million in total), which were contracted to be disposed to a third party at a total consideration of US$34,255,100 and JPY3,703,031,000 (approximately HK$526 million in total) at their expected dates of delivery in October 2010 and August 2012 respectively; and (ii) two VLOC newbuildings at a total original cost of US$245,240,000 (approximately HK$1,913 million), which were subsequently cancelled by the Group on 31 January 2008.

Contingent liabilities. As at 31 December 2007, the Group had outstanding guarantees given to HSH Nordbank AG for due and punctual payments of contractual installment and interest thereon in relation to the acquisition of seven newbuildings by subsidiaries amounting to approximately HK$225,819,000 (2006: nil). In addition, the Group had issued a guarantee to a third party for the performance of the obligations of Bocimar Hong Kong Limited, a subsidiary of Bocimar International N.V., regarding the acquisition of a vessel by Bocimar Hong Kong Limited for a consideration of approximately HK$259,740,000, and in return, a counter guarantee was provided by Bocimar International N.V. to Jinhui Shipping, as at 31 December 2007.

Save as disclosed above, the Group had no other contingent liabilities as at 31 December 2007.

EMPLOYEES

As at 31 December 2007, the Group had 103 full-time employees and 440 crew (2006: 105 full-time employees and 293 crew). The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

POST BALANCE SHEET EVENTS

On 31 January 2008, the Group decided to cancel the two shipbuilding contracts, both dated 23 November 2007 for the acquisition of two VLOCs of deadweight 300,000 metric tons each for a total purchase price of US$245,240,000. As a result of the cancellation, under the two shipbuilding contracts, the Group is required to pay US$4,000,000 in cash to the vendors and the two shipbuilding contracts were terminated accordingly.

On 10 March 2008, the Group entered into a contract to acquire a Panamax newbuilding of deadweight 75,000 metric tons at a purchase price of JPY5,550,000,000, which will be delivered to the Group on or before 30 April 2011.

FLEET DETAILS

	Number of vessels						
	In operation			Newbuildings/New charters			
	Owned	Chartered [1]	Subtotal	Owned [2]	Chartered [3]	Subtotal	Total
VLOC Fleet							
As at 1 January 2008	-	-	-	2	-	2	2
Newbuilding orders cancelled	-	-	-	(2)	-	(2)	(2)
As at 17 March 2008	-	-	-	-	-	-	-
Capesize Fleet							
As at 1 January 2008	1	2	3	-	5	5	8
New charter	-	1	1	-	-	-	1
As at 17 March 2008	1	3	4	-	5	5	9
Panamax Fleet							
As at 1 January 2008	1	7	8	1	1	2	10
Newbuilding order	-	(1)	(1)	1	-	1	-
As at 17 March 2008	1	6	7	2	1	3	10
Supramax/Handymax Fleet							
As at 1 January 2008	16	2	18	21	1	22	40
Newbuildings delivered	2	1	3	(2)	(1)	(3)	-
As at 17 March 2008	18	3	21	19	0	19	40
Total Fleet							
as at 17 March 2008	20	12	32	21	6	27	59

[1] Includes one Handymax with purchase commitment upon expiry of existing charter party later in 2008 and one Supramax with purchase option exercisable on or before April 2010.

[2] Includes twenty one newbuildings ordered by the Group as at 17 March 2008, of which three Supramaxes are expected to be delivered to the Group later in 2008, six Supramaxes and one Panamax in 2009, five Supramaxes in 2010, two Supramaxes and one Panamax in 2011, two Supramaxes in 2012 and one Supramax in 2013. However, excludes two Supramax newbuildings committed to be disposed by the Group to a third party as announced by the Company previously.

[3] Includes two Capesizes and one Panamax as at 17 March 2008 which are expected to join our chartered fleet later in 2008, and three Capesizes in 2009.

Taking advantage of the robust freight environment during late 2007, the Group has renewed majority of the time charter parties for the Group's fleet. According to the Group's best estimation, the activity of the Group's fleet as at 27 February 2008 was as follows:

Owned and Chartered-in Fleet – revenue covered:

		Unit	2008	2009
Capesize Fleet	Coverage	*%*	60	26
	Operating days covered	*Days*	751	567
	Daily TCE	*US$*	82,850	55,620
Panamax Fleet	Coverage	*%*	64	15
	Operating days covered	*Days*	1,526	309
	Daily TCE	*US$*	44,255	24,199
Supramax/Handymax Fleet	Coverage	*%*	73	21
	Operating days covered	*Days*	5,704	1,978
	Daily TCE	*US$*	33,343	36,697

Chartered-in Fleet – TCE cost *:

		Unit	2008	2009
Capesize Fleet	Operating days	*Days*	882	1,821
	Daily TCE cost	*US$*	52,303	44,852
Panamax Fleet	Operating days	*Days*	2,054	1,458
	Daily TCE cost	*US$*	28,399	28,095
Supramax/Handymax Fleet	Operating days	*Days*	933	730
	Daily TCE cost	*US$*	29,307	36,083

* Assuming the Group will exercise the options to charter-in the vessels during the optional periods, if any, pursuant to terms of certain charter parties.

OUTLOOK

During the past few months, the global economy has been going through a period of uncertainty due to the subprime mortgage financial crisis, with the dry bulk freight market going through a sharp correction due to a combination of (i) infrastructure bottlenecks at cargo supplying countries such as repairing works at Brazil iron ore ports and flooding of coal mines in Australia; (ii) reduction in both short term and long term chartering activities due to uncertainty over the 2008 iron ore contract price; (iii) typical slowdown in chartering activity due to Chinese New Year Holidays; and (iv) limited activity in the sales and purchase market of second hand vessels due to poor sentiment and credit tightening. During this period, the Baltic Dry Index hit a trough at 5,615, but has sinced rebound strongly to around 8,000 by mid March 2008.

While a mild recession of the US economy is generally expected, we continue to believe the growth in global dry bulk seaborne trade to remain at healthy levels, driven by continuous infrastructure investments, industrialization and urbanization in China, India and other emerging economies which translates to a continuous growing demand in particular, the backbone dry cargoes such as iron ore and coal. We would like to reiterate that this Chinese led dry commodities demand has caused increasing ton miles and a fundamental shift in trade patterns, which means the outlook of the dry bulk market will be strong yet not without volatility.

On the supply side, it is worth noting that a potential by-product of the current credit crunch caused by the subprime mortgage financial crisis will be a reduction in the number of newbuildings delivered going forward, in particular to those scheduled to be delivered beyond 2008. We expect a prolonged credit crunch will impact, in particular the orders made with newly, but less well established shipyards which could experience difficulties in obtaining funding and refund guarantees. At the same time buyers who order from such shipyards could experience difficulties in obtaining funding due to tightening up of lending policy by most financial institutions, as well as worry over the performance of such shipyards.

In the longer term, the Group continues to believe that with our existing fleet and newbuilding deliveries going forward which comprise mainly of grabs fitted Supramaxes which were all acquired at relatively low pricing levels, with majority of the newbuilding deliveries financing requirements already arranged during early/mid 2007, coupled with our strategy of aggressive debt repayment schedule within the first two years from the date of delivery, the Group will continue to enjoy healthy profit growth even in a volatile freight environment. Going forward, the Group will focus on maintaining growth without sacrificing stability in order to continuously improve shareholders' value.

The Group's trading business is expected to contribute steady returns to the Group in future.

SHARE CAPITAL

During the year, the number of issued ordinary shares of the Company was decreased from 525,383,480 shares to 519,961,480 shares following the repurchase and cancellation of 10,824,000 ordinary shares of HK$0.10 each and the allotment and issue of 5,402,000 new ordinary shares of HK$0.10 each as a result of the exercise of options to subscribe for shares of the Company under the share option scheme of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company had repurchased and cancelled 10,824,000 ordinary shares of the Company at the open market in the Hong Kong Stock Exchange at an aggregate price of HK$43,999,000 before expenses. The nominal value of the cancelled shares of approximately HK$1,082,000 was credited to capital redemption reserve and the aggregate price was paid out from retained profits. Details of the repurchase are as follows:

Month of the repurchase	Number of ordinary shares of HK$0.10 each	Highest price paid per share	Lowest price paid per share	Aggregate price paid (before expenses)
		HK$	*HK$*	*HK$'000*
April 2007	9,602,000	4.490	3.380	37,996
June 2007	1,222,000	5.100	4.690	6,003
	10,824,000			43,999

The Directors considered that the repurchase would increase the net asset value and earnings per share of the Company.

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the year.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year, with deviations from code provisions A.2.1, A.4.2 and A.4.1 of the Code in respect of the roles of chairman and chief executive officer, the rotation of directors and the service term for non-executive directors.

Code provision A.2.1 Under code provision A.2.1 of the Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas are brothers who act as the Chairman and the Managing Director of the Company respectively. Mr. Ng Siu Fai, in addition to his duties as the Chairman of the Company, is also responsible for the strategic planning and overseeing all aspects of the Group's operations. This constitutes a deviation from code provision A.2.1 of the Code as part of his duties overlap with those of the Managing Director, who is in practice the chief executive officer. As one of the founders of the Group, Mr. Ng Siu Fai has extensive experience and knowledge in the core businesses of the Group and his duty for overseeing all aspects of the Group's operations is clearly beneficial to the Company. The Board also considers that this will not impair the balance of power and authority between the Board and the management of the Company.

Code provision A.4.2 Under code provision A.4.2 of the Code, all directors appointed to fill casual vacancies should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Articles of Association of the Company, all Directors other than the Chairman and the Managing Director shall be subject to retirement by rotation. This constitutes a deviation from code provision A.4.2 of the Code. The Board is of the view that the leadership of the Chairman and the Managing Director is vital to the Group's business continuity and stability, and there should be planned and orderly succession for these offices. Any Director holding the office as the Chairman or the Managing Director should therefore be exempted from the retirement by rotation and re-election at the Company's annual general meeting.

Code provision A.4.1 Under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election.

The Non-executive Directors of the Company are not appointed for specific terms. This constitutes a deviation from code provision A.4.1 of the Code. According to the Articles of Association of the Company, all Directors, other than the Chairman and the Managing Director (who are ordinarily executive directors), of the Company will be subject to retirement provisions. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less than those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry by the Company, all the Directors confirmed that they had complied with the required standard as set out therein throughout the year.

SCOPE OF WORK OF THE AUDITORS

The figures in the preliminary results announcement of the Group for the year ended 31 December 2007 have been agreed by the Group's auditors, Grant Thronton ("the Auditors"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditors on the preliminary results announcement.

AUDIT COMMITTEE

The audit committee comprises of three Independent Non-executive Directors. The audit committee has reviewed with the management, the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the consolidated financial statements for the year.

PUBLICATION OF FINANCIAL INFORMATION

The annual report of the Company for the year ended 31 December 2007 containing all the detailed information will be despatched to shareholders of the Company and available on the websites of HKEx at www.hkexnews.hk and the Company at www.jinhuiship.com in due course.

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

Hong Kong, 18 March 2008

As at date of this announcement, the Executive Directors of the Company are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin; and the Independent Non-executive Directors of the Company are Cui Jianhua, Tsui Che Yin Frank and William Yau.