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JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

OVERSEAS REGULATORY ANNOUNCEMENT

**THIRD QUARTER AND NINE MONTHS REPORT
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2009
OF
JINHUI SHIPPING AND TRANSPORTATION LIMITED**

(This overseas regulatory announcement is made by Jinhui Holdings Company Limited in compliance with Rule 13.09(1) and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement released on 30 November 2009 through the Oslo Stock Exchange by Jinhui Shipping and Transportation Limited (“Jinhui Shipping”), an approximately 54.77% owned subsidiary of Jinhui Holdings Company Limited, in accordance with the regulations of the Oslo Stock Exchange.

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

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

Hong Kong, 30 November 2009

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



JINHUI SHIPPING AND TRANSPORTATION LIMITED

**THIRD QUARTER AND NINE MONTHS REPORT
FOR THE QUARTER AND
NINE MONTHS ENDED 30 SEPTEMBER 2009**



Jinhui Shipping and Transportation Limited

HIGHLIGHTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009:

- Revenue dropped 28% to US\$267 million
- Net profit for the period: US\$121 million
- Basic earnings per share: US\$1.4399
- Gearing ratio as at 30 September 2009 reduced to 57%

HIGHLIGHTS FOR THE THIRD QUARTER OF 2009:

- Revenue dropped 23% to US\$92 million
- Net profit for the quarter: US\$43 million
- Basic earnings per share: US\$0.5128

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 2009.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		3 months ended 30/9/2009 (Unaudited) US\$'000	3 months ended 30/9/2008 (Unaudited) US\$'000	9 months ended 30/9/2009 (Unaudited) US\$'000	9 months ended 30/9/2008 (Unaudited) US\$'000	Year ended 31/12/2008 (Audited) US\$'000
	<i>Note</i>					
Revenue	2	92,396	119,777	266,660	369,605	475,148
Gain on disposal of motor vessels	3	6,980	59,910	116	62,786	62,786
Other operating income	4	2,763	2,496	45,810	9,656	13,887
Interest income		156	575	858	1,355	1,854
Shipping related expenses		(46,918)	(51,734)	(141,652)	(164,867)	(222,353)
Staff costs		(1,229)	(1,069)	(3,908)	(3,314)	(20,478)
Other operating expenses		(1,152)	(5,533)	(15,170)	(11,833)	(24,964)
Operating profit before depreciation and amortization		52,996	124,422	152,714	263,388	285,880
Depreciation and amortization		(8,318)	(6,583)	(25,199)	(21,616)	(29,206)
Operating profit		44,678	117,839	127,515	241,772	256,674
Finance costs		(1,582)	(3,470)	(6,499)	(13,553)	(17,846)
Profit before taxation		43,096	114,369	121,016	228,219	238,828
Taxation	5	-	-	-	-	-
Net profit for the period / year		43,096	114,369	121,016	228,219	238,828
Other comprehensive income						
Change in fair value of available-for-sale financial assets		-	(24)	-	(24)	(32)
Total comprehensive income for the period / year attributable to shareholders of the Company		43,096	114,345	121,016	228,195	238,796
Basic earnings per share (US\$)	6	0.5128	1.3608	1.4399	2.7154	2.8417

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30/9/2009 (Unaudited) US\$'000	30/9/2008 (Unaudited) US\$'000	31/12/2008 (Audited) US\$'000
	Note			
ASSETS				
Non-current assets				
Property, plant and equipment		925,288	818,390	880,998
Available-for-sale financial assets		315	323	315
		925,603	818,713	881,313
Current assets				
Inventories		31	1,669	1,994
Assets held for sale	8	29,673	-	-
Trade and other receivables		27,560	27,876	27,899
Financial assets at fair value through profit or loss		3,295	2,360	4,519
Pledged deposits	9	66,321	7,888	10,288
Bank balances and cash	10	78,868	97,545	91,548
		205,748	137,338	136,248
Total assets		1,131,351	956,051	1,017,561
EQUITY AND LIABILITIES				
Capital and reserves				
		636,613	504,996	515,597
Non-current liabilities				
Secured bank loans		385,961	360,224	388,829
Current liabilities				
Trade and other payables		47,378	34,166	54,334
Financial liabilities at fair value through profit or loss		-	3,125	2,761
Secured bank loans		61,399	53,540	56,040
		108,777	90,831	113,135
Total equity and liabilities		1,131,351	956,051	1,017,561

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital (Unaudited) US\$'000	Share premium (Unaudited) US\$'000	Capital redemption reserve (Unaudited) US\$'000	Contributed surplus (Unaudited) US\$'000	Employee share-based compensation reserve (Unaudited) US\$'000	Reserve for available-for- sale financial assets (Unaudited) US\$'000	Retained profits (Unaudited) US\$'000	Total equity (Unaudited) US\$'000
At 1 January 2008	4,202	72,087	719	16,297	4,758	-	214,877	312,940
Total comprehensive income for the period	-	-	-	-	-	(24)	228,219	228,195
2007 final dividend	-	-	-	-	-	-	(13,447)	(13,447)
2008 interim dividend	-	-	-	-	-	-	(22,692)	(22,692)
At 30 September 2008	4,202	72,087	719	16,297	4,758	(24)	406,957	504,996
At 1 January 2009	4,202	72,087	719	16,297	4,758	(32)	417,566	515,597
Total comprehensive income for the period	-	-	-	-	-	-	121,016	121,016
At 30 September 2009	4,202	72,087	719	16,297	4,758	(32)	538,582	636,613

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	9 months ended 30/9/2009 (Unaudited) US\$'000	9 months ended 30/9/2008 (Unaudited) US\$'000	Year ended 31/12/2008 (Audited) US\$'000
Net cash from operating activities		137,255	173,943	214,886
Net cash used in investing activities		(87,290)	(53,429)	(138,164)
Net cash used in financing activities		(53,542)	(97,256)	(68,551)
Net (decrease) increase in cash and cash equivalents		(3,577)	23,258	8,171
Cash and cash equivalents at the beginning of period / year		76,445	68,274	68,274
Cash and cash equivalents at the end of period / year	10	72,868	91,532	76,445

NOTES:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and have not been reviewed by our auditors, Grant Thornton.

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 2008 except for the adoption of new / revised International Financial Reporting Standards ("IFRSs") and Hong Kong Financial Reporting Standards ("HKFRSs") (collectively, "New Standards") that have become effective for accounting periods beginning on or after 1 January 2009.

With effect from 1 January 2009, the Group adopted IAS 1 and HKAS 1 (Revised) "Presentation of Financial Statements" and presented items of income and expenses, and components of other comprehensive income in a single "Statement of Comprehensive Income".

Except for the above, there have not been any other New Standards that have significant impact on the Group's financial statements.

2. Revenue

The Group is principally engaged in the businesses of ship chartering and ship owning. Revenue represented chartering freight and hire income arising from the Group's owned and chartered-in vessels which carry out ship chartering operations internationally.

3. Gain on disposal of motor vessels

The amount for the quarter ended 30 September 2009 represented the net gain on completion of the disposal of two (30/9/2008: two) motor vessels. Whereas the amount for the nine months ended 30 September 2009 represented the net gain on completion of the disposal of four (30/9/2008: three) motor vessels.

4. Other operating income

The amount of other operating income for the nine months ended 30 September 2009 included an income of US\$39,842,000 (30/9/2008: nil) received from a few counterparties to wash out foregoing time-charter contracts by mutual agreements.

5. Taxation

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

6. Earnings per share

The calculation of basic earnings per share for the quarter ended 30 September 2009 is based on the net profit for the quarter of US\$43,096,000 (30/9/2008: US\$114,369,000) and the weighted average number of 84,045,341 (30/9/2008: 84,045,341) ordinary shares in issue during the quarter.

The calculation of basic earnings per share for the nine months ended 30 September 2009 is based on the net profit for the period of US\$121,016,000 (30/9/2008: US\$228,219,000) and the weighted average number of 84,045,341 (30/9/2008: 84,045,341) ordinary shares in issue during the period.

The calculation of basic earnings per share for the year ended 31 December 2008 is based on the net profit for the year of US\$238,828,000 and the weighted average number of 84,045,341 ordinary shares in issue during the year.

Diluted earnings per share is not shown as there is no potential ordinary share in issue in all relevant periods / year presented.

7. Dividends

	3 months ended 30/9/2009 (Unaudited) US\$'000	3 months ended 30/9/2008 (Unaudited) US\$'000	9 months ended 30/9/2009 (Unaudited) US\$'000	9 months ended 30/9/2008 (Unaudited) US\$'000	Year ended 31/12/2008 (Audited) US\$'000
Dividends recognized as distribution:					
- 2007 final dividend of US\$0.16 per share	-	-	-	13,447	13,447
- 2008 interim dividend of US\$0.27 per share	-	22,692	-	22,692	22,692
	-	22,692	-	36,139	36,139

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2009.

8. Assets held for sale

As at 30 September 2009, the amount represented the carrying amount of a motor vessel held for sale. The Group entered into an agreement to dispose of the motor vessel at a consideration of US\$39 million in June 2009. The motor vessel is expected to be delivered to the purchaser in December 2009. Upon completion of delivery of the motor vessel, the Group's working capital and liquidity would be enhanced by the net sale proceeds (after repayment of vessel mortgage loan) of approximately US\$24 million and an estimated gain of approximately US\$8 million would be realized in the fourth quarter of 2009.

9. Pledged deposits

As at 30 September 2009, the amount included US\$44 million deposits placed with a bank as security for the issuance of a bank guarantee in relation to legal proceedings as mentioned in "Important Events Occurred in the Quarter" on page 11.

10. Bank balances and cash

	30/9/2009 (Unaudited) US\$'000	30/9/2008 (Unaudited) US\$'000	31/12/2008 (Audited) US\$'000
Cash and cash equivalents for condensed consolidated statement of cash flows purpose	72,868	91,532	76,445
Bank deposits with more than three months to maturity when placed	6,000	6,013	15,103
	78,868	97,545	91,548

11. Comparative information

Comparative information has been restated to conform to current period's presentation as a result of the adoption of IAS 1 and HKAS 1 (Revised).

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2009 (30/9/2008: nil).

REVIEW OF OPERATIONS

The dry bulk shipping industry has been performing better than expected due to robust iron ore and coal import requirements mainly from China. Since then, market sentiments have been slightly improved which in turn boost up the charter rates as comparing to the start of 2009, where the operating environment was extremely tough in the sector. Still, the sustainability of the China's infrastructure-led imports of industrial raw materials remains the key concern, the Baltic Dry Index continued to soften in the quarter. The Baltic Dry Index opened at 3,757 points on 1 July 2009 and closed at 2,220 points on 30 September 2009.

In the third quarter of 2009, the Group recorded revenue of US\$92,396,000 as compared to US\$119,777,000 for the last corresponding quarter, representing a decline of 23%. Net profit for the quarter decreased from US\$114,369,000 to US\$43,096,000 while basic earnings per share for the quarter dropped from US\$1.3608 to US\$0.5128, representing 62% decrease as compared to the third quarter of 2008. Excluding net gain on disposal of motor vessels, the Group's net profit would have been US\$36,116,000 for the quarter and US\$54,459,000 for the last corresponding quarter, representing a decline of 34%. Such decrease was mainly attributable to reduced revenue upon renewal of time-charter contracts coupled with relatively high cost of chartered-in vessels when contracts were entered before the outbreak of financial turmoil.

Due to early termination of certain high-earning time-charter contracts in early 2009 and the sharp fall of market charter rates, the Group's chartering revenue for the quarter and period ended 30 September 2009 were negatively impacted. The average daily time charter equivalent rates ("TCE") of the Group's fleet for the quarter declined 31% when comparing with the last corresponding quarter.

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

	2009 Q3	2008 Q3	2009 1 st nine months	2008 1 st nine months	2008
	US\$	US\$	US\$	US\$	US\$
Capesize	75,817	91,997	78,659	93,590	92,071
Panamax	22,812	54,473	20,005	50,489	46,269
Supramax / Handymax	24,975	35,168	25,520	35,466	34,312
In average	31,338	45,444	30,634	44,964	43,093

In order to enhance our financial position as well as reduce future reliance on leverage, the Group entered into agreements to dispose of five motor vessels in the first half of 2009, of which two Supramaxes had been delivered to the purchasers in the second quarter, one Capesize and one Supramax had been delivered to the purchasers in the third quarter of 2009, whereas the remaining disposed Panamax would be delivered to the purchaser in the fourth quarter of 2009.

Upon the completion of the disposal of one Capesize and one Supramax in the third quarter of 2009, a net gain of US\$6,980,000 on disposal of motor vessels was recognized and the Group's working capital and liquidity had been enhanced by the net sale proceeds (after repayment of vessel mortgage loans) of approximately US\$45 million.

The Group has provided full impairment loss on certain trade receivables amounting to US\$10,144,000 in the first quarter of 2009 which were due from a few counterparties who were exposed to financial or insolvency problems, no further significant impairment loss was provided in the second quarter and third quarter of 2009.

The Group's shipping related expenses for the quarter reduced to US\$46,918,000 as compared to US\$51,734,000 for the last corresponding quarter. The decrease in shipping related expenses was mainly attributable to expiration of time-charter contracts of a few chartered-in Panamaxes in late 2008.

With the continued low interest rate policy pursued by the US Federal Government, the Group's finance costs for the quarter reduced to US\$1,582,000, representing 54% decrease as compared to the last corresponding quarter.

FINANCIAL REVIEW

During the period ended 30 September 2009, upon financing of various vessel mortgage loans and receiving the net sale proceeds on completion of the disposal of four motor vessels, and offset by cash used to partially finance the delivery of six additional vessels and installments paid for the newbuildings and the cash placed as pledged deposits for issuing a bank guarantee as mentioned on page 11, the total of the Group's equity securities, bank balances and cash decreased to US\$82,163,000 (31/12/2008: US\$95,890,000) and bank borrowings increased to US\$447,360,000 (31/12/2008: US\$444,869,000) as at 30 September 2009.

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity securities, bank balances and cash) over total equity, reduced to 57% as at 30 September 2009 (31/12/2008: 68%). With cash and marketable equity securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

During the period ended 30 September 2009, capital expenditure on additions of the owned vessels and vessels under construction was US\$234,664,000 (30/9/2008: US\$266,847,000), and on other property, plant and equipment was US\$341,000 (30/9/2008: US\$11,274,000).

As at 30 September 2009, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US\$691,925,000 (31/12/2008: US\$928,845,000), representing the Group's outstanding capital expenditure commitments to acquire twenty one newbuildings (31/12/2008: twenty six newbuildings and one second hand vessel) at a total purchase price of approximately US\$958,468,000 (31/12/2008: US\$1,208,205,000).

The above capital expenditure commitments included two Supramax newbuildings at a total original cost of US\$33,820,000 and JPY3,590,500,000, which were contracted to be disposed to a third party at a total consideration of US\$34,255,100 and JPY3,703,031,000 at their expected dates of delivery in October 2010 and August 2012 respectively.

IMPORTANT EVENTS OCCURRED IN THE QUARTER

There is a dispute between Galsworthy Limited (“Galsworthy”), a wholly-owned subsidiary of the Company, and Parakou Shipping Pte Limited (“Parakou”) in relation to the non-performance of a charterparty evidenced by a fixture recap (“the charterparty”). Galsworthy was the prospective disponent owner of one of the Group’s vessels. It is Galsworthy’s case that acting via its agent Goldbeam International Limited (“GIL”), also a wholly-owned subsidiary of the Company, it entered into the charterparty with Parakou in June 2008. The charterparty was arranged through Clarkson Asia Limited (“Clarkson”) acting as sole shipbroker. Galsworthy claims that Parakou acted in repudiatory breach of the charterparty by refusing to take delivery of the vessel in March 2009 pursuant to the terms of the charterparty. As a result of the breach, Galsworthy is claiming about US\$39 million together with interest and costs against Parakou in March 2009. Parakou disputes Galsworthy’s claim; in particular it denies that a binding charterparty was ever concluded between Galsworthy and Parakou. The dispute has been referred to arbitration in London before a 3-man arbitral tribunal as per the arbitration clause of the charterparty.

Parakou has then commenced in rem and in personam actions against Jinkang Marine Inc. (“Jinkang Marine”) and Goldbeam Shipping Inc. (“GSI”) in July 2009 and August 2009 respectively in Hong Kong for an indemnity in respect of all sums, including interest and costs, which may be awarded against Parakou in the London arbitration which Galsworthy is pursuing against them. Both Jinkang Marine and GSI are wholly-owned subsidiaries of the Company. The alleged indemnity claim is advanced on the basis of certain representations said to have been made by either Jinkang Marine or GSI via Clarkson during the negotiation which has led to the conclusion of the charterparty between Galsworthy and Parakou. Jinkang Marine and GSI deny that Clarkson was acting on their behalf and they had made the alleged representations through Clarkson. For the purpose of obtaining security in support of their alleged indemnity claim in Hong Kong, Parakou has arrested another vessel of the Group in Richards Bay, South Africa through the peculiar associated ship arrest procedure there. As a result of the arrest, a bank guarantee backed by cash deposits of approximately US\$44 million in favour of Parakou was provided in September 2009 to secure prompt release of that vessel.

Both legal proceedings in London and Hong Kong are still underway as of date of this report.

FLEET

The Group's strategy is to maintain a young and modern fleet to serve the growing needs of our customers.

During the quarter, a newly built Supramax named as "Jin Ji" was delivered to the Group while one disposed Capesize named as "Jin Tai" and one disposed Supramax named as "Jin Kang" were delivered to the purchasers.

In June 2009, the Group entered into an agreement to dispose of one Panamax named as "Jin He" at a consideration of US\$39 million. "Jin He" is expected to be delivered to the purchaser in December 2009 and an estimated gain of approximately US\$8 million on disposal of "Jin He" would be realized upon the completion of the disposal in the fourth quarter of 2009.

As at 30 September 2009, the Group had twenty three owned vessels which included two modern Panamaxes, twenty modern grabs fitted Supramaxes and one Handymax.

Apart from the owned vessels, the Group operated eight chartered-in vessels which included four Capesizes, two Panamaxes and two Supramaxes as at 30 September 2009.

Subsequent to the quarter ended 30 September 2009, a newly built Supramax was delivered to the Group on 12 November 2009 and was named as "Jin Mao".

Fleet Details

The movement in fleet details after the quarter ended 30 September 2009 and up to 29 November 2009 was as follows:

	Number of vessels						Total
	In operation			Newbuildings / New charters			
	Owned ¹	Chartered	Subtotal	Owned ²	Chartered ³	Subtotal	
Capesize Fleet							
As at 1 October 2009	-	4	4	-	2	2	6
Expiry of charters	-	(2)	(2)	-	-	-	(2)
As at 29 November 2009	-	2	2	-	2	2	4
Post-Panamax Fleet							
As at 1 October 2009 and 29 November 2009	-	-	-	2	-	2	2
Panamax Fleet							
As at 1 October 2009	2	2	4	1	-	1	5
Expiry of charter	-	(1)	(1)	-	-	-	(1)
As at 29 November 2009	2	1	3	1	-	1	4
Supramax / Handymax Fleet							
As at 1 October 2009	21	2	23	15	-	15	38
Newbuilding delivery	1	-	1	(1)	-	(1)	-
As at 29 November 2009	22	2	24	14	-	14	38
Handysize Fleet							
As at 1 October 2009 and 29 November 2009	-	-	-	1	-	1	1
Total Fleet							
as at 29 November 2009	24	5	29	18	2	20	49

Notes:

- ¹ Includes one disposed Panamax which is expected to be delivered to the purchaser in December 2009.
- ² Includes eighteen newbuildings ordered by the Group as at 29 November 2009, which we expected to take deliveries of one Supramax in 2009, two Post-Panamaxs and five Supramaxes in 2010, five Supramaxes and one Panamax in 2011, two Supramaxes and one Handysize in 2012 and one Supramax in 2013.
- ³ Includes two Capesizes with scheduled deliveries in 2008 and 2009, which have been delayed due to problems at the shipyards.

According to the Company's best estimation, the activity of the Group's fleet as at 29 November 2009 was as follows:

Owned and Chartered-in Fleet – revenue covered:

		<i>Unit</i>	2009	2010
Capesize Fleet	Coverage	%	100	100
	Operating days covered	<i>Days</i>	1,181	720
	Daily TCE	<i>US\$</i>	79,110	83,704
Panamax Fleet	Coverage	%	95	50
	Operating days covered	<i>Days</i>	1,576	360
	Daily TCE	<i>US\$</i>	22,004	38,200
Supramax / Handymax Fleet	Coverage	%	97	49
	Operating days covered	<i>Days</i>	8,079	4,657
	Daily TCE	<i>US\$</i>	25,731	30,939

Chartered-in Fleet – TCE cost:

		<i>Unit</i>	2009	2010
Capesize Fleet	Operating days	<i>Days</i>	987	730
	Daily TCE cost	<i>US\$</i>	50,725	40,750
Panamax Fleet	Operating days	<i>Days</i>	1,079	365
	Daily TCE cost	<i>US\$</i>	27,732	22,500
Supramax / Handymax Fleet	Operating days	<i>Days</i>	852	491
	Daily TCE cost	<i>US\$</i>	34,621	30,290

Note:

Two Capesizes with scheduled deliveries in 2008 and 2009, which have been delayed as mentioned in note 3 on page 13, have been excluded in the above operating statistics.

RISK FACTORS

This report may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including the Company's management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or targets.

Key risk factors that could cause actual results to differ materially from those discussed in this report will include but not limited to the way world economies, currencies and interest rate environment may evolve going forward, general market conditions including fluctuations in charter rates and vessel values, counterparty risk, changes in demand in the dry bulk market, changes in operating expenses including bunker prices, crewing costs, drydocking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, piracy or political events, and other important factors described from time to time in the reports filed by the Company.

OUTLOOK

So far, the year 2009 has been a roller coaster year for a lot of industries and dry bulk shipping is no exception. We have experienced the worst of times in the early part of the year, and at the same time an unexpectedly strong recovery has been taking place in recent months due to a less than expected new vessel supply, as well as a pick up in economic activities which has been primarily Asian biased, particularly China.

The concerted monetary easing policy by major governments across the globe has been the major factor behind this strong recovery in activities. The availability of credit in Asia, China in particular, has further stimulated the level of economic activities in this side of the globe. Unlike western economic systems where we see credit remained to be trapped in the banking system, China has been more successful in directing the flow of credit towards real economic activities from infrastructure investments to consumer spending. The result of this increase in Chinese domestic industrial activities and domestic consumption has benefited our business so far, and we remain relatively positive with this dry commodities demand from China in the near term.

At the same time, we remain cautious with 2010 where we expect a volatile and more challenging dry bulk market due to i) uncertainty over the exit strategy of the current monetary easing policy of various governments, as well as their plan to reduce their fiscal deficits; ii) uncertainty in new vessel supply – the orderbook remains to be extremely high and it remains unknown as to whether those vessels that did not get delivered in 2009 were cancelled, or simply delayed; iii) dramatic increase in the number of larger size dry bulk carriers – we are particularly cautious of the larger size vessels given the size of the Capesize orderbook, and at the same time the increasing number of Very Large Ore Carriers (“VLOCs”) which will cannibalize the market share of long haul iron ore transportation currently driven by Capesizes; and iv) unpredictable changes in China’s economic policy and hence unexpected changes in China’s raw materials import pattern.

While we see risks ahead of us, in the longer term, we believe supply growth will ease, scrapping of older tonnages will increase, developing countries will continue with their industrialization effort, and developed countries will eventually be back on their feet, leading to a better demand and supply balance of the world dry bulk fleet.

While our first priority remains to be the conservation of capital, we will also bear in mind that such financial flexibility will allow us to take advantage of any potential opportunities that may arise in future.

PUBLICATION OF FINANCIAL INFORMATION

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

By Order of the Board

A handwritten signature in black ink, consisting of several loops and a final horizontal stroke, positioned above a thin horizontal line.

Ng Siu Fai
Chairman

30 November 2009



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