JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

OVERSEAS REGULATORY ANNOUNCEMENT

FIRST QUARTER REPORT
FOR THE QUARTER ENDED 31 MARCH 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 29 May 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, 29 May 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

FIRST QUARTER REPORT
FOR THE QUARTER ENDED 31 MARCH 2009

Jinhui Shipping and Transportation Limited

HIGHLIGHTS FOR THE FIRST QUARTER OF 2009:

- Revenue dropped 28% to US$83 million
- Net profit increased from US$43 million to US$50 million
- Basic earnings per share: US$0.6002
- Gearing ratio as at 31 March 2009: 66%

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 ended 31 March 2009.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**3 months ended 31/3/2009 (Unaudited) *US$'000***	3 months ended 31/3/2008 (Unaudited) *US$'000*	Year ended 31/12/2008 (Audited) *US$'000*
Revenue	*2*	**82,565**	114,778	475,148
Gain on disposal of motor vessels	*3*	**-**	-	62,786
Other operating income	*4*	**41,014**	2,348	13,887
Interest income		**490**	369	1,854
Shipping related expenses		**(48,452)**	(51,661)	(222,353)
Staff costs		**(1,284)**	(1,051)	(20,478)
Other operating expenses		**(13,073)**	(8,489)	(24,964)
Operating profit before depreciation and amortization		**61,260**	56,294	285,880
Depreciation and amortization		**(7,957)**	(7,328)	(29,206)
Operating profit		**53,303**	48,966	256,674
Finance costs		**(2,858)**	(5,647)	(17,846)
Profit before taxation		**50,445**	43,319	238,828
Taxation	*5*	**-**	-	-
Net profit for the period / year		**50,445**	43,319	238,828
Other comprehensive income				
Change in fair value of available-for-sale financial assets		**-**	-	(32)
Total comprehensive income for the period / year attributable to shareholders of the Company		**50,445**	43,319	238,796
Dividends	*6*	**-**	-	36,139
Basic earnings per share *(US$)*	*7*	**0.6002**	0.5154	2.8417

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**31/3/2009 (Unaudited) *US$'000***	31/3/2008 (Unaudited) *US$'000*	31/12/2008 (Audited) *US$'000*
ASSETS				
Non-current assets				
Property, plant and equipment		**966,681**	870,791	880,998
Available-for-sale financial assets		**315**	192	315
		966,996	870,983	881,313
Current assets				
Inventories		**501**	30	1,994
Trade and other receivables		**25,085**	24,231	27,899
Financial assets at fair value through profit or loss		**1,712**	5,900	4,519
Pledged deposits		**15,049**	8,569	10,288
Bank balances and cash	*8*	**103,149**	41,740	91,548
		145,496	80,470	136,248
Total assets		**1,112,492**	951,453	1,017,561
EQUITY AND LIABILITIES				
Capital and reserves		**566,042**	356,259	515,597
Non-current liabilities				
Secured bank loans		**426,916**	454,120	388,829
Current liabilities				
Trade and other payables		**63,822**	31,147	54,334
Financial liabilities at fair value through profit or loss		**2,629**	6,438	2,761
Secured bank loans		**53,083**	103,489	56,040
		119,534	141,074	113,135
Total equity and liabilities		**1,112,492**	951,453	1,017,561

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Capital redemption reserve	Contributed surplus	Employee share-based compensation reserve	Other comprehensive income: Reserve for available-for-sale financial assets	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 2008	4,202	72,087	719	16,297	4,758	-	214,877	312,940
Net profit for the period	-	-	-	-	-	-	43,319	43,319
Total comprehensive income	-	-	-	-	-	-	43,319	43,319
At 31 March 2008	4,202	72,087	719	16,297	4,758	-	258,196	356,259
At 1 January 2009	4,202	72,087	719	16,297	4,758	(32)	417,566	515,597
Net profit for the period	-	-	-	-	-	-	50,445	50,445
Total comprehensive income	-	-	-	-	-	-	50,445	50,445
At 31 March 2009	**4,202**	**72,087**	**719**	**16,297**	**4,758**	**(32)**	**468,011**	**566,042**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**3 months ended 31/3/2009 (Unaudited)**	3 months ended 31/3/2008 (Unaudited)	Year ended 31/12/2008 (Audited)
		US$'000	*US$'000*	*US$'000*
Net cash from operating activities		**72,725**	40,602	214,886
Net cash used in investing activities		**(96,493)**	(149,183)	(138,164)
Net cash from (used in) financing activities		**30,369**	82,047	(68,551)
Net increase (decrease) in cash and cash equivalents		**6,601**	(26,534)	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	*8*	**83,046**	41,740	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".

The Group also adopted IFRS 8 and HKFRS 8 "Operating Segments" which have become effective on 1 January 2009. As the Company only has one segment, the implementation of IFRS 8 and HKFRS 8 have no impact on the Group's financial statements.

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.

More than ninety per cent. of the Group's revenue and operating results were attributable to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location, and accordingly, no analysis by either business or geographical segment is included in the financial statements.

3. Gain on disposal of motor vessels

The amount for year 2008 represented the gain on completion of the disposal of three motor vessels.

4. Other operating income

The amount of other operating income for the quarter ended 31 March 2009 included an income of US$39,712,000 (31/3/2008: 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. Dividends

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

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 31 March 2009.

7. Earnings per share

The calculation of basic earnings per share for the quarter ended 31 March 2009 is based on the net profit for the quarter of US$50,445,000 (31/3/2008: US$43,319,000) and the weighted average number of 84,045,341 (31/3/2008: 84,045,341) ordinary shares in issue during the quarter.

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.

8. Bank balances and cash

	31/3/2009 (Unaudited) *US$'000*	31/3/2008 (Unaudited) *US$'000*	31/12/2008 (Audited) *US$'000*
Cash and cash equivalents for consolidated statement of cash flows purpose	**83,046**	41,740	76,445
Bank deposits with more than three months to maturity when placed	**20,103**	-	15,103
	103,149	41,740	91,548

9. 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).

DIVIDEND POLICY

The Board resolved to suspend its annual dividend payout since the fourth quarter of 2008 in order to preserve cash and enhance liquidity in these extraordinary market conditions. The dividend policy will be regularly assessed by the Board and will depend, among other things, on the Group's financial obligations, leverage, liquidity and capital resources, and the market conditions.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 31 March 2009 (31/3/2008: nil).

REVIEW OF OPERATIONS

The ongoing financial crisis was unfolded in late 2008 and has since severely hit different economies and market sectors. Despite there are encouraging signs of slowing down of worsening in the global economies after various government bailouts and stimulus packages launched in the first quarter of 2009, there are still uncertainties over the macroeconomic recovery path and the dry bulk market environment remains difficult. The Baltic Dry Index stood at 774 points on 1 January 2009 and recovered to around 2,000 points in the first quarter of 2009 and closed at 1,615 points on 31 March 2009.

In the first quarter of 2009, the Group's revenue was US$82,565,000, representing a decline of 28% as compared to its revenue in the first quarter of 2008. The Group recorded net profit of US$50,445,000 for the quarter while US$43,319,000 was recorded for last corresponding quarter. The drop in revenue is primarily due to the loss of time-charter contracts as a result of counterparties' defaults and the sharp fall in charter rates due to the consequential increased in spot exposure. Basic earnings per share for the quarter was US$0.6002 whereas US$0.5154 was reported in last corresponding quarter.

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

	2009 Q1	2008 Q1	2008
	US$	*US$*	*US$*
Capesize	**82,500**	89,000	92,071
Panamax	**17,311**	47,056	46,269
Supramax/Handymax	**26,955**	34,130	34,312
In average	**30,939**	43,092	43,093

The escalation in the financial crisis has triggered chain of credit defaults in dry bulk market. The Group encountered several charterers' delinquencies in contractual obligations under the time-charter contracts. The Group has taken legal actions against certain charterers for considerable damages and loss on non-performance of time-charter contracts. In the first quarter of 2009, impairment loss of US$10,144,000 (31/3/2008: US$79,000) had been provided on trade receivables due from certain charterers with prolonged delay in hire payments over the agreed credit terms. This led to increase in the Group's other operating expenses from US$8,489,000 in last corresponding quarter to US$13,073,000 for the first quarter of 2009.

On the other hand, the Group received an income of US$39,712,000 for the quarter (31/3/2008: nil) from a few counterparties to wash out foregoing time-charter contracts by mutual agreements. The amount was recognized as other operating income in the consolidated statement of comprehensive income.

The Group's shipping related expenses for the quarter dropped to US$48,452,000 as compared to US$51,661,000 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.

The Group's finance costs for the quarter reduced to US$2,858,000 as compared to US$5,647,000 in last corresponding quarter due to reduction in outstanding principals of loans under current aggressive repayment schedules and the significant drop in interest rates.

FINANCIAL REVIEW

During the quarter, upon financing of various vessel mortgage loans, and offset by cash used to partially finance the delivery of three additional vessels and installments paid for the newbuildings, the total of the Group's equity securities, bank balances and cash increased to US$104,680,000 (31/12/2008: US$95,890,000) and bank borrowings increased to US$479,999,000 (31/12/2008: US$444,869,000) as at 31 March 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, was 66% as at 31 March 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 quarter, capital expenditure on additions of the owned vessels and vessels under construction was US$91,834,000 (31/3/2008: US$148,967,000), and on other property, plant and equipment was US$6,000 (31/3/2008: US$503,000).

As at 31 March 2009, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US$803,986,000 (31/12/2008: US$928,845,000), representing the Group's outstanding capital expenditure commitments to acquire twenty four newbuildings (31/12/2008: twenty six newbuildings and one second hand vessel) at a total purchase price of approximately US$1,066,651,000 (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.

FLEET

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

During the quarter, two newly built Supramaxes named as “Jin Wan” and “Jin Shun”, and a second hand Supramax renamed as “Jin Kang” were delivered to the Group.

On 30 March 2009, the Group entered into agreements to dispose of two Supramaxes named as “Jin Man” and “Jin Pu” at a total consideration of US$60,000,000, both of which are expected to be delivered to the purchasers during the period between 25 May 2009 to 30 June 2009.

As at 31 March 2009, the Group had twenty four owned vessels which included one modern Capesize, one modern Panamax, twenty one modern grabs fitted Supramaxes and one Handymax.

Apart from the owned vessels, the Group operated eight chartered-in vessels which included two Capesizes, four Panamaxes and two Supramaxes as at 31 March 2009.

Subsequent to the quarter ended 31 March 2009, a newly built Panamax was delivered to the Group on 25 May 2009 and was named as “Jin Rui”.

Fleet Details

The movement in fleet details after the quarter ended 31 March 2009 and up to 28 May 2009 was as follows:

	Number of vessels						
	In operation			Newbuildings/New charters			
	Owned	Chartered	Subtotal	Owned [1]	Chartered [2]	Subtotal	Total
Capesize Fleet							
As at 1 April 2009	1	2	3	-	3	3	6
New charter	-	1	1	-	(1)	(1)	-
As at 28 May 2009	1	3	4	-	2	2	6
Post-Panamax Fleet							
As at 1 April 2009 and 28 May 2009	-	-	-	2	-	2	2
Panamax Fleet							
As at 1 April 2009	1	4	5	2	-	2	7
Newbuilding delivery	1	-	1	(1)	-	(1)	-
As at 28 May 2009	2	4	6	1	-	1	7
Supramax/Handymax Fleet							
As at 1 April 2009 and 28 May 2009	22	2	24	17	-	17	41
Handysize Fleet							
As at 1 April 2009 and 28 May 2009	-	-	-	1	-	1	1
Total Fleet as at 28 May 2009	25	9	34	21	2	23	57

Notes:

1 Includes twenty one newbuildings ordered by the Group as at 28 May 2009, which we expected to take deliveries of four Supramaxes in 2009, two Post-Panamaxes and five Supramaxes in 2010, five Supramaxes and one Panamax in 2011, two Supramaxes and one Handysize in 2012 and one Supramax in 2013.

2 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 28 May 2009 was as follows:

Owned and Chartered-in Fleet – revenue covered:

		Unit	2009	2010
Capesize Fleet	Coverage	*%*	80	67
	Operating days covered	*Days*	991	720
	Daily TCE	*US$*	86,528	83,704
Panamax Fleet	Coverage	*%*	86	50
	Operating days covered	*Days*	1,283	360
	Daily TCE	*US$*	22,488	38,200
Supramax/Handymax Fleet	Coverage	*%*	89	49
	Operating days covered	*Days*	7,441	4,770
	Daily TCE	*US$*	26,786	32,054

Chartered-in Fleet – TCE cost *:

		Unit	2009	2010
Capesize Fleet	Operating days	*Days*	883	730
	Daily TCE cost	*US$*	50,319	40,750
Panamax Fleet	Operating days	*Days*	899	N/A
	Daily TCE cost	*US$*	29,034	N/A
Supramax/Handymax Fleet	Operating days	*Days*	665	365
	Daily TCE cost	*US$*	40,800	36,000

* Assuming the Group will not exercise the options to charter-in the vessels during the optional periods, if any, pursuant to terms of certain charter contracts.

Notes:

1 Two Capesizes with scheduled deliveries in 2008 and 2009, which have been delayed as mentioned in note 2 on page 10, have been excluded in the above operating statistics.

2 The above operating statistics included considerable changes since last quarter of 2008. These changes are mainly due to counterparties' defaults which are beyond the Company's prediction and control.

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

In the current extraordinary period, using historical analogies to evaluate market trend is going to become increasingly problematical. Analogies, historical performance or empirical evidence based on past data all seem to be of minimal use because the current underlying economic backdrop is unprecedented. One of the many reasons we believe that the outlook remains to be extremely challenging is because we are experiencing a deleveraging on a global scale that is mind-blowing in its scope. To balance that, governments across all regions will have to issue astonishing amounts of sovereign debts to deal with their deficits. Governments have been pumping liquidity into the banking system, but the problem is that the banks are not sharing this liquidity they have been handed. Much of these central banks created liquidity remains trapped in the financial sector as most banks prefer to hold dearly on to cash rather than increase lending at this juncture.

The outcome of such events remains to be uncertain. Limited lending from banks implies that inflationary effect of the aggressive monetary easing may not be an item to worry about at this point. However, the dilemma is economic activities will not kick start as quickly as everyone would like and expect if banks do not begin to resume lending as soon as possible. Economic activities will remain to be dull, and extreme volatility across all markets will be a highly likely outcome if banks remain their current stance.

Recently, the dry bulk freight market improved to an unanticipated level due to demand recovery and a lower than expected increase in vessels supply. This recovery in demand was driven primarily by lower commodity prices, partial re-stocking of depleted inventories, improvement in the availability of trade credit and the effects of the global stimulus packages, particularly the stimulus package from China. Supply growth reduced as a result of increased scrapping of older vessels and fewer newbuildings delivering than previously forecast by the market. Market values of vessels have also seen an uptrend in the face of an increase in number of buyers looking for prompt tonnages.

However, we remain cautious given the still weak economic fundamentals, especially when there is no significant improvement in world trade, as evident by declining export out of Asian countries and US/Europe struggling to revitalize import volumes.

We believe 2009 remains to be extremely tough even for the largest and strongest shipowners, and outlook down the road will depend on whether there is solid positive developments in global trade volumes, availability of credit, freight market and vessel values collectively.

As highlighted before, the Group will not be 100% immune from a wide number of counterparty defaults and have been negatively affected in the first quarter due to a number of non-performing counterparties. We also experienced increasing delays in receiving charter-hires from charterers, a few of such charterers surprised us given they are widely regarded as blue chip quality. Our policy in this regard is cast in stone, and is plain and simple - We will devote all necessary resources and take appropriate commercial and legal actions against any charterers in breach of charterparties to enforce the performance of contractual obligations under the contracts.

Given the challenging operating environment, we are committed to eliminate all unnecessary risks or volatility in our earnings. We remain to have zero participation in the forward freight agreement market and have kept absolutely minimal exposure to all financial related derivatives or structured products, without a single instrument added in the first quarter.

The Group remains cautious with the medium term outlook and will monitor the dry bulk market and other key global economic indicators carefully. We will continue to focus on our core business, look at the basics, continue to build up our liquidity, reduce costs and mitigate any business and operating risks wherever possible. The Group will continue to work hard to navigate the stormy waters while preserving the Group's ability to rebound when the global economic environment normalizes.

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

Ng Siu Fai
Chairman

29 May 2009

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