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JINHUI

JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

HIGHLIGHTS FOR THE FIRST HALF OF 2009:

- Revenue dropped 31% to HK$1,406 million
- Net profit attributable to shareholders decreased from HK$470 million to HK$330 million
- Basic earnings per share: HK$0.633
- Gearing ratio as at 30 June 2009: 59%

CHAIRMAN'S STATEMENT

Interim Results

Jinhui Holdings Company Limited (the "Company") and its subsidiaries (the "Group") recorded revenue of HK$1,406,070,000 and net profit attributable to shareholders of the Company amounting to HK$329,804,000 for the first half of 2009, representing a decline of 31% and 30% as compared to HK$2,045,874,000 and HK$470,166,000 respectively for the first half of 2008.

Basic earnings per share for the period was HK$0.633 as compared to basic earnings per share of HK$0.904 for the last corresponding period.

Interim Dividend

The board of directors of the Company (the "Board") has resolved not to recommend the payment of any interim dividend for the period ended 30 June 2009 (2008: HK$0.12 per share).

Business Review

Chartering freight and hire. The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited ("Jinhui Shipping"), an approximately 54.77% owned subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway.

The operating environments in the early months of 2009 have been extremely challenging for dry bulk shipping industry. On the positive side, the various quantitative easing from governments across the globe, in particular that of China which has been relatively successful in terms of unleashing some liquidity/credit towards industrial activities, and consequentially brought some positive momentum in terms of coal and iron ore movements into China. The Baltic Dry Index rebounded from fairly low of 774 points on 1 January 2009 to 4,291 points on 3 June 2009 and closed at 3,757 points on 30 June 2009. Despite there are encouraging signs of slowing down of worsening in the global economies, there are still uncertainties over the macroeconomic recovery path and the dry bulk market environment remains difficult.

Comparing to the market peak happened in May 2008, both revenue and segment profit of the Group's chartering freight and hire segment unavoidably fell back by 30% and 32% respectively in the first half of 2009. The drop in revenue was primarily due to the loss of time-charter contracts as a result of counterparties' defaults in early months of 2009 and the sharp fall in charter rates due to the consequential increased in spot exposure. Notwithstandingly, our existing reputable charterers continue to honor the time-charter contracts that bring stable earning stream to the Group and our fleet continues to perform in high utilization. For the first half of 2009, the Group's chartering freight and hire revenue achieved HK$1,359 million and recorded segment profit of HK$605 million as compared to HK$1,949 million and HK$891 million respectively for the first half of 2008.

CHAIRMAN'S STATEMENT (CONT'D)

Due to the loss of a few long term time-charter contracts in the early 2009, the Group was negatively impacted by reduced profits that reflected in the decline in the average daily time charter equivalent rates ("TCE") of the Group's fleet.

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

	2009 first half	2008 first half	2008
	US$	*US$*	*US$*
Capesize	**80,507**	94,378	92,071
Panamax	**18,792**	48,739	46,269
Supramax / Handymax	**25,798**	35,609	34,312
In average	**30,273**	44,736	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 half of 2009, impairment loss of HK$79 million (2008: HK$627,000) had been provided on trade receivables due from certain charterers with prolonged delay in hire payments over the agreed credit terms.

On the other hand, the Group received an income of HK$310 million for the period ended 30 June 2009 (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 condensed consolidated statement of comprehensive income.

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 June 2009, whereas one Capesize, one Panamax and one Supramax would be delivered to the purchasers in the second half of 2009. Upon the completion of the disposal of two Supramaxes in June 2009, the Group's working capital and liquidity had been enhanced by the net sale proceeds (after repayment of vessel mortgage loans) of approximately HK$145 million while a loss of HK$53,536,000, before minority interests, on disposal of motor vessels was recognized in the first half of 2009.

The Group's shipping related expenses for the period dropped to HK$738,926,000 as compared to HK$882,438,000 for the last corresponding period. The decrease in shipping related expenses was mainly attributable to expiration of time-charter contracts of a few chartered-in Panamaxes in late 2008.

During the period ended 30 June 2009, three newly built Supramaxes, one newly built Panamax and one second hand Supramax had been delivered to the Group. As at 30 June 2009, the Group owned twenty four vessels and operated nine chartered-in vessels.

Trading. The Group operates its trading of chemical and industrial raw materials through Yee Lee Technology Company Limited, a 75% owned subsidiary of the Company.

In light of the marked deterioration in the business environment over the past few months, revenue for the Group's trading business dropped by 52% to HK$47 million for the first half of 2009 as compared to HK$97 million reported in the first half of 2008. Although the market sentiment has been improved since April 2009, the Group's trading business recorded a segment loss of HK$4,286,000 for the six months ended 30 June 2009, comparing to a segment profit of HK$2,000 for the last corresponding period.

Other financial information. The reduction in unallocated corporate expenses was mainly attributable to the absence of net loss on financial assets and financial liabilities at fair value through profit or loss being recognized in current period while the net loss of HK$29 million on financial assets and financial liabilities at fair value through profit or loss was recorded for the six months ended 30 June 2008.

Due to the remarkable interest rates cut, the Group's finance costs for the period ended 30 June 2009 reduced to HK$38 million as compared to HK$79 million for the last corresponding period.

Financial Review

Liquidity, financial resources and capital structure. During the period ended 30 June 2009, upon financing of various vessel mortgage loans and receiving the net sale proceeds on completion of the disposal of two motor vessels, and offset by cash used to partially finance the delivery of five additional vessels and installments paid for the newbuildings, the total of the Group's equity and debt securities, bank balances and cash decreased to HK$798,172,000 as at 30 June 2009 (31/12/2008: HK$864,011,000). The Group's bank borrowings increased to HK$3,692,176,000 as at 30 June 2009 (31/12/2008: HK$3,470,374,000), of which 11%, 10%, 28% and 51% are repayable respectively within one year, one to two years, two to five years and over five years. All the bank borrowings were committed on floating rate basis and were denominated mainly in United States Dollars. The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, reduced to 59% as at 30 June 2009 (31/12/2008: 61%). With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Pledge of assets. As at 30 June 2009, the Group's property, plant and equipment, investment property and assets held for sale with an aggregate net book value of HK$5,741,361,000 (31/12/2008: HK$4,896,172,000), financial assets at fair value through profit or loss of HK$30,771,000 (31/12/2008: HK$54,517,000) and deposits of HK$88,536,000 (31/12/2008: HK$80,838,000) placed with banks and other financial institution were pledged together with the assignment of twenty three (31/12/2008: twenty one) ship owning subsidiaries' chartering income to secure credit facilities utilized by the Group. In addition, shares of twenty one (31/12/2008: twenty one) ship owning subsidiaries were pledged to banks for vessel mortgage loans.

Capital expenditures and commitments. During the period, capital expenditure on additions of the owned vessels and vessels under construction was HK$1,454,997,000 (30/6/2008: HK$1,386,405,000) and on other property, plant and equipment was HK$1,177,000 (30/6/2008: HK$3,994,000).

As at 30 June 2009, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately HK$5,564,029,000 (31/12/2008: HK$7,244,992,000), representing the Group's outstanding capital expenditure commitments to acquire twenty two newbuildings (31/12/2008: twenty six newbuildings and one second hand vessel) at a total purchase price of approximately HK$7,525,661,000 (31/12/2008: HK$9,424,001,000).

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.

Contingent liabilities. As at 30 June 2009, the Group had the following contingent liabilities:

(a) a financial guarantee contract which has been issued by Jinhui Shipping since 2006 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; and

(b) a counter-indemnity which has been issued by the Group since 2008 to a bank for issuing a guarantee on behalf of a subsidiary of Jinhui Shipping in favour of a charterer of a vessel amounted to approximately HK$26,845,000 as security for the arbitration proceedings underway in London regarding a claim against the subsidiary for the loss and damage as a result of a stowage dispute.

Save as disclosed above, the Group had no other contingent liabilities as at 30 June 2009.

Outlook

Despite there are signs and statistics suggesting that the worst of the downturn may be behind us, the fundamentals of the world economy remain to be fragile in our view. The key ingredients for a sustainable economic rebound, other than positive movements in financial markets and stock market indices, are yet to be seen.

With OECD countries and the US still in recession, trading conditions for the rest of 2009 and into 2010 is expected to remain extremely challenging. Restoration in confidence in selected activities (mostly non-industrial) has resulted in recent months due to an unprecedented, orchestrated quantitative easing effort from governments across the globe. However, we observed that much of this liquidity remains trapped within the banking system and failed to channel into real economic or industrial activities, not to mention even those corporates with viable businesses and better access to credit remain to be highly cautious with further new investments. The past few months may have been a perfect environment for some financial institutions to produce spectacular gains from proprietary trading of financial securities, but as a matter of fact real business activities along the global supply chain, from manufacturing of goods to transportation of goods are still operating in an exceedingly challenging environment.

With the ongoing financial deleveraging and consumer retrenchment in the US and Europe, China and other Asian countries also suffer from over capacity in manufacturing which leads to drastic reduction in export which they heavily relied on in the past. Fortunately, China has been more successful in ensuring credit is allocated to economic/industrial activities by implementing large-scale infrastructure projects, as well as encouraging lending to individuals which stimulated domestic consumption and fixed asset investments in order to maintain healthy economic growth. It remains debatable as to the long term consequences of such approach, but in the meantime, a positive momentum in freight rates as well as a rebound in market value of vessels was generated which we have promptly taken advantage of to enhance our financial position. We took this cautious view and conservative steps since asset prices have already surpassed their medium term earnings capability from our perspective. Realistically, China alone as the only driving force of global economy or the dry seaborne trade may not be sufficient for a sustainable uptrend, especially when western economies are still struggling. The very foundation of global trade has been disrupted and the economic dynamics within as well as between countries and regions will go through radical structural changes going forward. We believe it is prudent to keep our powder dry against such backdrop as demand of dry seaborne trade will be volatile.

Turning to the supply side of dry bulk shipping, the capacity growth from delivery of ordered new vessels, as well as the over capacity in shipbuilding (due to limited failure of greenfield shipyards, who received local government supports over fear of increased unemployment) will remain to be key uncertainties going forward and will affect the trading condition of the dry bulk market.

With potential mismatch over the demand/supply as a possible scenario ahead, OECD countries and the US still facing much challenges ahead before steering themselves out of recession, the sustainability of the current positive momentum in dry bulk freight rates due to increase in Chinese imports and port congestions may soon be tested.

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. In the earlier part of 2009, we have experienced a number of counterparty defaults. We have been and will continue to devote resources to pursue these counterparties plus disclose their identities when appropriate, in particular those who failed to perform their contractual obligations with us but have since devoted financial resources to further their businesses.

Despite the prevailing seemingly calm seas, the Group will continue to work hard to navigate the stormy waters while preserving the Group's ability to take advantage of a real sustainable rebound of the global economy.

By Order of the Board

Ng Siu Fai
Chairman

Hong Kong, 2 September 2009

CORPORATE GOVERNANCE

Compliance of the Code Provisions

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period ended 30 June 2009, 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 Group. 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 of the Company (the "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.

CORPORATE GOVERNANCE (CONT'D)

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 Directors confirmed that they had complied with the required standard as set out therein throughout the six months ended 30 June 2009.

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 unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009.

SUPPLEMENTARY INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2009.

Employees

As at 30 June 2009, the Group had 108 (31/12/2008: 108) full-time employees. 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 funds. 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.

Fleet

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

During the period, a newly built Panamax named as “Jin Rui”, three newly built Supramaxes named as “Jin Wan”, “Jin Shun” and “Jin Gang”, and one second hand Supramax renamed as “Jin Kang” were delivered to the Group.

During the period, the Group entered into agreements to dispose of one Capesize named as “Jin Tai”, one Panamax named as “Jin He”, and three Supramaxes named as “Jin Man”, “Jin Pu” and “Jin Kang”, of which “Jin Man” and “Jin Pu” were both delivered to the purchasers in June 2009 while “Jin Kang” and “Jin Tai” were both delivered to the purchasers in July 2009. “Jin He” is expected to be delivered to the purchaser during the period between 15 November 2009 to 31 December 2009.

As at 30 June 2009, the Group had twenty four owned vessels which included one modern Capesize, two modern Panamaxes, twenty modern grabs fitted Supramaxes and one Handymax. Apart from the owned vessels, the Group operated nine chartered-in vessels which included three Capesizes, three Panamaxes and three Supramaxes as at 30 June 2009.

SUPPLEMENTARY INFORMATION (CONT'D)

Fleet Details

The movement in fleet details after the period ended 30 June 2009 and up to 30 August 2009 was as follows:

	Number of vessels						
	In operation			Newbuildings / New charters			
	Owned [1]	Chartered	Subtotal	Owned [2]	Chartered [3]	Subtotal	Total
Capesize Fleet							
As at 1 July 2009	1	3	4	-	2	2	6
New charter	-	1	1	-	-	-	1
Disposal	(1)	-	(1)	-	-	-	(1)
As at 30 August 2009	-	4	4	-	2	2	6
Post-Panamax Fleet							
As at 1 July 2009 and 30 August 2009	-	-	-	2	-	2	2
Panamax Fleet							
As at 1 July 2009 and 30 August 2009	2	3	5	1	-	1	6
Supramax / Handymax Fleet							
As at 1 July 2009	21	3	24	16	-	16	40
Expiry of charter	-	(1)	(1)	-	-	-	(1)
Disposal	(1)	-	(1)	-	-	-	(1)
As at 30 August 2009	20	2	22	16	-	16	38
Handysize Fleet							
As at 1 July 2009 and 30 August 2009	-	-	-	1	-	1	1
Total Fleet							
as at 30 August 2009	22	9	31	20	2	22	53

Notes:

1 Includes one disposed Panamax which is expected to be delivered to the purchaser during the period between 15 November 2009 to 31 December 2009.

2 Includes twenty newbuildings ordered by the Group as at 30 August 2009, which we expected to take deliveries of three 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.

3 Includes two Capesizes with scheduled deliveries in 2008 and 2009, which have been delayed due to problems at the shipyards.

SUPPLEMENTARY INFORMATION (CONT'D)

According to the Company's best estimation, the activity of the Group's fleet as at 30 August 2009 was as follows:

Owned and Chartered-in Fleet – revenue covered:

		Unit	**2009**	**2010**
Capesize Fleet	Coverage	*%*	97	100
	Operating days covered	*Days*	1,156	720
	Daily TCE	*US$*	79,622	83,704
Panamax Fleet	Coverage	*%*	80	50
	Operating days covered	*Days*	1,325	360
	Daily TCE	*US$*	22,076	38,200
Supramax / Handymax Fleet	Coverage	*%*	94	49
	Operating days covered	*Days*	7,840	4,602
	Daily TCE	*US$*	26,104	31,504

Chartered-in Fleet – TCE cost:

		Unit	**2009**	**2010**
Capesize Fleet	Operating days	*Days*	1,001	730
	Daily TCE cost	*US$*	50,753	40,750
Panamax Fleet	Operating days	*Days*	1,058	365
	Daily TCE cost	*US$*	27,663	22,500
Supramax / Handymax Fleet	Operating days	*Days*	852	491
	Daily TCE cost	*US$*	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 10, have been excluded in the above operating statistics.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

		Six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Revenue	*2*	**1,406,070**	2,045,874
(Loss) Gain on disposal of motor vessel(s)	*3*	**(53,536)**	22,434
Other operating income	*4*	**342,191**	60,137
Interest income		**5,983**	7,409
Shipping related expenses		**(738,926)**	(882,438)
Cost of trading goods sold		**(44,492)**	(89,162)
Staff costs		**(28,773)**	(25,867)
Other operating expenses		**(113,145)**	(68,707)
Operating profit before depreciation and amortization		**775,372**	1,069,680
Depreciation and amortization		**(133,313)**	(119,059)
Operating profit		**642,059**	950,621
Finance costs		**(38,374)**	(78,731)
Profit before taxation		**603,685**	871,890
Taxation	*5*	**(30)**	(9)
Net profit for the period		**603,655**	871,881
Other comprehensive income			
Change in fair value of available-for-sale financial assets		**-**	2,173
Total comprehensive income for the period		**603,655**	874,054
Net profit for the period attributable to:			
Shareholders of the Company		**329,804**	470,166
Minority interests		**273,851**	401,715
		603,655	871,881
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**329,804**	472,339
Minority interests		**273,851**	401,715
		603,655	874,054
Earnings per share for net profit attributable to shareholders of the Company			
- Basic	*6*	**HK$0.633**	HK$0.904
- Diluted	*6*	**N/A**	HK$0.827

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Note	**30 June 2009 (Unaudited) *HK$'000***	31 December 2008 (Audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**6,956,049**	6,926,665
Investment properties		**23,750**	23,750
Goodwill		**39,040**	39,040
Available-for-sale financial assets		**14,561**	14,561
Intangible assets		**2,344**	2,426
		7,035,744	7,006,442
Current assets			
Inventories		**12,123**	24,733
Assets held for sale	*8*	**809,352**	-
Trade and other receivables	*9*	**227,918**	248,659
Financial assets at fair value through profit or loss		**58,234**	87,305
Tax recoverable		**24**	1,064
Pledged deposits		**88,536**	80,838
Bank balances and cash	*10*	**739,938**	778,090
		1,936,125	1,220,689
Current liabilities			
Trade and other payables	*11*	**404,700**	461,184
Financial liabilities at fair value through profit or loss		**-**	24,347
Provision for taxation		**-**	77
Secured bank loans		**418,447**	437,509
		823,147	923,117
Net current assets		**1,112,978**	297,572
Total assets less current liabilities		**8,148,722**	7,304,014
Non-current liabilities			
Secured bank loans		**3,273,729**	3,032,865
Net assets		**4,874,993**	4,271,149
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	*12*	**52,146**	52,134
Reserves		**2,706,272**	2,376,291
		2,758,418	2,428,425
Minority interests		**2,116,575**	1,842,724
Total equity		**4,874,993**	4,271,149

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to shareholders of the Company									
	Issued capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Capital redemption reserve (Unaudited) *HK$'000*	Other asset revaluation reserve (Unaudited) *HK$'000*	Employee share-based compensation reserve (Unaudited) *HK$'000*	Reserve for available-for-sale financial assets (Unaudited) *HK$'000*	Retained profits (Unaudited) *HK$'000*	Sub-total (Unaudited) *HK$'000*	Minority interests (Unaudited) *HK$'000*	Total equity (Unaudited) *HK$'000*
At 1 January 2008	51,996	309,146	4,020	3,038	26,259	4,064	1,202,959	1,601,482	1,129,784	2,731,266
Total comprehensive income for the period	-	-	-	-	-	2,173	470,166	472,339	401,715	874,054
2007 final dividend paid	-	-	-	-	-	-	(31,198)	(31,198)	-	(31,198)
Dividends to minority interests	-	-	-	-	-	-	-	-	(47,437)	(47,437)
Shares issued upon exercise of share options	70	1,050	-	-	-	-	-	1,120	-	1,120
Expenses for shares issued upon exercise of share options	-	(4)	-	-	-	-	-	(4)	-	(4)
At 30 June 2008	52,066	310,192	4,020	3,038	26,259	6,237	1,641,927	2,043,739	1,484,062	3,527,801
At 1 January 2009	52,134	311,198	4,020	3,038	26,259	4,555	2,027,221	2,428,425	1,842,724	4,271,149
Total comprehensive income for the period	-	-	-	-	-	-	329,804	329,804	273,851	603,655
Shares issued upon exercise of share options	12	180	-	-	-	-	-	192	-	192
Expenses for shares issued upon exercise of share options	-	(3)	-	-	-	-	-	(3)	-	(3)
At 30 June 2009	**52,146**	**311,375**	**4,020**	**3,038**	**26,259**	**4,555**	**2,357,025**	**2,758,418**	**2,116,575**	**4,874,993**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

		Six months ended 30 June	
		2009	2008
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Net cash from operating activities		**749,617**	847,446
Net cash used in investing activities		**(961,431)**	(760,723)
Net cash from financing activities		**213,464**	13,667
Net increase in cash and cash equivalents		**1,650**	100,390
Cash and cash equivalents at 1 January		**660,288**	572,756
Cash and cash equivalents at 30 June	*10*	**661,938**	673,146

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2009 have been reviewed by our auditors, Grant Thornton, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). An unmodified review conclusion has been issued by the auditors.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure provisions of Appendix 16 of the Listing Rules.

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 Hong Kong Financial Reporting Standards ("HKFRSs") and HKASs (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 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 HKFRS 8 "Operating Segments" which has become effective on 1 January 2009. As the Group's operating segments reported to chief operating decision-maker as required by HKFRS 8 are the same as the business segments reported in accordance with the predecessor standard (HKAS 14 "Segment Reporting"), the adoption of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments.

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

2. Segment information

The Group has identified the reportable segments as chartering freight and hire, and trading.

The following tables present the Group's reportable segment revenue and segment results for the six months ended 30 June 2009 and 2008 and reconcile the total reportable segment results to the Group's net profit for the period as presented in the condensed consolidated statement of comprehensive income.

	Six months ended 30 June 2009		
	Chartering freight and hire (Unaudited) *HK$'000*	**Trading (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
Revenue	**1,359,260**	**46,810**	**1,406,070**
Segment results	**605,060**	**(4,286)**	**600,774**
Unallocated other operating income			**6,056**
Unallocated corporate expenses			**(9,128)**
Interest income			**5,983**
Profit before taxation			**603,685**
Taxation			**(30)**
Net profit for the period			**603,655**

	Six months ended 30 June 2008		
	Chartering freight and hire (Unaudited) *HK$'000*	Trading (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Revenue	1,948,656	97,218	2,045,874
Segment results	890,606	2	890,608
Unallocated other operating income			12,108
Unallocated corporate expenses			(38,235)
Interest income			7,409
Profit before taxation			871,890
Taxation			(9)
Net profit for the period			871,881

3. (Loss) Gain on disposal of motor vessel(s)

The amount for the period ended 30 June 2009 represented the loss on completion of the disposal of two motor vessels. The amount for the period ended 30 June 2008 represented the gain on completion of the disposal of a motor vessel.

4. Other operating income

The amount of other operating income for the period ended 30 June 2009 included an income of HK$309,757,000 (2008: nil) received from a few counterparties to wash out foregoing time-charter contracts by mutual agreements.

5. Taxation

The amount of taxation charged to the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
Current period	**-**	9
PRC Corporate Income Tax:		
Current period	**30**	-
	30	9

Hong Kong Profits Tax has not been provided as the Group has no assessable profits for the period ended 30 June 2009 (2008: 16.5% on the estimated assessable profits). 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.

PRC Corporate Income Tax has been provided at the applicable rate on the estimated assessable profits of a PRC subsidiary for the period ended 30 June 2009.

Apart from tax charges on estimated assessable profits arising in PRC, the Group is not subject to taxation in any other jurisdictions in which the Group operates.

6. Earnings per share

The calculation of basic earnings per share for the period ended 30 June 2009 is based on the net profit attributable to shareholders of the Company for the period of HK$329,804,000 (2008: HK$470,166,000) and the weighted average number of 521,354,718 (2008: 520,092,249) ordinary shares in issue during the period.

Diluted earnings per share for the period ended 30 June 2009 is not presented, as the exercise prices of the share options were greater than the average market price of the Company's share for the period and there was no dilution effect on the basic earnings per share.

The calculation of diluted earnings per share for the period ended 30 June 2008 was based on the net profit attributable to shareholders of the Company for the period of HK$470,166,000. The weighted average number of ordinary shares used in the calculation was 520,092,249 ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average of 48,374,907 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options granted under the Company's share option scheme during the period.

7. Dividends

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
(a) Dividend recognized as distribution:		
- 2007 final dividend of HK$0.06 per share	**-**	31,198
(b) Dividend declared after the balance sheet date:		
- 2008 interim dividend of HK$0.12 per share	**-**	62,560

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

8. Assets held for sale

As at 30 June 2009, the amount represented the carrying amounts of three motor vessels held for sale. The Group entered into agreements to dispose of these three motor vessels at total consideration of HK$950 million in June 2009, of which two motor vessels were delivered to the purchasers in July 2009 and one motor vessel is expected to be delivered to the purchaser during the period between 15 November 2009 to 31 December 2009. Upon completion of delivery of these three motor vessels, the Group's working capital and liquidity would be enhanced by the net sale proceeds (after repayment of vessel mortgage loans) of approximately HK$539 million and an estimated gain of approximately HK$120 million, before minority interests, would be realized in the second half of 2009.

9. Trade and other receivables

	30 June 2009	31 December 2008
	(Unaudited)	(Audited)
	HK\$'000	*HK\$'000*
Trade receivables	**49,431**	68,654
Prepayments, deposits and other receivables	**178,487**	180,005
	227,918	248,659

The aging analysis of trade receivables (net of impairment loss) is as follows:

	30 June 2009	31 December 2008
	(Unaudited)	(Audited)
	HK\$'000	*HK\$'000*
Within 3 months	**42,402**	61,667
Over 3 months but within 6 months	**3,423**	5,176
Over 6 months but within 12 months	**2,741**	926
Over 12 months	**865**	885
	49,431	68,654

Management has a credit policy in place for approving the credit limits and the exposures to credit risk are monitored such that any outstanding trade receivables are reviewed and followed up on an ongoing basis. Credit evaluations including assessing the customer's creditworthiness and financial standing are performed on customers requiring a credit over certain amount.

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 range from 30 to 90 days following the month in which sales take place.

10. Bank balances and cash

	30 June 2009	30 June 2008	31 December 2008
	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	*HK\$'000*	*HK\$'000*
Cash and cash equivalents for condensed consolidated statement of cash flows purpose	**661,938**	673,146	660,288
Bank deposits with more than three months to maturity when placed	**78,000**	-	117,802
	739,938	673,146	778,090

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONT'D)

11. Trade and other payables

	30 June 2009	31 December 2008
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade payables	**28,245**	21,347
Accrued charges and other payables	**376,455**	439,837
	404,700	461,184

The aging analysis of trade payables is as follows:

	30 June 2009	31 December 2008
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within 3 months	**7,973**	10,907
Over 3 months but within 6 months	**6,944**	1,506
Over 6 months but within 12 months	**2,431**	43
Over 12 months	**10,897**	8,891
	28,245	21,347

12. Issued capital

During the period, the number of issued ordinary shares of the Company was increased from 521,337,480 shares to 521,457,480 shares following the allotment and issue of 120,000 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. All the shares issued during the period rank pari passu with the existing shares of the Company in all respects.

13. Comparative information

Comparative information has been restated to conform to current period's presentation as a result of the adoption of HKAS 1 (Revised) and HKFRS 8.

PUBLICATION OF FINANCIAL INFORMATION

The interim report of the Company for the six months ended 30 June 2009 containing all the detailed information will be despatched to shareholders of the Company and available on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.jinhuiship.com in due course.

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.