JINHUI

JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

OVERSEAS REGULATORY ANNOUNCEMENT

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

The information set out below is an announcement released on 22 August 2007 through the Oslo Stock Exchange by Jinhui Shipping and Transportation Limited ("Jinhui Shipping" or defined as the "Company" below), an approximately 54.77% owned subsidiary of Jinhui Holdings Company Limited, in accordance with the regulations of the Oslo Stock Exchange.

"JINHUI SHIPPING AND TRANSPORTATION LIMITED –
INTERIM RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2007

The Board of Directors of **Jinhui Shipping and Transportation Limited (the "Company")** announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the quarter and six months ended 30 June 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended 30/6/2007 (Unaudited) *US$'000*	3 months ended 30/6/2006 (Unaudited) *US$'000*	**6 months ended 30/6/2007 (Unaudited)** *US$'000*	6 months ended 30/6/2006 (Unaudited) *US$'000*	Year ended 31/12/2006 (Audited) *US$'000*
Turnover	**67,199**	34,643	**121,510**	71,054	156,154
Gain on disposal of motor vessels	**–**	24,268	**–**	24,268	26,294
Other operating income	**511**	673	**2,823**	2,094	5,868
Shipping related expenses	**(36,091)**	(23,761)	**(66,845)**	(46,979)	(101,171)
Depreciation and amortization	**(5,230)**	(3,459)	**(9,170)**	(6,926)	(13,050)
Staff costs	**(1,008)**	(2,629)	**(1,894)**	(3,885)	(6,978)
Net loss on financial assets and financial liabilities at fair value through profit or loss	**(18,304)**	–	**(22,549)**	–	–
Other operating expenses	**(1,783)**	(2,780)	**(2,982)**	(4,712)	(9,271)
Profit from operations	**5,294**	26,955	**20,893**	34,914	57,846
Interest income	**821**	183	**1,468**	342	1,018
Interest expenses	**(4,970)**	(2,327)	**(8,449)**	(4,349)	(9,287)
Profit before taxation	**1,145**	24,811	**13,912**	30,907	49,577
Taxation	**–**	–	**–**	–	–
Net profit for the period/year attributable to shareholders of the Company	**1,145**	24,811	**13,912**	30,907	49,577
Basic earnings per share ***(US$)***	**0.0136**	0.2952	**0.1655**	0.3677	0.5899

CONDENSED CONSOLIDATED BALANCE SHEET

	30/6/2007 (Unaudited) *US$'000*	30/6/2006 (Unaudited) *US$'000*	31/12/2006 (Audited) *US$'000*
Property, plant and equipment	**558,056**	251,523	373,762
Available-for-sale financial assets	**3,570**	3,570	3,570
Other non-current assets	**844**	1,614	1,241
Current assets	**132,973**	89,123	73,532
Total assets	**695,443**	345,830	452,105
Capital and reserves	**241,220**	208,489	227,308
Non-current liabilities	**360,367**	107,396	183,458
Current liabilities	**93,856**	29,945	41,339
Total equity and liabilities	**695,443**	345,830	452,105

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 June 2007.

REVIEW OF OPERATIONS

The Group's turnover for the quarter amounted to US$67,199,000, representing an increase of 94% as compared to last corresponding quarter. Affected by the net loss on financial assets and financial liabilities at fair value through profit or loss, the Group recorded a modest net profit of US$1,145,000 for the quarter, whereas a net profit of US$24,811,000 was reported for last corresponding quarter. The net loss on financial assets and financial liabilities at fair value through profit or loss during the quarter was mainly attributable to the unrealized loss on fair value adjustments of various long term forward foreign exchange contracts and options against Japanese Yen as at 30 June 2007, whereas the net profit for last corresponding quarter was mainly attributable to an exceptional gain of US$24,268,000 on the completion of the disposal of four motor vessels by the Group.

If the net loss on financial assets and financial liabilities at fair value through profit or loss for the quarter is excluded, the net profit for the quarter will be US$19,449,000.

Basic earnings per share for the quarter was US$0.0136 as compared to basic earnings per share of US$0.2952 for last corresponding quarter.

After a strong first quarter of 2007, the second quarter saw the dry bulk market continue to move from strength to strength. This was largely on the back of severe port congestion in Australia and China's demand for iron ore and coal. Despite a downturn in mid June 2007, the charter rates still managed to rise during the quarter. The Baltic Dry Index overall increased by 890 points from 5,388 to close at 6,278 by end of the quarter.

The increase in charter rates during the quarter has a positive impact on the Group's businesses but the Group's overall performance was greatly affected by the unrealized loss on fair value adjustments of forward foreign exchange contracts and options against Japanese Yen as at 30 June 2007.

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

	2007 Q2	2006 Q2	**2007 1st half**	2006 1st half	2006
	US$	*US$*	***US$***	*US$*	*US$*
Capesize	**58,317**	32,762	**55,939**	34,557	39,389
Panamax	**34,232**	19,354	**31,149**	19,410	20,299
Supramax	**23,731**	17,709	**23,791**	18,685	20,328
Handymax	**21,000**	13,988	**20,251**	13,935	17,357
Handysize	**–**	10,493	**–**	10,341	10,514
In average	**29,354**	18,841	**28,870**	19,462	21,555

The Group's depreciation and amortization for the quarter increased by US$1,771,000 or 51% as compared to last corresponding quarter mainly due to the increase in number of owned vessels.

The Group's interest expenses for the quarter increased by US$2,643,000 or 114% as compared to last corresponding quarter mainly due to the increase in the amount of loans for the partial financing of acquisition of vessels.

During the quarter, a 2002-built Supramax, two newly built Supramaxes and a 2004-built Capesize were delivered to the Group, and were named as "Jin Quan", "Jin Yuan", "Jin Yi" and "Jin Tai".

On 7 May 2007, the Group entered into agreements to acquire two Supramax newbuildings for a total consideration of JPY3,821,000,000 and US$35,000,000, which will be delivered to the Group in 2012.

On 8 May 2007, the Group entered into an agreement to dispose of a 2001-built Supramax "Jin Kang" for a consideration of US$53,725,000, which will be delivered to the purchaser during the period from 1 August 2007 to 2 October 2007. Upon completion of the disposal of "Jin Kang", the Group expects to realize a net gain of around US$20 million later in 2007.

On 22 May 2007, the Group entered into agreements to dispose of two Supramax newbuildings for a total consideration of JPY3,703,031,000 and US$34,255,100, which will be delivered to the purchaser in October 2010 and August 2012 respectively.

On 30 May 2007, the Group further entered into agreements to acquire eight Supramax newbuildings for a total consideration of US$328,000,000, which will be delivered to the Group from 2008 to 2010.

FINANCIAL REVIEW

During the quarter, upon re-financing of three ship mortgage loans set off by payment in cash used to partially finance the delivery of four additional vessels, the total of the Group's equity securities, equity linked investments, bank deposits with embedded derivatives, bank balances and cash increased to US$91,566,000 (31/12/2006: US$48,143,000) and bank borrowings increased to US$401,405,000 (31/12/2006: US$203,566,000) as at 30 June 2007. The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, equity linked investments, bank deposits with embedded derivatives, cash and cash equivalents) over total equity, was 128% as at 30 June 2007 (31/12/2006: 68%).

Out of the Group's capital expenditures totalling US$186,405,000 for the six months ended 30 June 2007 (year ended 31/12/2006: US$167,589,000), approximately US$186,394,000 (year ended 31/12/2006: US$167,071,000) was spent on the construction and acquisition of the Group's vessels.

As at 30 June 2007, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US$462,915,000 and JPY27,416,800,000 (31/12/2006: US$210,415,000 and JPY21,183,000,000), representing the Group's outstanding capital expenditure commitments to acquire twenty-one (31/12/2006: eleven) newbuildings and one (31/12/2006: three) second hand vessel at a total purchase price of US$474,190,000 and JPY31,261,000,000 (31/12/2006: US$229,690,000 and JPY23,910,000,000).

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 was 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.

OUTLOOK

Subsequent to the quarter ended 30 June 2007, the charter rates reach all-time highs with the Baltic Dry Index further increases to around 7,200 by mid August 2007.

On 20 July 2007, a newly built Supramax was delivered to the Group and was named as "Jin Xing".

The total capacity of the Group's fleet is now around deadweight 1.7 million metric tons comprising eighteen owned vessels (including one Supramax which will be disposed by the Group later in 2007) and eight chartered-in vessels. Taking into account the commitment to dispose of two newbuildings as announced by the Company on 22 May 2007, the Group will have additional eighteen newly built grabs fitted Supramaxes and one second hand Handymax for delivery going forward, where five of which will be delivered in 2008, six in 2009, five in 2010, two in 2011 and one in 2012.

As previously announced by the Company, the Group took advantage of the robust freight environment and renewed majority of the time charter parties for the Group's fleet. According to the Group's best estimation, 98% of the Group's owned fleet is covered in 2007 by time charter parties with an average daily TCE of approximately US$25,392 and 74% in 2008 with an average daily TCE of approximately US$27,265; 93% of the Group's chartered-in fleet is covered in 2007 by time charter parties with an average daily TCE of approximately US$39,694 and 36% in 2008 with an average daily TCE of approximately US$42,527.

With the expectation of a healthy market outlook, the Group will continue to maintain a flexible chartering policy to achieve balance of revenue stability against spot exposure and will continue to ensure a young modern fleet is maintained to provide first class transportation services to our customers.

The Group has entered into certain long term forward foreign exchange contracts and options for the purposes of capital expenditure requirements with regards to payment for the newbuildings contracted with Japanese shipyards, and liquidity management. With the unexpected appreciation of Japanese Yen against United States Dollar in recent months due to unwinding of Japanese Yen carry trades in the financial markets, the Group suffered from the loss on those long term forward foreign exchange contracts and options. The Group has terminated some of these long term forward foreign exchange contracts and options in August 2007. Based on the Group's best estimation and the current market information, the Group expects a further loss on forward foreign exchange contracts and options of around US$35 million. The Group will make every effort in minimizing the loss on the foreign currency exposure in the coming months with the objective to safeguard the Group's long term profitability going forward.

With the backdrop of world output growth expected to remain at healthy levels, continuous strong growth and raw material demand from China, India and other emerging markets, an infrastructure boom in the middle east, and increase in ton mile demand due to shifting in trade patterns, the Group expects the dry bulk market to remain robust going forward. The management of the Group firmly believes that the grabs fitted Supramax, in particular, will benefit most from the in and out bound cargoes both from China and India for years to come. With a sequence of timely acquisition of this type of tonnage, the Group should be in an excellent position to take advantage of the expected firm freight environment, thereby further enhancing profitability for our shareholders."

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

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

Hong Kong, 22 August 2007

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.