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

SECOND QUARTER AND HALF YEARLY REPORT FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 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 31 August 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, 31 August 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

SECOND QUARTER AND HALF YEARLY REPORT
FOR THE QUARTER AND
SIX MONTHS ENDED 30 JUNE 2009

Jinhui Shipping and Transportation Limited

HIGHLIGHTS FOR THE FIRST HALF OF 2009:

- Revenue dropped 30% to US$174 million
- Net profit decreased from US$114 million to US$78 million
- Basic earnings per share: US$0.9271
- Gearing ratio as at 30 June 2009: 65%

HIGHLIGHTS FOR THE SECOND QUARTER OF 2009:

- Revenue dropped 32% to US$92 million
- Net profit decreased from US$71 million to US$27 million
- Basic earnings per share: US$0.3269

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 six months ended 30 June 2009.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**3 months ended 30/6/2009 (Unaudited)**	3 months ended 30/6/2008 (Unaudited)	**6 months ended 30/6/2009 (Unaudited)**	6 months ended 30/6/2008 (Unaudited)	Year ended 31/12/2008 (Audited)
		US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
Revenue	*2*	**91,699**	135,050	**174,264**	249,828	475,148
(Loss) Gain on disposal of motor vessel(s)	*3*	**(6,864)**	2,876	**(6,864)**	2,876	62,786
Other operating income	*4*	**2,033**	4,812	**43,047**	7,160	13,887
Interest income		**212**	411	**702**	780	1,854
Shipping related expenses		**(46,282)**	(61,472)	**(94,734)**	(113,133)	(222,353)
Staff costs		**(1,395)**	(1,194)	**(2,679)**	(2,245)	(20,478)
Other operating expenses		**(945)**	2,189	**(14,018)**	(6,300)	(24,964)
Operating profit before depreciation and amortization		**38,458**	82,672	**99,718**	138,966	285,880
Depreciation and amortization		**(8,924)**	(7,705)	**(16,881)**	(15,033)	(29,206)
Operating profit		**29,534**	74,967	**82,837**	123,933	256,674
Finance costs		**(2,059)**	(4,436)	**(4,917)**	(10,083)	(17,846)
Profit before taxation		**27,475**	70,531	**77,920**	113,850	238,828
Taxation	*5*	**-**	-	**-**	-	-
Net profit for the period / year		**27,475**	70,531	**77,920**	113,850	238,828
Other comprehensive income						
Change in fair value of available-for-sale financial assets		**-**	-	**-**	-	(32)
Total comprehensive income for the period / year attributable to shareholders of the Company		**27,475**	70,531	**77,920**	113,850	238,796
Basic earnings per share *(US$)*	*6*	**0.3269**	0.8392	**0.9271**	1.3546	2.8417

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30/6/2009 (Unaudited) US$'000	30/6/2008 (Unaudited) US$'000	31/12/2008 (Audited) US$'000
ASSETS				
Non-current assets				
Property, plant and equipment		**884,963**	725,100	880,998
Available-for-sale financial assets		**315**	192	315
		885,278	725,292	881,313
Current assets				
Inventories		**588**	37	1,994
Assets held for sale	*8*	**103,763**	90,265	-
Trade and other receivables		**25,279**	22,544	27,899
Financial assets at fair value through profit or loss		**2,642**	6,754	4,519
Pledged deposits		**11,328**	3,968	10,288
Bank balances and cash	*9*	**85,777**	79,472	91,548
		229,377	203,040	136,248
Total assets		**1,114,655**	928,332	1,017,561
EQUITY AND LIABILITIES				
Capital and reserves		**593,517**	413,343	515,597
Non-current liabilities				
Secured bank loans		**419,709**	402,089	388,829
Current liabilities				
Trade and other payables		**47,939**	33,515	54,334
Financial liabilities at fair value through profit or loss		**-**	2,025	2,761
Secured bank loans		**53,490**	77,360	56,040
		101,429	112,900	113,135
Total equity and liabilities		**1,114,655**	928,332	1,017,561

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Capital redemption reserve	Contributed surplus	Employee share-based compensation reserve	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
Total comprehensive income for the period	-	-	-	-	-	-	113,850	113,850
2007 final dividend	-	-	-	-	-	-	(13,447)	(13,447)
At 30 June 2008	4,202	72,087	719	16,297	4,758	-	315,280	413,343
At 1 January 2009	4,202	72,087	719	16,297	4,758	(32)	417,566	515,597
Total comprehensive income for the period	-	-	-	-	-	-	77,920	77,920
At 30 June 2009	**4,202**	**72,087**	**719**	**16,297**	**4,758**	**(32)**	**495,486**	**593,517**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**6 months ended 30/6/2009 (Unaudited)**	6 months ended 30/6/2008 (Unaudited)	Year ended 31/12/2008 (Audited)
		US$'000	*US$'000*	*US$'000*
Net cash from operating activities		**96,019**	114,264	214,886
Net cash used in investing activities		**(123,977)**	(98,107)	(138,164)
Net cash from (used in) financing activities		**27,290**	(4,959)	(68,551)
Net (decrease) increase in cash and cash equivalents		**(668)**	11,198	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	*9*	**75,777**	79,472	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 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.

More than 90% 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 operating segment is included in the financial statements.

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

The amounts for the quarter and six months ended 30 June 2009 represented the loss on completion of the disposal of two motor vessels. The amounts for the quarter and six months 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 six months ended 30 June 2009 included an income of US$39,712,000 (30/6/2008: 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 June 2009 is based on the net profit for the quarter of US$27,475,000 (30/6/2008: US$70,531,000) and the weighted average number of 84,045,341 (30/6/2008: 84,045,341) ordinary shares in issue during the quarter.

The calculation of basic earnings per share for the six months ended 30 June 2009 is based on the net profit for the period of US$77,920,000 (30/6/2008: US$113,850,000) and the weighted average number of 84,045,341 (30/6/2008: 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 30/6/2009 (Unaudited)	3 months ended 30/6/2008 (Unaudited)	**6 months ended 30/6/2009 (Unaudited)**	6 months ended 30/6/2008 (Unaudited)	Year ended 31/12/2008 (Audited)
	US$'000	*US$'000*	***US$'000***	*US$'000*	*US$'000*
(a) Dividends recognized as distribution:					
- 2007 final dividend of US$0.16 per share	**-**	13,447	**-**	13,447	13,447
- 2008 interim dividend of US$0.27 per share	**-**	-	**-**	-	22,692
	-	13,447	**-**	13,447	36,139
(b) Dividend declared after the balance sheet date:					
- 2008 interim dividend of US$0.27 per share	**-**	22,692	**-**	22,692	-

The Board has resolved not to recommend the payment of any interim dividend for the quarter 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 US$122 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 US$69 million and an estimated gain of approximately US$15 million would be realized in the second half of 2009.

As at 30 June 2008, the amount represented the carrying amounts of two motor vessels held for sale. The Group entered into agreements to dispose of these two motor vessels at total consideration of US$153 million in April 2008. The disposal of these two motor vessels had been completed in July 2008 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$76 million and a gain of US$60 million had been realized in the second half of 2008.

9. Bank balances and cash

	30/6/2009 (Unaudited) *US$'000*	30/6/2008 (Unaudited) *US$'000*	31/12/2008 (Audited) *US$'000*
Cash and cash equivalents for condensed consolidated statement of cash flows purpose	**75,777**	79,472	76,445
Bank deposits with more than three months to maturity when placed	**10,000**	-	15,103
	85,777	79,472	91,548

10. 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).

Grant Thornton 均富

Member of Grant Thornton International Ltd

INDEPENDENT REVIEW REPORT

To the Board of Directors of Jinhui Shipping and Transportation Limited

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 1 to 7 which comprise the condensed consolidated statement of financial position of Jinhui Shipping and Transportation Limited as of 30 June 2009 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by International Accounting Standards Board and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

Our responsibility is to express a conclusion on this interim financial report based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report is not prepared, in all material respects, in accordance with International Accounting Standard 34 and Hong Kong Accounting Standard 34.

Grant Thornton

Grant Thornton
Certified Public Accountants
6th Floor, Nexxus Building,
41 Connaught Road Central,
Hong Kong

31 August 2009

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 June 2009 (2008: US$0.27 per share).

REVIEW OF OPERATIONS

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 1,574 points on 1 April 2009 to 4,291 points on 3 June 2009 and closed at 3,757 points on 30 June 2009.

In the second quarter of 2009, the Group recorded revenue of US$91,699,000 and net profit of US$27,475,000, representing a decline of 32% and 61% as compared to the last corresponding quarter. Basic earnings per share for the quarter was US$0.3269 whereas US$0.8392 was reported in the second quarter of 2008. Comparing to the market peak happened in May 2008, the relative results and performances of the Group unavoidably fell back in the first half of 2009. Nevertheless, the Group achieved operating profit of approximately US$30 million for the quarter as our fleet continues to perform in high utilization and our existing reputable charterers continue to honor the time-charter contracts that bring stable earning stream to the Group in the second quarter of 2009. Still, 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 Q2	2008 Q2	**2009 1st half**	2008 1st half	2008
	US$	*US$*	***US$***	*US$*	*US$*
Capesize	**78,770**	99,245	**80,507**	94,378	92,071
Panamax	**20,153**	50,745	**18,792**	48,739	46,269
Supramax / Handymax	**24,742**	36,883	**25,798**	35,609	34,312
In average	**29,668**	46,270	**30,273**	44,736	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 during the second quarter, 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 the quarter, the Group's working capital and liquidity had been enhanced by the net sale proceeds (after repayment of vessel mortgage loans) of approximately US$19 million while a loss of US$6,864,000 on disposal of motor vessels was recognized in the second quarter of 2009.

Having provided full impairment loss on trade receivables amounting to US$10,144,000 in the first quarter 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 of 2009.

The Group's shipping related expenses for the quarter dropped to US$46,282,000 as compared to US$61,472,000 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.

Due to the remarkable interest rates cut, the Group's finance costs for the quarter reduced to US$2,059,000 as compared to US$4,436,000 for the last corresponding quarter.

FINANCIAL REVIEW

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 securities, bank balances and cash decreased to US$88,419,000 (31/12/2008: US$95,890,000) and bank borrowings increased to US$473,199,000 (31/12/2008: US$444,869,000) as at 30 June 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 65% as at 30 June 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 June 2009, capital expenditure on additions of the owned vessels and vessels under construction was US$186,538,000 (30/6/2008: US$177,744,000), and on other property, plant and equipment was US$149,000 (30/6/2008: US$504,000).

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 US$713,337,000 (31/12/2008: US$928,845,000), 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 US$964,828,000 (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, a newly built Panamax named as "Jin Rui" and a newly built Supramax named as "Jin Gang" were delivered to the Group while two disposed Supramaxes named as "Jin Man" and "Jin Pu" were delivered to the purchasers.

In June 2009, the Group entered into agreements to dispose of one Capesize named as "Jin Tai", one Panamax named as "Jin He" and one Supramax named as "Jin Kang" at total consideration of US$122 million, of which "Jin Kang" and "Jin Tai" were both delivered to the purchasers in July 2009 and a gain of around US$7 million would be realized and recorded in the third quarter of 2009. "Jin He" is expected to be delivered to the purchaser during the period between 15 November 2009 to 31 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 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.

Fleet Details

The movement in fleet details after the quarter 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.

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 12, 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

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.

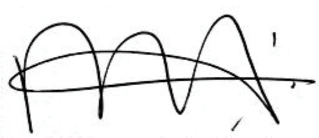
The Group remains cautious with the medium term outlook and will monitor the dry bulk market and other key global economic indicators carefully. We will continue to focus on our core business, look at the basics, continue to build up our liquidity, reduce costs and mitigate any business and operating 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.

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



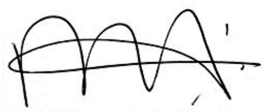
Ng Siu Fai
Chairman

31 August 2009

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the half yearly report for the period from 1 January to 30 June 2009 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position and results of operations of the Group and that the half yearly report includes a fair review of the development and performance of the business and the position of the Group together with a description of the key principal risks and uncertainty factors that the Group faces.

31 August 2009



Ng Siu Fai
Chairman

Ng Kam Wah Thomas
Managing Director and Deputy Chairman

Ng Ki Hung Frankie
Executive Director

Ho Suk Lin Cathy
Executive Director

Tsui Che Yin Frank
Non-executive Director

William Yau
Non-executive Director

Ng Ham Tim
Non-executive Director

JINHUI

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