



JINHUI SHIPPING AND TRANSPORTATION LIMITED

(incorporated in Bermuda with limited liability)

*Letter from the Board to shareholders of
Jinhui Shipping and Transportation Limited (the "Company")*

21 December 2010

Dear Sir or Madam,

PROPOSED CHANGE OF AUDITOR

INTRODUCTION

The purpose of this letter is to provide shareholders of the Company (the "Shareholders") with information in respect of the resolution to be proposed at the forthcoming special general meeting for the change of auditor.

PROPOSED CHANGE OF AUDITOR

The board of directors of the Company (the "Board") has resolved to convene a Special General Meeting on Thursday, 13 January 2011 at 9:30 a.m. (the "SGM") to propose to the Shareholders that Grant Thornton Jingdu Tianhua be appointed by an ordinary resolution as auditor of the Company to fill the casual vacancy occasioned by the resignation of JBPB & Co. ("JBPB") (formerly known as Grant Thornton in Hong Kong) and to hold office until the conclusion of the next annual general meeting of the Company, and that to authorize the Board to fix the remuneration of the auditor of the Company. The proposed change of auditor shall come into effect upon the passing of such ordinary resolution by the Shareholders at the SGM.

As announced by Grant Thornton International Limited ("GTI") on 2 November 2010, Grant Thornton Jingdu Tianhua is a new member firm of GTI in Hong Kong. JBPB would merge its practice with that of BDO Limited and ceased to be a member firm of GTI with effect from 23 November 2010. On 17 December 2010, the Board received a resignation letter from JBPB resigning as auditor of the Company with effect from 17 December 2010.

Having considered various factors, including but not limited to, the Company's future business development and operations, as well as the professional services required by the Company in the future, the Board would like to continue to use the services provided by a member firm of GTI in Hong Kong and has therefore proposed to appoint Grant Thornton Jingdu Tianhua as auditor of the Company with effect from the date of passing the ordinary resolution at the SGM.

JBPB has confirmed that there are no circumstances connected with its resignation which it considered should be brought to the attention of the shareholders or creditors of the Company.

The Board confirms that there is no disagreement between the Company and JBPB. The Board and the Audit Committee of the Company also confirm that there are no circumstances connected with the change of auditor which they consider should be brought to the attention of the shareholders or creditors of the Company.

SPECIAL GENERAL MEETING

The SGM will be held at The Plaza Restaurant, 2/F., Edif. Xin Hua, Rua de Nagasaki, ZAPE, Macau SAR, the People's Republic of China on Thursday, 13 January 2011 at 9:30 a.m.

At the SGM, a resolution will be proposed to approve the change of auditor. The Notice of the SGM containing instructions to vote together with the proxy forms are hereby enclosed.

RECOMMENDATION

The Board considers that the proposed change of auditor is in the best interests of the Company and the Shareholders as a whole and recommends all the Shareholders to vote in favour of the ordinary resolution to be proposed in the SGM.

By Order of the Board

Ng Siu Fai
Chairman



JINHUI SHIPPING AND TRANSPORTATION LIMITED

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NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of Jinhui Shipping and Transportation Limited (the “Company”) will be held at The Plaza Restaurant, 2/F., Edif. Xin Hua, Rua de Nagasaki, ZAPE, Macau SAR, the People’s Republic of China on Thursday, 13 January 2011 at 9:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as Ordinary Resolution:

ORDINARY RESOLUTION

“That Grant Thornton Jingdu Tianhua be and is hereby appointed as auditor of the Company to fill the casual vacancy occasioned by the resignation of JBPB & Co. (formerly known as Grant Thornton in Hong Kong) and to hold office until the conclusion of the next annual general meeting of the Company, and that the board of directors of the Company be and is hereby authorized to fix the remuneration of the auditor of the Company.”

By Order of the Board

Ho Suk Lin Cathy
Company Secretary

21 December 2010

Number of shares and votes in the Company

The Company has issued 84,045,341 ordinary shares of US\$0.05 each with equivalent to a total of 84,045,341 votes as at date of this notice.

Instructions to all shareholders

1. A member of the Company entitled to attend and vote at the above Meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company but must attend the above Meeting in person to represent the member.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited at Nordea Bank Norge ASA (“Nordea Bank”) Issuer Services, at Middelthuns Gate 17, Oslo or P.O. Box 1166 Sentrum, 0107 Oslo, Norway, not less than 48 hours before the time appointed for holding the Meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person if you are subsequently able to be present.
3. A person or entity registered in the Norwegian Registry of Securities registered as owner of shares of the Company is entitled to request Nordea Bank to appoint him/her/it as proxy to attend and vote at the above Meeting. Nordea Bank shall not attend or vote at the Meeting other than through proxies appointed in the manner aforesaid.
4. The board of directors of the Company has fixed the close of business on 10 January 2011, as the record date for the determination of the shareholders entitled to attend and vote at the Special General Meeting or any adjournment thereof.
5. According to the bye-law 59(4) of the bye-laws of the Company, any member of the Company may, by written notice served on the Board or the Secretary of the Company, require that any matter concerning the governance, affairs or activities of the Company be brought to the attention of the Members at a general meeting of the Company and that a statement (not exceeding a reasonable length) of such matter be included in a notice of the general meeting provided always that the Board may refuse to include any statement which it reasonably considers to be defamatory or frivolous.

Note: This notice and other relevant documents are available on the website of the Company at www.jinhuiship.com and the NewsWeb of the Oslo Stock Exchange at www.newsweb.no.

Oslo 21 December 2010

To: The Beneficial Owners of the Shares of
Jinhui Shipping and Transportation Limited
Registered in the Verdipapirsentralen ("VPS")

We refer to the Agreement (the "Registration Agreement") dated 30 September 1994 between Jinhui Shipping and Transportation Limited (the "Company") and Nordea Bank Norge ASA ("Nordea Bank"). In order to comply with the requirements of the Registration Agreement and Bermuda law, all of the shares of the Company registered in the VPS are registered on the register of shareholders of the Company in the name of Nordea Bank. Nordea Bank has agreed that whenever it receives a notice that a shareholders' meeting of the Company is called, it shall despatch to each beneficial owner of shares of the Company whose interest in such shares is registered in the VPS, a copy of the notice. Furthermore, Nordea Bank has agreed not to attend or vote at any such meeting other than in accordance with proxies from shareholders registered in VPS.

Accordingly, we are forwarding to you as a beneficial owner of shares of the Company whose interest in such shares is registered in the VPS, a Notice of the Special General Meeting of the Shareholders of the Company to be held at The Plaza Restaurant, 2/F., Edif. Xin Hua, Rua de Nagasaki, ZAPE, Macau SAR, the People's Republic of China on Thursday, 13 January 2011 at 9:30 a.m. for the purposes set out in such Notice.

If you wish to attend at the meeting and vote thereof in person or have someone appointed as proxy to attend the meeting and vote shares beneficially owned by you, please complete Section A of the enclosed form.

Your shares cannot be voted unless you sign in Section B and return the enclosed form.

If you have any questions regarding the above or how to exercise your rights as beneficial owner of shares of the Company, please contact Wegard Bommo at telephone 4722486262.

Yours sincerely,
for **Nordea Bank Norge ASA**

Wegard Bommo
as per limited authority

To: The Beneficial Owners of the Shares of
Jinhui Shipping and Transportation Limited (the "Company")
Registered in the Verdipapirsentralen ("VPS")

We hereby appoint the undersigned beneficial owner, in respect of the number of shares registered in the name of the undersigned in the VPS of shares of the Company, as proxy of Nordea Bank Norge ASA ("Nordea Bank") with full power of substitution, to attend, vote and otherwise act for and on behalf of Nordea Bank in respect of all matters that may come before the Special General Meeting of the Company to be held at The Plaza Restaurant, 2/F., Edif. Xin Hua, Rua de Nagasaki, ZAPE, Macau SAR, the People's Republic of China on Thursday, 13 January 2011 at 9:30 a.m. and at any adjournment or adjournments thereof, provided that, unless Nordea Bank receives duly executed instructions on Section B of this form to vote any such shares, this proxy shall be deemed to have been revoked.

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Date

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Attested registrars department signatures

The undersigned beneficial owner of shares of the Company

- ☐ will attend personally at the Special General Meeting of the Company on Thursday, 13 January 2011 at 9:30 a.m. pursuant to the above proxy, or
- ☐ pursuant to the power of substitution contained in the above proxy, hereby appoints Mr. Ng Siu Fai, Chairman of the Company, or failing him, Ms. Ho Suk Lin Cathy, Secretary of the Company, or instead of either of the foregoing
to be the proxy of Nordea Bank in respect of the number of shares registered in the name of the undersigned in the VPS.

Ordinary Resolution	For	Against
To appoint Grant Thornton Jingdu Tianhua as auditor of the Company to fill the casual vacancy occasioned by the resignation of JBPB & Co. (formerly known as Grant Thornton in Hong Kong), to hold office until the conclusion of the next annual general meeting of the Company and to authorize the board of directors of the Company to fix the remuneration of the auditor of the Company.		

The signature(s) should agree with the name(s) of the addressee(s) as appearing on the envelop in which these documents were contained. Executors, administrators, trustees, etc., should so indicate when signing. Where there are joint beneficial owners of any share, any one of such joint beneficial owners may vote by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such joint beneficial owners be present of any meeting, the vote of the senior who tenders the vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other beneficial owners and for this purpose seniority shall be determined by the order in which the names appear in the VPS of shares of the Company in respect of the joint beneficial ownership. If the beneficial owner is a body corporate, this form must be signed by a duly authorized officer or attorney thereof.

In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at Nordea Bank Norge ASA Issuer Services, at Middelthuns Gate 17, Oslo or P.O. Box 1166 Sentrum, 0107 Oslo, Norway, not less than 48 hours before the time appointed for holding the Meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person if you are subsequently able to be present.

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Date and Signature(s) of Beneficial Owner(s)

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Number of shares

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Name/Firm in capital letters

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Address