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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

DELAY IN DESPATCH OF CIRCULAR MAJOR TRANSACTION IN RELATION TO ACQUISITION OF TWO VESSELS

The Company has applied to the Stock Exchange for an extension of time for despatch of the Circular regarding the major transaction from on or before 17 March 2005 to on or before 31 March 2005.

Reference is made to the announcement of Jinhui Holdings Company Limited (the "Company") dated 23 February 2005 (the "Announcement") in relation to the major transaction regarding the Acquisition of the two Vessels (the "Acquisition"). Unless otherwise defined herein, capitalised terms used herein shall have the meanings ascribed thereto in the Announcement.

DELAY IN DESPATCH OF CIRCULAR

According to Rule 14.38 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the circular in relation to the Acquisition (the "Circular") is required to be sent to the shareholders of the Company within 21 days after publication of the Announcement, which is, on or before 17 March 2005.

According to Rule 14.67(4)(b)(i) of the Listing Rules, the Company is required to include, amongst other things, the profit and loss statements for the three (3) preceding years in relation to the two Vessels in the Circular. The Company had made repeated requests to the Vendors for the historical profit and loss statements for the two Vessels and the Vendors have, so far, turned down the Company's requests. In addition, the historical profit and loss statements for the two Vessels are not publicly available. As such, the historical profit and loss statements for the two Vessels have not been made available to the Company for inclusion in the Circular. **Furthermore, the Acquisition is an acquisition of two individual vessels, being assets free from any ongoing business contracts, such as, time charter arrangements, the Vendors are not under any legal obligations to make available the historical profit and loss statements for the relevant Vessels and it is not common practice in the shipping industry for a vendor to be subject to such legal obligations under similar transaction structures.** The Company has been in discussions with the Stock Exchange as to the means of complying with the relevant requirements under Rule 14.67(4)(b)(i) of the Listing Rules to the satisfaction of the Stock Exchange. Pending the resolution of the issues mentioned above, the Company has applied to the Stock Exchange for an extension of time for despatch of the Circular to on or before 31 March 2005.

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; the non-executive director of the Company is Ho Kin Lung; and the independent non-executive directors of the Company are Cui Jianhua, Tsui Che Yin Frank and William Yau.

By Order of the Board
Ng Siu Fai
Chairman

Hong Kong, 16 March 2005

Please also refer to the published version of this announcement in China Daily.