



JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

ANNOUNCEMENT – PROFORMA FINANCIAL INFORMATION FOR JINHUI SHIPPING AND TRANSPORTATION LIMITED

The information set out under the section headed “ADDITIONAL INFORMATION” is a reproduction of an announcement released on 15 March 2005 through the Oslo Stock Exchange by Jinhui Shipping and Transportation Limited (“Jinhui Shipping” or defined as the “Company” below), an approximately 59.61% owned subsidiary of Jinhui Holdings Company Limited, as required under the regulations of the Oslo Stock Exchange. This additional information regarding the Acquisitions including the proforma financial information, as set out in this announcement is issued by Jinhui Holdings Company Limited pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

ADDITIONAL INFORMATION

“The Board of Directors (the “Board”) of the Company had announced on 22 February 2005 that Jinzhou Marine Inc. (“Jinzhou”) and Jinkang Marine Inc. (“Jinkang”), both of which are wholly owned subsidiaries of the Company, entered into two memoranda on 22 February 2005 to acquire two motor vessels “Progreso Dos” and “Futuro Dos” (the “Vessels”) for a total consideration of US\$68,000,000 (the “Acquisitions”).

The Company is required under the regulations of the Oslo Stock Exchange to provide additional information on the Acquisitions as set out herein. In addition, the holding company of the Company, Jinhui Holdings Company Limited, a company listed on The Stock Exchange of Hong Kong Limited (the “HKEx”), is required under the applicable listing rules of the HKEx to, inter alia, despatch a circular containing further information on the Acquisitions to its shareholders and to ensure that the additional information to be released by the Company to the Oslo Stock Exchange must be released to the market in Hong Kong at the same time. The additional information on the Acquisitions as set out herein was submitted to the HKEx for their reference.

The Board is now pleased to provide additional information regarding the Acquisitions including, inter alia, the proforma financial information for the year ended 31 December 2004 as set out herein.

PROFORMA FINANCIAL INFORMATION

The proforma financial information has been prepared to illustrate the effect of the Acquisitions on the financial position or results of the Company and its subsidiaries (the “Group”) for illustrative purposes only, and because of its nature, it may not give a true picture of the Group’s financial position or results following completion of the Acquisitions.

**Proforma consolidated income statement
for the year ended 31 December 2004**

The following proforma consolidated income statement of the Group has been prepared for illustrative purposes as if the completion of the Acquisitions had taken place on 1 January 2004, and based on the audited consolidated income statement of the Group for year ended 31 December 2004.

	The Group <i>US\$'000</i>	Adjustments <i>US\$'000</i>	Proforma <i>US\$'000</i>
Turnover	216,410	19,126	235,536
Other operating income	27,631	–	27,631
Operating expenses excluding depreciation and amortization	(182,213)	(3,486)	(185,699)
Depreciation and amortization	(9,145)	(2,743)	(11,888)
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Profit from operations	52,683	12,897	65,580
Net interest expenses	(2,263)	(1,317)	(3,580)
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Profit before taxation	50,420	11,580	62,000
Taxation	–	–	–
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Net profit after taxation	<u>50,420</u>	<u>11,580</u>	<u>62,000</u>

The following adjustments and assumptions have been made when preparing the proforma consolidated income statement for the year ended 31 December 2004:

1. The proforma consolidated income statement has been prepared to illustrate how the consolidated income statement would have been affected if the completion of the Acquisitions had taken place on 1 January 2004, whereby transactions for the Vessels for year 2004 have been deemed to be included.
2. The turnover has been calculated based on the average 12-month period time charter rate for year 2004 as quoted from the report of a shipbroker for similar type of vessels.
3. The operating expenses have been calculated based on the costs of similar type of vessels within the Group.
4. Depreciation of the Vessels has been calculated according to the accounting policies adopted by the Group for the year ended 31 December 2004.
5. It is assumed that the Acquisitions would be funded as to US\$40,800,000 by bank financing and as to the balance of US\$27,200,000 from the Group's internal resources on 1 January 2004, accordingly, there would be an increase in net interest expenses for year 2004, being the interest expenses on the bank loan and interest income forfeited on the part of internal resources, both calculated at prevailing market rates on normal commercial terms.
6. Transaction costs which are insignificant have not been accounted for.

Proforma consolidated balance sheet as of 31 December 2004

The following proforma consolidated balance sheet of the Group has been prepared for illustrative purposes as if the completion of the Acquisitions had taken place on 31 December 2004 and based on the audited consolidated balance sheet of the Group as at 31 December 2004.

	The Group <i>US\$'000</i>	Adjustments <i>US\$'000</i>	Proforma <i>US\$'000</i>
Fixed assets	150,301	68,000	218,301
Other investments	3,570	–	3,570
Other non-current assets	562	–	562
Current assets			
Current assets other than bank balances and cash	23,233	–	23,233
Bank balances and cash	58,533	(27,200)	31,333
Total current assets	81,766	(27,200)	54,566
Total assets	236,199	40,800	276,999
Capital and reserves	121,045	–	121,045
Non-current liabilities			
Vessel mortgage loans	52,593	37,740	90,333
Current liabilities			
Current liabilities other than vessel mortgage loans	56,945	–	56,945
Vessel mortgage loans	5,616	3,060	8,676
Total current liabilities	62,561	3,060	65,621
Total equity and liabilities	236,199	40,800	276,999

The following adjustments and assumptions have been made when preparing the proforma consolidated balance sheet as of 31 December 2004:

1. The proforma consolidated balance sheet has been prepared to illustrate how the consolidated balance sheet would have been affected if the completion of the Acquisitions had taken place on 31 December 2004, accordingly, the fixed assets of the Group would be increased by US\$68,000,000, being the total consideration for the Acquisitions.
2. It is assumed that the Acquisitions would be funded as to US\$40,800,000 by bank financing under normal commercial terms, and as to the balance of US\$27,200,000 from the Group's internal resources."

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

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

Hong Kong, 15 March 2005

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