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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

RESULTS FOR QUARTER ENDED 31 DECEMBER 2002 AND PRELIMINARY RESULTS FOR YEAR ENDED 31 DECEMBER 2002 OF JINHUI SHIPPING AND TRANSPORTATION LIMITED

The following is a reproduction of an announcement released in Oslo by Jinhui Shipping and Transportation Limited (“Jinhui Shipping” or defined as the “Company” below) on 27 February 2003, an approximately 50.9% owned subsidiary of Jinhui Holdings Company Limited, in accordance with the requirements of the Oslo Exchanges. This announcement is issued by Jinhui Holdings Company Limited pursuant to paragraph 2 of the Listing Agreement for information purpose only.

“UNAUDITED RESULTS

Turnover of the Company and its subsidiaries (the “Group”) for the three months ended 31 December 2002 amounted to US\$19,654,000, representing an increase of 21% as compared with last corresponding period. The Group’s overall net loss for the three months ended 31 December 2002 amounted to US\$3,914,000 whereas a net loss of US\$4,291,000 was reported in last corresponding period.

The loss during the quarter was partly due to the loss as a result of the agreements made by the Group to dispose two 1985 built motor vessels “Jin Yi” and “Jin Sheng” for a total consideration of US\$10,965,000. Motor vessels “Jin Yi” and “Jin Sheng” were delivered to the buyers respectively in mid November 2002 and mid January 2003 as scheduled.

The increase in freight rates since September 2002 has a positive impact on the Group’s chartering activities but the rise in operating costs such as fuel costs and maintenance expenses during the year greatly affected the shipping industry. The Group’s shipping operations managed to operate at a modest profit of US\$373,000 for year ended 31 December 2002 whereas an operating profit of US\$1,973,000 was reported last year.

The overall results for year 2002 ran at a net loss of US\$11,577,000 whereas a net profit of US\$3,325,000 was reported last year. A provision of US\$3,872,000 was made for a claim receivable from China Nonferrous Metals Group (Hong Kong) Limited (“CNMG”) as an order for winding-up CNMG was issued by the High Court of Hong Kong on 8 May 2002. During the year, the Group also suffered from the realized and unrealized exchange loss as a result of the drastic and unexpected rebound of Japanese Yen and the weakening of United States Dollars. All these factors adversely affected the overall performance of the Group for the year.

CONSOLIDATED INCOME STATEMENT DATA (PRELIMINARY)

	3 months ended 31/12/2002 US\$'000	3 months ended 31/12/2001 US\$'000	Year ended 31/12/2002 US\$'000	Year ended 31/12/2001 US\$'000	Year ended 31/12/2000 US\$'000
Turnover	19,654	16,253	70,139	79,025	53,611
(Loss) Profit from operations	(3,413)	2,555	(9,849)	10,442	7,606
Interest income	189	255	767	2,043	3,001
Interest expenses	(689)	(554)	(2,511)	(2,614)	(1,559)
Provision for impairment in value of fixed assets	–	(6,541)	–	(6,541)	(23,124)
Net (loss) profit for the period/year	(3,914)	(4,291)	(11,577)	3,325	(14,068)
(Loss) Earnings per share – basic (US\$)	(0.0398)	(0.0436)	(0.1176)	0.0338	(0.1429)

CONSOLIDATED BALANCE SHEET DATA (PRELIMINARY)

	31/12/2002 US\$'000	31/12/2001 US\$'000
Fixed assets	167,822	131,436
Other investments	4,219	5,850
Other non-current assets	537	465
Current assets	21,629	38,834
Total assets	194,207	176,585
Capital and reserves	86,974	98,551
Minority interests	(90)	(74)
Non-current liabilities	87,419	53,344
Current liabilities	19,904	24,764
Total equity and liabilities	194,207	176,585

SEGMENTAL INFORMATION (PRELIMINARY)

	3 months ended 31/12/2002 US\$'000	3 months ended 31/12/2001 US\$'000	Year ended 31/12/2002 US\$'000	Year ended 31/12/2001 US\$'000	Year ended 31/12/2000 US\$'000
Segment turnover					
Chartering freight and hire	19,582	16,085	69,698	78,622	53,038
Investments in China	72	168	441	403	573
	<u>19,654</u>	<u>16,253</u>	<u>70,139</u>	<u>79,025</u>	<u>53,611</u>
Segment profit (loss) from operations					
Chartering freight and hire	(1,883)	(1,656)	373	1,973	2,373
Investments in China	746	183	756	(291)	(609)
Trading	–	1,121	–	1,641	(823)
Other operations	(2,276)	2,907	(10,978)	7,119	6,665
	<u>(3,413)</u>	<u>2,555</u>	<u>(9,849)</u>	<u>10,442</u>	<u>7,606</u>
				31/12/2002 US\$'000	31/12/2001 US\$'000
Segment assets					
Chartering freight and hire				168,343	131,154
Investments in China				4,378	6,110
Trading				44	24
Other operations				7,406	12,531
				<u>180,171</u>	<u>149,819</u>
Segment liabilities					
Chartering freight and hire				102,212	70,859
Investments in China				294	265
Trading				142	47
Other operations				2,206	2,047
				<u>104,854</u>	<u>73,218</u>

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 Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants.

By Order of the Board
Ng Siu Fai
Chairman and Managing Director

Hong Kong, 27 February 2003

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