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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

PROPOSED SHARE CONSOLIDATION

The Directors propose to effect the Share Consolidation by consolidating every 10 issued and unissued Existing Shares of HK\$0.10 each in the capital of the Company into 1 Consolidated Share of HK\$1.00 each. The board lot size will remain unchanged at 2,000 shares upon the Share Consolidation becoming unconditional.

The AGM will be convened to approve resolutions including an ordinary resolution regarding the proposed Share Consolidation. A circular containing further information on the proposed Share Consolidation together with a notice convening the AGM will be dispatched to the Shareholders on or before 24 April 2003.

Exchange of new share certificates will be free of charge during the period from Monday, 2 June 2003 to Monday, 14 July 2003 (both dates inclusive).

SHARE CONSOLIDATION

The Directors propose to effect the Share Consolidation by consolidating every 10 issued and unissued Existing Shares of HK\$0.10 each in the capital of Company into 1 Consolidated Share of HK\$1.00 each.

As at the date of this announcement, the existing authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Existing Shares of HK\$0.10 each, of which 526,242,488 Existing Shares have been issued and fully paid. Immediately upon the Share Consolidation and assuming no further Existing Shares will be issued up to the Share Consolidation becoming unconditional, the authorised share capital of the Company will be HK\$100,000,000 comprising of 100,000,000 Consolidated Shares of HK\$1.00 each, of which 52,624,248 Consolidated Shares will be in issue and fully paid. As at the date of this announcement, the Company has no share options, warrants or any other types of securities which are convertible into Existing Shares.

The board lot size will remain unchanged at 2,000 shares each upon the Share Consolidation becoming unconditional.

REASONS OF SHARE CONSOLIDATION

The Directors believe that the Share Consolidation is beneficial to the Company and its shareholders as a whole. It will increase the value of a board lot of the Company's shares resulting in a reduction of overall transaction costs for dealing in the Consolidated Shares. The Directors also believe that the Share Consolidation will attract more interests from investors and enhance the marketability of the Company's shares.

EFFECTS OF SHARE CONSOLIDATION

The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. Fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company.

The Directors believe that the Share Consolidation will not have any adverse effect on the underlying assets, business operations, management or financial position of the Group.

CONDITIONS OF SHARE CONSOLIDATION

The Share Consolidation will be conditional upon, *inter alia*:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the approval of relevant regulatory authority, if required.

EXPECTED TIMETABLE

2003

AGM circular to be dispatched on or before	Thursday, 24 April
Latest time for return of form of proxy in respect of the AGM	9:30 a.m. Wednesday, 28 May
AGM	9:30 a.m. Friday, 30 May
Effective time and date of Share Consolidation	9:30 a.m. Monday, 2 June
Dealings in Consolidated Shares commence	9:30 a.m. Monday, 2 June

Original counter for trading in Existing Shares in existing share certificates in board lots of 2,000 Existing Shares temporarily closes	9:30 a.m. Monday, 2 June
Temporary counter of trading in board lots of 200 Consolidated Shares (in the form of existing share certificates) opens	9:30 a.m. Monday, 2 June
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 2 June
Designated broker starts to stand in the market to provide matching service for sale and purchase of odd lots of Consolidated Shares	Monday, 2 June
Original counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (only new certificates for the Consolidated Shares can be traded at this counter) reopens	9:30 a.m. Tuesday, 17 June
Parallel trading commences	9:30 a.m. Tuesday, 17 June
Temporary counter of trading in board lots of 200 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. Wednesday, 9 July
Parallel trading in Consolidated Shares (in the form of new share certificates for Consolidated Shares and existing share certificates) ends	4:00 p.m. Wednesday, 9 July
Designated broker ceases to stand in the market to provide matching service for sale and purchase of odd lots of Consolidated Shares	4:00 p.m. Wednesday, 9 July
Last day for free exchange of existing share certificates for new certificates for the Consolidated Shares	Monday, 14 July

FREE EXCHANGE OF SHARE CERTIFICATES

Subject to the fulfillment of the conditions listed above, Shareholders are requested to lodge the relevant share certificates for the exchange of new share certificates for the Consolidated Shares free of charge. Exchange of new share certificates will be free of charge during the period from Monday, 2 June 2003 to Monday, 14 July 2003 (both dates inclusive). Thereafter, share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time allowed by the Stock Exchange) for each new share certificate to be issued or each old certificate submitted, whichever number of share certificates is higher. Details of such exchange arrangements will be set out in a circular to be dispatched to the Shareholders.

LISTING AND DEALINGS

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares.

The proposed Share Consolidation will not result in any change in the relative rights of the Shareholders, except that any fractions of the Consolidated Shares to which the Shareholders would otherwise be entitled upon the Share Consolidation becoming effective will be aggregated and sold for the benefit of the Company.

ARRANGEMENT ON ODD LOT TRADING

In order to alleviate the difficulties arising in trading of odd lots of Consolidated Shares as a result of the Share Consolidation, the Company has appointed UOB Kay Hian (Hong Kong) Limited to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares on best effort basis during the period from Monday, 2 June 2003 to Wednesday, 9 July 2003 (both dates inclusive). Shareholders who wish to take advantage of this matching facility either to dispose of their odd lots of Consolidated Shares or to top up to board lots of 2,000 Consolidated Shares, may contact Ms. Kitty Y.C. Ho of UOB Kay Hian (Hong Kong) Limited at Room 1501, 15th Floor, AON China Building, 29 Queen's Road Central, Hong Kong, and at telephone number (852) 2840 9692 during the period from Monday, 2 June 2003 to Wednesday, 9 July 2003 (both dates inclusive). Shareholders should note that the match up of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

GENERAL

The AGM will be convened to approve, amongst other things, an ordinary resolution regarding the proposed Share Consolidation. A circular containing further information on the proposed Share Consolidation together with a notice convening the AGM will be dispatched to the Shareholders on or before Thursday, 24 April 2003.

TERMS USED IN THE ANNOUNCEMENT

“AGM”	the annual general meeting of the Company to be convened at 9:30 a.m. on Friday, 30 May 2003 to consider and if thought fit approve, amongst other things, the Share Consolidation
“Company”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	the share(s) of the Company of HK\$1.00 each upon the Share Consolidation becoming effective
“Directors”	the directors of the Company
“Existing Share(s)”	existing ordinary share(s) of HK\$0.10 each in the capital of the Company
“Group”	the Company and its subsidiaries

“Share Consolidation”	the proposed share consolidation of every 10 issued and unissued Existing Shares of HK\$0.10 each in the capital of the Company into 1 Consolidated Share
“Shareholder(s)”	holder(s) of the Existing Share(s) and Consolidated Share(s) upon the Share Consolidation becoming effective
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars

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

Hong Kong, 9 April 2003

JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jinhui Holdings Company Limited (the “Company”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 30 May 2003 at 9:30 a.m. for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2002.
2. To re-elect Directors and fix their remuneration.
3. To re-appoint Messrs. Moores Rowland as Auditors for the ensuing year and authorise the Directors to fix their remuneration.
4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the Consolidated Shares (as defined below); and (ii) the approval of the relevant regulatory authority, if required, becoming effective with effect from 9:30 a.m. on the date falling on the next business day (not being a Saturday) after the date on which this resolution is passed:

- (a) every ten (10) issued and unissued shares of HK\$0.10 each in the capital of the Company be and are hereby consolidated into one (1) share (the “Consolidated Share”) of HK\$1.00 in the capital of the Company (the “Share Consolidation”); and
 - (b) the Directors of the Company be and are hereby authorised generally to do all acts and things appropriate to effect and implement the Share Consolidation.”
5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (c) and pursuant to section 57B of the Companies Ordinance, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiary companies of shares or rights to acquire shares of the Company; or (iii) the exercise of the subscription or conversion rights attaching to any warrants issued by the Company or any securities which are convertible into ordinary shares of the Company, shall upon the Share Consolidation (as defined in Resolution No. 4 above) becoming unconditional and effective, not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date immediately following the Share Consolidation or, if the Share Consolidation does not

become unconditional and effective, not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the shareholders on the register on a fixed record date in proportion to their shareholdings as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital repurchased by the Company pursuant to paragraph (a) above shall, upon the Share Consolidation (as defined in Resolution No. 4 above) becoming unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date immediately following the Share Consolidation or, if the Share Consolidation does not become unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

7. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

conditional upon Resolution No. 6 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 6 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution No. 5 above, provided that the amount of share capital repurchased by the Company shall, upon the Share Consolidation (as defined in Resolution No. 4 above) becoming unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date immediately following the Share Consolidation or, if the Share Consolidation does not become unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

8. To transact such other business as may properly be transacted at an Annual General Meeting.

By Order of the Board
Ho Suk Lin
Company Secretary

Hong Kong, 9 April 2003

Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the registered office of the Company at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong not less than 48 hours before the time appointed for holding the above meeting and any adjourned meeting.
3. The register of members of the Company will be closed from 28 May 2003 to 30 May 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for voting at the meeting, shareholders should ensure that they are registered as members of the Company on 27 May 2003.
4. A circular containing further details on resolutions 4 to 7 above will be sent to members together with the annual report.

Please also refer to the published version of this announcement in The Standard.