



JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

ANNOUNCEMENT PURSUANT TO RULES 3.11 AND 3.23 OF THE LISTING RULES

This announcement is made pursuant to Rules 3.11 and 3.23 of the Listing Rules in respect of the requirements under Rule 3.10 relating to INEDs and in respect of the requirements under Rule 3.21 relating to the audit committee of the Company.

Jinhui Holdings Company Limited (the “Company”) notes that under Rule 3.10(1) of The Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited, every board of directors of a listed issuer must include at least three independent non-executive directors (“INEDs”), and that under Rule 3.10(2) of the Listing Rules at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

The Company also notes that under Rule 3.21 of the Listing Rules, every listed issuer must establish an audit committee comprising at least three non-executive directors, at least one of them must be INED with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

As at 30 September 2004, the Company has only two INEDs who also form the audit committee of the Company. Since the resignation of a non-executive director of the Company during mid of August 2004, the Company has been trying to look for a suitable candidate with appropriate management expertise to act as the third INED and a member of the audit committee of the Company. However, no suitable candidate has been identified so far. Accordingly, the Company is not able to meet the requirements of Rules 3.10(1) and 3.21 of the Listing Rules. However, the Company does fulfill the requirements of Rule 3.10(2) of the Listing Rules in which at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

The Company will continue to look for a suitable candidate to act as INED and a member of the audit committee and will seek more appropriate referrals from its business contacts. The Company will endeavour to ensure that a suitable candidate be appointed as INED and a member of the audit committee as soon as possible to fulfill the requirements of Rules 3.10(1) and 3.21 of the Listing Rules. Further announcement will be made by the Company upon the fulfillment of those requirements.

As at the date of this announcement:

- (a) the executive directors of the Company are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin;

- (b) the non-executive director of the Company is Ho Kin Lung; and
- (c) the independent non-executive directors of the Company are Cui Jian Hua and Tsui Che Yin Frank.

By Order of the Board
Ng Siu Fai
Chairman

Hong Kong, 5 October 2004

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