



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 9 May 2006 through the Oslo Stock Exchange by Jinhui Shipping and Transportation Limited (“Jinhui Shipping” or defined as the “Company” below), an approximately 50.21% owned subsidiary of Jinhui Holdings Company Limited, as required under the regulations of the Oslo Stock Exchange. This additional information regarding the Disposals 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 of the Company refers to the Company’s announcements dated 26 April 2006 and 27 April 2006 that Jinyang Marine Inc. (“Jinyang”) and Jinsheng Marine Inc. (“Jinsheng”), wholly-owned subsidiaries of the Company, entered into two memoranda on 25 April 2006 to dispose of the motor vessels “Jin Yang” and “Jin Sheng” respectively for a total consideration of US\$78,200,000 (the “Disposals”).

The Company is now pleased to provide additional information as required under the regulations of the Oslo Stock Exchange regarding the Disposals including, inter alia, the proforma financial information for the year ended 31 December 2005 as set out herein.

PROFORMA FINANCIAL INFORMATION

The proforma financial information has been prepared to illustrate the effect of the Disposals 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 Disposals.

Proforma consolidated income statement for the year ended 31 December 2005

The following proforma consolidated income statement of the Group has been prepared for illustrative purposes as if the completion of the Disposals had taken place on the respective delivery dates of the motor vessels “Jin Yang” and “Jin Sheng” when they were newly built on 26 April 2005 and 25 November 2005 respectively, and based on the audited consolidated income statement of the Group for the year ended 31 December 2005.

	The Group <i>US\$'000</i>	Adjustments <i>US\$'000</i>	Proforma <i>US\$'000</i>
Turnover	214,460	(5,980)	208,480
Gain on disposal of motor vessels	–	16,634	16,634
Other operating income	30,932	(59)	30,873
Operating expenses excluding depreciation and amortization	(134,364)	1,444	(132,920)
Depreciation and amortization	(11,634)	1,132	(10,502)
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Profit from operations	99,394	13,171	112,565
Net interest expenses	(3,594)	553	(3,041)
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Profit before taxation	95,800	13,724	109,524
Taxation	–	–	–
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Net profit after taxation	<u>95,800</u>	<u>13,724</u>	<u>109,524</u>

The following adjustments and assumptions have been made when preparing the proforma consolidated income statement for the year ended 31 December 2005:

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 Disposals had taken place on the respective delivery dates of the motor vessels “Jin Yang” and “Jin Sheng” when they were newly built in

2005, whereby transactions for the two motor vessels during 2005 have been deemed to be excluded.

2. As a consequence of the Disposals, there would be a proforma gain of US\$16,634,000 on the Disposals, being the cash consideration of US\$78,200,000 over the total acquisition costs for these two vessels and after deducting the estimated expenses on the Disposals.

Proforma consolidated balance sheet as of 31 December 2005

The following proforma consolidated balance sheet of the Group has been prepared for illustrative purposes as if the completion of the Disposals had taken place on 31 December 2005 and based on the audited consolidated balance sheet of the Group as at 31 December 2005.

	The Group <i>US\$'000</i>	Adjustments <i>US\$'000</i>	Proforma <i>US\$'000</i>
Property, plant and equipment	290,031	(58,425)	231,606
Other non-current assets	4,423	–	4,423
Current assets			
Current assets other than bank balances and cash	24,014	–	24,014
Bank balances and cash	25,887	38,593	64,480
Total current assets	49,901	38,593	88,494
Total assets	344,355	(19,832)	324,523

	The Group <i>US\$'000</i>	Adjustments <i>US\$'000</i>	Proforma <i>US\$'000</i>
Capital and reserves	181,216	17,380	198,596
Non-current liabilities			
Vessel mortgage loans	128,552	(34,386)	94,166
Current liabilities			
Current liabilities other than vessel mortgage loans	21,133	–	21,133
Vessel mortgage loans	13,454	(2,826)	10,628
Total current liabilities	34,587	(2,826)	31,761
Total equity and liabilities	344,355	(19,832)	324,523

The following adjustments and assumptions have been made when preparing the proforma consolidated balance sheet as of 31 December 2005:

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 Disposals had taken place on 31 December 2005, accordingly, property, plant and equipment of the Group would be reduced by US\$58,425,000, being the net book values of the two vessels as at 31 December 2005 with the reserves increased by the proforma gain, after deducting estimated expenses on the Disposals, of US\$17,380,000.
2. It is assumed that the cash consideration of US\$78,200,000 would be used to repay the bank loans of the two vessels in full and the balance, after deducting estimated expenses on the Disposals, as additional working capital.

FINANCIAL STATEMENTS FOR JINYANG AND JINSHENG
Income statements for the year ended 31 December 2005

	Jinyang <i>US\$'000</i>	Jinsheng <i>US\$'000</i>
Turnover	5,504	476
Other operating income	57	2
Operating expenses excluding depreciation and amortization	(1,138)	(306)
Depreciation and amortization	(1,010)	(122)
	<hr/>	<hr/>
Profit from operations	3,413	50
Net interest expenses	(450)	(103)
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Profit (loss) before taxation	2,963	(53)
Taxation	–	–
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Net profit (loss) after taxation	2,963	(53)
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Balance sheets as at 31 December 2005

	Jinyang <i>US\$'000</i>	Jinsheng <i>US\$'000</i>
Property, plant and equipment	36,455	21,970
Current assets	1,464	796
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Total assets	37,919	22,766
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Capital and reserves	94	(2,147)
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Non-current liabilities		
Vessel mortgage loan	18,986	15,400
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Current liabilities		
Current liabilities other than vessel mortgage loan	17,113	8,413
Vessel mortgage loan	1,726	1,100
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Total current liabilities	18,839	9,513
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Total equity and liabilities	37,919	22,766
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Figures extracted from audited financial statements for the year ended 31 December 2005 for Jinyang and Jinsheng.”

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; and the Independent Non-executive Directors of Jinhui Holdings Company Limited are Cui Jianhua, Tsui Che Yin Frank and William Yau.

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

Hong Kong, 9 May 2006

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