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 6 February 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 Acquisition 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 23 January 2006 that the Company entered into a memorandum of agreement on 23 January 2006 to acquire the motor vessel "Mineral Shanghai", a deadweight 173,880 metric tons bulk carrier, (the "Vessel") for a consideration of US$60,000,000 (the "Acquisition").

The Company is now pleased to provide additional information as required under the regulations of the Oslo Stock Exchange regarding the Acquisition including, inter alia, the proforma financial information for the nine months ended 30 September 2005 and 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 Acquisition 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 Acquisition.

Proforma consolidated profit and loss account for the nine months ended 30 September 2005

The following proforma consolidated profit and loss account of the Group has been prepared for illustrative purposes as if the completion of the Acquisition had taken place on 1 January 2005, and based on the unaudited consolidated profit and loss account of the Group for the nine months ended 30 September 2005.

	The Group	**Adjustments**	**Proforma**
	US$'000	*US$'000*	*US$'000*
Turnover	166,265	13,377	179,642
Other operating income	26,127	–	26,127
Operating expenses excluding depreciation and amortization	(95,441)	(1,647)	(97,088)
Depreciation and amortization	(8,414)	(1,572)	(9,986)
Profit from operations	88,537	10,158	98,695
Net interest expenses	(2,282)	(1,633)	(3,915)
Profit before taxation	86,255	8,525	94,780
Taxation	–	–	–
Net profit after taxation	86,255	8,525	94,780

The following adjustments and assumptions have been made when preparing the proforma consolidated profit and loss account for the nine months ended 30 September 2005:

1. The proforma consolidated profit and loss account has been prepared to illustrate how the consolidated profit and loss account would have been affected if the completion of the Acquisition had taken place on 1 January 2005, whereby transactions for the Vessel for the nine months ended 30 September 2005 have been deemed to be included as an owned vessel of the Group notwithstanding the Vessel has been chartered-in for use by the Group since mid May 2005 and, transactions for the Vessel under the existing time charter party arrangement with the Group during the period were assumed to be remained in place as if there was another similar vessel being chartered-in by the Group.

2. The turnover has been calculated based on the average time charter rate for nine months ended 30 September 2005 as quoted from the reports of a shipbroker for similar type of vessels.

3. The operating expenses have been calculated based on estimated costs of similar type of vessels.

4. Depreciation of the Vessel has been calculated according to the accounting policies adopted by the Group for year 2005.

5. It is assumed that the Acquisition would be funded as to US$42,000,000 by bank financing and as to the balance of US$18,000,000 from the Group's internal resources on 1 January 2005, accordingly, there would be an increase in net interest expenses for the nine months ended 30 September 2005, 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 profit and loss account for the year ended 31 December 2004

The following proforma consolidated profit and loss account of the Group has been prepared for illustrative purposes as if the completion of the Acquisition had taken place on 17 May 2004, the delivery date of the Vessel when it was newly built, and based on the audited consolidated profit and loss account of the Group for year ended 31 December 2004.

	The Group	**Adjustments**	**Proforma**
	US$'000	*US$'000*	*US$'000*
Turnover	216,410	13,694	230,104
Other operating income	27,631	–	27,631
Operating expenses excluding depreciation and amortization	(182,213)	(1,368)	(183,581)
Depreciation and amortization	(9,145)	(1,278)	(10,423)
Profit from operations	52,683	11,048	63,731
Net interest expenses	(2,263)	(856)	(3,119)
Profit before taxation	50,420	10,192	60,612
Taxation	–	–	–
Net profit after taxation	50,420	10,192	60,612

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

1. The proforma consolidated profit and loss account has been prepared to illustrate how the consolidated profit and loss account would have been affected if the completion of the Acquisition had taken place on 17 May 2004, whereby transactions for the Vessel for the period from 17 May 2004 to 31 December 2004 have been deemed to be included.

2. The turnover has been calculated based on the average time charter rate for the period from May 2004 to December 2004 as quoted from the reports of a shipbroker for similar type of vessels.

3. The operating expenses have been calculated based on the estimated costs of similar type of vessels.

4. Depreciation of the Vessel 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 Acquisition would be funded as to US$42,000,000 by bank financing and as to the balance of US$18,000,000 from the Group's internal resources on 17 May 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 30 September 2005

The following proforma consolidated balance sheet of the Group has been prepared for illustrative purposes as if the completion of the Acquisition had taken place on 30 September 2005 and based on the unaudited consolidated balance sheet of the Group as at 30 September 2005.

	The Group *US$'000*	**Adjustments** *US$'000*	**Proforma** *US$'000*
Property, plant and equipment	266,416	60,000	326,416
Other non-current assets	4,347	–	4,347
Current assets			
Current assets other than bank balances and cash	32,545	–	32,545
Bank balances and cash	32,941	(18,000)	14,941
Total current assets	65,486	(18,000)	47,486
Total assets	**336,249**	**42,000**	**378,249**
Capital and reserves	171,964	–	171,964
Non-current liabilities – Vessel mortgage loans	108,275	38,640	146,915
Current liabilities			
Current liabilities other than vessel mortgage loans	44,288	–	44,288
Vessel mortgage loans	11,722	3,360	15,082
Total current liabilities	56,010	3,360	59,370
Total equity and liabilities	**336,249**	**42,000**	**378,249**

The following adjustments and assumptions have been made when preparing the proforma consolidated balance sheet as of 30 September 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 Acquisition had taken place on 30 September 2005, accordingly, property, plant and equipment of the Group would be increased by US$60,000,000, being the consideration for the Acquisition.

2. It is assumed that the Acquisition would be funded as to US$42,000,000 by bank financing under normal commercial terms, and as to the balance of US$18,000,000 from the Group's internal resources.

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 Acquisition 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 *US$'000*	**Adjustments** *US$'000*	**Proforma** *US$'000*
Property, plant and equipment	150,301	60,000	210,301
Other non-current assets	4,132	–	4,132
Current assets			
Current assets other than bank balances and cash	23,233	–	23,233
Bank balances and cash	58,533	(18,000)	40,533
Total current assets	81,766	(18,000)	63,766
Total assets	**236,199**	**42,000**	**278,199**
Capital and reserves	121,045	–	121,045
Non-current liabilities – Vessel mortgage loans	52,593	38,640	91,233
Current liabilities			
Current liabilities other than vessel mortgage loans	56,945	–	56,945
Vessel mortgage loans	5,616	3,360	8,976
Total current liabilities	62,561	3,360	65,921
Total equity and liabilities	**236,199**	**42,000**	**278,199**

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 Acquisition had taken place on 31 December 2004, accordingly, property, plant and equipment of the Group would be increased by US$60,000,000, being the consideration for the Acquisition.

2. It is assumed that the Acquisition would be funded as to US$42,000,000 by bank financing under normal commercial terms, and as to the balance of US$18,000,000 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; 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, 6 February 2006

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