

October 20, 2003

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Washington, D.C. 20549  
U.S.A.

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THOMSON  
FINANCIAL

SEC FILE NO. 82-4054

Ladies and Gentlemen:

Re: Jinhui Shipping and Transportation Limited  
Information Furnished Pursuant to Rule 12g3-2(b)  
under the Securities Exchange Act

On behalf of Jinhui Shipping and Transportation Limited (the "Company"), SEC File No. 82-4054, the enclosed copies of documents are submitted to you in order to maintain the Company's exemption from Section 12(g) of the Securities Exchange Act of 1934 (the "Act") pursuant to Rule 12g3-2(b) under the Act:

1. The Company's interim report for the quarter and six months ended June 30, 2003, dated August 21, 2003, published in the English language in the Oslo Exchanges' website;

2. The Company's release regarding interim results for the quarter and six months ended June 30, 2003, dated August 21, 2003, published in the English language in the Oslo Exchanges' website;

*slw 11/7*

Partners: Simon Luk Carson Wen Michael P. Phillips Katherine C.M. U Susan C. Yu \* China-Appointed Attesting Officer  
35th Floor One Exchange Square 8 Connaught Place Central, Hong Kong www.hewm.com

Hong Kong Singapore San Francisco Silicon Valley Los Angeles San Diego Seattle Portland Anchorage  
New York Washington D.C. Madison, WI Affiliated Offices: Milan Paris Rome

3. The Company's release regarding acquisition of a motor vessel, dated August 12, 2003, published in the English language in the Oslo Exchanges' website;

4. The Company's release regarding acquisition of a motor vessel, dated July 1, 2003, published in the English language in the Oslo Exchanges' website;

5. The Company's interim report for the quarter ended March 31, 2003, dated May 27, 2003, published in the English language in the Oslo Exchanges' website; and

6. The Company's release regarding interim results for the quarter ended March 31, 2003, dated May 27, 2003, published in the English language in the Oslo Exchanges' website.

The parts of the enclosed documents that are in Chinese substantially restate the information appearing elsewhere in English.

We would appreciate your acknowledging receipt of the foregoing by stamping and returning the enclosed copy of this letter. A self-addressed, stamped envelope is enclosed for your convenience.

Very truly yours,



Simon Luk

Enclosures

cc: Jinhui Shipping & Transportation Limited

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Partners: Simon Luk Carson Wen Michael P. Phillips Katherine C.M. U Susan C. Yu \* China-Appointed Attesting Officer  
35th Floor One Exchange Square 8 Connaught Place Central, Hong Kong www.hewm.com

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New York Washington D.C. Madison, WI Affiliated Offices: Milan Paris Rome



# JINHUI SHIPPING AND TRANSPORTATION LIMITED

## INTERIM REPORT FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2003

The Board of Directors of Jinhui Shipping and Transportation Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the quarter and six months ended 30 June 2003.

### CONDENSED CONSOLIDATED INCOME STATEMENT

		3 months ended 30/6/2003	3 months ended 30/6/2002	6 months ended 30/6/2003	6 months ended 30/6/2002	Year ended 31/12/2002
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Turnover	2(a)	23,328	16,594	46,502	34,528	70,139
Other operating income		1,778	2,609	3,596	4,295	6,652
Voyage related expenses		(21,708)	(13,941)	(43,120)	(29,437)	(60,258)
Staff costs		(574)	(585)	(1,135)	(1,247)	(2,484)
Other operating expenses		(715)	(785)	(1,560)	(1,977)	(4,773)
Other net income (expenses)		585	(5,023)	1,474	(7,898)	(10,663)
Depreciation and amortization		(1,970)	(2,131)	(3,931)	(4,120)	(8,462)
<b>Profit (Loss) from operations</b>	2(a)	<b>724</b>	<b>(3,262)</b>	<b>1,826</b>	<b>(5,856)</b>	<b>(9,849)</b>
Interest income		142	222	324	374	767
Interest expenses		(595)	(688)	(1,206)	(1,177)	(2,511)
<b>Profit (Loss) before taxation</b>		<b>271</b>	<b>(3,728)</b>	<b>944</b>	<b>(6,659)</b>	<b>(11,593)</b>
Taxation	3	-	-	-	-	-
<b>Profit (Loss) from ordinary activities after taxation</b>		<b>271</b>	<b>(3,728)</b>	<b>944</b>	<b>(6,659)</b>	<b>(11,593)</b>
Minority interests		-	3	3	11	16
<b>Net profit (loss) for the period/year</b>		<b>271</b>	<b>(3,725)</b>	<b>947</b>	<b>(6,648)</b>	<b>(11,577)</b>
<b>Basic earnings (loss) per share (US\$)</b>	4	<b>0.0028</b>	<b>(0.0378)</b>	<b>0.0096</b>	<b>(0.0675)</b>	<b>(0.1176)</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Note</i>	30/6/2003 <i>US\$'000</i>	30/6/2002 <i>US\$'000</i>	31/12/2002 <i>US\$'000</i>
<b>ASSETS</b>				
<b>Fixed assets</b>				
Vessels under construction		-	4,345	-
Owned vessels		155,207	153,504	164,333
Other fixed assets		3,363	3,851	3,489
		<u>158,570</u>	<u>161,700</u>	<u>167,822</u>
<b>Other investments</b>		<u>4,057</u>	<u>5,634</u>	<u>4,219</u>
<b>Other non-current assets</b>		<u>332</u>	<u>1,826</u>	<u>537</u>
<b>Current assets</b>				
Current assets other than pledged deposits and bank balances and cash		8,668	10,982	7,593
Pledged deposits		6,124	5,254	3,906
Bank balances and cash		16,055	7,704	10,130
		<u>30,847</u>	<u>23,940</u>	<u>21,629</u>
<b>Total assets</b>	<i>2(b)</i>	<u><u>193,806</u></u>	<u><u>193,100</u></u>	<u><u>194,207</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>		<u>87,921</u>	<u>91,903</u>	<u>86,974</u>
<b>Minority interests</b>		<u>-</u>	<u>(85)</u>	<u>(90)</u>
<b>Liabilities</b>				
Non-current liabilities		83,292	77,496	87,419
Current liabilities		22,593	23,786	19,904
	<i>2(b)</i>	<u>105,885</u>	<u>101,282</u>	<u>107,323</u>
<b>Total equity and liabilities</b>		<u><u>193,806</u></u>	<u><u>193,100</u></u>	<u><u>194,207</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital <i>US\$ '000</i>	Share premium <i>US\$ '000</i>	Contributed surplus <i>US\$ '000</i>	Accumulated losses <i>US\$ '000</i>	Total <i>US\$ '000</i>
At 1 January 2003	4,921	72,087	44,293	(34,327)	86,974
Net profit for the period	-	-	-	947	947
<b>At 30 June 2003</b>	<b><u>4,921</u></b>	<b><u>72,087</u></b>	<b><u>44,293</u></b>	<b><u>(33,380)</u></b>	<b><u>87,921</u></b>
At 1 January 2002	49,214	72,087	-	(22,750)	98,551
Capital Reduction #	(44,293)	-	44,293	-	-
Net loss for the period	-	-	-	(6,648)	(6,648)
<b>At 30 June 2002</b>	<b><u>4,921</u></b>	<b><u>72,087</u></b>	<b><u>44,293</u></b>	<b><u>(29,398)</u></b>	<b><u>91,903</u></b>

# At the annual general meeting of the Company held on 9 May 2002, the resolutions in respect of the reduction of capital, adjustment of the nominal value of issued shares of the Company and cancellation and increase in authorized but unissued share capital of the Company (the "Capital Reduction") were approved by the shareholders. The credit amount of approximately US\$44,293,000 arising from the Capital Reduction was transferred to the contributed surplus account of the Company.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30/6/2003 <i>US\$ '000</i>	6 months ended 30/6/2002 <i>US\$ '000</i>	Year ended 31/12/2002 <i>US\$ '000</i>
Net cash from (used in) operating activities	3,488	(2,875)	381
Net cash from (used in) investing activities	6,284	(33,307)	(41,686)
Net cash (used in) from financing activities	(6,099)	19,786	27,999
Net increase (decrease) in cash and cash equivalents	3,673	(16,396)	(13,306)
Cash and cash equivalents at beginning of period/year	7,680	20,986	20,986
Cash and cash equivalents at end of period/year	<b><u>11,353</u></b>	<b><u>4,590</u></b>	<b><u>7,680</u></b>
Analysis of the balances of cash and cash equivalents			
Bank balances and cash	16,055	7,704	10,130
Bank overdraft	(4,702)	(3,114)	(2,450)
	<b><u>11,353</u></b>	<b><u>4,590</u></b>	<b><u>7,680</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal accounting policies

The principal accounting policies and methods of computation used in the preparation of the report for the period are consistent with those used in the annual financial statements for the year ended 31 December 2002.

### 2. Segmental information

(a) An analysis of the Group's turnover and profit (loss) from operations by business segments is as follows:

	<b>3 months ended 30/6/2003 US\$'000</b>	3 months ended 30/6/2002 US\$'000	<b>6 months ended 30/6/2003 US\$'000</b>	6 months ended 30/6/2002 US\$'000	Year ended 31/12/2002 US\$'000
Segment turnover					
Chartering freight and hire	23,328	16,495	46,502	34,273	69,698
Investments in China*	-	99	-	255	441
	<u>23,328</u>	<u>16,594</u>	<u>46,502</u>	<u>34,528</u>	<u>70,139</u>
Segment profit (loss) from operations					
Chartering freight and hire	123	1,179	332	1,963	373
Investments in China*	45	618	96	153	756
Other operations	556	(5,059)	1,398	(7,972)	(10,978)
	<u>724</u>	<u>(3,262)</u>	<u>1,826</u>	<u>(5,856)</u>	<u>(9,849)</u>

(b) An analysis of the Group's assets and liabilities by business segments is as follows:

	<b>30/6/2003 US\$'000</b>	30/6/2002 US\$'000	31/12/2002 US\$'000
Segment assets			
Chartering freight and hire	161,705	164,170	168,343
Investments in China*	4,061	6,305	4,378
Other operations	5,861	9,600	7,450
	<u>171,627</u>	<u>180,075</u>	<u>180,171</u>
Unallocated assets	<u>22,179</u>	<u>13,025</u>	<u>14,036</u>
	<u>193,806</u>	<u>193,100</u>	<u>194,207</u>
Segment liabilities			
Chartering freight and hire	98,677	95,146	102,212
Investments in China*	26	568	294
Other operations	2,473	2,454	2,348
	<u>101,176</u>	<u>98,168</u>	<u>104,854</u>
Unallocated liabilities	<u>4,709</u>	<u>3,114</u>	<u>2,469</u>
	<u>105,885</u>	<u>101,282</u>	<u>107,323</u>

\* Investments in China represent the Group's operations in direct investments (2002: direct investments, warehouse and toll roads) in China.

### 3. Taxation

Taxation has not been provided as the Group has no assessable profit for all relevant periods.

### 4. Earnings (Loss) per share

The calculation of basic earnings (loss) per share is based on the net profit for the period of US\$947,000 (30 June 2002: loss of US\$6,648,000) and the weighted average number of 98,428,341 (30 June 2002: 98,428,341) shares in issue during the period.

Diluted earnings or loss per share is not shown as there is no potential ordinary shares in issue in the relevant periods.

### 5. Capital expenditure commitments

As at 30 June 2003, the Group had capital expenditure commitments relating to the newbuilding of one dry bulk carrier at a purchase price of US\$21,970,000 wholly contracted but not provided for. As at 31 December 2002, the Group had no material capital expenditure commitment.

## REVIEW OF OPERATIONS AND OUTLOOK

The consolidated net profit of the Group for the three months ended 30 June 2003 amounted to US\$271,000 whereas a net loss of US\$3,725,000 was reported for last corresponding period.

The dry bulk market continued to be firm during the second quarter of 2003 due to strong demand. The Baltic Dry Index picked up steadily and rose by 186 points during the quarter to close at 2,125. The shipping turnover was US\$23,328,000 for the quarter, representing an increase of 41% as compared to that of last corresponding period. However, the operating costs still remained high and the Group's committed tonnage was yet to be unwound. The Group's shipping operation reported a modest profit of US\$123,000 for the quarter; whereas an operating profit of US\$1,179,000 was reported for last corresponding period.

The Group's other operations recorded a profit of US\$556,000 for the quarter; whereas a loss of US\$5,059,000 was reported for last corresponding period. The loss for last corresponding period was mainly due to the realized and unrealized exchange loss for the Group's foreign currency exposure mainly in Japanese Yen as a result of the drastic and unexpected rebound of Japanese Yen and the weakening of United States Dollars during that period.

The Group remains its strategy of expanding fleet of well-equipped and modernized owned vessels. The Group entered into a contract on 30 June 2003 to acquire a deadweight 76,300 metric tons type bulk carrier, which will be delivered on or before 20 December 2005, at a purchase price of US\$21,970,000. Subsequent to the quarter ended, the Group entered into another contract on 12 August 2003 to acquire a deadweight 55,300 metric tons type bulk carrier, which will be delivered on or before 31 July 2007, at a purchase price of US\$19,250,000.

In general, there is modest growth in the world economy with increasing positive signs. Looking ahead, the freight rates are expected to remain firm in the coming months. While focusing on its core shipping business, the Group will continue taking efforts to improve efficiency, reduce operating costs and remain conscious to the changing market conditions in mapping out its business and investment strategies.

By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

21 August 2003

For further information, please contact:

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**JINHUI SHIPPING AND TRANSPORTATION LIMITED**  
*(Incorporated in Bermuda with limited liability)*

## Results Announcement Summary

### JIN - INTERIM RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2003

An announcement by Jinhui Shipping and Transportation Limited (the "Company") through the information system of the Oslo Stock Exchange:

#### UNAUDITED RESULTS

The consolidated net profit of the Company and its subsidiaries (the "Group") for the three months ended 30 June 2003 amounted to US\$271,000 whereas a net loss of US\$3,725,000 was reported for last corresponding period.

The dry bulk market continued to be firm during the second quarter of 2003 due to strong demand. The Baltic Dry Index picked up steadily and rose by 186 points during the quarter to close at 2,125. The shipping turnover was US\$23,328,000 for the quarter, representing an increase of 41% as compared to that of last corresponding period. However, the operating costs still remained high and the Group's committed tonnage was yet to be unwound. The Group's shipping operation reported a modest profit of US\$123,000 for the quarter; whereas an operating profit of US\$1,179,000 was reported for last corresponding period.

The Group's other operations recorded a profit of US\$556,000 for the quarter; whereas a loss of US\$5,059,000 was reported for last corresponding period. The loss for last corresponding period was mainly due to the realized and unrealized exchange loss for the Group's foreign currency exposure mainly in Japanese Yen as a result of the drastic and unexpected rebound of Japanese Yen and the weakening of United States Dollars during that period.

#### CONSOLIDATED INCOME STATEMENT DATA

	<b>3 months ended 30/6/2003 US\$'000</b>	3 months ended 30/6/2002 US\$'000	<b>6 months ended 30/6/2003 US\$'000</b>	6 months ended 30/6/2002 US\$'000	Year ended 31/12/2002 US\$'000
Turnover	<b>23,328</b>	16,594	<b>46,502</b>	34,528	70,139
Profit (Loss) from operations	<b>724</b>	(3,262)	<b>1,826</b>	(5,856)	(9,849)
Interest income	<b>142</b>	222	<b>324</b>	374	767
Interest expenses	<b>(595)</b>	(688)	<b>(1,206)</b>	(1,177)	(2,511)
Net profit (loss) for the period/year	<b>271</b>	(3,725)	<b>947</b>	(6,648)	(11,577)
Basic earnings (loss) per share (US\$)	<b>0.0028</b>	(0.0378)	<b>0.0096</b>	(0.0675)	(0.1176)

**CONSOLIDATED BALANCE SHEET DATA**

	30/6/2003 US\$'000	30/6/2002 US\$'000	31/12/2002 US\$'000
Fixed assets	158,570	161,700	167,822
Other investments	4,057	5,634	4,219
Other non-current assets	332	1,826	537
Current assets	<u>30,847</u>	<u>23,940</u>	<u>21,629</u>
Total assets	<u><u>193,806</u></u>	<u><u>193,100</u></u>	<u><u>194,207</u></u>
Capital and reserves	87,921	91,903	86,974
Minority interests	-	(85)	(90)
Non-current liabilities	83,292	77,496	87,419
Current liabilities	<u>22,593</u>	<u>23,786</u>	<u>19,904</u>
Total equity and liabilities	<u><u>193,806</u></u>	<u><u>193,100</u></u>	<u><u>194,207</u></u>

**SEGMENTAL INFORMATION**

	3 months ended 30/6/2003 US\$'000	3 months ended 30/6/2002 US\$'000	6 months ended 30/6/2003 US\$'000	6 months ended 30/6/2002 US\$'000	Year ended 31/12/2002 US\$'000
Segment turnover					
Chartering freight and hire	23,328	16,495	46,502	34,273	69,698
Investments in China	-	99	-	255	441
	<u>23,328</u>	<u>16,594</u>	<u>46,502</u>	<u>34,528</u>	<u>70,139</u>
Segment profit (loss) from operations					
Chartering freight and hire	123	1,179	332	1,963	373
Investments in China	45	618	96	153	756
Other operations	<u>556</u>	<u>(5,059)</u>	<u>1,398</u>	<u>(7,972)</u>	<u>(10,978)</u>
	<u>724</u>	<u>(3,262)</u>	<u>1,826</u>	<u>(5,856)</u>	<u>(9,849)</u>
Segment assets					
Chartering freight and hire			161,705	164,170	168,343
Investments in China			4,061	6,305	4,378
Other operations			<u>5,861</u>	<u>9,600</u>	<u>7,450</u>
			<u>171,627</u>	<u>180,075</u>	<u>180,171</u>
Segment liabilities					
Chartering freight and hire			98,677	95,146	102,212
Investments in China			26	568	294
Other operations			<u>2,473</u>	<u>2,454</u>	<u>2,348</u>
			<u>101,176</u>	<u>98,168</u>	<u>104,854</u>

By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

21 August 2003



**JIN - AGREEMENT SIGNED  
ACQUISITION OF A MOTOR VESSEL**

The board of directors (the "Board") of Jinhui Shipping and Transportation Limited (the "Company") announces that Jinyi Shipping Inc. ("Jinyi"), a wholly owned subsidiary of the Company, as buyer, entered into a construction and sale contract (the "Contract") with Sumitomo Corporation (the "Contractor") on 12 August 2003.

**THE CONTRACT**

Pursuant to the Contract, the Contractor has agreed to procure a designated shipbuilder, Oshima Shipbuilding Co. Ltd. (the "Builder"), to build, launch, equip and complete at the Builder's shipyard and to sell and deliver to Jinyi one deadweight 55,300 metric tons type single screw diesel propelled bulk carrier (the "Vessel") and Jinyi has agreed to purchase and take delivery of the Vessel from the Contractor.

Both the Contractor and the Builder are independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

Subject to certain provisions for adjustment contained in the Contract relating to, amongst other things, delay in the delivery of the Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the purchase price for the Vessel is US\$19,250,000 payable by five instalments. The first instalment in the sum of US\$962,500 will be payable within 3 business days after signing of the Contract. The second instalment in the sum of US\$962,500 will be payable on 12 August 2004. The third and fourth instalments in the sum each of US\$1,925,000 will be payable respectively on 29 January 2007 and upon launching of the Vessel which is expected to be around May 2007. The last instalment will be payable upon delivery of the Vessel on or before 31 July 2007.

The purchase price for the Vessel will be payable by cash in United States Dollars which will be funded by internal resources and bank loans of the Company and its subsidiaries (the "Group"). The purchase price was determined by reference to current market conditions and on the basis of arm's length negotiations.

According to the Contract, if the construction permit for the Vessel shall not have been issued by the Japanese Government within 120 days from the date of the Contract, then the Contract shall, unless otherwise mutually agreed in writing by the parties, automatically become null and void. The Contractor shall immediately refund to Jinyi the full amount received from Jinyi with interest accrued thereon at an agreed rate from the date of receipt by the Contractor of such amount to the date of full payment to Jinyi of such amount.

The Contract provides for the delivery of the Vessel on or before 31 July 2007 to Jinyi in Japan. If there is delay in delivery of the Vessel which continues for a period of 180 days from the thirty-first day after the agreed delivery date, then after such period has expired, Jinyi may at its option rescind the Contract. The Contractor shall thereupon promptly refund to Jinyi in United States Dollars the full amount of all sums received by the Contractor together with interest accrued thereon at an agreed rate from the date of receipt by the Contractor of such amount to the date of full payment to Jinyi of such amount.

The Contract was also signed by the Builder for the purpose of an undertaking on its part to duly perform all the terms and conditions stipulated in the Contract to be performed by a shipbuilder including the undertaking to remedy, at first priority, free of charge to Jinyi any defects in the Vessel which are due to defective material, defective construction and/or bad workmanship on the part of the Builder and/or its sub-contractors within a period of twelve months after the date of delivery of the Vessel.

The Company also executed on 12 August 2003 a guarantee in favour of the Contractor pursuant to which it agrees to guarantee the full and punctual payment of the purchase price and other amounts payable, and the prompt and punctual performance, by Jinyi in accordance with the terms of the Contract.

## **REASONS FOR THE ACQUISITION**

The Company considers that the purchase price of the Vessel is fair and reasonable during the current market conditions and it is an opportune moment to further expand its fleet of vessels in order to generate more operating income for the Group.

By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

12 August 2003

*For further information, please contact:*

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Fax: (852) 2541 9794  
E-mail: [info@jinhuiship.com](mailto:info@jinhuiship.com)



## **JIN - AGREEMENT SIGNED**

### **ACQUISITION OF A MOTOR VESSEL**

The board of directors (the "Board") of Jinhui Shipping and Transportation Limited (the "Company") announces that Jinsheng Marine Inc. ("Jinsheng"), a wholly owned subsidiary of the Company, as buyer, entered into a resale contract (the "Contract") with Mitsubishi Corporation (the "Seller") on 30 June 2003.

#### **THE CONTRACT**

Pursuant to the Contract, the Seller has agreed to purchase from Tsuneishi Corporation ("the Builder") one deadweight 76,300 metric tons type single screw motor bulk carrier (the "Vessel") to be built at the Builder's shipyard and to sell and deliver to Jinsheng and Jinsheng has agreed to purchase and take delivery of the Vessel from the Seller.

Both the Seller and the Builder are independent third parties not connected with the directors, chief executives or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

Subject to certain provisions for adjustment contained in the Contract relating to, amongst other things, delay in the delivery of the Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the purchase price for the Vessel is US\$21,970,000 payable by three instalments. The first instalment in the sum of US\$2,197,000 is payable within 3 business days after signing of the Contract. The second instalment in the sum of US\$1,098,500 will be payable upon launching of the Vessel. The last instalment will be payable upon delivery of the Vessel. The purchase price for the Vessel is payable by cash in United States Dollars which will be funded by the Company's internal resources and bank loans. The purchase price was determined by reference to current market conditions and on the basis of arm's length negotiations.

According to the Contract, if the construction permit for the Vessel shall not have been issued by the relevant authority within 90 days prior to keel-laying of the Vessel, then the Contract shall, unless otherwise mutually agreed in writing by the parties, automatically become null and void. The Seller shall immediately refund to Jinsheng the full amount received from Jinsheng without any interest.

The Contract provides for the delivery of the Vessel on or before 20 December 2005 to Jinsheng. If there is delay in delivery of the Vessel which continues for a period of 90 days from the thirty-first day after the agreed delivery date, and after such period has expired, Jinsheng may at its option rescind the Contract. The Seller shall thereupon promptly refund to Jinsheng in United States Dollars the full amount of all sums received by the Seller together with interest accrued thereon at an agreed rate from the date of receipt by the Seller of such amount to the date of full payment to Jinsheng of such amount.

The Seller has also agreed to assign the Builder's warranty of quality to Jinsheng with the Builder's consent upon delivery of the Vessel including the undertaking by the Builder to remedy, at first priority, free of charge to Jinsheng any defects in the Vessel which are due to defective material, defective construction and/or bad workmanship on the part of the Builder and/or its sub-contractors within a period of twelve months after the date of delivery of the Vessel.

The Company also executed on 30 June 2003 a guarantee in favour of the Seller pursuant to which it agrees to guarantee the due and faithful performance and fulfillment by Jinsheng including prompt payment when due of the price of the Vessel in accordance with the terms of the Contract.

#### **REASONS FOR THE ACQUISITION**

The Company considers that the purchase price of the Vessel is reasonable and it is an opportune moment to further expand its fleet of vessels.

By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

1 July 2003

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# JINHUI SHIPPING AND TRANSPORTATION LIMITED

## INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2003

The Board of Directors of Jinhui Shipping and Transportation Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 31 March 2003.

### CONDENSED CONSOLIDATED INCOME STATEMENT

		3 months ended 31/3/2003	3 months ended 31/3/2002	Year ended 31/12/2002
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>Turnover</b>	2(a)	23,174	17,934	70,139
Other operating income		1,818	1,686	6,652
Voyage related expenses		(21,412)	(15,496)	(60,258)
Staff costs		(561)	(662)	(2,484)
Other operating expenses		(845)	(1,192)	(4,773)
Other net income (expenses)		889	(2,875)	(10,663)
Depreciation and amortization		(1,961)	(1,989)	(8,462)
<b>Profit (Loss) from operations</b>	2(a)	<b>1,102</b>	<b>(2,594)</b>	<b>(9,849)</b>
Interest income		182	152	767
Interest expenses		(611)	(489)	(2,511)
<b>Profit (Loss) before taxation</b>		<b>673</b>	<b>(2,931)</b>	<b>(11,593)</b>
Taxation	3	-	-	-
<b>Profit (Loss) from ordinary activities after taxation</b>		<b>673</b>	<b>(2,931)</b>	<b>(11,593)</b>
Minority interests		3	8	16
<b>Net profit (loss) for the period/year</b>		<b>676</b>	<b>(2,923)</b>	<b>(11,577)</b>
<b>Basic earnings (loss) per share (US\$)</b>	4	<b>0.0069</b>	<b>(0.0297)</b>	<b>(0.1176)</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Note</i>	31/3/2003 <i>US\$'000</i>	31/3/2002 <i>US\$'000</i>	31/12/2002 <i>US\$'000</i>
<b>ASSETS</b>				
<b>Fixed assets</b>				
Vessels under construction		-	4,309	-
Owned vessels		157,050	155,084	164,333
Other fixed assets		3,406	4,632	3,489
		<u>160,456</u>	<u>164,025</u>	<u>167,822</u>
<b>Other investments</b>		<u>4,138</u>	<u>5,742</u>	<u>4,219</u>
<b>Other non-current assets</b>		<u>430</u>	<u>1,305</u>	<u>537</u>
<b>Current assets</b>				
Current assets other than pledged deposits and bank balances and cash		10,300	13,462	7,593
Pledged deposits		5,848	4,447	3,906
Bank balances and cash		13,630	10,377	10,130
		<u>29,778</u>	<u>28,286</u>	<u>21,629</u>
<b>Total assets</b>	2(b)	<u><u>194,802</u></u>	<u><u>199,358</u></u>	<u><u>194,207</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>		<u>87,650</u>	<u>95,628</u>	<u>86,974</u>
<b>Minority interests</b>		<u>-</u>	<u>(82)</u>	<u>(90)</u>
<b>Liabilities</b>				
Non-current liabilities		85,185	77,898	87,419
Current liabilities		21,967	25,914	19,904
	2(b)	<u>107,152</u>	<u>103,812</u>	<u>107,323</u>
<b>Total equity and liabilities</b>		<u><u>194,802</u></u>	<u><u>199,358</u></u>	<u><u>194,207</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital <i>US\$'000</i>	Share premium <i>US\$'000</i>	Contributed surplus # <i>US\$'000</i>	Accumulated losses <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 January 2003	4,921	72,087	44,293	(34,327)	86,974
Net profit for the period	-	-	-	676	676
<b>At 31 March 2003</b>	<b><u>4,921</u></b>	<b><u>72,087</u></b>	<b><u>44,293</u></b>	<b><u>(33,651)</u></b>	<b><u>87,650</u></b>
At 1 January 2002	49,214	72,087	-	(22,750)	98,551
Net loss for the period	-	-	-	(2,923)	(2,923)
<b>At 31 March 2002</b>	<b><u>49,214</u></b>	<b><u>72,087</u></b>	<b><u>-</u></b>	<b><u>(25,673)</u></b>	<b><u>95,628</u></b>

# At the annual general meeting of the Company held on 9 May 2002, the resolutions in respect of the reduction of capital, adjustment of the nominal value of issued shares of the Company and cancellation and increase in authorized but unissued share capital of the Company (the "Capital Reduction") were approved by the shareholders. The credit amount of approximately US\$44,293,000 arising from the Capital Reduction was credited to the contributed surplus account of the Company.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended 31/3/2003 <i>US\$'000</i>	3 months ended 31/3/2002 <i>US\$'000</i>	Year ended 31/12/2002 <i>US\$'000</i>
Net cash (used in) from operating activities	(182)	(5,492)	381
Net cash from (used in) investing activities	5,517	(34,118)	(41,686)
Net cash (used in) from financing activities	(3,885)	24,117	27,999
Net increase (decrease) in cash and cash equivalents	1,450	(15,493)	(13,306)
Cash and cash equivalents at beginning of period/year	7,680	20,986	20,986
Cash and cash equivalents at end of period/year	<b><u>9,130</u></b>	<b><u>5,493</u></b>	<b><u>7,680</u></b>
Analysis of the balances of cash and cash equivalents			
Bank balances and cash	13,630	10,377	10,130
Bank overdraft	(4,500)	(4,884)	(2,450)
	<b><u>9,130</u></b>	<b><u>5,493</u></b>	<b><u>7,680</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal accounting policies

The principal accounting policies and methods of computation used in the preparation of the report for the period are consistent with those used in the annual financial statements for the year ended 31 December 2002.

### 2. Segmental information

(a) An analysis of the Group's turnover and profit (loss) from operations by business segments is as follows:

	3 months ended 31/3/2003 US\$'000	3 months ended 31/3/2002 US\$'000	Year ended 31/12/2002 US\$'000
Segment turnover			
Chartering freight and hire	23,174	17,778	69,698
Investments in China*	-	156	441
	<u>23,174</u>	<u>17,934</u>	<u>70,139</u>
Segment profit (loss) from operations			
Chartering freight and hire	209	784	373
Investments in China*	51	(465)	756
Other operations	842	(2,913)	(10,978)
	<u>1,102</u>	<u>(2,594)</u>	<u>(9,849)</u>

(b) An analysis of the Group's assets and liabilities by business segments is as follows:

	31/3/2003 US\$'000	31/3/2002 US\$'000	31/12/2002 US\$'000
Segment assets			
Chartering freight and hire	164,704	166,731	168,343
Investments in China*	4,390	5,916	4,378
Other operations	6,230	11,887	7,450
	<u>175,324</u>	<u>184,534</u>	<u>180,171</u>
Unallocated assets	<u>19,478</u>	<u>14,824</u>	<u>14,036</u>
	<u>194,802</u>	<u>199,358</u>	<u>194,207</u>
Segment liabilities			
Chartering freight and hire	100,255	96,324	102,212
Investments in China*	13	319	294
Other operations	2,364	2,214	2,348
	<u>102,632</u>	<u>98,857</u>	<u>104,854</u>
Unallocated liabilities	<u>4,520</u>	<u>4,955</u>	<u>2,469</u>
	<u>107,152</u>	<u>103,812</u>	<u>107,323</u>

\* Investments in China represent the Group's operations in direct investments (2002: direct investments, warehouse and toll road) in China.

### **3. Taxation**

Taxation has not been provided as the Group has no assessable profit for all relevant periods.

### **4. Earnings (Loss) per share**

The calculation of basic earnings (loss) per share is based on the net profit for the period of US\$676,000 (31 March 2002: loss of US\$2,923,000) and the weighted average number of 98,428,341 (31 March 2002: 98,428,341) shares in issue during the period.

Diluted earnings or loss per share is not shown as there is no potential ordinary shares in issue in the relevant periods.

### **5. Capital expenditure commitments**

The Group had no material capital expenditure commitments at period ended 31 March 2003 and year ended 31 December 2002.

### **6. Comparative figures**

Certain comparative figures have been reclassified to conform to current period's presentation.

## **REVIEW OF OPERATIONS**

The consolidated net profit of the Group for the three months ended 31 March 2003 amounted to US\$676,000 whereas a net loss of US\$2,923,000 was reported for last corresponding period.

The overall dry bulk market was rather strong during the first quarter of 2003 due to strong demand. Despite a fall by around 200 points in late January 2003 as compared to end of 2002, the Baltic Dry Index picked up steadily and rose overall by around 200 points during the quarter to close at 1,939, an unprecedented level in recent years. However, the operating costs still remained high and the Group's committed tonnage was yet to be unwound. The shipping turnover was US\$23,174,000 for the quarter, representing an increase of 30% as compared to that of last corresponding period. The Group's shipping operation reported a modest profit of US\$209,000 for the quarter; whereas an operating profit of US\$784,000 was reported for last corresponding period.

During the quarter, the disposal of a 1985 built motor vessel "Jin Sheng" was completed in accordance with an agreement entered into by the Group in October 2002.

The Group's other operations recorded an operating profit of US\$842,000 for the quarter. The operating loss of US\$2,913,000 for last quarter was mainly due to the provision for a claim receivable of US\$3,872,000.

## OUTLOOK

The freight rates are expected to remain firm in the coming months but we do expect high volatility when we get into the summer months. While focusing on the core shipping business, the Group will continue taking efforts to improve efficiency, reduce operating costs and remain conscious to the changing market conditions in mapping out its business and investment strategies.

By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

27 May 2003

For further information, please contact:

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**JINHUI SHIPPING AND TRANSPORTATION LIMITED**  
*(Incorporated in Bermuda with limited liability)*

## Results Announcement Summary

### JIN - INTERIM RESULTS FOR THE QUARTER ENDED 31 MARCH 2003

An announcement by Jinhui Shipping and Transportation Limited (the "Company") through the information system of the Oslo Stock Exchange:

#### UNAUDITED RESULTS

The consolidated net profit of the Company and its subsidiaries (the "Group") for the three months ended 31 March 2003 amounted to US\$676,000 whereas a net loss of US\$2,923,000 was reported for last corresponding period.

The overall dry bulk market was rather strong during the first quarter of 2003 due to strong demand. Despite a fall by around 200 points in late January 2003 as compared to end of 2002, the Baltic Dry Index picked up steadily and rose overall by around 200 points during the quarter to close at 1,939, an unprecedented level in recent years. However, the operating costs still remained high and the Group's committed tonnage was yet to be unwound. The shipping turnover was US\$23,174,000 for the quarter, representing an increase of 30% as compared to that of last corresponding period. The Group's shipping operation reported a modest profit of US\$209,000 for the quarter; whereas an operating profit of US\$784,000 was reported for last corresponding period.

#### CONSOLIDATED INCOME STATEMENT DATA

	<b>3 months ended 31/3/2003 US\$'000</b>	<b>3 months ended 31/3/2002 US\$'000</b>	<b>Year ended 31/12/2002 US\$'000</b>
Turnover	<b>23,174</b>	17,934	70,139
Profit (Loss) from operations	<b>1,102</b>	(2,594)	(9,849)
Interest income	<b>182</b>	152	767
Interest expenses	<b>(611)</b>	(489)	(2,511)
Net profit (loss) for the period/year	<b>676</b>	(2,923)	(11,577)
Basic earnings (loss) per share (US\$)	<b>0.0069</b>	(0.0297)	(0.1176)

## CONSOLIDATED BALANCE SHEET DATA

	31/3/2003 US\$'000	31/3/2002 US\$'000	31/12/2002 US\$'000
Fixed assets	160,456	164,025	167,822
Other investments	4,138	5,742	4,219
Other non-current assets	430	1,305	537
Current assets	<u>29,778</u>	<u>28,286</u>	<u>21,629</u>
Total assets	<u><u>194,802</u></u>	<u><u>199,358</u></u>	<u><u>194,207</u></u>
Capital and reserves	87,650	95,628	86,974
Minority interests	-	(82)	(90)
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Current liabilities	<u>21,967</u>	<u>25,914</u>	<u>19,904</u>
Total equity and liabilities	<u><u>194,802</u></u>	<u><u>199,358</u></u>	<u><u>194,207</u></u>

## SEGMENTAL INFORMATION

	3 months ended 31/3/2003 US\$'000	3 months ended 31/3/2002 US\$'000	Year ended 31/12/2002 US\$'000
Segment turnover			
Chartering freight and hire	23,174	17,778	69,698
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By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

27 May 2003