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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

DISCLOSEABLE TRANSACTION – DISPOSAL OF A VESSEL

The Board announces that on 21 April 2006 the Vendor entered into the Memorandum with the Purchaser for the disposal of the Vessel. Under the Memorandum, the Vendor agrees to dispose of the Vessel for a consideration of US\$7,550,000 (approximately HK\$58,890,000).

Under the Listing Rules, the Disposal constitutes a discloseable transaction for the Company.

INTRODUCTION

The Board announces that on 21 April 2006 the Vendor entered into the Memorandum with the Purchaser for the disposal of the Vessel.

The Purchaser is a private ship owning company incorporated in the Marshall Islands. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

THE DISPOSAL

Under the Memorandum, the Vendor agrees to dispose of the Vessel for a consideration of US\$7,550,000 (approximately HK\$58,890,000) payable as follows:

1. an initial deposit of US\$755,000 (approximately HK\$5,889,000) will be payable by the Purchaser within three banking days from signing of the Memorandum to a bank account in the joint names of the Vendor and the Purchaser until released on delivery of the Vessel (see below); and
2. the balance of the consideration for the Vessel will be payable on the delivery of the Vessel which will take place between the period from 2 May 2006 to 30 June 2006, at the Vendor's option.

The consideration of the Vessel was determined by reference to the prevailing market values, driven by supply and demand and based on arm's length negotiations with the Purchaser. The net book value of the Vessel as at 31 December 2005 was approximately HK\$37,281,000.

THE VESSEL

The Vessel is a dry bulk carrier of deadweight 39,728 metric tons, built in 1984 and registered in Panama.

The Vendor is a special purpose holding company whose only fixed asset is the Vessel. The net profit both before and after taxation and extraordinary items attributable to the Vendor for the two financial years ended 31 December 2005 are approximately HK\$26,258,000 and HK\$20,178,000 respectively.

USE OF PAYMENT RECEIVED

The Group intends to use the net sale proceeds received pursuant to the Memorandum to increase the working capital of the Group.

REASONS FOR THE DISPOSAL

The Group's principal activities include international ship chartering, ship owning and trading. The Directors continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet size as appropriate. The Directors believe that the Disposal is a good opportunity to realize the book gain arising from the disposal of the Vessel, and will enable the Group to enhance its working capital position and maintain a younger fleet profile. Taking into account completion of the Disposal and the disposal of another vessel "Jin Da" as announced by the Company on 13 April 2006, the Group will own twelve dry bulk vessels with further five newly built vessels and one 2004-built second hand vessel contracted for delivery in 2007 and 2008, and the Board believes that the Disposal will not have any material adverse effect on the operation of the Group.

The terms and conditions of the Memorandum have been agreed on normal commercial terms following arm's length negotiations with reference to the prevailing market values. The Board considers such terms and conditions to be fair and reasonable and in the best interests of the Company and its shareholders as a whole.

The Vessel was acquired by the Group in March 1994. Given the immense rises in the market value of dry bulk carriers in recent years, the net book value of the Vessel is substantially stated below its prevailing market value. Therefore, based on the net book value of the Vessel as at 31 December 2005 as described above, the Group would realize a book gain, after minority interests, of approximately HK\$10.9 million on the disposal of the Vessel. However, the actual book gain which the Group would realize upon completion of the Disposal will depend on the actual book value of the Vessel as at the date of the delivery in accordance with the Group's depreciation policy for its vessels as shown in the Company's annual report.

GENERAL

Under the Listing Rules, the Disposal constitutes a discloseable transaction for the Company. A circular containing, amongst other things, further information relating to the Disposal will be despatched to the shareholders of the Company as soon as reasonably practicable.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions of the following meanings were used:

“Board”	the board of Directors;
“Company”	Jinhui Holdings Company Limited;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the Vessel under the Memorandum;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Jinhui Shipping”	Jinhui Shipping and Transportation Limited, an approximately 50.21 per cent. owned subsidiary of the Company whose shares are listed on the Oslo Stock Exchange, Norway;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the memorandum of agreement dated 21 April 2006 between the Vendor and the Purchaser in respect of the disposal of the Vessel;
“Purchaser”	Vergina Maritime Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Jinshun Shipping Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Vessel”	the motor vessel “Jin Shun” registered in Panama;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong; and
“US\$”	United States Dollars, the lawful currency of the United States of America, and for the purpose of illustration only, translated into HK\$ at the rate of US\$1.00 = HK\$7.80.

As at date of this announcement, the Executive Directors of the Company are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin; and the Independent Non-executive Directors of the Company are Cui Jianhua, Tsui Che Yin Frank and William Yau.

By Order of the Board
Jinhui Holdings Company Limited
Ho Suk Lin
Executive Director

Hong Kong, 21 April 2006

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