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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

DISCLOSEABLE TRANSACTION DISPOSAL OF TWO VESSELS

Jinxiao and Jinjiang, both approximately 54.34 per cent. indirectly owned subsidiaries of the Company, entered into the First Agreement and the Second Agreement respectively with the Purchaser on 22 May 2007 for the disposal of the First Vessel and the Second Vessel respectively. The total consideration for the First Vessel and the Second Vessel is JPY3,703,031,000 and US\$34,255,100 (in total approximately HK\$505,739,037). The First Vessel and the Second Vessel will be delivered to the Purchaser on or before 31 October 2010 and 31 August 2012 respectively.

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

INTRODUCTION

The Board announces that on 22 May 2007, Jinxiao and Jinjiang entered into the First Agreement and the Second Agreement respectively with the Purchaser for the disposal of the First Vessel and the Second Vessel respectively.

The Purchaser is a wholly-owned subsidiary of Bocimar International NV, which is in turn a wholly-owned subsidiary of CMB NV, a maritime company whose shares are quoted on Euronext Brussels. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, CMB NV, Bocimar International NV and the Purchaser are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. The Group has not acquired or disposed of any other vessel with CMB NV, Bocimar International NV, the Purchaser and their respective associates during the last twelve months from date of the First Agreement and the Second Agreement.

THE DISPOSAL

Under the First Agreement, Jinxiao agrees to dispose of the First Vessel for a consideration of JPY1,773,233,000 and US\$16,569,500 (in total approximately HK\$243,473,770) payable by the Purchaser as follows:

- (1) an initial deposit of JPY339,546,600 and US\$84,000 (in total approximately HK\$22,528,792) will be payable within three banking days from the date of signing of the First Agreement;

- (2) the second installment in the sum of JPY339,546,600 (approximately HK\$21,873,592) will be payable by 25 April 2008;
- (3) the third installment in the sum of JPY509,319,900 (approximately HK\$32,810,388) will be payable five banking days in advance of steel cutting of the First Vessel which is expected to be around January 2010;
- (4) the fourth installment in the sum of JPY509,319,900 (approximately HK\$32,810,388) will be payable five banking days in advance of launching of the First Vessel which is expected to be around July 2010; and
- (5) the last installment in the sum of JPY75,500,000 and US\$16,485,500 (in total approximately HK\$133,450,610) will be payable five banking days in advance of the delivery of the First Vessel on or before 31 October 2010.

Under the Second Agreement, Jinjiang agrees to dispose of the Second Vessel for a consideration of JPY1,929,798,000 and US\$17,685,600 (in total approximately HK\$262,265,267) payable by the Purchaser as follows:

- (1) an initial deposit of JPY385,959,600 and US\$8,700 (in total approximately HK\$24,931,377) will be payable within three banking days from the date of signing of the Second Agreement;
- (2) the second installment in the sum of JPY385,959,600 (approximately HK\$24,863,518) will be payable by 31 October 2008;
- (3) the third installment in the sum of JPY578,939,400 (approximately HK\$37,295,276) will be payable five banking days in advance of steel cutting of the Second Vessel which is expected to be around November 2011;
- (4) the fourth installment in the sum of JPY578,939,400 (approximately HK\$37,295,276) will be payable five banking days in advance of launching of the Second Vessel which is expected to be around May 2012; and
- (5) the last installment in the sum of US\$17,676,900 (approximately HK\$137,879,820) will be payable five banking days in advance of the delivery of the Second Vessel on or before 31 August 2012.

The total consideration of the First Vessel and the Second Vessel is JPY3,703,031,000 and US\$34,255,100 (in total approximately HK\$505,739,037), which 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 Vessels

Each of the First Vessel and the Second Vessel is a Supramax of deadweight 58,100 metric tons type, which will be built and completed by the Builder in the Philippines.

Each of Jinxiao and Jinjiang is a special purpose company for holding the First Vessel and the Second Vessel respectively. Pursuant to the contract dated 2 November 2006 entered into between Mitsubishi Corporation and Jinxiao, Mitsubishi Corporation has ordered the Builder to build and complete the First Vessel in the Philippines, and has agreed to sell and deliver the First Vessel to Jinxiao in the Philippines, and Jinxiao has agreed to purchase and take delivery of the First Vessel from Mitsubishi Corporation for a consideration of JPY1,680,000,000 and US\$16,320,000 (in total approximately HK\$235,521,600). Pursuant to another contract dated 7 May 2007 entered into between Mitsubishi Corporation and Jinjiang, Mitsubishi Corporation has ordered the Builder to build and complete the Second Vessel in the Philippines, and has agreed to sell and deliver the Second Vessel to Jinjiang in the Philippines, and Jinjiang has agreed to purchase and take delivery of the Second Vessel from Mitsubishi Corporation for a consideration of JPY1,910,500,000 and US\$17,500,000 (in total approximately HK\$259,574,410).

Use of Payment Received

The Group intends to use the net sale proceeds received pursuant to the First Agreement and the Second Agreement for the general working capital of the Group.

Guarantee

Bocimar International NV will guarantee the performance of the obligations of the Purchaser under the First Agreement and the Second Agreement in favour of Jinxiao and Jinjiang respectively.

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 will enable the Group to focus its financial resources to seek future potential purchase of vessels which can be promptly delivered to the Group for early commencement of business, hence be early income generators for the Group should such opportunities be found and materialized. The Group will at the same time continue to ensure a young modern fleet is maintained to provide first class transportation services to its customers. The Group currently owns thirteen modern grabs fitted Supramaxes (including one Supramax which will be disposed by the Group later in 2007 as announced by the Company on 8 May 2007), one modern Panamax and one modern Capesize. Taking into account the Disposal, the Group will have additional thirteen newly built grabs fitted Supramaxes and one second hand Handymax for delivery going forward, where three of which will be delivered in 2007, three in 2008, two in 2009, three in 2010, two in 2011 and one in 2012. The Board believes that the Disposal will not have any material adverse effect on the operations of the Group.

The terms and conditions of the First Agreement and the Second Agreement 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.

Based on the contract prices of the First Vessel and the Second Vessel as described above, the Group would realize a book gain, after estimated expenses and minority interests, of approximately HK\$0.4 million on disposal of the First Vessel and the Second Vessel upon completion of the Disposal.

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:

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| “Board” | the board of Directors; |
| “Builder” | Tsuneishi Holdings Corporation, a company incorporated in Japan; |
| “Capesize” | a dry bulk vessel of deadweight approximately 150,000 metric tons or above; |
| “Company” | Jinhui Holdings Company Limited; |
| “Directors” | the directors of the Company; |
| “Disposal” | the disposal of the First Vessel and the Second Vessel under the First Agreement and the Second Agreement respectively; |
| “First Agreement” | the memorandum of agreement dated 22 May 2007 entered into between Jinxiao and the Purchaser in respect of the disposal of the First Vessel; |
| “First Vessel” | a deadweight 58,100 metric tons type bulk carrier; |
| “Group” | the Company and its subsidiaries; |
| “Handymax” | a dry cargo vessel of deadweight approximately 45,000 metric tons; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Jinhui Shipping” | Jinhui Shipping and Transportation Limited, a company incorporated in Bermuda and an approximately 54.34 per cent. owned subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway; |
| “Jinjiang” | Jinjiang Marine Inc., a wholly-owned subsidiary of Jinhui Shipping; |
| “Jinxiao” | Jinxiao Marine Inc., a wholly-owned subsidiary of Jinhui Shipping; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Panamax” | a vessel of deadweight approximately 70,000 metric tons and is designed to be just small enough to transit the Panama Canal; |

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| “Purchaser” | Bocimar Hong Kong Limited, a wholly-owned subsidiary of Bocimar International NV; |
| “Second Agreement” | the memorandum of agreement dated 22 May 2007 entered into between Jinjiang and the Purchaser in respect of the disposal of the Second Vessel; |
| “Second Vessel” | a deadweight 58,100 metric tons type bulk carrier; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Supramax(es)” | dry cargo vessel(s) of deadweight approximately 50,000 metric tons; |
| “HK\$” | Hong Kong Dollars, the lawful currency of Hong Kong; |
| “JPY” | Japanese Yen, the lawful currency of Japan, and for the purpose of illustration only, translated into HK\$ at the rate of JPY1 = HK\$0.06442; 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
Ng Siu Fai
Chairman

Hong Kong, 22 May 2007

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