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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Jinhui Holdings Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**JINHUI HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 137

**TWO DISCLOSEABLE TRANSACTIONS  
ACQUISITION OF TWO VESSELS  
AND  
DISPOSAL OF A VESSEL**

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context indicates otherwise:*

“Acquisition”	the acquisition of the First Vessel and the Second Vessel under the First Contract and the Second Contract respectively;
“Agreement”	the memorandum of agreement dated 8 May 2007 entered into between Jinkang and the Purchaser in respect of the disposal of the M.V. Jin Kang;
“associates”	has the same meaning ascribed to it under the Listing Rules;
“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;
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Jinhui Holdings Company Limited;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the M.V. Jin Kang under the Agreement;
“Fairline”	Fairline Consultants Limited, a company incorporated in the British Virgin Islands with limited liability, which is the controlling shareholder of the Company holding 335,030,280 Shares which represent approximately 64.41 per cent. of the issued share capital of the Company and voting rights in general meetings of the Company as at the Latest Practicable Date;
“First Contract”	the contract dated 7 May 2007 entered into between Jinze and the Vendor in respect of the acquisition 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;

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## DEFINITIONS

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“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;
“Jinhui Shipping Share(s)”	ordinary share(s) of US\$0.05 each in the share capital of Jinhui Shipping;
“Jinjiang”	Jinjiang Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Jinkang”	Jinkang Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Jinze”	Jinze Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Latest Practicable Date”	21 May 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“M.V. Jin Kang”	the motor vessel “Jin Kang” registered in Hong Kong;
“Panamax”	a vessel of deadweight approximately 70,000 metric tons and is designed to be just small enough to transit the Panama Canal;
“Purchaser”	Royal Maritime Limited;
“Second Contract”	the contract dated 7 May 2007 entered into between Jinjiang and the Vendor in respect of the acquisition of the Second Vessel;
“Second Vessel”	a deadweight 58,100 metric tons type bulk carrier;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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## DEFINITIONS

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“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vendor”	Mitsubishi Corporation, a company incorporated in Japan;
“Yee Lee Technology”	Yee Lee Technology Company Limited, a company incorporated in the British Virgin Islands and a 75 per cent. owned subsidiary of the Company;
“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\$0.06518; 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.

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## LETTER FROM THE BOARD

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### **JINHUI HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 137

*Directors:*

Ng Siu Fai (*Chairman*)  
Ng Kam Wah Thomas (*Managing Director*)  
Ng Ki Hung Frankie  
Ho Suk Lin  
Cui Jianhua \*  
Tsui Che Yin Frank \*  
William Yau \*

*Registered office:*

26th Floor  
Yardley Commercial Building  
1-6 Connaught Road West  
Hong Kong

\* *Independent Non-executive Director*

25 May 2007

*To the Shareholders and,  
for information only, the holders of options,*

Dear Sir or Madam,

### **TWO DISCLOSEABLE TRANSACTIONS ACQUISITION OF TWO VESSELS AND DISPOSAL OF A VESSEL**

#### **INTRODUCTION**

The Directors refer to two announcements of the Company dated 7 May 2007 and 8 May 2007 in relation to the acquisition of two vessels pursuant to two contracts both dated 7 May 2007, and the disposal of a vessel pursuant to a memorandum of agreement dated 8 May 2007 respectively.

The purpose of this circular is to give you further information in relation to the Acquisition and the Disposal.

#### **THE ACQUISITION**

Jinze and Jinjiang, both are ship owning companies and wholly-owned subsidiaries of Jinhui Shipping, which are in turn approximately 54.34 per cent. owned subsidiaries of the Company as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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The Vendor is a trading firm listed on four stock exchanges in Tokyo, Osaka, Nagoya and London. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Builder and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Pursuant to the First Contract and the Second Contract both dated 7 May 2007, the Vendor has ordered the Builder to build and complete the First Vessel and the Second Vessel in the Philippines, and has agreed to sell and deliver the First Vessel and the Second Vessel to Jinze and Jinjiang respectively, and Jinze and Jinjiang have agreed to purchase and take delivery of the First Vessel and the Second Vessel respectively from the Vendor.

Each of the First Vessel and the Second Vessel is a Supramax of deadweight 58,100 metric tons and is proposed to be used for chartering out to gain operating income by Jinze and Jinjiang respectively after delivery. The First Contract and the Second Contract are separate and not inter-conditional of each other.

After the Acquisition, the Group's property, plant and equipment will increase by the amount of purchase price of the First Vessel and the Second Vessel, the current assets will decrease by the amount of purchase price funded by internal resources and the liabilities will increase by the amount of purchase price funded by bank financing.

### **Consideration**

Subject to certain provisions for adjustment to reduce the purchase price of the First Vessel contained in the First Contract relating to, amongst other things, delay in delivery of the First Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the purchase price for the First Vessel is JPY1,910,500,000 and US\$17,500,000 (in total approximately HK\$261,026,390) and is payable by Jinze as follows:

1. the first instalment in the sum of JPY382,100,000 (approximately HK\$24,905,278) was paid on 8 May 2007;
2. the second instalment in the sum of JPY382,100,000 (approximately HK\$24,905,278) will be payable around 7 November 2008;
3. the third instalment in the sum of JPY573,150,000 (approximately HK\$37,357,917) will be payable upon steel-cutting of the First Vessel which is expected to be around June 2011;
4. the fourth instalment in the sum of JPY573,150,000 (approximately HK\$37,357,917) will be payable upon launching of the First Vessel which is expected to be around December 2011; and

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## LETTER FROM THE BOARD

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5. the last instalment in the sum of US\$17,500,000 (approximately HK\$136,500,000) will be payable upon delivery of the First Vessel on or before 31 March 2012.

Subject to certain provisions for adjustment to reduce the purchase price of the Second Vessel contained in the Second Contract relating to, amongst other things, delay in delivery of the Second Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the purchase price for the Second Vessel is JPY1,910,500,000 and US\$17,500,000 (in total approximately HK\$261,026,390) and is payable by Jinjiang as follows:

1. the first instalment in the sum of JPY382,100,000 (approximately HK\$24,905,278) was paid on 8 May 2007;
2. the second instalment in the sum of JPY382,100,000 (approximately HK\$24,905,278) will be payable around 7 November 2008;
3. the third instalment in the sum of JPY573,150,000 (approximately HK\$37,357,917) will be payable upon steel-cutting of the Second Vessel which is expected to be around November 2011;
4. the fourth instalment in the sum of JPY573,150,000 (approximately HK\$37,357,917) will be payable upon launching of the Second Vessel which is expected to be around May 2012; and
5. the last instalment in the sum of US\$17,500,000 (approximately HK\$136,500,000) will be payable upon delivery of the Second Vessel on or before 31 August 2012.

The total purchase price for the First Vessel and the Second Vessel is JPY3,821,000,000 and US\$35,000,000 (in total approximately HK\$522,052,780), which will be payable by cash in Japanese Yen and United States Dollars. It is currently expected that approximately 70 per cent. of the total purchase price will be funded by bank financing and approximately 30 per cent. will be funded by internal resources of the Group. Each of the purchase prices of the First Vessel and the Second Vessel is determined by reference to current market values of similar type of vessels and on the basis of arm's length negotiations.

### **Condition Subsequent**

According to the First Contract and the Second Contract, if the construction permission for the First Vessel or the Second Vessel (as the case may be) shall not have been granted by the Philippine Government not later than 180 days after signing of the First Contract and the Second Contract, the First Contract or the Second Contract (as the case may be) shall automatically become null and void, unless otherwise mutually agreed in writing between all the parties involved. The Vendor shall refund any payment already made by Jinze or Jinjiang (as the case may be) under the First Contract or the Second Contract (as the case may be) without interest to Jinze or Jinjiang (as the case may be). If the First Contract or the Second Contract (as the case may be) becomes null and void, a further announcement will be issued by the Company in this respect.



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## LETTER FROM THE BOARD

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### **Delivery**

The First Contract and the Second Contract provide that the delivery of the First Vessel and the Second Vessel will take place in the Philippines on or before 31 March 2012 and 31 August 2012 respectively. Pursuant to the terms of the First Contract and the Second Contract, if there is any delay in delivery of the First Vessel or the Second Vessel which continues for a period of 150 days from the thirty-first day after the agreed delivery date, then after such period has expired, Jinze or Jinjiang (as the case may be) may at its option rescind the First Contract or the Second Contract (as the case may be). The Vendor shall thereupon promptly refund to Jinze or Jinjiang (as the case may be) the full amount of all sums received by the Vendor together with interest accrued thereon at an agreed rate from the date of receipt by the Vendor of such amount to the date of full payment to Jinze or Jinjiang (as the case may be) of such amount.

### **Undertaking by the Builder**

Pursuant to the First Contract and the Second Contract, the Vendor has also agreed to assign the Builder's warranty of quality to Jinze and Jinjiang respectively with the Builder's consent upon delivery of the First Vessel and the Second Vessel including the undertaking by the Builder to remedy Jinze and Jinjiang free of charge for any defects in the First Vessel and the Second Vessel respectively which are due to defective material and/or bad workmanship on the part of the Builder and/or its subcontractors within a period of twelve months after the date of delivery of the First Vessel and the Second Vessel respectively.

### **Guarantee by Jinhui Shipping**

Jinhui Shipping, the intermediate holding company of Jinze and Jinjiang, also executed on 7 May 2007 two guarantees in favour of the Vendor pursuant to which Jinhui Shipping agrees to guarantee the due and faithful performance and fulfillment by Jinze and Jinjiang in accordance with the terms of the First Contract and the Second Contract respectively.

### **THE DISPOSAL**

The Purchaser is a private ship owning company incorporated in Malta. 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 Group has not acquired or disposed of any other vessel with the Purchaser during the last twelve months from date of the Agreement.

Jinkang, a wholly-owned subsidiary of Jinhui Shipping, which is in turn approximately 54.34 per cent. owned subsidiary of the Company as at the Latest Practicable Date. Jinkang is a special purpose holding company whose only fixed asset is the M.V. Jin Kang. The net profit both before and after taxation and extraordinary items attributable to Jinkang for the two financial years ended 31 December 2006 are approximately HK\$16,421,000 and HK\$17,000,000 respectively.

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## LETTER FROM THE BOARD

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Jinkang entered into the Agreement with the Purchaser on 8 May 2007 for the disposal of the M.V. Jin Kang for a consideration of US\$53,725,000 (approximately HK\$419,055,000).

After the Disposal, the Group's property, plant and equipment will decrease by the book value of the M.V. Jin Kang, the current assets will increase by the balance of net sale proceeds received from the Disposal after payment of bank loans of the M.V. Jin Kang, and the current liabilities and non-current liabilities will decrease by the amount of vessel mortgage loan of the M.V. Jin Kang repayable in full.

The M.V. Jin Kang is a Supramax of deadweight 50,212 metric tons, built in 2001 and registered in Hong Kong.

### **Consideration**

Under the Agreement, Jinkang agrees to dispose of the M.V. Jin Kang for a consideration of US\$53,725,000 (approximately HK\$419,055,000) payable as follows:

1. an initial deposit of US\$5,372,500 (approximately HK\$41,905,500) was paid by the Purchaser on 11 May 2007 to a bank account in the joint names of Jinkang and the Purchaser and will be released on the delivery of the M.V. Jin Kang (see below); and
2. the balance of the consideration for the M.V. Jin Kang will be payable on the delivery of the M.V. Jin Kang which will take place at a date to be fixed by Jinkang during the period from 1 August 2007 to 2 October 2007.

The consideration of the M.V. Jin Kang 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 M.V. Jin Kang as at 31 December 2006 was approximately HK\$247,089,000.

### **Use of Payment Received**

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

### **Guarantee**

Sunset Maritime Ltd., the commercial manager of the Purchaser, guarantees the performance of the obligations of the Purchaser under the Agreement in favour of Jinkang. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, Sunset Maritime Ltd. and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

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## LETTER FROM THE BOARD

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### REASONS FOR THE ACQUISITION AND THE DISPOSAL

The Group's principal activities include international ship chartering, ship owning and trading. Both the First Vessel and the Second Vessel are Supramaxes. The Acquisition will enable the Group to concentrate on maintaining a fleet of grabs fitted Supramaxes that are of better equipped loading facilities, and will further complement our owned young and modern fleet of vessels to serve the growing needs of our customers, whilst the Disposal is a good opportunity to realize the book gain arising from the disposal of the M.V. Jin Kang, and will enable the Group to enhance its liquidity position for potential purchase of younger, prompt delivery vessels in order to continuously maintain a young modern fleet. The Company believes it is an opportune moment during recent market situations to further expand its fleet of vessels in order to increase operating income for the Group.

The Group currently owns thirteen modern grabs fitted Supramaxes including the M.V. Jin Kang and one modern Panamax. The Board believes that the Disposal will not have any material adverse effect on the operations of the Group. After the Acquisition, the Group will have additional fifteen newly built grabs fitted Supramaxes, one second hand Capesize, and one second hand Handymax for delivery going forward, where four of which will be delivered in 2007, three in 2008, two in 2009, four in 2010, two in 2011 and two in 2012.

The terms and conditions of the First Contract, the Second Contract and the Agreement have been agreed on normal commercial terms following arm's length negotiations. The Board considers such terms and conditions are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

The Group has been a customer of the Vendor since 2003. In addition, the Group had during the past twelve months entered into other two separate contracts with the Vendor on 2 November 2006 for the acquisition of other two motor vessels from the Vendor. Each of the aforementioned contracts is separate and not inter-conditional of each other. Furthermore, at the time of each of the aforementioned contracts, the Acquisition was not contemplated and there was no agreement or understanding between the Group and the Vendor in relation to the Acquisition.

The M.V. Jin Kang was acquired by the Group in June 2005. Given the immense rises in the market value of dry bulk carriers in recent years, the net book value of the M.V. Jin Kang is substantially stated below its prevailing market value. Therefore, based on the net book value of the M.V. Jin Kang as at 31 December 2006 as described above, the Group would realize a book gain, after estimated expenses and minority interests, of approximately HK\$80.9 million on disposal of the M.V. Jin Kang. However, the actual book gain which the Group would realize upon completion of the Disposal will depend on the actual book value of the M.V. Jin Kang 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.

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## LETTER FROM THE BOARD

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### GENERAL

Under the Listing Rules, each of the Acquisition and the Disposal constitutes a discloseable transaction for the Company.

Your attention is also drawn to the appendix to this circular.

Yours faithfully,  
By Order of the Board  
**Jinhui Holdings Company Limited**  
**Ng Siu Fai**  
*Chairman*

## RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name	Type of interests	No. of Shares	Percentage of total issued Shares	No. of Jinhui Shipping Shares	Percentage of total issued Jinhui Shipping Shares
Ng Siu Fai	Personal interests	16,036,000	3.08%	1,098,500	1.31%
	Personal interests (Option) <i>Note 2</i>	31,570,000	6.07%	–	–
	Personal interests (Option) <i>Note 4</i>	3,184,000	0.61%	–	–
	Family interests	16,717,000	3.22%	–	–
	Other interests	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>
Ng Kam Wah Thomas	Personal interests	5,909,000	1.13%	–	–
	Personal interests (Option) <i>Note 2</i>	21,050,000	4.05%	–	–
	Personal interests (Option) <i>Note 4</i>	3,184,000	0.61%	–	–
	Other interests	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>

Name	Type of interests	No. of Shares	Percentage of total issued Shares	No. of Jinhui Shipping Shares	Percentage of total issued Jinhui Shipping Shares
Ng Ki Hung Frankie	Personal interests (Option) <i>Note 3</i>	3,000,000	0.58%	–	–
	Personal interests (Option) <i>Note 4</i>	3,184,000	0.61%	–	–
	Other interests	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>
Ho Suk Lin	Personal interests	1,774,000	0.34%	–	–
	Personal interests (Option) <i>Note 3</i>	3,000,000	0.58%	–	–
Cui Jianhua	Personal interests (Option) <i>Note 3</i>	1,000,000	0.19%	–	–
Tsui Che Yin Frank	Personal interests (Option) <i>Note 3</i>	1,000,000	0.19%	–	–
William Yau	Personal interests	300,000	0.06%	–	–
	Personal interests (Option) <i>Note 3</i>	200,000	0.04%	–	–

*Note 1:* Lorimer Limited, in its capacity as trustee of the Ng Hing Po 1991 Trust, is the legal owner of the entire issued share capital of Fairline which is the legal and beneficial owner of 335,030,280 Shares (representing approximately 64.41 per cent. of the total issued Shares) and 480,000 Jinhui Shipping Shares (representing approximately 0.57 per cent. of the total issued Jinhui Shipping Shares). The Ng Hing Po 1991 Trust is a discretionary trust, the eligible beneficiaries of which include members of the Ng family. Both Messrs. Ng Siu Fai and Ng Kam Wah Thomas are directors of Fairline.

*Note 2:* Further details relating to the options granted to each of Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas are as follows:

Date of grant:	23 December 2004 (approved at the extraordinary general meeting of the Company on 27 January 2005)
Exercisable period:	31 March 2006 (the business day immediately after the day of the issue and publication of the audited consolidated results of the Group for the financial year of 2005) to 22 December 2014
Consideration paid for options:	HK\$1.00
Subscription price:	HK\$1.60 per Share
Other conditions:	the Group having recorded an audited consolidated net profit of not less than HK\$400 million for the financial year of 2005 (which had been achieved)

*Note 3:* Further details relating to the options granted to each of Mr. Ng Ki Hung Frankie, Ms. Ho Suk Lin, Mr. Cui Jianhua, Mr. Tsui Che Yin Frank and Mr. William Yau are as follows:

Date of grant:	23 December 2004
Exercisable period:	23 December 2004 to 22 December 2009
Consideration paid for options:	HK\$1.00
Subscription price:	HK\$1.60 per Share

*Note 4:* Further details relating to the options granted to each of Mr. Ng Siu Fai, Mr. Ng Kam Wah Thomas and Mr. Ng Ki Hung Frankie are as follows:

Date of grant:	29 June 2006
Exercisable period:	29 June 2006 to 28 June 2016
Consideration paid for options:	HK\$1.00
Subscription price:	HK\$1.57 per Share

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests in any securities and short positions of the Company or any of its associated corporations as defined in the SFO.

- (b) As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group not determinable by the Company within one year without payment of compensation (other than statutory compensation).
- (c) As at the Latest Practicable Date, none of the Directors or their respective associates has any interests in any company or business which competes or may compete with the businesses of the Group.

## SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons, other than a Director or chief executive of the Company, have interests or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	No. of Shares	No. of Shares (Option)	Percentage of total issued Shares
Fairline	335,030,280	–	64.41%
Wong Yee Man Gloria	367,783,280 *	–	70.71%
	–	34,754,000 **	6.68%

Name of shareholder	No. of shares in Yee Lee Technology	Percentage of total issued shares in Yee Lee Technology
Asiawide Profits Limited	1,000,000	25.00%

\* *The interest in Shares includes 16,717,000 Shares in which Ms. Wong Yee Man Gloria is interested as a beneficial owner and 351,066,280 Shares in which she is deemed to be interested through the interest of her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).*

\*\* *Ms. Wong Yee Man Gloria is deemed to be interested in the options to subscribe for 34,754,000 Shares held by her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).*

## LITIGATION

As at the Latest Practicable Date, Goldbeam Shipping Inc. (“Goldbeam”) an approximately 54.34 per cent. owned subsidiary of the Company, is claiming around US\$769,000 and costs against a charterer of a vessel for detention of the vessel at discharge port. An arbitrator has been appointed and the arbitration proceedings in London, England are underway.

Save as disclosed herein, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries as at the Latest Practicable Date.



**GENERAL**

- (a) The secretary and the qualified accountant of the Company is Ms. Ho Suk Lin, a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (b) The registered office of the Company is situated at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong.
- (c) The principal share registrar and transfer office of the Company in Hong Kong is Standard Registrars Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.