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JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

DISCLOSEABLE TRANSACTION ACQUISITION OF A VESSEL

Jinqing, an approximately 54.77 per cent. indirectly owned subsidiary of the Company, entered into the Contract with the Vendor on 14 December 2007 to acquire the Vessel at a purchase price of JPY4,500,000,000 (approximately HK\$313,920,000). The Vessel will be delivered to Jinqing on or before 28 February 2013.

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, amongst other things, further information relating to the Acquisition will be despatched to the Shareholders as soon as reasonably practicable.

THE CONTRACT

Purchaser

Jinqing is a ship owning company and a wholly-owned subsidiary of Jinhui Shipping, which is in turn an approximately 54.77 per cent. owned subsidiary of the Company as at date of this announcement.

Vendor

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.

The Acquisition

Pursuant to the Contract dated 14 December 2007, the Vendor has ordered the Builder to build and complete the Vessel in the Philippines, and has agreed to sell and deliver the Vessel to Jinqing, and Jinqing has agreed to purchase and take delivery of the Vessel from the Vendor. The Vessel is a deadweight 58,100 metric tons type Supramax and is proposed to be used for chartering out to gain operating income by Jinqing after delivery.

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.

Consideration

Subject to certain provisions for adjustment to reduce the purchase price of the Vessel contained in the Contract relating to, amongst other things, delay in delivery of the Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the purchase price for the Vessel is JPY4,500,000,000 (approximately HK\$313,920,000) and is payable by Jinqing as follows:

- (1) the first installment in the sum of JPY450,000,000 (approximately HK\$31,392,000) will be payable within three banking days from the date of signing of the Contract;
- (2) the second installment in the sum of JPY450,000,000 (approximately HK\$31,392,000) will be payable around 14 June 2009;
- (3) the third installment in the sum of JPY675,000,000 (approximately HK\$47,088,000) will be payable around February 2012;
- (4) the fourth installment in the sum of JPY675,000,000 (approximately HK\$47,088,000) will be payable around October 2012; and
- (5) the last installment in the sum of JPY2,250,000,000 (approximately HK\$156,960,000) will be payable upon delivery of the Vessel on or before 28 February 2013.

The purchase price for the Vessel will be payable by cash in Japanese Yen. It is currently expected that approximately 70 per cent. of the purchase price will be funded by bank financing and approximately 30 per cent. will be funded by internal resources of the Group. The purchase price of the Vessel was determined with reference to current market values of similar type of vessels and on the basis of arm's length negotiations.

Condition Subsequent

According to the Contract, if the construction permission for the Vessel shall not have been granted by the Philippine Government not later than 180 days after signing of the Contract, the Contract 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 Jinqing under the Contract without interest to Jinqing. If the Contract becomes null and void, a further announcement will be issued by the Company in this respect.

Delivery

The Contract provides for the delivery of the Vessel on or before 28 February 2013 to Jinqing in the Philippines. Pursuant to the terms of the Contract, if there is any delay in delivery of the 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, Jinqing may at its option rescind the Contract. The Vendor shall thereupon promptly refund to Jinqing 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 Jinqing of such amount.

Undertaking by the Builder

Pursuant to the Contract, the Vendor has also agreed to assign the Builder's warranty of quality to Jinqing with the Builder's consent upon delivery of the Vessel including the undertaking by the Builder to remedy Jinqing free of charge for any defects in the Vessel 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 Vessel.

GUARANTEE BY JINHUI SHIPPING

Jinhui Shipping, the intermediate holding company of Jinqing, also executed on 14 December 2007 a guarantee in favour of the Vendor pursuant to which Jinhui Shipping agrees to guarantee the due and faithful performance and fulfillment by Jinqing in accordance with the terms of the Contract.

REASONS FOR THE ACQUISITION

The Group's principal activities include international ship chartering, ship owning and trading. The Acquisition will enable the Group to further complement our owned young and modern fleet of vessels to serve the growing needs of our customers. The Group currently owns sixteen modern grabs fitted Supramaxes, one modern Capesize and one modern Panamax. Taking into account all existing commitments to acquire and dispose of other vessels as announced by the Company previously, the Group will have additional twenty newly built grabs fitted Supramaxes, one newly built Panamax, one second hand Handymax and two newly built VL0Cs for delivery going forward, where five of which will be delivered in 2008, seven in 2009, five in 2010, four in 2011, two in 2012 and one in 2013.

The terms and conditions of the Contract 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 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 had during the past twelve months entered into other two separate contracts with the Vendor on 7 May 2007 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.

GENERAL

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

DEFINITIONS

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

“Acquisition”	the acquisition of the Vessel under the Contract;
“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;
“Contract”	the contract dated 14 December 2007 entered into between Jinqing and the Vendor in respect of the acquisition of the Vessel;
“Directors”	the directors of the Company;
“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 54.77 per cent. owned subsidiary of the Company as at date of this announcement, whose shares are listed on the Oslo Stock Exchange, Norway;
“Jinqing”	Jinqing 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;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vendor”	Mitsubishi Corporation, a company incorporated in Japan;
“Vessel”	a deadweight 58,100 metric tons type bulk carrier to be constructed in the Philippines;
“VLOC(s)”	Very Large Ore Carrier(s);

“HK\$” Hong Kong Dollars, the lawful currency of Hong Kong; and
“JPY” Japanese Yen, the lawful currency of Japan, and for the purpose of illustration only, translated into HK\$ at the rate of JPY1 = HK\$0.06976.

By Order of the Board
Jinhui Holdings Company Limited
Ng Siu Fai
Chairman

Hong Kong, 14 December 2007

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.