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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

Jinying, an approximately 54.77 per cent. indirectly owned subsidiary of the Company, entered into the Agreement with the Vendor on 25 July 2008 to acquire the Vessel at a purchase price of JPY5,350,000,000 (approximately HK\$387,543,300). The Vessel will be delivered to Jinying during the period between 1 June 2011 and 31 July 2011.

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 AGREEMENT

Purchaser

Jinying 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 ship owning company and a wholly-owned subsidiary of ORIX Corporation, a listed company on the stock exchanges of New York, Tokyo and Osaka. ORIX Corporation is an integrated financial services group based in Tokyo, Japan. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor and ORIX Corporation are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The Acquisition

Pursuant to the Agreement dated 25 July 2008, the Vendor has agreed to sell and deliver the Vessel to Jinying, and Jinying has agreed to purchase and take delivery of the Vessel from the Vendor. The Vessel is a Supramax of deadweight 61,000 metric tons and is proposed to be used for earning operating income by Jinying after delivery.

Consideration

The purchase price for the Vessel is JPY5,350,000,000 (approximately HK\$387,543,300) and is payable by Jinying in the following manner:

- (1) the first installment in the sum of JPY535,000,000 (approximately HK\$38,754,330) will be payable to the Vendor's designated bank account within three banking days after the date of signing of the Agreement;
- (2) the second installment in the sum of JPY535,000,000 (approximately HK\$38,754,330) will be payable on 24 July 2009;
- (3) the third installment in the sum of JPY535,000,000 (approximately HK\$38,754,330) will be payable on 30 July 2010;
- (4) the fourth installment in the sum of JPY535,000,000 (approximately HK\$38,754,330) will be payable around April 2011; and
- (5) the last installment in the sum of JPY3,210,000,000 (approximately HK\$232,525,980) will be payable upon delivery of the Vessel during the period between 1 June 2011 and 31 July 2011.

The purchase price for the Vessel will be payable by cash in Japanese Yen. It is currently expected that approximately 60 per cent. of the purchase price will be funded by bank financing and approximately 40 per cent. will be funded by internal resources of the Group. The purchase price for the Vessel was determined with reference to current market values of similar type of vessels based on information from independent shipbrokers and on the basis of arm's length negotiations.

Delivery

The Agreement provides that the delivery of the Vessel will take place during the period between 1 June 2011 and 31 July 2011. Pursuant to the terms of the Agreement, if there is any delay in delivery of the Vessel, Jinying may at its option rescind the Agreement. The Vendor shall thereupon promptly refund to Jinying in Japanese Yen 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 Jinying of such amount.

Undertaking

Pursuant to the Agreement, the Vendor shall undertake to remedy free of charge to Jinying for any defects in the Vessel which are due to defective material and/or equipment and/or bad workmanship on the part of the Vendor, the shipyard and/or its subcontractors within a period of twelve months after the date of delivery of the Vessel.

Guarantees

Jinhui Shipping, the intermediate holding company of Jinying, will guarantee the performance of Jinying under the Agreement in favour of the Vendor. ORIX Corporation, the holding company of the Vendor, will also guarantee the performance of the Vendor under the Agreement in favour of Jinying.

REASONS FOR THE ACQUISITION

The Group's principal activities include international ship chartering, ship owning and trading. The Acquisition will enable the Group to continuously maintain a young and modern owned fleet of vessels to serve the growing needs of our customers. The Group currently owns one modern Capesize, one modern Panamax and sixteen modern grabs fitted Supramaxes. 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 one newly built grabs fitted Supramaxes, two newly built Post-Panamaxes, two newly built Panamax, one second hand Handymax and one newly built Handysize for delivery going forward, where three of which will be delivered in 2008, seven in 2009, seven in 2010, six in 2011, three in 2012 and one in 2013.

The terms and conditions of 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 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 four separate agreements with the Vendor on 23 August 2007, 29 October 2007, 19 December 2007 and 10 March 2008 in relation to the acquisition of other four motor vessels from the Vendor. Each of the aforementioned agreements 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 Agreement;
“Agreement”	the agreement dated 25 July 2008 entered into between Jinying and the Vendor in respect of the acquisition of the Vessel;
“Board”	the board of Directors;
“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;
“Group”	the Company and its subsidiaries;
“Handymax”	a dry cargo vessel of deadweight approximately 45,000 metric tons;

“Handysize”	a dry cargo vessel of deadweight below 40,000 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;
“Jinying”	Jinying Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Panamax(es)”	vessel(s) of deadweight approximately 70,000 metric tons, designed to be just small enough to transit the Panama Canal;
“Post-Panamaxes”	vessels of deadweight approximately between 90,000 metric tons to 100,000 metric tons;
“Shareholders”	shareholders 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”	Xing Long Maritime S.A., a company registered in Panama and a wholly-owned subsidiary of ORIX Corporation, Japan;
“Vessel”	a deadweight 61,000 metric tons type bulk carrier to be constructed in Japan;
“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\$0.072438.

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

Hong Kong, 25 July 2008

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.