

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

The Purchaser, an approximately 54.77 per cent. indirectly owned subsidiary of the Company, entered into the Contract with the Builder on 11 July 2008 to acquire the Vessel at a purchase price of US\$46,500,000 (approximately HK\$362,700,000). The Vessel will be delivered to the Purchaser on or before 30 June 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 CONTRACT

Purchaser

The Purchaser 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 Builder is a shipbuilding company and a subsidiary of STX Corporation which engages in the manufacturing and distribution of diesel engines and industrial machinery, investment in affiliated company and oil industry, resource development and ship maintenance and is listed on the Korea Exchange. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Builder is a third party 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 Builder, its respective associates or STX Corporation during the last twelve months from date of the Contract.

The Acquisition

Pursuant to the Contract dated 11 July 2008, the Builder has agreed to design, build, launch, equip and complete the Vessel at the Builder's shipyard in Dalian, China and to sell and deliver the Vessel to the Purchaser, and the Purchaser has agreed to purchase and take delivery of the Vessel from the Builder. The Vessel is a Supramax of deadweight 57,700 metric tons and is proposed to be used for chartering out to gain operating income by the Purchaser after delivery.

Consideration

Subject to certain provisions for reduction to 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 of the Vessel is US\$46,500,000 (approximately HK\$362,700,000) and is payable by the Purchaser as follows:

- (1) the first installment in the sum of US\$9,300,000 (approximately HK\$72,540,000) shall become due and payable within five banking days after receipt of the Refund Guarantee which covers all installments before delivery of the Vessel and which is expected to be received on or around 28 July 2008;
- (2) the second installment in the sum of US\$9,300,000 (approximately HK\$72,540,000) shall become due and payable around July 2009;
- (3) the third installment in the sum of US\$9,300,000 (approximately HK\$72,540,000) shall become due and payable around October 2010;
- (4) the fourth installment in the sum of US\$9,300,000 (approximately HK\$72,540,000) shall become due and payable around January 2011; and
- (5) the last installment in the sum of US\$9,300,000 (approximately HK\$72,540,000) shall become due and payable upon delivery of the Vessel on or before 30 June 2011.

The purchase price for the Vessel will be payable by cash in United States Dollars. 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 and on the basis of arm's length negotiations.

Delivery

The Contract provides for the delivery of the Vessel on or before 30 June 2011 to the Purchaser in China. Pursuant to the terms of the Contract, if there is any delay in delivery of the Vessel which continues for a period of 180 days from the thirty-first day after the agreed delivery date, then after such period has expired, the Purchaser may at its option rescind the Contract. The Builder shall thereupon promptly refund to the Purchaser in United States Dollars the full amount of all sums received by the Builder together with interest accrued thereon at an agreed rate from the date of receipt by the Builder of such amount to the date of full payment to the Purchaser of such amount.

Undertaking by the Builder

Pursuant to the Contract, the Builder shall undertake to remedy the Purchaser free of charge for any defects in the Vessel which are due to defective material, construction miscalculation and/or poor 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 the Purchaser, has undertaken that within ten days after receipt of the Refund Guarantee which covers all installments before delivery of the Vessel and which is expected to be received on or around 28 July 2008, Jinhui Shipping will execute a guarantee in favour of the Builder pursuant to which Jinhui Shipping agrees to guarantee the full and punctual payment of each installment of the Vessel by the Purchaser 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 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 seventeen modern grabs fitted Supramaxes including one Supramax which will be disposed by the Group later in 2008 as announced by the Company on 11 April 2008. 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, 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, five in 2011, three 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.

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”	STX (Dalian) Shipbuilding Co., Ltd., a company incorporated under the laws of the People's Republic of China, with 60 per cent. shareholdings held by STX Corporation and 40 per cent. shareholdings held by STX Shipbuilding Co., Ltd., both shareholders of the Builder are companies listed on the Korea Exchange;
“Capesize”	a dry bulk vessel of deadweight approximately 150,000 metric tons or above;

“Company”	Jinhui Holdings Company Limited;
“Contract”	the construction and sale contract dated 11 July 2008 entered into between the Purchaser and the Builder 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;
“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;
“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;
“Purchaser”	Huafeng Shipping Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Refund Guarantee”	the guarantee to be issued by the Builder's bank in favour of the Purchaser whereby the Builder's bank will guarantee the refund of all installments before delivery of the Vessel plus interest to the Purchaser if the delivery of the Vessel is not effected according to the agreed date of delivery;
“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;
“Vessel”	a deadweight 57,700 metric tons type bulk carrier to be constructed in China;
“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.

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

Hong Kong, 11 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.