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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

CANCELLATION OF DISCLOSEABLE TRANSACTION WITH MITSUBISHI CORPORATION

Reference is made to the announcement of the Company dated 14 December 2007. The Announcement stated that Jinqing had entered into the Contract with Mitsubishi on 14 December 2007 for the acquisition of a deadweight 58,100 metric tons type bulk carrier at a purchase price of JPY4,500,000,000.

The Company was informed by Jinhui Shipping that the Contract was cancelled.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcement of Jinhui Holdings Company Limited (the “Company”) dated 14 December 2007 (the “Announcement”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcement. Jinqing is a ship owning company and a wholly-owned subsidiary of Jinhui Shipping, which is in turn an approximately 54.77% owned subsidiary of the Company as at date of this announcement.

Under the terms and conditions of the Contract, Mitsubishi Corporation (the “Vendor” or “Mitsubishi”) has ordered Tsuneishi Holdings Corporation (the “Builder”) to build and complete a deadweight 58,100 metric tons type bulk carrier in the Philippines, and has agreed to sell and deliver the Vessel to Jinqing in strict compliance with the terms, conditions and specifications of the Contract.

According to the Contract, Mitsubishi shall always remain responsible for the performance of the Contract.

As of the date of this announcement, it is Jinhui Shipping's firm position that Mitsubishi has failed to procure the Builder to construct the Vessel in compliance with the contractual terms and specifications within the contractual time frame of the Contract. Furthermore, Jinhui Shipping considers that Mitsubishi has failed to demonstrate that the Vessel has been built in accordance with the Contract and the specifications and has failed to procure the Builder to facilitate adequate inspections of the Vessel during its construction, which Jinqing has the right to request for and attend to in accordance with the Contract, despite repeated requests from Jinqing.

In particular, despite repeated requests from Jinqing, Mitsubishi has ignored and further failed to procure the Builder to conduct sea trials as required by the Contract, yet has, notwithstanding, declared the Vessel as ready for delivery.

Accordingly, on 10 September 2013, Jinqing asserted that it was exercising its right to cancel the Contract. In such circumstances, it is Jinhui Shipping's position and belief that Mitsubishi is obliged under the Contract to refund to Jinqing, inter alia, pre-delivery installments of JPY2,250,000,000 (approximately HK\$178 million at the current exchange rate of JPY1 = HK\$0.07898) made by Jinqing prior to delivery, along with the value of items supplied by Jinqing, together with interest at a rate of 4% per annum and damages within the time frame stipulated under the Contract. As at the date of this announcement, Mitsubishi has failed to refund any sums to Jinqing or Jinhui Shipping and has disputed the obligation to do so.

Jinqing will engage all legal means to secure Jinhui Shipping's and Jinqing's rights and benefits under the Contract and pursue Mitsubishi to refund all sums to Jinqing or Jinhui Shipping accordingly. The Directors believe that the financial position and operations of the Group will not be adversely affected by the cancellation of the Contract. Prior to the cancellation of the Contract, the carrying amount of the Vessel under construction recorded in the financial statements of Jinqing was approximately HK\$135 million, being the prevailing direct costs of approximately HK\$203 million capitalized, net of an impairment loss of approximately HK\$68 million. The Company will make appropriate adjustments to its consolidated financial statements to reflect the cancellation of the Contract. Further announcement(s) will be made by the Company as and when appropriate in respect of further developments.

The Group's principal activities include international ship chartering, ship owning and trading. The Group currently owns thirty eight vessels which include two modern Post-Panamaxes, two modern Panamaxes, thirty two modern grabs fitted Supramaxes, one Handymax and one Handysize.

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

Hong Kong, 19 September 2013

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.