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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**

The Purchaser, an approximately 54.77 per cent. indirectly owned subsidiary of the Company, entered into the Agreement with the Vendor on 19 December 2007 to acquire the Vessel at a purchase price of US\$80,000,000 (approximately HK\$624,000,000). The Vessel will be delivered to the Purchaser on or before 31 March 2008.

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**

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 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 19 December 2007, the Vendor has agreed to sell and deliver the Vessel to the Purchaser, and the Purchaser has agreed to purchase and take delivery of the Vessel from the Vendor. The Vessel is a deadweight 53,420 metric tons type Supramax, currently under construction in Japan and is proposed to be used for chartering out to gain operating income by the Purchaser after delivery.

## **Consideration**

The purchase price for the Vessel is US\$80,000,000 (approximately HK\$624,000,000) and is payable by the Purchaser in the following manner:

- (1) the first installment in the sum of US\$7,850,000 (approximately HK\$61,230,000) 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 US\$7,850,000 (approximately HK\$61,230,000) will be payable on 10 January 2008; and
- (3) the last installment in the sum of US\$64,300,000 (approximately HK\$501,540,000) will be payable upon delivery of the Vessel on or before 31 March 2008.

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

## **Delivery**

The Agreement provides for the delivery of the Vessel on or before 31 March 2008 to the Purchaser. Pursuant to the terms of the Agreement, if there is any delay in delivery of the Vessel, the Purchaser has the right to rescind the Agreement and the Vendor shall thereupon promptly refund the full amount of all sums received by the Vendor together with interest accrued thereon to the Purchaser.

## **Guarantees**

Jinhui Shipping, the intermediate holding company of the Purchaser, will guarantee the performance of the Purchaser 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 the Purchaser.

## **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 one newly built grabs fitted Supramaxes, one newly built Panamax, one second hand Handymax and two newly built VLOCs for delivery going forward, where six 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 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 two separate contracts with the Vendor on 23 August 2007 and 29 October 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 Agreement;
“Agreement”	the agreement dated 19 December 2007 entered into between the Purchaser 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;
“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”	a vessel of deadweight approximately 70,000 metric tons and is designed to be just small enough to transit the Panama Canal;

“Purchaser”	Huafeng Shipping Inc., a wholly-owned subsidiary of Jinhui Shipping;
“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”	Xing Long Maritime S.A., a company registered in Panama and a wholly-owned subsidiary of ORIX Corporation, Japan;
“Vessel”	a deadweight 53,420 metric tons type bulk carrier, currently under construction in Japan;
“VLOC(s) ”	Very Large Ore Carrier(s);
“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, 19 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.*