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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

MAJOR TRANSACTION
DISPOSAL OF TWO VESSELS

The First Vendor and the Second Vendor, both are approximately 54.77% indirectly owned subsidiaries of the Company, entered into the First Agreement and the Second Agreement respectively with the Purchasers on 30 March 2009 to dispose of the First Vessel and the Second Vessel respectively, each at a consideration of US$30,000,000 (approximately HK$234,000,000). The total consideration of the First Vessel and the Second Vessel is US$60,000,000 (approximately HK$468,000,000). The First Vessel and the Second Vessel will be delivered by the First Vendor and the Second Vendor respectively to the Purchasers both during the period between 25 May 2009 to 30 June 2009.

Under the Listing Rules, the disposal of the First Vessel and the Second Vessel, in aggregate, constitute a major transaction for the Company. A circular containing, amongst other things, further information relating to the Disposal will be despatched to the Shareholders as soon as reasonably practicable.

THE DISPOSAL

Each of the First Vendor and the Second Vendor entered into the First Agreement and the Second Agreement respectively with the Purchasers on 30 March 2009 for the disposal of the First Vessel and the Second Vessel respectively. NSCL and RSC have agreed to acquire jointly each of the First Vessel and the Second Vessel in the ratio of 60% and 40% respectively. Each of the aforementioned agreements is separate and not inter-conditional of each other.

Vendors

The First Vendor and the Second Vendor, both are ship owning companies and wholly-owned subsidiaries of Jinhui Shipping, which are in turn approximately 54.77% owned subsidiaries of the Company as at date of this announcement.

Purchasers

RSC is a wholly-owned subsidiary of NSCL. The principal activities of both NSCL and RSC are ship owning, ship management, ship operation, ship charter, ship broking, ship agency, and purchase and sale of real estate. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchasers and their ultimate beneficial owners and their respective associates do not hold shares of the Company, and are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. The Group has not entered into any agreement to acquire or dispose of any other vessel with the Purchasers during the last twelve months from date of the First Agreement and the Second Agreement.

Consideration of the vessels

Under the First Agreement, the First Vendor agrees to dispose of the First Vessel for a consideration of US$30,000,000 (approximately HK$234,000,000) payable by the Purchasers as follows:

(1) an initial deposit of US$3,000,000 (approximately HK$23,400,000) will be payable by the Purchasers within three banking days from 30 March 2009 to a bank account in the joint names of the First Vendor and the Purchasers and will be released on the delivery of the First Vessel; and

(2) the balance of US$27,000,000 (approximately HK$210,600,000) will be payable on the delivery of the First Vessel which will take place during the period between 25 May 2009 to 30 June 2009 at the First Vendor's option.

Under the Second Agreement, the Second Vendor agrees to dispose of the Second Vessel for a consideration of US$30,000,000 (approximately HK$234,000,000) payable by the Purchasers as follows:

(1) an initial deposit of US$3,000,000 (approximately HK$23,400,000) will be payable by the Purchasers within three banking days from 30 March 2009 to a bank account in the joint names of the Second Vendor and the Purchasers and will be released on the delivery of the Second Vessel; and

(2) the balance of US$27,000,000 (approximately HK$210,600,000) will be payable on the delivery of the Second Vessel which will take place during the period between 25 May 2009 to 30 June 2009 at the Second Vendor's option.

The total consideration for the Disposal is US$60,000,000 (approximately HK$468,000,000). Each of the consideration of the First Vessel and the Second Vessel was determined by reference to market intelligence the Company has gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size and year of built in the market, and on the basis of arm's length negotiations between the Purchasers. However, as a common case in the dry bulk carrier market, there have not been any recently published sales by third party vendors of vessels of the exact size and year of built of the First Vessel and the Second Vessel from which to make a direct comparison.

Vessels

The First Vessel is a Supramax of deadweight 55,496 metric tons, built in February 2008 and registered in Hong Kong. The Second Vessel is a Supramax of deadweight 55,496 metric tons, built in March 2008 and registered in Hong Kong. Each of the First Vendor and the Second Vendor is a special purpose company for holding the First Vessel and the Second Vessel respectively.

The First Vessel has been owned by the Group since February 2008 and its net book value as at 31 December 2008 was approximately HK$245,867,000. The net profit both before and after taxation and extraordinary items attributable to the First Vendor for the financial year ended 31 December 2008 was approximately HK$90,355,000.

The Second Vessel has been owned by the Group since March 2008 and its net book value as at 31 December 2008 was approximately HK$260,130,000. The net profit both before and after taxation and extraordinary items attributable to the Second Vendor for the financial year ended 31 December 2008 was approximately HK$72,547,000.

Use of Payment Received

The Group intends to use the net sale proceeds received pursuant to the First Agreement and the Second Agreement for the general working capital of the Group.

REASONS FOR THE DISPOSAL

The Group's principal activities include international ship chartering, ship owning and trading. The Directors continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet size as appropriate. The Directors believe that the Disposal will enable the Group to enhance its working capital position and to further improve its liquidity. The Group currently owns one modern Capesize, one modern Panamax, twenty modern grabs fitted Supramaxes (including the First Vessel and the Second Vessel) and one Handymax. Taking into account all existing commitments to acquire and dispose of other vessels as announced by the Company previously, the Group will have additional eighteen newly built grabs fitted Supramaxes, two newly built Post-Panamaxes, two newly built Panamaxes and one newly built Handysize for delivery going forward, where six of which will be delivered in 2009, seven in 2010, six in 2011, three in 2012 and one in 2013. The Board believes that the Disposal will not have any material adverse effect on the operations of the Group.

The terms and conditions of the First Agreement and the Second Agreement have been agreed on normal commercial terms following arm's length negotiations with reference to the prevailing market values. 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.

Based on the net book values of the First Vessel and the Second Vessel as at 31 December 2008 as described above, the Group would realize a total book loss, after estimated expenses and minority interests, of approximately HK$33.6 million on disposal of the First Vessel and the Second Vessel. However, the actual book loss which the Group would realize upon completion of the Disposal will depend on the actual net book values of the First Vessel and the Second Vessel as at their respective dates of delivery in accordance with the Group's depreciation policy for its vessels as shown in the Company's annual report.

GENERAL

Under the Listing Rules, the disposal of the First Vessel and the Second Vessel, in aggregate, constitute a major transaction for the Company and is subject to shareholders' approval in general meeting. Fairline Consultants Limited, the controlling shareholder of the Company holding 342,209,280 Shares which represent approximately 65.64% of the issued share capital of the Company and voting rights in general meetings of the Company, and 500,000 Jinhui Shipping Shares which represent approximately 0.59% of the issued share capital of Jinhui Shipping, is not interested in the Disposal other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Disposal if the Company were to convene a general meeting for the approval of the Disposal, and the Disposal has been approved by a written shareholder's approval from Fairline Consultants Limited. A circular containing, amongst other things, further information relating to the Disposal 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:

"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;
"Disposal"	the disposal of the First Vessel and the Second Vessel under the First Agreement and the Second Agreement respectively;
"First Agreement"	the memorandum of agreement dated 30 March 2009 entered into between the First Vendor and the Purchasers in respect of the disposal of the First Vessel;
"First Vendor"	Jinman Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"First Vessel"	a deadweight 55,496 metric tons bulk carrier "Jin Man" registered in Hong Kong;
"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% owned subsidiary of the Company as at date of this announcement, whose shares are listed on the Oslo Stock Exchange, Norway;

"Jinhui Shipping Shares"	ordinary shares of US$0.05 each in the share capital of Jinhui Shipping;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"NSCL"	Nisshin Shipping Co., Ltd., a private company incorporated in Japan;
"Panamax(es)"	vessel(s) of deadweight approximately 70,000 metric tons, designed to be just small enough to transit the Panama Canal;
"Post-Panamax(es)"	vessel(s) of deadweight approximately between 90,000 metric tons to 100,000 metric tons;
"Purchasers"	NSCL and RSC;
"RSC"	Ratu Shipping Co., S.A., a private company incorporated in Panama;
"Second Agreement"	the memorandum of agreement dated 30 March 2009 entered into between the Second Vendor and the Purchasers in respect of the disposal of the Second Vessel;
"Second Vendor"	Jinpu Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"Second Vessel"	a deadweight 55,496 metric tons bulk carrier "Jin Pu" registered in Hong Kong;
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Shareholder(s)"	shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Supramax(es)"	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
"HK$"	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, 30 March 2009

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.