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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

ANNOUNCEMENT TERMINATION OF DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 25 July 2008 and circular dated 15 August 2008, where Jinying entered into the Agreement with the Vendor on 25 July 2008 to acquire the Vessel at a purchase price of JPY5,350,000,000.

The Company was informed by Jinhui Shipping that Jinying has reached an agreement with the Vendor to cancel the Agreement and terminate the acquisition of the Vessel on 4 December 2010. As a result of the cancellation, partial installment of JPY535,000,000 (approximately HK\$39 million) paid by Jinying to the Vendor shall be forfeited and the Agreement shall be terminated accordingly.

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

TERMINATION OF DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 25 July 2008 and circular dated 15 August 2008 (the "Circular"). Terms used in this announcement shall have the same meanings as defined in the Circular. Jinying 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.

Pursuant to the Agreement dated 25 July 2008, the Vendor had agreed to sell and deliver a deadweight 61,000 metric tons type bulk carrier to Jinying, and Jinying had agreed to purchase and take delivery of the Vessel from the Vendor at consideration of JPY5,350,000,000 (approximately HK\$388 million).

The unprecedented global financial turmoil has drastically distorted the balance in the dry bulk sector. The risk-return profile of completing the Agreement has changed due to the imbalance between the supply and demand for dry bulk carriers and the uncertainty over the global economic recovery especially in terms of the growth in dry seaborne trade volume. The management has therefore reviewed the capital expenditure plan with a cautious and conservative mindset. Jinying has reached an agreement with the Vendor on 4 December 2010 to cancel the Agreement in order to reduce outstanding capital expenditure as well as future business risks.

As a result of the cancellation, partial installment of JPY535,000,000 (approximately HK\$39 million) paid by Jinying to the Vendor shall be forfeited and the Agreement shall be terminated accordingly. The Group does not expect significant financial impact due to the cancellation of the Agreement.

The Group's principal activities include international ship chartering, ship owning and trading. The Directors believe that the operation of the Group would not be adversely affected by the termination of the Acquisition and would continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet size as appropriate. The Group currently owns twenty seven modern grabs fitted Supramaxes, two modern Post-Panamaxes, one modern Panamax and one Handymax. After the termination of the Acquisition and taking into account all existing commitments to acquire and dispose of other vessels as announced by the Company previously, the Group will have additional six newly built grabs fitted Supramaxes, one newly built Panamax and one newly built Handysize for delivery going forward, where four of which will be delivered in 2011, three in 2012 and one in 2013.

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

Hong Kong, 6 December 2010

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.