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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 Board announces that on 16 April 2008 the First Vendor entered into the First Agreement with the First Purchaser for the disposal of the First Vessel. In addition, on 16 April 2008 the Second Vendor entered into the Second Agreement with the Second Purchaser for the disposal of the Second Vessel. The First Vessel and the Second Vessel will be delivered to the First Purchaser and the Second Purchaser respectively both during the period from 1 May 2008 to 30 June 2008.

Under the First Agreement, the First Vendor agrees to dispose of the First Vessel for a consideration of US\$81,000,000 (approximately HK\$631,800,000). Under the Second Agreement, the Second Vendor agrees to dispose of the Second Vessel for a consideration of US\$79,000,000 (approximately HK\$616,200,000). The total consideration for the Disposal is US\$160,000,000 (approximately HK\$1,248,000,000).

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

The Board announces that on 16 April 2008 the First Vendor entered into the First Agreement with the First Purchaser for the disposal of the First Vessel. In addition, on 16 April 2008 the Second Vendor entered into the Second Agreement with the Second Purchaser for the disposal of the Second Vessel.

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 per cent. owned subsidiaries of the Company as at date of this announcement.

Purchasers

The First Purchaser and the Second Purchaser are private shipping companies incorporated in Liberia and beneficially owned by a family based in Greece. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the First Purchaser, the Second Purchaser and their ultimate beneficial owners are third parties 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 First Purchaser and the Second Purchaser during the last twelve months from date of the First Agreement and the Second Agreement.

Consideration

Under the First Agreement, the First Vendor agrees to dispose of the First Vessel for a consideration of US\$81,000,000 (approximately HK\$631,800,000) payable by the First Purchaser as follows:

- (1) an initial deposit of US\$8,100,000 (approximately HK\$63,180,000) will be payable by the First Purchaser within three banking days from 16 April 2008 to a bank account in the joint names of the First Vendor and the First Purchaser and will be released on the delivery of the First Vessel; and
- (2) the balance of US\$72,900,000 (approximately HK\$568,620,000) will be payable on the delivery of the First Vessel which will take place during the period from 1 May 2008 to 30 June 2008 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\$79,000,000 (approximately HK\$616,200,000) payable by the Second Purchaser as follows:

- (1) an initial deposit of US\$7,900,000 (approximately HK\$61,620,000) will be payable by the Second Purchaser within three banking days from 16 April 2008 to a bank account in the joint names of the Second Vendor and the Second Purchaser and will be released on the delivery of the Second Vessel; and
- (2) the balance of US\$71,100,000 (approximately HK\$554,580,000) will be payable on the delivery of the Second Vessel which will take place during the period from 1 May 2008 to 30 June 2008 at the Second Vendor's option.

The First Agreement and the Second Agreement are not inter-conditional. The total consideration for the Disposal is US\$160,000,000 (approximately HK\$1,248,000,000). The consideration of the First Vessel and the Second Vessel were determined with reference to the prevailing market values, driven by supply and demand and based on arm's length negotiations with the First Purchaser and the Second Purchaser.

Vessels

The First Vessel is a Supramax of deadweight 53,514 metric tons, built in February 2008 and registered in Hong Kong. The Second Vessel is a Supramax of deadweight 53,562 metric tons, built in November 2007 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 purchase price was approximately HK\$624,000,000.

The Second Vessel has been owned by the Group since November 2007 and its net book value as at 31 December 2007 was approximately HK\$464,680,000. The net profit both before and after taxation and extraordinary items attributable to the Second Vendor for the financial year ended 31 December 2007 was approximately HK\$8,928,000.

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 is a good opportunity to realize the book gains arising from the disposal of the First Vessel and the Second Vessel, and will enable the Group to enhance its working capital position. The Group currently owns nineteen modern grabs fitted Supramaxes including the First Vessel, the Second Vessel and one Supramax which will be disposed by the Group later in 2008 as announced by the Company on 11 April 2008, 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 eighteen newly built grabs fitted Supramaxes, two newly built Panamaxes and one second hand Handymax for delivery going forward, where three of which will be delivered in 2008, seven in 2009, five in 2010, three in 2011, two 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 purchase price of the First Vessel and the net book value of the Second Vessel as at 31 December 2007 as described above, the Group would realize a total book gain, after estimated expenses and minority interests, of approximately HK\$84.3 million on disposal of the First Vessel and the Second Vessel. However, the actual book gain 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 339,311,280 Shares which represent approximately 65.26 per cent. of the issued share capital of the Company and voting rights in general meetings of the Company, and 480,000 Jinhui Shipping Shares which represent approximately 0.57 per cent. 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, and therefore 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 16 April 2008 entered into between the First Vendor and the First Purchaser in respect of the disposal of the First Vessel;
“First Purchaser”	Panoria Maritime Inc., a company incorporated in Liberia;
“First Vendor”	Huafeng Shipping Inc., a wholly-owned subsidiary of Jinhui Shipping;
“First Vessel”	a deadweight 53,514 metric tons bulk carrier “Jin Feng” registered in Hong Kong;
“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;
“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;
“Panamax(es)”	vessel(s) of deadweight approximately 70,000 metric tons, designed to be just small enough to transit the Panama Canal;
“Second Agreement”	the memorandum of agreement dated 16 April 2008 entered into between the Second Vendor and the Second Purchaser in respect of the disposal of the Second Vessel;

“Second Purchaser”	Panoceanis Maritime Inc., a company incorporated in Liberia;
“Second Vendor”	Jinying Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Second Vessel”	a deadweight 53,562 metric tons bulk carrier “Jin Ying” 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, 16 April 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.