JINHUI

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 A VESSEL

Jintai, an approximately 54.77% indirectly owned subsidiary of the Company, entered into the Agreement with the Purchaser on 26 June 2009 to dispose of the Vessel for a consideration of US$56,000,000 (approximately HK$436,800,000). The Vessel will be delivered to the Purchaser upon the completion of present voyage around 31 July 2009.

Under the Listing Rules, the Disposal constitutes 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 26 June 2009, Jintai entered into the Agreement with the Purchaser for the disposal of the Vessel.

Vendor

Jintai 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.

Purchaser

The Purchaser is a company incorporated in the Republic of the Marshall Islands and is listed on the NASDAQ Global Select Market. The Purchaser is principally engaged in the marine transportation of dry bulk and crude oil cargoes through the ownership and operation of dry bulk and tanker vessels. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser, its substantial shareholders and its respective associates do not hold shares of the Company, and are third parties independent of the Group and connected persons (as defined in the Listing Rules) of the Group. The Group has not entered into any agreement to acquire or dispose of any other vessel with the Purchaser during the last twelve months from date of the Agreement.

Consideration

Under the Agreement, Jintai agrees to dispose of the Vessel for a consideration of US$56,000,000 (approximately HK$436,800,000) payable by the Purchaser as follows:

(1) an initial deposit of US$5,600,000 (approximately HK$43,680,000) will be payable by the Purchaser within three banking days from the date of signing of the Agreement to a bank account in the joint names of Jintai and the Purchaser and will be released on the delivery of the Vessel; and

(2) the balance of US$50,400,000 (approximately HK$393,120,000) will be payable on the delivery of the Vessel which will take place upon the completion of present voyage around 31 July 2009.

The consideration of the Vessel was determined with reference to the prevailing market values, driven by supply and demand and based on arm's length negotiations with the Purchaser.

Vessel

The Vessel is a Capesize of deadweight 173,880 metric tons, built in 2004 and registered in Hong Kong.

Jintai is a special purpose company for holding the Vessel. The Vessel has been owned by the Group since May 2007 and its net book value as at 31 December 2008 was approximately HK$437,627,000. The net profit both before and after taxation and extraordinary items attributable to Jintai for the financial years ended 31 December 2008 and 31 December 2007 were approximately HK$85,848,000 and HK$44,038,000 respectively.

Use of Payment Received

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

Guarantee

Jinhui Shipping, the intermediate holding company of Jintai, will guarantee the performance of Jintai under the Agreement.

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 (the Vessel), two modern Panamaxes (including one Panamax which will be disposed by the Group later in 2009 as announced by the Company on 4 June 2009), twenty modern grabs fitted Supramaxes (including one Supramax which will be disposed by the Group later in 2009 as announced by the Company on 2 June 2009) 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 sixteen newly built grabs fitted

Supramaxes, two newly built Post-Panamaxes, one newly built Panamax and one newly built Handysize for delivery going forward, where three 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 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 value of the 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$5.8 million on disposal of the Vessel. However, the actual book loss which the Group would realize upon completion of the Disposal will depend on the actual net book value of the Vessel as at date 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 Vessel constitutes 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 65.63% 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:

"Agreement"	the memorandum of agreement dated 26 June 2009 entered into between Jintai and the Purchaser in respect of the disposal 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, shares of which are listed on the Hong Kong Stock Exchange;
"Directors"	the directors of the Company;
"Disposal"	the disposal of the Vessel under the Agreement;
"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;
"Jintai"	Jintai Marine Inc., a wholly-owned subsidiary 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;
"Post-Panamaxes"	vessels of deadweight approximately between 90,000 metric tons to 100,000 metric tons;
"Purchaser"	OceanFreight Inc. or its guaranteed nominee;
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company;
"Shareholder(s)"	shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Supramax(es)"	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
"Vessel"	a deadweight 173,880 metric tons bulk carrier "Jin Tai" registered in Hong Kong;
"HK$"	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, 26 June 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.