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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

DISCLOSEABLE TRANSACTION ACQUISITION OF A VESSEL

Jinrui, an approximately 54.77 per cent. indirectly owned subsidiary of the Company, entered into the Agreement with the Vendor on 29 October 2007 to acquire the Vessel at a purchase price of US\$67,250,000 (approximately HK\$524,550,000). The Vessel will be delivered to Jinrui during the period from 1 April 2009 to 31 May 2009.

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

Jinrui 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.

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 29 October 2007, the Vendor has agreed to sell and deliver the Vessel to Jinrui, and Jinrui has agreed to purchase and take delivery of the Vessel from the Vendor. The Vessel is a Panamax vessel of deadweight 76,500 metric tons, currently under construction in Japan and is proposed to be used for chartering out to gain operating income by Jinrui after delivery.

Consideration

The purchase price for the Vessel is US\$67,250,000 (approximately HK\$524,550,000) and is payable by Jinrui in the following manner:

- (1) the first installment in the sum of US\$6,725,000 (approximately HK\$52,455,000) will be payable to the Vendor's designated bank account within three banking days upon signing of the Agreement;
- (2) the second installment in the sum of US\$6,725,000 (approximately HK\$52,455,000) will be payable on 24 April 2008;
- (3) the third installment in the sum of US\$6,725,000 (approximately HK\$52,455,000) will be payable on 29 August 2008; and
- (4) the last installment in the sum of US\$47,075,000 (approximately HK\$367,185,000) will be payable upon delivery of the Vessel.

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 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 that the delivery of the Vessel will take place during the period from 1 April 2009 to 31 May 2009. Pursuant to the terms of the Agreement, if there is any delay in delivery of the Vessel, Jinrui 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 Jinrui.

Guarantees

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

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 fifteen modern grabs fitted Supramaxes, one modern Panamax and one modern Capesize. In addition to the existing owned vessels as mentioned above, after 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 nineteen newly built grabs fitted Supramaxes, one second hand Handymax and one newly built Panamax for delivery going forward, where one of which will be delivered in 2007, five in 2008, seven in 2009, five in 2010, two in 2011 and one in 2012.

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 a separate agreement with the Vendor on 23 August 2007 for the acquisition of another motor vessel from the Vendor. Each of the aforementioned agreements 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 29 October 2007 entered into between Jinrui 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, whose shares are listed on the Oslo Stock Exchange, Norway;
“Jinrui”	Jinrui Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“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;
“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 76,500 metric tons type bulk carrier currently under construction in Japan;

“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, 29 October 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.