JINHUI

JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

MAJOR TRANSACTION
ACQUISITION OF A VESSEL

The Purchaser, an approximately 50.21 per cent. indirectly owned subsidiary of the Company, entered into the Agreement with the Vendor on 22 November 2006 to acquire the Vessel at a purchase price of US$39,250,000 (approximately HK$306,150,000). The Acquisition constitutes a major transaction for the Company under the Listing Rules.

THE AGREEMENT

Purchaser

The Purchaser is a ship owning company and a wholly-owned subsidiary of Jinhui Shipping, which is in turn an approximately 50.21 per cent. owned subsidiary of the Company.

Vendor

The Vendor is a private shipping group in Luxembourg, with business spanning from the worldwide transportation of dry bulk cargoes, towage operations, port agency services in the ports of Antwerp, Ghent, Zeebrugge, Rotterdam and Flushing, liner services between the British Isles, Scandinavia and Continental Europe, to short sea ro-ro trade and the operation of ro-ro terminals. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor and its 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 Vendor and its ultimate beneficial owners during the last twelve months from date of the Agreement.

The Acquisition

Pursuant to the Agreement dated 22 November 2006, the Vendor has agreed to sell and deliver the Vessel to the Purchaser, and the Purchaser has agreed to purchase and take delivery of the Vessel from the Vendor. The Vessel is a Handymax vessel of deadweight 51,104 metric tons built in 2002 by Oshima Shipbuilding Co., Ltd., Japan and is currently registered in Hong Kong. The Vessel is proposed to be used for chartering out to gain operating income by the Purchaser after delivery.

Consideration

The purchase price for the Vessel is US$39,250,000 (approximately HK$306,150,000) and is payable by the Purchaser in the following manner:

(1) a deposit of US$3,925,000 (approximately HK$30,615,000) will be payable within three banking days from the date of signing of the Agreement to a bank account in the joint names of the Purchaser and the Vendor, and will be released to the Vendor on delivery of the Vessel; and

(2) the balance of US$35,325,000 (approximately HK$275,535,000) will be payable on 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 our shipbrokers and on the basis of arm's length negotiations.

Delivery

The Vessel is currently performing a charter party for the Vendor, which will complete by mid July 2007 at the latest. The Agreement provides that the delivery of the Vessel will take place sometime between 15 February and 31 March 2007. The Purchaser will receive the pro rata charter income if the charter party for the Vendor is not completed by the time of the delivery of the Vessel. Pursuant to the terms of the Agreement, if there is any delay in delivery of the Vessel, the Purchaser has the right to rescind the Agreement and the Vendor shall thereupon promptly refund the full amount of the deposit together with bank interest accrued thereon to the Purchaser.

REASONS FOR THE ACQUISITION

The Group's principal activities include international ship chartering, ship owning and trading. The Vessel is a Handymax vessel. The Acquisition will enable the Group to concentrate on maintaining a fleet of Handymax vessels that are of better equipped loading facilities, and will further complement our owned young and modern fleet of vessels to serve the growing needs of our customers. The Group currently owns eleven dry bulk vessels. After the Acquisition, the Group will have additional ten newly built vessels and four second hand vessels for delivery going forward, where one of which will be delivered in 2006, five in 2007, three in 2008, two in 2009 and three in 2010.

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.

GENERAL

The net profits attributable to the Vessel for the two years immediately preceding the Acquisition have not been made available to the Purchaser despite formal requests for such information have been made with the Vendor.

Under the Listing Rules, the Acquisition 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 approximately 60.33 per cent. of the issued share capital of the Company and voting rights in general meetings of the Company, is not interested in the Acquisition other than through its shareholding interest in the Company, and therefore no Shareholder is required to abstain from voting on the Acquisition if the Company were to convene a general meeting for the approval of the Acquisition, and the Acquisition has been approved by a written shareholders' approval. 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 memorandum of agreement dated 22 November 2006 between the Purchaser and the Vendor in respect of the acquisition of the Vessel;

“Board”	the board of Directors;
“Company”	Jinhui Holdings Company Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“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 50.21 per cent. owned subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	Jinquan Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Cobelfret S.A., a private shipping group in Luxembourg;
“Vessel”	a deadweight 51,104 metric tons bulk carrier named “Lowlands Patrasche” built in 2002 by Oshima Shipbuilding Co., Ltd., Japan and is currently 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.

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.

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

Hong Kong, 22 November 2006

Please also refer to the published version of this announcement in China Daily.