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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

VERY SUBSTANTIAL DISPOSAL – DISPOSAL OF TWO VESSELS AND RESUMPTION OF TRADING OF SHARES

The Board announces that on 25 April 2006 the First Vendor entered into the First Memorandum with the First Purchaser for the disposal of the First Vessel. In addition, on 25 April 2006 the Second Vendor entered into the Second Memorandum with the Second Purchaser for the disposal of the Second Vessel.

Under the First Memorandum, the First Vendor agrees to dispose of the First Vessel for a consideration of US\$39,100,000 (approximately HK\$304,980,000). Under the Second Memorandum, the Second Vendor agrees to dispose of the Second Vessel for a consideration of US\$39,100,000 (approximately HK\$304,980,000). The aggregate consideration for the Disposals is US\$78,200,000 (approximately HK\$609,960,000).

Under the Listing Rules, the First Disposal and the Second Disposal, in aggregate, constitute a very substantial disposal for the Company and are conditional upon the approval of the Shareholders in the EGM.

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 26 April 2006. The Company has applied to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 28 April 2006.

INTRODUCTION

The Board announces that on 25 April 2006 the First Vendor entered into the First Memorandum with the First Purchaser for the disposal of the First Vessel. In addition, on 25 April 2006 the Second Vendor entered into the Second Memorandum with the Second Purchaser for the disposal of the Second Vessel.

The First Purchaser and the Second Purchaser are private shipping companies managed and operated by Magna Marine Inc. 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, Magna Marine Inc. and its beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

THE DISPOSALS

Under the First Memorandum, the First Vendor agrees to dispose of the First Vessel for a consideration of US\$39,100,000 (approximately HK\$304,980,000) payable by the First Purchaser as follows:

1. an initial deposit of US\$3,910,000 (approximately HK\$30,498,000) will be payable by the First Purchaser within three banking days from 25 April 2006 to a bank account in the joint names of the First Vendor and the First Purchaser and will be released on delivery of the First Vessel (see below); and
2. the balance of the consideration for the First Vessel will be payable on the delivery of the First Vessel which will take place immediately after the completion of the prevailing voyage as at 11 June 2006, sometime between 11 June 2006 and 31 July 2006, at the First Vendor's option.

Under the Second Memorandum, the Second Vendor agrees to dispose of the Second Vessel for a consideration of US\$39,100,000 (approximately HK\$304,980,000) payable by the Second Purchaser as follows:

1. an initial deposit of US\$3,910,000 (approximately HK\$30,498,000) will be payable by the Second Purchaser within three banking days from 25 April 2006 to a bank account in the joint names of the Second Vendor and the Second Purchaser and will be released on delivery of the Second Vessel (see below); and
2. the balance of the consideration for the Second Vessel will be payable on the delivery of the Second Vessel which will take place immediately after the completion of the prevailing voyage as at 11 June 2006, sometime between 11 June 2006 and 31 July 2006, at the Second Vendor's option.

The First Memorandum and the Second Memorandum are not inter-conditional. The aggregate consideration for the Disposals is US\$78,200,000 (approximately HK\$609,960,000). The consideration for the Disposals were determined by 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. The net book values of the First Vessel and the Second Vessel as at 31 December 2005 were approximately HK\$284,346,000 and HK\$171,365,000 respectively.

THE VESSELS

The First Vessel is a dry bulk carrier of deadweight 76,629 metric tons, built in April 2005 and registered in Hong Kong.

The Second Vessel is a dry bulk carrier of deadweight 76,343 metric tons, built in November 2005 and registered in Hong Kong.

Each of the First Vendor and the Second Vendor is a special purpose holding company whose only fixed asset is the First Vessel and the Second Vessel respectively. The net profit both before and after taxation and extraordinary items attributable to the First Vessel for the financial year ended 31 December 2005 is approximately HK\$23,111,000. The net loss both before and after taxation and extraordinary items attributable to the Second Vessel for the financial year ended 31 December 2005 is approximately HK\$412,000.

USE OF PAYMENT RECEIVED

The Group intends to use approximately HK\$281.4 million of the net sale proceeds received pursuant to the First Memorandum and the Second Memorandum to repay bank loans and the balance as additional working capital of the Group.

REASONS FOR THE DISPOSALS

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, as the Vessels are 'Panamax' vessels, the Disposals would enable the Group to concentrate on maintaining a fleet of 'Handymax' vessels that are of a smaller size with better equipped loading facilities and the Disposals are a good opportunity to realize the book gains arising from the disposal of the Vessels, and will enable the Group to enhance its working capital position. After completion of the Disposals and the disposal of two motor vessels "Jin Da" and "Jin Shun" as announced by the Company on 13 April 2006 and 21 April 2006 respectively, the Group will own ten dry bulk vessels with further five newly built vessels and one 2004-built second hand vessel contracted for delivery in 2007 and 2008, and the Board believes that the Disposals will not have any material adverse effect on the operations of the Group.

The terms and conditions of the First Memorandum and the Second Memorandum 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 to be fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

Based on the net book values of the Vessels as at 31 December 2005 as described above, the Group would realize book gains, after minority interests, of approximately HK\$5.6 million on the disposal of the First Vessel and approximately HK\$62.5 million on the disposal of the Second Vessel. However, the actual book gains which the Group would realize upon completion of the Disposals will depend on the actual book values of the Vessels 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, each of the First Disposal and the Second Disposal constitutes a major transaction for the Company and is subject to shareholders' approval, furthermore, the Disposals, in aggregate, constitute a very substantial disposal for the Company and are conditional upon the passing of an ordinary resolution by the Shareholders approving the Disposals in the EGM. Fairline Consultants Limited, the controlling shareholder of the Company holding approximately 55.36 per cent. of the issued share capital of the Company and voting rights in general meeting,

has given to the Company a written irrevocable approval in relation to each of the First Disposal, the Second Disposal and the Disposals (in aggregate). Fairline Consultants Limited is not interested in the Disposals (other than through its shareholding interest in the Company). A circular containing, amongst other things, further information relating to the Disposals together with a notice of the EGM will be despatched to the Shareholders as soon as reasonably practicable.

Trading in the shares of the Company was suspended at the Company's request with effect from 9:30 a.m. on 26 April 2006. The Company has applied to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 28 April 2006.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions of the following meanings were used:

“Board”	the board of Directors;
“Company”	Jinhui Holdings Company Limited;
“Directors”	the directors of the Company;
“Disposals”	the disposal of the First Vessel and the Second Vessel under the First Memorandum and the Second Memorandum;
“EGM”	an extraordinary general meeting of the Company to be convened for approving the Disposals;
“First Disposal”	the disposal of the First Vessel under the First Memorandum;
“First Memorandum”	the memorandum of agreement dated 25 April 2006 between the First Vendor and the First Purchaser in respect of the disposal of the First Vessel;
“First Purchaser”	Panstar Maritime Inc.;
“First Vendor”	Jinyang Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“First Vessel”	the motor vessel “Jin Yang” registered in Hong Kong;
“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, 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;
“Second Disposal”	the disposal of the Second Vessel under the Second Memorandum;
“Second Memorandum”	the memorandum of agreement dated 25 April 2006 between the Second Vendor and the Second Purchaser in respect of the disposal of the Second Vessel;
“Second Purchaser”	Pansolar Maritime Inc.;
“Second Vendor”	Jinsheng Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Second Vessel”	the motor vessel “Jin Sheng” registered in Hong Kong;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vessels”	the First Vessel and the Second Vessel;
“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, 27 April 2006

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