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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

DISCLOSEABLE TRANSACTION DISPOSAL OF A VESSEL

The Board announces that on 8 May 2007 Jinkang entered into the Agreement with the Purchaser for the disposal of the Vessel. Under the Agreement, Jinkang agrees to dispose of the Vessel for a consideration of US\$53,725,000 (approximately HK\$419,055,000).

Under the Listing Rules, the Disposal constitutes a discloseable transaction for the Company.

INTRODUCTION

The Board announces that on 8 May 2007 Jinkang entered into the Agreement with the Purchaser for the disposal of the Vessel.

The Purchaser is a private ship owning company incorporated in Malta. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser 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 Purchaser during the last twelve months from date of the Agreement.

THE DISPOSAL

Under the Agreement, Jinkang agrees to dispose of the Vessel for a consideration of US\$53,725,000 (approximately HK\$419,055,000) payable as follows:

1. an initial deposit of US\$5,372,500 (approximately HK\$41,905,500) will be payable by the Purchaser within three banking days from signing of the Agreement to a bank account in the joint names of Jinkang and the Purchaser and will be released on the delivery of the Vessel (see below); and
2. the balance of the consideration for the Vessel will be payable on the delivery of the Vessel which will take place at a date to be fixed by Jinkang during the period from 1 August 2007 to 2 October 2007.

The consideration of the Vessel was determined by reference to the prevailing market values, driven by supply and demand and based on arm's length negotiations with the Purchaser. The net book value of the Vessel as at 31 December 2006 was approximately HK\$247,089,000.

The Vessel

The Vessel is a Supramax of deadweight 50,212 metric tons, built in 2001 and registered in Hong Kong.

Jinkang is a special purpose holding company whose only fixed asset is the Vessel. The net profit both before and after taxation and extraordinary items attributable to Jinkang for the two financial years ended 31 December 2006 are approximately HK\$16,421,000 and HK\$17,000,000 respectively.

Use of Payment Received

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

Guarantee

Sunset Maritime Ltd., the commercial manager of the Purchaser, will guarantee the performance of the obligations of the Purchaser under the Agreement in favour of Jinkang. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, Sunset Maritime Ltd. and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

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 gain arising from the disposal of the Vessel, and will enable the Group to enhance its liquidity position for potential purchase of younger prompt delivery vessels in order to continuously maintain a young modern fleet. The Group currently owns thirteen modern grabs fitted Supramaxes including the Vessel and one modern Panamax. Taking into account the acquisition of two vessels as announced by the Company on 7 May 2007, the Group will have additional fifteen newly built grabs fitted Supramaxes, one second hand Capesize, and one second hand Handymax for delivery going forward, where four of which will be delivered in 2007, three in 2008, two in 2009, four in 2010, two in 2011 and two in 2012. 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 to be fair and reasonable and in the best interests of the Company and its shareholders as a whole.

The Vessel was acquired by the Group in June 2005. Given the immense rises in the market value of dry bulk carriers in recent years, the net book value of the Vessel is substantially stated below its prevailing market value. Therefore, based on the net book value of the Vessel as at 31 December 2006 as described above, the Group would realize a book gain, after estimated expenses and minority interests, of approximately HK\$80.9 million on disposal of the Vessel. However, the actual book gain which the Group would realize upon completion of the Disposal will depend on the actual book value of the Vessel as at the date of the 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 constitutes a discloseable transaction for the Company. A circular containing, amongst other things, further information relating to the Disposal will be despatched to the shareholders of the Company as soon as reasonably practicable.

DEFINITIONS

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

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| “Agreement” | the memorandum of agreement dated 8 May 2007 entered into between Jinkang 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;
“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;
“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 54.34 per cent. owned subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway;
“Jinkang”	Jinkang 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;
“Purchaser”	Royal Maritime Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vessel”	the motor vessel “Jin Kang” 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, 8 May 2007

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