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JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

DISCLOSEABLE TRANSACTION ACQUISITION OF A VESSEL

Jinhai, an approximately 54.77% indirectly owned subsidiary of the Company, entered into the Contract with the Contractor on 10 April 2014 to acquire the Vessel at a contract price of US\$29,100,000 (approximately HK\$226,980,000). The Vessel will be delivered to Jinhai on or before 31 March 2016.

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

THE CONTRACT

Jinhai entered into the Contract with the Contractor on 10 April 2014 for the acquisition of the Vessel. The Vessel will be delivered to Jinhai on or before 31 March 2016.

Information on the Group and the Purchaser

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are international ship chartering, ship owning and trading.

The Purchaser, Jinhai Marine Inc., 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.

Vendor

The Contractor is a trading firm listed on four stock exchanges in Tokyo, Osaka, Nagoya and Fukuoka. Through its worldwide network, the Contractor engages in diverse business activities including various domestic and overseas transactions and import and export of a wide range of goods and commodities.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Contractor, its substantial shareholders, ultimate beneficial owner and its respective associates, are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Vessel

The Vessel is a deadweight 60,000 metric tons type single screw diesel propelled bulk carrier.

The Acquisition

Pursuant to the Contract dated 10 April 2014, the Contractor has agreed to procure the Builder to build, launch, equip and complete at the Builder's shipyard in Japan and to sell and deliver the Vessel to Jinhai, and Jinhai has agreed to purchase and take delivery of the Vessel from the Contractor.

The Builder began its business in shipbuilding in 1974 and launched its first vessel in 1975 and specializes in the construction of bulk carriers, especially dry cargo carriers. To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Builder, its substantial shareholders, ultimate beneficial owner and its respective associates, are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Consideration

Subject to certain provisions for adjustment to reduce the contract price of the Vessel contained in the Contract relating to, amongst other things, delay in delivery of the Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the contract price for the Vessel is US\$29,100,000 (approximately HK\$226,980,000) and is payable by Jinhai in the following manner:

- (1) the first installment in the sum of US\$2,910,000 (approximately HK\$22,698,000) will be payable within three business days after signing of the Contract;
- (2) the second installment in the sum of US\$2,910,000 (approximately HK\$22,698,000) will be payable on 10 April 2015;
- (3) the third installment in the sum of US\$2,910,000 (approximately HK\$22,698,000) will be payable within three business days after keel-laying of the Vessel;
- (4) the fourth installment in the sum of US\$2,910,000 (approximately HK\$22,698,000) will be payable within three business days after launching of the Vessel; and
- (5) the last installment in the sum of US\$17,460,000 (approximately HK\$136,188,000) will be payable upon delivery of the Vessel on or before 31 March 2016.

The contract price of the Vessel was determined by reference to market intelligence the Company has gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size in the market, and on the basis of arm's length negotiations with the Contractor. It is currently expected that up to 70% of the contract price will be funded by bank financing and the remaining will be funded by internal resources of the Group.

Delivery

The Contract provides for the delivery of the Vessel on or before 31 March 2016 to Jinhai in Japan. Pursuant to the terms of the Contract, if there is any delay in delivery of the Vessel which continues for a period of 180 days from the thirty-first day after the agreed delivery date, then after such period has expired, Jinhai may at its option rescind the Contract. The Contractor shall thereupon promptly refund to Jinhai, in United States Dollars, the full amount of all sums received by the Contractor together with interest accrued thereon at an agreed rate from the respective dates on which sums were received by the Contractor from Jinhai to the date of remittance by transfer of such refund to Jinhai by the Contractor.

Undertaking by the Builder

The Contract was also signed by the Builder for the purpose of an undertaking on its part to duly perform all the terms and conditions stipulated in the Contract to be performed by a shipbuilder including the undertaking to remedy Jinhai at first priority and free of charge for any defects in the Vessel which are due to defective material, defective construction and / or bad workmanship on the part of the Builder and / or its subcontractors within a period of twelve months after the date of delivery of the Vessel.

GUARANTEE BY JINHUI SHIPPING

Jinhui Shipping, the intermediate holding company of Jinhai, also executed on 10 April 2014 a guarantee in favour of the Contractor pursuant to which Jinhui Shipping agrees to guarantee the full and punctual payment of the contract price and the prompt and punctual performance by Jinhai in accordance with the terms of the Contract.

REASONS FOR THE ACQUISITION

The Directors continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet size as appropriate. The Vessel is proposed to be used for chartering out to gain operating income by Jinhai after delivery. The Directors believe that the Acquisition enables the Group to further complement our owned young and modern fleet of vessels through this ongoing management of asset portfolio. The Group currently owns two modern Post-Panamaxes, two modern Panamaxes, thirty modern grabs fitted Supramaxes, one Handymax and one Handysize. The Directors believe that the Acquisition will not have any material adverse effect on the operations of the Group.

The terms and conditions of the Contract have been agreed on normal commercial terms following arm's length negotiations with reference to the prevailing market values of similar type of vessels. The Directors consider such terms and conditions are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As one or more applicable percentage ratios (as defined in the Listing Rules) for the Acquisition of the Vessel exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification to Stock Exchange and publication of announcement requirements under the Listing Rules.

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 Contract;
“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Builder”	Oshima Shipbuilding Co., Ltd., a company incorporated in Japan;
“Company”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong, whose shares are listed on the Hong Kong Stock Exchange;
“Contract”	the construction and sale contract dated 10 April 2014 entered into between Jinhai and the Contractor in respect of the acquisition of the Vessel;
“Contractor”	Sumitomo Corporation, a company incorporated in Japan;
“Directors”	the directors of the Company;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Panamax”	vessels of deadweight approximately 70,000 metric tons, designed to be just small enough to transit the Panama Canal;
“Post-Panamaxes”	vessels of deadweight approximately 90,000 metric tons to 100,000 metric tons;
“Purchaser” / “Jinhai”	Jinhai Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;

“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 60,000 metric tons type single screw diesel propelled bulk carrier;
“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, 10 April 2014

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.