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JINHUI HOLDINGS COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

DISCLOSEABLE TRANSACTION

Each of the First Vendor and the Second Vendor, both of which are indirect approximately 50.9 per cent owned subsidiaries of the Company, entered into two Memoranda respectively with the First Purchaser and the Second Purchaser on 3 October 2002. Pursuant to the First Memorandum, the First Purchaser agrees to acquire the First Vessel from the First Vendor for a consideration of USD5,525,000 (equivalent to HKD43,095,000). Pursuant to the Second Memorandum, the Second Purchaser agrees to acquire the Second Vessel from the Second Vendor for a consideration of USD5,440,000 (equivalent to HKD42,432,000). The aggregate consideration for the First Disposal and the Second Disposal is USD10,965,000 (equivalent to HKD85,527,000).

The First Disposal and the Second Disposal together constitute a discloseable transaction under the Listing Rules.

INTRODUCTION

The board of directors (the "Board") of Jinhui Holdings Company Limited (the "Company") announces that on 3 October 2002, each of Jinyi Shipping Inc. (the "First Vendor") and Jinsheng Marine Inc. (the "Second Vendor") entered into two memoranda (respectively the "First Memorandum" and the "Second Memorandum" or collectively the "Memoranda") respectively with Eurosud Management S.A. (the "First Purchaser") and Kilmar Worldwide Corporation (the "Second Purchaser"). All of the First Purchaser, the Second Purchaser and their ultimate beneficial owners are independent third parties not connected with the directors, chief executives or substantial shareholders of the Company or its subsidiaries or any of their respective associates as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

THE DISPOSALS

The consideration for the disposal (the "First Disposal") of the motor vessel Jin Yi (the "First Vessel") is USD5,525,000 (equivalent to HKD43,095,000) payable as follows:

1. an initial deposit of USD552,500 (equivalent to HKD4,309,500) will be payable by the First Purchaser within three banking days from signing of the First Memorandum to the bank account in the joint names of the First Vendor and the First Purchaser until 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 between 20 October 2002 and 20 December 2002, at the First Vendor's option.

The consideration for the disposal (the "Second Disposal") of the motor vessel Jin Sheng (the "Second Vessel") is USD5,440,000 (equivalent to HKD42,432,000) payable as follows:

1. an initial deposit of USD544,000 (equivalent to HKD4,243,200) will be payable by the Second Purchaser within three banking days from signing of the Second Memorandum to the bank account in the joint names of the Second Vendor and the Second Purchaser until 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 between 15 January 2003 and 17 February 2003, at the Second Vendor's option.

The aggregate consideration for the First Disposal and the Second Disposal (the "Disposals") is USD10,965,000 (equivalent to HKD85,527,000).

THE VESSELS

The First Vessel is a dry bulk carrier of dead weight tonnage of 38,590 tonnes, built in 1985 and registered in the Republic of Panama.

The Second Vessel is a dry bulk carrier of dead weight tonnage of 38,594 tonnes, built in 1985 and registered in the Republic of Panama.

USE OF PAYMENT RECEIVED

The Company and its subsidiaries (the "Group") intends to use approximately HKD22.4 million of the payment received pursuant to the Memoranda to repay bank loans and the balance to increase working capital of the Group.

REASON FOR THE DISPOSALS

The terms and conditions of the Memoranda have been agreed in normal commercial terms following arm's length negotiations with reference to the prevailing market conditions. 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 Group expects to realize loss of approximately HKD2.5 million and HKD2.3 million as compared to net book value of the First Vessel and the Second Vessel respectively upon their expected dates of delivery. Upon completion of the Disposals, the Group's working capital will be increased and the bank loans will be reduced (see above).

GENERAL

The principal businesses of the Group include ship chartering, ship owning, trading and transportation. The First Disposal and the Second Disposal together constitute a discloseable transaction for the Company under the Listing Rules. A circular containing details of the Disposals will be despatched to shareholders of the Company as soon as practicable.

By Order of the Board
Ng Siu Fai
*Chairman and
Managing Director*

Hong Kong, 4 October 2002

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