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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 AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

DISPOSAL OF EQUITY INTEREST IN YLTCL

The Board announces that on 1 June 2015, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser, a connected person at the subsidiary level of the Company, entered into the Agreement pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase 3,000,000 issued shares of YLTCL held by the Vendor, representing 75% equity interest in YLTCL at a consideration of HK\$32,000,000. Upon completion of the Disposal, the Company, through the Vendor would have disposed of its entire 75% equity interest in YLTCL and YL Group will cease to be treated as subsidiaries of the Company.

LISTING RULES IMPLICATIONS

YLTCL is a 75% indirectly owned subsidiary of the Company. The Purchaser owns the remaining 25% equity interest in YLTCL and is a substantial shareholder of YLTCL. Mr. Lau Kam Hung, the director of YLTCL, is the ultimate beneficial owner of the Purchaser. Both the Purchaser and Mr. Lau Kam Hung are connected persons at the subsidiary level of the Company under Rule 14A.06(9) of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) the Board has approved the Agreement and the transaction contemplated thereunder and (ii) the independent non-executive directors of the Company have confirmed that the terms of the Agreement and the transaction contemplated thereunder are fair and reasonable, and are on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Disposal is subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and shareholders' approval requirement under Rule 14A.101 of the Listing Rules.

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INFORMATION ON YLTCL

YLTCL is an investment holding company and incorporated in the British Virgin Islands in 1994. YL Group is principally engaged in the business of trading chemical and industrial raw materials serving various industries such as printed circuit boards, electroplating, bleaching and dyeing, and electronics. The Vendor, a wholly-owned subsidiary of the Company, holds 75% equity interest in YLTCL and hence YL Group are treated as 75% indirectly owned subsidiaries of the Company as at date of this announcement.

THE AGREEMENT

Date

1 June 2015.

Vendor

The Vendor, a wholly-owned subsidiary of the Company, is an investment holding company and incorporated in the British Virgin Islands.

Purchaser

The Purchaser, beneficially owned by Mr. Lau, is an investment holding company and incorporated in the British Virgin Islands.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser owns the remaining 25% equity interest in YLTCL and is a substantial shareholder of YLTCL and therefore is a connected person at the subsidiary level (as defined in Rule 14A.06(9) of the Listing Rules) of the Company.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, Mr. Lau, the director of YLTCL and the ultimate beneficial owner of the Purchaser, is a connected person at the subsidiary level (as defined in Rule 14A.06(9) of the Listing Rules) of the Company. Mr. Lau and his associates also hold 122,000 shares of the Company, representing 0.02% equity interest in the Company as at date of this announcement.

The Agreement

Pursuant to the Agreement dated 1 June 2015, the Vendor agreed to sell and the Purchaser agreed to purchase 3,000,000 issued shares of YLTCL held by the Vendor, representing 75% equity interest in YLTCL at a consideration of HK\$32,000,000.

Consideration

The consideration of HK\$32,000,000 is arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to 75% of the assessed net assets value of YL Group of approximately HK\$42,582,000 based on the unaudited consolidated management accounts of YLTCL as at 30 April 2015. The Purchaser shall pay by way of cashier's order or banker's draft in favour of the Vendor / or its nominee(s) of HK\$2,000,000 as deposit and part payment of the consideration to the Vendor upon execution of the Agreement and shall pay the remaining HK\$30,000,000 to the Vendor upon completion of the Agreement at the Completion Date.

Completion

Completion is expected to be on or before 15 June 2015, and is subject to the completion of share transfer documents of the Sale Shares and the Vendor receiving the whole consideration of the Sale Shares.

THE DISPOSAL

Upon completion of the Disposal, the Company, through the Vendor would have disposed of its entire 75% equity interest in YLTCL. YL Group will cease to be treated as subsidiaries of the Company and the Group's trading business will be discontinued.

Set out below is the audited consolidated financial information of YL Group which was prepared in accordance with generally accepted accounting principles for the two financial years ended 31 December 2014 and 2013:

	For the year ended 31 December 2014	For the year ended 31 December 2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit (loss) before taxation	(4,141)	921
Net profit (loss) after taxation	(6,043)	662

REASONS AND BENEFITS FOR THE DISPOSAL

The Company is an investment holding company and the principal activities of its subsidiaries are ship chartering, ship owning and trading. The Board and the management of the Company have regarded two reportable operating segments "Chartering freight and hire" and "Trading" as core businesses of the Company. While the operating environment of shipping industry remains tough and challenging in recent years, the management continues to review and assess the trading business development and operating environment.

As informed by the management of YLTCL, the Government of Hong Kong recently exercised its landlord's right to terminate the tenancy of the premises that YL Group has been using as the sole storage location of its trading goods in Hong Kong for decades. Given the alternative accommodations for replacement of the existing premises for dangerous goods storage in Hong Kong are scarce, and the relocation and removal procedural requirements by different governmental bureaus could be time-consuming and resource intensive, the management of YLTCL has recently discussed with the management of the Company regarding the practical difficulties in the operating of trading business. Having considered the limited future growth prospect of YL Group, its limited synergies with the overall business strategy of the Group, the management of the Company considered the Disposal would allow the Group be better focus and concentrated its resources on shipping business in the prevailing tough operating environment. The Disposal also allows the management to consider other business which could bring synergy to its shipping business in future.

The consideration of HK\$32,000,000 represents the fair value of the net assets value of YL Group disposed of, based on the unaudited consolidated management accounts of YLTCL as at 30 April 2015. The Group preliminary expects to record a gain of HK\$64,000 on the Disposal. The actual figures of book gain which the Group would realize upon completion of the Disposal may change depending on the actual fair value of the net assets value of YL Group disposed of as at date of completion of Disposal. The Group expects that no material difference in the book gain or book loss will be recorded any further.

Upon completion of the Disposal, the proceeds of the consideration will be used as general working capital of the Group. The Directors consider that the Disposal is fair and reasonable, on normal commercial terms and in the best interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

YLTCL is a 75% indirectly owned subsidiary of the Company. The Purchaser owns the remaining 25% equity interest in YLTCL and is a substantial shareholder of YLTCL. Mr. Lau, the director of YLTCL, is the ultimate beneficial owner of the Purchaser. Both the Purchaser and Mr. Lau are connected persons at the subsidiary level of the Company under Rule 14A.06(9) of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) the Board has approved the Agreement and the transaction contemplated thereunder and (ii) the independent non-executive directors of the Company have confirmed that the terms of the Agreement and the transaction contemplated thereunder are fair and reasonable, and are on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Disposal is subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and shareholders' approval requirement under Rule 14A.101 of the Listing Rules.

No Director is considered to have material interest in the Disposal and therefore no Director was required to abstain from voting at the Board meeting approving the Agreement and the transactions contemplated thereunder.

As certain applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement dated 1 June 2015 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Sale Shares;
“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong, whose shares are listed on the Hong Kong Stock Exchange;

“Completion Date”	On or before 15 June 2015;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of entire 75% equity interest in YLTCL held by the Vendor pursuant to the Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Lau”	Mr. Lau Kam Hung, the director of YLTCL and the ultimate beneficial owner of the Purchaser;
“Purchaser”	Asiawide Profits Limited, a company incorporated in the British Virgin Islands, which holds 25% equity interest in YLTCL as at date of this announcement;
“Sale Shares”	3,000,000 issued shares of YLTCL to be sold to the Purchaser pursuant to the Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Pantow Profits Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at date of this announcement;
“YLTCL”	Yee Lee Technology Company Limited, a company incorporated in the British Virgin Islands and a 75% indirectly owned subsidiary of the Company as at date of this announcement;
“YL Group”	YLTCL and its subsidiaries; and
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong.

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

Hong Kong, 1 June 2015

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.