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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 DISPOSAL OF A VESSEL

The Vendor, an approximately 54.77% indirectly owned subsidiary of the Company, entered into the Agreement with the Purchaser on 24 September 2016 to dispose of the Vessel. The consideration of the Vessel is US\$12,800,000 (approximately HK\$99,840,000). The Vessel will be delivered by the Vendor to the Purchaser between 17 October 2016 and 30 November 2016.

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

THE DISPOSAL

The Vendor entered into the Agreement with the Purchaser on 24 September 2016 for the disposal of the Vessel at a consideration of US\$12,800,000 (approximately HK\$99,840,000). The Vessel will be delivered by the Vendor to the Purchaser between 17 October 2016 and 30 November 2016.

Information on the Group and the Vendor

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

The Vendor 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.

Purchaser

The Purchaser is a private shipping company incorporated in the Republic of the Marshall Islands. The principal activity of the Purchaser is ship owning. The Purchaser is established and managed by Fundador Compania Naviera S.A., a private shipping company based in Greece with principal activity of international bulk shipping. Fundador Compania Naviera S.A. will guarantee the performance of the obligations of the Purchaser under the Agreement.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser, its shareholder and ultimate beneficial owner and its respective associates are third parties independent of the Company and its connected persons.

Consideration

Under the Agreement, the Vendor agrees to dispose of the Vessel for a consideration of US\$12,800,000 (approximately HK\$99,840,000) payable by the Purchaser as follows:

- (1) an initial deposit of US\$2,560,000 (approximately HK\$19,968,000) will be payable by the Purchaser within three banking days after the date that (i) the signing of the Agreement; (ii) the signing of escrow agreement in respect of the initial deposit to be lodged with the escrow agent; and (iii) the confirmation from the escrow agent confirming the account is ready to receive the initial deposit; and
- (2) the balance of US\$10,240,000 (approximately HK\$79,872,000) will be payable by the Purchaser on the delivery of the Vessel which will take place between 17 October 2016 and 30 November 2016.

The consideration 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 and year of built in the market, and on the basis of arm's length negotiations with the Purchaser.

Vessel

The Vessel is a Panamax of deadweight 75,008 metric tons, built in year 2011 and registered in Hong Kong.

The Vessel has been owned by the Group since year 2011, and its net book value as at 30 June 2016 was approximately HK\$164,609,000. The net loss both before and after taxation and extraordinary items attributable to the Vendor for the financial years ended 31 December 2015 and 2014 were approximately HK\$71,938,000 and HK\$69,351,000 respectively.

Possible financial effects of the Disposal

Based on the net book value of the Vessel as at 30 June 2016 as described above, the Group would realize a total book loss, after estimated expenses, of approximately HK\$68 million on disposal of the Vessel. However, the actual book loss which the Group would realize upon completion of the Disposal will depend on the actual net book value of the Vessel as at date of delivery in accordance with the Group's depreciation policy for its vessels as shown in the Company's annual report and the actual costs of disposal being incurred of the Vessel as at date of delivery.

Use of proceeds

The Group intends to use the net sale proceeds received pursuant to the Agreement for the repayment of vessel mortgage loan and as general working capital of the Group.

REASONS FOR THE DISPOSAL

The Directors continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate. The Directors believe that the Disposal will enable the Group to enhance its working capital position and to strengthen its liquidity, and optimize the fleet size through this ongoing management of asset portfolio.

The Group currently owns two modern Post-Panamaxes, two modern Panamaxs (including the Vessel), twenty seven modern grabs fitted Supramaxes (including two Supramaxes which will be disposed by the Group later in 2016 as announced by the Company on 7 September 2016), one Handymax which will be disposed by the Group later in 2016 as announced by the Company on 5 September 2016, and one Handysize. The Directors believe 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 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 disposal of the Vessel exceed 5% but are less than 25%, the Disposal 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:

“Agreement”	the memorandum of agreement dated 24 September 2016 entered into between the Vendor and the Purchaser in respect of the disposal of the Vessel;
“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;
“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;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Panamax(es)”	vessel(s) 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”	AIGAION Shipholding Company Limited, a company incorporated in the Republic of the Marshall Islands;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supramaxes”	dry cargo vessels of deadweight approximately 50,000 metric tons;
“Vendor”	Jinchao Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Vessel”	a deadweight 75,008 metric tons bulk carrier “Jin Chao” 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.

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

Hong Kong, 24 September 2016

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.