THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Jinhui Holdings Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

JINHUI

JINHUI HOLDINGS COMPANY LIMITED
金 輝 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

MAJOR TRANSACTION

DISPOSAL OF TWO VESSELS

29 September 2016

CONTENTS

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In this circular, the following expressions have the following meanings unless the context indicates otherwise:

"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 First Vessel and the Second Vessel under the First Agreement and the Second Agreement respectively;
"Fairline"	Fairline Consultants Limited, a company incorporated in the British Virgin Islands with limited liability, which is the controlling shareholder of the Company holding 342,209,280 Shares which represent approximately 64.53% of the total issued shares of the Company and voting rights in general meetings of the Company as at the Latest Practicable Date;
"First Agreement"	the memorandum of agreement dated 7 September 2016 entered into between the First Vendor and the First Purchaser in respect of the disposal of the First Vessel;
"First Purchaser"	HSL Melbourne Shipping Limited, a company incorporated in the Isle of Man;
"First Vendor"	Jinhan Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"First Vessel"	a deadweight 61,414 metric tons bulk carrier "Jin Han" registered in Hong Kong;
"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 the Latest Practicable Date, whose shares are listed on the Oslo Stock Exchange;

"Jinhui Shipping Shares"	ordinary shares of US$0.05 each in the share capital of Jinhui Shipping;
"Latest Practicable Date"	26 September 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Panamax(es)"	vessel(s) of deadweight approximately 70,000 metric tons, designed to be just small enough to transit the Panama Canal;
"Post-Panamaxes"	vessels of deadweight approximately 90,000 metric tons to 100,000 metric tons;
"Second Agreement"	the memorandum of agreement dated 7 September 2016 entered into between the Second Vendor and the Second Purchaser in respect of the disposal of the Second Vessel;
"Second Purchaser"	BSL Malmo Shipping Limited, a company incorporated in the Isle of Man;
"Second Vendor"	Jinming Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"Second Vessel"	a deadweight 61,414 metric tons bulk carrier "Jin Ming" registered in Hong Kong;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Shareholder(s)"	shareholder(s) of the Company;
"Shares"	ordinary shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Supramax(es)"	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
"HK$"	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.

JINHUI

JINHUI HOLDINGS COMPANY LIMITED
金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

Directors:	*Registered office:*
Ng Siu Fai *(Chairman)*	26th Floor
Ng Kam Wah Thomas *(Managing Director)*	Yardley Commercial Building
Ng Ki Hung Frankie	1-6 Connaught Road West
Ho Suk Lin	Hong Kong
Cui Jianhua *	
Tsui Che Yin Frank *	
William Yau *	

* *Independent Non-executive Director*

29 September 2016

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION
DISPOSAL OF TWO VESSELS

INTRODUCTION

The Directors refer to the announcement of the Company dated 7 September 2016 in relation to the disposal of two vessels pursuant to two memorandums of agreement. The First Vendor entered into the First Agreement with the First Purchaser on 7 September 2016 for the disposal of the First Vessel. In addition, on 7 September 2016 the Second Vendor entered into the Second Agreement with the Second Purchaser for the disposal of the Second Vessel. The First Agreement and the Second Agreement are not inter-conditional. The principal activity of the Company is investment holding and the principal activities of its subsidiaries are international ship chartering and ship owning.

The purpose of this circular is to give you further information in relation to the Disposal.

THE DISPOSAL

Vendors

The First Vendor and the Second Vendor, both are ship owning companies and wholly-owned subsidiaries of Jinhui Shipping, which are in turn approximately 54.77% owned subsidiaries of the Company as at the Latest Practicable Date.

Purchasers

The First Purchaser and the Second Purchaser are ship owning companies incorporated in the Isle of Man. Both the First Purchaser and the Second Purchaser are established and owned by Mineworker's Private Equity Trust, specialized in global maritime investments. The First Purchaser and the Second Purchaser are established to make direct investments in containerships, bulkers and tankers on behalf of Mineworker's Private Equity Trust in accordance with certain pre-agreed objectives and restrictions. The principal activities of the First Purchaser and the Second Purchaser are ship owning.

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

Consideration

Under the First Agreement, the First Vendor agrees to dispose of the First Vessel for a consideration of US$14,560,000 (approximately HK$113,568,000) payable by the First Purchaser as follows:

(1) an initial deposit of US$2,912,000 (approximately HK$22,713,600) was paid by the First Purchaser on 14 September 2016; and

(2) the balance of US$11,648,000 (approximately HK$90,854,400) will be payable by the First Purchaser on the delivery of the First Vessel which will take place between 14 October 2016 and 14 November 2016.

Under the Second Agreement, the Second Vendor agrees to dispose of the Second Vessel for a consideration of US$13,940,000 (approximately HK$108,732,000) payable by the Second Purchaser as follows:

(1) an initial deposit of US$2,788,000 (approximately HK$21,746,400) was paid by the Second Purchaser on 14 September 2016; and

(2) the balance of US$11,152,000 (approximately HK$86,985,600) will be payable by the Second Purchaser on the delivery of the Second Vessel which will take place between 28 September 2016 and 31 October 2016.

The total consideration for the Disposal is US$28,500,000 (approximately HK$222,300,000). Each of the consideration of the First Vessel and the Second 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 First Purchaser and the Second Purchaser.

We observe and monitor the sale and purchase market of second hand vessels, including recent market transactions of similar vessels between willing sellers and willing buyers in that prevailing time presuming the vessel free from all registered encumbrances, maritime liens and all debts, free of charter or any contract of employment, for cash payment on normal sale terms at that particular of time. However, as each vessel is never identical, buyers will take into account, the individual specification, maintenance quality and conditions of each individual vessel to come up with an offer.

Management has based on the experience, market knowledge to consider the acceptance of the bidders' offers after several rounds of negotiation. The total consideration of US$28,500,000 (approximately HK$222,300,000) is considered as a favorable deal, the consideration of each of the First Vessel and the Second Vessel reflected a premium of at least 10% above the sale values achieved by other comparable vessels of similar age and size transacted in the past six months.

Vessels

The First Vessel is a Supramax of deadweight 61,414 metric tons, built in year 2011 and registered in Hong Kong. The Second Vessel is a Supramax of deadweight 61,414 metric tons, built in year 2010 and registered in Hong Kong. Each of the First Vendor and the Second Vendor is a special purpose company for holding solely the First Vessel and the Second Vessel respectively.

The First Vessel has been owned by the Group since year 2011, and its net book value as at 30 June 2016 was approximately HK$163,707,000. The net loss both before and after taxation and extraordinary items attributable to the First Vendor for the financial years ended 31 December 2015 and 2014 were approximately HK$102,224,000 and HK$22,384,000 respectively.

The Second Vessel has been owned by the Group since year 2010, and its net book value as at 30 June 2016 was approximately HK$160,611,000. The net loss both before and after taxation and extraordinary items attributable to the Second Vendor for the financial years ended 31 December 2015 and 2014 were approximately HK$100,074,000 and HK$24,158,000 respectively.

Possible financial effects of the Disposal

Based on the net book values of the First Vessel and the Second Vessel as at 30 June 2016 as described above, the Group would realize book losses of approximately HK$53 million and HK$54 million on disposal of the First Vessel and the Second Vessel respectively. The book losses for the First Vessel and the Second Vessel were calculated after estimated expenses of HK$4.7 million, which mainly includes commission and legal fees of HK$2.4 million for the First Vessel and HK$2.3 million for the Second Vessel. However, the actual book loss which the Group would realize upon completion of the Disposal will depend on the actual net book values of the First Vessel and the Second Vessel as at their respective dates 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 First Vessel and the Second Vessel as at their respective dates of delivery.

The First Vessel and the Second Vessel will be reclassified to assets held for sale under current assets as at 30 September 2016. In addition, all the liabilities (including outstanding bank borrowings) directly associated with these two vessels will be reclassified from long term portion to current portion as at 30 September 2016. The outstanding bank borrowings directly associated with the First Vessel and the Second Vessel were vessel mortgage loans with the outstanding balances of approximately HK$82,610,000 and HK$79,892,000 as at 30 June 2016 respectively. The Group's total indebtedness as of 31 July 2016 is HK$2,184 million and will be reduced by approximately HK$163 million after the Disposal. After the Disposal, the Group's assets held for sale under current assets will decrease by the carrying amounts of the First Vessel and the Second Vessel, the bank balance under the current assets will increase by the balance of net sale proceeds received from the Disposal after repayment of vessel mortgage loans of the First Vessel and the Second Vessel, and the current liabilities will decrease by the amount of vessel mortgage loans of the First Vessel and the Second Vessel repayable in full. The Disposal will realize accounting loss, but will generate positive cashflow resulting in the strengthening of the Group's overall financial liquidity.

Use of proceeds

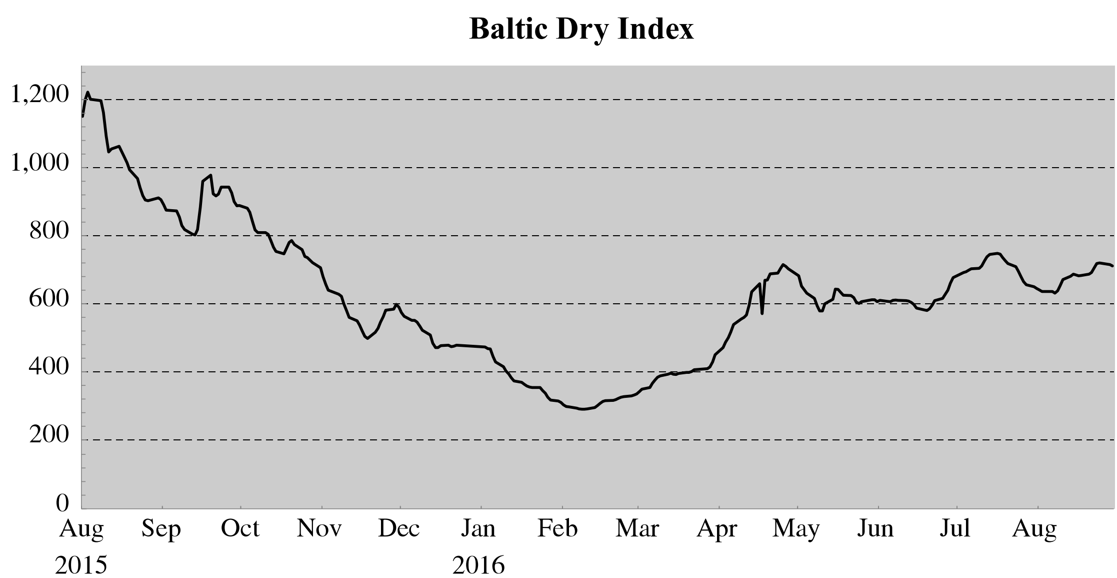
The Group intends to use approximately 70% of the net sale proceeds received pursuant to the First Agreement and the Second Agreement for the repayment of respective vessel mortgage loans and the remaining portion of the net sale proceeds will be kept as general working capital of the Group.

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 further strengthen its liquidity, and optimize the fleet profile through this ongoing management of asset portfolio. As of 30 June 2016, the Company maintained positive working capital position of HK$67,716,000 and the total of the Group's liquidity, which included marketable equity and debt securities, bank balances and cash was HK$743,908,000.

The freight rate in the first half of 2016 has been extremely volatile and at times, below the Company's operating costs. The start of this year has been the worst for dry bulk shipping market as asset prices have gone in a downward spiral given the literal meltdown of confidence. The market has since rebounded significantly from its trough but while we believe the market will continue to recover where a better balance of demand and supply of vessels, we continue to see uncertainties with respect to the global economic outlook, particularly the freight market as well as the financial, commodity and currency markets going forward. This will inevitably introduce volatility to our business performance, as well as the carrying value of our shipping assets and financial assets, and hence we believe it will be prudent to periodically reduce indebtedness and enhance our liquidity when such opportunities arise. Looking ahead, we will continue to focus on taking sensible and decisive actions to maintain a strong financial position, maintaining a young and modern fleet, not ruling out a reduction in fleet size in order to sail through the current storm by placing further emphasis on prudence and stability as our core objectives going forward.

Baltic Dry Index has been extremely volatile since end of 2015 and hit new historical lows in February 2016. This has been the worst for dry bulk shipping market and affect the assets prices and freight rates. The Group's freight rates are directly correlated to Baltic Dry Index.



Source: Bloomberg

The Group currently owns two modern Post-Panamaxes, two modern Panamaxes including one Panamax which will be disposed by the Group later in 2016 as announced by the Company on 24 September 2016, twenty seven modern grabs fitted Supramaxes including the First Vessel and the Second Vessel, one Handymax which will be disposed by the Group later in 2016 as announced by the Company on 5 September 2016, and one Handysize. Total carrying capacity will be reduced from deadweight 1,876,762 metric tons to 1,753,934 metric tons after the Disposal, and 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 First Agreement and the Second Agreement have been agreed on normal commercial terms following arm's length negotiations with reference to the prevailing market values. The Directors consider that the Disposal represents an opportunity for the Group to readjust its fleet profile and reduce our operational risk exposures in current high-risk volatile markets and the disposal will reduce the indebtedness of the Company, as well as improving the liquidity position of the Group. The current net book values of vessels were considered to be the long term intrinsic values as of the Group's last review of our assets. However, the overall unexpected volatility in the macro environment has caused a disruption in many markets including the dry bulk shipping market, which has gone through extreme wild swings within a very short timescale. Long term financial stability is more important and defensive actions in reducing indebtedness and further increase of liquidity will ensure the Company to safely sail through any unexpected volatilities in the market going forward. We believe the Disposal is in the best long term interest of the Company and its shareholders. 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 First Vessel and the Second Vessel exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

Under Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (1) no shareholder is required to abstain from voting if the company were to convene a general meeting for the approval of the transactions; and (2) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% in nominal value of the issued share capital of the company giving the right to attend and vote at that general meeting to approve the transaction.

Fairline, the controlling shareholder of the Company holding 342,209,280 Shares which represent approximately 64.53% of the total issued shares of the Company and voting rights in general meetings of the Company, and 500,000 Jinhui Shipping Shares which represent approximately 0.59% of the total issued shares of Jinhui Shipping, is not interested in the Disposal other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Disposal if the Company were to convene a general meeting for the approval of the Disposal, and the Disposal has been approved by a written shareholder's approval from Fairline.

Your attention is also drawn to the appendices to this circular.

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

(1) INDEBTEDNESS

As at the close of business on 31 July 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding secured bank loans amounting to approximately HK$2,184 million.

As at 31 July 2016, the Group's credit facilities were secured by certain of the Group's property, plant and equipment and investment properties with an aggregate net book value of approximately HK$4,402 million, assets held for sale with an aggregate carrying amount of approximately HK$51 million and deposits in banks amounting to approximately HK$77 million. Shares of twenty nine ship owning subsidiaries, being members of the Group, were pledged together with the assignment of chartering income of thirty five ship owning subsidiaries to secure credit facilities utilized by the Group. The above outstanding bank borrowings and credit facilities were guaranteed by the Company or Jinhui Shipping.

As at 31 July 2016, save as aforesaid and apart from intra-group liabilities, none of the companies in the Group had any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loan or indebtedness in the nature of borrowings, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, or any guarantees or other material contingent liabilities.

(2) FINANCIAL AND TRADING PROSPECTS

The Group has continued to carry on the businesses of investment holding, ship chartering, ship owning and ship operating during the current financial year, and the Directors expect that with cash and marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

The Group operates a modern fleet of dry bulk carriers which are either used for carrying cargoes or time chartered-out, whichever is expected to bring a higher economic benefit to the Group. The assignment or designation of contract to individual vessel is determined by the suitability, availability, positioning and/or any specific requirements of charterers. The Group maintains a flexible chartering policy and assesses the market conditions to pursue optimal employment opportunities for our fleet.

The freight rate in the first half of 2016 has been extremely volatile and at times, below the Company's operating costs. The start of this year has been the worst for dry bulk shipping market as asset prices have gone in a downward spiral given the lack of confidence but have since rebounded significantly from its trough. We believe the current tough market cannot be sustainable in the long term, but the journey to recovery and equilibrium will be tough and the road forward with not be without challenges. Based on our observation of the dry bulk market, more shipyards are expected to run into financial distress, owners are doing their utmost to delay and cancel newbuilding orders, and financiers are avoiding new exposure against such backdrop. Some participants will cease to operate in this industry, leaving those ship owners with the experience, expertise, long term commitment together with support from trusted partners operating in the market.

A number of factors will continue to determine the pace of dry bulk market recovery: (1) demand growth in key dry bulk commodities importing activities from China has been volatile, with coal and iron ore import volume dropping during the end of 2015, to a healthier increase in recent months; (2) a recovery in various raw material prices has instilled some stability in the commodities market; and most importantly in our view (3) how will the irrational ordering of newbuildings in the past two years pan out.

The difficulties faced by suppliers, buyers and financiers are all pointing towards a much reduced number of newbuildings in 2016 and beyond. The excess newbuilding orders driven by irrational expectations of financial return by parties with limited operating experience, backed by easy access to cheap funding in both the money and capital markets, and fee driven intermediary institutions has backfired. Despite the slight recovery in freight rates in recent months, the prevailing trading environment remains to be tough. Events such as delays, conversions of bulk newbuilding orders to other vessel types, cancellations, and shipyard defaults are leading to much fewer actual deliveries than previously scheduled. Many ship owners are running out of liquidity and financiers are certainly avoiding new additional exposure to the sector. We will intimately monitor cargo flows in order to deploy our vessels efficiently to optimize revenue, secure and maximize income including potential recoveries from outstanding charter disputes, ensuring the maintenance of a high quality, safe fleet of vessels, and keeping costs in check to enhance our margins in order to remain competitive beyond the current crisis.

Up to the Latest Practicable Date, we have announced the disposal of one Panamax, four Supramaxes (including the First Vessel and the Second Vessel) and one Handymax. The total accounting loss is expected to be approximately HK$266 million.

We will continue to operate with a conservative yet nimble mindset, and be ready to act in the best interest of our shareholders under different kinds of scenarios. We will exercise our best efforts to be one of the survivors, a trustworthy partner to those who support us, and be a long term preferred vessel provider to our customers.

The Group operates a modern fleet of dry bulk carriers which are either used for carrying cargoes or time chartered-out, whichever is expected to bring a higher economic benefit to the Group. The revenue and profit generating ability are determined by the suitability, availability, positioning and/or any specific requirements of charterers.

(3) WORKING CAPITAL

The Directors are of the opinion that after taking into account its internal resources, the existing available credit facilities, the indebtedness statement of the Group as set out in the section headed "(1) INDEBTEDNESS" above and the Disposal, the Group has sufficient working capital for its present requirements for the next twelve-month period from date of this circular. The auditor of the Company has also performed work to obtain reasonable assurance on the sufficiency of working capital statement for the next twelve-month period from date of this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS

(a) As at the Latest Practicable Date, the interests and short positions of each Director and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long positions

(i) Directors' interests in Shares

Name	Number of shares in the Company held and capacity				Percentage of total issued Shares
	Beneficial owner	Interest of spouse	Beneficiary of trust	Total	
Ng Siu Fai	19,917,000	15,140,000	342,209,280 *Note*	377,266,280	71.15%
Ng Kam Wah Thomas	5,909,000	–	342,209,280 *Note*	348,118,280	65.65%
Ng Ki Hung Frankie	3,000,000	–	342,209,280 *Note*	345,209,280	65.10%
Ho Suk Lin	3,850,000	–	–	3,850,000	0.73%
Cui Jianhua	960,000	–	–	960,000	0.18%
Tsui Che Yin Frank	1,000,000	–	–	1,000,000	0.19%
William Yau	441,000	–	–	441,000	0.08%

Note: Lorimer Limited, in its capacity as trustee of the Ng Hing Po 1991 Trust, is the legal owner of the entire issued share capital of Fairline which is the legal and beneficial owner of 342,209,280 Shares (representing approximately 64.53% of the total issued Shares) as at the Latest Practicable Date. The Ng Hing Po 1991 Trust is a discretionary trust, the eligible beneficiaries of which include members of the Ng family. Both Messrs. Ng Siu Fai and Ng Kam Wah Thomas are directors of Fairline.

(ii) Directors' interests in associated corporation

Name	Number of Jinhui Shipping Shares held and capacity: Beneficial owner	Interest of spouse	Beneficiary of trust	Total	Percentage of total issued Jinhui Shipping Shares
Ng Siu Fai	1,214,700	708,100	46,534,800 *Note*	48,457,600	57.66%
Ng Kam Wah Thomas	50,000	–	46,534,800 *Note*	46,584,800	55.43%
Ng Ki Hung Frankie	–	–	46,534,800 *Note*	46,534,800	55.37%

Note: Lorimer Limited, in its capacity as trustee of the Ng Hing Po 1991 Trust, is the legal owner of the entire issued share capital of Fairline which is the controlling shareholder of the Company as disclosed hereinabove.

As at the Latest Practicable Date, each of Messrs. Ng Siu Fai, Ng Kam Wah Thomas and Ng Ki Hung Frankie, the eligible beneficiaries of the Ng Hing Po 1991 Trust, is deemed to be interested in 46,034,800 Jinhui Shipping Shares (representing approximately 54.77% of the total issued Jinhui Shipping Shares) held by the Company and 500,000 Jinhui Shipping Shares (representing approximately 0.59% of the total issued Jinhui Shipping Shares) held by Fairline through their beneficial interests in the Company and Fairline respectively.

All the interests stated above represent long positions. No short positions were recorded in the register maintained by the Company under Section 352 of the SFO as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) as defined in the SFO.

(b) As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group not determinable by the Company within one year without payment of compensation (other than statutory compensation).

(c) As at the Latest Practicable Date, none of the Directors or their respective associates has any interests in any company or business which competes or may compete with the businesses of the Group.

(d) As at the Latest Practicable Date, none of the Directors has or has had direct or indirect interest in any assets acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group since the date to which the latest published audited annual financial statements of the Group were made up.

(e) There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) have, or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions

Name of Shareholders	Capacity	No. of Shares	Percentage of total issued Shares
Fairline	Beneficial owner	342,209,280	64.53%
Wong Yee Man Gloria	Beneficial owner and interest of spouse	377,266,280 *Note*	71.15%

Note: The interest in Shares includes 15,140,000 Shares in which Ms. Wong Yee Man Gloria is interested as a beneficial owner and 362,126,280 Shares in which she is deemed to be interested through the interest of her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).

LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

MATERIAL CONTRACTS

The following contracts have been entered into by members of the Group (marked with an "*" below) within two years preceding the date of this circular and each of which is or may be material:

(1) an agreement dated 1 June 2015 entered into between Pantow Profits Limited* and Asiawide Profits Limited regarding the disposal of 75% equity interest in Yee Lee Technology Company Limited at a consideration of HK$32,000,000;

(2) an agreement dated 22 June 2016 entered into between Jinan Marine Inc.* and Al Khalejia Aggregates FZE regarding the disposal of the vessel at a consideration of US$3,400,000;

(3) an agreement dated 27 June 2016 entered into between Jinrong Marine Inc.* and Hesheng Shipping Co., Limited regarding the disposal of the vessel at a consideration of US$3,400,000;

(4) an agreement dated 5 September 2016 entered into between Jinbi Marine Inc.* and Gelico Shipping Co. S.A. regarding the disposal of the vessel at a consideration of US$3,500,000;

(5) an agreement dated 7 September 2016 entered into between the First Vendor and the First Purchaser regarding the disposal of the First Vessel at a consideration of US$14,560,000;

(6) an agreement dated 7 September 2016 entered into between the Second Vendor and the Second Purchaser regarding the disposal of the Second Vessel at a consideration of US$13,940,000; and

(7) an agreement dated 24 September 2016 entered into between Jinchao Marine Inc.* and AIGAION Shipholding Company Limited regarding the disposal of the vessel at a consideration of US$12,800,000.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company in Hong Kong at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong up to and including 13 October 2016:

(a) Memorandum and Articles of Association of the Company;

(b) the annual reports of the Company for the two financial years ended 31 December 2014 and 2015 respectively;

(c) the material contracts as disclosed in this circular;

(d) this circular; and

(e) the written approval dated 7 September 2016 given by Fairline in relation to the Disposal.

GENERAL

(a) The secretary of the Company is Ms. Ho Suk Lin, a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and also an associate member of the Institute of Chartered Accountants in England and Wales.

(b) The registered office, also the head office, of the Company is situated at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong.

(c) The principal share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text.