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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 PROPERTIES

The Board is pleased to announce that on 6 April 2018, the First Purchaser and the Second Purchaser, both wholly-owned subsidiaries of the Company, received the Letters from the Vendor that two tenders for the acquisition of the First Property and the Second Property (both situated at Leighton Road, Causeway Bay, Hong Kong) have been accepted. The First Purchaser and the Second Purchaser had entered into respective provisional agreements for sale and purchase with the Vendor in respect of the acquisition of the First Property and the Second Property respectively on 6 April 2018.

Under the Listing Rules, the Acquisition of the Properties constitutes a discloseable transaction for the Company.

THE ACQUISITION

The First Purchaser, a wholly-owned subsidiary of the Company, submitted a tender for the acquisition of the First Property (which is situated at Leighton Road, Causeway Bay, Hong Kong) in April 2018 at a consideration of HK\$72,000,000. On 6 April 2018, the First Purchaser received the letter from the Vendor that the tender for the acquisition of the First Property at the consideration of HK\$72,000,000 has been accepted. The First Purchaser and the Vendor has entered into a provisional agreement for sale and purchase in respect of the acquisition of the First Property on 6 April 2018.

The Second Purchaser, a wholly-owned subsidiary of the Company, submitted a tender for the acquisition of the Second Property (which is situated at Leighton Road, Causeway Bay, Hong Kong) in April 2018 at a consideration of HK\$41,000,000. On 6 April 2018, the Second Purchaser received the letter from the Vendor that the tender for the acquisition of the Second Property at the consideration of HK\$41,000,000 has been accepted. The Second Purchaser and the Vendor has entered into a provisional agreement for sale and purchase in respect of the acquisition of the Second Property on 6 April 2018.

The First Agreement and the Second Agreement are not inter-conditional.

Information on the Group and the purchasers

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

The First Purchaser is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at date of this announcement. The principal activities of the First Purchaser are property holding and investment.

The Second Purchaser is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at date of this announcement. The principal activities of the Second Purchaser are property holding and investment.

Vendor

The Vendor is The Bank of East Asia, Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 23). The principal activities of the Vendor are provision of banking and related financial services.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of the Company and its connected persons.

Properties

The First Property is whole of 20th Floor of Lippo Leighton Tower, No. 103 Leighton Road, Causeway Bay, Hong Kong.

The Second Property is Unit A of 16th Floor of Lippo Leighton Tower, No. 103 Leighton Road, Causeway Bay, Hong Kong.

Considerations

Under the First Agreement, the Vendor agrees to dispose of the First Property at a consideration of HK\$72,000,000 payable by the First Purchaser as follows:

- (1) an initial deposit of HK\$3,600,000 paid by the First Purchaser upon signing of the First Agreement;
- (2) a further deposit of HK\$3,600,000 will be payable by the First Purchaser on or before 20 April 2018; and
- (3) the balance of HK\$64,800,000 will be payable by the First Purchaser on the completion of the acquisition of the First Property which will take place on 15 June 2018.

The consideration of the First Property of HK\$72,000,000 was submitted under the tender and was determined by the First Purchaser with reference to the current and future business prospect and the overall prospect of the First Property. The Directors consider that the consideration is fair and reasonable and the acquisition of the First Property is in the interests of the Company and its shareholders as a whole.

Under the Second Agreement, the Vendor agrees to dispose of the Second Property at a consideration of HK\$41,000,000 payable by the Second Purchaser as follows:

- (1) an initial deposit of HK\$2,050,000 paid by the Second Purchaser upon signing of the Second Agreement;
- (2) a further deposit of HK\$2,050,000 will be payable by the Second Purchaser on or before 20 April 2018;
and
- (3) the balance of HK\$36,900,000 will be payable by the Second Purchaser on the completion of the acquisition of the Second Property which will take place on 15 June 2018.

The consideration of the Second Property of HK\$41,000,000 was submitted under the tender and was determined by the Second Purchaser with reference to the current and future business prospect and the overall prospect of the Second Property. The Directors consider that the consideration is fair and reasonable and the acquisition of the Second Property is in the interests of the Company and its shareholders as a whole.

REASONS FOR THE ACQUISITION

The First Property and the Second Property are Grade A office premises located in one of the very prime business district of Hong Kong. The investment of the First Property and the Second Property represents a small allocation of capital into revenue generating assets that are non-correlated to our core shipping business, which is often cyclical in nature. The Directors and senior management have been reviewing the prevailing property market in Hong Kong and believe the acquisition prices are highly attractive and represent a reasonable discount to recent transaction comparable of office properties of the same building. The First Property and the Second Property are expected to generate a steady and recurring stream of income for the Group with potential longer term capital appreciation given the limited supply of Grade A office premises in the prime areas of Hong Kong. It is currently expected that approximately 50% of the considerations of the First Property and the Second Property will be funded by bank financing and remaining 50% will be funded by internal resources of the Group.

LISTING RULES IMPLICATION

As one or more applicable percentage ratios (as defined in the Listing Rules) for the Acquisition of the Properties exceed 5% but are less than 25%, the Acquisition of the Properties 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 of the Properties”	the acquisition of the First Property and the Second Property under the First Agreement and the Second Agreement respectively;
“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;
“First Agreement”	the provisional agreement for sale and purchase entered into between the Vendor and the First Purchaser on 6 April 2018 in respect of the acquisition of the First Property;
“First Property”	Whole of 20th Floor of Lippo Leighton Tower, No. 103 Leighton Road, Causeway Bay, Hong Kong;
“First Purchaser”	Oriental Dynamic International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at date of this announcement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Letters”	two letters both dated 6 April 2018 notifying the acceptance of the tenders for the Acquisition of the Properties from the Vendor;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Second Agreement”	the provisional agreement for sale and purchase entered into between the Vendor and the Second Purchaser on 6 April 2018 in respect of the acquisition of the Second Property;
“Second Property”	Unit A of 16th Floor of Lippo Leighton Tower, No. 103 Leighton Road, Causeway Bay, Hong Kong;
“Second Purchaser”	Hazen Valley Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at date of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	The Bank of East Asia, Limited; 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, 6 April 2018

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.