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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 PROPERTY

The Board is pleased to announce that the Purchaser, an approximately 55.69% indirectly owned subsidiary of the Company, entered into the Agreement with the Vendor on 2 November 2018 in respect of the acquisition of the Property at a consideration of HK\$30,993,160.

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

THE ACQUISITION

The Purchaser, an approximately 55.69% indirectly owned subsidiary of the Company, entered into the Agreement with the Vendor on 2 November 2018 in respect of the acquisition of the Property at a consideration of HK\$30,993,160.

Information on the Group and the Purchaser

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

The Purchaser is a company incorporated in Hong Kong and a wholly-owned subsidiary of Jinhui Shipping, which is in turn an approximately 55.69% owned subsidiary of the Company as at date of this announcement. The principal activities of the Purchaser are property holding and investment.

Vendor

The Vendor is a company incorporated in Hong Kong and its principal activities is property holding. The Vendor is a wholly-owned subsidiary of Silk Road Logistics Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Hong Kong Stock Exchange (stock code: 988). Silk Road Logistics Holdings Limited is an investment holding company and its subsidiaries are principally engaged in the trading of commodities; extraction and sale of oil; and logistics and warehousing business.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor, its substantial shareholders and respective associates are third parties independent of the Company and its connected persons.

Property

The Property is Unit B on 12th Floor, Lippo Leighton Tower, 103 Leighton Road, Hong Kong.

Consideration

Under the Agreement, the Vendor agrees to dispose of the Property at a consideration of HK\$30,993,160 payable by the Purchaser as follows:

- (1) an initial deposit of HK\$3,000,000 paid by the Purchaser upon signing of the Agreement;
- (2) a further deposit of HK\$1,648,974 will be payable by the Purchaser on or before 15 November 2018; and
- (3) the balance of HK\$26,344,186 will be payable by the Purchaser on the completion of the acquisition of the Property which will take place on or before 31 January 2019.

Formal agreement for sale and purchase in respect of the acquisition of the Property shall be signed on or before 15 November 2018. The consideration of the Property was determined after arm's length negotiations between the Purchaser and the Vendor. The Directors consider that the consideration is fair and reasonable and the acquisition of the Property is in the interests of the Company and its shareholders as a whole.

Lease

Upon completion of the Acquisition of the Property, the Purchaser and the Vendor shall enter into a tenancy agreement, pursuant to which, the Purchaser agreed to lease the Property to the Vendor for a period of 12 months at the total rent of HK\$950,544, being HK\$79,212 per month and exclusive of management fees, rates and other charges.

REASONS FOR THE ACQUISITION

The Property is Grade A office premises located in one of the very prime business district of Hong Kong. The Acquisition of the 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 Property is expected to generate steady and recurring stream of income for the Group. Potential resale opportunity with capital appreciation over time in the prime commercial areas of Hong Kong is also expected. It is currently expected that approximately 40% of the consideration of the Property will be funded by bank financing and remaining 60% 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 Property exceed 5% but are less than 25%, the Acquisition of the Property 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 Property”	the acquisition of the Property under the Agreement;
“Agreement”	the provisional agreement for sale and purchase entered into between the Vendor and the Purchaser on 2 November 2018 in respect of the acquisition of the Property;
“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;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Jinhui Shipping”	Jinhui Shipping and Transportation Limited, a limited liability company incorporated in Bermuda and an approximately 55.69% owned subsidiary of the Company as at date of this announcement, whose shares are listed on the Oslo Stock Exchange (stock code: JIN);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	Unit B on 12 th Floor, Lippo Leighton Tower, 103 Leighton Road, Hong Kong;
“Purchaser”	Good Sunshine Limited, a wholly-owned subsidiary of Jinhui Shipping;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Sheen Day Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Silk Road Logistics Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Hong Kong Stock Exchange (stock code: 988); 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, 2 November 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.