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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 VESSELS

The Board is pleased to announce that, the First Purchaser and the Second Purchaser, both approximately 55.69% indirectly owned subsidiaries of the Company, entered into respective agreements with the First Vendor and the Second Vendor in respect of the acquisition of the First Vessel and the Second Vessel respectively on 23 April 2019. The aggregate purchase price of the First Vessel and the Second Vessel is US\$12,000,000 (approximately HK\$93,600,000). The First Vessel will be delivered by the First Vendor to the First Purchaser between 2 May 2019 and 7 June 2019. The Second Vessel will be delivered by the Second Vendor to the Second Purchaser between 2 May 2019 and 31 May 2019.

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

THE ACQUISITION

The First Purchaser entered into the First Agreement with the First Vendor on 23 April 2019 for the acquisition of the First Vessel at a purchase price of US\$5,750,000 (approximately HK\$44,850,000). The First Vessel will be delivered by the First Vendor to the First Purchaser between 2 May 2019 and 7 June 2019.

The Second Purchaser entered into the Second Agreement with the Second Vendor on 23 April 2019 for the acquisition of the Second Vessel at a purchase price of US\$6,250,000 (approximately HK\$48,750,000). The Second Vessel will be delivered by the Second Vendor to the Second Purchaser between 2 May 2019 and 31 May 2019.

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 ship owning company 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 First Purchaser are ship owning and chartering.

The Second Purchaser is a ship owning company 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 Second Purchaser are ship owning and chartering.

Vendors

The First Vendor is ECLAT NAVIGATION S.A., a company incorporated in Liberia and is the registered owner of the First Vessel. Its principal activity is the owning of the vessel for international maritime trade.

The Second Vendor is CIMA MARINE CORP., a company incorporated in Liberia and is the registered owner of the Second Vessel. Its principal activity is the owning of the vessel for international maritime trade.

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

Vessels

The First Vessel is a Supramax of deadweight 50,354 metric tons, built in year 2001.

The Second Vessel is a Supramax of deadweight 50,220 metric tons, built in year 2002.

Considerations

Under the First Agreement, the purchase price for the First Vessel is US\$5,750,000 (approximately HK\$44,850,000) and is payable by the First Purchaser as follows:

- (1) an initial deposit of US\$575,000 (approximately HK\$4,485,000) will be payable by the First Purchaser within three banking days after the date that (i) the signing of the First 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\$5,175,000 (approximately HK\$40,365,000) will be payable by the First Purchaser on the delivery of the First Vessel which will take place between 2 May 2019 and 7 June 2019.

Under the Second Agreement, the purchase price of the Second Vessel is US\$6,250,000 (approximately HK\$48,750,000) and is payable by the Second Purchaser as follows:

- (1) an initial deposit of US\$625,000 (approximately HK\$4,875,000) will be payable by the Second Purchaser within three banking days after the date that (i) the signing of the Second 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\$5,625,000 (approximately HK\$43,875,000) will be payable by the Second Purchaser on the delivery of the Second Vessel which will take place between 2 May 2019 and 31 May 2019.

The purchase price for the First Vessel and the Second Vessel will be payable by cash in United States Dollars. Each of the purchase prices 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 respective vendors.

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, we will take into account the individual specification, maintenance quality and conditions of each individual vessel to consider its purchase.

The Directors consider that each of the purchase prices is fair and reasonable and the Acquisition of Vessels is in the interests of the Company and its shareholders as a whole.

REASONS FOR THE ACQUISITION

The Group's principal activities are international ship chartering and ship owning. Both the First Vessel and the Second Vessel are grabs fitted Supramaxes for the transportation of dry bulk commodities. The Directors and senior management have been reviewing the individual specification, maintenance quality and conditions of each of the vessels and considers the purchase prices of these vessels are highly attractive. The Acquisition of Vessels will enable the Group to further expand the Group's overall cargo carrying capacity while minimizing risks of over allocation of capital to additional tonnages due to changes in maritime regulations going forward. The vessels are expected to generate steady and recurring stream of income for the Group. The Group currently owns eighteen dry bulk vessels which include two Post-Panamaxes and sixteen grabs fitted Supramaxes. Total carrying capacity will be increased by 100,574 metric tons to 1,186,648 metric tons after the completion of the acquisition of the First Vessel and the Second Vessel.

It is currently expected that approximately 70% of the purchase prices of the First Vessel and the Second Vessel will be funded by arranged and undrawn loan facilities and remaining 30% 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 Vessels exceed 5% but are less than 25%, the Acquisition of Vessels 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 Vessels”	the acquisition of the First Vessel and the Second Vessel 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 memorandum of agreement dated 23 April 2019 entered into between the First Vendor and the First Purchaser in respect of the acquisition of the First Vessel;
“First Purchaser”	Jinming Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“First Vendor”	ECLAT NAVIGATION S.A., a company incorporated in Liberia;
“First Vessel”	a deadweight 50,354 metric tons bulk carrier “AIGEORGIS” registered in Bahamas;
“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;
“Post-Panamaxes”	vessels of deadweight approximately between 90,000 metric tons to 100,000 metric tons;

“Second Agreement”	the memorandum of agreement dated 23 April 2019 entered into between the Second Vendor and the Second Purchaser in respect of the acquisition of the Second Vessel;
“Second Purchaser”	Jinhan Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Second Vendor”	CIMA MARINE CORP., a company incorporated in Liberia;
“Second Vessel”	a deadweight 50,220 metric tons bulk carrier “AIFANOURIOS” registered in Bahamas;
“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.

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

Hong Kong, 23 April 2019

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.