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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 A VESSEL

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 in respect of the acquisition of the Vessel on 2 March 2021. The purchase price of the Vessel is US\$7,275,000 (approximately HK\$56,745,000). The Vessel will be delivered by the Vendor to the Purchaser between 10 March 2021 and 5 April 2021.

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

THE ACQUISITION

The Purchaser entered into the Agreement with the Vendor on 2 March 2021 for the acquisition of the Vessel at a purchase price of US\$7,275,000 (approximately HK\$56,745,000). The Vessel will be delivered by the Vendor to the Purchaser between 10 March 2021 and 5 April 2021.

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 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 Purchaser are ship owning and chartering.

Vendor

The Vendor is Sea Venture Navigation Inc., a company incorporated in the Republic of Liberia. Its principal activities are ship owning and operating dry bulk carrier for international maritime transportation. The Vendor is a company wholly-owned by Radefel Shipping Ltd, a company incorporated in the Marshall Islands, which is owned by its ultimate beneficial owner - Mr. Konstantinos Apodiakos.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor, its holding company and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Vessel

The Vessel is a Supramax of deadweight 53,806 metric tons, built in year 2004.

Consideration

Under the Agreement, the purchase price for the Vessel is US\$7,275,000 (approximately HK\$56,745,000) and is payable by the Purchaser as follows:

- (1) an initial deposit of US\$1,455,000 (approximately HK\$11,349,000) will be payable by the Purchaser within three banking days after the date that (i) the signing of the Agreement; and (ii) the confirmation from the escrow agent confirming the account is ready to receive the initial deposit; and
- (2) the balance of US\$5,820,000 (approximately HK\$45,396,000) will be payable by the Purchaser on the delivery of the Vessel which will take place between 10 March 2021 and 5 April 2021.

The purchase price for the Vessel will be payable by cash in United States Dollars. The purchase price 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 Vendor.

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 the purchase price is fair and reasonable and the Acquisition of the Vessel 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. The Vessel is a Supramax fitted for the transportation of dry bulk commodities. The Directors and senior management have been reviewing the individual specification, maintenance quality and conditions of the Vessel and consider the purchase price of the Vessel is highly attractive. The Vessel is expected to generate a steady stream of income for the Group. The Group currently owns eighteen dry bulk vessels which include two Post-Panamaxes and sixteen Supramaxes. Total carrying capacity will be increased by 53,806 metric tons to 1,139,362 metric tons after the completion of the acquisition of the Vessel.

It is currently expected that the purchase price of the Vessel 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 Vessel exceed 5% but are less than 25%, the Acquisition of the Vessel 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 Vessel”	the acquisition of the Vessel under the Agreement;
“Agreement”	the memorandum of agreement dated 2 March 2021 entered into between the Vendor and the Purchaser in respect of the acquisition of the Vessel;
“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;
“Post-Panamaxes”	vessels of deadweight approximately between 90,000 metric tons to 100,000 metric tons;

“Purchaser”	Jincheng Maritime Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vendor”	Sea Venture Navigation Inc., a company incorporated in the Republic of Liberia;
“Vessel”	a deadweight 53,806 metric tons bulk carrier “AVRA” registered in Piraeus of Greece;
“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, 2 March 2021

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.