



JINHUI SHIPPING AND TRANSPORTATION LIMITED

JIN - INSIDE INFORMATION

PROVISION OF FINANCIAL ASSISTANCE

The Board of Jinhui Shipping and Transportation Limited wishes to announce that, on 14 October 2019, the Lender and Borrower C entered into Facility Agreement C, pursuant to which the Lender agreed to provide Loan C in the principal amount of US\$7 million to Borrower C and such loan is repayable quarterly in five years, and the Lender and Borrower D entered into Facility Agreement D, pursuant to which the Lender agreed to provide Loan D in the principal amount of US\$7 million to Borrower D and such loan is repayable quarterly in five years.

FACILITY AGREEMENT C

The principal terms of Facility Agreement C are as follows:

Date of agreement:	14 October 2019
Effective date:	Expected to be taken place on 16 October 2019 upon successful delivery of Ship C to Borrower C
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower C
Loan principal:	US\$7 million
Interest rate:	10% per annum
Collateral:	First mortgage over Ship C with fair value of approximately US\$10.8 million to be registered in the ownership of Borrower C and second mortgage over Ship D with fair value of approximately US\$11.6 million to be registered in the ownership of Borrower D when Ship D is successfully delivered and Facility Agreement D becomes effective
Loan period:	Five years
Repayment:	Borrower C shall repay the loan and interest accrued thereon quarterly

FACILITY AGREEMENT D

The principal terms of Facility Agreement D are as follows:

Date of agreement:	14 October 2019
Effective date:	Expected to be taken place on 18 October 2019 upon successful delivery of Ship D to Borrower D
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower D
Loan principal:	US\$7 million
Interest rate:	10% per annum
Collateral:	First mortgage over Ship D with fair value of approximately US\$11.6 million to be registered in the ownership of Borrower D and second mortgage over Ship C with fair value of approximately US\$10.8 million to be registered in the ownership of Borrower C
Loan period:	Five years
Repayment:	Borrower D shall repay the loan and interest accrued thereon quarterly

OTHER TERMS OF THE FACILITY AGREEMENT C AND FACILITY AGREEMENT D

Upon successful delivery of both Ship C and Ship D and both Facility Agreement C and Facility Agreement D become effective, Loan C and Loan D will be cross-collateralized where Loan C will be guaranteed by Borrower D, Guarantor C and Guarantor D, and Loan D will be guaranteed by Borrower C, Guarantor C and Guarantor D. Facility Agreement C and Facility Agreement D are not inter-conditional.

INFORMATION ON THE GROUP AND THE LENDER

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

The Lender is a money lending company and a licensed money lender in Hong Kong registered under Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. Its principal activity is the provision of money lending services. It is a wholly-owned subsidiary of the Company as at date of this announcement.

INFORMATION ON THE BORROWERS

Borrower C is a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. Borrower C is a company wholly-owned by an ultimate beneficial owner.

Borrower D is a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. Borrower D is a company wholly-owned by another ultimate beneficial owner.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, Borrower C and Borrower D are independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

REASONS FOR AND BENEFITS OF THE ENTERING INTO FACILITY AGREEMENT C AND FACILITY AGREEMENT D

The terms of Facility Agreement C and Facility Agreement D (including the interest rates and the terms of loans) were negotiated on an arm's length basis between the Lender and Borrower C and Borrower D, and were on normal commercial terms. Taking into account the satisfactory results of the Company's due diligence of Borrower C and Borrower D, the stable interest income expected to be generated from Loan C and Loan D, and the fair values of Ship C of approximately US\$10.8 million and Ship D of approximately US\$11.6 million which were appraised by independent qualified appraisal firms, the Directors consider that the terms of Facility Agreement C and Facility Agreement D (including the interest rates and the terms of loans) are fair and reasonable and the entering into of Facility Agreement C and Facility Agreement D is in the interests of the Company and its shareholders as a whole. The Lender has financed Loan C and Loan D with the Group's internal cash resources.

GENERAL

The Company is an approximately 55.69% owned subsidiary of Jinhui Holdings whose shares are listed on HKEX. The provision of Loan C and Loan D has been approved by written approval from Fairline Consultants Limited and Timberfield Limited, a closely allied group of shareholders of Jinhui Holdings who together hold approximately 64.53% of the total issued shares of Jinhui Holdings and voting rights in general meetings of Jinhui Holdings, according to the listing rules of HKEX.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions of the following meanings were used:

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| “Board” | the board of Directors; |
| “Borrower C” | a company incorporated in the Republic of Marshall Islands; |

“Borrower D”	a company incorporated in the Republic of Marshall Islands;
“Company”	Jinhui Shipping and Transportation Limited;
“Directors”	the directors of the Company;
“Facility Agreement C”	the facility agreement dated 14 October 2019 entered into between the Lender and Borrower C in respect of the provision of Loan C;
“Facility Agreement D”	the facility agreement dated 14 October 2019 entered into between the Lender and Borrower D in respect of the provision of Loan D;
“Group”	the Company and its subsidiaries;
“Guarantor C”	a company incorporated in Hong Kong and is wholly-owned by the ultimate beneficial owner of Borrower C;
“Guarantor D”	a company incorporated in Singapore and is wholly-owned by the ultimate beneficial owner of Borrower D;
“HKEX”	The Stock Exchange of Hong Kong Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Jinhui Holdings”	Jinhui Holdings Company Limited, a company listed in HKEX, which holds approximately 55.69% interests in the Company;
“Lender”	Jinhui Finance (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Loan C”	the loan with principal amount of US\$7 million granted by the Lender to Borrower C pursuant to Facility Agreement C;
“Loan D”	the loan with principal amount of US\$7 million granted by the Lender to Borrower D pursuant to Facility Agreement D;
“Ship C”	the ship to be registered in the ownership of Borrower C; and
“Ship D”	the ship to be registered in the ownership of Borrower D.

By Order of the Board
Ng Kam Wah Thomas
Managing Director

14 October 2019