



## JINHUI SHIPPING AND TRANSPORTATION LIMITED

### **JIN - INSIDE INFORMATION**

#### **ACQUISITION OF A VESSEL**

The Board of Jinhui Shipping and Transportation Limited announces that a wholly-owned subsidiary of the Company entered into a memorandum of agreement on 28 March 2022 for the acquisition of a Supramax at a purchase price of US\$25,500,000.

#### **THE ACQUISITION**

The Purchaser entered into the Agreement with the Vendor on 28 March 2022 for the acquisition of the Vessel at a purchase price of US\$25,500,000. The Vessel will be delivered by the Vendor to the Purchaser between 3 May 2022 and 29 July 2022.

#### **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 the Company as at date of this announcement. The principal activities of the Purchaser are ship owning and chartering.

#### **Vendor**

The Vendor is Ratu Shipping Co., S.A., a company incorporated in the Republic of Panama. Its principal activities are mainly involved in business of ownership, chartering and operation of vessels.

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

#### **Vessel**

The Vessel is a Supramax of deadweight 63,485 metric tons, built in year 2014 by builder/yard: Jiangsu Hantong Ship Heavy Industry Co., Ltd. The Vendor warrants that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts. The Vessel will be delivered to the Group on a free from charter basis.

## **Consideration**

Under the Agreement, the purchase price for the Vessel is US\$25,500,000 and is payable by the Purchaser as follows:

- (1) an initial deposit of US\$2,550,000 will be payable by the Purchaser (i) within three banking days from the date of signing the Agreement; or (ii) on the date at which the confirmation from the escrow agent confirming the account is ready to receive the initial deposit, whichever is the latest; and
- (2) the balance of US\$22,950,000 will be payable by the Purchaser on the delivery of the Vessel which will take place between 3 May 2022 and 29 July 2022.

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 of the Vessel 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 grabs fitted Supramax 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 reasonable and the Acquisition of the Vessel will allow the Group to generate more operating income and increase the returns of the Company in the future. The Group currently owns twenty six dry bulk vessels which include two Post-Panamaxes and twenty four grabs fitted Supramaxes, and the existing total carrying capacity is 1,525,348 metric tons.

It is currently expected that approximately 50% of the purchase price of the Vessel will be funded by bank financing and the remaining will be funded by internal resources of the Group.

## 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 28 March 2022 entered into between the Vendor and the Purchaser in respect of the acquisition of the Vessel;
“Board”	the board of Directors;
“Company”	Jinhui Shipping and Transportation Limited;
“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;
“Post-Panamaxes”	vessels of deadweight approximately between 90,000 metric tons to 100,000 metric tons;
“Purchaser”	Jinping Marine Inc., a wholly-owned subsidiary of the Company;
“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vendor”	Ratu Shipping Co., S.A., a company incorporated in the Republic of Panama; and
“Vessel”	a deadweight 63,485 metric tons bulk carrier “HANTON TRADER II” registered in the Republic of Panama.

By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

28 March 2022