



JINHUI SHIPPING AND TRANSPORTATION LIMITED

JIN - INSIDE INFORMATION LEASING A VESSEL UNDER THE CHARTERPARTY

The Board of Jinhui Shipping and Transportation Limited announces that a wholly-owned subsidiary of the Company entered into the Charterparty with the Lessor on 20 May 2022 in respect of leasing of the Vessel for a term of seven years commencing on the date of delivery of the Vessel to the Lessee which is expected to be delivered between 11 June 2022 and 30 June 2022.

THE CHARTERPARTY

The principal terms of the Charterparty are set out below:

Charterparty date:	20 May 2022
Ship owner (Lessor):	THC International S.A.
Charterer (Lessee):	Goldbeam Shipping Inc.
Vessel:	A Panamax of deadweight approximately 84,000 metric tons bulk carrier which will be named as M.V. "TAHO CIRCULAR" and registered in the Republic of Liberia
Hire period:	Minimum 81 months up to maximum 87 months in charterer's option
Hire rate:	Gross daily hire to be calculated basis the average of the Baltic Panamax Time Charter Routes published by the Baltic Exchange over the previous month of BPI 74K 4TC plus 20%, with 3.75% address commission Minimum daily hire rate of US\$11,500 in case market falls below, with 3.75% address commission Ceiling hire of US\$14,500 per day in case market rises above, with profit sharing with Lessor and Lessee equally in case average market rate rises above US\$14,500, with 3.75% address commission
Payment terms:	15 days in advance
Total minimum hire payment under the Charterparty:	Approximately US\$24.6 million (based on minimum hire period and minimum hire rate, net of address commission)

THE RIGHT-OF-USE ASSET

The unaudited value of the right-of-use asset to be recognized by the Company under the terms of the Charterparty amounts to approximately US\$24.6 million, which is the present value of total minimum hire payment at the inception of the lease terms of the Charterparty in accordance with IFRS 16 and HKFRS 16 Leases. A discount rate of approximately 4.3% has been applied to compute the present value of total minimum hire payment at the inception of the lease terms of the Charterparty. The hire payments will be settled from the internal resources of the Group. The final amount of the right-of-use asset to be recorded by the Group will be subject to audit.

INFORMATION ON THE GROUP, THE LESSEE AND THE LESSOR

The Group

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

Lessee

The Lessee is a ship chartering company and a wholly-owned subsidiary of the Company as at date of this announcement.

Lessor

The Lessor, THC International S.A., is a company incorporated in the Republic of Panama and its principal activities are shipowners and operator.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Lessor 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.

GUARANTEE BY THE COMPANY

The Company agrees to provide guarantee to the Lessor to the sums payable and liabilities under the Charterparty.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CHARTERPARTY

The Directors continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate.

The terms and conditions of the Charterparty has been agreed on commercial terms following arm's length negotiations with reference to the prevailing market conditions and expectations of market outlook. The Directors consider that the lease of a Panamax newbuilding represents an opportunity for the Group to increase the carrying capacity with a modern ship via means other than outright acquisition of vessels, improving the fleet profile of the Group with minimal immediate capital expenditure.

Despite the recent improvement in shipping market, we continue to seek to fine tune the quality of our fleet, in particularly in terms of seeking to lower the overall age profile of our fleet. We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal, acquisition or charter-in of vessels and will make such decisions on an ad hoc basis to maintain a high financial flexibility and operational competitiveness.

The Directors consider that the terms and conditions of the Charterparty were concluded based on arm's length negotiations under normal commercial terms, the Directors consider such terms and conditions are fair and reasonable and believe that the lease of the Vessel is in the interests of the Company and its shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors;
“BPI 74K 4TC”	Baltic Exchange Panamax 74 Time Charter Average (4TC);
“Charterparty”	the charterparty dated 20 May 2022 entered into between the Lessor and the Lessee in respect of the leasing of the Vessel;
“Company”	Jinhui Shipping and Transportation Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board;
“Lessee”	Goldbeam Shipping Inc., a wholly-owned subsidiary of the Company;
“Lessor”	THC International S.A., a company incorporated in the Republic of Panama;
“Panamax”	vessel of deadweight approximately between 70,000 metric tons to 90,000 metric tons; and

“Vessel”

a Panamax of deadweight approximately 84,000 metric tons bulk carrier which will be named as M.V. “TAHO CIRCULAR” and registered in the Republic of Liberia.

By Order of the Board

Ng Kam Wah Thomas

Managing Director

20 May 2022